



**Business Operating Plan of the
Igiugig Electric Company
Electric Utility Upgrade Project**

JUNE 28, 2010

**Igiugig Electric Utility
Igiugig Tribal Village Council**
P.O. Box 4008
Igiugig, AK 99613
Phone: (907) 533-3211
Fax: (907) 533-3217

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APPENDIX A: PRIMARY OPERATOR STATEMENT OF QUALIFICATION

APPENDIX B: O&M AND R&R COST ESTIMATE

ADDITIONAL RELATED AND ATTACHED DOCUMENTS

1. SECONDARY OPERATOR AGREEMENT
2. SITE CONTROL DOCUMENTS
3. SAMPLE GRANT AGREEMENT
4. R&R ACCOUNT INFORMATION

SEE BACK
COVER FOR
CD VERSION
OF THIS
PLAN.

I. EXECUTIVE SUMMARY

This Business Operating Plan (the “Plan”) provides a guideline for the Igiugig Tribal Village Council dba Igiugig Electric Company’s (the “Utility”) maintenance, operation and sustainability of the Utility’s Upgrades (the “Facility”). The Utility will own and operate the Facility.

The Igiugig Tribal Village Council, operating as the Igiugig Electric Company, will be responsible to operate and sustain the newly installed Facility and associated electric power generation equipment. This Plan has been developed to assist the Igiugig Tribal Village Council dba Igiugig Electric Company with that effort and estimates the minimum resources required to sustain the Facility; however, this Plan does not include discretionary expenses that may be incurred by the Primary Operator, which are not required for the primary function of electric power generation and distribution. For the new Facility, the Plan includes minimum estimates of operation and maintenance needs and costs, renewal and replacement needs and costs, a per kilowatt hour (kWh) surcharge for residential and commercial users and total electrical costs. For the Facility, *Table A: 40 Year Estimated Utility Net Income and Cashflow* includes projections of utility revenues and expenses with resulting annual net income and cashflow as well as the estimated retail price per kilowatt hour.

The Rural Power System Upgrade Program will construct a new Electric Power Generation Facility in Igiugig. The Igiugig Facility will consist of three diesel engine generators, automated switchgear, fuel handling and a step-up transformer bank.

The Facility will be turned over to the Primary Operator after the satisfactory completion, as determined by the AEA or its representative, of a 14-day test period. After this test period, the AEA will provide written notice (Certificate of Substantial Completion) stating that the Facility is ready for Beneficial Occupancy. Upon receipt of this Certificate, the Igiugig Tribal Village Council dba Igiugig Electric Company will become the Primary Operator and will assume responsibility for the use, day-to-day operations and long-term maintenance of all Facility components, except those noted elsewhere in the plan. When the project has been completed (the Facility is complete, crews have demobilized, invoices have been paid and there are no outstanding issues), the AEA will issue, through its Grants Manager, a Notice of Project Completion.

Document Interrelationships

Attached to this Plan are:

- Secondary Operator Agreement
- Site Control Documents
- Sample Grant Agreement
- R&R Account Information

The Secondary Operator Agreement references the Plan, and includes language requiring the Plan be followed. Acceptance of the Plan by execution of the Secondary Operator Agreement is pre-requisite to funding from the Denali Commission (the “Commission”).

II. BACKGROUND

The Denali Commission was established by the Federal Government to fund improvement projects within the State of Alaska, including the Rural Power System Upgrade Program. The Alaska Energy Authority is a state-owned corporation that assists in the development of safe, reliable and environmentally sound energy systems for Alaska's communities. AEA will coordinate the planning, construction and funding of the Igiugig Electric Company Electric Utility Upgrade Project, which is to be partially funded by the Commission.

The village of Igiugig is located on the south shore of the Kvichak River, which flows from Iliamna Lake on the Alaska Peninsula, and is 50 miles northeast of King Salmon and 48 miles southwest of Iliamna. Transportation to the village is by air or water and, currently, Igiugig has a 3,000-foot gravel runway owned and maintained by the State of Alaska, Department of Transportation and Public Facilities. A small public dock is available and barges deliver goods from Naknek or Dillingham in the fall.

The Igiugig economy is typical of other regional villages and is primarily focused on salmon fishing and subsistence activities. Of the 20 houses, 16 are occupied and 4 are used only seasonally. Water is derived from the Kvichak River as community wells have proven to provide inadequate water supplies and only slightly more than half of the homes were connected to a piped water and sewer system in 1995. The school operates its own water system. A community washeteria is also available.

The Council operates all local utilities including water, sewer, landfill, electric and bulk fuel facilities. In addition, the Council owns and operates the washeteria and owns the health clinic, while BBAHC handles clinic operations. The Council operates all of its utilities and businesses as enterprise activities.

Selected demographic and historical data for the community is provided below:

Selected Statistics – Igiugig

Population	
2008 (Estimated, not certified)	40
2000	53
1990	33
1980	33
1970	36
1960	36
1950	0
Housing (2000 Data)	
Occupied Housing	16
Vacant Housing Due to Seasonal Use	4
Economic Data (1990 Data)	
Unemployment Rate	0%
Median Household Income	\$41,250

III. FACILITY UPGRADE

The Rural Power System Upgrade Program will construct a new Electric Power Generation Facility in Igiugig that will renovate the existing power plant structure and consist of three diesel engine generators, automated switchgear, engine coolant system, heat recovery equipment, fire suppression system, automatic fill day tank system with used oil blending, ventilation, lighting and new electrical station service.

Electric Utility Upgrade Description

The AEA contracted with Alaska Energy and Engineering, Inc., (AE&E), to develop a CDR for the Electric Power Upgrade Project, which was submitted to the AEA in February 2009. This Plan is based upon the information contained in the CDR.

The Igiugig Electric Company Electric Power Generation Facility is located within Tract G, Lot H-2, Igiugig Community Facilities Subdivision on land vested in the State of Alaska and held in trust by the Municipal Land Trust Program (MLT) for a future City of Igiugig. The Igiugig Village Council has a long term lease from the MLT for the power plant site.

Project Exclusions

Neither the AEA nor the Commission will take responsibility for the following, which are not a part of this project:

- Off-site fuel storage
- Abandonment or decommissioning of existing facilities
- Environmental cleanup

The AEA and the Commission will not provide any guarantees, warranties or ongoing support, other than that which is defined in the Plan. However, manufacturer warranties will be transferred at the time of project turnover (defined in *Section IV. Primary Operator*).

Electric Power Generation Facility Capacity

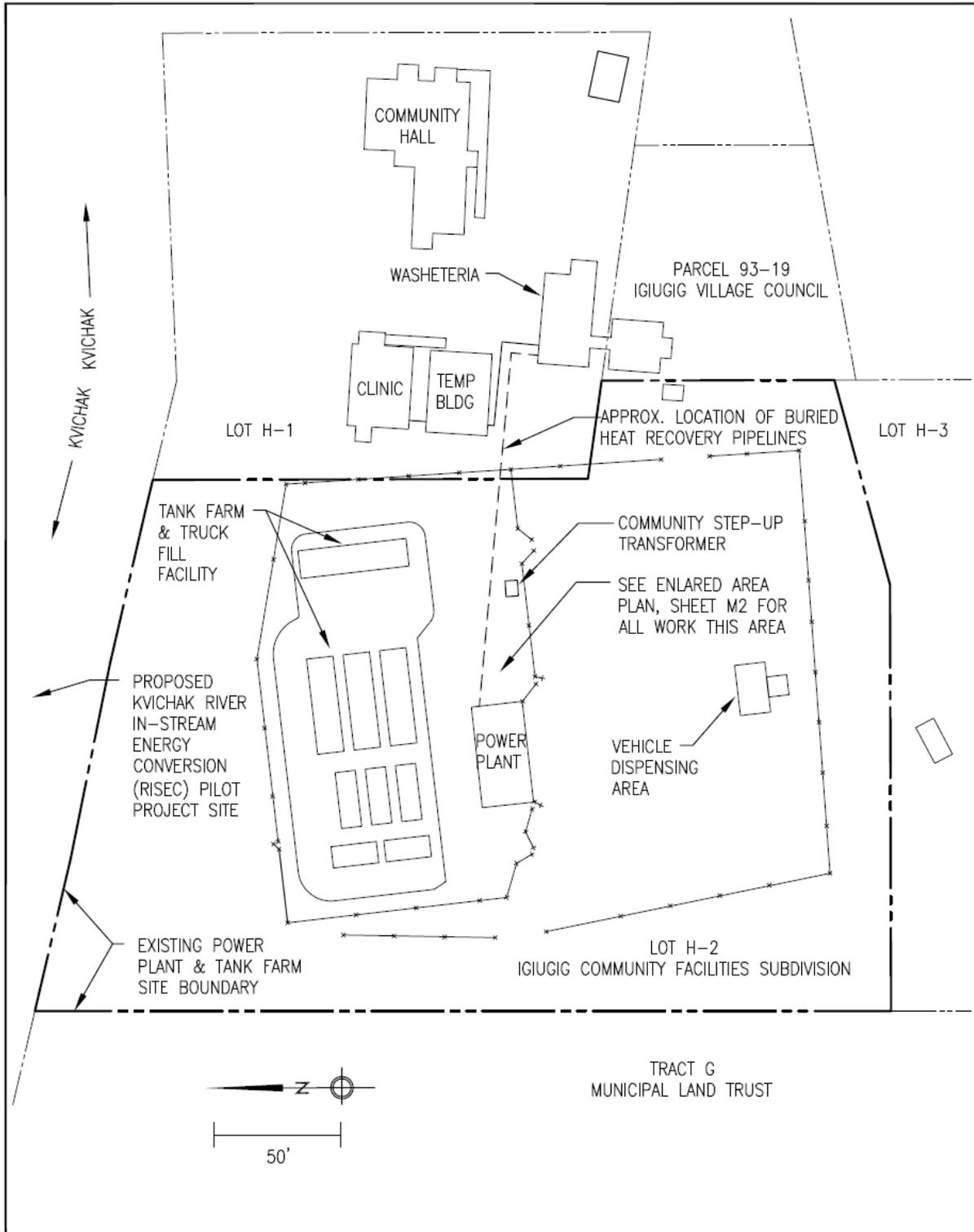
The proposed capacity of the Facility will be 176 kW, using three generators, taking into account the 2% annual growth in consumption over the next ten years. The initial annual kW generation by the community is estimated, by AE&E, to be 240,000 kWh; with annual generation requirements growing to over 250,000 kWh by year ten and peak demand loads reaching 65 kW to 75 kW within five years.

The generators, proposed at 67 kW, 67 kW and 42 kW, are sized to handle the projected peak loading, after the loss of the single largest generator. The Facility's power generation capacity is in excess of its present usage. The Commission guidelines dictate that extra capacity is provided to account for 10 years of growth in electric power requirements.

Site Plan and Power Plant Plan

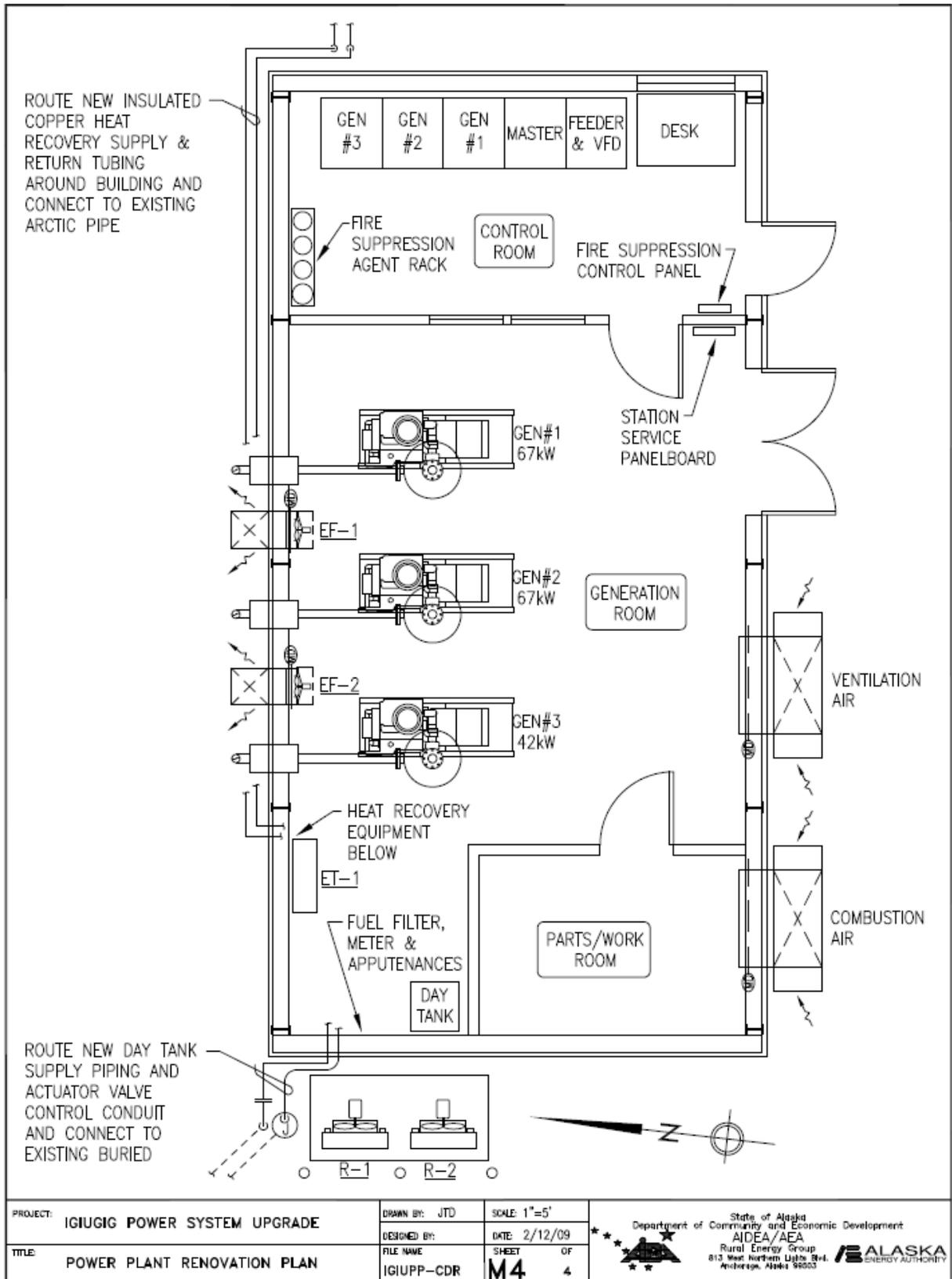
The following diagrams detail the site plan and power plant plan:

Community Site Plan



PROJECT: IGIUGIG POWER SYSTEM UPGRADE	DRAWN BY:	SCALE: 1"=50'	
TITLE: AREA/PROPERTY PLAN	DESIGNED BY:	DATE: 2/12/09	
	FILE NAME: IGIUUP-CDR	SHEET OF: M1 4	

Power Plant Plan



PROJECT: IGIUGIG POWER SYSTEM UPGRADE	DRAWN BY: JTD DESIGNED BY:	SCALE: 1"=5' DATE: 2/12/09	
TITLE: POWER PLANT RENOVATION PLAN	FILE NAME: IGIUPP-CDR	SHEET OF M4 OF 4	

IV. PRIMARY OPERATOR

The Primary Operator for the Igiugig Facility is the Igiugig Tribal Village Council dba Igiugig Electric Company. A detailed statement of qualification for the Primary Operator is included as *Appendix A: Primary Operator Statement of Qualification*.

Contact Information

Igiugig Tribal Village Council dba Igiugig Electric Company

Primary Contact Name: AlexAnna Salmon, *Council President*

Phone: (907) 533-3211 Fax: (907) 533-3217

Address: Igiugig Tribal Village Council, P.O. Box 4008, Igiugig, AK 99613

Turnover and Assumption of Responsibilities/Sustainability

The Facility will be turned over to the Primary Operator after the satisfactory completion, as determined by the AEA or its representative, of a 14-day test period. After this test period, the AEA will provide written notice (Certificate of Substantial Completion) stating that the Facility is ready for Beneficial Occupancy. Upon receipt of this Certificate, the Igiugig Tribal Village Council dba Igiugig Electric Company will become the Primary Operator and will assume responsibility for the use, day-to-day operations and long-term maintenance of all generation facility components.

When the Project has been completed (the Facility is complete, crews have demobilized, invoices have been paid and there are no outstanding issues), the AEA will issue, through its Grants Manager, a Notice of Project Completion. A sample of this Notice is included in the Sample Grant Agreement, see *Additional Related and Attached Documents*.

The Primary Operator is responsible for the long-term sustainability of the Facility for the benefit of the local community. The complete Facility will be maintained according to guidelines outlined in this Plan, all manufacturers' recommendations for maintenance, and all state and federal laws, codes and regulations governing operation.

The Primary Operator is responsible to establish and manage bank accounts and accounting records for both the O&M and the R&R to ensure that sufficient resources exist to sustain the Facility as specified in the Plan.

Staffing and Training

The Primary Operator will designate an Operations and Maintenance Manager (the "Manager") for the Facility. The Manager will be the point of contact for communications between the Primary Operator, the Commission and all other interested parties. The Primary Operator will name the Manager prior to the start of operation and will inform the Commission, in a timely fashion, whenever a Manager is to be replaced. The Manager will manage the Primary Operator's enterprises and will be given complete responsibility for operating the Facility in compliance with this Plan.

It is recognized that there will be, from time to time, turnover in various operational, maintenance and administrative positions. Because all functions are essential to the successful operation of the Facility, replacements will be recruited and trained as necessary. The Manager will be responsible for maintaining adequate staffing and training at all times, and when the Primary Operator lacks

trained operators and administrative staff, training will be obtained to ensure sustained Facility operation.

The Primary Operator will utilize the AEA Circuit-Rider Training Program for on-site, hands-on training, as well as other training programs offered by the AEA, the Alaska Vocational Technical Center (AVTEC) in Seward, the Commission and others. Additionally, the Primary Operator's manager and bookkeeper will participate in business plan training conducted by the AEA.

Financial Responsibilities

There are three cost categories that will be incurred in the ongoing administration, operation and upkeep of the Electric Utility equipment – G&A, O&M and R&R.

1) G&A: The Primary Operator will incur a number of expenses that are General & Administrative (G&A) in nature – interest expense, rent, office expenses, depreciation, etc. G&A expenses are defined as administrative expenses that are incurred on an annual basis. G&A expenses are detailed in *Table F: Annual G&A and Depreciation Expenses*.

2) O&M: The Primary Operator will incur a number of expenses relating to the O&M of the equipment. O&M items are defined as expenses that are incurred on a regular basis (administration, audits, etc.) and maintenance expenses that are incurred on an annual basis. O&M expenses are detailed in *Table C: Annual O&M Schedule* and a narrative detail is provided in *Section VIII. Financial Information* to address estimates and assumptions.

3) R&R: R&R costs are those expenses defined as items costing greater than \$5,000 and/or that are not replaced on an annual basis. *Table G: 40 Year R&R Schedule* details the anticipated items, the frequency of their replacement and their present day value.

The Primary Operator will maintain separate O&M and R&R accounting records and a separate R&R bank account. The Primary Operator will maintain a sufficient account balance to meet the O&M and R&R financial goals in this Plan. The Manager will be authorized to draw against the O&M funds for routine expenses of the Facility; however, individual expenditures in excess of \$5,000 will require authorization of the Primary Operator's management or governing body. See *Appendix A: Statement of Qualification* for an overview of the Primary Operator's fiscal controls and accounting procedures. The R&R account must be an interest-bearing, savings account, which requires two signatories and a community resolution for withdrawals. When the cash balance of the R&R account makes an escrow account more cost effective (at least when the balance reaches \$100,000); then the R&R account must be transferred to an interest-bearing invested escrow account that is acceptable to the Denali Commission. See *Attachment 4: R&R Account Information*, for examples of acceptable R&R account agreements and a sample community resolution that limits the use of the funds to R&R expenses only.

