



December 2, 2014

Mayor Rebecca Demientieff
City of Holy Cross
PO Box 227
Holy Cross, AK 99602

Subject: Holy Cross Business Plan

Dear Mayor Rebecca Demientieff,

Alaska Village Electric Cooperative (AVEC) obtained a small grant from the Denali Commission to develop a business plan for a future community bulk fuel project in Holy Cross. The primary objective of a business plan is to establish an operating plan that will allow the facilitator to operate the fuel storage project for its full design life in a safe and reliable manner and to provide the facilitator flexibility in financing expansions, replacements or improvements. Other features include identification of the participants in the project and their responsibilities, information regarding the project and how it meets the needs of the community, qualifications of the facilitator for operating the project and various agreements required between or among the project participants.

The business plan is a necessary first step to requesting construction funding. Funding agencies will not support a project without having clear lines of responsibility identified and agreements in place before moving to the next phase. Over the past couple of years AVEC has contacted several people to obtain basic information necessary for the business plan and has received no definitive responses. We accept the absence of responses as the decision by Holy Cross to not currently support a fuel storage project.

We will notify the Denali Commission that we were unsuccessful in advancing a Business Plan and that the remaining grant funds awarded for this project will be returned to the Commission for other projects.

Sincerely,

Meera Kohler
President and CEO

Cc: Chuck Akers, Deloycheet, Inc.
Joe Frank, Deloycheet, Inc.
Rebecca Demientieff, Holy Cross Oil, Inc.