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Denali Commission Progress Report

Presented to

House and Senate Finance
Committees

January 17, 2001





What is the Denali Commission?

- Federal Act drafted by Senator Ted Stevens (Mar99)
- Co-chairs: The Honorable Jeff Staser & Governor Tony Knowles – Fran Ulmer
- 5 Statewide Organizations Represented:
 - AGC (Henry Springer) – Builders
 - AFL-CIO (Mano Frey) – Labor
 - UA (Mark Hamilton) – Education
 - AFN (Julie Kitka) – Alaskan Natives
 - AML (Kevin Ritchie) – Municipal Managers



Purposes

- Deliver government services in most cost effective manner practicable (5% OH by law)
- Promote rural infrastructure & utility development (power generation & transmission; communications systems; bulk fuel storage, water & sewer; health care facilities; and other needs)
- Provide job training & economic development in rural (particularly distressed) communities



Themes = Focus

- Energy – management, generation, distribution
- Health delivery – full service
- Telecommunications – coordination
- Economic development – funding partners
- Training – careers tied to work
- Life cycle operations &
maintenance



How It Works

- Commission uses established priority systems when possible and ...
- seeks “gaps” (avoids others’ responsibility),
- seeks consensus (public and agency),
- seeks partners to fund & manage programs,
- submits its annual Work Plan and Budget thru Sec. DOC to fed OMB and Congress,
- ... and wants to be held accountable.



Denali Commission FFY 99

- Appropriations
 - \$20 million general appropriation

- Expenditures
 - \$15 million Alaska energy authority
 - » Bulk fuel program
 - » Rural power system upgrades program
 - \$275,000 rural health clinic study
 - \$50,000 statewide telecommunications survey
 - \$250,000 O&M training
 - \$1.2 million First Alaskans Foundation



Denali Commission FFY 00

- Appropriations

- \$20 million general appropriation
- \$5 million trans-Alaska pipeline liability fund (TAPL) interest (bulk fuel only)

- Expenditures

- \$14 million Alaska Energy Authority
 - Bulk fuel program
 - Rural power system upgrade
- \$2 million Department of Labor training
- \$5 million southeast electrical inter-tie
- \$824,000 Alaska Growth Capital
- \$1 million health clinic construction

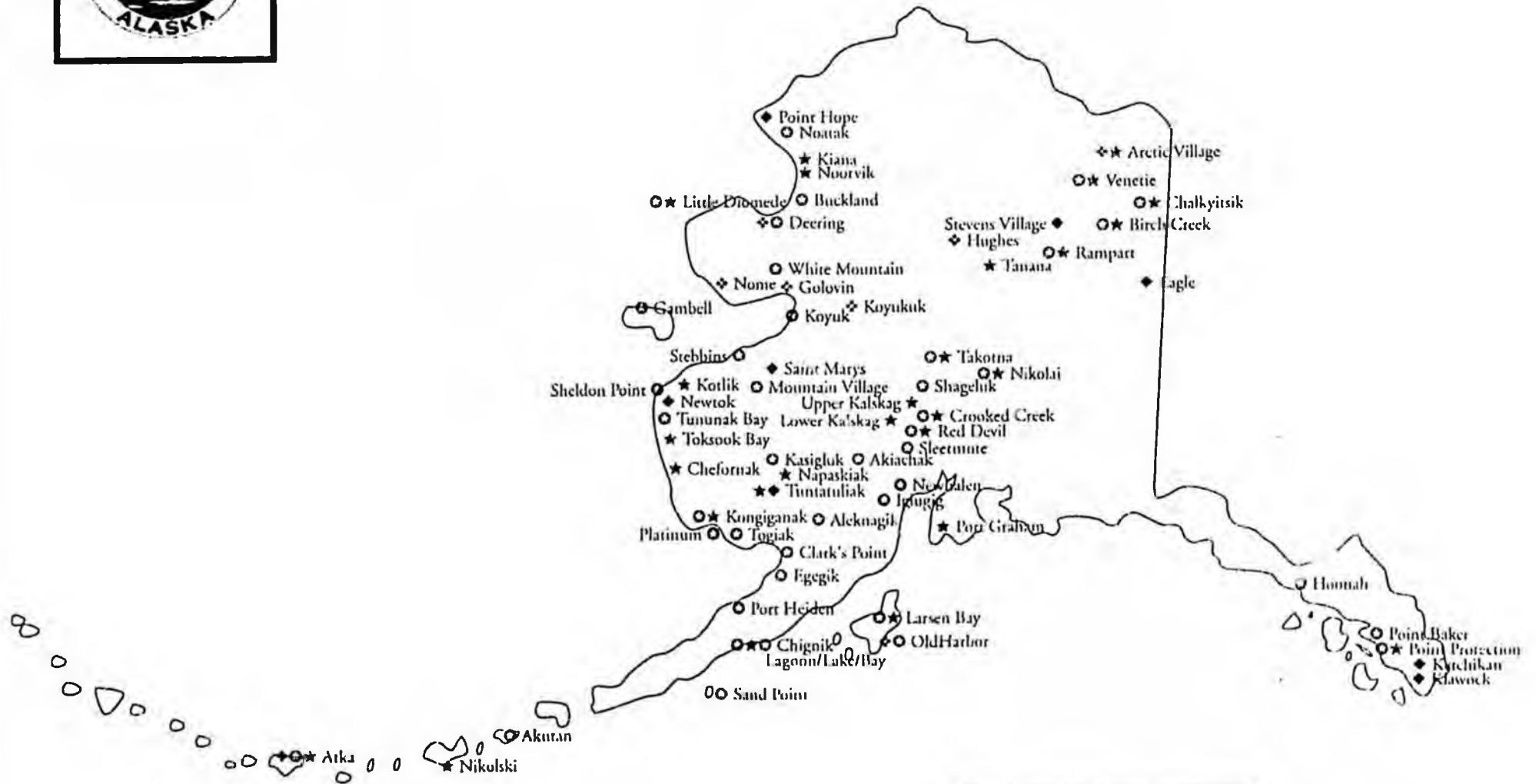


Program Partners

Program	Lead Partner(s)
Bulk Fuel Storage	AIDEA – AEA
Rural Power	AIDEA; USDA-RUS/RD
Health & Clinics	ANTHC & Steering Committee
Economic Development	AK Growth Capital; DCED; First Alaskans Foundation; others
Training	AK Dept of Labor & others
Capacity Building/Planning	USDA-RD; FEA; & MOU



Projects



Map Legend

- Bulk Fuel Planning
- ★ Bulk Fuel Construction
- ◇ Electrical Utility Upgrades
- ◆ Other Infrastructure Projects



Denali Commission FFY 01

- Appropriations

- \$30 million general appropriation
- \$10 million TAPL interest (bulk fuel only)
- \$10 million HHS health clinic construction
- \$15 million rural utility service - energy projects

- January 18th meeting consideration

- \$7 million Alaska Energy Authority
- \$18 million Alaska Village Electric Cooperative
- \$10 million ANTHC health clinic construction
- \$1 million EMS capital equipment (code blue)
- \$4.5 million State - DCED community priorities



Management Initiatives

- Encourage community based, regionally supported comprehensive plans
- Seek uniform processes (MOU)
- Provide assistance (directory & toolbox)
- Streamline services (funding forums)
- Standardize (i.e. MIS, equipment, parts, etc.)
- Stress accountability and sustainability



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Quarterly Denali Commission Meeting Juneau, Alaska

The Denali Commission will hold its next quarterly meeting at the Centennial Hall Convention Center, 101 Egan Drive, Juneau, Alaska, on Thursday, January 18, 2001. The meeting will run from 9:00 to 5:00 pm. There will be an opportunity for public comment.

The agenda for this meeting will be available at the Denali Commission office by January 4, 2001. The agenda will also be available on the Commission website at www.denali.gov under the upcoming meetings link

The Denali Commission concept was introduced by Senator Ted Stevens and passed into federal law in 1998 for the purpose of providing an efficient tool for addressing the staggering infrastructure and utility needs in rural Alaska. The mission of the Commission includes funding for general infrastructure, power generation and transmission facilities, modern communication systems, water, sewer, above ground bulk fuel storage, job training, and overall economic development in rural communities.

The Commission is comprised of representatives of five statewide organizations and is co-chaired by Governor Knowles' designee, Lieutenant Governor Fran Ulmer and Jeffrey Staser. The Commissioners are the Alaska Federation of Natives represented by Julie Kitka, the University of Alaska represented by Mark Hamilton, the Alaska State AFL-CIO represented by Mano Frey, the Associated General Contractors of Alaska represented by Henry Springer, and the Alaska Municipal League represented by Kevin Ritchie.

Questions about the meeting can be directed to the Denali Commission office at the numbers listed above.

If you wish to participate via teleconference please contact your local Legislative Information Office.

DENALI COMMISSION

Quarterly Commission Meeting
Juneau, Alaska

January 18, 2001



Denali Commission Quarterly Meeting Agenda
January 18, 2001
(Meeting Chaired by Mark Hamilton)

9:00 -Welcoming comments – Co-chairs, Fran Ulmer & Jeff Staser and Commissioners

9:15 -Approval of minutes of September 14, 2000 mtg. and approval of agenda

9:20 -Update on Commission actions, accomplishments, etc. – Federal Co-chair

9:30 – Training Update (15 minutes) – Mano Frey/Krag Johnsen

9:45 -Infrastructure:

Introduction (5 minutes) – Fran Ulmer

Proposed funding for energy projects (30 minutes) – Charlie Walls/Bob Poe/Meera Kohler

Proposed funding for health care facilities (30 minutes) – Joel Neimeyer/Steve Weaver/Sheila Selkregg

Proposed funding for Code Blue (30 minutes) – Sheila Selkregg/Matt Anderson/Joel Neimeyer

Proposed funding through DCED for priority community projects (25 minutes) – Al Ewing/Pat Polland

11:45 – Break for working lunch with key legislators

1:30 – Telecommunications

- Introduction (5 minutes) – Fran Ulmer
- Results of Telecommunications survey (60 minutes) – McDowell Group

2:35 - Summary of action items before the Commission – Mark Hamilton

- Resolution allocating funds for energy projects;
- Resolution allocating funds for health care facilities;
- Resolution allocating funds for Code Blue;
- Resolution allocating funds for community priority projects;

2:40 - Comments from State and Federal Agency heads

3:00 - Public comment

4:00 - Commission discussion of proposed action items/decisions on action items

4:45 - Closing comments - Co-chairs and other Commissioners

5:00 - Adjournment

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DENALI COMMISSION
Meeting Minutes for September 14, 2000
Downtown Marriott Hotel, Anchorage, Alaska

Roll Call

Federal Co-Chair

Jeff Staser

State Co-Chair

Lieutenant Governor Fran Ulmer

Alaska Federation of Natives

State Representative Albert Kookesh, alternate

AFL-CIO

Mano Frey

University of Alaska

Wendy Redman, alternate

Alaska Municipal League

Kevin Ritchie

Association of General Contractors

Henry Springer

Call to Order

Commissioner Springer called the meeting to order at 9:12 AM.

Agenda and Minutes

Commissioner Springer asked Commissioners for approval of the agenda. No objections were raised.

Lieutenant Governor Ulmer moved for approval of the July 13th, 2000 minutes. The motion was seconded and approved unanimously. Commissioner Springer excused himself from voting on the minutes, as he was not at the meeting.

Update on Commission & Staff Activities

Federal Co-chair Staser provided a brief summary of Denal. Commission activities. Commenting on the Commission's new funding theme, rural primary care delivery systems, Co-Chair Staser stressed the importance of making sure we have a comprehensive community based and regionally supported approach to filling gaps in health care delivery systems. He also mentioned that Senator Stevens met with the Commissioners in August to outline some of the strategies he is pursuing in Washington, D.C.

Sub-Committee Reports by Commission Staff

Infrastructure-- Joel Neimeyer

- Rural Primary Health Care needs assessment: Mr. Neimeyer provided an update on behalf of the steering committee which included the statewide rural primary care facilities needs assessment. The needs assessment, which will identify the statewide need for rural primary care facilities and is being drafted by a steering committee composed of staff from: ANTHC, Indian Health Service (IHS), State of Alaska Department of Health & Social Services

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(DHSS) and the Denali Commission. The Steering Committee anticipates that the final report and recommendations will be available in October.

Mr. Neimeyer asked to be excused from the meeting to attend a separate steering committee scheduled after the presentation. Chief of Staff Al Ewing continued with the Infrastructure briefing.

- **Primary health care design/construction partner(s) selection:** Chief of Staff Al Ewing briefed the Commission on the selection process undertaken for the design and construction phase of the Commission-funded primary health care facilities theme. Based on their interest and ability to fulfill the criteria, ANTHC was selected to assume management of the design and construction phase.
- **Independent Review of Alaska Energy Authority (AEA) the Commission's partner in the rural energy-funding theme:** Mr. Bill Humphries of ICRC, provided a report on the independent review requested by the Commission during its July meeting. ICRC focused its review on potential causes that generated the need for additional funding in bulk fuel storage projects that were funded primarily by the Commission in FY'99. An analysis was offered to the Commission, which compared the Commission/AEA rural energy program with comparable projects done by other groups in Alaska. An average cost of the projects came out at \$7.14 per gallon. ICRC found that the estimate used by AEA was a good, on an average basis as you look across projects. ICRC's finding indicated that the real issue AEA faced was lack of readiness at the design stage including identification of the capacity that is going to be required for new facilities, which resulted in an overall higher project cost. ICRC encouraged continued support for the current AEA process.

Training – Krag Johnsen

In April 2000, the Commission approved \$2 million for a training strategy to address the training needs of rural residents for construction, operations and maintenance of public facilities. Funding was provided to numerous organizations and the State of Alaska Department of Labor and Workforce Development (DOL/WD). The State DOL/WD has implemented an application process for the Denali Training Fund. Ms. Gerry McDonagh has been hired by the Department as the Funds Grants Administrator. Questions pertaining to the Denali Training Fund should be directed to Ms. McDonagh.

Economic Development – Sam Kito III

Mr. Kito introduced David Hoffman, who provided a briefing on Alaska Growth Capital. A private organization, Alaska Growth Capital's focus is statewide and regulated by the State of Alaska. Mr. Hoffman's briefing included an overview of public-private partnerships they currently have with the Alaska Science and Technology Foundation and the US Department of Treasury. Mr. Hoffman also reviewed the performance measures used by Alaska Growth Capital.

Draft FY'02 Work Plan – Al Ewing

Mr. Ewing presented the draft work plan, which has been printed in the Federal Register for the required 30-day public comment period. No comments or revisions were requested and the document is ready for final review and Commission approval. After the approval process, the plan will be forwarded to the Secretary of Commerce.