At least once a year, no later than August 31st, the Primary Operator will develop a budget for the upcoming fiscal year, October 1 through September 30, for both annual O&M and R&R costs and annual bank deposits.

Operations and Maintenance Guidelines

The Primary Operator will maintain separate accounting records and maintain a sufficient O&M cash balance for the Facility O&M so that the O&M schedule can be completed and the Facility operations can be sustained into the future (this is anticipated to be an active non-interest bearing account). *Section VIII. Financial Information* provides *Table C: Annual O&M Schedule* and *Table D: 40 Year O&M Schedule* as a guide to plan for annual maintenance activities.

Renewal and Replacement Guidelines

The Primary Operator shall establish a Facility savings account or interest-bearing invested escrow managed renewal and replacement account acceptable to the Denali Commission, which will ensure capitalization of an amount sufficient to maintain the R&R Schedule (see *R&R Account Information*). *Section VIII. Financial Information* provides *Table G: 40 Year R&R Schedule* as a guide to plan for annual R&R activities and *Table H: 40 Year R&R Cashflow* as a guide to estimate annual R&R required contributions. These costs are based on the R&R cost estimate provided by Alaska Energy & Engineering, Inc. See *Appendix B: O&M and R&R Cost Estimate*.

The Primary Operator will use the estimates in this Plan for year one contributions, and in subsequent years, will recalculate contributions based upon actual costs.

Annual Audit

The Primary Operator will arrange for an annual financial audit, or financial review, that is conducted by a qualified, independent Certified Public Accountant. The auditors are not required to travel to Igiugig, unless the Primary Operator requests an on-site audit. The audit, or financial review, may be conducted in conjunction with other programs/activities managed by the Primary Operator. A copy of the annual audit, or financial review, must be provided to the Denali Commission, in conjunction with the Annual Report described below.

Annual Reporting

The Primary Operator will provide an annual report of operations to the Commission and the AEA, within 90 days of the end of the Primary Operator's fiscal year, using the Commission's "Denali Commission Annual Report Form". The annual report should include a summary description of O&M and R&R projects; annual O&M and R&R budgets, expenditures and account balances; and, any other information appropriate to the Facility. The Commission will review the reports and the annual financial audits/reviews of Facility operations and will actively monitor the Primary Operator's ability to operate consistent with guidelines outlined in this Plan.

Right to Review and Access Books and Records

The Commission has reserved the right to visit the site and to access all books and records related to the Facility at any time upon written request.

V. SECONDARY OPERATOR

The Primary Operator agrees that, if the Primary Operator is not operating the Facility in compliance with the terms and conditions of the Plan, the Commission may designate a Secondary Operator to assist the Primary Operator or to take over such functions of the Facility operations that the Commission determines are necessary for such time as it determines is necessary, pursuant to the terms and conditions of Secondary Operator Agreement, which is included as an attachment to the Plan.

VI. INSURANCE

The Primary Operator is required to be insured for General Liability and Property; estimates are included in the annual O&M costs.

VII. REGULATORY REQUIREMENTS

The Primary Operator is responsible for ensuring adherence to all applicable state and federal regulations. The Facility will be provided with, and will have on-site, if applicable, any of following spill response and related regulatory plans that need to be implemented:

- Environmental Protection Agency (EPA) Spill Prevention Control and Countermeasures (SPCC) Plan (40 CFR Part 112) – This plan confirms compliance of the Facility with the spill prevention and operating requirements of 40 CFR Part 112. A Registered Professional Engineer must certify the plan.

This plan will also include operator guidelines for spill training, drills, prevention and response and other related environmental information to ensure the environmental integrity of the Facility and the community.

This plan includes commitments and guidelines for spill prevention, response and other related environmental information to ensure the environmental integrity of the Facility and the community. The plan will be developed near the end of Facility construction. The Primary Operator will participate in development and review of the plan as requested.

The Primary Operator must be certificated by the Regulatory Commission of Alaska.

The Primary Operator will apply to the State of Alaska, Department of Environment Conservation for a Construction Permit prior to Facility construction and for a Diesel-Electric Generator Facility General Operating Permit.

VIII. FINANCIAL INFORMATION

All estimates and assumptions contained in this Plan are preliminary and are anticipated to change as the project progresses. Actual expenses may vary throughout the life of the Facility and, therefore, should not be considered as final estimates.

Key Financial Assumptions

- Annual inflation rate of 1.5%.
- Annual investment rate of 3%.
- R&R funds may be deposited into an interest-bearing savings or invested escrow account. Bank fees are assumed to be 1%, beginning when the account balance is estimated to be \$100,000.
- Annual collections rate of 99%.
- Detailed assumptions regarding labor rates, required labor hours and other operating costs are provided in the tables that follow.
- Fuel costs for the first year are estimated to be \$6.00 per gallon.
- Annual kWh usage for Igiugig is estimated to grow at 5% annually for years 1 through 10 and then .5% thereafter.

Key Operating Assumptions

- Line loss and unbilled production are assumed to be 12% per year.
- Initial first year power generation is estimated to be 240,000 kWh.
- Initial annual billed kWh is estimated to be 211,000 kWh.
- Energy is produced at 13 kWh/gallon on average.

Explanation of Financial Terms

- Total Annual Billed kWh – The annual estimated kWh of demand from all users groups (residential, community, commercial, etc.) that is billed for payment.
- Assumed Annual Collectable kWh – The annual estimated kWh that is deemed to be collectable upon billing for payment.

Electric Power Generation Facility Funding

This Plan is not a commitment; however, it is anticipated that project funding will be provided by the Denali Commission. See the Sample Grant Agreement included as an attachment to this Plan.

Subsequent Operating Year Revisions

The Primary Operator is responsible for all aspects of the management and financial accounting for the Facility, including:

- Proper establishment and maintenance of a financial management system, including budgets, financial reports and audits.
- Accounting for, billing for and using its best efforts to collect all electric billings and all other receivables.
- Establishment of bank account(s) and deposit of monies into the appropriate accounts.
- Maintenance of adequate cash reserves for both O&M and R&R.

Starting with the second year, as operating experience specific to this Facility is obtained, the projections and assumptions upon which the Plan is based will be reviewed and modified. Each year, the Primary Operator must develop a budget the O&M and/or R&R costs and O&M and R&R payments. The following guidelines are for use in subsequent operating years in preparing O&M and R&R budgets and payment schedules:

Step 1: Review previous years' G&A, O&M and R&R costs and compare to current projections

Step 2: Develop a G&A, an O&M and a R&R budget for the year

Step 3: Estimate the number of kilowatt hours, and any other services/goods, to be sold in the upcoming year

Step 4: Develop an estimated income statement/cashflow statement for the upcoming year

Step 5: Establish updated utility rates for the upcoming year

The Primary Operator will receive a “*Management Guide: Electric Utility Upgrade Business Operating Plan*” at the same time that they receive a completed and signed copy of the Business Operating Plan. The *Management Guide* provides a variety of information, worksheets and computer-based materials to assist the Primary Operator with implementing management tools and systems for the Facility. The *Management Guide* provides reference material for the following:

- Denali Commission Annual Report – Forms and instructions
- Rate Setting – Worksheets, samples and information
- Bulk Fuel Loan – AEA Loan Program Information
- Training – AEA Training Program Information
- Inventory Control – Worksheets and samples and instructions
- Budgeting and Annual Planning – Worksheets, samples and instructions
- Depreciation – Overview, worksheets, samples and instructions
- R&R Account – Information on R&R bank accounts and Denali Commission Requirements
- Fuel Pricing – Worksheets, samples and instructions

TABLE A
40 YEAR ESTIMATED UTILITY NET INCOME AND CASHFLOW

Inflation Rate : **1.50%**

Annual Profit Margin: **3.0%**

Year	Annual Revenue			Annual Expenses					Net Income Before Taxes
	Estimated Retail Price \$/KwH	Assumed Collectable kWh/Year (Table B)	Estimated Annual Revenue	O&M Expenses (Tables C&D)	Fuel Costs (Table E)	General & Administrative Expenses (Table F)	Depreciation (Table F)	Total Expenses	
1	\$ 0.741	209,088	\$ 154,845	\$ 13,866	\$ 110,769	\$ 15,700	\$ 10,000	\$ 150,335	\$ 4,510
2	\$ 0.751	210,133	\$ 157,747	\$ 14,074	\$ 112,993	\$ 15,936	\$ 10,150	\$ 153,152	\$ 4,595
3	\$ 0.761	211,184	\$ 160,703	\$ 14,285	\$ 115,261	\$ 16,175	\$ 10,302	\$ 156,023	\$ 4,681
4	\$ 0.771	212,240	\$ 163,716	\$ 14,499	\$ 117,575	\$ 16,417	\$ 10,457	\$ 158,948	\$ 4,768
5	\$ 0.816	213,301	\$ 174,116	\$ 14,716	\$ 119,935	\$ 16,663	\$ 17,730	\$ 169,045	\$ 5,071
6	\$ 0.830	214,368	\$ 177,976	\$ 14,937	\$ 122,343	\$ 16,913	\$ 18,598	\$ 172,792	\$ 5,184
7	\$ 0.841	215,440	\$ 181,164	\$ 15,161	\$ 124,799	\$ 17,167	\$ 18,760	\$ 175,887	\$ 5,277
8	\$ 0.852	216,517	\$ 184,413	\$ 15,389	\$ 127,305	\$ 17,425	\$ 18,924	\$ 179,042	\$ 5,371
9	\$ 0.863	217,599	\$ 187,723	\$ 15,619	\$ 129,860	\$ 17,686	\$ 19,090	\$ 182,256	\$ 5,468
10	\$ 0.879	218,687	\$ 192,222	\$ 15,854	\$ 132,467	\$ 17,951	\$ 20,351	\$ 186,623	\$ 5,599
11	\$ 0.892	218,687	\$ 194,968	\$ 16,092	\$ 134,454	\$ 18,220	\$ 20,523	\$ 189,289	\$ 5,679
12	\$ 0.904	218,687	\$ 197,754	\$ 16,333	\$ 136,471	\$ 18,494	\$ 20,697	\$ 191,994	\$ 5,760
13	\$ 0.917	218,687	\$ 200,583	\$ 16,578	\$ 138,518	\$ 18,771	\$ 20,873	\$ 194,741	\$ 5,842
14	\$ 0.930	218,687	\$ 203,454	\$ 16,827	\$ 140,596	\$ 19,053	\$ 21,053	\$ 197,528	\$ 5,926
15	\$ 0.977	218,687	\$ 213,694	\$ 17,079	\$ 142,705	\$ 19,339	\$ 28,347	\$ 207,469	\$ 6,224
16	\$ 0.960	218,687	\$ 209,865	\$ 17,335	\$ 144,845	\$ 19,629	\$ 21,943	\$ 203,752	\$ 6,113
17	\$ 0.973	218,687	\$ 212,867	\$ 17,595	\$ 147,018	\$ 19,923	\$ 22,131	\$ 206,667	\$ 6,200
18	\$ 0.987	218,687	\$ 215,914	\$ 17,859	\$ 149,223	\$ 20,222	\$ 22,321	\$ 209,625	\$ 6,289
19	\$ 1.020	218,687	\$ 223,105	\$ 18,127	\$ 151,462	\$ 20,525	\$ 26,493	\$ 216,606	\$ 6,498
20	\$ 1.036	218,687	\$ 226,627	\$ 18,399	\$ 153,733	\$ 20,833	\$ 27,061	\$ 220,026	\$ 6,601
21	\$ 1.051	218,687	\$ 229,813	\$ 18,675	\$ 156,039	\$ 21,146	\$ 27,260	\$ 223,120	\$ 6,694
22	\$ 1.066	218,687	\$ 233,047	\$ 18,955	\$ 158,380	\$ 21,463	\$ 27,462	\$ 226,260	\$ 6,788
23	\$ 1.081	218,687	\$ 236,330	\$ 19,239	\$ 160,756	\$ 21,785	\$ 27,667	\$ 229,447	\$ 6,883
24	\$ 1.096	218,687	\$ 239,662	\$ 19,528	\$ 163,167	\$ 22,112	\$ 27,875	\$ 232,681	\$ 6,980
25	\$ 1.157	218,687	\$ 252,916	\$ 19,821	\$ 165,615	\$ 22,443	\$ 37,670	\$ 245,549	\$ 7,366
26	\$ 1.172	218,687	\$ 256,348	\$ 20,118	\$ 168,099	\$ 22,780	\$ 37,885	\$ 248,882	\$ 7,466
27	\$ 1.188	218,687	\$ 259,832	\$ 20,420	\$ 170,620	\$ 23,122	\$ 38,102	\$ 252,264	\$ 7,568
28	\$ 1.204	218,687	\$ 263,369	\$ 20,726	\$ 173,180	\$ 23,468	\$ 38,323	\$ 255,698	\$ 7,671
29	\$ 1.221	218,687	\$ 266,958	\$ 21,037	\$ 175,777	\$ 23,820	\$ 38,548	\$ 259,182	\$ 7,775
30	\$ 1.207	218,687	\$ 263,976	\$ 21,353	\$ 178,414	\$ 24,178	\$ 32,343	\$ 256,287	\$ 7,689
31	\$ 1.224	218,687	\$ 267,674	\$ 21,673	\$ 181,090	\$ 24,540	\$ 32,574	\$ 259,877	\$ 7,796
32	\$ 1.241	218,687	\$ 271,427	\$ 21,998	\$ 183,807	\$ 24,908	\$ 32,808	\$ 263,521	\$ 7,906
33	\$ 1.259	218,687	\$ 275,237	\$ 22,328	\$ 186,564	\$ 25,282	\$ 33,046	\$ 267,220	\$ 8,017
34	\$ 1.276	218,687	\$ 279,103	\$ 22,663	\$ 189,362	\$ 25,661	\$ 33,288	\$ 270,974	\$ 8,129
35	\$ 1.343	218,687	\$ 293,602	\$ 23,003	\$ 192,203	\$ 26,046	\$ 43,799	\$ 285,051	\$ 8,552
36	\$ 1.321	218,687	\$ 288,861	\$ 23,348	\$ 195,086	\$ 26,437	\$ 35,577	\$ 280,448	\$ 8,413
37	\$ 1.339	218,687	\$ 292,904	\$ 23,698	\$ 198,012	\$ 26,833	\$ 35,830	\$ 284,373	\$ 8,531
38	\$ 1.355	218,687	\$ 296,415	\$ 24,054	\$ 200,982	\$ 27,236	\$ 35,510	\$ 287,782	\$ 8,633
39	\$ 1.374	218,687	\$ 300,581	\$ 24,414	\$ 203,997	\$ 27,645	\$ 35,770	\$ 291,826	\$ 8,755
40	\$ 1.463	218,687	\$ 319,851	\$ 24,781	\$ 207,057	\$ 28,059	\$ 50,638	\$ 310,535	\$ 9,316

Year	Annual Cashflow Before Taxes			
	Net Income Before Taxes	Plus: Depreciation (Table F)	Less: R&R Cash Deposit (Tables G& H)	Annual Cashflow
1	\$ 4,510	\$ 10,000	\$ 10,454	\$ 4,056
2	\$ 4,595	\$ 10,150	\$ 11,032	\$ 3,713
3	\$ 4,681	\$ 10,302	\$ 11,642	\$ 3,341
4	\$ 4,768	\$ 10,457	\$ 12,285	\$ 2,941
5	\$ 5,071	\$ 17,730	\$ 12,963	\$ 9,838
6	\$ 5,184	\$ 18,598	\$ 13,680	\$ 10,102
7	\$ 5,277	\$ 18,760	\$ 14,435	\$ 9,601
8	\$ 5,371	\$ 18,924	\$ 15,233	\$ 9,062
9	\$ 5,468	\$ 19,090	\$ 16,075	\$ 8,483
10	\$ 5,599	\$ 20,351	\$ 16,963	\$ 8,987
11	\$ 5,679	\$ 20,523	\$ 17,811	\$ 8,390
12	\$ 5,760	\$ 20,697	\$ 18,701	\$ 7,755
13	\$ 5,842	\$ 20,873	\$ 19,637	\$ 7,079
14	\$ 5,926	\$ 21,053	\$ 20,618	\$ 6,360
15	\$ 6,224	\$ 28,347	\$ 21,649	\$ 12,922
16	\$ 6,113	\$ 21,943	\$ 22,732	\$ 5,324
17	\$ 6,200	\$ 22,131	\$ 23,868	\$ 4,462
18	\$ 6,289	\$ 22,321	\$ 25,062	\$ 3,548
19	\$ 6,498	\$ 26,493	\$ 26,315	\$ 6,676
20	\$ 6,601	\$ 27,061	\$ 27,631	\$ 6,031
21	\$ 6,694	\$ 27,260	\$ 29,012	\$ 4,941
22	\$ 6,788	\$ 27,462	\$ 30,463	\$ 3,787
23	\$ 6,883	\$ 27,667	\$ 31,986	\$ 2,564
24	\$ 6,980	\$ 27,875	\$ 33,585	\$ 1,270
25	\$ 7,366	\$ 37,670	\$ 35,264	\$ 9,772
26	\$ 7,466	\$ 37,885	\$ 37,028	\$ 8,324
27	\$ 7,568	\$ 38,102	\$ 38,879	\$ 6,791
28	\$ 7,671	\$ 38,323	\$ 40,823	\$ 5,171
29	\$ 7,775	\$ 38,548	\$ 42,864	\$ 3,459
30	\$ 7,689	\$ 32,343	\$ 45,007	\$ (4,976)
31	\$ 7,796	\$ 32,574	\$ 47,258	\$ (6,888)
32	\$ 7,906	\$ 32,808	\$ 49,621	\$ (8,907)
33	\$ 8,017	\$ 33,046	\$ 52,102	\$ (11,039)
34	\$ 8,129	\$ 33,288	\$ 54,707	\$ (13,290)
35	\$ 8,552	\$ 43,799	\$ 57,442	\$ (5,091)
36	\$ 8,413	\$ 35,577	\$ 60,314	\$ (16,324)
37	\$ 8,531	\$ 35,830	\$ 63,330	\$ (18,969)
38	\$ 8,633	\$ 35,510	\$ 66,496	\$ (22,353)
39	\$ 8,755	\$ 35,770	\$ 69,821	\$ (25,296)
40	\$ 9,316	\$ 50,638	\$ 73,312	\$ (13,358)

TABLE B
Power Generation and Consumption Summary

Year	Total Generated kWh/Year	Annual Line Loss and Unbilled	Total Billed kWh/Year	Assumed Collectable kWh/Year
1	240,000	28,800	211,200	209,088
2	241,200	28,944	212,256	210,133
3	242,406	29,089	213,317	211,184
4	243,618	29,234	214,384	212,240
5	244,836	29,380	215,456	213,301
6	246,060	29,527	216,533	214,368
7	247,291	29,675	217,616	215,440
8	248,527	29,823	218,704	216,517
9	249,770	29,972	219,797	217,599
10	251,019	30,122	220,896	218,687
11	251,019	30,122	220,896	218,687
12	251,019	30,122	220,896	218,687
13	251,019	30,122	220,896	218,687
14	251,019	30,122	220,896	218,687
15	251,019	30,122	220,896	218,687
16	251,019	30,122	220,896	218,687
17	251,019	30,122	220,896	218,687
18	251,019	30,122	220,896	218,687
19	251,019	30,122	220,896	218,687
20	251,019	30,122	220,896	218,687
21	251,019	30,122	220,896	218,687
22	251,019	30,122	220,896	218,687
23	251,019	30,122	220,896	218,687
24	251,019	30,122	220,896	218,687
25	251,019	30,122	220,896	218,687
26	251,019	30,122	220,896	218,687
27	251,019	30,122	220,896	218,687
28	251,019	30,122	220,896	218,687
29	251,019	30,122	220,896	218,687
30	251,019	30,122	220,896	218,687
31	251,019	30,122	220,896	218,687
32	251,019	30,122	220,896	218,687
33	251,019	30,122	220,896	218,687
34	251,019	30,122	220,896	218,687
35	251,019	30,122	220,896	218,687
36	251,019	30,122	220,896	218,687
37	251,019	30,122	220,896	218,687
38	251,019	30,122	220,896	218,687
39	251,019	30,122	220,896	218,687
40	251,019	30,122	220,896	218,687

