



Financial Assistance Award

DENALI COMMISSION
 510 "L" Street, Suite 410
 Anchorage, Alaska 99501
 (907) 271-1414 (phone)
 (907) 271-1415 (fax)
 www.denali.gov

Award Number	328-07
Award Title	Emmonak Washeteria Construction
Performance Period	January 1, 2007 – December 30, 2009
Authorizing Resolution	04-03
Recipient Organization & Address	
Alaska Department of Environmental Conservation 410 Willoughby, Suite 303 MS 1800 Juneau, AK 99801-1795 Phone: (907) 465-5289 Fax: (907) 465-5097	
Recipient DUNS #	80-938-6857
TIN #	92-6001185

Authority
112 Stat 1854

CFDA Number
90.100

Denali Commission Finance Officer Certification

JRP

Cost Share Distribution Table

Accounting Code	Denali Commission	Other Contributors	Total
95670000	\$780,000		\$780,000
		\$0	\$0
Total	\$780,000	\$0	\$780,000

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in duplicate and constitutes an obligation of federal funding. By signing the documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, a signed Award document shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the other document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- Special Award Conditions and Attachments: 2007 MOU between the Denali Commission and Alaska Department of Environmental Conservation (A-DEC); attached
- Line Item Budget
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
 (<http://www.whitehouse.gov/omb/circulars/a133/a133.html>)

Administrative Requirements (check one)

- OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments
 (<http://www.whitehouse.gov/omb/circulars/a102/a102.html>)
- 2 CFR Part 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations (OMB Circular A-110)
 (http://www.access.gpo.gov/nara/cfr/waisidx_05/2cfr215_05.html)

Cost Principles (check one)

- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments
 (www.whitehouse.gov/omb/circulars/a087/a087-all.html)
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
 (www.whitehouse.gov/omb/circulars/a122/a122.html)
- OMB Circular A-21, Cost Principles for Educational Institutions
 (<http://www.whitehouse.gov/omb/circulars/a021/a021.html>)
- 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission

George J. Canelos

Typed Name and Title

George J. Canelos, Federal Co-Chair

Date

9/21/07

Signature of Authorized Official - Alaska Department of Environmental Conservation

Larry L. Hartig

Typed Name and Title

Larry L. Hartig, Commissioner

Date

9/21/07

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL Larry L. Hartig 		TITLE Commissioner
APPLICANT ORGANIZATION Alaska Department of Environmental Conservation Award 328-07		DATE SUBMITTED 9/21/07

ASSURANCES - CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

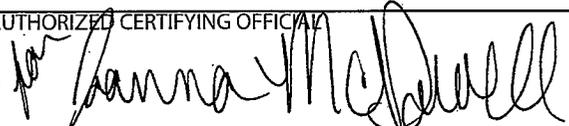
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET.
SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327- 333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		TITLE
Larry L. Hartig		Commissioner
APPLICANT ORGANIZATION		DATE SUBMITTED
Alaska Department of Environmental Conservation	Award 328-07	9/21/07

***Award Conditions to the Financial Assistance Award
Between the Denali Commission and Alaska Department of Environmental
Conservation (A-DEC)
For Washeteria Repairs in Emmonak
Award No. 328-07
September 2007***

1. Scope of Work

The Denali Commission (Commission) is providing A-DEC, Village Safe Water (VSW) with a total of \$780,000 in funding for repairing the Emmonak washeteria.

This washeteria (Award 0079 for FY 02) has several design and construction deficiencies that need to be corrected before the building can be code compliant and operational. VSW has provided the Commission with documentation of such costs and documentation has been placed in the project files. VSW has provided the Commission with documentation that the proposed new sauna in the washeteria will meet the requirements of the fire code, and has also provided documentation from the City of Emmonak regarding the City's commitment to operating and maintaining the new washeteria. Both of these documents have been placed in the project file.