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Summary of Action Items Before the Commission – Commissioner Springer

Commissioner Springer provided an overview of the items requiring action:

1. Approval of the Commission's Primary Health Care approach;
2. Resolution 00 Authorizing funding for Metlakatla and St. Paul Clinics and allocating the balance of the funding to projects identified by the Denali Commission priority list;
3. Approval of primary health care clinic designs and construction partnership arrangement;
4. Concurrence of Commission for continuation of previously approved AEA projects based on satisfaction with the independent review briefing;
5. Resolution 00 approving the Alaska Growth Capital project; and
6. Approval of the final FY'02 Work Plan.

Public Comment

Mark Charlie, AVCP Regional Housing Authority: Thanked everyone for their work in rural Alaska. "We are asking the Commission to look into providing funds to the housing authorities in Alaska in terms of providing water, sewer, road and electricity access to construction developments that we have. Currently, the money we get for housing, we use a lot of that for development of road access, water, sewer and electricity."

Brenda Kelkok, BBNA, Dillingham: Thanked the Commission for having the April meeting in Dillingham. Commented on the work plan, specifically on telecommunications needs. BBNA is a member of the Bristol Bay Distance Delivery Consortium, and there are several other consortiums throughout the state. Ms. Kelkok invited the Denali Commission and the McDowell Group to work with these regional consortiums as an approach is developed for improving telecommunications in rural areas.

Jeff Jessee, Executive Director of the Alaska Mental Health Trust Authority: Offered the opportunity to explore how the Trust and the Commission might be able to build a relationship as funding partners. "The Trust is involved in rural mental health issues, and in reading the Denali Commission's material, I see that is an area the Commission is pursuing. We are very interested in participating in any way you find appropriate."

Tom Bolen, Northwest Arctic Borough: Praised the Steering Committee for their work, recognizing they have a daunting task and that they have done a great job. "I was concerned at how they reached their determinations on being economically distressed communities. The other concern I had was the fact that this ranking is being done based on data that is 1995 vintage or older, and I thought there was some way we could be more current, perhaps that will be a part of the appeals process. We also urge you at your next meeting to fund the Buckland tank farm project, if it comes before you. We have a new school in Buckland, and it has complicated the tank farm issues there, they have been written up by the Coast Guard and everyone is feeling uneasy."

Tom Okleasik, Kawerak: "First, I would like to offer support to ANTHC as an entity to administer the rural health care facilities grant process. Second, I would like the Commission to examine prioritizing projects to be funded in the fisheries disaster communities. Third, in the future as you give updates, could you please include contact names and phone numbers so the public and regional entities can give information to villages and they will know who to contact

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for Commission funded programs. Fourth, the Regional Non-Profits are resources for the Commission in getting input from our area villages."

Rachel Askren, Metlakatla Indian Community: "Since 1980, we have been number one for a clinic replacement in the State of Alaska by IHS. We then became number two after St. Paul because their clinic was older. Even though we have followed all of the procedures, we have never accomplished this step. We encourage you to support this resolution and we would appreciate it. We have followed every step the Denali Commission has gone through, and the draft of the priority needs list is excellent. The steps are so clear, it is wonderful."

Michelle Kloss, Acting Health Director, Aleutian Pribilof Islands Association: "APIA is extremely pleased to be considered for the replacement of the St. Paul health center. APIA would like to manage the planning, design & construction of a new health center under the principles & policies of public law 96-368. We have put together a draft project management plan which I would like to leave with your staff as a basis for further discussion."

Lt. Governor Ulmer asked Dr. Peter Nakamura from the State of Alaska, Department of Health and Social Services to speak.

Dr. Nakamura: "Our basic purpose is what can we do to make our clients healthier, and there is no way you can separate that from economic development or from education or from any of the other positive things we try to achieve for our people. My comment on this whole process is that partnering is great; you are on the right track not just a narrow focus. You are planning and have organization and I am happy that we, as a division of Public Health, are a part of this process."

Reports from Federal & State Agencies

Chris Mandregan, Director for the Alaska Area Indian Health Service: "We recognize that the most successful programs are often collaborative, multi-agency efforts that are undertaken by both public and private sector organizations working together, and the Commission offers us the opportunity to do that here today." IHS & ANTHC have a great deal of experience in the area of managing multi-agency dollars. Encouraged the Commission to support the resolution for planning & design funds for the clinics in Metlakatla and St. Paul. "On behalf of IHS, I can assure you we will do everything in our power to secure appropriations for construction in future years."

Berney Richert, U.S. Department of Commerce, Economic Development Administration: Thanked the Commission and especially Lt. Governor Ulmer for the opportunity to participate with the Commission. EDA looks forward to continuing with the relationship and working with Commission in the vocational/technical area and hopefully on technology access including the Internet. Mr. Richert closed by saying he sincerely appreciated the leadership of the Commission.

Commission discussion of proposed action items/decisions on action items

- Resolution 00-17 for Infrastructure funding for FY'01 Health Care Facilities (amended)

MOTION by Commissioner Frey to approve. Co-Chair Staser seconded the motion. The motion was approved with no objections.

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- Motion to approve partnership with ANTHC for design & construction management of Primary Health Care facilities

Commissioner Springer: "I move that the Denali Commission staff be directed to negotiate and if negotiations successfully result in a cost effective agreement, enter into an agreement with ANTHC for planning, design, and construction management for Primary Health Care facilities the execution of which will be subject to Congressional appropriations for such purposes."

Commissioner Frey seconded the motion. The resolution was approved unanimously.

- Motion to extend the life of the Health Care Steering committee

MOTION by Co-Chair Staser to extend the life of the Steering Committee established to guide the development of the primary health care needs assessment and develop a priority system for allocating available resources, be extended indefinitely to guide the execution of the Denali Commission Primary Health Care Facility Program and that the Steering Committee be expanded to include one representative each of the Alaska Center for Rural Health, the Alaska Primary Care Association, the USDA Rural Development Agency and further that the Steering Committee be chaired by the Director of the Alaska Department of Health & Social Services Division of Public Health.

No objections, the motion was passed unanimously.

- Motion allowing AEA projects to proceed based on results of independent review

MOTION by Commissioner Springer that the Commission accepts the results of the independent review of the AEA and that all restrictions placed on funds previously allocated to AEA for design and construction of bulk fuel facilities by Resolution No. 00-13 is lifted.

Lt. Governor Ulmer seconded the motion. No objections, the motion is adopted as stated.

- Resolution 00-16 to allocate funding to Alaska Growth Capital

MOTION by Lt Governor Ulmer that the revised motion be approved.

Commissioner Frey seconded the motion. No objections. The resolution is adopted with revisions as follows. Staff will add a clause to the resolution. "Be it further resolved that staff be directed to develop performance criteria for the disbursement of funds".

- Motion to approve the FY'02 Work Plan

MOTION by Alternate Wendy Redman that the FY2002 Work Plan, as presented in the Commissioners' briefing packet, be approved for submittal to the U.S. Secretary of Commerce and the U.S. Office of Management and Budget as required.

Commissioner Ritchie seconded the motion. The FY '02 Work Plan was approved unanimously.

Telecommunications Briefing - Lt. Governor Ulmer

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The Lt. Governor briefed the Commissioners and the public on telecommunication initiatives of the State of Alaska, the Federal government and the private sector.

Closing Comments

Commissioner Frey volunteered himself as a one-person sub-committee for future meeting sites. He expressed concern that the Marriott Hotel "does not treat their employees with dignity and respect, and the owners of this particular hotel do not pay area standards for wages or benefits." One of his strong goals is to help the hotel employees and restaurant employee's union organize the new facility.

Co-Chair Staser recognized the three administrative staff, Yvette Wilkins from the Air Force, Corrine Eilo the Operations Director, and Michelle O'Leary.

Co-Chair Lt. Governor Ulmer gave thanks to the staff "that does an excellent job in keeping us focused." She introduced Mr. Andy Ebona, the Governor's Special Assistant on Rural Affairs.

Commissioner Springer noted that "the Commission needs to wrestle with what we are going to do, are we going to concentrate on going in great depth in specific needs, in other words are we going to go deep and not very wide, or are we going to go shallow and take the broad brush and paint over everything? As a Commission, every member may have a different outlook and different ideas on it, but we have to come to grips in defining how far and in what direction we want to go. Also, what should we do to offset either the inability or the lack of care by governmental entities that are charged with providing those services, but for one reason or another are not, to take up that slack."

Adjournment

Commissioner Springer adjourned the meeting at 4:22pm



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Denali Commission January 18th 2000 Quarterly Meeting Briefing on Local Employment and Wage Information on Denali Commission Projects

The Denali Commission Training Subcommittee has directed staff and partner agencies to collect and update wage, labor type and residency information on the people that are hired to construct Denali Commission funded public facilities. Denali Commission staff worked closely with Alaska Energy Authority to develop an agreed upon reporting format for this information.

The attached spreadsheet is the most recent information provided by Alaska Energy Authority on December 1, 2000. The spreadsheet provides detailed employment and wage information for all Denali Commission bulk fuel and power system upgrade projects to date.

This format will be the standard for information required by all Denali Commission partners, present and future. Alaska Energy Authority and Alaska Native Tribal Health Consortium (current Denali Commission partners) have both agreed to provide this information to the Commission at a minimum of twice annually; August 15th and December 1st of each year.

This residency, labor type and wage information will allow the Denali Commission to track performance of training efforts, contracting, and Denali Commission partner's hiring practices, and correspondingly make investments and policies to meet the Commission's goals of increasing the wages, skills and knowledge of local residents.

Alaska Employment Authority
 Residency, Wage, Labor Type Summary Information
 December 1, 2000

Total Payroll Earnings	\$ 1,982,435.43				
			Percentage of Total		
Total Payroll Earnings of Rural Residents	\$ 1,037,965.67		52%		
Total Payroll Earnings of Non-Rural Residents	\$ 944,469.76		48%		
		Number of People	Percentage of Total		
Total Number of People Employed on Denali Commission Projects to Date		111			
Local Residents Employed on Denali Commission Projects to Date		78	70%		
Rural Residents Employed on Denali Commission Projects to Date		88	79%		
Non-Rural Residents Employed on Denali Commission Projects to Date		23	21%		
Alaskan Residents Employed on Denali Commission Projects to Date		105	95%		
Non-Alaskan Residents employed on Denali Commission Projects to Date		6	5%		
<i>Definitions:</i>					
<i>Local Resident is a person who resides in the community where a Denali Commission funded project is being constructed.</i>					
<i>Rural Resident is a person who does not live in the local community but resides in a "Rural" community (All Alaska communities excluding Anchorage, Mat-Su Valley, Fairbanks, and Juneau are "Rural" for this report).</i>					
<i>Non-Rural Resident is a person who resides in Anchorage, Mat-Su Valley, Fairbanks or Juneau.</i>					
<i>Alaskan Resident is a person who resides in any Alaska community.</i>					
<i>Non-Alaskan Resident is a person who resides in a community outside Alaska.</i>					

Denali Training Fund



Denali Commission Meeting Report



January 18, 2001

Submitted to:

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Employment Security Division
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➤ **Denali Training Fund**

Under the Denali Training Fund, a three-person review committee was selected to review 25 applications submitted by rural communities from around the State. The committee consisted of Bonnie Jo Savland, Director, ANCET; John Hakala, State Director, Bureau of Apprenticeship and Training; and Dick Cattanach, Executive Director, Associated General Contractor. Gerry McDonagh, Grants Administrator from the Department of Labor and Workforce Development (DOL) who coordinates the program facilitated the review held December 20 and 21, 2000.

Over \$900,000 was requested for training by the communities and training providers. The committee recommended that 10 grants be awarded to some communities and training providers for a total of \$485,000 which will provide training to 152 rural residents in various types of training at an average cost of about \$3,000 per participant. The decisions were based on the viability and implementation of the training plan, and anticipated future outcomes outlined in their applications. Four of the ten training projects recommended for funding will be contingent on the concurrence of the Denali Commission Training Sub-committee because the funding request is greater than the \$25,000 funding cap per application.

The 15 communities whose applications were not recommended for funding will receive technical assistance from the DOL office, clarifying the objectives of the training and recommending revisions to the application if the community wants to submit an application during the next application review cycle. In addition some of the communities will be referred to other more appropriate funding sources.

The review committee did an excellent job and accomplished their task well. They recommended that all training must train towards established skill standards; training must be to industry accepted certification and or credentials; employment must be imminent; numbers to be training and employed must be realistic; and each grantee must have a deliverable training plan.

There are about 30 more training projects being identified and developed in addition to those not funded at this time. The next meeting of the review committee is scheduled for early February 2001, at which time the next group of applicants will be considered for funding. The Denali Training Fund Application Review Summary is attached to this report.

The following projects were recommended for funding by the review committee:

- ✓ **Bethel** – The Association of Village Council Presidents (AVCP) requested funding to train 30 rural residents from the Bethel region to provide construction trades training as part of renovating an airplane hanger building at the Bethel Airport into a training center for pilots & airframe and power mechanics.

This renovated structure will provide both pilot training and mechanic training over the long term. AVCP will assist the Housing authority as it begins a long-term construction-training program, by providing the hanger project as a place to train construction skills as part of the renovation. The Housing Authority plans to build 31 homes this summer for residents in 7 villages, and would use the hanger renovation project to begin the coursework and hands-on training for construction apprentices leading up to the 31 homes project. Alaska Works Partnership will contribute a cash and in-kind match. **Awarded \$100,000.**

- ✓ **Buckland** – The City of Buckland requested funding to train 6 local residents in the construction trades in carpentry, plumbing and electrical fields. This will give the community a trained labor workforce for the water and sewer project scheduled for next year. The training will be conducted through the Kotzebue Technical School on a scheduled agenda through the school program. The Kotzebue Technical School has the capabilities and credentials to train the construction positions needed. **Awarded \$25,000.**
- ✓ **Construction Truck Driver CDL-A, Forklift & Loader Operator, Hazardous Materials Training General Site Worker** – The Center for Employment Education (CEE) requested funding to train 20 participants from rural Alaskan communities in an intensified five week Construction Driver Class A CDL training program. The training will be available to local residents on a first come first serve basis. The training will consist of three week (90 hours) Construction Driver Training, one week (40 Hour) Loader Operator and Forklift with North Slope Training Cooperative and one-week (40 hour) Hazardous Waste General Site Worker training.