Assumed Collection Rate

99%

Annual kWh Increase

Years 1 - 10

0.50%

Annual kWh Increase

Years 11 - 40

0.00%

Annual Line Loss/Unbilled

12%

TABLE C
ANNUAL "O and M" SCHEDULE

Position	Rate Per Hour	Fringe Rate	Total Hourly Cost	Duties
Operator 1 - Primary	\$ 18.00	10.0%	\$ 19.80	Maintenance & Primary Operations
Bookkeeper	\$ 18.00	9.5%	\$ 19.71	Payroll, Accounts Payable
Utility Manager	\$ 25.00	9.5%	\$ 27.38	Manager, Denali Commission Reporting

Annual O&M Costs:				
Labor:	Labor Costs			Annual Costs
	Hours/ Month	Hourly Cost	Monthly Cost	
Operating Labor				
Operator 1	<u>29.27</u>	\$ 19.80	\$ 579.55	
Subtotal Operating Labor	29.27		\$ 579.55	\$ 6,955
Administrative Labor				
Bookkeeper	0.00	\$ 19.71	\$ -	See Table F
Utility Manager	<u>0.00</u>	\$ 27.38	\$ -	See Table F
Subtotal Administrative Labor	0.00		\$ -	
Materials:				
Materials & Equipment				\$ 5,661
Outside Labor				\$ 1,250
Other Costs:				
Training (Lump Sum)				See Table F
Annual Audit (Lump Sum)				See Table F
Insurance				See Table F
Total Annual O&M Costs				\$ 13,866

**TABLE D
40 YEAR "O and M" SCHEDULE**

Year	Annual O&M Expenses	Total Billed KwH/Year	Assumed Collectable KwH/Year	O&M Surcharge \$/KwH
1	\$ 13,866	211,200	209,088	\$ 0.066
2	\$ 14,074	212,256	210,133	\$ 0.067
3	\$ 14,285	213,317	211,184	\$ 0.068
4	\$ 14,499	214,384	212,240	\$ 0.068
5	\$ 14,716	215,456	213,301	\$ 0.069
6	\$ 14,937	216,533	214,368	\$ 0.070
7	\$ 15,161	217,616	215,440	\$ 0.070
8	\$ 15,389	218,704	216,517	\$ 0.071
9	\$ 15,619	219,797	217,599	\$ 0.072
10	\$ 15,854	220,896	218,687	\$ 0.072
11	\$ 16,092	220,896	218,687	\$ 0.074
12	\$ 16,333	220,896	218,687	\$ 0.075
13	\$ 16,578	220,896	218,687	\$ 0.076
14	\$ 16,827	220,896	218,687	\$ 0.077
15	\$ 17,079	220,896	218,687	\$ 0.078
16	\$ 17,335	220,896	218,687	\$ 0.079
17	\$ 17,595	220,896	218,687	\$ 0.080
18	\$ 17,859	220,896	218,687	\$ 0.082
19	\$ 18,127	220,896	218,687	\$ 0.083
20	\$ 18,399	220,896	218,687	\$ 0.084
21	\$ 18,675	220,896	218,687	\$ 0.085
22	\$ 18,955	220,896	218,687	\$ 0.087
23	\$ 19,239	220,896	218,687	\$ 0.088
24	\$ 19,528	220,896	218,687	\$ 0.089
25	\$ 19,821	220,896	218,687	\$ 0.091
26	\$ 20,118	220,896	218,687	\$ 0.092
27	\$ 20,420	220,896	218,687	\$ 0.093
28	\$ 20,726	220,896	218,687	\$ 0.095
29	\$ 21,037	220,896	218,687	\$ 0.096
30	\$ 21,353	220,896	218,687	\$ 0.098
31	\$ 21,673	220,896	218,687	\$ 0.099
32	\$ 21,998	220,896	218,687	\$ 0.101
33	\$ 22,328	220,896	218,687	\$ 0.102
34	\$ 22,663	220,896	218,687	\$ 0.104
35	\$ 23,003	220,896	218,687	\$ 0.105
36	\$ 23,348	220,896	218,687	\$ 0.107
37	\$ 23,698	220,896	218,687	\$ 0.108
38	\$ 24,054	220,896	218,687	\$ 0.110
39	\$ 24,414	220,896	218,687	\$ 0.112
40	\$ 24,781	220,896	218,687	\$ 0.113

Inflation Rate	1.5%
Collection Rate	99%

**TABLE E
ANNUAL FUEL COSTS**

Inflation Rate		1.5%		kWh Produced per Gallon		13	
Year	Estimated Fuel Cost per Gallon	Total Generated kWh/Year	Total Fuel Usage @ 13 kWh/Gallon	Total Annual Fuel Costs	Assumed Collectable kWh/Year	Fuel Cost \$/kWh	
1	\$ 6.00	240,000	18,462	\$ 110,769	209,088	\$ 0.530	
2	\$ 6.09	241,200	18,554	\$ 112,993	210,133	\$ 0.538	
3	\$ 6.18	242,406	18,647	\$ 115,261	211,184	\$ 0.546	
4	\$ 6.27	243,618	18,740	\$ 117,575	212,240	\$ 0.554	
5	\$ 6.37	244,836	18,834	\$ 119,935	213,301	\$ 0.562	
6	\$ 6.46	246,060	18,928	\$ 122,343	214,368	\$ 0.571	
7	\$ 6.56	247,291	19,022	\$ 124,799	215,440	\$ 0.579	
8	\$ 6.66	248,527	19,117	\$ 127,305	216,517	\$ 0.588	
9	\$ 6.76	249,770	19,213	\$ 129,860	217,599	\$ 0.597	
10	\$ 6.86	251,019	19,309	\$ 132,467	218,687	\$ 0.606	
11	\$ 6.96	251,019	19,309	\$ 134,454	218,687	\$ 0.615	
12	\$ 7.07	251,019	19,309	\$ 136,471	218,687	\$ 0.624	
13	\$ 7.17	251,019	19,309	\$ 138,518	218,687	\$ 0.633	
14	\$ 7.28	251,019	19,309	\$ 140,596	218,687	\$ 0.643	
15	\$ 7.39	251,019	19,309	\$ 142,705	218,687	\$ 0.653	
16	\$ 7.50	251,019	19,309	\$ 144,845	218,687	\$ 0.662	
17	\$ 7.61	251,019	19,309	\$ 147,018	218,687	\$ 0.672	
18	\$ 7.73	251,019	19,309	\$ 149,223	218,687	\$ 0.682	
19	\$ 7.84	251,019	19,309	\$ 151,462	218,687	\$ 0.693	
20	\$ 7.96	251,019	19,309	\$ 153,733	218,687	\$ 0.703	
21	\$ 8.08	251,019	19,309	\$ 156,039	218,687	\$ 0.714	
22	\$ 8.20	251,019	19,309	\$ 158,380	218,687	\$ 0.724	
23	\$ 8.33	251,019	19,309	\$ 160,756	218,687	\$ 0.735	
24	\$ 8.45	251,019	19,309	\$ 163,167	218,687	\$ 0.746	
25	\$ 8.58	251,019	19,309	\$ 165,615	218,687	\$ 0.757	
26	\$ 8.71	251,019	19,309	\$ 168,099	218,687	\$ 0.769	
27	\$ 8.84	251,019	19,309	\$ 170,620	218,687	\$ 0.780	
28	\$ 8.97	251,019	19,309	\$ 173,180	218,687	\$ 0.792	
29	\$ 9.10	251,019	19,309	\$ 175,777	218,687	\$ 0.804	
30	\$ 9.24	251,019	19,309	\$ 178,414	218,687	\$ 0.816	
31	\$ 9.38	251,019	19,309	\$ 181,090	218,687	\$ 0.828	
32	\$ 9.52	251,019	19,309	\$ 183,807	218,687	\$ 0.840	
33	\$ 9.66	251,019	19,309	\$ 186,564	218,687	\$ 0.853	
34	\$ 9.81	251,019	19,309	\$ 189,362	218,687	\$ 0.866	
35	\$ 9.95	251,019	19,309	\$ 192,203	218,687	\$ 0.879	
36	\$ 10.10	251,019	19,309	\$ 195,086	218,687	\$ 0.892	
37	\$ 10.25	251,019	19,309	\$ 198,012	218,687	\$ 0.905	
38	\$ 10.41	251,019	19,309	\$ 200,982	218,687	\$ 0.919	
39	\$ 10.56	251,019	19,309	\$ 203,997	218,687	\$ 0.933	
40	\$ 10.72	251,019	19,309	\$ 207,057	218,687	\$ 0.947	

**TABLE F
ANNUAL "G and A" AND DEPRECIATION EXPENSES**

Annual General & Administrative Costs:	
Administrative Personnel	\$ 3,500
Rent	\$ 2,750
Insurance	\$ 1,500
Supplies	\$ 3,000
Bank Service	\$ 3,000
Telephone	\$ 750
Other	\$ 1,200
Total Annual O&M Costs	\$ 15,700

Annual Depreciation Expense:			
Year	Depreciation R&R	Depreciation- Other Assets	Total Annual Depreciation
1		\$ 10,000	\$ 10,000
2		\$ 10,150	\$ 10,150
3		\$ 10,302	\$ 10,302
4		\$ 10,457	\$ 10,457
5	\$ 7,116	\$ 10,614	\$ 17,730
6	\$ 7,825	\$ 10,773	\$ 18,598
7	\$ 7,825	\$ 10,934	\$ 18,760
8	\$ 7,825	\$ 11,098	\$ 18,924
9	\$ 7,825	\$ 11,265	\$ 19,090
10	\$ 8,917	\$ 11,434	\$ 20,351
11	\$ 8,917	\$ 11,605	\$ 20,523
12	\$ 8,917	\$ 11,779	\$ 20,697
13	\$ 8,917	\$ 11,956	\$ 20,873
14	\$ 8,917	\$ 12,136	\$ 21,053
15	\$ 16,030	\$ 12,318	\$ 28,347
16	\$ 9,441	\$ 12,502	\$ 21,943
17	\$ 9,441	\$ 12,690	\$ 22,131
18	\$ 9,441	\$ 12,880	\$ 22,321
19	\$ 9,441	\$ 13,073	\$ 26,493
20	\$ 13,419	\$ 13,270	\$ 27,061
21	\$ 13,791	\$ 13,469	\$ 27,260
22	\$ 13,791	\$ 13,671	\$ 27,462
23	\$ 13,791	\$ 13,876	\$ 27,667
24	\$ 13,791	\$ 14,084	\$ 27,875
25	\$ 23,375	\$ 14,295	\$ 37,670
26	\$ 23,375	\$ 14,509	\$ 37,885
27	\$ 23,375	\$ 14,727	\$ 38,102
28	\$ 23,375	\$ 14,948	\$ 38,323
29	\$ 23,375	\$ 15,172	\$ 38,548
30	\$ 16,943	\$ 15,400	\$ 32,343
31	\$ 16,943	\$ 15,631	\$ 32,574
32	\$ 16,943	\$ 15,865	\$ 32,808
33	\$ 16,943	\$ 16,103	\$ 33,046
34	\$ 16,943	\$ 16,345	\$ 33,288
35	\$ 27,209	\$ 16,590	\$ 43,799
36	\$ 18,738	\$ 16,839	\$ 35,577
37	\$ 18,738	\$ 17,091	\$ 35,830
38	\$ 18,162	\$ 17,348	\$ 35,510
39	\$ 18,162	\$ 17,608	\$ 35,770
40	\$ 32,766	\$ 17,872	\$ 50,638

TABLE G
40 YEAR "R and R" SCHEDULE*

Year of Activity	R&R Activity	Present Day Value	Annual Total	Inflated Value	
5	Replace Values/Gauges	\$ 1,399			
	Repair Ext. & Int. Sheeting/Doors	2,122			
	Upgrade Floors/Walls	2,323			
	Battery/Alternator	2,738			
	Repair Ballasts/Lenses/Devices	567	\$ 9,148	\$ 9,710	
10	Pump Replacement & Electrical	3,675			
	Floor/Roof Repair	1,091			
	Repair Ext. & Int. Sheeting/Doors	2,122			
	Repair Roof	1,042			
	Change Door Hardware	1,474			
	Upgrade Floors/Walls	2,323			
	Repair Ducts/Grilles/Controls	1,592			
	Repair Fire Suppression System	3,000			
	Repair Ballasts/Lenses/Devices	567	\$ 16,886	\$ 19,307	
	15	Replace Values/Gauges	\$ 1,399		
		Repair Ext. & Int. Sheeting/Doors	2,122		
Upgrade Floors/Walls		2,323			
Battery/Alternator		2,738			
Repair Ballasts/Lenses/Devices		567	\$ 9,148	\$ 11,268	
20	Pump Replacement & Electrical	\$ 3,675			
	Floor/Roof Repair	1,091			
	Repair Roof	1,042			
	Upgrade Floor/Roofs/Door Trim	5,604			
	Replace Doors/Roofing	17,613			
	Replace Window Seals	1,219			
	Refurbish Ducts/Grilles/Controls	6,160			
	Replace Curcuit Breakers/Fuses	1,675			
	Refurbish & Calibrate Switchgear/Controls	13,500			
	Replace Switches/Fixtures/Devices/Alarms	7,399			
	Replace Feeders/Conductors	29,200	\$ 88,177	\$ 117,007	
	25	Replace Values/Gauges	\$ 1,399		
		Repair Ext. & Int. Sheeting/Doors	2,122		
Upgrade Floors/Walls		2,323			
Battery/Alternator		2,738			
Repair Ballasts/Lenses/Devices		567	\$ 9,148	\$ 13,078	
30	Pump Replacement & Electrical	3,675			
	Floor/Roof Repair	1,091			
	Repair Ext. & Int. Sheeting/Doors	2,122			
	Change Door Hardware	1,474			
	Upgrade Floors/Walls	2,323			
	Repair Ducts/Grilles/Controls	1,592			
	Repair Fire Suppression System	3,000			
	Repair Ballasts/Lenses/Devices	567	\$ 15,844	\$ 24,399	
35	Replace Values/Gauges	\$ 1,399			
	Repair Ext. & Int. Sheeting/Doors	2,122			
	Repair Roof	1,042			
	Upgrade Floors/Walls	2,323			
	Battery/Alternator	2,738			
	Repair Ballasts/Lenses/Devices	567	\$ 10,190	\$ 16,906	
40	Pump Replacement & Electrical	\$ 3,675			
	Floor/Roof Repair	1,091			
	Replace Day Tank	15,800			
	Replace Electrical for Fuel & Radiator	4,100			
	Upgrade Floor/Roofs/Door Trim	5,604			
	Replace Walls/Windows/Specialities	30,295			
	Replace Doors/Roofing	17,613			
	Replacement Mechanical Systems	129,000			
	Refurbish Ducts/Grilles/Controls	6,160			
	Replace Fire Suppression System	42,400			
	Replace Switches/Fixtures/Devices/Alarms	7,399			
	Major Replace Switchgear/Controls	156,800			
	Replace Conductors/Switches/Transformers	53,900			
	Replace Feeders/Conductors	29,200	\$ 503,036	\$ 899,031	

* SEE NEXT PAGE FOR GENERATOR R&R SCHEDULE

R&R Activities:	Cost	Activity Year	Depreciation Term
B2 Pump Replacement & Electrical	\$ 3,675	10/20/30/40	10
C2 Replace Day Tank	\$ 15,800	40	40
C2 Replace Electrical for Fuel & Radiator	\$ 4,100	40	40
B2 Replace Values/Gauges	\$ 1,399	5/15/25/35	5
B3 Floor/Roof Repair	\$ 1,091	10/20/30/40	10
C3 Upgrade Floor/Roofs/Door Trim	\$ 5,604	20/40	20
B3 Repair Ext. & Int. Sheeting/Doors	\$ 2,122	5/10/15/25/30/35	5
C3 Replace Walls/Windows/Specialities	\$ 30,295	40	40
B3 Repair Roof	\$ 1,042	10/20/35	10
B3 Change Door Hardware	\$ 1,474	10/30	20
B3 Upgrade Floors/Walls	\$ 2,323	5/10/15/25/30/35	5
C3 Replace Doors/Roofing	\$ 17,613	20/40	20
C4 Replacement Mechanical Systems	\$ 129,000	40	40
B4 Repair Ducts/Grilles/Controls	\$ 1,592	10/30	20
C4 Refurbish Ducts/Grilles/Controls	\$ 6,160	20/40	20
B4 Repair Fire Suppression System	\$ 3,000	10/30	10
C4 Replace Fire Suppression System	\$ 42,400	40	20
B3 Replace Window Seals	\$ 1,219	20	20
B5 Repair Ballasts/Lenses/Devices	\$ 567	5/10/15/25/30/35	5
C5 Replace Switches/Fixtures/Devices/Alarms	\$ 7,399	20/40	20
C6 Replace Feeders/Conductors	\$ 29,200	20/40	20
B5 Replace Curcuit Breakers/Fuses	\$ 1,675	20	20
C5 Replace Conductors/Switches/Transformers	\$ 53,900	40	40
B6 Refurbish & Calibrate Switchgear/Controls	\$ 13,500	20	20
C6 Major Replace Switchgear/Controls	\$ 156,800	40	40
B6 Battery/Alternator	\$ 2,738	5/15/25/35	5

Inflation Rate	1.5%
Reinvestment Rate	3%

**TABLE G PART 2
40 YEAR GENERATOR "R and R" SCHEDULE**

Year of Activity	R&R Activity	Present Day Value	Annual Total	Inflated Value
5	Top End GenSets	\$ 24,375	\$ 24,375	\$ 25,871
10	GenSet Major Overhaul	\$ 34,575	\$ 34,575	\$ 39,533
15	Top End GenSets	\$ 24,375	\$ 24,375	\$ 30,024
20	Repower Generators	\$ 52,815	\$ 52,815	\$ 70,083
25	Top End GenSets	\$ 24,375	\$ 24,375	\$ 34,844
30	GenSet Major Overhaul	\$ 34,575	\$ 34,575	\$ 53,245
35	Top End GenSets	\$ 24,375	\$ 24,375	\$ 40,438
40	Repower Generators	52,815	\$ 52,815	\$ 94,392
		\$ 272,280	\$ 272,280	\$ 388,429

R&R Activities:	Cost	Activity Year	Depreciation Term
B6 GenSet Major Overhaul	\$ 34,575	10/30	6
B6 Top End GenSets	\$ 24,375	5/15/25/35	5
C6 Repower Generators	\$ 52,815	20/40	10

