



Financial Assistance Award

DENALI COMMISSION
 510 "L" Street, Suite 410
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 www.denali.gov

Project Number 0097-DC-2003-I11

Project Title RUS Assistance to Rural Communities with Extremely High Energy Costs

Performance Period June 1, 2003 - December 31, 2005

Recipient Name & Address
 State of Alaska
 Alaska Energy Authority
 813 W. Northern Lights
 Anchorage, AK 99503

Authority
 112 Stat 1854

CFDA Number
 90.100

Denali Commission Finance Officer Certification

CEE

Phone: (907) 269-3000
 Fax: (907) 269-3044

Cost Share Distribution Table

Accounting Code	Denali Commission	Other Contributors	Total
95670000 RUS funds	\$ 10,651,719	\$0	\$10,651,719
			\$0
			\$0
			\$0
Total	\$10,651,719	\$0	\$10,651,719

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third 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
- Line Item Budget
- OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments (www.whitehouse.gov/OMB/circulars/a133/a133.html)

Administrative Requirements (check one)

- 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments (www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html)
- 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations (www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html)

Cost Principles (check one)

- OMB Circular A-87, Cost Principles for State and Local Governments 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 (www.whitehouse.gov/OMB/circulars/a021/a021.html)
- 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission

Typed Name and Title
 Jeffrey B. Staser, Federal Co-Chair

Date
 July 10, '03

Signature of Authorized Official

Typed Name and Title
 Ronald W. Miller
 Executive Director

Date
 7-17-03

Award Conditions to the Financial Assistance Award
Between The Denali Commission and Alaska Energy Authority
For RUS Assistance to Rural Communities with Extremely High Energy Costs
Project No. 0097-DC-2003-111 June 2003

VILLAGE	FUNDING (\$)
Arctic Village	\$ 780,000
Stevens Village	\$ 624,000
Buckland	\$ 2,121,600
Nelson Lagoon	\$ 2,288,000
Koyukuk	\$ 1,724,000
Akiachak	\$ 2,123,431
Takotna	\$ 990,688
Total RUS \$	\$ 10,651,719

PROJECT LIST
JUNE 2003

**Award Conditions to the Financial Assistance Award
Between The Denali Commission and Alaska Energy Authority
For RUS Assistance to Rural Communities with Extremely High Energy Costs
Project No. 0097-DC-2003-I11 June 2003**

1. Scope of Work

The scope of work under this Financial Assistance Award is to acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities, including fuel storage and distribution systems, serving rural communities with extremely high energy costs in which the average residential expenditure for home energy is at least 275% of the national average residential expenditure for home energy. This funding is provided for the design and construction of the specific projects listed on the attached "Approved Project List." Any surplus of funds on one or more of the projects funded under this Agreement may be used on other projects identified under this Agreement that may be experiencing a project shortfall. However, these funds are not otherwise fungible, and may not be used to fund projects not shown on this award, nor may the funds be interchanged with other financial assistance awards you may have with the Denali Commission.

There are many issues such as facility location and site control, project ownership, construction costs, and compliance with Denali Commission energy project policies and sustainability criteria that require resolution prior to proceeding with construction. If project issues cannot be resolved in a reasonable time frame, the Commission expects AEA to move down the priority list to recommend eligible replacement projects that are ready to proceed to construction. It is expected that the Commission and AEA Project Officers will meet regularly to review the progress of projects and collaboratively determine if reasonable progress is being made and what steps should be taken, if any, to deal with new developments encountered in the design and construction process.

All Commission funding is intended for use for the scope of work identified in the Award document only.

2. Award Performance Period

The Award performance period is June 1, 2003 through December 31, 2005. This is the period during which Award recipients can record costs against this Award, except for the projects in Arctic Village, Stevens Village and Buckland costs accrued since February 20, 2003 may be recorded against this Award.

3. Direct and Indirect Costs

The cost principles of OMB Circular A-87 are applicable to this award. The direct costs of AEA personnel time devoted to and identified on their timesheets for the performance of the award, i.e. plan and construct the projects under section 1 of this award, are allowable. In addition, up to 4% of the total costs under this award are allowable for the direct cost of AEA personnel time devoted to and identified on their timesheets for administration of the award. These costs are included in the amount designated for each project on the attached "Approved Project List." AEA direct personnel costs for grant

administration exceeding the 4% limit plus indirect costs may be considered a contribution to the project.

4. Budget and Program Revisions

Budget and program revisions to Commission funding shall be in accordance with 15CFR24.30. Shifting of funding between project line items by AEA is allowed provided there is no increase in the total funding provided by the Commission. The Commission Project Officer is to be notified on all revisions to the "Approved Project List" as part of the quarterly report under section 5.a. of this award.

