

SUBJECT: ACCEPTING AND APPROPRIATING A GRANT IN THE AMOUNT OF \$100,000 FROM THE STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF FORESTRY AND FIRE PROTECTION, AND APPROVING THE SCOPE OF WORK AND BUDGET FOR A PROJECT FOR DISPOSAL OF DEBRIS FROM FIREWISE CLEARING PROJECTS.

AGENDA OF: August 4, 2026

ASSEMBLY ACTION:

AGENDA ACTION REQUESTED: Introduce and set for public hearing.

Route To	Signatures
Originator	 Recoverable Signature X Casey Laughlin Signed by: Casey Laughlin 7/20/2026
Emergency Services Director	X Ken Barkley Signed by: Kenneth Barkley 7/20/2026
Finance Director	 Recoverable Signature X Cheyenne Heindel Signed by: Cheyenne Heindel 7/20/2026
Borough Attorney	X Nicholas Spiropoulos Signed by: Nicholas Spiropoulos 7/20/2026
Borough Manager	X Michael Brown Signed by: Mike Brown 7/22/2026
Borough Clerk	X Lonnie McKee Signed by: Lonnie McKee 7/22/2026

ATTACHMENT (S) : Ordinance Serial No. 26-093 (2 pp)
Resolution Serial No. 26-075 (2 pp)
Grant Agreement (17 pp)

SUMMARY STATEMENT:

The borough has been offered a grant from the State of Alaska, Department of Natural Resources, Division of Forestry and Fire Protection, in the amount of \$100,000 to provide a means for disposing of brush and woody debris from Firewise clearing projects around homes and businesses.

RECOMMENDATION OF ADMINISTRATION: Approve legislation as presented.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: August 4, 2026

SUBJECT: Accepting and appropriating a grant in the amount of \$100,000 from the State of Alaska, Department of Natural Resources, Division of Forestry and Fire Protection, and approving the scope of work and budget for a project for disposal of debris from Firewise clearing projects.

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED \$100,000	FUNDING SOURCE Grant
FROM ACCOUNT #	PROJECT
TO ACCOUNT: 480.000.000 3xx.xxx	PROJECT # 45131
VERIFIED BY: 7 / 2 0 / 2 0 2 6 X _____ L i e s e l Z a n t o S i g n e d b y : L i e s e l Z a n t o	

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds	100.0					
Other						
TOTAL	100.0					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

APPROVED BY:	7 / 2 0 / 2 0 2 6
	X _____ C h e y e n n e H e i n d e l S i g n e d b y : C h e y e n n e H e i n d e l



Subaward Grant Agreement

Community Forestry ☐
 Forest Health ☐
 Forest Stewardship ☐
 WUI ☐
 SFC ☐
 Fuels ☒

State of Alaska
Department of Natural Resources
Division of Forestry & Fire Protection
Non-Federal Hazardous Fuel Reduction Subaward Grant

Grant Agreement Number FR-25-Fuels-002	/	Federal Award Number 25-DG-11100106901	Amount of Federal Funds \$ 100,000.00
ALN 10.697		Project Title 2026 Mat-Su Borough/ 2025 NFHF Wood Lot Grant	
Principal Contacts: Individuals listed below are authorized to act in their respective areas for matters related to this award.			
Grantee (Subrecipient)		Division of Forestry & Fire Protection	
Name Michael Brown	UEI # QRK7LJ2Y3RJ1	Name Ethan DeBauche	
Street/P.O. Box 350 E Dahlia		Title Coastal Region Fuels Specialist	
City/State/Zip Wasilla, Ak 99645		Street/P.O. Box 101 S. Airport Rd	
Contact Person Casey Cook		City/State/Zip Palmer, AK 99645	
Phone 907-861-8004	Email casey.cook@matsugov.us	Phone 907-707-9741	Email ethan.debauche@alaska.gov