Inflation Rate	1.5%
Reinvestment Rate	3%

**TABLE H
40 YEAR RENEWAL AND REPLACEMENT CASHFLOW**

Year	R & R Fund Balance					Assumed Collectable Kwh/Year	R&R Surcharge \$/Kwh
	Beg. of Year Balance	Annual Deposits	Renewals/ Replacements	Interest Earnings (Net of Fees)	End of Year Balance		
1	\$ -	\$ 10,454		\$ -	\$ 10,454	209,088	\$ 0.050
2	\$ 10,454	\$ 11,032		\$ 314	\$ 21,800	210,133	\$ 0.053
3	\$ 21,800	\$ 11,642		\$ 654	\$ 34,096	211,184	\$ 0.055
4	\$ 34,096	\$ 12,285		\$ 1,023	\$ 47,403	212,240	\$ 0.058
5	\$ 47,403	\$ 12,963	\$ 35,580	\$ 355	\$ 25,141	213,301	\$ 0.061
6	\$ 25,141	\$ 13,680		\$ 754	\$ 39,575	214,368	\$ 0.064
7	\$ 39,575	\$ 14,435		\$ 1,187	\$ 55,198	215,440	\$ 0.067
8	\$ 55,198	\$ 15,233		\$ 1,656	\$ 72,086	216,517	\$ 0.070
9	\$ 72,086	\$ 16,075		\$ 1,442	\$ 89,603	217,599	\$ 0.074
10	\$ 89,603	\$ 16,963	\$ 49,331	\$ 805	\$ 58,040	218,687	\$ 0.078
11	\$ 58,040	\$ 17,811		\$ 1,161	\$ 77,012	218,687	\$ 0.081
12	\$ 77,012	\$ 18,701		\$ 1,540	\$ 97,253	218,687	\$ 0.086
13	\$ 97,253	\$ 19,637		\$ 1,945	\$ 118,835	218,687	\$ 0.090
14	\$ 118,835	\$ 20,618		\$ 2,377	\$ 141,830	218,687	\$ 0.094
15	\$ 141,830	\$ 21,649	\$ 11,268	\$ 2,611	\$ 154,822	218,687	\$ 0.099
16	\$ 154,822	\$ 22,732		\$ 3,096	\$ 180,650	218,687	\$ 0.104
17	\$ 180,650	\$ 23,868		\$ 3,613	\$ 208,132	218,687	\$ 0.109
18	\$ 208,132	\$ 25,062		\$ 4,163	\$ 237,356	218,687	\$ 0.115
19	\$ 237,356	\$ 26,315		\$ 4,747	\$ 268,418	218,687	\$ 0.120
20	\$ 268,418	\$ 27,631	\$ 187,090	\$ 1,627	\$ 110,586	218,687	\$ 0.126
21	\$ 110,586	\$ 29,012		\$ 2,212	\$ 141,809	218,687	\$ 0.133
22	\$ 141,809	\$ 30,463		\$ 2,836	\$ 175,108	218,687	\$ 0.139
23	\$ 175,108	\$ 31,986		\$ 3,502	\$ 210,596	218,687	\$ 0.146
24	\$ 210,596	\$ 33,585		\$ 4,212	\$ 248,393	218,687	\$ 0.154
25	\$ 248,393	\$ 35,264	\$ 47,922	\$ 4,009	\$ 239,746	218,687	\$ 0.161
26	\$ 239,746	\$ 37,028		\$ 4,795	\$ 281,568	218,687	\$ 0.169
27	\$ 281,568	\$ 38,879		\$ 5,631	\$ 326,079	218,687	\$ 0.178
28	\$ 326,079	\$ 40,823		\$ 6,522	\$ 373,423	218,687	\$ 0.187
29	\$ 373,423	\$ 42,864		\$ 7,468	\$ 423,756	218,687	\$ 0.196
30	\$ 423,756	\$ 45,007	\$ 77,644	\$ 6,922	\$ 398,041	218,687	\$ 0.206
31	\$ 398,041	\$ 47,258		\$ 7,961	\$ 453,260	218,687	\$ 0.216
32	\$ 453,260	\$ 49,621		\$ 9,065	\$ 511,946	218,687	\$ 0.227
33	\$ 511,946	\$ 52,102		\$ 10,239	\$ 574,286	218,687	\$ 0.238
34	\$ 574,286	\$ 54,707		\$ 11,486	\$ 640,479	218,687	\$ 0.250
35	\$ 640,479	\$ 57,442	\$ 57,344	\$ 11,663	\$ 652,240	218,687	\$ 0.263
36	\$ 652,240	\$ 60,314		\$ 13,045	\$ 725,599	218,687	\$ 0.276
37	\$ 725,599	\$ 63,330		\$ 14,512	\$ 803,440	218,687	\$ 0.290
38	\$ 803,440	\$ 66,496		\$ 16,069	\$ 886,006	218,687	\$ 0.304
39	\$ 886,006	\$ 69,821		\$ 17,720	\$ 973,547	218,687	\$ 0.319
40	\$ 973,547	\$ 73,312	\$ 993,423	\$ -	\$ 53,436	218,687	\$ 0.335

Inflation Rate : 1.50%
Reinvestment Rate : 3.00%

Invested Escrow Fees: 1.00%

Initial Kwh Collectable : 209,088
Initial Cost per Kwh : \$ 0.050
Annual increase : 5.00%

APPENDIX A: PRIMARY OPERATOR STATEMENT OF QUALIFICATION

The Primary Operator Statement of Qualification includes:

1. A description of the Primary Operator, its personnel and experience, and its responsibilities and functions. This discussion includes a description of the ability and history of the Primary Operator to operate an electric power generation facility and utility as a business and/or its history of operating other business enterprises, as well as a description of the Primary Operator's fiscal controls and accounting procedures. This discussion details organization history, management and structure; identification of key personnel, their experience and responsibilities; and, proposed organization of the electric utility management and operations, including an organizational chart.
2. A description of the Primary Operator's, if any, staffing or training needs.
3. A description of the training plan proposed by the Primary Operator to address current and future needs.

IGIUGIG TRIBAL VILLAGE COUNCIL

Community History

Igiugig is located on the south shore of the Kvichak River, which flows from the Iliamna Lake, on the Alaska Peninsula. It is 50 air miles northeast of King Salmon and 48 miles southwest of Iliamna. Igiugig is accessible primarily by water and air. Charter flights are available from Iliamna and King Salmon. The State owns and maintains a 3,000' long by 75' wide gravel runway. A small public dock is available. Barges deliver goods from Naknek or Dillingham in the fall. Igiugig Corporation operates a barge system on Lake Iliamna.

Kiatagmuit Eskimos originally lived on the north bank of the Kvichak River in the village of Kaskanak, and used Igiugig as a summer fish camp. At the turn of the century, these people moved upriver to the present site of Igiugig. People from Branch also moved to Igiugig as it began to develop. Today, about one-third of residents can trace their roots back to the Branch River village. A post office was established in 1934, but was discontinued in 1954. Historically an Eskimo village, the population is now primarily Alutiiq who depend upon commercial fishing and a subsistence lifestyle to sustain the community. Sport fishing attracts visitors during summer months.

Salmon fishing is the mainstay of Igiugig's economy. Five residents hold commercial fishing permits. Many travel to Naknek each summer to fish or work in the canneries. Subsistence is an important part of the residents' lifestyle. Salmon, trout, whitefish, moose, caribou and rabbit are utilized. Some trapping occurs. Lake Iliamna is the second largest lake in the U.S. Trophy rainbow trout attract sport fishermen. There are seven commercial lodges that serve sports fishermen and hunters seasonally in Igiugig.

The Igiugig Tribal Village Council, also known as the Village Council, is responsible for the government of the village and its general well-being. The Council meets on a monthly basis to discuss issues of importance, and meetings are open to the public.

The main responsibilities of the Council are to control and maintain the community water and sewer systems, to supply fuel and gasoline to residents, and through the Council-owned Igiugig Electric Company, to supply electricity and maintain the town generators. The council also contracts directly with the federal government (BIA) to provide residents with general tribal operations, social services and adult vocation training.

The Council is in charge of maintaining the town health clinic, which is staffed with two health aides, one of whom is always on call. It also maintains the town's public bathrooms and laundry facilities: two bathrooms, a shower room, two washing machines and two dryers.

Finally, the council runs many programs with the purpose of increasing quality of life for town residents. These include the Walk-to-be-Fit program, encouraging residents to exercise to avoid diabetes, the Summer Reading Club and Summer Crafts for children and aluminum can recycling program.

The Igiugig Tribal Village Council has successfully administered and operated a wide variety of business and community programs. The following table lists the Igiugig Tribal Village Council's current programs:

CURRENT PROGRAMS	
<i>Social Programs:</i>	Tribal Governance Emergency Services Training Fitness Center Student Scholarship Program (Dan Salmon Memorial)
<i>Cultural Programs:</i>	Library Services Program
<i>Community Development:</i>	BIA Road Program Bulk Fuel Operations Water & Sewer Project Solid Waste Project Adult Vocational Training Environmental Capacity Bldg. (IGAP) Code Red Fire Response Unit
<i>Economic Development:</i>	Igiugig Gift Shop Local Foods Project Business & Residential Rentals Airport Hangar & Tourism Facility

Description of Business History

The Igiugig Tribal Village Council directly manages the fuel sales, water and sewer and solid waste. In 1988, it established a subsidiary, Igiugig Electric Company to produce, transmit and distribute electricity. Currently, community residents and organizations pay for water and sewer, electricity and fuel.

The Council owns and operates the Igiugig Electric Company, which supplies power to residents, commercial users and community facilities. Igiugig Electric Company maintains the generator plant, monitors electric meters at residences and commercial businesses and collects electrical fees. Fuel for the electric company is purchased from the Council for \$5.57 per gallon. In 2009, the customer base was relatively stable with about 22 residential accounts, 11 commercial accounts, 11 community facilities and 3 federal and state accounts. Currently, residents are paying 31.5 cents/kilowatt with PCE and commercial businesses are paying 90.9 cents/kilowatt. Without PCE, residents would be paying 80.3 cents/kilowatt. In FY 2009, 260,386 kWh were generated and, of these, 210,188 kWh were sold to residents and 19,337 kWh was power house usage.

The Igiugig Tribal Village Council directly manages the community's water and sewer services. Currently, residents and community facilities pay \$25.00 per month for water and \$25.00 per month for sewer and businesses pay \$60 per month for water and \$60 per month for sewer services. Not all homes and/or businesses require both water and sewer services depending on their particular access to individual wells. The Council also owns and operates the local washeteria.

Additionally, the Council owns Iliamna Lake Contractors LLC (ILC), a general contracting firm located in Igiugig. Founded in 1998, the company specializes in road construction, bulk fuel farm construction and rent/lease/operation of heavy equipment in the villages in and around surrounding the Iliamna Lake and Bristol Bay regions. Currently, Iliamna Lake Contractors LLC is working on identifying and negotiating projects for next year. Last summer, ILC constructed 9 HUD homes on an RFP for the Bristol Bay Housing Authority, 6 in Igiugig and 3 in Kokhanok. They also did a survey project of the Pebble Claim that lasted several months. During summer operations, they employed 49 individuals, more than 30 of which were local and/or native. Iliamna Lake Contractors LLC manages BIA Indian Reservation Roads funding for a number of villages on a continuing basis, and Igiugig has several roads submitted under the priority listing that the ILC will construct when funding becomes available.

Description of Fiscal Controls and Accounting Procedures

Council Members and staff have authority to submit check requests, which must have supporting documentation as outlined in the Tribal Council Procurement Policy. The Tribal Administrator reviews all check requests submitted by staff. All checks must be signed by two of the Council Members. A copy of the check is attached to the supporting documents and filed at the Council office. At the tribal council meeting each month, a review of spending is made by both the board and community.

The Council's fiscal year runs from October 1st through September 30th. QuickBooks is the accounting software program used for the accounting. Customers are billed monthly and pay with cash, check, debit card or credit card. The collection rate for the electrical service is around 99%.

The Igiugig Tribal Village Council contracts annually with an independent accounting firm for an audit of general financial statements and federal financial assistance programs. For 2009, this audit was conducted by Mikunda, Cottrell & Co., Inc. which reported no instances of noncompliance that are required to be reported under Government Auditing Standards nor noted any matters involving the internal control over financial reporting and its operation that they considered to be material weaknesses.

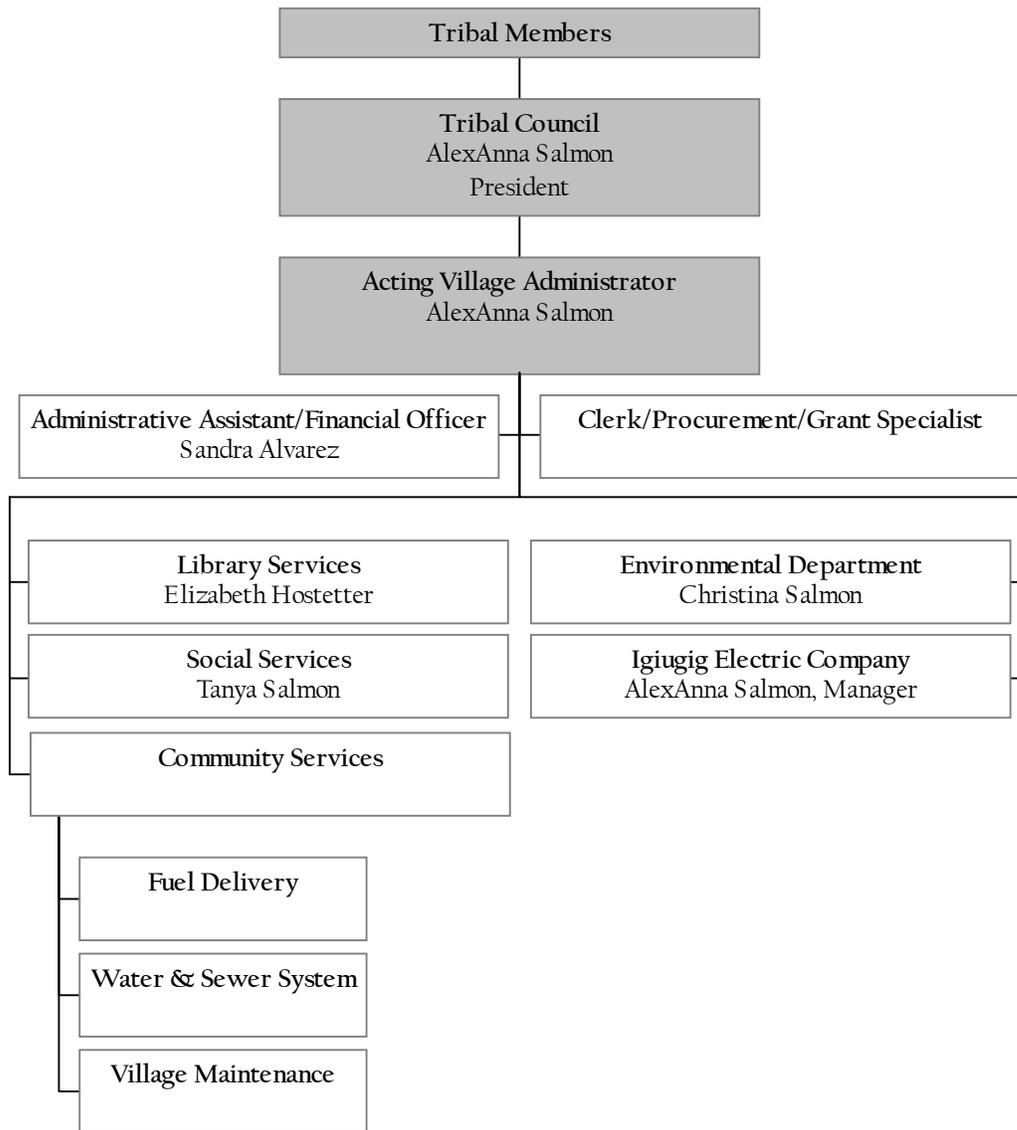
Management and Structure

The Igiugig Tribal Village Council consists of five members. AlexAnna Salmon is President and Randolph Alvarez is Vice President. AlexAnna Salmon is also the Acting Tribal Administrator for the Council. Below are the names and titles of the Council’s Members.

IGIUGIG TRIBAL VILLAGE COUNCIL MEMBERS	
AlexAnna Salmon, President	Randolph Alvarez , Vice President
Dallia Andrew, Member	Christina Salmon, Member
Kevin Olympic, Member	

AlexAnna Salmon is the Acting Tribal Administrator and has a diverse background in tribal affairs management, while Sandy Alvarez has been the Council’s Bookkeeper since 1987. The organizational chart below shows the relationship between the various components of the Council’s overall structure: At the apex of management is a Tribal Council comprised of the President and tribal leaders, all representing the village of Igiugig.

**Igiugig Tribal Village Council
Organizational Chart
2010**



Identification of Key Personnel

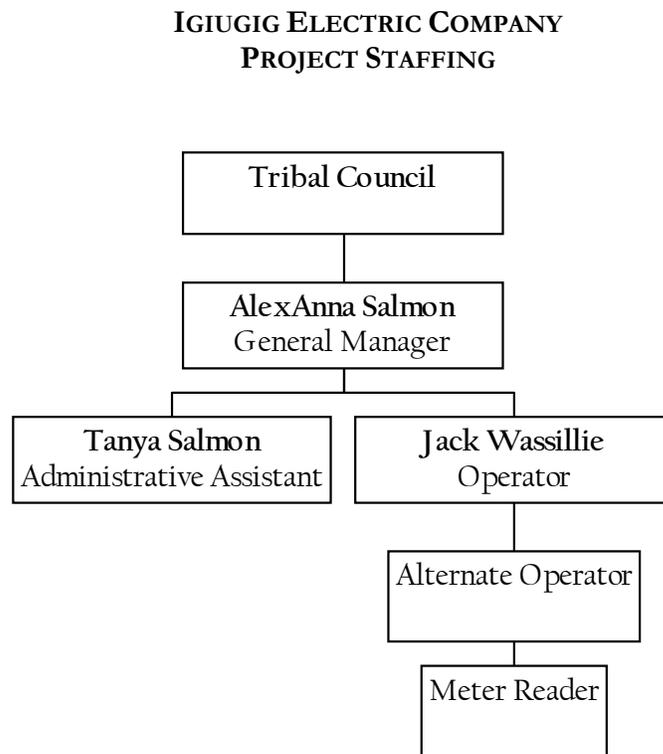
AlexAnna Salmon is the President and General Manager of the Igiugig Electric Company and will be involved in this project from the beginning and is the main contact. She will work with the AEA and the Denali Commission to ensure the Utility’s role in the project timeline. She is responsible for day-to-day operations of the electric company.

Under the direction of the General Manager, the Administrative Assistant, Tanya Salmon oversees the daily office operations, maintains the financial records and billings to customers. She is also responsible for accounts payable, payroll, local, state and federal reports, general ledger and PCE reporting. See attached resume.

Jack Wassillie is the General Operator and is responsible for daily maintenance, monitoring and switching of the generators; maintaining daily logs; inventory and supplies; meter readings; and, reporting data, etc. to the administrative assistant. See attached resume.

Organization of Bulk Fuel Management and Operations

The following chart illustrates the staff relationships of the Igiugig Electric Company:



Staff Training Needs

Tanya Salmon, Administrative Assistant, is relatively new to her position and the Council is interested in her attending Utility Management courses.

Proposed Training Plan

The Igiugig Electric Company will utilize training resources available through the AEA and the Alaska Vocational Technical Center to ensure proper training of its personnel. The Alaska Energy Authority has developed a series of courses relating specifically to Electric Utility operations and

business management. The operations courses are taught through the Alaska Vocational Technical Center (AVTEC) in Seward and the business courses are taught in Anchorage:

Contacts

Monica Moore, Training Program Manager, Alaska Energy Authority/AIDEA
Address: 813 West Northern Lights Blvd., Anchorage, Alaska 99503
Phone: (907) 771-3026 Fax: (907) 771-3044
Web Address: www.aidea.org/training.htm
Email address: mmoore@aidea.org

Dick Harrell, Instructional Administrator, Alaska Vocational Technical Center
Address: P.O. Box 889 ~ 809 2nd Avenue, Seward, Alaska 99664
Phone: (907)-224-4162 ~ 1-800-478-5389 ~ fax (907) 224-4144
Web Address: www.avtec.alaska.edu
Email: dick_harrell@educ.state.ak.us

Cost

AEA will pay for transportation to and from your community to the Alaska Vocational Technical Center (AVTEC) or other AEA training locations as well as lodging and meals. Furthermore, while at AVTEC the state will pay for tuition, deposit, room and board and training related materials.

Currently, the primary electric utility training provided by the AEA is:

POWER PLANT OPERATOR TRAINING - This is the entry level course for power plant operators and provides the necessary skills to operate and maintain a power plant. The program includes engine maintenance, troubleshooting and theory, electrical systems and generators, introduction to electrical distribution systems, diesel electric set operation, control panels, paralleling generators sets, load management, fuel management, waste heat recovery, plant management, power plant safety and industrial CPR.

ADVANCED POWER PLANT OPERATOR TRAINING- This advanced course provides the necessary knowledge and skills to diagnose and repair failures in power plants. The program includes review of electrical fundamentals, testing equipment, basics of computerized engine control systems, sensors and actuators, electronic signatures and waveforms, diagnostics and testing.

HYDRO TRAINING - This course trains local operators to ensure that hydro facilities can be sustained over the long-term. The program includes hydro plant overview (including hydrology and fuel systems), operation of all systems involved (hydro, diesel, system voltage control and safe clearance procedures), maintenance of all systems involved (hydro, diesel, reservoir and electrical distribution system) and record keeping.