Written request by letter from the AEA Project Officer to the Commission Project Officer for concurrence is necessary for budget and program revisions where projects are added or deleted or that would result in the need for additional Commission funds.

5. Reporting

Four forms of project reporting are required under this Award, listed below. The first quarterly reporting period is September 30, 2003. Unless otherwise indicated, reports are due within 30 days of the end of the reporting period.

Project reports shall be submitted electronically for posting on the Commission web page.

AEA shall submit to the Commission quarterly progress reports of obligations, expenditures, and remaining funds, and a brief summary of activities financed using the Grant Funds, the communities served, and project schedules. A financial status report, Standard Form 269, shall be submitted quarterly and will include a certification that the Grant Funds have been used for authorized purposes and in full compliance with Federal law and regulations. At the request of the Commission, the Grantee will submit any additional financial forms or statements required.

- a. Quarterly project reporting shall include both a narrative and financial summary. The narrative summary shall include a 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. The project financial status report shall show the following:
 - i. The total current project budget ,
 - ii. The current project schedule with milestone dates for design and construction,
 - iii. The total project funds committed from this Award and other funding source commitments, identified by source,
 - iv. The total project expenditures as of the end of the most recent quarter,

- v. The total expenditure of Denali Commission funds from this Award for the project as of the end of the most recent quarter, and
 - vi. The percentage of expenditures to the total budget.
- b. A final Financial Status Report (Standard Form 269 – www.whitehouse.gov/OMB/grants/index.html#forms) shall be submitted to the Commission Project Officer within 90 days after the end of the Award Performance Period. If the Award Performance Period is longer than one year, or if the Agreement is revised to extend the Award Performance Period beyond one year, the recipient must submit a completed Standard Form 269 annually within 90 days after the end of each anniversary of the award date.
- c. A Labor Type, Residence, and Wage Report shall be submitted to the Commission project officer annually. This report must be submitted by December 1st each year. A Labor Type, Residence, and Wage Report must include the following information by construction project for any person employed on the construction of that project: position, place of primary residence, first check date, last check date, rate of pay per hour, payroll earnings from inception of project to date. Personal or confidential information such as Social Security numbers, names of individuals, or other information that would identify an individual should not be included in this report.
- d. Photographic documentation of project progress shall be provided with the quarterly reports for active construction projects. The photo documentation shall include two to five dated photos per quarter of active work, 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. For minor repair and O&M projects, pictures should be provided of before and after to the extent possible. Photos may be loaded into the database at any time (i.e., you need not wait for a quarterly reporting period). A short description of the activity and names of those in the photos shall also be provided.

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. Your organization must be registered with the ASAP program in order to make draw downs. Please contact the Commission’s Project Manager or Finance Manager for further information about registering with the ASAP program. Payments will be made in accordance with 15 CFR 24.21.

7. Award Close Out

- a. The Award close out must be completed within 90 days of the end of the Award performance period or within 90 days of the fiscal completion of all projects included this award, whichever is earlier. Each finished project must have close out reports completed within 90 days of fiscal completion. The project close out process includes the submission of both a final narrative report and financial status report. Recipient organizations must also request any remaining funds for expenditures under this award during the 90-day period for award close out. Please refer to the Commission guidance for project close out for additional details on the requirements. This is available by contacting the Commission office or the Project Manager.
- b. Acknowledgement of support: For all construction projects, the Award recipient shall include an acknowledgement of the Government's support for the project(s) completed under this Award. The Award recipient shall display a sign that:
 - i. Has the Denali Commission logo displayed on the upper right-hand quadrant;
 - ii. States the following: "This project was financed by the Denali Commission and its partners (*list the name of the funding partners*)";
 - iii. Shows the logo of each partner in the lower right-hand quadrant.

The cost of this sign may be paid from this Award. Final approval of signage material and placement of sign must be obtained from the Commission Project Manager.

8. 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.

9. Project Officers & Contact Information

Denali Commission	Alaska Energy Authority
Ms. Kathleen Prentki 510 "L" Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1414 Fax – (907) 271-1415 e-mail: kprentki@denali.gov	Chris Mello 813 West Northern Lights Blvd Anchorage, AK 99503 (907) 269-4649 (907) 269-3044 cmello@aidea.org
Ms. Michelle O'Leary 510 "L" Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1767 Fax – (907) 271-1415 e-mail: moleary@denali.gov	Ms. Amy McCollum 813 W. Northern Lights Blvd. Anchorage, AK 99503 Voice – (907) 269-4629 Fax – (907) 269-3044 e-mail: amccollum@aidea.org