Agreement

The Alaska Department of Natural Resources, Division of Forestry & Fire Protection (hereinafter 'DFFP') and subrecipient Grantee **Mat-Su Borough** (hereinafter 'Grantee') agree as set forth herein. This funding is a subaward of Federal financial assistance. This Subaward Grant, awarded and administered by the DFFP, is consistent with the policies, procedures, and objectives of the Cooperative Forestry Assistance Act of 1978, Public Law 95-313, 16 U.S.C. 2101 et Seq., as amended. The United States Department of Agriculture, Forest Service (USFS) funds the State and Private Forestry Hazardous Fuels Reduction program. The Federal Award Number is 25-DG-11100106901 and the Assistance Listing Number (ALN) number and name are 10.697, State and Private Forestry Hazardous Fuels Reduction Program. On 08/21/2025 DFFP was awarded the 2025 Non-Federal Hazardous Fuels Reduction Grant in the amount of \$289,000.00 of which Mat-Su Borough will receive a subaward. The funds provided by this subaward are not for research and development. Subrecipient grantees must obtain a Unique Entity ID (UEI) number and register with the Central Contractor Registration (CCR) (<http://www.sam.gov>) database. This information must be current during the term of the grant.

As a subrecipient, the Grantee is subject to the OMB guidance in subparts A through F of 2 CFR Part 200 as adopted and supplemented by the USDA in 2 CFR Part 400. Adoption by USDA of the OMB guidance in 2 CFR 400 gives regulatory effect to the OMB guidance in 2 CFR 200 where full text may be found.

Electronic copies of the CFRs can be obtained at the following internet site: www.ecfr.gov.

Section I. The DFFP shall reimburse the Grantee for the performance of the project work under the terms outlined in this agreement. The amount of this grant agreement is \$100,000.00 of which the amount

of federal funds is not to exceed **\$100,000.00** and the amount of **matching funds to be supplied by the Grantee is \$0.00**. The amount of payment is based upon project expenditures which are authorized under this agreement. In no event shall the payment exceed **\$100,000.00**.

Section II. The Grantee shall perform all of the work required by this agreement.

Section III. The work to be performed under this agreement begins **08/22/2025** and shall be completed with all costs paid and deliverables received no later than **08/21/2030**

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

ATTACHMENT A – Scope of Work

1. Purpose
2. Project Description
3. Budget
4. Reporting
5. Reimbursement
6. Additional Requirements

ATTACHMENT B—Financial / Progress Report

ATTACHMENT C—Standard Provisions

ATTACHMENT D—Special Requirements and Assurances for Federally Funded Projects

AMENDMENTS—Any fully executed amendments to this agreement

Grantee	Division of Forestry & Fire Protection
Signature	Signature DocuSigned by: Ethan DeBauche
Grantee Printed Name and Title Michael Brown	Printed Name and Title Ethan DeBauche, Coastal Region Fuels Specialist
Date	Date 7/16/2026
	Signature Signed by: Nathan Zalewski
	Printed Name and Title Nathan Zalewski, Statewide Fuels Coordinator
	Date 7/16/2026

Attachment A

Scope of Work

1. Purpose

This Subaward Grant will provide funds to the Grantee for the purpose of wildfire mitigation in the wildland urban interface of the Borough. The purpose of this project is to provide a means of disposing of brush and woody debris from Firewise clearing projects around homes and businesses, in a safe effective manner. This includes funding for processing of material coming off small landowner fuel removal projects as well as removal of hazard trees around critical infrastructure within the borough. Received wood will be disposed of by chipping, mulching or burning. This will help protect the wildland urban interface and reduce fire fuel load for future years. The operation of collection sites for borough residents to dispose of woody debris collected as a result of the ongoing Firewise brush drop-off program falls under the scope of work to these ends.

2. Project Description

The Grantee shall perform the following project activities:

1. Report on the following metrics:
 - a. Estimated # of users
 - b. Estimated acreage effected
 - c. # of tonnage/piles burned
 - d. Estimated tonnage accepted
 - e. # tonnage chipped, masticated
 - f. # of homes/businesses affected
2. Provide access to at least one collection site intended for Borough residents to drop off woody debris.
3. Provide management and security at collection locations when open to the public.
4. Provide payment to any of its contractors if or when used on this project.
5. Chip, grind, or burn all woody debris material that are received at dump locations.