UTILITY CLERK TRAINING (PCE CLERK TRAINING) - This course focuses on Power Cost Equalization (PCE) reporting, Regulatory Commission of Alaska (RCA) reporting, bulk fuel loans application process and general accounting practices by which utilities can keep their records and reports current.

ELECTRIC UTILITY BUSINESS TRAINING - This course includes interactive discussions and hands-on activities utilizing forms and exercises developed with information from the electric utility business plans. Participants will be trained on all the reporting and management requirements of the business plan and evaluated by the training instructor. Follow-up training and technical assistance is available to participants following the electric utility business training.

RESUMES/JOB DESCRIPTION

Igiugig Electric Company
P.O. Box 4008
Igiugig, AK 99613
Work 907-533-3211
Fax 907-533-3217

AlexAnna Salmon

Employment

Igiugig Electric Company

2008 – Present General Manager

Oversees the general management of the Electric Company. Signs checks, makes sure reports are done and sent out in a timely manner.

Igiugig Tribal Village Council

2008 – Present President, Acting Administrator

Provides overall Tribal administration and supervision for all programs, employees and infrastructure relevant to or of interest to the Igiugig Tribal Village Council.

Serves as a community liaison to Federal, State, Municipal, Tribal and other agencies and governmental entities.

Work Experience

Sayaks Lavguq (Salmon's Store)

2003 – Present Owner

Owns and operates a small general store serving the residents of Igiugig. Trains and hires local high school students as cashiers.

Native American Studies Library, Hanover, NH

2006 – 2008 Assistant Librarian

Education/Training

2004 – 2008 Dartmouth College, Hanover, NH

B.A. Anthropology and Native American Studies

GPA: 3.6 (Cumulative) 3.67 (Majors)

Anthropology Honors Thesis: Analyzing the Igyaragmuit relationship with their land under the impact of colonially imposed laws such as land allotment and incorporation.

Mellon Mays Fellow

2 academic citation reports

Fall 2006 University of Alaska Fairbanks, Fairbanks, AK

Transfer Term, Transfer credit specific Alaska Native courses are not available at Dartmouth College

Winter 2007 University of Auckland, Auckland, New Zealand

Foreign Study in Anthropology

Public Service

Lake and Peninsula Borough for Southwest Alaska

2009 – Present Planning Commission Member

Attend monthly meetings to discuss subjects such as capital improvements, land use regulations, and overall physical and economic development of the Borough and its communities. The Planning Commission acts in an advisory role to the Assembly

Igiugig Native Corporation

2008 – Present Board Member/Land-Use Manager

Actively manage 66,000 acres of surface estate and represent shareholder interests of the village operation.

Igiugig Electric Company
P.O. Box 4008
Igiugig, AK 99613
Work 907-533-3211
Fax 907-533-3217

Tanya Salmon

Employment

Igiugig Electric Company 2008-Present Bookkeeper

Reads electric meters, creates bills for customers, receives payments, completes PCE reports, and manages quarterly and fiscal reports.

Igiugig Tribal Village Council 2009 – Present Social Services (ICWA) Director

Works closely with the children in the community and looks after their general well-being.

Teaches reading and writing to the kindergarten and first graders in the mornings during the school year.

Helps elders with their paperwork, filling out forms, bills, and orders. Completes monthly and quarterly reports to the BIA.

Previous Experience

Igiugig Tribal Village Council 2003 - 2008 *Assistant Librarian and BIA Clerk*

Managed basic library needs, applied for grants for the Tribal Library, ran story hour with children and opened the library.

Basic secretarial duties for the Village Council

Education/Training

2007- Present University of Alaska Fairbanks, Distance Courses, *Majoring in Elementary Education*

2005 – 2007, University of Alaska Fairbanks, Fairbanks, AK

Public Service

2009 - Battle of the Books Coach

2010 - Coached Igiugig's 3rd/4th grade team in Battle of the Books

2006 – Festival of Native Arts in Fairbanks

Igiugig Electric Company
P.O. Box 4008
Igiugig, AK 99613
Work 907-533-3211
Fax 907-533-3217

Jack Wassille

Employment

Igiugig Electric Company

2008 -Present Power Plant Operator

Responsible for the day-to-day maintenance and general upkeep on generators. Maintains the oil changes and switches generators every 250 hours. On call 24/7 for generator emergencies.

Igiugig Tribal Village Council

2008 -Present Laborer

General laborer for the Village of Igiugig

Igiugig Transport

2008 – Present Deck Hand

Operates and runs barge services for Igiugig Transport. Including loading and unloading of freight onto flexi-floats, driving 32' commercial fishing boats across Lake Iliamna, and all other tasks assigned.

State of Alaska in Igiugig

2008 – Present Runway Maintenance

Daily inspection of runway and grade as needed when it snows. Local contact for airlines wanting runway condition reports.

Education/Training/ Certification

2001 – 2002 Spartan School of Aeronautics, Tulsa, OK

2002-2004 University of Montana, Helena, MT

AVTEC Vocational Technical Education Center, Seward, AK

2009 – Graduated, Advanced Power Plant Operator

2008 – Graduated Power Plant Operator

2010 – Recertified, RALO: Rural Alaska Landfill Operator

2009 - Certified: RALO: Rural Alaska Landfill Operator

2009 – Certified, OSHA and Mining Safety

2008 - CPR and First Aide Course

HAZMAT Certified, since 2005

Igiugig Electric Company JOB DESCRIPTION

ELECTRIC POWER GENERATION FACILITY MANAGER

Exempt (Y/N): No	Salary:
Division: Electric Utility	Location: Igiugig, AK
Employee:	Supervisor: Tribal Administrative
Approved By: Tribal Administrator	Date:

Summary: Plans and directs activities of electric power generation facility operations. Ensures facility is maintained according to guidelines outlined in Business Plan, the Operations and Maintenance Manual, all manufacturers' recommendations for maintenance, and all state and federal laws and regulations governing operation.

Essential Duties and Responsibilities include the following. Other duties may be assigned.

Acts as point of contact for communications between the Igiugig Tribal Village Council, the Denali Commission, Regulatory Agencies, and other interested parties.

Interprets company policies and methods and develops specific operating procedures.

Delegates functional activities to workers and establishes supervisory schedules and responsibilities to ensure quality and timeliness of independent decisions required to provide continuous service to public and safety of workers.

Maintains operator training program and training records to ensure that trained operators are available to maintain sustained Facility operation.

Assists the Tribal Administrator with annual report of operations to the Denali Commission and other required reporting.

Implements the spill response and related regulatory plans and ensure that required spill response and related regulatory plans are updated and available on-site: Ensures the reliability of the spill response equipment, maintains the proper records, and conducts periodic spill drills.

Oversees proactive program to recognize, identify and correct operational problems within the facility. Investigates, evaluates, and determines best application of new developments in electric power generation industry, and devises other means of securing maximum efficiency of personnel and equipment.

Directs maintenance of property records and upkeep of equipment and structures.

Job Description
Electric Power Generation Facility Manager
Page 2

SUPERVISORY RESPONSIBILITIES:

Directly supervises employees in the Electric Power Generation Facility. Carries out supervisory responsibilities in accordance with the organization's policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; addressing complaints and resolving problems.

QUALIFICATIONS: To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required.

Education and/or Experience: Associate's degree (A. A.) or equivalent from two-year college or technical school; or six months to one year related experience and/or training; or equivalent combination of education and experience.

Language Skills: Ability to read and interpret documents such as safety rules, operating and maintenance instructions, and procedure manuals. Ability to write routine reports and correspondence. Ability to speak effectively before groups of customers or employees of organization.

Reasoning Ability: Ability to solve practical problems and deal with a variety of concrete variables in situations where only limited standardization exists. Ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form.

PHYSICAL DEMANDS: The job will be physically demanding; will be required to push, maneuver and sometimes lift heavy objects.

APPENDIX B: O&M AND R&R COST ESTIMATE

POWER PLANT OPERATION & MAINTENANCE
AND REPLACEMENT & RENEWAL COSTS
IGIUGIG POWER PLANT
IGIUGIG, ALASKA

PREPARED BY:

Alaska Energy and Engineering, Inc.
P.O. Box 111405
Anchorage, Alaska 99511-1405

CLIENT

AEA
813 W. Northern Lights Blvd.
Anchorage, Alaska 99503

May 27, 2010

NOTES REGARDING THE PREPARATION OF THIS ESTIMATE

These Operations/Maintenance and Replacement/Renewal costs are based on conceptual drawings and do not include costs that could incur due to unexpected events such as natural disaster, vandalism, etc.

Each work item is priced using utility maintenance staff or "Force Account" local labor with exception of major testing, replacement, etc., which are priced using outside consultant/contractor rates, per diem and travel costs. "Force Account" labor rates are assumed as an average hourly rate for each village scenario.

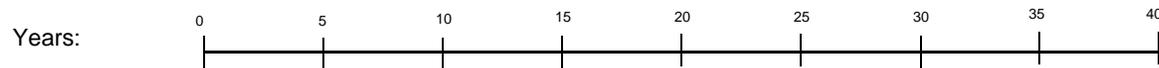
O&M costs are established on yearly basis in 2010 dollars and should be projected to the initial 40 years of the facility using appropriate inflation factor over next 40 years.

Renewal costs are based on repairing power plant building and equipment two to eight times over 40 years.

Replacement costs are based one to four times over 40 years.

ESTIMATING ASSUMPTIONS

Operation/Maintenance Costs: All costs are on yearly basis for one time event only.



Renewal/Replacement Costs: Total cost column represents one time event only. Years in parentheses indicate number of times to be renewed/replaced. Therefore, the Business Plan should apply the total dollars and multiply by the number of years item to be renewed or replaced.

SUMMARY

	One Time Cost	TOTAL COST (In 2010 Dollars)
A. Operations & Maintenance Costs (First Year)	13,866 x 40 Years =	\$ 554,622
B. Renewal Costs (Over 40 Years)		See Business Plan Table
C. Replacement Costs (Over 40 Years)		See Business Plan Table
TOTAL O&M AND RENEWAL/REPLACEMENT COSTS (2007 DOLLARS):		See Business Plan

NOTE: Items B and C costs are for multiple events over 40 years period. See Business Plan Tables for actual costs including inflation factor and number of occurrences/event.

A. Operations & Maintenance Costs (First Year)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
1. SITE MAINTENANCE											
Annual maintenance	12	Mos	50.00	600	6.000	72.000	19.80	1,426			2,026
Building foundation	800	SF									Included Above
Boardwalk / Stairs		SF									not used
Steel grate/ramp		SF									not used
TOTAL 1. :				600				1,426			2,026
2. FUEL TANK, PIPELINES AND TRANSFORMER											
Check 3-Phase step-up transformer	1	EA			12.000	12.000	19.80	238			238
Fuel delivery											Included In Cost of Fuel
Perform minor repairs, replace faulty valves and gauges (1 tank)	1	LOT	500.00	500	16.000	16.000	19.80	317	50.00	50	867
TOTAL 2.:				500				554		50	1,104

A. Operations & Maintenance Costs (First Year)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	

3. OTHER COSTS

NOTE: Included with Business Plan Table B.

Operator training	1	EA									
Administration - clerical	12	Mos									
Administration - supervision	12	Mos									
Annual audit (in Juneau)	1	LOT									
Power plant insurance (building and gensets, switchgear, gallon daytank, etc.)	1	EA									

TOTAL 3.:

4. BUILDING SYSTEMS

Check the following and repair as necessary:

Foundation	800	SF	0.02	16	0.020	16.000	19.80	317	0.20	160	493
Floor structure	800	SF	0.05	40	0.020	16.000	19.80	317			357
Roof structure	1,000	SF	0.05	50	0.020	20.000	19.80	396			446

A. Operations & Maintenance Costs (First Year)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
<u>4. BUILDING SYSTEMS (Continued)</u>											
Exterior walls	1,440	SF	0.05	72	0.013	18.720	19.80	371			443
6'0"x7'0" double door	1	EA	100.00	100	4.000	4.000	19.80	79			179
3'0"x7'0" single door	3	EA	15.00	45	1.000	3.000	19.80	59			104
3'6"x5'0" windows	2	EA	10.00	20	0.500	1.000	19.80	20			40
Metal roofing	1,000	SF	0.02	20	0.020	20.000	19.80	396			416
Interior partitions	192	SF	0.05	10	0.020	3.840	19.80	76			86
Clean floors	800	SF	0.10	80	0.030	24.000	19.80	475			555
Clean interior wall finishes	1,440	SF	0.01	14	0.007	10.080	19.80	200			214
Ditto ceiling finishes	800	SF	0.01	8	0.007	5.600	19.80	111			119
Specialties	1	LOT	200.00	200	2.000	2.000	19.80	40			240
TOTAL 4.:				675				2,856	160		3,691

A. Operations & Maintenance Costs (First Year)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	

5. MECHANICAL

Check heating, ventilation and ducts, grilles, louvers and controls	800	SF	0.10	80	0.016	12.800	19.80	253			333
Fire alarm and fire suppression system inspection and certification (outside contractor)	1	LOT	500.00	500	10.000	10.000	75.00	750			1,250
TOTAL 5.:				580				1,003			1,583

6. ELECTRICAL

Check service and distribution	800	SF			0.013	10.400	19.80	206			206
Change lamps/replace lenses (13 fixtures x 33%)	4	EA	24.00	96	0.700	2.800	19.80	55			151
Check devices, switches, etc.	1	LOT			6.000	6.000	19.80	119			119
TOTAL 6.:				96				380			476

A. Operations & Maintenance Costs (First Year)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	

7. POWER GENERATION SYSTEMS

Check 67 KW genset radiators, mufflers and additives	1	EA			10.000	10.000	19.80	198			198
Ditto 67 KW	1	EA			10.000	10.000	19.80	198			198
Ditto 42 KW	1	EA			8.000	8.000	19.80	158			158
Ditto switchgear and controls	1	EA			12.000	12.000	19.80	238			238
Change oil, oil filter, fuel filter and air filters in generator engine	1	EA	3500.00	3,500	35.000	35.000	19.80	693			4,193
TOTAL 7.:				3,500				1,485			4,985

SUMMARY (YEARLY)

1. SITE MAINTENANCE	\$ 2,026
2. FUEL TANK, PIPELINES AND TRANSFORMER	1,104
3. OTHER COSTS	--
4. BUILDING SYSTEMS	3,691
5. MECHANICAL	1,583
6. ELECTRICAL	476
7. POWER GENERATION SYSTEMS	4,985
TOTAL IN PRESENT DOLLARS/YEAR:	\$ 13,866

B. Renewal Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
1. SITE											
Repair decking (at 5, 10, 15, 25, 30 and 35 years - 6 times)		SF	0.30		0.060		19.80		0.15		not used
Minor repairs to steel grate/ramp at module (ditto)		SF	0.45		0.080		19.80		0.25		
TOTAL 1.:											
2. FUEL & OIL PUMPS, PIPING AND ELECTRICAL											
Replace fuel pumps (at 10, 20, 30 and 40 years - 4 times, 1 tank)	1	LOT	2500.00	2,500	8.000	8.000	19.80	158	100.00	100	2,758
Replace valves and gauges (at 5, 15, 25 and 35 years - 4 times)	1	LOT	1250.00	1,250	6.000	6.000	19.80	119	30.00	30	1,399
Refurbish electrical systems for fuel system and pump (at 10, 20, 30 and 40 years - 4 times)	1	LOT	500.00	500	16.000	16.000	19.80	317	100.00	100	917
TOTAL 2.:				4,250				594		230	5,074

B. Renewal Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	

3. BUILDING SYSTEMS

Minor repairs to floor system (at 10, 20, 30 and 40 years - 4 times)	800	SF	0.15	120	0.030	24.000	19.80	475			595
Ditto roof structure (ditto)	1,000	SF	0.10	100	0.020	20.000	19.80	396			496
Repair exterior siding (at 5, 10, 15, 25, 30 and 35 years - 6 times)	1,440	SF	0.20	288	0.030	43.200	19.80	855			1,143
Ditto interior (ditto)	1,440	SF	0.10	144	0.020	28.800	19.80	570			714
Repair/caulk 14'0"x12'0" overhead door (ditto)		EA	100.00		4.000		19.80				not used
Repair/caulk 6'0"x7'0" door (at 5, 10, 15, 25, 30 and 35 years - 6 times)	5	EA	12.00	60	1.500	7.500	19.80	149			209
Ditto 3'6"x5'0" window (ditto)	2	EA	8.00	16	1.000	2.000	19.80	40			56
Repair metal roofing and flashings (at 10, 20 and 35 years - 3 times)	1,000	SF	0.25	250	0.040	40.000	19.80	792			1,042
Change door hardware (at 10 and 30 years - 2 times)	5	EA	265.00	1,325	1.500	7.500	19.80	149			1,474

B. Renewal Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
3. BUILDING SYSTEMS (Continued)											
Replace acoustical glazing and seals on 3'6"x5'0" interior window (at 20 years - 1 time)	35	SF	27.50	963	0.370	12.950	19.80	256			1,219
Paint floors (at 5, 10, 15, 25, 30 and 35 years - 6 times)	800	SF	0.18	144	0.040	32.000	19.80	634			778
Patch and clean interior walls (at 5, 10, 15, 25, 30 and 35 years - 6 times)	1,440	SF	0.22	317	0.025	36.000	19.80	713			1,030
Ditto ceilings (ditto)	800	SF	0.15	120	0.025	20.000	19.80	396			516
Repair specialties (at 10, 20, and 30 years - 3 times)		LOT	50.00		1.000		19.80				Not Used
TOTAL 3.:				3,846				5,424			9,271

4. MECHANICAL

Replace filters, check motor belts, bearings, etc. (at 5, 10, 15, 25, 30 and 35 years - 0 times)		LOT	700.00		16.000		19.80				included in Tab A - O&M #7
Repair ducts, grilles and controls (at 10 and 30 years - 2 times)	800	SF	1.00	800	0.050	40.000	19.80	792			1,592

B. Renewal Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
6. POWER GENERATION SYSTEMS											
Major Overhaul 67 KW genset (at 10 & 30 years)	1	EA	6325.00	6,325	60.000	60.000	75.00	4,500	700.00	700	11,525
Major Overhaul 67 KW genset (at 10 & 30 years)	1	EA	6325.00	6,325	60.000	60.000	75.00	4,500	700.00	700	11,525
Major Overhaul 42 KW genset (at 10 & 30 years)	1	EA	6325.00	6,325	60.000	60.000	75.00	4,500	700.00	700	11,525
Major Overhaul 100 KW genset (at 10 & 30 years)		EA					75.00		450.00		not used
Refurbish switchgear and controls, instrumentation and recalibrate (at 20 years - 1 times)	1	LOT	5500.00	5,500	100.000	100.000	75.00	7,500	500.00	500	13,500
Top end overhaul (at 5, 15, 25 & 35 years)	3	EA	2875.00	8,625	60.000	180.000	75.00	13,500	750.00	2,250	24,375
Change battery, alternator, etc. (at 5, 15, 25. 35 - 4 times)	1	LOT	2500.00	2,500	12.000	12.000	19.80	238			2,738
TOTAL 6.:				35,600				34,738		4,850	75,188

B. Renewal Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIPMENT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	

SUMMARY

1. SITE											
2. FUEL & OIL PUMPS, PIPING AND ELECTRICAL											5,074
3. BUILDING SYSTEMS											9,271
4. MECHANICAL											4,592
5. ELECTRICAL											2,242
6. POWER GENERATION SYSTEMS											75,188
TOTAL IN PRESENT DOLLARS OVER 40 YEARS:											\$ 96,366