This training will prepare each applicant for an opportunity to gain employment in the transportation and construction industries throughout Alaska. Because not all participants will require all the training courses, the review committee recommended funding for up to 15 participants and costs will be reduced where appropriate. The DOL receives numerous calls from rural residents requesting CDL training each week and will now be able to refer to CEE at no cost to the rural residents. CEE is currently the only licensed school for commercial vehicles. **Awarded \$100,000.**

- ✓ **Circle** – The Circle Traditional Council requested funding to train 2 local residents in Hazardous Waste Operator, Hazardous Materials Transportation and Heavy Equipment Operator training. The community has completed the development of a new landfill/dumpsite. This training will certify two operators to handle hazardous materials and operate the heavy equipment necessary for proper storage and environmental protection as required by State and federal regulations. The trained operators will also be responsible for the delivery of a community garbage haul service. Both the operations of the landfill and the garbage service provide essential sanitation maintenance of the infrastructure to the community of Circle. The training will be provided by AGC. **Awarded \$10,000.**

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- ✓ **Elim** – The City of Elim requested funding to train **20** local residents in construction trade in carpentry, electrical, plumbing and painting fields. At this time, the City has not selected the training entity although they are working with Alaska Works Partnership on a delivery-training plan. The community is in the process of upgrading the local school at a cost of \$12.1 million and is due to start construction in summer of 2001. Also, the community is upgrading the water source through Village Safe Water as well as a hazardous waste cleanup project located at Moses Point. This will give the community a trained workforce to meet these upcoming construction projects and will contribute to long-term job positions involved in maintenance of those facilities. **Awarded \$50,000.**

- ✓ **King Salmon** - Alaska Works Partnership, Inc. requested funding to train **40** local residents from the Bristol Bay region to refurbish a building at the King Salmon Air Force Base to a Vocational Education Center. The finished facility will provide a vocational and technical education center for the region's residents. Alaska Works Partnership will coordinate with the Carpenters, Laborers, Plumbers, Electricians, and Painters Joint Apprenticeship and Training programs. All training will occur at the project site and rapid employment training strategies will emphasize brief pre-employment courses, intensive on-the-job training, and project specific training that match the actual tasks necessary to complete the project. The course work and on-the-job training will be structured to meet the registered apprenticeship and prevailing wage requirement for the sponsor (AWP) and employer (BBHA) for this project.

The total training costs is estimated at \$120,000. Alaska Works Partnership will contribute \$20,000 as a cash and in-kind match. **Awarded \$100,000.**

- ✓ **Klawock** – The City of Klawock requested funding to train **20** local residents in heavy equipment operations and water/wastewater operator training. The City is in need of trained, skilled and an experience workforce and currently has 4 positions open with no skilled applicants to apply. The City has 4 major capital improvements construction projects scheduled over the next 4 to 5 years. The construction of these projects directly relates to the requested training. In addition, the City is currently working with the Department of Justice, to construct a 20-bed community jail and regional public safety building. With these construction projects slated for the City of Klawock and with the surrounding Prince of Wales Island's communities close by, all trained residents should have no problem with employment year round. **Awarded \$25,000.**

- ✓ **Kongiganak** – The Kongiganak Traditional Council requested funding to train **6** local residents in welding. This will be Denali Commission specific training for the upcoming Consolidated Bulk Fuel Tank Farm Facility project scheduled for next year. This training will allow local residents to be trained for employment on the project. Even though a Bulk Fuel Tank Farm Facility project generally only employ 2 welders there are more than 6 local residents in the community interested. The knowledge, skills and certification earned will allow for participants to work on related projects in the region. Two separate training facilities were contacted for

quotes on delivering the training with a substantial difference in the price and length of courses. Therefore, DOL staff and the Alaska Works Partnership will recommend other training facilities that will provide certified training at a reasonable cost.

Awarded \$25,000.

- ✓ **Pile Drivers** – The Piledrivers and Divers Local 2520 requested funding to train 8 participants from rural Alaska in Upgrade piledriver welding training. This training is aimed toward local apprentices and journeymen who reside in rural communities. Advertisements will be placed in rural newspapers and recruitment will be through the Piledrivers Local 2520. The training will consist of 160 hours of welding training. There will be two four-week cycles of training that will provide the required training services to the 8 participants. The class will be four weeks, eight hours per day, for five days per week; each cycle will train 4 participants. The total training cost is estimated at around \$60,000. Alaska Works Partnership will contribute \$35,000 as a cash match. **Awarded \$25,000.**
- ✓ **Ugashik** – The Ugashik Traditional Council requested funding to train 5 local residents in CDL and Operator Training. 3-4 participants will obtain CDL licenses and 1-2 participants will be trained in heavy equipment operation. This training will enable participants to work on the Landfill Road Project in the year 2002 and on the road project in Pilot Point and other infrastructure projects in other villages in the region. DOL staff and Alaska Works Partnership will provide assistance to the community on the best training facility. **Awarded \$25,000.**

The DOL conducted an extensive outreach program during the past few months. Staff met with over 100 rural community representatives during the Alaska Federation of Natives (AFN) Convention and informed them about the purpose of the Denali Training Fund and discussed training possibilities in their communities. Staff also attended the 2000 Annual Alaska Native Jobs Fair on October 18, during the Elders and Youth Conference in Anchorage.

The DOL attended the Funding Summit held in both Bethel and Kodiak and met with many potential applicants. State and Federal agencies, as well as non-profits, banks, and individual communities were hosted by the Funding Summits that were well represented. During these summits a rural community presents their top one or two projects that potentially are funded, at least in part, through one of the government or other agencies. This is a great opportunity for the Denali Training Fund to tie in with upcoming potential Denali Commission infrastructure projects and other public infrastructure projects.

The DOL attended the Alaska Municipal League (AML) conference in Juneau in November and met with many City Managers and Mayors from around the State. AML represents over 250 municipal entities statewide. The Denali Training Fund information packets were available to all the interested participants, and contained a copy of the Denali Training Fund application. Staff was available to answer questions and meet one-on-one with municipal representatives.

The DOL attended the Bureau of Indian Affairs (BIA) Conference in Anchorage in November and gave a presentation on the Denali Training Fund during two morning sessions. The presentations were coordinated with the First Alaskans Foundation. Over 100 participants attended both days, and after the presentations DOL staff met one-on-one with individuals from around the State to discuss training projects.

➤ **Alaska Native Coalition on Employment and Training (ANCET)**

ANCET hired Bonnie Jo Savland, as their Project Director on November 13, 2000. Ms. Savland is working with all thirteen ANCET members and designated Denali Commission partners, on developing and coordinating training for rural Alaskan's on Infrastructure projects funded by the Denali Commission and state and federal agencies. Ms. Savland is a Tlingit from Hoonah, Alaska with a Bachelors Degree in Business Administration from Lewis & Clark College in Portland, Oregon. She has worked in Economic Development and job creation, for over 17 years, both in the state and private sectors. While working as the Manager of Business & Economic Development with the Central Council Tlingit & Haida Indian Tribes of Alaska she initiated and facilitated the formation of the Southeast Alaska Native Coalition (SEANC) to engage the Denali Commission and other government agencies, in funding Southeast Alaska Projects.

The Denali Commission has used the SEANC as a model for the rest of the State in developing a cooperative effort between Alaska cities, villages, ANCSA Corporations, including Regional, Urban & Village, Tribes, and others. One of the projects that Ms. Savland participated in recently was the Southeast Alaska Regional Intertie System (S.2439), she was part of the team selected to testify for the project before the full Senate Energy and Natural Resources Committee, in D.C., and the project was just authorized by Congress for \$384,000,000 this fall.

ANCET finalized the agreement with the Alaska Federation of Natives to sub-lease and locate the Statewide ANCET Office at 1577 "C" Street, Anchorage, AK. The office furnishings have been ordered, installed, and up and running, as required. The Statewide ANCET Office can be reached at: 263-9892 or toll free at 1-888-833-9288.

The ANCET Director worked with the Alaska Department of Community and Economic Development (DCED), Rural Alaska Project Identification and Delivery System (RAPIDS) to develop regional spreadsheets for all 13 ANCET regions, which identify projects funded, or slated for funding from 1998 into the future. The regional spreadsheets have been sent out for comments, to all the ANCET members with a deadline of early January. The comments will then be consolidated by the Statewide ANCET office and submitted to DCED and the Denali Commission for recommended changes to enhance use of RAPIDS by ANCET members and other entities.

The ANCET Director met with Bob Poe, Executive Director of the Alaska Industrial Development and Export Authority (AIDEA) in December 2000 to discuss how both entities can work together to obtain more rural Native employment on energy projects funded by the Denali Commission through the Alaska Energy Authority (AEA). AIDEA

has requested that a formal agreement be drafted for discussion purposes at the next full ANCET quarterly meeting, which is tentatively scheduled for February 2001. ANCET has requested that AIDEA provide a schedule of when they expect projects to be built, at what location, how long it will take and what type of workforce is needed to complete those projects in the upcoming construction season. It is anticipated that ANCET and AIDEA will develop a Memorandum of Understanding to formalize our working relationship, once the ANCET quarterly meeting is held.

The ANCET Director has begun working with other Denali Commission partners including AVTEC to identify the local rural residents interested in taking the Building Maintenance and Repair (BMR) Correspondence Course developed and administered by AVTEC. More than 45 communities have been identified for the BMR course and for each course to be administered there must be at least 3 individuals signed up at each location. The Statewide ANCET office continues to work cooperatively with the Denali Commission partners including the Associated General Contractors, and AVTEC to better understand their programs and provide for a more comprehensive training program to rural residents.

The ANCET Director has contacted the First Alaskans Foundation and will meet with them in early January to determine how they can best work together to complement each organization.

➤ **Alaska Works Partnership**

Alaska Works Partnership participated in the Professional Development Conference Exhibition, the Alaska Federation of Natives Job Fair, and the Tanana Chief's Conference Job Fair. Also, they presented to the Lower Kuskokwim School District Career Fair, the Northwest Arctic Borough School District Career Fair, and the Galena City School District Career Fair.

Alaska Works Partnership helped produce and coordinate, in conjunction with the Bristol Bay Native Association, the Bristol Bay Housing Authority, and the Air Force, an Apprentice Fair in King Salmon. This was done in anticipation of the rehabilitation project of Building #647 on the King Salmon Air Force Base. The Bristol Bay Housing Authority has leased the building from the Air Force to turn into a Vocational Education Center for the region. The Housing Authority is also going to use the project as a training site for individuals from the surrounding communities looking to enter into high-quality, federally registered apprentice programs. The fair consisted of recruitment efforts by both Bristol Bay Native Association, and Alaska Works Partnership, an overview of the project by the housing authority and project manager, discussion of the skills by the training coordinators of the trades involved, and one-on-one, pre-interviews for participants with the training coordinators of the respective trades.

The Apprentice Outreach Initiative underwrote a rural recruiting trip for the Piledrivers Local 2520. They traveled to a number of communities on the Yukon River, namely

Kaltag, Grayling and Nulato. Their efforts generated a number of inquires into apprenticeship opportunities into a variety of trades.

In terms of marketing, the Alaska Works Partnership has and will continue to place advertisements in rural papers for the purpose of disseminating information on the career opportunities available through apprenticeship. This is done both in general terms and in a more targeted manner, depending on job opportunities. Alaska Works Partnership also used the ANCET network to help spread the word about program openings and now that the ANCET Director is on board to assist and coordinate, that process will continue to improve and expand.

➤ Associated General Contractors

Associated General Contractors (AGC) have placed **Build Up!** in **29** elementary schools for a count of **38** classrooms. As the word spreads about **Build Up!** it's selling itself to the other schools. Those schools using the elementary curriculum are:

Nome City Schools	5 classes in 1 school
Iditarod Area School District	5 classes in 5 schools
Tanana School District	1 class in 1 school
Dillingham City School District	4 classes in 2 of schools
Lower Kuskokwim	11 classes in 11 schools
Delta/Greely School District	1 class in 1 school
North Slope Borough School District	1 class in 1 school (considering more schools)
Aleutians East Borough School District	8 classes in 6 schools
Kenai Peninsula Borough School District	1 class in 1 school
Lake & Peninsula Borough School District	1 class in 1 school

AGC have placed the National Center for Construction Education and Research's (NCCER) Core Curriculum in 7 secondary classrooms in 7 schools. Participating schools are:

Nome City Schools	1 class
Iditarod Area School District	1 class
Dillingham City School District	1 class
Kuspuk School District	2 classes in 2 schools
Aleutians East Borough	2 classes in 2 schools

Further, AGC have two school districts already committed to using **On Site!** the curriculum for middle school that is so new it isn't even available yet. **On Site!** will be available after the first of the year. AGC scheduled the orientation for school districts using the elementary curriculum for February 5, Monday, in Anchorage. The orientation for the secondary curriculum will be in Anchorage on February 1 and 2, Thursday and Friday. Agendas are being finalized now.

➤ **Alaska Vocational Technical Center (AVTEC)**

- **Building Maintenance Repair (BMR) Apprenticeship** - As of December, there were 26 paid students taking the Building Maintenance Repair correspondence course. There are 70 applications filed from students waiting funding. A total of 54 villages have contacted AVTEC requesting information and applications for this program. There are seminars tentatively set for St. Marys, Noatak, Kake, Kwethluk, and Deering. To schedule on site training, a village must have at least three paid students participating. The Statewide ANCET Office is actively assisting AVTEC in their efforts.

A flyer was sent out to 500 mailing addresses statewide and there has been an overwhelming interest in the program due to the advertising. Individuals and agencies both have acknowledged interest in this program. AVTEC had a booth at the Alaska Federation of Natives Job Fair held at the Egan Center in October to promote the BMR correspondence course. On November 13 and 14, 2000 AVTEC attended a Job Fair in King Salmon which was very successful. AVTEC has ordered supplies and tools necessary to use at seminars in order to better facilitate hands-on demonstrations to prospective students/clients.

Bulk Fuel Tank Farm Operator course has been set up. The dedicated Bulk Fuel classroom now offers complete visual presentation and demonstration components for this course. AVTEC's maintenance staff will install a waste oil heater and transfer tank for the next course. The major effort to date has been spent in designing the curriculum and obtaining materials related to delivering the training. The success experienced with the first group was higher than anticipated and is expected to be repeated in the future courses. The next courses are scheduled for March and April 2001.



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RESOLUTION NO. 01 – XX A RESOLUTION REGARDING ENERGY INFRASTRUCTURE FUNDING FOR FEDERAL FY2001

WHEREAS, the Denali Commission has identified energy infrastructure as a priority theme for funding, and

WHEREAS, within the energy theme, the Alaska Energy Authority (AEA), independently and working in conjunction with the Alaska Village Electric Cooperative, Inc. (AVEC) has identified priority projects including bulk fuel storage facilities, and power generation and transmission facilities, and

WHEREAS, the AEA and AVEC have indicated their capacity to undertake and complete identified projects in a timely manner as witnessed by their requests for funding, and

WHEREAS, the Denali Commission Infrastructure Subcommittee has reviewed and generally concurred with these requests, and

WHEREAS, the Denali Commission has adequate funding available for these requests and the requests are targeted at economically distressed communities and are otherwise consistent with the Commission's Guiding Principles.

NOW THEREFORE BE IT RESOLVED that the Commission allocate FY2001 funding as follows:

Up to \$ 7 million is allocated to AEA for purposes consistent with this Resolution and outlined in the briefing paper dated November 21, 2000 as presented by AEA to the Denali Commission Infrastructure Subcommittee. Excess funds, if any, may be utilized for other energy projects on a priority basis.

Up to \$ 18 million is allocated to AVEC for purposes consistent with this Resolution as outlined in a December 7, 2000 letter to Mr. Jeff Staser.