3. Budget

Cost Category	Federal Funds	Grantee Matching Funds	Project Total
Project Component			
[Personnel services]			\$35,000
[Travel]			\$0
[Supplies] to include in-house shredding and fuel			\$35,000
[Contractual (e.g., equipment use)]			\$25,000
[Other e.g. software license, service]			\$0
[Indirect (include rate)]			5,000
Subtotal	\$100,000.00		\$100,000.00

TOTAL	\$100,000.00		\$100,000.00

Budget Narrative (explain the budget numbers listed above, and how computed): These funds will go toward brush burning services as well as collection site improvements to allow more space for collection and safer burning.

The Grantee shall establish and maintain effective internal control over the grant that provides reasonable assurance that the Grantee is managing the grant in compliance with Federal statutes, regulations, and the terms and conditions of the grant.

The Grantee shall follow all applicable procurement procedures as required in 2 CFR 200. These Subaward Grant funds are subject to U.S. Office of Management and Budget 2 CFR Part 200 Subpart F – Audit Requirements.

4. Reporting

The Grantee must submit quarterly reports and a final report to DFFP using the Financial / Progress Report in Attachment B. Reporting is required for the purpose of monitoring the subaward.

All reporting and financial reimbursement requests will be submitted via email to dof.fire.accounting@alaska.gov, lyssa.banbury@alaska.gov, and to the **DFFP Point of Contact** listed above.

Financial/Progress reports should reflect activities completed and costs paid out during the reporting period.

The Grantee must submit the quarterly progress reports 30 days after the end of each quarter (1st qtr. 1/1-3/31, 2nd qtr. 4/1-6/30, 3rd qtr. 7/1-9/30, 4th qtr. 10/1-12/31).

The Grantee must submit a final report within sixty (60) days following completion of the project. Under no circumstances will DFFP release funds to the Grantee unless all required reporting is current.

5. Reimbursement

Request for Reimbursement: The Grantee agrees to notify DFFP when work is completed. The Grantee agrees to request reimbursement within **60 days** of completion. To request reimbursement, the Grantee must submit:

- Expenses Worksheet in Attachment C which contains itemized documentation of direct expenses and match,
- Receipts and/or other documentation of direct expenses and match (see Attachment C for forms),
- Final Financial / Progress Report in Attachment B, and
- State of Alaska Substitute Form W-9 in Attachment G, if not already submitted.

Payment: DFFP shall issue payment to the Grantee after the Grantee has completed the project and submitted the request for reimbursement and itemized documentation of direct expenses and match, and after DFFP has verified that the project is complete. Payment will only be given for work outlined

in the Grant Agreement. The payment amount will be based on the work initially identified versus the amount of work verified as complete, as determined by DFFP. DFFP reserves the right to request additional information prior to approving a payment.

Withholding Payment for Taxes: DFFP may withhold payment if it is discovered that the Grantee is in arrears with the Internal Revenue Service (IRS) or other State taxes. DFFP shall continue to withhold payment until the IRS, State of Alaska Department of Revenue, or other appropriate agency notifies DFFP that the taxes have been paid in full.

Internal Revenue Service (IRS) Reporting: Payment will be reported to the IRS as income to the Grantee and must be reported on appropriate tax filings. The State will issue an IRS 1099 Reporting Form statement of earnings to the Grantee. DFFP expresses no opinion on the taxability, if any, of the awarded grant funds.

6. Additional Requirements

I. The Grantee shall adhere to the following requirements when implementing the project activities:

1. Funds shall not be used for the purchase of any one piece of equipment totaling over \$9,999.00 in value.
2. Funds shall not be used to support hazardous fuels reduction on federal land. Only state and private land can benefit from this funding.
3. Processing may only take place between **08/22/2025** and **08/21/2030**.