C. Replacement Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIP/FRT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
<u>1. SITE</u>											
Replace decking (at 20 and 40 years - 2 times)		SF	5.50		0.100		25.00				not used
Replace steel grate/ramp/stairs (at 40 years - 1 time)		EA	2000.00		20.000		75.00		500.00		
TOTAL 1.:											
<u>2. FUEL TANK AND ELECTRICAL</u>											
Replace day tank (at 40 years - 1 time)	1	EA	8000.00	8,000	85.000	85.000	80.00	6,800	1000.00	1,000	15,800
Replace electrical system for fuel & radiator system (at 40 years - 1 time)	1	LOT	2000.00	2,000	20.000	20.000	80.00	1,600	1000.00	500	4,100
TOTAL 2.:				10,000				8,400		1,500	19,900

C. Replacement Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIP/FRT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
Shim piles and replace bracings (at 20 and 40 years - 2 times)		EA	255.00		6.000		25.00		215.00		not used
Upgrade floor system (at 20 and 40 years - 2 times)	800	SF	0.25	200	0.100	80.000	25.00	2,000			2,200
Ditto roof structure (ditto)	1,000	SF	2.00	2,000	0.050	50.000	25.00	1,250			3,250
Refurbish exterior walls (at 40 years - 1 time)	1,440	SF	12.00	17,280	0.120	172.800	25.00	4,320			21,600
Refurbish interior walls (at 40 years - 1 time)	1,440	SF	1.25	1,800	0.070	100.800	25.00	2,520			4,320
Replace 14'0"x14'0" overhead door (at 20 and 40 years - 2 times)		EA	2500.00		10.000		25.00				not used
Ditto 6'0"x7'0" double door (ditto)	1	EA	785.00	785	3.000	3.000	25.00	75			860
Ditto 3'0"x7'0" single door (ditto)	2	EA	380.00	760	3.000	6.000	25.00	150			910
Replace metal roofing (at 20 and 40 years - 2 times)	1,000	SF	12.00	12,000	0.125	125.000	25.00	3,125			15,125
Replace 3'0"x7'0" interior doors (at 20 and 40 years - 2 times)	1	EA	655.00	655	2.500	2.500	25.00	63			718

C. Replacement Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIP/FRT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
3. BUILDING SYSTEMS (Continued)											
Replace 3'6"x5'0" window unit (at 40 years - 1 time)	35	SF	35.00	1,225	0.400	14.000	25.00	350			1,575
Paint trim and doors (at 20 and 40 years - 2 times)	3	EA	20.00	60	1.250	3.750	25.00	94			154
Replace specialties (at 40 years - 1 time)	1	LOT	2500.00	2,500	12.000	12.000	25.00	300			2,800
TOTAL 3.:				39,265				14,246			53,511
4. MECHANICAL											
Replace major mechanical equipment (at 40 years - 1 time)	1	LOT	76500.00	76,500	580.000	580.000	80.00	46,400	6100.00	6,100	129,000
Refurbish grilles, louvers, ducts and controls (at 20 and 40 years - 2 times)	800	SF	4.50	3,600	0.040	32.000	80.00	2,560			6,160
Replace fire suppression system (at 40 years - 1 time)	1	LOT	35000.00	35,000	80.000	80.000	80.00	6,400	1000.00	1,000	42,400
TOTAL 4.:				115,100				55,360		7,100	177,560

C. Replacement Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIP/FRT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
Replace panels, disconnect switches, motor controls, conductors (at 40 years - 1 time)	1	LOT	15000.00	15,000	240.000	240.000	80.00	19,200	2000.00	2,000	36,200
Replace conductors only (at 40 years - 1 time)		LOT	19000.00		260.000		80.00		1000.00	INCL'D ABOVE	
Replace light fixtures (at 20 and 40 years - 2 times)	13	EA	152.50	1,983	1.500	19.500	80.00	1,560			3,543
Replace devices (ditto - 2 times)	12	EA	18.00	216	0.500	6.000	80.00	480			696
Replace fire alarm system (at 20 and 40 years - 2 times)	800	SF	2.35	1,880	0.020	16.000	80.00	1,280			3,160
Replace transformers (at 40 years - 1 time)	1	EA	12000.00	12,000	40.000	40.000	80.00	3,200	2500.00	2,500	17,700
TOTAL 5.:				31,079				25,720		4,500	61,299

C. Replacement Costs (Over 40 Years)	QUANTITY		MATERIAL		LABOR				EQUIP/FRT		TOTAL \$
	No. of Units	Unit Meas	Unit Price	Cost \$	MH Unit	Total Hrs	Rate	Cost \$	Unit Price	Cost \$	
6. POWER GENERATION SYSTEM											
Repower 67 KW generator (at 20 and 40 years)	1	EA	10925.00	10,925	71.000	71.000	80.00	5,680	1000.00	1,000	17,605
Repower 67 KW generator (at 20 and 40 years)	1	EA	10925.00	10,925	71.000	71.000	80.00	5,680	1000.00	1,000	17,605
Repower 42 KW generator (at 20 and 40 years)	1	EA	10925.00	10,925	71.000	71.000	80.00	5,680	1000.00	1,000	17,605
Repower 100 KW generator (at 20 and 40 years)		EA	14375.00		71.000		80.00		1000.00		not used
Replace switchgear and controls complete (at 40 years - 1 time)	1	LOT	150000.00	150,000	60.000	60.000	80.00	4,800	2000.00	2,000	156,800
Replace equipment feeders and conductors (at 20 & 40 years - 2 times)	1	LOT	16000.00	16,000	140.000	140.000	80.00	11,200	1000.00	2,000	29,200
TOTAL 6.:				198,775				33,040		7,000	238,815

SUMMARY

1. SITE	
2. FUEL TANK AND ELECTRICAL	19,900
3. BUILDING SYSTEMS	53,511
4. MECHANICAL	177,560
5. ELECTRICAL	61,299
6. POWER GENERATION SYSTEM	238,815
TOTAL RENEWAL:	\$551,085

ADDITIONAL RELATED AND ATTACHED DOCUMENTS

- 1. Secondary Operator Agreement**
- 2. Site Control Documents**
- 3. Sample Grant Agreement**
- 4. R&R Account Information**

SECONDARY OPERATOR AGREEMENT

**SECONDARY OPERATOR AGREEMENT
FOR THE IGIUGIG TRIBAL VILLAGE COUNCIL DBA IGIUGIG ELECTRIC COMPANY'S
ELECTRIC POWER UTILITY FACILITY**

WHEREAS, the Denali Commission (“Commission”) has provided, or will provide, funds to the Alaska Energy Authority (“Authority”) for a grant by the Authority to the Igiugig Tribal Village Council dba Igiugig Electric Company (“Utility”) for the upgrading of electric power generation facilities at Igiugig, Alaska (the “Facility”) owned and operated by the Utility; and

WHEREAS, grant funds may also be provided by HUD and the State of Alaska, and the financial aspects of those separate grants will be managed and the Facility construction will be overseen by the Commission (which term shall include HUD and the State of Alaska in this Secondary Operator Agreement for the Facility, hereinafter the “Agreement”); and

WHEREAS, the Commission has adopted Sustainability Criteria that apply to the use of Commission funds for the Facility, in order to ensure the long-term economic sustainability of the Facility; and

WHEREAS, the Commission and the Utility have agreed to a Business Plan consistent with the Sustainability Criteria for the operation of the Facility, as contained in the Igiugig Electric Company, Electric Utility Upgrade Project Business Plan dated June 28, 2010 ; and

WHEREAS, the Plan specifies that the Utility shall act as the Primary Operator of the Facility, as specified therein, and shall operate the Facility in compliance with the terms and conditions of the Plan; and

WHEREAS, the Commission and Utility agree that, if the Primary Operator is not operating the Facility in compliance with the terms and conditions of the Plan, the Commission may designate a Secondary Operator to assist the Primary Operator or to take over such functions of the Facility operations that the Commission determines are necessary for such time as it determines is necessary, pursuant to the terms and conditions of this Agreement;

NOW THEREFORE, the Commission and the Utility agree as follows, in consideration for the mutual promises contained herein and the benefits to the parties resulting from the completion and operation of the Facility:

1. The Primary Operator shall operate the components of the Facility specified in the Plan in accordance with the terms and conditions of the Plan and the requirements contained herein.
2. In addition to, and consistent with its duties specified in the Plan, the Primary Operator shall, in a timely manner:
 - 2.1 properly establish and maintain accurate books and records;
 - 2.2 account for, bill for, and use its best efforts to collect all sales and all other receivables;

- 2.4 maintain adequate cash reserves for fuel purchases so that emergency fuel shipments are not necessary;
 - 2.5 obtain annual financial audits/reviews showing the absence of any management or financial irregularities;
 - 2.6 perform necessary maintenance of and repairs to the Facility;
 - 2.7 provide or obtain necessary training for Facility operations; and
 - 2.8 meet its financial obligations.
3. If the Commission determines, in the exercise of its sole discretion, that the Primary Operator has failed or is unable to operate the Facility in accordance with the Plan and this Agreement and that this failure or inability significantly threatens the long-term economic sustainability of the Facility, the Commission may contract with and utilize a Secondary Operator.
 4. The Commission has the sole right to transfer the full custody and control of the assets and business operations of the Facility, including but not limited to, the cash, the receivables and the inventory of the Facility, to the Secondary Operator and assign the Secondary Operator responsibility for partial or total management of the Facility.
 - 4.1 The Commission may appoint the Secondary Operator to assist the Primary Operator in some or all aspects of the Facility operations or to take over some or all aspects of Facility operation from the Primary Operator, in such a manner and for such period of time as the Commission determines to be necessary and appropriate for operation of the Facility in compliance with the Plan and the long-term economic sustainability of the Facility. (For example, the Secondary Operator may be asked to assist the Primary Operator for a short period of days or weeks in bringing certain aspects of the operations back into compliance. Alternatively, the Secondary Operator may be asked to replace the Primary Operator as Facility operator. The foregoing are intended only as illustrative examples, without limiting the effect of this Agreement.)
 - 4.2 If the Commission utilizes a Secondary Operator, the Primary Operator will transfer the complete control and authority over the following assets to the Secondary Operator: the books and records relating to the Facility operations, the accounts receivable and all account funds. The Utility agrees to cooperate with the Commission and the Secondary Operator in the release of the stated assets and the transfer of operations to the Secondary Operator.
 - 4.3 The Secondary Operator will be entitled to reasonable compensation for its services. This compensation will, at a minimum, reimburse the Secondary Operator for any and all expenses associated with their duties as Facility operator, plus a reasonable profit. The profit will not exceed what is considered normal and customary for like service, as determined by the Commission in the exercise of its sole discretion.

- 4.4 The parties anticipate that, if a Secondary Operator is appointed, the Commission will appoint (*to be determined*). However, the parties acknowledge that (to be determined) may not exist or be willing to serve in this capacity at the time a Secondary Operator is needed, or other circumstances may prevent (*to be determined*) from serving as Secondary Operator. Therefore, the Utility acknowledges and agrees that the Commission may appoint any qualified entity or entities to serve as Secondary Operator. The Commission will consult with the Utility on the replacement to the Secondary Operator; however, the Commission maintains final approval authority for the replacement Secondary Operator.
- 4.5 The Commission will act reasonably and responsibly in its enforcement of the Plan and this Agreement and its designation of a Secondary Operator, consulting with the Utility and taking into account the needs and interests of the community of Igiugig, as well as the general public interest. If the Commission employs the Secondary Operator, the Commission shall oversee the operations of the Secondary Operator to make sure that it is conducting its operations reasonably, in a cost-efficient manner, and consistent with the needs and interests of the community as well as the general public interest.
5. If a dispute or controversy arises between the parties to this Agreement or among the parties to an agreement with the Secondary Operator, application or enforcement of this Agreement shall be decided through mediation. If mediation is unsuccessful, any party to this Agreement may bring an action to resolve the dispute in the Superior Court of the State of Alaska.
6. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument. The exchange of a fully executed Agreement (in counterparts or otherwise) by fax shall be sufficient to bind the parties to the terms and conditions of this Agreement.
7. No delay on the part of a party in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude other or further exercise thereof or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall be effective unless it shall be in writing and signed and delivered by the parties hereto.
8. All notices, demands or requests required or allowed under this Agreement or applicable law from one party to another shall be in writing and delivered in person or sent by mail, certified or registered, postage prepaid, to the parties hereto at the addresses set forth in this Agreement or to such other persons and addresses as either party may designate. Notice shall be deemed to have been given three (3) days after the day of mailing.
9. This Agreement is a contract made under and governed by the laws of the State of Alaska. All obligations and rights of the parties stated herein shall be in addition to, and not in limitation of, those provided by applicable law.

10. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, and their respective heirs, successors, and assigns.
11. This Agreement represents the entire agreement between the parties, and there are no other agreements, either oral or written, with respect to the subject matter of this Agreement.

This AGREEMENT has been reviewed, agreed to, and executed by the following parties:

for the **IGIUGIG TRIBAL COUNCIL DBA IGIUGIG ELECTRIC COMPANY**

by

AlexAnna Salmon

(Signature)

6.28.10

(Date)

AlexAnna Salmon

(Name Printed)

President

(Title)

P.O. Box 4008, Igiugig AK 99613

(Address)

for the **DENALI COMMISSION**

by

(Signature)

(Date)

(Name Printed)

(Title)

510 L Street, Suite 410, Anchorage AK 99501

(Address)

for **(TO BE DETERMINED)**

by

(Signature)

(Date)

(Name Printed)

(Title)

(Address)

SITE CONTROL DOCUMENTS

**Site Control Opinion
Bulk Fuel Storage and Power Generation Project
Igiugig, Alaska**

As requested, I have reviewed the land status for the bulk fuel storage and power generation project in Igiugig, Alaska.

Land Status Report

Land records were researched at the State Department of Community, Commerce and Economic Development and the State Recording Office. All research was conducted on line.

The parcels researched are identified as Tracts H-2 and H-3 of the Igiugig Community Facilities Subdivision recorded in the Iliamna Recording District as plat 2004-9 on December 29, 2004, and a parcel of land described by metes and bonds description within U.S Survey 7796. A copy of plat 2004-9 and the pertinent portion of U.S. survey 7798 are attached.

The State of Alaska, Department of Community, Commerce and Economic Development (in trust for a future city in Igiugig) owns the surface estate of the land for the bulk fuel storage and power generation facility. The Municipal Lands Trustee (MLT) Program, which is located in the Division of Business and Community Development, performs the State's municipal land trust function.

The parcel now identified as Tract H-3 was leased to the Igiugig Village Council by MLT. This 30 year lease became effective on February 22, 2005. The lease was recorded on February 24, 2005, in the Iliamna Recording District as document 2005-000557-0. This document amended an earlier lease between the parties to adjust the property description and the term of the lease. A copy of the recorded amended lease is attached.

The parcel identified as Tract H-2 has also been leased to the Igiugig Village Council by MLT. This 30 year lease also became effective on February 22, 2005. The lease was recorded on February 24, 2005, in the Iliamna Recording District as document 2005-000557-0. A copy of the recorded lease is attached.

A small parcel of land to the south of Tract H-3, Plat 2004-9, previously identified as Parcel 93P1, was deeded to the Igiugig Village Council by warranty deeds issued by Elia Wassillie, Martin Wassillie, Wassie Wassillie and Henry Wassillie. These four deeds were recorded in the Iliamna Recording District on August 19, 1994, in Book 21, Pages 947-954. Copies of the recorded deeds are attached.

Site Control Summary

Legal title to Tracts H-2 and H-3, Plat 2004-9 is vested in the State of Alaska, Department of Community, Commerce and Economic Development (in trust for a future city in Igiugig). The MLT Program has leased both parcels to the Igiugig Village Council. The long term leases should be deemed adequate evidence of site control for the project. The Igiugig Village Council owns fee title to the small parcel of land to the south of Tract H-3.

Disclaimer

This site control opinion does not purport to insure, warrant or certify title. This opinion is not a legal opinion. The research of the Iliamna Recording Office records was limited to a review of the computerized files. The opinion is the result of a diligent research effort as described above.

Prepared by



Rick Elliott

Land Consultant for AE&E

January 28, 2008

SAMPLE GRANT AGREEMENT

Alaska Energy Authority
Grant Agreement



Grant Agreement Number		Amount of Funds: \$			
Project Code(s)	Encumbrance Number/AR	Period of Performance: From: _____ To: _____			
Project Title:					
Grantee			Grantor		
Name			Alaska Energy Authority		
Street/PO Box			Street/PO Box 813 W. Northern Lights Blvd		
City/State/Zip			City/State/Zip Anchorage, AK 99503		
Contact Person			Contact Person		
Phone: 907-999-9999	Fax: 907-999-9999	E-mail:	Phone: 907-771-9999	Fax: 907-771-3044	E-mail:

AGREEMENT

The Alaska Energy Authority (hereinafter 'Authority') and [Name] (hereinafter 'Grantee') agree as set forth herein.

Section I. The Authority shall grant funds to pay for expenses incurred by the Grantee under the terms and conditions of this Agreement, in an amount not to exceed \$ GRANT AMOUNT, unless the grant amount is amended as provided herein.

Section II. The Grantee shall apply the grant funds to the Project and perform all of the work and other obligations required by this Agreement.

Section III. Performance under this agreement begins (Date expenditures can start) and shall be completed no later than INSERT COMPLETION DATE.

Section IV. The agreement consists of this page and the following:

Appendices

- Appendix A: General Provisions
- Appendix B: Standard Provisions
- Appendix C: Grantee Proposal/Scope of Work
- Appendix D: Project Management & Reporting Requirements
- Appendix E: Project Budget & Reimbursement Provisions

Attachments/Forms (As required)

- Attachment 1: Notice of Substantial Completion
- Attachment 2: Notice of Project Closeout
- Attachment 3: Waiver of Sovereign Immunity (if required)

AMENDMENTS: Any amendments to this Agreement must be signed by authorized representatives of Grantee and the Authority and should be listed here.

Grantee	Authority Project Manager	Executive Director or Designee
Signature	Signature	Signature
Printed Name and Title	Printed Name and Title	Steve Haagenson, AEA Executive Director
Date	Date	Date

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APPENDIX A GENERAL PROVISIONS

1. **Definitions**

In this Grant Agreement, attachments and amendments:

- a) "Authority" means the Alaska Energy Authority, a public corporation of the State of Alaska.
- b) "Authorized Representatives" means those individuals or entities authorized by an entity to act on its behalf, with delegated authority sufficient to accomplish the purposes for which action is needed.
- c) "Executive Director" means the Executive Director of the Authority or the Executive Director's authorized representative.
- d) "Matching contributions" means the cash, loan proceeds, in-kind labor, equipment, land, other goods, materials, or services a grantee provides to satisfy any match requirements of a grant or to complete the Project.
- e) "Project" means [Posting Description] as defined in Appendix C (Scope of Grant) for which funds have been made available.
- f) "Project Manager" means the employee of the Authority responsible for assisting the Grantee with technical aspects of the Project and is one of the Grantor's contacts for the Grantee during all phases of the Project.
- g) "Denali Commission" means the federal-state commission established under 42 USC 3121 and its successors or assigns.

2. **Authority Saved Harmless**

As a condition of this Grant, the Grantee agrees to defend, indemnify, and hold harmless the Authority and the State of Alaska, and their agents, servants, contractors, and employees, from and against any and all claims, demands, causes of action, actions, and liabilities arising out of, or in any way connected with this grant or the project for which the grant is made, howsoever caused, except to the extent that such claims, demands, causes of action, actions or liabilities are the proximate result of the sole negligence or willful misconduct of the Authority or the State of Alaska.

3. **Workers' Compensation Insurance**

The Grantee shall provide and maintain Workers' Compensation Insurance as required by AS 23.30 for all employees engaged in work under this Grant Agreement. The Grantee shall require any contractor to provide and maintain Workers' Compensation Insurance for its employees as required by AS 23.30.

4. **Insurance**

The Grantee is responsible for obtaining any necessary insurance and endorsements as defined in Appendix B Standard Provisions.

5. Equal Employment Opportunity (EEO)

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state in all solicitations or advertisements for employees to work on Authority funded projects, that it is an Equal Opportunity Employer (EEO) and that all qualified applications will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor and subcontractor.