CERTIFICATION

We, the undersigned, hereby certify that the Denali Commission is comprised of seven members (or their duly appointed alternate), of whom __, constituting a quorum, were present at a meeting duly and regularly called, noticed, convened and held this 18th day of January, 2001, and that the foregoing Resolution was duly adopted at said meeting by the affirmative vote of __ members, and opposed by __ members, and that said Resolution has not been rescinded or amended in any way.

DATED this __ day of _____, 2001

SIGNED: _____

Jeff Staser,
Federal Co-Chair

Fran Ulmer,
State Co-Chair

Infrastructure Subcommittee Meeting
November 21, 2000

Alaska Energy Authority
Project Development Plan for 2001

1. To date, the Denali Commission has committed \$20.3 million towards the construction of bulk fuel consolidation projects in the following 16 communities:

Arctic Village	* Emmonak	* Napaskiak	Tanana
* Buckland	* Kiana	* Nikolski	Toksook Bay
* Chefornak	Kotlik	* Noorvik	* Tuntutuliak
Chignik Area	Lower Kalskag	* Port Graham	Upper Kalskag

By the end of CY2001, AEA expects that construction will be complete for 9 projects marked with asterisks above. Projects in the remaining 7 communities will be in varying stages of construction. As always, there are technical, permitting, funding, and local political factors with the potential to accelerate or delay individual projects.

2. Similarly, the Denali Commission has committed \$8.4 million to date for power system upgrades in the following 12 communities:

Arctic Village	* Golovin	Koyukuk	Old Harbor (hydro)
Atka (hydro)	* Hughes	Newtok	* Stevens Village
* Deering	* Kotlik	* Nome	* Tuntutuliak

By the end of CY2001, AEA expects that construction will be complete for 7 projects marked with asterisks above. Projects in the remaining 5 communities will be in varying stages of construction.

3. AEA has been working to scale up the project development capability of our Rural Energy Group to keep pace with the availability of funds from the Denali Commission. These efforts include:
- A. Retaining contractors to build projects. Contractors will assume responsibility for project development following AEA's completion of the 35% design. During CY2001, we will test this concept in the following two cases:
- i. CCI, Inc., a subsidiary of Bristol Bay Native Association, will serve as the contractor for the Chignik Lagoon tank farm project.
 - ii. UICC, Inc., a subsidiary of the Barrow village corporation, will serve as the contractor for the Buckland tank farm project.
- B. We are hiring additional staff to help develop the participant agreements that are needed to initiate tank farm consolidation projects. These agreements establish such basic elements as the intended site and configuration of the tank farm, ownership of project components, and the assignment of operations and maintenance responsibilities. In the overall project development process, this tends to be the most significant bottleneck.

- C. We will be hiring additional staff during CY01 to augment our construction management and administrative capabilities.
- D. We have entered discussions with labor unions to set up a pool of skilled workers who can be drawn upon as needed for certain essential tasks such as welding and electrical work.

4. AEA's project development capability for rural infrastructure is now greater than it was at the inception of the Denali Commission and is continuing to grow. However, we are not yet able to absorb all of the work that the Commission is able to fund. Our priority is to complete the projects that are already under development and to make sure those projects meet quality standards and are built to last. For this reason, we will be requesting funds for only 4 additional projects during the coming year:

- A. AEA recently assisted the following 5 local communities in their applications to HUD for ICDBG grants:

<u>Bulk Fuel</u>	<u>Electrical</u>
Kotlik	Stevens Village
Kongiganak	Tuluksak
Nikolai	

HUD awarded \$500,000 to each of these 5 applicants. Two of the five grants will be used to supplement funding for existing projects in Kotlik and Stevens Village. The other three projects are new. Both Kongiganak and Nikolai are near the top of the bulk fuel storage deficiency list.

- B. The three new projects must be initiated or HUD will withdraw the ICDBG grants. To take advantage of this funding opportunity, AEA proposes to undertake these projects despite the demands of our current workload. Based on preliminary cost estimates, we anticipate requesting \$5.9 million from the Denali Commission to provide the balance of project funding.
- C. We do not expect to initiate additional major projects during the coming year while we continue to work on our project backlog and to scale up our project development capability. We do expect that our future requests will be larger as our capability grows.

5. In addition to the major project funding noted above – estimated on a preliminary basis at \$5.9 million – we will be requesting an additional \$800,000 for the coming year to fund repairs for individual tank farms and power plants. Our current project selection methodology identifies those communities where, on average, tank farms or electric utility systems are in the worst physical condition. However, there are many communities where average tank farm conditions are relatively good but one tank farm or one piping system is in critical condition. Similarly, there are electric utility systems that are in good condition except for one critical component in need of repair or replacement. Our request for \$800,000 is intended to address these situations. \$6.7 million



December 7, 2000

ALASKA VILLAGE ELECTRIC COOPERATIVE, INC.

Mr. Jeff Staser
Co-Chairman
Denali Commission
510 L Street, Suite 410
Anchorage, AK 99501

Subject: Proposed Projects for Consideration

Dear Mr. Staser:

Alaska Village Electric Cooperative, Inc. (AVEC) is pleased to submit a list of projects related to bulk fuel consolidation, fuel pipelines, and rural power system upgrades for funding consideration by the Commission. AVEC offers its abilities and resources as a non-profit consumer owned power supply and distribution cooperative to construct and commission the proposed projects in cooperation with the selected communities in the AVEC system. AVEC has worked with the communities, the Alaska Energy Authority or the Rural Utilities Service to bring these projects forward. Several projects rank high on the State of Alaska's list of needy projects under its Bulk Fuel Assessment. Additional projects may have been identified in the AVEC Work Plan for several years but have not advanced due to lack of funding. All projects have had preliminary or detailed engineering assessment and consultation with parties that provide site control, permits, or operating agreements.

We intend to mobilize internal and external resources to have all projects in service by the end of the 2002 construction season. AVEC staff is excited about executing these worthwhile projects in cooperation with the involved communities, engineers, contractors and interested organizations that will supplement staff efforts.

The cooperative is prepared to commit in-kind materials or services, cash, or human resources to all of the projects listed. In particular, we have committed \$400,000 in materials already on-site for the Nunapitchuk-Kasigluk tie-line and generator project; we have invested an estimated \$1,400,000 in underground to overhead power line conversions in permafrost villages to improve rural power system reliability; and are prepared to provide cash or in-kind service matches for other projects. The proposed projects total \$20,566,000 of which AVEC is proposing to contribute or match \$2,711,600 and the Denali Commission is requested to provide \$17,854,000.

Where AVEC utilizes its own forces of mechanics, engineers, accountants, or village workers, we propose to charge only the direct loaded labor costs (hourly wage plus fringe benefits) for those workers without application of the standard overhead rate. This means that all project labor, contract services, travel, freight, and support will be directly accounted for without overhead mark-up. The net effect is to put all project funds received into directly measurable tasks and functions.

We also propose three projects that lend themselves to standardization and modularization of common elements. These are the tank farm consolidation and power plant upgrade projects for Brevig Mission, Elim, and Koyuk. These projects can also be logistically supported through the Nome transportation hub. We expect that consolidation of engineering and procurement of tanks, generators and control modules may help reduce costs compared to constructing each project separately.

Please do not hesitate to contact us at 561-1818 if you have any questions on the proposals.

Sincerely,

Meera Kohler/bnp

Meera Kohler
President and CEO

PROJECTS PROPOSED TO THE DENALI COMMISSION
By Alaska Village Electric Cooperative
December 7, 2000

PRIORITY 1

Power System Upgrades	AVEC	Denali	Total
Kasigluk /Akula Heights back-up power	400,000*	450,000	850,000
Conversions to overhead – 7 communities	1,400,000 *	1,400,000	2,800,000
Efficiency upgrades – 6 communities	300,000	900,000	1,200,000
Sub Total	2,100,000	2,750,000	4,850,000
Fuel Projects			
Anvik fuel line/tank farm upgrade	52,500	472,500	525,000
Shungnak fuel line to airport	15,500	139,500	155,000
Ambler fuel line to airport	31,000	279,000	310,000
Noorvik tank farm phase two	110,000	990,000	1,100,000
Huslia gasoline fuel line/tank farm liner	25,000	225,000	250,000
Sub Total	234,000	2,106,000	2,340,000
Sub Total Priority 1	2,334,000	4,856,000	7,190,000

PRIORITY 2

Old Harbor pipeline and tank farm consolidation	50,000	1,250,000	1,300,000
Tununak tank farm consolidation	70,000	1,780,000	1,850,000
Sub Total Priority 2	120,000	3,030,000	3,150,000

PRIORITY 3

Three Projects Group

	AVEC	Denali	Total
Koyuk tank farm consolidation	97,600	2,398,400	2,496,000
power plant move		<u>250,000</u>	<u>250,000</u>
Koyuk Subtotal	97,600	2,648,400	2,746,000
Brevig Mission tank farm consolidation	80,000	2,240,000	2,320,000
power plant upgrade and move		<u>1,560,000</u>	<u>1,560,000</u>
Brevig Mission Subtotal	80,000	3,800,000	3,880,000
Elim tank farm consolidation	80,000	1,736,000	1,816,000
power plant upgrade and move		<u>1,784,000</u>	<u>1,784,000</u>
Elim Subtotal	80,000	3,520,000	3,600,000
Subtotal Priority 3	257,300	9,968,400	10,226,000
Total Proposed Funding	2,711,600	17,854,400	20,566,000

Proposed Funding by Category

Tank Farms and Pipelines	611,600	11,510,400	12,122,000
Power System Upgrades	2,100,000*	6,344,000	8,444,000

*AVEC has in-progress; in-kind or committed power system projects totaling \$1,800,000 for communities related to this funding request.



ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY



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December 18, 2000

Mr. Al Ewing
Chief of Staff
Denali Commission
510 'L' Street, Suite 410
Anchorage, AK 99501

Subject: Concurrence with AVEC's Proposed Projects

Dear Mr. Ewing:

The Alaska Energy Authority (AEA) strongly supports the development of code-compliant tank farms and efficient power systems in rural Alaskan communities. We recognize the importance of quickly and effectively placing Denali Commission funds toward these important rural energy projects. In line with this, we concur with Denali Commission staff that the Alaska Village Electric Cooperative (AVEC) is a good candidate to help convert currently available funding into needed rural energy improvements quickly. However, in supporting this approach, we would expect that AVEC will be required to adhere to the same standards, conditions, and general priorities (e.g. local hire, consolidation of bulk fuel operations, priority driven, etc.) that AEA has followed in the development of bulk fuel and rural power system upgrades that have included Denali Commission funds.

Based on our review of summary materials provided by AVEC, and our discussions with AVEC management, we believe that the projects they propose are valuable and well considered. One factor supporting this judgement is AVEC's pledge to contribute significant funds towards the upgrade of their facilities. An owner's willingness to contribute its own funds is always a key indicator of project value.

With respect to power system upgrades, we are still preparing, as part of the rural energy plan, the database of rural electric utility conditions and operations that we believe will form the primary basis for the Denali Commission's future project selection. With the system assessments now scheduled for completion by December 31, the database should be ready to examine early next year. Although we don't know where the AVEC power projects will fall on the future

Mr. Al Ewing
December 18, 2000
Page 2

priority list, we believe the Commission should move ahead with funding of needed projects that are ready to quickly proceed.

With respect to AVEC's proposed bulk fuel storage projects, we would again observe that these all appear to be valuable projects although they may not conform precisely with AEA's priority list. This lack of conformity to the priority list is understandable recognizing that the proposed tank farm projects are located exclusively within communities served by AVEC.

We strongly urge the Commission to continue its policy of funding tank farm projects that consolidate community tank farms to the extent possible rather than upgrading or replacing individual tank farms. Individual tank farm replacement would typically necessitate a return to the community at some later date to resolve remaining problems, presumably at higher cost.

We appreciate the opportunity to review AVEC's proposals, and we will be happy to cooperate with AVEC if there is any way that we can be of assistance.

Sincerely,



David E. Germer
Deputy Director - Business Development and Rural Energy

cc: Robert Poe, Jr.
Executive Director



DENALI COMMISSION

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RESOLUTION NO. 01 – XX A RESOLUTION ON HEALTH CARE FACILITY FUNDING FOR FEDERAL FY2001

WHEREAS, the Commission has established health care as a theme for funding, and

WHEREAS, capital construction needs for new single and multi-community health care facilities, and for repairs of existing facilities have been quantified (\$253 million) and documented in a report titled "Alaska Rural Primary Care Facility Needs Assessment" dated October 23, 2000, and

WHEREAS, this report documents a process for setting priorities and for allocation of available funding, and

WHEREAS, the Alaska Native Tribal Health Consortium, the Denali Commission's partner for design and construction of health care facilities, has indicated capacity to utilize funding in addition to funds allocated for this purpose by Resolution No. 00-17,

NOW THEREFORE BE IT RESOLVED, that the Commission allocate up to \$10 million for design and construction of new health care facilities and renovation of existing facilities in accordance with the priorities and procedures documented in the "Alaska Rural Primary Care Facility Needs Assessment" report dated October 23, 2000.

CERTIFICATION

We, the undersigned, hereby certify that the Denali Commission is comprised of seven members (or their duly appointed alternate), of whom __, constituting a quorum, were present at a meeting duly and regularly called, noticed, convened and held this 18th day of January, 2001, and that the foregoing Resolution was duly adopted at said meeting by the affirmative vote of __ members, and opposed by __ members, and that said Resolution has not been rescinded or amended in any way.

DATED this __ day of _____, 2001

SIGNED: _____
Jeff Staser,
Federal Co-Chair

Fran Ulmer,
State Co-Chair

DEHE Clinic Construction Capacity
Briefing Summary
Denali Commission Infrastructure Sub-committee Meeting
November 21, 2000

Issue: Alaska Native Tribal Health Consortium's capacity to provide effective management of an expanded rural Alaska clinic construction program

- Number of Indefinite Quantity Contracts (IDQ)
- Integration of Health and Sanitation Facilities programs provides a foundation of bush Alaska construction expertise
- National recruiting capability
- Project based fee structure accommodates expansion
- Space

Current Operational Statistics:

- 5 active IDQ A&E contracts
- Currently advertising for a clinic construction program manager
- Recently created office space to accommodate expansion

Goal: Timely provision of critical medical facilities in Rural Alaska

Proposal: Increase ANTHC funding for construction of rural Alaska clinics

- ANTHC organizationally structured in an open ended architecture to facilitate rapid expansion of construction capability
- ANTHC has contracts in place that allows access to additional design capacity immediately
- Access to IHS Recruitment enables world wide search for personnel
- Space currently available to accommodate immediate expansion of office



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**RESOLUTION NO. 01 - XX
A RESOLUTION ON HEALTH CARE (EMERGENCY MEDICAL SERVICES) FUNDING
FOR FEDERAL FY2001**

WHEREAS, the Commission has established health care as a theme for funding, and

WHEREAS, The State of Alaska has identified, quantified and documented (Code Blue Project revised 10/30/00) state-wide emergency medical services (EMS) needs, and

WHEREAS, some of these EMS needs are fixed capital projects or otherwise meet "non-expendable" medical equipment eligibility criteria established by the Denali Commission Primary Health Care Steering Committee, and

WHEREAS, the Denali Commission Infrastructure Subcommittee has recommended funding of eligible EMS needs (fixed capital and non-expendable medical equipment) to compliment funding from the USDA Rural Development Agency, the State of Alaska and possibly from a private foundation,

NOW THEREFORE BE IT RESOLVED, that the Commission allocate up to \$1 million for needs identified in the most current versions of the Code Blue (EMS needs survey) document which are fixed capital projects or otherwise meet eligibility criteria established by the above referenced Steering Committee.