II. The Grantee shall adhere to the following DFFP award requirements:

1. Maintenance Term. The Grantee agrees to refund all or part of the funds paid to it as determined by DOF if, before expiration of the project maintenance period of **3 years**, the Grantee (a) destroys the completed project, or (b) voluntarily relinquishes control or title to the land on which the completed project has been established and the new owner and/or operator of the land does not agree in writing to properly maintain the project for the remainder of its lifespan. The Grantee will not be required to refund any funds for projects that were successfully completed and later failed as a result of floods, drought, wildfire, or other natural disaster, through no fault or negligence of the Grantee.
2. Fire. The Grantee agrees that containment of fire used as part of this agreement is the responsibility of the Grantee and the State is not liable for damages or fire control costs. The Grantee agrees to adhere to State and Borough open burning regulations and obtain any necessary burning permits. The Grantee understands that actions taken pursuant to this Grant Agreement do not eliminate potential property damage from wildfire. The State provides no warranty that property is completely or partially protected from wildfire after completing terms of this Grant Agreement or other wildfire protection measures.
3. DFFP's Role. Other than the necessary inspections, no work will be done/undertaken by DFFP on this project. The Grantee agrees to provide all labor, materials, equipment, and insurance to complete the work and comply with the terms of this agreement. DFFP's role is to administer the grant funds awarded by the USFS to ensure that the funds are used according to the intent and procedures of the State and Private Forestry Hazardous Fuel Reduction Program. The Grantee may contact DFFP's contact person listed on page 1 of the Grant Agreement for guidance related to administration of the terms of this Subaward.

4. Contact changes. The Grantee agrees to notify DFFP with any changes in contact information or a change of contact person.

III. The Grantee shall adhere to the following requirements of the Federal award which is the source of this grant funding:

The Grantee shall adhere to the following requirements when creating publications, audiovisuals, and electronic media:

1. Use of Forest Service insignia. In order for the Grantee to use the Forest Service insignia on any published media, such as a Web page, printed publication, or audiovisual production, permission must be granted by the Forest Service's Office of Communications (Washington Office). A written request will be submitted by Forest Service, Program Manager, to the Office of Communications Assistant Director, Visual Information and Publishing Services prior to use of the insignia. The Forest Service Program Manager will notify the Grantee when permission is granted.
2. Forest Service and DFFP acknowledged in publications, audiovisuals, and electronic media. The Grantee shall acknowledge Forest Service and DFFP support in any publications, audiovisuals, and electronic media developed as a result of this subaward. Follow direction in USDA Supplemental 2 CFR 415.2
3. Copyrighting. The Grantee and DFFP are granted sole and exclusive right to copyright any publications developed as a result of this subaward. This includes the right to publish and vend throughout the world in any language and in all media and forms, in whole or in part, for the full term of copyright and all renewals thereof in accordance with this subaward.

No original text or graphics produced and submitted by the Forest Service shall be copyrighted. The Forest Service reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for federal government purposes.

This right shall be transferred to any subcontracts.

4. Nondiscrimination Statement—Printed, Electronic, or Audiovisual Material. The Grantee shall include the following statement, in full, in any printed, audiovisual material, or electronic media for public distribution developed or printed with any Federal funding.

In accordance with Federal law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, disability, and reprisal or retaliation for prior civil rights activity. (Not all prohibited bases apply to all programs.)

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, and American Sign Language) should contact the responsible State or local Agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a complainant should complete a Form [AD-3027](#), USDA Program Discrimination Complaint Form, which can be obtained online at <https://www.ocio.usda.gov/document/ad-3027>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

- (1) Mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Washington, D.C. 20250-9410; o*
- (2) Fax: (833) 256-1665 or (202) 690-7442; or*
- (3) Email: program.intake@usda.gov.*

If the material is too small to permit the full Non-Discrimination Statement to be included, the material will, at a minimum, include the alternative statement:

"This institution is an equal opportunity provider."

The Grantee shall adhere to the following requirements:

