PROGRESS REPORT

GRANTEE: NOME JOINT UTILITY SYSTEM

PROJECT NAME: NOME POWER GENERATION FACILITY REPLACEMENT

GRANT #: AEA #2195210; DENALI COMMISSION

PERIOD OF REPORT: October 1, 2004 through October 31, 2004*

*interim report to accompany Pay Request #3

Project Activities Completed:

Reinforcing steel (rebar and mesh), as well as concrete materials to construct building grade beams and foundation slabs arrived on the last fall barge of the season and are in inventory to allow construction activities to commence as soon as weather conditions permit in the spring. (Materials needed to be procured and on-site this fall to allow construction to commence in May; the first spring barge does not arrive until June.) Electrical under-slab conduit arrived; a substantial portion was installed during October while temperatures still allowed for ground excavation. Modification and review of the building structural package is underway; anticipated to be available for final Board review by November 15. Fuel piping and storage facility plans were submitted to ADEC for review and approval. EPA approved the QA plan for cleanup work funded through the Brownfields; soils have been excavated and hauled to the municipal landfill. We submitted additional information and comments to ADEC for the air permit; ADEC has advised they anticipate issuing the air permit during the first week of November. The proposed contract for purchase of Wärtsilä engines is in legal review.

Existing or Potential Problems:

None related to grant administration.

Activities Targeted for Next Reporting Period:

- have the ADEC Air Quality Construction permit in hand; expected by 11/5/04
- execute final generator purchase agreement with Wärtsilä; expected by 11/10/04
- complete structural, building and electrical specifications packages; final review by Board; expected by 11/15/04
- prepare revised timeline; prepare additional bid packages and release
- continue to procure materials
- prepare final pay request for initial Denali Commission funding award; all funds will be expended in November;
- continue dialogue with Denali Commission on allocation of additional funds authorized by Congressional action