CERTIFICATION

We, the undersigned, hereby certify that the Denali Commission is comprised of seven members (or their duly appointed alternate), of whom __, constituting a quorum, were present at a meeting duly and regularly called, noticed, convened and held this 18th day of January, 2001, and that the foregoing Resolution was duly adopted at said meeting by the affirmative vote of __ members, and opposed by __ members, and that said Resolution has not been rescinded or amended in any way.

DATED this __ day of _____, 2001

SIGNED: _____

Jeff Staser,
Federal Co-Chair

Fran Ulmer,
State Co-Chair

The Code Blue Project

Resuscitating Emergency Medical Services in Alaska

A Potential Role for the Denali Commission

Brief History: During the past decade, a crisis has quietly developed in rural Alaskan EMS programs resulting in some services closing their doors and others downgrading the level of emergency medical care they are capable of providing. These EMS agencies are essential components of the rural emergency health care and transportation systems. The Code Blue Project was initiated by the Department of Health and Social Services in 1999 as an attempt to quantify the unmet needs of rural emergency medical services agencies. In addition to the department, the process has involved the Governor's Alaska Council on Emergency Medical Services, Regional and Subarea EMS Agencies, and local EMS programs. The Code Blue Database includes EMS needs supported by Regional EMS agencies and represents a "snapshot" of documented needs in rural Alaska.

Funding Sources: The need to reinvigorate emergency medical services agencies in Alaska is urgent and worsens with time. Agencies such as the Denali Commission, the United States Department of Agriculture (USDA) and the Rasmuson Foundation have been contacted as potential sources of funds. Governor Knowles is including \$500,000 in his proposed capital budget for improving EMS and matching other funding sources. We continue to look diligently for other sources of funding.

Recent Activities: We have spent considerable time refining our database and reporting systems to be able to more accurately estimate costs and matching funds based on different funding scenarios. Fields related to USDA funding eligibility and levels, Primary Care Facility priority levels, and "distressed community" designation based on draft Denali Commission and preliminary USDA criteria have been included. Data have been migrated from a simple spreadsheet to an Access database system.

Local Match: We support the concept of local matching funds and we believe that many communities within the Code Blue Project are capable of generating reasonable amounts of matching funds if given adequate time. Other communities, however, such as those which are significantly economically distressed, based on USDA or Denali Commission Criteria, are not likely to be able to find matching funds, since their available funding is used for mission critical EMS operations (e.g. gasoline, vehicle maintenance, insurance, etc.). The maximum amount of funding from the USDA for a project is 75%. Consequently, the community's share of a \$150,000 ambulance would be \$37,500. Many small communities simply don't have the financial resources to amass these funds.

Applications for Funding under the Code Blue Project: There are hundreds of emergency medical services agencies in Alaska ranging from small first responder squads to extremely sophisticated, paramedic based, urban EMS systems. The Alaska EMS System is divided into seven regions. The Regional EMS Offices are either 501(c)(3) non-profit organizations (Southern Region, Interior Region and Southeast Region EMS Councils, Inc.), or are within Native Health Corporations (Yukon Kuskokwim Health Corporation, Maniilaq Association, Norton Sound Health Corporation), or incorporated into a borough (North Slope Borough). The regional EMS offices have been in place for years (some over 20) and are uniquely qualified to apply for and manage funds received under the Code Blue Project.

Determining Priorities: The priorities reflected in the attached funding scenarios were developed by the Department of Health and Social Services and Regional EMS Directors, based on knowledge of

community EMS needs and draft criteria, for identification of communities which are severely economically depressed. Another high priority was given to funding inter-community radio repeaters to increase coverage areas (reducing the number of radio dead spots) and to replace aging and unreliable equipment.

Importance of Denali Commission Participation: It is likely that the problems in rural emergency medical services will increase in frequency and severity if there is not a substantial influx of resources to provide the equipment, training and support necessary for volunteer EMS personnel to do their jobs in a safe and effective manner. The Denali Commission can play an important role in improving rural emergency health care by providing funding which can be used to purchase essential equipment and which can be used as match for other funding sources to maximize the improvement required in Alaska's rural EMS system.

Since many rural EMS squads in Alaska respond to more calls from people from other parts of Alaska or visitors from out-of-state than for local residents, it is in our collective best interests to ensure that we have effective emergency medical services available 24 hours a day, seven days a week, throughout the state.

Code Blue Project

Scenario I		<u>Funding Assumptions</u>					
	Denali Commission	\$1,000,000					
	State of Alaska	\$500,000					
	SOA EMS Communucations	\$240,000					
		\$1,740,000					
<u>Category</u>	<u>Total Code Blue Request</u>	<u>Scenario 1</u>	<u>Denali Commission</u>	<u>FY 2001 State of Alaska</u>	<u>FY2002 State of Alaska Proposed Match</u>	<u>USDA</u>	<u>Total</u>
Ambulances	\$3,450,000	\$2,250,000	\$615,000		\$300,000	\$1,335,000	\$2,250,000
Emergency Vehicles	\$1,302,500	\$542,500	\$95,625		\$50,000	\$396,875	\$542,500
Intercommunity Repeaters	\$400,000	\$400,000	\$104,047	\$178,453		\$117,500	\$400,000
Radio/Communications	\$663,100	\$160,600		\$61,547		\$99,053	\$160,600
Patient Care Equipment	\$674,129	\$396,194	\$79,388		\$100,000	\$216,806	\$396,194
Training Equipment	\$259,300	\$218,450	\$104,438		\$50,000	\$64,012	\$218,450
Misc.	\$5,000	\$5,000	\$1,250	\$0		\$3,750	\$5,000
Other	\$15,000	\$0	\$0	\$0			\$0
Total	\$6,769,029	\$3,972,744	\$999,748	\$240,000	\$500,000	\$2,232,996	\$3,972,744

January 12, 2001

Score Report System: 465-4109
e-mail: matt_anderson@health.state.ak.us
Web Site: <http://www.chems.alaska.gov>

Al Ewing, Chief of Staff
Denali Commission
510 'L' Street
Suite 410
Peterson Tower
Anchorage, AK. 99501

Dear Al:

Please accept the attachments as a proposal for consideration by the Denali Commission for funding items identified as infrastructure within the Code Blue database. The total amount being requested of the Denali Commission through this proposal is \$501,710.

Joel Neimeyer was very helpful to us in determining which items met your working definition of "infrastructure." The **communications equipment** category includes intercommunity radio repeaters, as well as base station radios and antennas. The patient care **equipment category** contains non-expendable medical equipment associated with new or renovated rural clinics.

Thank you for your agency's consideration of this proposal. If you have any questions or need additional information, please give me a call.

Sincerely,

Matt Anderson
EMS Unit Manager

Code Blue Project

Infrastructure Proposal

<u>Category</u>	<u>Total Code Blue Request</u>	<u>Infrastructure Item Costs</u>
Ambulances	\$3,450,000	\$0
Emergency Vehicles	\$1,302,500	\$0
Intercommunity Repeaters	\$350,000	\$350,000
Radio/Communications	\$663,100	\$29,000
Patient Care Equipment	\$674,129	\$122,710
Training Equipment	\$259,300	\$0
Misc.	\$5,000	\$0
<u>Other</u>	<u>\$15,000</u>	<u>\$0</u>
Total	\$6,719,029	\$501,710

Proposed Allocation of Infrastructure Resources for January 18, 2001 Commission Mtg.

For fiscal year 2001 we expect to have at least \$41.5 million to allocate for infrastructure related projects. This includes \$22.5 million in base funding, \$9.5 million in TAPL funds which will be provided to the Commission over the course of the year and \$9.5 million that we expect to be transferred to Denali Commission from USDA prior to the January meeting for use on energy projects. Based on previous direction from the Infrastructure Subcommittee and further review and refinement of proposals, the following allocation is proposed:

1. Up to \$1 million for Code Blue.
2. Alaska Energy Authority - \$7 million for bulk fuel facilities and power generation and transmission facilities.
3. Alaska Village Electric Cooperative - \$18 million for bulk fuel facilities and power generation and transmission facilities.
4. Alaska Native Tribal Health Consortium (ANTHC) - \$10 million (This is in addition to the \$10 million allocated to health clinic design and construction in the September 14, 2000 meeting) for primary health care facility design and construction.
5. Department of Community and Economic Development (DCED) - \$4.5 million for funding of fixed capital projects, which are top priorities in community plans, are in distressed communities and are otherwise consistent with Denali Commission Guiding Principles.
6. Retain \$1 million for allocation in the April Commission Meeting.



DENALI COMMISSION

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RESOLUTION NO. 01 - XX A RESOLUTION ON PRIORITY COMMUNITY FACILITY FUNDING FOR FEDERAL FY2001

WHEREAS, the Denali Commission recognizes the value of comprehensive community plans and places a high priority on completion of such plans, and

WHEREAS, a number of communities have responded to the urging of the Denali Commission by completing community plans that are substantially consistent with the Community Strategic Plan Guide and Form (final draft – August 2000) developed by USDA-Rural Development in cooperation with the Denali Commission, and

WHEREAS, community plans identify fixed capital projects as priority community needs that are consistent with Denali Commission Guiding Principles, and

WHEREAS, funding from other sources are either unavailable or inadequate to complete said projects, and

WHEREAS, the Alaska State Department of Community and Economic Development (DCED) has both legal authority and capacity to administer a grant program to fund such community identified priority projects, and a program for this purpose is currently being designed,

NOW THEREFORE BE IT RESOLVED, that the Commission allocate up to \$4.5 million to be awarded to DCED for a grant program for communities with priority fixed infrastructure projects identified in comprehensive community plans subject to approval of the DCED program by both the State and Federal Denali Commission Co-chairs.

CERTIFICATION

We, the undersigned, hereby certify that the Denali Commission is comprised of seven members (or their duly appointed alternate), of whom __, constituting a quorum, were present at a meeting duly and regularly called, noticed, convened and held this 18th day of January, 2001, and that the foregoing Resolution was duly adopted at said meeting by the affirmative vote of __ members, and opposed by __ members, and that said Resolution has not been rescinded or amended in any way.

DATED this __ day of _____, 2001

SIGNED: _____

Jeff Staser,
Federal Co-Chair

Fran Ulmer,
State Co-Chair

Priority Community Projects Program

This program would give the Commission flexibility to fund priority infrastructure projects, on a limited basis, which are not covered by the two existing infrastructure themes: rural Energy and rural primary care health facilities. This program will not fund feasibility studies, training or planning initiatives. In addition to flexibility, the program would increase the **incentive** for communities to complete comprehensive plans. Projects would need to meet certain criteria such as the following:

- Fixed infrastructure
- This program will not fund projects currently funded and prioritized by the State of Alaska. This program is intended to provide funding to "gaps" and/or to allow communities to complete necessary infrastructure projects. (Example – to connect water and sewer line to housing project).
- Top priority in a comprehensive community and/or regional plan. Must be some indication that the proposal is supported and fits into a comprehensive regional plan.
- Sustainable – community must show how project will be sustained for the long-term
- Located in economically distressed areas
- \$500 K or less in Denali Commission funds with substantial matching funds (minimum 10%)
- Generally consistent with Denali Commission Guiding Principles
- Preference would be given to those areas or communities determined to be economically distressed.

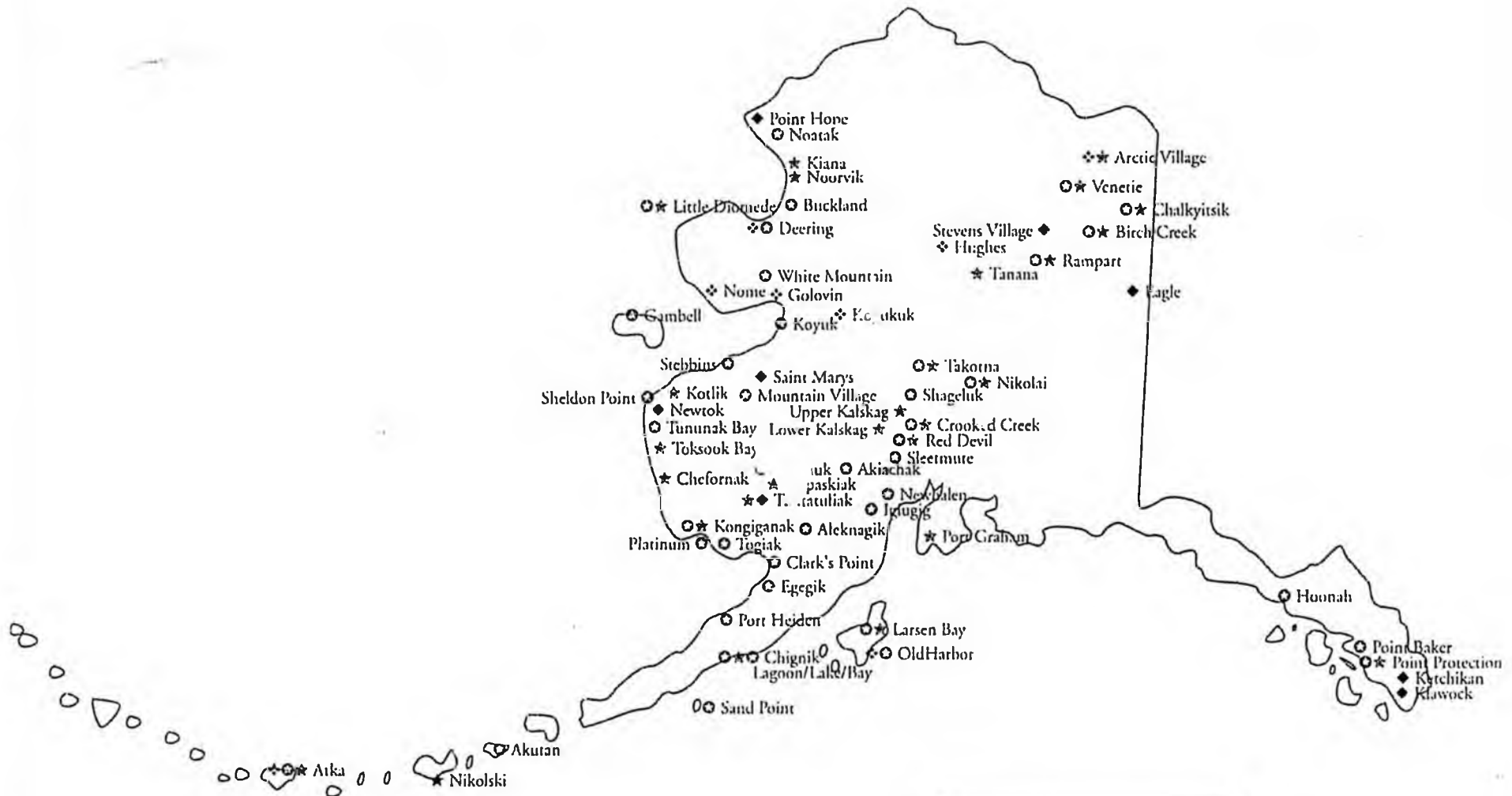
The program would be administered by DCED. Since the detailed program outline has not yet been formally submitted for review and approval, the draft resolution is structured so that joint approval of the program by the Co-chairs would be required before funding could be released to DCED.