1. Debarment and Suspension. The Grantee certifies that it will abide by all certifications and assurances set forth in Federal Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility & Voluntary Exclusion—Lower Tier Covered Transactions," this form having been signed, attached hereto in Attachment F, and incorporated herein by reference. Per the terms of the federal award, the Grantee shall also require all second-tier subrecipients and contractors who will be paid with subaward funds to sign form **AD-1048**, and subrecipient shall keep completed forms on file.
2. Trafficking in persons. The Grantee and its employees may not:
 - (1) Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 - (2) Procure a commercial sex act during the period of time the award is in effect; or
 - (3) Use forced labor in the performance of the award or subawards under the award.
3. Assurance regarding felony conviction or tax delinquent status for corporate applicants. This award is subject to the provisions contained in the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2012, P.L. No. 112-74, Division E, Section 433 and 434 as continued by Consolidated and Further Continuing Appropriations Act, 2013, P.L. No. 113-6, Division F, Title I, Section 1101(a)(3) regarding corporate felony convictions and corporate Federal tax delinquencies. Accordingly, by entering into this award the Grantee acknowledges that it: 1) does not have a tax delinquency, meaning that it is not subject to any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an award with the authority responsible for collecting the tax liability, and (2) has not been convicted (or had an officer or agent acting on its behalf convicted) of a felony criminal violation under any Federal law within 24 months preceding the award, unless a suspending and debarment official of the U.S. Department of Agriculture has considered suspension or debarment is not necessary to protect the interests of the Government. If the Grantee fails to comply with these provisions, the Forest Service will annul this award and may recover any funds the Grantee has expended in violation of sections 433 and 434.

Attachment B

Financial / Progress Report

Non-Federal Hazardous Fuels Reduction Grant

Financial/Progress Report

Department of Natural Resources, Division of Forestry & Fire Protection

Grantee:	Grant Number: ALN: [#]
Project Title:	
Report/Invoice No:	Reporting Period: From: To:

Cost Category [Break into Components]	Authorized Budget	Grant Expenditures This Period	Total Grant Expenditures to Date	Balance of Grant Funds
[Personnel Services]				
[Travel]				
[Supplies]				
[Contractual]				
[Other]				
[Indirect]				
Total This Report				

		Total Grant Award	
		LESS Total Grant Expenditures to Date	
		TOTAL Grant Funds Remaining	

Progress Report: Describe activity that supports the expenditures during the period. If no activity has taken place please provide an explanation. Identify any problems you have experienced and/or accomplishments this period. Attach additional pages if necessary.

Grantee Certification: I certify that the above information is true and correct, and that expenditures will be made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

DFFP STAFF USE

Notes:

Signature of Authorized Signer

Date _____

Name and Title

DFFP Approver:

DFFP Signature

Date _____

Attachment C

Standard Provisions

Article 1. Definition

“DFFP” refers to the Department of Natural Resources, Division of Forestry & Fire Protection within the State of Alaska.

[Article 2. Responsibility

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of this Grant Agreement.

The Grantee, its successors and assigns, will be entirely responsible for the activities performed under this grant. The Grantee will hold harmless the DFFP and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licensees, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees it is responsible for its acts and omissions under this agreement which give rise to any claim and the DFFP and the State of Alaska and their authorized agents and employees are not responsible for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this grant agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the DFFP or the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the DFFP and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee’s agents or employees.]

[Article 3. Legal Rights and Responsibilities

The Grantee agrees that it shall be solely responsible for its own acts or omissions arising out of the Grantee’s use of the grant money described herein and performance of the services for which the grant money is provided. However, neither party to this Grant Agreement shall be responsible for the actions or inactions of the other in connection with the performance of this Grant Agreement. Each party agrees to defend itself individually from all claims, demands, or liabilities arising out of the performance of any activities authorized by this Grant Agreement. In any claim arising out of the performance of this Grant Agreement or the use of the grant money, whether sounding in tort, contract, or otherwise, each party shall defend itself but may assert comparative fault, the sole liability of another, or any other defense, affirmative defense, or request for relief.]

Article 4. 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 DFFP and the State of Alaska shall be at all times as an independent Grantee. 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 State in the performance of this Grant Agreement.

Article 5. Waivers

No conditions or provisions of this Grant Agreement can be waived unless approved by the DFFP in writing. The DFFP's failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

Article 6. Inspections and Access to Records

The DFFP and duly authorized officials of the State of Alaska may inspect, in the manner and at reasonable times it considers appropriate, all of the Grantee's facilities and activities under this Grant Agreement. The DFFP and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

Article 7. Reports

The Grantee, at such times and in such forms as the DFFP may require, shall furnish the DFFP with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

Article 8. Retention of Records

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for six years after the later of either final Subaward Grant payment or the termination or expiration of this Subaward Grant. Records will also be necessary for final resolution of any audit findings, claims, or litigation related to the grant.