Upon acceptance of the conditions of this award, A-DEC will prepare a cooperative project agreement with the City of Emmonak (City). Under this cooperative project agreement, Commission funding will be made available for the scope of work stated herein with A-DEC as the Grantor and the agent for the Grantee. As the agent of the Grantee, A-DEC will be responsible, with sole authority and discretion, for all matters related to the work. VSW of A-DEC will manage the project under its program's policies and procedures. VSW shall serve as the Commission's project manager in all aspects of the award. No portion of the funding provided under this award shall be managed by or distributed to the City of Emmonak.

Funds for the project shall be distributed as follows:

Project Funding	VSW Engineering, Management & Travel (EMT) (10% of project funding)	Indirect	Total Commission Project Funding
\$693,225	\$69,712	\$17,063	\$780,000

All Commission funding is intended for use for the scope of work identified in the Award document only. Any balance of funds remaining after the full scope of work has been completed will be returned to the Denali Commission.

2. Milestones

The following milestones are identified as the major steps to be completed as part of the project. "Planned" dates for the first milestone are included here. As part of each progress report, recipients shall update the progress toward meeting these milestones (see section 7, Reporting).

Milestone	Planned		Actual		Units	Total Cost At Completion
	Start Date	End Date	Start Date	End Date		
Design	01/01/07	03/01/08			0	\$0.00
Construction	09/24/07	05/31/09			0	\$0.00
Project Close-out	06/01/09	08/31/09			0	\$0.00

3. Award Performance Period

The Award performance period is January 1, 2007 through December 30, 2009. This is the period during which Award recipients can incur obligations or costs against this Award.

4. Direct and Indirect Costs

The cost principles of OMB A-87 are applicable to this Award. Direct and indirect costs are allowable as identified in the attached MOU between the Commission and A-DEC. Please refer to the cost principles regulations for specific details on other allowable charged under this award.

5. Budget and Program Revisions

The Administrative Circular OMB A-102 applies to this Award. The Administrative Circular requires that A-DEC will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

6. Payments

Payments under this Award will be made through the U.S. Department of Treasury's Automated Standard Application for Payment (ASAP) system. The ASAP system is the Commission's mechanism for requesting and delivering Federal funds to Award recipients. The recipient must be registered with the ASAP program in order to make draw downs. Please contact the Commission's Finance Manager at (907)-271-1414 for further information about registering with the ASAP program. Payments shall be made in accordance with OMB A-102. No interest will be accrued on these funds.

7. Reporting

Three forms of project reporting are required under this Award, listed below. A-DEC shall submit reports using the Denali Commission's on-line Project Database System, available at www.denali.gov. If there are technical limitations which may prevent the recipient from meeting this requirement, please contact the Program Manager listed in this agreement.

- a. **Progress Reports** shall be submitted on a quarterly basis. The first reporting period is January 1, 2007 – September 30, 2007, and every quarter thereafter. Reports are due within 30 days of the end of the reporting period. Progress reports shall include the following:
 - i. Total project funding, including both Denali Commission funding and other project funding sources.
 - ii. The total project expenditures for the project as of the end of the reporting period, including both Denali Commission and Other funding sources.
 - iii. Updated schedule and milestone information as identified in the Scope of Work
 - iv. Narrative summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems.
 - v. Photographic documentation of project progress shall be provided with the progress reports for active construction projects. The photo documentation shall include a minimum of three, dated photos per reporting period such that a complete record of the construction is maintained over time, from "before," showing the situation before the start of construction, to "during" showing work proceeding on the project, and "after" to show the finished project. Photos shall be provided in a digital format as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.

- b. **Standard Form 269A Financial Status Report – Short Form (SF269A)** shall be submitted on a quarterly basis via fax, e-mail or mail. As with the Progress Reports, the SF269A is due within 30 days of the end of the quarter and a final SF269A is due within 90 days of the end of the Award Performance Period. Please note the following:
 - i. This report cannot yet be submitted through the Denali Commission On-line Project Database and therefore must be submitted via fax, e-mail or mail.
 - ii. This form is available on the Internet at <http://www.whitehouse.gov/omb/grants/sf269a.pdf>. A link to this site is also available on the Commission's website, www.denali.gov, under the "Finance" section. A Guide to Completing the SF269A can also be found on the Denali Commission's website under the "Finance" section.