Examples:

Rural Utility
Community Building and / or Multi-Use Facility
Community Road Project
Ports/Harbors

FY 99/00
FUNDED PROJECTS

Denali Commission Projects



Map Legend	
○*	Bulk Fuel Planning
★	Bulk Fuel Construction
❖	Electrical Utility Upgrades
◆	Other Infrastructure Projects

Community Name	Legislative District	Project Type	Commission Funding - FY99	Commission Funding - FY 00	Other Funding	Total Project Funding
Akiachak	39	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Akutan	40	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Aleknagik	39	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Arctic Village	35	Bulk Fuel Construction	\$600,000	\$1,010,000	\$240,000	\$1,850,000
Arctic Village	35	Power Plant Upgrade	\$700,000	\$0	\$92,100	\$792,100
Atka	40	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Atka	40	Hydro-Electric Power	\$575,000	\$0	\$100,000	\$675,000
Birch Creek	36	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Buckland	37	Bulk Fuel Construction	\$0	\$2,300,000	\$0	\$2,300,000
Buckland	37	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Chalkyitsik	36	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Chefornak	39	Bulk Fuel Construction	\$200,000	\$525,000	\$2,490,000	\$3,215,000
Chignik Bay / Chignik Lagoon/ Chignik Lake	40	Bulk Fuel Construction	\$0	\$3,600,000	\$0	\$3,600,000
Chignik Lagoon	40	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Clark's Point	39	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Crooked Creek	36	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Deering	37	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Deering	37	Power Plant Upgrade	\$400,000	\$200,000	\$361,400	\$961,400
Egegik	40	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Emmonak	38	Bulk Fuel Construction	\$900,000	\$0	\$1,540,000	\$2,440,000
Emmonak	38	Rural Clinic Construction Completion	\$0	\$55,500	\$55,310	\$110,810

Community Name	Legislative District	Project Type	Commission Funding - FY99	Commission Funding - FY 00	Other Funding	Total Project Funding
Gambell	38	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Golovin	38	Distribution System Upgrades	\$330,400	\$0	\$45,000	\$375,400
Hoonah	5	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Hughes	36	Power Plant and Distribution Upgrades	\$750,000	\$170,000	\$45,000	\$965,000
Igiugig	40	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Kasigluk	39	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Ketchikan	1	Electrical Inertie	\$0	\$5,000,000	\$72,000,000	\$77,000,000
Kiana	37	Bulk Fuel Construction	\$1,500,000	\$666,700	\$533,300	\$2,700,000
Klawock	5	Water Source Planning	\$242,000	\$0	\$25,000	\$267,000
Kotlik	38	Bulk Fuel Construction - structural foundation only	\$0	\$500,000	\$0	\$500,000
Kotlik	38	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Kotlik	38	Power Plant Upgrade	\$700,000	\$0	\$555,000	\$1,255,000
Koyuk	38	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Koyukuk	36	Power Plant and Distribution Upgrades	\$475,000	\$0	\$45,000	\$520,000
Larsen Bay	5	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Little Diomedede	37	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Lower Kalsag	36	Bulk Fuel Construction	\$100,000	\$0	\$136,500	\$236,500
Mountain Village	38	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Napaskiak	39	Bulk Fuel Construction	\$200,000	\$100,000	\$1,200,000	\$1,500,000
Newhalen	40	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Newtok	38	Rural Power Upgrades	\$0	\$473,500	\$0	\$473,500

Community Name	Legislative District	Project Type	Commission Funding - FY99	Commission Funding - FY 00	Other Funding	Total Project Funding
Nikolai	36	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Nikolski	40	Bulk Fuel Construction	\$700,000	\$330,000	\$270,000	\$1,300,000
Noatak	37	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Nome	38	Power Line Extension	\$725,000	\$0	\$25,000	\$750,000
Noorvik	37	Bulk Fuel Construction	\$300,000	\$0	\$2,350,000	\$2,650,000
Old Harbor	6	Bulk Fuel Construction	\$9,300	\$0	\$85,000	\$94,300
Old Harbor	6	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Old Harbor	6	Hydro-Electric Power	\$975,000	\$0	\$1,100,000	\$2,075,000
Platinum	39	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Point Hope	37	In House Plumbing	\$122,000	\$0	\$2,163,701	\$2,285,701
Port Graham	7	Bulk Fuel Construction	\$600,000	\$300,000	\$120,000	\$1,020,000
Port Heiden	40	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Port Protection	5	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Pt. Baker	5	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Rampart	36	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Red Devil	36	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Sand Point	40	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Savoonga		Rural Clinic Construction Completion	\$0	\$325,000	\$0	\$325,000
Shageluk	36	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Sheldon Point	38	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$50,000
Sleetmute	36	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000

Community Name	Legislative District	Project Type	Commission Funding - FY99	Commission Funding - FY 00	Other Funding	Total Project Funding
St. Mary's	38	Sub-Regional Clinic	\$250,000	\$0	\$0	\$3,900,000
St. Michael		Rural Clinic Construction Completion	\$0	\$330,000	\$55,000	\$385,000
Stebbins	38	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Stevens Village	36	Rural Power Upgrades	\$0	\$703,000	\$500,000	\$1,203,000
Takotna	36	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Tanana	35	Bulk Fuel Construction	\$900,000	\$1,156,000	\$544,100	\$2,600,100
Togiak	39	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Toksook Bay	38	Bulk Fuel Construction	\$1,700,000	\$1,100,500	\$150,000	\$2,950,500
Tuntutuliak	39	Rural Power Upgrades	\$0	\$1,180,500	\$230,000	\$1,410,500
Tuntutuliak	39	Bulk Fuel Construction	\$400,000	\$500,000	\$1,441,600	\$2,341,600
Tununak	38	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Upper Kalsag	35	Bulk Fuel Construction	\$100,000	\$0	\$262,500	\$362,500
Venetie	36	Bulk Fuel Planning and 35% Design	\$22,727	\$0	\$0	\$22,727
Wales		Rural Clinic Construction Completion	\$0	\$275,000	\$100,000	\$375,000
White Mountain	38	Bulk Fuel Planning and 35% Design	\$0	\$22,500	\$0	\$25,000
Regional / Statewide Projects						
Statewide		Rural Health Clinic Study	\$275,000	\$0	\$25,000	\$300,000
Statewide		Alaska Native Tribal Health Consortium Utility O&M Training	\$200,000	\$0	\$315,000	\$515,000
Statewide		Community Planning Tools	\$100,000	\$0	\$10,000	\$110,000
Statewide		Statewide Community Directory	\$40,000	\$0	\$9,000	\$49,000
Statewide		First Alaskans Foundation	\$0.00	\$1,262,000.00	\$70,000.00	\$1,332,000.00

Community Name	Legislative District	Project Type	Commission Funding - FY99	Commission Funding - FY 00	Other Funding	Total Project Funding
Statewide		State of Alaska Department of Labor Denali Training Fund	\$0	\$1,025,000	\$0	\$1,025,000
Statewide		Alaska Vocational Technical College Building Maintenance Repairer Training	\$0	\$250,000	\$0	\$250,000
Statewide		Associated General Contractors Build-Up Program	\$0	\$250,000	\$0	\$250,000
Statewide		Alaska Native Coalition on Employment and Training Statewide Coordination	\$0	\$200,000	\$0	\$200,00
Statewide		AlaskaWorks Partnership Apprenticchip Outreach	\$0	\$200,000	\$2,500,000	\$2,700,000
Statewide		Alaska Vocational Technical College Bulk Fuel Sotrage Operator Training	\$0	\$75,000	\$0	\$75,000
Statewide		Economic Development	\$0	\$500,000	\$0	\$500,000
Statewide		Statewide Telecommunications Survey	\$50,000	\$0	\$0	\$50,000
TCC		Rural Utility Business Advisor (RUBA) Regional Pilot Project	\$184,800	\$0	\$40,000	\$224,800

WORK PLAN

DENALI COMMISSION

2000 – 2001 WORK PLAN

DECEMBER 17, 1999

Denali Commission

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DENALI COMMISSION

Work Plan – Contents

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PART ONE: DENALI COMMISSION PURPOSES AND APPROACH

Purposes of Commission:

The Denali Commission Act of 1998, as amended (Division C, Title III, PL 105-277)

states that the purposes of the Denali Commission are:

To deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs.

To provide job training and other economic development services in rural communities, particularly distressed communities (many of which have a rate of unemployment that exceeds 50 percent).

To promote rural development, provide power generation and transmission facilities, modern communication systems, bulk fuel storage tanks, water and sewer systems and other infrastructure needs.

Challenges to development and economic self-sufficiency:

Geography – The State of Alaska encompasses twenty percent of the landmass of the United States, encompassing five (5) climatic zones from the arctic to moderate rain forests in the south.

Isolation – Approximately 220 Alaskan communities are accessible only by air or small boat. Some village communities are separated by hundreds of miles from the nearest regional hub community or urban center.

Unemployment – The economy of rural Alaska is a mix of government or government-funded jobs, natural resource extraction and traditional Native subsistence activities.

Many rural Alaskans depend on subsistence hunting, fishing and gathering for a significant proportion of their foods, but also depend on cash income to provide the means to pursue subsistence activities. Cash paying employment opportunities in much of rural Alaska are scarce and are highly seasonal in many areas; unemployment rates exceed 50% in 147 communities.

High cost and low standard of living - Over 180 communities suffer from inadequate sanitation or a lack of safe drinking water. Residents face high electric costs: 61 cents per kilowatt-hour for electricity in a few communities (average in rural Alaska is closer to 40 cents per kilowatt-hour) even with State subsidies for rural power.

Commission Relationship with Other Organizations:

The Commission intends to act as a catalyst to encourage local, regional, and statewide comprehensive assessment, planning and ranking of needed infrastructure improvements and economic development opportunities and training needs.

The Commission, working with existing agencies or other organizations whenever feasible, intends to improve coordination and to streamline and expedite the development of needed infrastructure, economic development, and training.

The Commission may build on the work of both Federal and State of Alaska agencies to identify statewide needs, to establish priorities, and to develop comprehensive work plans.

The Commission will seek the support and involvement of affected local communities, governing bodies, businesses and other organizations.

The Commission will encourage partnerships between government, non-profit organizations, and businesses to expedite sustainable economic and infrastructure development.

Commission Schedule:

The Commission will hold quarterly public Commission meetings and make every reasonable effort to maximize public participation in annual work plan development and update. With completion of this work plan the Commission schedule will be consistent with the federal budget cycle. The work plan will be updated at least annually.

Staffing:

The Federal Co-Chairman is solely responsible for Commission staffing and administrative matters. Staffing will be kept to a minimum, and the Commission will utilize staff detailed from federal, state, or other organizations to the maximum extent possible. Contract support will also be utilized where appropriate.

Funding Criteria:

The following criteria are intended to foster careful and systematic planning and coordination on a local, regional and statewide basis for infrastructure and economic development, and to strongly support local involvement in project planning and implementation.

- Projects should be compatible with local cultures and values.
- Projects that provide substantial health and safety benefit, and/or enhance traditional community values, will generally receive priority over those that provide more narrow benefits.
- Projects should be sustainable.
- Projects should have broad public involvement and support. Evidence of support might include endorsement by affected local government councils (municipal, Tribal, IRA, etc.),

participation by local governments in planning and overseeing work, and local cost sharing on an 'ability to pay' basis.

- Priority will generally be given to projects with substantial cost sharing.
- Priority will generally be given to projects with a demonstrated commitment to local hire.
- Commission funds may supplement existing funding, but will not replace existing federal, state, local government, or private funding.
- The Commission will give priority to funding needs that are most clearly a federal responsibility.
- The Commission will give priority to funding needs in "severely economically distressed" communities. The term "severely economically distressed" will be defined in the Denali Commission Code.

Additional Criteria for Infrastructure Projects:

- A project should be consistent with a comprehensive plan.
- Any organization seeking funding assistance must have a demonstrated commitment to operation and maintenance of the facility for its design life. This would normally include an institutional structure to levy and collect user fees if necessary, to account for and manage financial resources, and having trained and certified personnel necessary to operate and maintain the facility.
- Proposals should include a cost breakdown by phase including breakout for design, construction and annual operation and maintenance (O & M).

Additional Criteria for Economic Development Projects:

- Priority will be given to projects that enhance employment in high unemployment areas of the State, with emphasis on sustainable, long-term local jobs or career opportunities.
- Projects should be consistent with statewide or regional plans.
- The Commission may fund demonstration projects that are not a part of a regional or statewide economic development plan if such projects have significant potential to contribute to economic development.

PART TWO: FISCAL YEAR 2000 WORK PLAN

In order to provide focus for the Commission's second season of work, the theme of "Rural Energy" was selected by the Commission to provide consistency and build on work completed in FY 1999. Bulk fuel storage and utility upgrades continue to be an important part of the Commission work.

The following paragraphs describe the project selection process used by the Alaska Energy Authority. Throughout FY 2000, Commission and staff will be working on development of additional focus areas or "themes". The goal of the Commission is to build on the success of the energy program and increase the number of focus areas or "themes" along with associated funding. The themes will consist of specific programs or project areas that show a great need and limited funding to address that need.

Bulk Fuel Storage Background:

The U.S. Coast Guard (USCG) documented major deficiencies associated with rural bulk fuel tank farms in 1991 and began the process of notifying communities that failure to correct deficiencies would result in substantial fines and suspension of fuel deliveries. Deteriorated tanks dating back to WW-II vintage were leaking petrochemical products into local water supplies causing sickness in children and elderly people. Lack of building code compliance further exposed residents to a high risk of catastrophic fire. Large numbers of tanks lacked adequate spill control features.

Arctic and sub-arctic communities are fully dependent on these leaking fuel storage tanks for heat, power and light. In most instances, fuel is delivered annually by barge. Suspension of even one delivery would have catastrophic impact on local residents, many of whom live in a

subsistence economy without cash to bring fuel tanks into compliance with federal standards or to pay fines. Overwhelmed by the cost and urgency of this crisis, residents appealed their plight to State and Federal government representatives.