6. Public Purposes

The Grantee agrees that the Project to which this Grant Agreement relates shall be dedicated to public purposes and any project constructed or equipment or facilities acquired, shall be owned and operated for the benefit of the general public. The Grantee shall spend monies appropriated under this grant only for the purposes specified in the Grant Agreement. The benefits of the Project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

7. Officials Not To Benefit

No member of or delegate to Congress or the Legislature, or officials or employees of the Authority or Federal government may share any part of this agreement or any benefit to arise from it.

8. Governing Law

This Grant Agreement is governed by the laws of the State of Alaska. Any civil action arising from this Agreement shall be brought in the Superior Court for the Third Judicial District of the State of Alaska at Anchorage.

9. Compliance with Applicable Law and Funding Source Requirements

The Grantee shall comply with all applicable local, state and federal statutes, regulations, ordinances and codes, whether or not specifically mentioned herein. Refer to Appendix B Standard Provisions for more specific requirements.

10. Severability

If any section, paragraph, clause or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall be unaffected and enforced to the fullest extent possible, and the invalid or unenforceable provision shall be deemed replaced with a valid and enforceable provision that is as similar as possible to such invalid or unenforceable provision.

11. Non-waiver

The failure of either party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement, or any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

12. Integration

This instrument and all appendices, amendments, attachments, and hereto embody the entire Agreement of the parties concerning the grant funds granted hereunder. There are no promises, terms, conditions, or obligations regarding said funds other than those contained in the documents described above; and such documents shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto. To the extent there is any conflict between the provisions of Appendix A and B the Grantee's application or proposal, the provisions of Appendix A and B prevail.

13. Grantee Not Agent of Authority

The Grantee and any agents and employees of the Grantee act in an independent capacity and are not officers or employees or agents of the Authority in the performance of this Grant Agreement.

14. Disputes

Any dispute arising under this Grant Agreement which is not disposed of by mutual agreement must be dealt with in accordance with 3 AAC 108.915.

15. Termination

a) The Grantee shall have no rights to compensation or damages for termination except as provided in this Section.

b) In addition to all other rights available under law, the Authority may terminate this Agreement or stop work on the Project for the convenience of the Authority or for cause upon ten (10) days written notice.

c) "Cause" for termination shall exist when the Grantee has failed to perform under this Agreement, has provided incorrect or misleading information or has failed to provide information which would have influenced the Authority's actions. In order for termination to be for cause, the Grantee's failure to perform or the Grantee's provision of incorrect, misleading, or omitted information must be material.

d) If this Agreement is terminated for cause, the Grantee shall be entitled to no compensation. The Grantee shall reimburse the Authority for all grant funds expended under this Agreement by the Grantee or on the Grantee's behalf including interest accrued from the date of disbursement. The Grantee shall also reimburse the Authority for any costs incurred to collect funds subject to reimbursement, and for any damages incurred by the Authority as a result of the Grantee's failure to perform or provision of incorrect or misleading information. The Authority may require the Grantee to return to the Authority some or all of the Project assets if this Agreement is terminated for cause.

e) If this Agreement is terminated at the sole request of the Authority for the sole reason of its convenience, the Grantee is not required to reimburse the Authority for

funds expended prior to the date of termination. If the Grantee has incurred costs under this agreement, the Grantee shall only be reimbursed by the Authority for eligible costs the Grantee incurred prior to the date of termination of the Agreement. However, prior to making any claim or demand for such reimbursement, the Grantee shall use its best effort to reduce the amount of such reimbursement through any means legally available to it. The Authority's reimbursement to the Grantee shall be limited to the encumbered, unexpended amount of funds available under this Agreement.

16. Termination Due to Lack of Funding

In the event funding from the Authority, federal or other sources is withdrawn, reduced, or limited in any way after the effective date of this agreement and prior to normal completion, the Authority may terminate the agreement, reduce funding, or re-negotiate subject to those new funding conditions.

17. No Assignment or Delegation

The Grantee may not assign or delegate this Grant Agreement, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Executive Director or Designee.

18. No Third Party Beneficiaries

Except as otherwise specified in this agreement, no person is a third party beneficiary of this Agreement and this Agreement creates no third party rights. Specifically, any person who is not a party to this Agreement shall be precluded from bringing any action asserting the liability of a party or asserting any right against a party to this Agreement, through the terms of this Agreement. No person, other than a party to this Agreement, may bring any action based upon this Agreement for personal injuries, property damages, or otherwise.

19. No Additional Work or Material

No claims will be allowed for additional work, materials, or equipment, not specifically authorized in this Grant Agreement, which are performed or furnished by the Grantee.

20. Changes

Any changes which have been agreed to by both parties will be attached and made a part of this Grant Agreement by use of a written Amendment. Any such Amendment must be dated and signed by Authorized Representatives of the Authority and the Grantee.

21. Right to Withhold Funds

The Authority may withhold payments under this Grant Agreement for non-compliance with any of the provisions of this Grant Agreement.

22. Remission of Unexpended Funds

The Grantee shall return all unexpended grant monies to the Authority within 90 days of the Project completion.

23. Tax Compliance Responsibilities of Grantee

The Grantee is responsible for determining applicable federal, state, and local tax requirements, for complying with all applicable tax requirements, and for paying all applicable taxes. The Authority may issue an IRS Form 1099 for Grant payments made. The Grantee shall pay all

federal, state and local taxes incurred by the Grantee and shall require the payment of all applicable taxes by any contractor or any other persons in the performance of this Grant Agreement.

24. *Lobbying Activities*

In accepting these funds, the Grantee agrees and assures that none of the funds will be used for the purpose of lobbying activities before the United States Congress or Alaska Legislature. No portion of these funds may be used for lobbying or propaganda purposes as prohibited in AS 37.05.321, 18 U.S.C. 1913, 31 U.S.C. 1352, or other laws as applicable.

25. *Ownership of Documents and Products*

All designs, drawings, specifications, notes, artwork, computer programs, reports and other work developed with grant funds in the performance of this agreement are public domain and will be used by the Authority and/or public without notice or compensation to the Grantee. The Grantee agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. Except as otherwise specifically agreed, and without limiting any Intellectual Property requirements of a federal funding agency, the Authority shall have unlimited rights to use and to disseminate any data produced or delivered in the performance of the contract.

26. *Inspections and Retention of Records*

The Grantee shall keep a file for financial, progress and other records relating to the performance of the grant agreement. The file must be retained for a period of four years from the fully executed close out of the grant agreement or until final resolution of any audit findings claim or litigation related to the grant. The Authority may inspect, in the manner and at reasonable times it considers appropriate, records and activities under this Grant Agreement.

27. *Audits*

This Grant Agreement is subject to OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations. The Grantee must comply with all provisions of OMB Circular A-133 and any additional audit requirements outlined in Appendix D.

Commercial (for-profit) entities shall obtain an audit by an independent auditing firm similar to a program audit prepared under OMB A-133. The auditee and auditor shall have basically the same responsibilities for the federal or state program as they would have for an audit of a major program in a single audit. The expenditure threshold is \$500,000 in the commercial entity's fiscal year.

28. *Legal Authority*

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute the Project described in this Grant Agreement by signing the Grant Agreement document. The Grantee's relation to the Authority and the State of Alaska shall be at all times as an independent Grantee.

29. *Grant Close out*

Upon completion of all work and expenditure of all grant funds related to the Project the Authority will provide written notice to the Grantee that the Grant will be closed. The Grantee shall sign the Notice of Project Closeout within 30 days after it is delivered by the Authority. The Grant will be considered closed upon receipt of the signed Notice of Project Closeout.

The Grant will be administratively closed if the Grantee fails to return the Notice of Project Closeout within 30 days after it is delivered by the Authority. If the Grantee has a valid reason for the Grant to remain open, they must contact the Authority in writing within 30 days.

No additional reimbursements will be made to the Grantee after the grant is closed out.

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Appendix B Standard Provisions

1. **Grant Funding Sources**

This Grant is subject to appropriation and availability of funds as listed below:

(List funding sources and amounts from each source)

Grantee acknowledges that if additional grant funds are made available they are subject to the terms and conditions of this Agreement and any amendment. **Funds from other federal sources cannot be counted as match or cost share.**

2. **Governing Laws**

The Grantee shall perform all aspects of this Project in compliance with all applicable state, federal and local laws:

(List specific CFRs or Federal Provisions or funding Source Policies that apply. The order of precedence for federal awards that flow through to Grantee is: 1) The federal statute authorizing the grant program, 2) Federal Program regulations and administrative regulations [including OMB circulars incorporated by reference], 3) Federal Policy or procedural requirements specified by the federal agency)

3. **Eligible Costs**

The Authority, as Grantor, shall have sole discretion to determine which project costs are eligible to be paid from Grant monies under this agreement. Only direct costs of the Project are eligible for payment or reimbursement from grant funds. Indirect costs are not allowed under this grant unless approved by the Authority in Appendix E.

The eligible costs will be determined in accordance with one or more of the following provisions that are incorporated by reference in this grant agreement:

Denali Commission or other federal grants administered by the Authority:

Costs are determined per the federal requirements contained in the grant to the Authority. (Usually this will be 2 C.F.R. Part 225 [formerly OMB Circular A-87] www.whitehouse.gov/omb or similar federal requirements.)

Title 48 of the Code of Federal Regulations "Federal Acquisition Regulations System", Part 31, "Contract Cost Principles and Procedures"

4. **Insurance Requirements (Need to adjust per project Requirements.)**

The following insurance requirements are in effect for this Project. Grant funds will be used to procure Project related insurance and the Authority will work with the Grantee to ensure that these requirements are met. Insurance will be obtained with an insurance carrier or carriers covering injury to persons and property suffered by the State of Alaska or by a third party as a result of operations under this grant. The insurance shall provide protection against injuries to all employees of the Project engaged in work under this grant. All insurance policies shall be issued by insurers that (i) are authorized to transact the business of insurance in the State of

Alaska under AS 21 and (ii) have a Bests Rating of at least A-VII and be required to notify the Authority, in writing, at least 30 days before cancellation of any coverage or reduction in any limits of liability.

Where specific limits and coverage are shown, it is understood that they shall be the minimum acceptable and shall not limit the Grantee's indemnity responsibility. However, costs for any coverage in excess of specific limits of this agreement are the responsibility of the Grantee and may not be charged to this grant agreement.

The following policies of insurance shall be maintained with the specified minimum coverage and limits in force at all times during the performance work under this Project:

1. Workers' Compensation: as required by AS 23.30.045, for all employees engaged in work under this Project. The coverage shall include:
 - a. Waiver of subrogation against the State and Employer's Liability Protection at \$500,000 each accident / each employee and \$500,000 policy limit;
2. Commercial General Liability: on an occurrence policy form covering all operations under this Project with combined single limits not less than:
 - a. \$1,000,000 Each Occurrence;
 - b. \$1,000,000 Personal Injury;
 - c. \$1,000,000 General Aggregate; and
 - d. \$1,000,000 Products-completed Operations Aggregate.

The State of Alaska shall be named as an individual insured.

3. Automobile Liability: covering all vehicles used in Project work, with combined single limits no less than \$1,000,000 each occurrence.

All of the above insurance coverage shall be considered to be primary and non-contributory to any other insurance carried by the State of Alaska, whether self-insurance or otherwise.

The Authority's acceptance of deficient evidence of insurance does not constitute a waiver of Grant requirements.

5. Sovereign Immunity (If required).

By execution of this grant agreement, the Grantee irrevocably waives any sovereign immunity which it may possess, and consents to suit against itself or its officials, under the laws of the State of Alaska, in the courts of the State of Alaska as to all causes of action by the Authority arising out of or in connection with this agreement. If the Grantee is an entity which possesses sovereign immunity, it shall provide the Authority with a resolution of the Grantee's governing body waiving sovereign immunity, and such resolution shall be incorporated into this agreement as an Attachment. (See Attachment 3)

6. Disposition of Equipment

Equipment purchased in part or wholly with federal funds shall be used by the Grantee in the Project for which it was acquired as long as needed, whether or not the Project or program continues to be supported by federal funds. When no longer needed for the original program or Project, the equipment may be used in other activities currently or previously supported by a

Federal agency. The Grantee will not use the equipment to provide services for a fee on the grant-funded Project.

The Grantee shall be responsible for the operation and maintenance of equipment acquired with this grant. The Grantee must keep records which will include a description, serial number, source and title, cost and percentage of federal participation in cost, location, use and condition, and sale price and date of disposal. Disposition of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation.

Appendix B1 Standard Provisions for General Design & Construction Grant

1. Declaration of Public Benefit

The parties acknowledge and agree that the Project shall be constructed, owned and operated for the benefit of the general public and will not deny any person use and/or benefit of Project facilities due to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

3. Contracts for Engineering Services

In the event the Grantee contracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska and provide proof of licensing and insurance.

4. Site Control

If the grant Project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property. The Grantee is responsible for securing the real property interests necessary for the construction and operation of the Project, through ownership, leasehold, easement, or otherwise, and for providing evidence satisfactory to the Authority that it has secured these real property interests.

5. Permits

It is the responsibility of the Grantee to identify and ensure that all permits required for the construction and operation of this Project by the Federal, State, or Local governments have been obtained unless otherwise stated in Appendix C. These permits may include, but are not limited to, Corps of Engineers' Wetlands Permit, State Historic Preservation Office, State Fire Marshal approval, rights-of-way for the pipelines, and site control, including any necessary Coastal Zone Management coordination through the Office of Project Management and Permitting (DNR).

6. Exclusion of Existing Environmental Hazards

Grant funds for investigation, removal, decommissioning, or remediation of existing environmental contamination or hazards, are not allowed unless specifically specified and approved in Appendix C.

7. Environmental Standards

The Grantee will comply with applicable environmental standards, including without limitation applicable laws for the prevention of pollution, management of hazardous waste, and evaluation of environmental impacts.

8. Grant-funded Assets Not Included with PCE

The Grantee agrees that it will not include the value of facilities, equipment, services, or other benefits received under this grant as expenses under the Power Cost Equalization Program or as expenses on which wholesale or retail rates or any other energy tariffs are based.

9. Tariffs & Rates for Use of Grant-Funded Assets

Rates for power provided as a result of generation or transmission facilities built with grant funds may be subject to review and approval by the Regulatory Commission of Alaska (RCA), or if the rates are not subject to RCA review and approval, they may be subject to review and approval by the Authority to ensure reasonable and appropriate public benefit from the ownership and operation of the Project.

Appendix B2 Standard Provisions for AEA Managed Projects

1. Authority's Responsibilities

In consideration for this Grant, Grantee hereby appoints the Authority to act as its agent for the design, construction, management, and administration of the Project.

(Grant document needs to specify specific tasks AEA is assuming responsibility for. Make sure costs in grant are sufficient to cover AEA's responsibilities.)

As Agent of the Grantee the Authority will be responsible for all matters related to the Project design and construction in accordance with this Grant Agreement, including but not limited to development and approval of plans and specifications; procurement of all materials and services, hiring force account labor, and accounting and reporting all expenditures as required by the Denali Commission, provided that the Authority will not be responsible for any matters not required by this Grant Agreement.

If other funding sources for the Project require the Authority to assume additional duties as the agent of the Grantee, then those requirements will be identified and the duties will be assumed in a separate agreement which will be included as an Attachment to this Grant.

The Grantee is responsible for monitoring the Project work to the extent necessary for the Grantee to determine that the work is proceeding satisfactorily and so that the Grantee can perform its responsibilities pertaining to the Project and operate and maintain the Project after Project completion.

The Grantee will raise with the Authority promptly any concerns or issues it may have regarding the Project, and if those concerns or issues are not satisfactorily resolved the Grantee will promptly give written notice with a detailed description of the concerns or issues to the Authority's Project Manager.

The Authority may engage an accounting firm to provide payroll services for the Project. If so engaged, the accounting firm may process payroll and per diem checks, make the required payroll tax payments, perform all required payroll tax and other reporting, and compute worker's compensation amounts payable by project as defined in their contract, and perform any other payroll services that may be required for the Project.

2. Force Account Payroll and Project Coordination

The Grantee will assist the Authority in obtaining qualified local labor for the Project and will provide necessary local administration assistance, including recommending qualified local personnel; assisting in obtaining necessary personnel information; assisting in obtaining housing for nonresident workers; facilitating communications between the Authority, the community and local employees; and serving as a liaison between the Authority and the community.

3. Substantial Completion of Project

Upon substantial completion of the Project, the Authority will issue a Notice of Substantial Completion and identify any outstanding work items. When the Notice is issued, the Grantee assumes all responsibility associated with operating and maintaining the Project, except as specifically provided otherwise herein or by separate agreement executed by the Authority and the Grantee.

The Grantee may disagree with the substantial completion determination by providing written notice to the Project Manager within 30 days after receipt of the Notice of Substantial Completion.

The Grantee's written objections disagreeing with the Notice of Substantial Completion must detail the reasons the Grantee believes the Notice should not be issued. Further, the Grantee must explain what the Grantee expects should be done so the Notice can be issued, and when the additional issues identified can be completed or resolved. The Authority will follow-up within 60 days, letting the Grantee know if the objections have been accepted, if the Notice of Substantial Completion stands, or, if the Notice of Substantial Completion is modified.

4. Rights of Other Parties

The parties agree that the Denali Commission and any successor is a third party beneficiary of the Grantees obligations in Appendix B1, No. 14 (Operation and Maintenance of Facilities), Appendix A, No. 29 (Inspections and Retention of Records), Appendix A, No. 9 (Compliance with Applicable Law and Funding Source Requirements), and Appendix A, No. 6 (Public Purposes); otherwise, no person is a third party beneficiary of this Agreement and this Agreement creates no third party rights. Specifically, any person who is not a party to this Agreement shall be precluded from bringing any action asserting liability of a party or asserting any right against a party to this Agreement, through the terms of this Agreement. No person, other than a party to this Agreement, may bring any action based upon this Agreement for personal injuries, property damages, or otherwise.

5. Denali Commission Approval

These responsibilities may not be altered or transferred without the prior written approval of the Denali Commission.

6. Acknowledgement of Project Support

For all construction projects, the Grantee shall include an acknowledgement of the Government's support for the project(s) developed under this Award. The Grantee shall display a sign that:

1. Has the Denali Commission logo displayed on the upper right-hand quadrant;
2. States the following: "This project was financed by the Denali Commission and its partners (list the name of the funding partners)";
3. Shows the logo of each partner in the lower right-hand quadrant.

The cost of this sign shall be paid out of the project funding received by the Grantee from the Denali Commission. Final approval of signage material and placement of sign must be obtained from the Commission Project Manager.

For all non-construction projects, the Grantee shall include an acknowledgement of the Government's support for the project(s) developed under this Award. Acknowledgement shall include:

1. The Denali Commission logo and the logo of each partner;
2. The following statement: "This project was financed by the Denali Commission and its partners (list the name of the funding partners)".

The format for acknowledgement of the Government's support for non-construction awards will vary with each award and must be agreed upon between the Award recipient and the Grant Manager. Costs associated with this requirement shall be paid out of the project funding received by the Grantee from the Denali Commission.

Appendix C Grantee Proposal/Scope of work

Describe work to be completed.

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Appendix D Project Management Requirements

1. **Project Management**

The Grantee will notify the Authority immediately of any significant organizational changes during the term of the grant, including changes in key personnel or tax status, any unforeseen problem or project delay that may cause a change to the work plan or budget or that may otherwise affect the Grantee's ability to perform its commitments under this Grant Agreement. Any unreported or unapproved changes to the work plan or budget evident in reports may result in an amendment being required, costs disallowed, suspension or termination of the grant as described in Appendix A.

2. **Contact Persons**

For the Grantee	For The Authority
<p>Grant Manager</p> <p>[Pay-to Constituent] [Address] [City], [ZIP Code] [Country Code] Email & Phone</p>	<p>Grant Manager</p> <p>Butch White, Grants Administrator 813 W. Northern Lights Blvd. Anchorage, Alaska 99503 bwhite@aidea.org (907) 771-3052</p>
<p>Project Manager</p> <p>[Pay-to Constituent] [Address] [City], [ZIP Code] [Country Code] Email & Phone</p>	<p>Project Manager</p> <p>[Your Reference] 813 W. Northern Lights Blvd. Anchorage, Alaska 99503 Email Phone</p>

3. **Documentation and Record Keeping**

The Grantee shall maintain the following in their files:

- Grant application,
- Grant agreement and any amendments,
- All written correspondence or copies of emails relating to the Grant,
- Reports, including any consultant work products,

The Authority and any authorized federal representative may inspect, in the manner and at any reasonable time either considers appropriate, the Grantee's facilities, records, and activities funded by this Grant Agreement.