- iii. The SF269A may be filled out electronically using the above link. However, the completed SF269A must be printed and signed, and then the completed SF269A must be submitted to the Denali Commission via mail, fax or as a PDF attachment to an e-mail to finance@denali.gov.
 - iv. If you have multiple projects under a single Financial Assistance Award, the SF269A is required ONLY for the award as a whole, not for the individual projects.
- c. **Federal Single Audits** shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] "Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part [subpart 205]. The determination of when an award is expended should be based on when the activity related to the award occurs."

Recipients shall also submit single audits to the Federal Clearinghouse as designated by OMB. Information can be found on the following web-site:
<http://harvester.census.gov/sac/>

8. Project/Award Close-Out

The project close-out report shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The project close-out report shall be submitted on-line through the Denali Commission's on-line Project Database System, available at www.denali.gov. The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 7(a) "Progress Reports"
- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- c. Acknowledgement of support: For all construction projects, the Award recipient shall display a sign that acknowledges the Government's support for the project(s) developed under this Award. The Commission will provide an appropriate sign. The Award recipient must request an indoor and/or an outdoor sign from the Commission office. Pickup or delivery of the sign can be arranged at that time.

9. Public Policy Laws and Assurances

Award Recipients are required to comply with the public policy laws and assurances on Standard Forms SF 424b (non-construction projects) or SF 424d (construction projects).

This form must also be signed by a certifying official of the organization. Some of the laws are highlighted below for your reference.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds.

10. Non-Compliance with Award Conditions

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

11. Program Manager, Financial Manager & Other Contact Information

Denali Commission	A-DEC
Tessa L. D. Rinner, MPA Director of Programs 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-1624 Fax: 907-271-1415 E-mail: trinner@denali.gov	Greg Magee VSW Program Manager 555 Cordova St., 4 th Floor Anchorage, AK 99501 Phone: 907-269-7613 Fax: 907-269-7509 Email: gregory.magee@alaska.gov
Betty Sorensen Grants Administrator 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3415 Fax: 907-271-1415 E-mail: bsorensen@denali.gov	Joanna McDowell Financial Services Manager 410 Willoughby Ave. Suite 303 Juneau, AK 99801-1795 Phone: 907-465-5289 Fax: 907-465-5097 Email: joanna.mcdowell@alaska.gov

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DENALI COMMISSION
AND
STATE OF ALASKA - DEPARTMENT OF ENVIRONMENTAL CONSERVATION
FOR
WASHETERIA PROGRAM**

June 2007

I. PURPOSE:

This Memorandum of Understanding (MOU) is made between the Denali Commission (DC) and the State of Alaska, Department of Environmental Conservation (DEC) for administering DC grant funding under the DC Washeteria Program. The funding provides design and construction of new washeterias, renovating existing washeterias, and replacing washeteria equipment in rural Alaska.

The purpose of this MOU is to facilitate washeteria improvements funded by DC grant awards to the State of Alaska that will be administered by DEC through its designee, the Village Safe Water (VSW) Program. This MOU formalizes the relationships (roles and responsibilities) and processes between the organizations named above with regard to projects under the DC Washeteria Program. In addition, this MOU further identifies fees and expenses to be reimbursed by the DC to DEC for services rendered in administering these awards.

II. AGREEMENT:

A. PROGRAM AGREEMENT DOCUMENTATION:

As needed, the DC and the DEC may execute a Financial Assistance Award (FAA) to facilitate a project under the Washeteria Program. The FAA may be subsequently amended: to change the amount of funds provided under the original FAA, alter the scope, or modify the performance period. Reporting requirements will also be designated in the FAA.

B. DEC ROLES AND RESPONSIBILITIES:

1. DEC will act as the DC's fiduciary agent for those Financial Assistance Awards provided to DEC to administer.
2. DEC will provide project management services.
3. DEC will procure engineering and construction management services to implement the project defined in the individual Financial Assistance Awards.
4. DEC will prepare a VSW Grant Agreement with funding conditions for each project that is compliant with the FAA.