Article 9. Assignability

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or notation), except with the written consent of the DFFP.

Article 10. Financial Management and Accounting

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

Article 11. No Additional Work or Material

No claims will be allowed for services, not specifically provided for in this Grant Agreement, which are performed or furnished by the Grantee.

Article 12. Amendments and Modifications

The Grantee or the DFFP may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the DFFP and the Grantee. Any such amendment or modification will be attached and made a part of this Grant Agreement.

Article 13. Recordkeeping

The Grantee agrees to keep such records as the DFFP may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

Article 14. Obligations Regarding Third-Party Relationships

No subcontracting by the Grantee shall create, between the DFFP or State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all lawful requirements of the Grantee necessary to ensure that the project is carried out in accordance with the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the DOF and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

Article 15. Conflict of Interest

No officer or employee of the DFFP; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision. The Grantee shall also disclose in writing any potential conflict of interest to the State of Alaska.

Article 16. Political Activity

No portion of the funds provided hereunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

Article 17. Payment of Taxes

As a condition of this Grant Agreement, the Grantee shall pay all Federal, State and Local taxes incurred by the Grantee and shall require their payment by any contractor or other persons in the performance of this Grant Agreement.

Article 18. Prohibition against Payment of Bonus or Commission

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided,

however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

Article 19. Termination by Mutual Agreement

This Grant Agreement may be terminated, in whole or in part, prior to the completion of contract project activities when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The DFFP will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. The DFFP shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

Article 20. Termination for Cause

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the DFFP may take the following actions:

- A. Suspension - After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination - Terminate the grant in whole or in part, at any time before the final grant payment is made. The DFFP shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the DFFP shall be in accordance with the legal rights and liabilities of the parties.

Article 21. Withdrawal of Funds

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the DFFP may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

Article 22. Recovery of Funds

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the DFFP may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the DFFP by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the DFFP's option.

Article 23. Disputes

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the DFFP, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the DFFP shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in this Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

Article 24. Jurisdiction

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

Article 25. Ownership of Project/Capital Facilities

The DFFP makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the DFFP and the State of Alaska harmless from any and all causes of action arising from the ownership and operation of the project.

Article 26. 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.

Article 27. Insurance

The Grantee is responsible for obtaining any necessary liability insurance. In addition, 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. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

Article 28. Members of Congress

Pursuant to 41 U.S.C. 22, no member of, or delegate to, Congress shall be admitted to any share or part of this subaward, or benefits that may arise therefrom, either directly or indirectly.

Article 29. Governing Law

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with all appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the implementation of this project by the Federal, State or Local governments have been obtained.

Other common permits may include Alaska Department of Fish and Game Fish Habitat Permits for activities below ordinary high water of fish bearing streams and U.S. Army Corps of Engineers Clean Water Act Section 404 permits for activities in wetlands.

Article 30. Budget Flexibility

Notwithstanding the provisions of Article 11, Attachment E, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of 10% of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

Article 31. 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 state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants 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.

Article 32. Public Purposes

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. 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.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290 - 10.20.452.

Article 33. Operation and Maintenance

Throughout the useful life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

Article 34. Assurance

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

Article 35. Current Prevailing Rates of Wage

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee shall also require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

Article 36. Severability

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

Article 37. Performance

The DFFP's failure to insist upon the strict performance of any provision of this Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under this Grant Agreement.

Article 38. Sovereign Immunity

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by a resolution of the entity's governing body, is hereby incorporated into this Grant Agreement.

Article 39. 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 Alaska Legislature.

Article 40. Audit Requirements

The Grantee shall comply with the audit requirements established in 02 AAC 45.010 and U.S. Office of Management and Budget 2 CFR Part 200 Subpart F – Audit Requirements.

Article 41. Close-Out

DFFP will advise the Grantee to initiate close-out procedures when DFFP determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.
- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the DFFP from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this contract agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

Attachment D
Special Requirements and Assurances for
Federally Funded Projects

[SF-424B, AD-1047, AD-1048, AD-1049, AD-1050, AD-1052, AD-3031, Lobbying Certification]