In 1994 the Governor and Congressional Delegation responded by requesting a moratorium on enforcement actions until an effective solution could be found. With funds provided by Congress specifically for this purpose, the U.S. Environmental Protection Agency (EPA), working through the Alaska Department of Environmental Conservation (DEC) and the Alaska Energy Authority¹ (AEA, formerly the Alaska Division of Energy), identified a work backlog, not including cleanup, estimated at approximately \$450,000,000. Principle responsible parties were often traced to pre-statehood federal agencies or to a hodgepodge of now defunct entities. No one accepted responsibility.

Electric Power Background:

Rural communities of Alaska, much like the rest of the nation, are dependent on electric power for basic life support. Unlike most other areas of the country, Alaska's rural communities are remote (not connected to a power grid) and subject to extreme weather conditions. When a system fails, there are no backups and the life and safety of people are in jeopardy. Funding for upgrade and maintenance of systems has been grossly inadequate, resulting in many systems being unsafe, undependable, and very expensive to operate.

¹ The former Department of Community and Regional Affairs Division of Energy programs are now integrated into AEA and administered by AIDEA.

A comprehensive assessment of needs has not yet been completed, but the AEA has identified a number of systems needing immediate assistance. The AEA has also identified some opportunities to replace or supplement high cost diesel power with alternative energy sources.

Project Selection Process for FY 2000 Bulk Fuel Program & Utility Upgrades:

The Commission focused on the most severe problems first by drawing on an extensive database compiled by the State of Alaska in coordination with EPA and the U. S. Coast Guard (USCG).

This data was used to develop a preliminary ranking of communities based on the current condition of their facilities as reported by both State and Federal field inspectors. To these preliminary rankings the Commission then applied additional selection criteria, including:

- Citations or warning letters from EPA, USCG, or other regulatory agencies.
- Imminent threat to health and safety, or threat of winter system failure.
- Alternative or supplemental community/region specific funding opportunities, i.e.

Federal through the U.S. Department of Housing and Urban Development (HUD) or state through the Department of Education.

- Financial need based on existing costs, rates, and income levels.
- Community commitment and support of tribal elders.

Factors reviewed by the Commission staff, working with Alaska Energy Authority, in formulating recommendations to the Commissioners included:

- Opportunity for consolidation of smaller tanks and economies of scale.
- Community size.
- Cost sharing.

- Demonstrated administrative, operation and maintenance capability.
- Any federal tax delinquency of tank farm owner(s).
- Community contribution and commitment.
- Past experience working in the community.
- Unusual conditions or costs.

Beginning in FY 01, two additional criteria will be key to selection for Denali Commission funding:

1. Consistent with statewide energy strategy now under development; and
2. Consistent with an adopted community based comprehensive plan.

Ultimately, project selection reflected the active involvement, cooperation and support of federal and state regulators, tank farm and electric utility owners, and community leaders.

Project Management Procedures

The Commission determined that the most cost-effective manner to reduce overhead and administrative costs involved with managing its Bulk Fuel Storage Tank Program in FY 1999 was to take full advantage of the Alaska Energy Authority contracts and structure, while maintaining appropriate oversight.

Key elements of project development used by the AEA are:

1. Consult with facility owners and community representatives AEA Staff traveled to the community to meet with tank farm owners, utility owners, and community representatives to obtain information, to develop an initial project concept, and to determine project participants. Community representatives include municipal government, tribal government, and the Village

Corporation. The Commission made approval by village elders a prerequisite for funding. In this way, traditional cultural values are sustained and potentially harmful community impacts are minimized.

Any tank farms that would not be included in the program for FY 2000 are also identified and the reasons for such exclusion are determined. If deficient facilities will not be upgraded as part of the Commission's program, efforts are made to develop a plan with the facility owner on how those facilities will be brought up to code in the future.

2. Consult with State and federal agencies The Commission asked the AEA to coordinate with other agencies and to determine potential sources for supplemental funding of the project wherever possible. Federal agencies include the USCG, EPA, the US Department of Housing and Urban Development (HUD), Bureau of Indian Affairs, and Public Health Service. State agencies include the Departments of Education, Environmental Conservation, and Transportation and Public Facilities.

3. Develop Grant Agreement When agreement is reached on a project concept, and funding has been identified, the AEA prepares a grant agreement and a "consolidation agreement." Grant agreements not only formalize the funding commitment project but also commit grantees - the future owners of new or reconstructed facilities -- to assist in project development and to properly maintain the projects in the future.

a. Most labor is hired locally on "force account" by the local grantee or government entity. The only "outside" hires are typically foremen, who must have extensive experience, and specialized skilled labor (i.e. welders) not usually locally available. In the future, through focused training, we hope to be able to fill all positions locally or at least within a region.

b. A private sector firm is retained to perform the project accounting, local payroll, and invoice payment, a significant advantage in cost and time compared with government administration, particularly in the context of tight construction schedules.

c. Competitive bids are solicited for equipment and materials. The AEA has chosen to use State regulations for competitive awards among vendors, in place of local procurement.

4. Develop Consolidation Agreement The consolidation agreement binds all of the tank farm participants and records agreement on specific ownership and management structure for the new facility upon its completion.

5. Place Project Funds and Set Up Accounts with Trustee Accounting Firm The AEA has elected to use a standing contract with a private sector accounting firm to provide all accounting and payment services required. The Commission releases funding for projects involving Denali Commission funds to the trustee firm as oversight criteria are met.

Disbursements to vendors for project materials, to engineering and construction management firms for services rendered, and to force account labor are made by the trustee firm only as directed by the AEA. The trustee firm, in order to ensure clear, up-to-date budget and expenditure information for each project, provides monthly expenditure and activity reports.

6. Project Design and Site Selection In consultation with the project participants and community representatives, the AEA then proceeds into site selection and project design. The participants must agree to the site and design before funds are committed to project construction.

The AEA maintains standing contracts with local engineering firms for a broad scope of services. At the present time, the AEA has four such contracts in place that will remain in effect through December 2000, at which time a new set of contracts will be issued. At any time, the

AEA can issue one or more work orders to any of these four firms to immediately begin work on a project related task. These firms are primarily for project design, both for bulk fuel storage and for electric utility upgrades.

7. Site Control Similar contracts are in place with a right-of-way firm to immediately begin work on site control services, including all tasks related to land ownership determination, ownership transfers, leases, and easements. The site control task begins in conjunction with preliminary design, specifically on the determination of land ownership. When the project design has been adopted, the contractor proceeds with all steps needed to acquire site control. The present contract runs through February 2000, at which time one or more new contracts will be issued.

8. Permitting and Environmental Compliance Commission oversight ensures that all applicable permits and regulations pertaining to project construction and operation are obtained or satisfied. Among these permits and approvals are the following:

The U.S. Army Corps of Engineers developed a "general permit" that will expedite approval under Section 404 of the Clean Water Act for the placement of fill material in wetlands for rural bulk fuel storage facilities. This approval process, which is necessary for virtually all tank farm projects in rural Alaska, normally requires 3-4 months to complete but is expected to require only 15-30 days under the general permit.

The State of Alaska has adopted the Uniform Fire Code (UFC) as part of its Alaska Administrative Code requirements for building permits. The UFC was not written for rural Alaska conditions and, in some cases, is difficult or impossible to apply to rural Alaska tank farms. Therefore, the AEA and the State Fire Marshal signed a Memorandum of Agreement that

provides practical solutions to problems posed by UFC requirements. The agreement reflects consideration for dispensing tank placement, tank setback, flood protection, fire-resistive supports or pilings, dike wall materials, equipment placement inside the secondary containment area, overfill prevention equipment, and bulk transfer to small tank vehicles.

9. Construction Management and Local Hire Local hire is a basic principle of the Commission. The Commission seeks to stimulate the creation of not only jobs, but also careers. Local labor helps hold down project costs. Local hire means that people who are knowledgeable about the project will remain in the community after construction.

Four project management firms supplement the AEA's in-house ability to provide overall project management. These flexible contracts are set up on a work order basis – whenever the AEA needs to assign a project manager to a project, it will be able to issue a work order. This project management format provides access to as many project managers, as needed, whatever the workload demands.

This project management format is consistent with the force account construction approach that has been successful in the past and has been well received by local communities. A project manager is needed to communicate directly with the community grantee, the design engineer, the site control contractor, and the on-site construction foreman; to handle material procurement, scheduling and transportation; and to provide financial management and control.

10. Operations and Maintenance The Commission oversees the preparation and proposal process, including details on operations and maintenance (O&M) responsibility. Local sponsors must participate in addressing their estimated O&M budget and revenue requirements. The Commission also supports training for tank farm operators.

11. Insurance The AEA purchases liability insurance to cover damages that may be claimed during the construction phase of our projects, and arranges pollution and liability insurance coverage for consolidated tank farms after the project is complete and placed in operation. To date, insurance applying to the operational phase has been purchased by the AEA on behalf of the new tank farm owner for the first year of operation – no commitments have yet been made for succeeding years.

12. Regulatory Plans A part of the AEA scope of work for every tank farm project is the preparation of all required regulatory plans, including the Operations Manual and Facility Response Plan required by the USCG and the Spill prevention Control and Countermeasure Plan required by EPA.

13. As-Built Drawings and Project Completion Report Closeout tasks include as-built drawings and a project completion report, along with a final project accounting.

14. Long-Term Follow-up The AEA developed and maintains a rural tank farm database. They plan to continue re-visiting rural tank farms on a three-year rotating schedule to update information on tank farm conditions, and to provide limited circuit rider services. In the future, the Commission may expand and integrate these programs into other initiatives. For example, every three years, staff or contractors could examine both the tank farms and electric utility systems in each community, update the data base on current conditions, and provide preventive maintenance services as needed for both fuel storage and electrical systems. This may expand to include all utilities in the future.

Other power related projects under review:

Statewide energy needs assessment and planning is being undertaken in a cooperative arrangement between the State and Federal government in order to guide capital funding decisions. The Commission is a partner in this effort with the State and U.S. Department of Agriculture Rural Development. A comprehensive assessment of issues and their inter-relationships will be completed by December 1999. Development of a comprehensive energy strategy is expected to begin in January 2000.

Other projects under review:

The Commission received numerous local or community specific recommendations. To date, these include economic development, infrastructure, and capacity building projects.

Consistent with its published criteria, the Commission will evaluate each of these projects and determine eligibility and priority for funding.

Due to the massive needs of rural areas, and the need to improve the coordination of federal and state programs, the Commission has initiated several cooperative efforts to enhance coordination among federal and state agencies, and encourage comprehensive community-based local and regional planning. As the results of these efforts materialize, the Commission will develop strategies, or "funding themes", to most effectively accomplish its statutorily mandated goals. In the meantime it is the intent of the Commission in funding "Other Projects" to advance the development of funding themes. When a new funding theme is developed by the Commission, the purpose, process, and deadlines for seeking assistance will be announced to all rural communities and/or regional organizations in Alaska.

FY 2000 Work Plan:

The following table shows the how FY2000 federal funding appropriated to the Denali Commission will be distributed.

Funding Category	Category Class	Funding Level	Percentage
Infrastructure	Energy Projects	15,000,000	75%
Economic Development		2,000,000	10%
Job Training, Education, Capacity Building		2,000,000	10%
Administration		1,000,000	5%
	Total	\$20,000,000	100%

PART THREE: WORK PLAN FOR FY 2001 AND BEYOND

The Commission determined that the scope and scale of infrastructure issues facing rural Alaska are staggering. The following table summarizes identified needs for infrastructure categories such as drinking water and wastewater utilities, power utilities, and fuel storage.

The backlog of work in the Bulk Fuel Storage Program alone has been estimated by the Alaska Energy Authority to be approximately \$450,000,000. No estimate is currently available for some fundamental needs, including health care facilities and telecommunications.

Assessment of needs and refinement of estimates will be an ongoing process. The total of *known* infrastructure needs is estimated to be over \$12 billion. Allocation of funds to various funding categories and classes within those categories (see following table) will be based on a formula agreed to by the Commission at the beginning of each fiscal year. For FY 2000 the formula allocates 75% of available funds to infrastructure, 10% to economic development and 10% to job training and capacity building. The Commission has a statutory limit of 5% for administrative expenses.

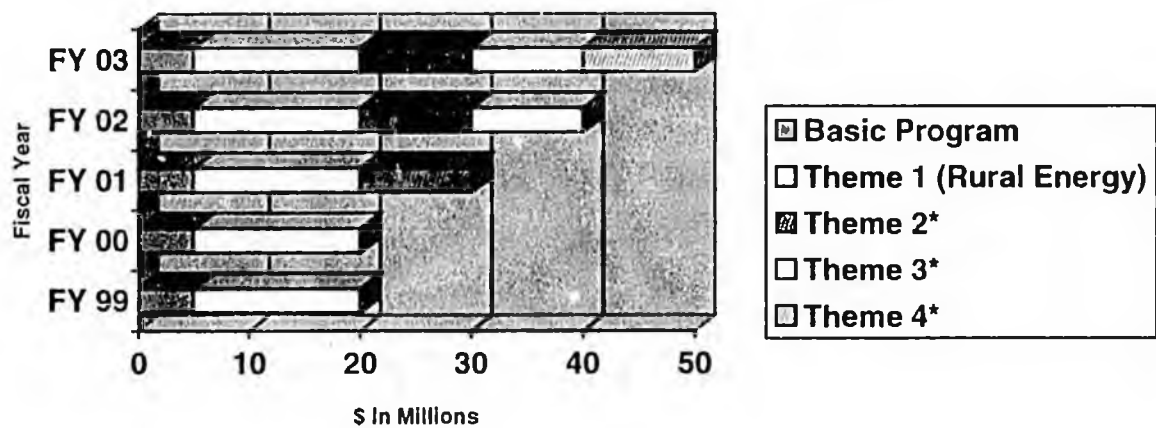
On-going feasibility work will guide specific project selection and approval at quarterly Commission meetings.

Of necessity, the Commission's work must be phased over a number of years based on the urgency of competing needs and availability of funding. The theme of rural energy, as one important prerequisite to all other utilities and economic development, guided the decisions for FY 1999 and will continue to be a primary area of focus in FY 2000.

For planning purposes, the Commission budgeted \$45,000,000 using the Commissions

approved formula. This funding increment is based on the addition of one or possibly two themes for FY 2001. The theme(s)* will build on the success of the existing program and provide funding for programs and/or projects that demonstrate a great need, federal responsibility, and limited amount of funding to meet the need. A graphic representing the "theme" concept is shown below. For illustration, the graphic shows a basic program amount of \$5 million (Economic Development, Training, Administration, etc.), \$15 million to be applied annually to the first theme, and incremental amounts of \$10 million for subsequent themes.