5. DEC will review project scopes of work and terms and conditions set forth in Financial Assistance Awards and immediately notify the DC if a project cannot be accomplished based upon funding, site conditions or other factors.
6. DEC will ensure the timely submission of quarterly web-based progress, labor and audit reports. It will also submit quarterly 269 Financial Status Reports on each project.
7. DEC is encouraged to participate on key DC committees and workgroups to assist in furthering interagency cooperation regarding related infrastructure programs.

C. DC ROLES AND RESPONSIBILITIES:

1. The DC's Director of Programs will serve as the Washeteria Program Manager to serve as a point of contact for DEC.
2. DC will prepare a Financial Assistance Award for each project.
3. DC will provide current relevant policies to DEC for incorporation by reference in the Grant Agreements.
4. DC is responsible for approving the environmental reviews and recommendations, prepared by DEC in compliance with National Environmental Policy Act (NEPA) and National Historical Preservation Act (NHPA). The DC will provide a file-copy of the approval documentation to DEC staff.

D. PROJECT PROCESS:

1. Once a qualified project is brought to the DC and the Washeteria Program Manager approves the project for funding, the DC will describe the project scope, budget, and funding source contributions in a FAA document.
2. Upon acceptance of the FAA document provisions, DEC will prepare a Grant Agreement. After the agreement is signed, DEC will begin managing the project, including the procurement of engineering design and construction management services and other related professional services.

E. PROJECT COST ESTIMATE OR BUDGET:

1. Consistent with the DC's mission to increase the efficiency of delivery of Government services and to maximize the percentage of Federal funds directly invested in projects, DEC will seek to minimize project costs through best professional practices.

2. The DC will reimburse DEC for fees and expenses incurred by DEC for services provided by DEC under this Agreement. Estimated fees and expenses associated with these services are listed in Table 1 below.

Table 1. Estimated Fees & Expenses for Services to be provided by DEC under this Agreement

Reimbursable Services	Personal Services (Engineering and Management), Travel and Indirect	<ul style="list-style-type: none">• Direct (including travel expenses): 10% of Total Design and Construction Estimate• Indirect: 25.0% of Direct.
-----------------------	---	--

Note: Personal services costs include employee compensation as well as all associated employer expenses (taxes, benefits, etc.).

F. ALLOWABLE COSTS AND UNIFORM ADMINISTRATIVE REQUIREMENTS

Federal awards from the DC will be administered in accordance with applicable OMB Circulars, including Uniform Administrative Requirements for Federal Grants, Cost Principles for Federal Grants, and the following:

1. Program costs, including personal services and fringe benefit charges for employees in the program administration of projects, that are not directly assignable to an individual project are allocated based on employee work hours by project.
2. Purchases of heavy construction equipment require pre-approval in writing from the DC. All heavy equipment purchases must be supported by a rent-versus-purchase analysis on file at DEC supporting the purchase of equipment as the most appropriate and cost effective mechanism to fulfill project needs and include a plan for disposal of equipment.
3. Costs incurred within 180 days of the start date of an award are allowable costs to the extent that they would have been allowable if incurred after the effective date of the award. Pre-award costs incurred more than 180 days prior to the effective date of an award are allowable only with the written approval of the DC.
4. Program income earned during the project period shall be added to funds committed to the project, and used to further eligible project or program objectives. If funds remain after completion of the project, the FAA will be reduced. The DC will determine if the returned funds can be used to fund other projects needs.
5. If any federal statute or specific grant agreement condition prescribes policies or specific requirements that differ from the terms of this MOU, the provisions of the applicable statute or condition shall govern.

G. COST OVERRUNS, PROJECT DELAYS, AND/OR PROJECT SCOPE ADJUSTMENTS:

DEC will inform the DC at the earliest possible date of any unanticipated project cost overrun, changes in program management level of effort, project schedule delays, changes in the project scope, or changed site conditions. This will allow both DEC and the DC to cooperatively resolve the problem. Any scope, budget and schedule adjustments shall be made by mutual agreement and documented in a written amendment or addenda to the Financial Assistance Award document.