**NOTICE OF SUBSTANTIAL COMPLETION
ALASKA ENERGY AUTHORITY**

Project Name: [Posting Description]

Grantee: [Name] [Name 2]

Grant Number: [Buy-from Vendor No.]

Agreement Execution Date:

The Alaska Energy Authority certifies and acknowledges that the Project referenced above has been substantially completed; with the following tasks remaining to be completed:

Project Manager
Alaska Energy Authority

Date

The _____ certifies that the Project named above is substantially complete in accordance with the terms and conditions of Alaska Energy Authority Agreement Number: _____ and assumes all responsibility associated with operating and maintaining the Project completed with Grant funds.

Authorized Signature

Title

Printed Name

Date

**NOTICE OF PROJECT CLOSEOUT
ALASKA ENERGY AUTHORITY**

Project Name: [Posting Description]

Grantee: [Name] [Name 2]

Grant Number: [Buy-from Vendor No.]

Agreement Execution Date:

The Alaska Energy Authority certifies and acknowledges that the Project referenced above has been completed, and that all tasks have been satisfactorily carried out in accordance with the terms and conditions of Agreement Number: _____.

Project Manager
Alaska Energy Authority

Date

The _____ certifies that the Project named above is complete in accordance with the terms and conditions of Alaska Energy Authority Agreement Number: _____.

Authorized Signature

Title

Printed Name

Date

Attachment 3 Waiver of Sovereign Immunity (if Required)

WAIVER OF SOVEREIGN IMMUNITY

RESOLUTION NUMBER _____

A RESOLUTION OF THE [Name] [Name 2] accepting State of Alaska, Alaska Energy Authority Grant number [Buy-from Vendor No.] for the [Posting Description] and waiving sovereign immunity from suit for actions arising out of, or in connection with, the Grant.

WHEREAS, the Authority and the Denali Commission requires as a condition of the Grant that the [Name] [Name 2] irrevocably waive any sovereign immunity which it may possess, and consent to suit against itself or its officials as to all causes of action arising out of or in connection with the Grant Agreement;

NOW THEREFORE BE IT RESOLVED THAT:

1. [Name] [Name 2] (initials) hereby consents to suit by the State of Alaska and/or by the Denali Commission against (initials) and its officials in state court, federal court or in administrative proceedings with respect to any disputes, claims or causes of action (including without limitation enforcement or injunctive relief) arising out of or in connection with Grant Agreement [Buy-from Vendor No.]; the contractual duties assumed by (initials) under that agreement, the Secondary Operator Agreement, the Access, Operations, and Maintenance Agreement, the Covenant of Public Purpose, Use, and Access, and any other agreement pertaining to the grant-funded project; or the operation of the facility following construction.
2. (Initials) hereby consents to levy, execution, or garnishment against (initials)'s real and personal property, however held and wherever located, for any judgment or order entered in any lawsuit or administrative proceeding related to or arising out of Grant Agreement [Buy-from Vendor No.]; the contractual duties assumed by (initials) under that agreement, the Secondary Operator Agreement, the Access, Operations, and Maintenance Agreement, the Covenant of Public Purpose, Use, and Access, and any other agreement pertaining to the grant-funded project; or the operation of the facility following construction, including, but not limited to, awards of attorneys fees and costs entered by any court.
3. (Initials) consents to the assertion by the State of any defenses, cross-claims, or counterclaims in any civil action that is filed by (initials) against the state.
4. With respect to a claim or action by a force account employee or other employee of (initials) arising out of or in connection with Grant Agreement [Buy-from Vendor No.], the contractual duties assumed by (initials) under that agreement, the Secondary Operator Agreement, the Access, Operations, and Maintenance Agreement, the

Covenant of Public Purpose, Use, and Access, and any other agreement pertaining to the grant-funded project; or the operation of the facility following construction, (initials) waives sovereign immunity to the extent of, and to the extent necessary to secure, insurance coverage including workers compensation insurance.

5. This waiver shall in no case be deemed a waiver or consent to suit, tax, or any other charge against (initials) by any party other than the State of Alaska or the Denali Commission, except as specifically provided in (4) above.

6. [Pay-to Constituent] is hereby authorized to negotiate, administer and execute on behalf of [Name] [Name 2] Grant number [Buy-from Vendor No.] for the [Posting Description] and to negotiate, execute, and administer any other documents, agreements, and contracts required under or related to the Grant Agreement including subsequent amendments.

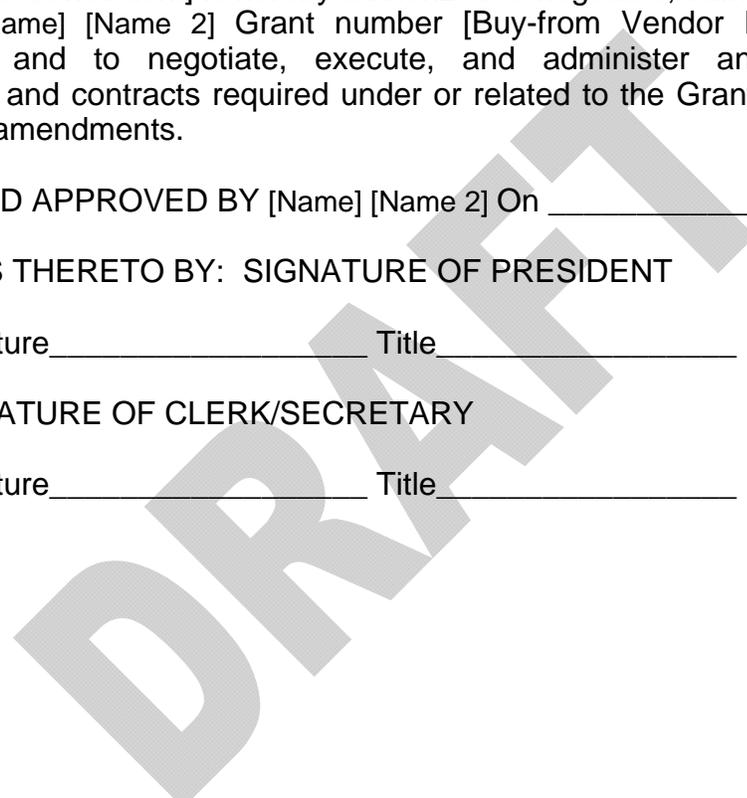
PASSED AND APPROVED BY [Name] [Name 2] On _____ 20__.

IN WITNESS THERETO BY: SIGNATURE OF PRESIDENT

Signature _____ Title _____

Attest: SIGNATURE OF CLERK/SECRETARY

Signature _____ Title _____



R&R ACCOUNT INFORMATION



How to Establish a Renewal and Replacement Account for Denali Commission Funded Public Infrastructure

Background

Under the guidelines of Denali Commission funding, a community is required to have a business plan that outlines how the Denali Commission funded project will be operated and maintained. One of the conditions required in the business plan is a community established Renewal and Replacement (R&R) Account. An R&R account will provide a mechanism for the community to save money for the inevitable renewal and replacement costs associated with the facility.

Generally, the Business Operating Plan states: *“The ... R&R account must be an interest-bearing, savings account, which requires two signatories and a resolution from the governing body for withdrawals. When the cash balance of the R&R account makes an escrow account more cost effective (at least when the balance reaches \$100,000); then the R&R account must be transferred to an interest-bearing invested escrow account that is acceptable to the Denali Commission.”*

General Guidelines of a Renewal and Replacement Escrow Account

- Allows utility to make monthly deposits
- Must be an interest bearing account
- Only allows withdrawal of funds for Renewal and Replacement costs of the facility.
 - Requires a Resolution from the governing body certifying funds are being used for Renewal and Replacement expenses related to the facility that was partially or wholly funded by the Denali Commission.
- Account must allow for Denali Commission and other Auditing agencies to monitor deposit and withdrawal activity (A copy of the R&R year-end bank statement must be sent to the Denali Commission as part of your Annual Report.)

Financial Institutions for R&R Escrow Accounts

The Denali Commission has negotiated terms with two Financial Institutions and the Alaska Municipal League/Joint Insurance Association that will allow for the unique guidelines of these R&R accounts. Other institutions that will allow accounts that meet the guidelines above are acceptable.

First National Bank	West Star Escrow	Alaska Municipal League/ Joint Insurance Association (City-owned facilities only)
Manager First National Bank Operations Center 1751 Gambell St. Anchorage, AK 99501 Phone: (907) 777-3424 Fax: (907) 777-3446	Manager 3201 C Street, Suite 112 Anchorage, AK 99503 Phone: (907) 265-2160 Toll Free: 1-888-859-3557 Fax: (907) 265-2170	AML/JIA 807 G Street, Suite 356 Anchorage, AK 99501 Phone: (907) 258-2625 Fax: (907)279-3615 Web: http://www.akml.org/

To establish an account:

- 1. Contact one of the representatives above.**
- 2. Tell them you need to establish a “Denali Commission Renewal and Replacement Account”.**
- 3. Sign the Account Agreement for the institution.**
- 4. Pay set-up fee and fill out other general information to establish account.**

Attachments:

- A. Sample Resolution
- B. Sample Business Operating Plan Language
- C. Sample Business Operating Plan R&R Cashflow

ATTACHMENT A

Resolution for Disbursement of Renewal and Replacement Funds
for Energy Facility

*An Identical Resolution to This Must be Passed and Signed by the Operator To Withdraw Funds from The
R&R Account*

NAME OF UTILITY: _____

RESOLUTION NO. _____

WHEREAS, the Community of _____ has established an interest-bearing renewal and replacement account with the financial institution of _____ for the purpose of renewal and replacement expenditures related to the _____ facility, which was partially or fully funded by the Denali Commission, and

WHEREAS, pursuant to the approved business plan for _____ facility the primary operator, and other participants, has agreed that funds deposited into this renewal and replacement account will only be used for the renewal and replacement of _____ facility, and

WHEREAS, eligible withdrawal of funds from this account must be for the labor, transportation, equipment rental, professional services, materials, equipment and other costs for the replacement and repair of assets essential to the on-going sustainability of the _____ facility. For energy facilities this is including but not limited to: Access Roads, Buildings, Poles, Transformers, Generators, Radiators, Electrical Systems, Wires, Meter Systems, Pumps, Fencing, Fuel Storage Tanks, Fuel Distribution Systems, Walkways, Access Roads Dispensers, Fill Stations, Tank Liners, Fencing, Pad, Valves, Pipelines, Piling, Decks, Manwalks, Headers, Ground Maintenance and Containment Systems.

THEREFORE, the _____ hereby attests that the funds being requested from the interest bearing renewal and replacement account with the financial institution of _____ is for renewal and replacement expenses related to the _____ facility as outlined above and is not being used for any other purpose, and

THEREFORE, the _____ requests the total sum of \$ _____ for the following detailed expenses _____.

Signed by two representatives

ATTACHMENT B

EXAMPLE OF LANGUAGE IN DENALI COMMISSION FUNDED ENERGY FACILITIES

Financial Responsibilities

There are three cost categories that will be incurred in the ongoing administration, operation and upkeep of the Electric Utility equipment – G&A, O&M and R&R.

1) G&A: The Primary Operator will incur a number of expenses that are General & Administrative (G&A) in nature – interest expense, rent, office expenses, depreciation, etc. G&A expenses are defined as administrative expenses that are incurred on an annual basis. G&A expenses are detailed in *Table F: Annual G&A and Depreciation Expenses*.

2) O&M: The Primary Operator will incur a number of expenses relating to the O&M of the equipment. O&M items are defined as expenses that are incurred on a regular basis (administration, audits, etc.) and maintenance expenses that are incurred on an annual basis. O&M expenses are detailed in *Table C: Annual O&M Schedule* and a narrative detail is provided in *Section VIII. Financial Information* to address estimates and assumptions.

3) R&R: R&R costs are those expenses defined as items costing greater than \$5,000 and/or that are not replaced on an annual basis. *Table G: 40 Year R&R Schedule* details the anticipated items, the frequency of their replacement and their present day value.

The Primary Operator will maintain separate O&M and R&R accounting records and a separate R&R bank account. The Primary Operator will maintain a sufficient account balance to meet the O&M and R&R financial goals in this Plan. The Manager will be authorized to draw against the O&M funds for routine expenses of the Facility; however, individual expenditures in excess of \$5,000 will require authorization of the Primary Operator's management or governing body. See *Appendix A: Statement of Qualification* for an overview of the Primary Operator's fiscal controls and accounting procedures. The R&R account must be an interest-bearing, savings account, which requires two signatories and a community resolution for withdrawals. When the cash balance of the R&R account makes an escrow account more cost effective (at least when the balance reaches \$100,000); then the R&R account must be transferred to an interest-bearing invested escrow account that is acceptable to the Denali Commission. See *Attachment 4: R&R Account Information*, for examples of acceptable R&R account agreements and a sample community resolution that limits the use of the funds to R&R expenses only.

At least once a year, no later than August 31st, the Primary Operator will develop a budget for the upcoming fiscal year, October 1 through September 30, for both annual O&M and R&R costs and annual bank deposits.

Operations and Maintenance Guidelines

The Primary Operator will maintain separate accountings, and maintain a sufficient O&M cash balance, for the Facility O&M, so that the O&M schedule can be completed and the Facility operations can be sustained into the future (this is anticipated to be an active non-interest bearing account). *Section VIII. Financial Information* provides *Table C: Annual O&M Schedule* and *Table D: 40 Year O&M Schedule* as a guide to plan for annual maintenance activities.

Renewal and Replacement Guidelines

The Primary Operator shall establish a Facility savings account or interest-bearing invested escrow managed renewal and replacement account acceptable to the Denali Commission, which will ensure capitalization of an amount sufficient to maintain the R&R Schedule (see *R&R Account Information*). *Section VIII. Financial Information* provides *Table G: 40 Year R&R Schedule* as a guide to plan for annual R&R activities and *Table H: 40 Year R&R Cashflow* as a guide to estimate annual R&R required contributions. These costs are based on the R&R cost estimate provided by Alaska Energy & Engineering, Inc. See *Appendix B: O&M and R&R Cost Estimate*.

The Primary Operator will use the estimates in this Plan for year one contributions, and in subsequent years will recalculate contributions based upon actual costs.

ATTACHMENT C
40 YEAR RENEWAL AND REPLACEMENT CASHFLOW

Year	R & R Fund Balance					Assumed Collectable KwH/Year	R&R Surcharge \$/KwH
	Beg. of Year Balance	Annual Deposits	Renewals/ Replacements	Interest Earnings (Net of Fees)	End of Year Balance		
1	\$ -	\$ 10,454	\$ -	\$ -	\$ 10,454	209,088	\$ 0.050
2	\$ 10,454	\$ 11,032	\$ -	\$ 314	\$ 21,800	210,133	\$ 0.053
3	\$ 21,800	\$ 11,642	\$ -	\$ 654	\$ 34,096	211,184	\$ 0.055
4	\$ 34,096	\$ 12,285	\$ -	\$ 1,023	\$ 47,403	212,240	\$ 0.058
5	\$ 47,403	\$ 12,963	\$ 35,580	\$ 355	\$ 25,141	213,301	\$ 0.061
6	\$ 25,141	\$ 13,680	\$ -	\$ 754	\$ 39,575	214,368	\$ 0.064
7	\$ 39,575	\$ 14,435	\$ -	\$ 1,187	\$ 55,198	215,440	\$ 0.067
8	\$ 55,198	\$ 15,233	\$ -	\$ 1,656	\$ 72,086	216,517	\$ 0.070
9	\$ 72,086	\$ 16,075	\$ -	\$ 1,442	\$ 89,603	217,599	\$ 0.074
10	\$ 89,603	\$ 16,963	\$ 49,331	\$ 805	\$ 58,040	218,687	\$ 0.078
11	\$ 58,040	\$ 17,811	\$ -	\$ 1,161	\$ 77,012	218,687	\$ 0.081
12	\$ 77,012	\$ 18,701	\$ -	\$ 1,540	\$ 97,253	218,687	\$ 0.086
13	\$ 97,253	\$ 19,637	\$ -	\$ 1,945	\$ 118,835	218,687	\$ 0.090
14	\$ 118,835	\$ 20,618	\$ -	\$ 2,377	\$ 141,830	218,687	\$ 0.094
15	\$ 141,830	\$ 21,649	\$ 11,268	\$ 2,611	\$ 154,822	218,687	\$ 0.099
16	\$ 154,822	\$ 22,732	\$ -	\$ 3,096	\$ 180,650	218,687	\$ 0.104
17	\$ 180,650	\$ 23,868	\$ -	\$ 3,613	\$ 208,132	218,687	\$ 0.109
18	\$ 208,132	\$ 25,062	\$ -	\$ 4,163	\$ 237,356	218,687	\$ 0.115
19	\$ 237,356	\$ 26,315	\$ -	\$ 4,747	\$ 268,418	218,687	\$ 0.120
20	\$ 268,418	\$ 27,631	\$ 187,090	\$ 1,627	\$ 110,586	218,687	\$ 0.126
21	\$ 110,586	\$ 29,012	\$ -	\$ 2,212	\$ 141,809	218,687	\$ 0.133
22	\$ 141,809	\$ 30,463	\$ -	\$ 2,836	\$ 175,108	218,687	\$ 0.139
23	\$ 175,108	\$ 31,986	\$ -	\$ 3,502	\$ 210,596	218,687	\$ 0.146
24	\$ 210,596	\$ 33,585	\$ -	\$ 4,212	\$ 248,393	218,687	\$ 0.154
25	\$ 248,393	\$ 35,264	\$ 47,922	\$ 4,009	\$ 239,746	218,687	\$ 0.161
26	\$ 239,746	\$ 37,028	\$ -	\$ 4,795	\$ 281,568	218,687	\$ 0.169
27	\$ 281,568	\$ 38,879	\$ -	\$ 5,631	\$ 326,079	218,687	\$ 0.178
28	\$ 326,079	\$ 40,823	\$ -	\$ 6,522	\$ 373,423	218,687	\$ 0.187
29	\$ 373,423	\$ 42,864	\$ -	\$ 7,468	\$ 423,756	218,687	\$ 0.196
30	\$ 423,756	\$ 45,007	\$ 77,644	\$ 6,922	\$ 398,041	218,687	\$ 0.206
31	\$ 398,041	\$ 47,258	\$ -	\$ 7,961	\$ 453,260	218,687	\$ 0.216
32	\$ 453,260	\$ 49,621	\$ -	\$ 9,065	\$ 511,946	218,687	\$ 0.227
33	\$ 511,946	\$ 52,102	\$ -	\$ 10,239	\$ 574,286	218,687	\$ 0.238
34	\$ 574,286	\$ 54,707	\$ -	\$ 11,486	\$ 640,479	218,687	\$ 0.250
35	\$ 640,479	\$ 57,442	\$ 57,344	\$ 11,663	\$ 652,240	218,687	\$ 0.263
36	\$ 652,240	\$ 60,314	\$ -	\$ 13,045	\$ 725,599	218,687	\$ 0.276
37	\$ 725,599	\$ 63,330	\$ -	\$ 14,512	\$ 803,440	218,687	\$ 0.290
38	\$ 803,440	\$ 66,496	\$ -	\$ 16,069	\$ 886,006	218,687	\$ 0.304
39	\$ 886,006	\$ 69,821	\$ -	\$ 17,720	\$ 973,547	218,687	\$ 0.319
40	\$ 973,547	\$ 73,312	\$ 993,423	\$ -	\$ 53,436	218,687	\$ 0.335

Inflation Rate :	1.50%
Reinvestment Rate :	3.00%
Invested Escrow Fees:	1.00%
Initial KwH Collectable :	209,088
Initial Cost per KwH :	\$ 0.050
Annual increase :	5.00%