H. WARRANTY AND BENEFICIAL USE:

1. DEC shall manage a warranty program covering all project work for one year after user occupancy of the facility.
2. Funds to provide warranty service will be included in the construction cost estimate and disbursed [for force account projects] only for repairs validated by the project engineer as qualifying for warranty service. A warranty clause shall be included in all competitive bid projects and will be covered as part of the price of the contract.
3. Each construction project will contain a 1-year warranty period. During this time, the project will remain active in the reports database of both organizations.
4. Determination of unexpended funds is made at the end of the warranty period and shall be returned to the DC and successful award applicant on a *pro-rata* basis.

I. REPORTING:

Project reporting is limited to quarterly 269A Financial Status Reports and on-line reports, annual labor reports, and the annual submission of summary documents attesting to DEC compliance with the Single Audit Act, as further defined in individual Financial Assistance Awards.

III. DURATION OF AGREEMENT:

This Agreement shall continue in force until such time that DEC or the DC provides written notice of termination - one hundred and twenty days (120) in advance of termination date.

IV. OTHER PROVISIONS:

Nothing herein is intended to conflict with existing legal requirements or the basic mission of all the parties. If the terms of this Agreement are inconsistent with basic mission of any of the parties entering into this Agreement, then those portions of this

**Memorandum of Understanding
Denali Commission and DEC – Washeteria Program**

Page 5

Agreement which are determined to be inconsistent shall be invalid; but the remaining terms and conditions not affected by the inconsistency shall remain in full force and effect. Changes will be accomplished by either an Amendment to this Agreement or by entering into a new Agreement; whichever is deemed expedient to the interest of all parties.

Should disagreement arise on the interpretation of the provisions of this MOU, or as amended, that cannot be resolved; the area(s) of disagreement shall be stated in writing by each party and presented to the other party for consideration. If agreement on interpretation is not reached within thirty days from exchange of the written interpretation(s), the parties shall then move forward to mediation and arbitration with a neutral third party.

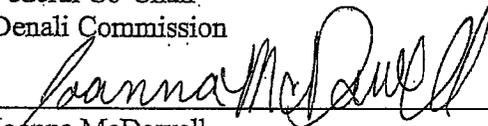
V. SIGNATURES:

IN THE WITNESS WHEREOF, the parties have subscribed their names,

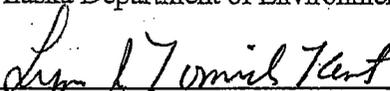
June 11, 2007
Date


George J. Canelos
Federal Co-Chair
Denali Commission

6/21/2007
Date


Joanna McDowell
Financial Services Manager, DIAS
Alaska Department of Environmental Conservation

6/20/07
Date


Lynn J. Tornich Kent, Director
Division of Water
Alaska Department of Environmental Conservation

**FY07 Certification Regarding Drug-Free Workplace Requirements
State and State Agencies.**

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988, 34 CFR Part 85, Subpart F. The regulations, published in the May 25, 1990 Federal Register, require certification by grantees, prior to award, that they will maintain a drug-free workplace. Section 85.630(c) of the regulations provide that a grantee that is a State may elect to make one certification in each Federal fiscal year. The certificate set out below is a material representation of fact upon which reliance will be placed when the agency determines to award the grant. False certification of violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government-wide suspension or debarment (see 34 CFR Part 85; Sections 85.615 and 85.620).

A. The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an on-going drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Director, Grants Policy and Oversight Staff, U.S. Department of Education, 400 Maryland Avenue, S.W. (Room 3652, GSA Regional Office Building No. 3), Washington, DC 20202-4248. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

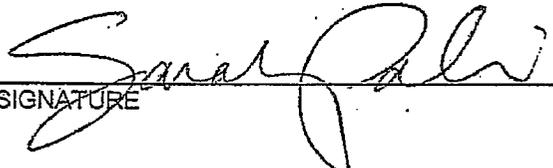
B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Check if there are workplaces on file that are not identified here.

ORGANIZATION NAME: State of Alaska

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE: Sarah Palin, Governor


SIGNATURE

10/29/06
DATE