DENALI COMMISSION FUNDING AND THEMES



The Commission seeks to be informed by the public year to year as to how best to allocate its efforts and thus reserves the option of changing its allocation formula after hearing from the public. Likewise, there may be variations in specific areas of focus from year-to-year to reflect the public sense of priority and judgement of the Commission.

Once the Commission approves specific projects, they are assigned to a category class.

The incremental budget plan for FY 2001 is as follows:

Funding Category	Category Class	Funding Level	Percentage
Infrastructure	Energy	?	
	Theme No. 2	?	
	Theme No. 3	?	
	Subtotal	33,750,000	75%
Economic Development	Subtotal	4,500,000	10%
	Subtotal	4,500,000	10%
Job Training, Education, Capacity Building	Subtotal	4,500,000	10%
	Subtotal	2,250,000	5%
Administration	Subtotal	2,250,000	5%
	Total	\$45,000,000	100%

Note: In FY 2001 in addition to other applicable criteria, any project selected for funding should be part of a community based local or regional comprehensive plan. Additionally, any energy related projects should be consistent with the comprehensive statewide energy strategy.

The following table summarizes current estimates of needs:

Funding Category	Category Class	\$	\$
Infrastructure	Housing Construction/Development	1,800,000,000	
	School Construction and Major Maintenance	530,000,000	
	Power Utilities	168,000,000	
	Fuel Storage	450,000,000	
	Drinking Water Facilities		
	Waste Water Utilities	1,058,000,000	
	Waste Management Facilities		
	Health Care Facilities	unknown	
	Airport Facilities	926,000,000	
	Road Construction	7,500,000,000	
	Port Facilities	214,000,000	
	Telecommunications	unknown	
	Community Facilities	unknown	
	Other	unknown	
	Subtotal		12,646,000,000
Economic Development	Comprehensive Planning	unknown	
	Other	unknown	
Job Training, Education, Capacity Building	Comprehensive Planning	unknown	
	Other	unknown	
	Total		12,646,000,000

See Appendix A for Background Information on this table.

APPENDIX A

Housing Construction/Development

Need: \$1.8 Billion

Annual Funding: \$58-87 million

Source: Housing and Urban Development FY 1999 Report.

Background: According to the FY 1999 report published by HUD, Alaska has a need for 12,519 new units. At an average cost of \$145,000 per unit, the total need for new housing is approximately \$1.8 billion. This estimate does not include repairs and renovation projects. The number of units needed has increased from the 1990 census, which showed over 11,000 units needed.

At the current rate, 400 to 600 units are constructed in Alaska each year (approximately \$58-87 million)

Projects are prioritized and funded in a variety of ways including grants to local housing authorities, regional housing authorities, low interest loans, and transfers to other agencies.

Entities providing funding for housing includes, but may not be limited to, HUD, AHFC, and USDA.

School Construction and Major Maintenance

Need: \$530,183,470

Annual Funding: No recurring funding source.

Source: Final Agency Decision: 4/5/99; Project Priority List Published by the State of Alaska Department of Education and Early Development and Early Development.

Background: Based on requests from individual school districts, the State of Alaska Department of Education and Early Development (DEED) has compiled a listing of school construction and major maintenance projects. DEED has reviewed the project requests and distilled the eligible projects to list that totals \$530,183,470.

The state school construction program is not currently meeting the need. This program is the primary responsibility of the state and will remain such. However, there may be opportunities for the Denali Commission to assist the state in areas that are federal responsibility such as bulk fuel storage upgrades.

The Denali Commission will continue to work with the State Department of Education, and at the point when a school construction program is funded, will work to determine if there is an opportunity for the Denali Commission to assist with some federally mandated component of the program.

Power Utilities

Need: \$168,000,000

Annual Funding: No program of annual funding

Source: Alaska Energy Authority.

Background: According to the Alaska Energy Authority (formerly the State of Alaska Division of Energy), they have needs in the following categories for the following amounts.

\$68,000,000 Power Plant Construction and Rehabilitation

\$100,000,000 Power distribution system construction, expansion and rehabilitation

The Alaska Energy Authority (AEA) is a state agency commissioned with oversight of energy related infrastructure in rural Alaska. The agency functions predominantly in areas that are typically not covered by a utility cooperative. These power plants and distribution systems are typically in areas where the economic base is insufficient to bond or self-fund construction of the power facilities and other sources of funding are required. At the current time, the AEA is the only source of funding for these projects, and there is no defined funding stream to take care of the above stated needs.

Another interest of the Denali Commission is to work towards conserving energy usage in rural communities. Efficiencies such as generator efficiencies, structure insulation, waste heat recovery, transmission efficiencies, and alternative power generation are all possible topics of consideration for the Commission.

Fuel Storage

Need: \$450,000,000

Annual Funding: \$15-18 million (\$8-10 million Denali Commission)

Source: Alaska Energy Authority briefing report dated September 24, 1999.

Background: The Alaska Energy Authority initiated an assessment of all bulk fuel tank farms in rural Alaska communities in 1996. The three-year project assessed the condition of the tank farms, including the total fuel capacity of each in terms of gallons.

Approximately 180 communities were surveyed during the three-year assessment period. Total storage capacity of the surveyed communities is 75,221,754 gallons. Assuming an average cost to upgrade as \$6/gallon, the total cost to construct new code compliant tank farms in each community is approximately \$450,000,000.

Water, Wastewater, Solid Waste

Need: \$1,057,512,641

Annual Funding: \$78.1 Million;

\$18 Million ANTHC,

\$21.6 million FC&O (Incl. AHFC, EPA, USDA-RD and state)

Source: Sanitation Deficiencies System Update, May 1999, Published by the Alaska Native Tribal Health Consortium, Department of Environmental Health and Engineering, Division of Sanitation Facilities Construction.

Background: The Alaska Native Tribal Health Consortium (ANTHC) is the responsible organization for administering the Public Health Service (PHS) construction program here in Alaska. The FY99 defined needs, according to the ANTHC/PHS Sanitation Deficiency System that estimates the overall need in the areas of Water/Wastewater/Solid Waste, to be \$873,670,525. Currently the ANTHC receives approximately \$13,000,000 annually to perform this work. ANTHC has responsibility for the tribal communities and the mission is to provide facilities for Native Alaskans. There is some overlap with the VSW program.

Source: SFY 2000 Capital Budget Priority Lists, 12/16/98; Published by the State of Alaska Department of Environmental Conservation, Division of Facility Construction and Operations

Background: Village Safe Water (VSW); The State of Alaska Village Safe Water Program is a division of the State of Alaska Department of Environmental Conservation's Facility Construction and Operations (FC&O) Division. The division provides grants for planning, design, and construction of water, sewer, and solid waste projects in small, rural communities throughout Alaska. The currently defined needs as submitted by VSW only reflect the requests from communities interested in projects. This amount does not reflect the overall need. The current list of requested projects totals \$105,690,744. The current funding level for VSW is \$41,890,574.

Municipal Matching Grant and Loan Program provides grants and loans to medium sized communities for planning, design, and construction of water, sewer, and solid waste projects. The program is a division of the State of Alaska Department of Environmental Conservation's Facility Construction and Operations (FC&O) Division. The currently defined needs as submitted only reflect the requests from communities interested in projects. This amount does not reflect the overall need. The current list of requested projects totals \$78,151,372. The current funding level of this 50% matching grant program is \$18,164,200.

It should also be noted that the information provided by FC&O is not broken out by project type, nor does the division have the resources to provide such a breakout.

Health Care Facilities

Need: Unknown

Annual Funding: Unknown

Source: None

Background: There is no comprehensive source of information relating to the needs for local healthcare facilities. Typically, a community or village will build a clinic and lease the facility back to the organization responsible for healthcare in their community. The Commission has allocated funding to complete an assessment of healthcare facility needs during the next year.

Airport Facilities

Need: \$926 Million

Annual Funding: \$58-87 Million

Source: 1995 Transportation Needs and Priorities in Alaska; Published by State of Alaska Department of Transportation and Public Facilities. And the current FAA Aviation Improvement Program (AIP)

Background: The Federal Aviation Administration currently provides most of the funding for airport projects throughout the state. The state or local sponsor will contribute roughly 10% in the form of match. There are 1,112 designated airports, seaplane bases, and aircraft landing areas in the state of Alaska. The Alaska Department of Transportation & Public Facilities (ADOT&PF) owns and operates 261 public airports, the majority of Alaska's public airports. Additionally, 23 public airports are owned and operated by local governments.

Backlog of airport projects in the state amounts to approximately \$926 million (\$1.3 billion in an informal, 1997 tally completed by statewide aviation).

Historically, funding that the state receives for airports from the FAA AIP program has ranged from \$58 million in 1990, to \$81 million in 1998.

Road Construction and Major Maintenance

Need: \$7.5 Billion

Annual Funding: \$350,000,000

Source: 1995 Transportation Needs and Priorities in Alaska, published by the State of Alaska Department of Transportation and Public Facilities

Background: The State of Alaska administers most of the Federal Highway Administration (FHWA) funding allocated to Alaska with the exception of money specifically designated for the Bureau of Indian Affairs (BIA), which currently amounts to approximately \$14 million per year. Although overall funding levels are up for roads, the BIA share has recently slipped from \$16 million annually under ISTEA (1991 – 1997). The BIA funding does not go far considering it must provide for approximately 200 tribes within Alaska. BIA officials have recently announced that any given village can expect one project every 20 years, on average.

Of note, the BIA is currently conducting a rule-making process to revamp the national formula that distributes BIA funding among the states. The legislative language directing this new formula is more Alaska-friendly, but the past distribution formulas have not been favorable to Alaska and remains to be seen if the new formula will redress this situation.

One important distinction between FHWA and BIA funding for roads is the long-term maintenance obligation. Under FHWA, the recipient is responsible for maintenance in perpetuity, with no federal support for this activity. Under the BIA funding system, such roads are then added to the IRR (or Indian Reservation Road system) and are eligible for a share of a national pot of money allocated to maintenance of IRR roads.

Overall needs for highway and road projects were estimate at \$7.5 billion in 1999. In the current TEA-21 era, average funding levels are estimated at approximately \$350 million not including possible discretionary grants the state may receive. While this is up substantially from the approximately \$220 million under ISTEA, the list of unmet needs has been growing even faster as villages and all communities become more aware of this potential funding source.

Most of FHWA funding received by the state stays in larger auto-dependent communities, with some funding going to rural communities, largely for sanitation roads and trail markings. Funding for projects off the road system goes primarily to larger hub communities.

Improved surface transportation can have many positive effects, including lowering costs for goods and services, improving village to village interaction, and allowing for state and federal investments in schools, clinics, airports, harbors, and tank farms to serve more communities per project.

Port Facilities

Need: \$214 Million plus

Annual Funding: Varies year by year, typically between \$0-5 Million

Source: 1995 Transportation Needs and Priorities in Alaska, published by the State of Alaska Department of Transportation and Public Facilities

Background: Port and harbor facilities are necessary investments to support maritime commerce, commercial fishing, subsistence, water recreation, and general economic development. Wholesale, retail, transportation, and services industries supporting marine activities create jobs and other opportunities. Coastal and riverside communities with good facilities will have safer access, greater mobility, more opportunity and a better quality of life than those without. Port and harbor facilities must offer access to waterways, protection from waves, and water deep enough for navigation. Few communities have perfect naturally occurring conditions. Many communities have spurred economic growth and given vitality to their communities through making improvements by dredging channels and basins, and constructing breakwaters and docking facilities. These improvements open the transportation corridor for maritime commerce.

Port and harbor development in the State has been a close partnership between local government, the state, and the federal government. The federal government has always limited investment and interest to those navigation improvements that satisfy national economic development criteria. State assistance has ranged from complete financial support to little or no financial support. While State assistance expanded and expectations grew during the lucrative days of high oil production, the State has retreated to the basic premise that port and harbor projects require a substantial local funding commitment to be eligible for State assistance. Though not a dedicated fund source, the marine users fuel tax is the traditional foundation of small boat harbor improvements in the State. General obligation bonds have been the foundation of State assisted port development.

The threshold for federal involvement, an assessment of national benefits and costs, is very high. For most of Western Alaska, the geography, climate, and low population density weigh heavy against projects meeting this test. The federal navigation improvement program is helpful in making an existing activity more productive but it is not useful in creating an opportunity for activity that does not already exist.

Port and harbor projects can reduce the delivery cost of goods and services, increase the frequency of delivery, reduce damage loss during transport, reduce environmental risk, improve the value of regionally exported resources and products, and improve the productivity, safety and quality of life of people in the region. There are opportunities through port and harbor developments that are consistent with the goals and objectives of the Denali Commission.

Telecommunications

Need: Unknown

Annual Funding: Unknown

Background: Telecommunications and Internet technologies, which are revolutionizing daily life in the United States, are not reaching most Alaskan communities. The positive impact Internet connections will have on education, training, healthcare and economic development in rural communities cannot be overemphasized. The negative impact of leaving the rural communities behind in technological advances will only further compound the challenges of self-sustainability for rural Alaska.

The remoteness and sparse populations that so uniquely identify rural Alaska also are the primary limitations for private telecommunications to justify connections in most communities.

Typically, small communities have access only through the local public school or library, and tribes may have access through a program being implemented by the Department of Interior. Private users are prohibited from accessing these federally subsidized services. So, an individual who wishes to access vital information, obtain distance education or training, open a web-site for commerce, or have an e-mail account from home, must use "1800 dial-up access". Such service in rural Alaska costs between \$200-\$400 per month for basic e-mail and minimal Web browsing.

The Denali Commission will evaluate the availability of basic telecommunications, Internet technologies, and other advanced telecommunications in relation to the future of economic development, education, training and healthcare in rural Alaska.

Community Facilities

Need: Unknown

Annual Funding: Unknown

Background: Communities have a need for community assembly facilities for various purposes, including planning, meetings, traditional functions, and recreation for youth. These facilities, when available, are heavily used in rural communities. No assessment mechanism is in place for determining statewide needs for community facilities.

MOU

Memorandum of Understanding

Between the State of Alaska

- Department of Administration (DOA);
 - Department of Community and Economic Development (DCED);
 - Department of Corrections; (DOC)
 - Department of Education and Early Development; (DEED)
 - Department of Environmental Conservation; (DEC)
 - Department of Health and Social Services; (DHSS)

 - Department of Labor and Workforce Development; (DOL&WD)
 - Department of Military and Veterans Affairs; (DMVA)
 - Department of Natural Resources; (DNR)
 - Department of Transportation and Public Facilities; (DOT&PF)
 - University of Alaska; (U of A)
- Also
- Denali Commission;
 - U. S. Department of Agriculture (USDA), Rural, Alaska Office;
 - U. S. Department of Commerce Economic Development Administration, Western Region (EDA); U.S. Commercial Service
 - U. S. Department of Housing and Urban Development (HUD); and
 - U. S. Department of Interior Bureau of Indian Affairs (BIA), Alaska Office.

Background

The Denali Commission Act of 1998, as amended (Division C, Title III, PL 105-277) (Act) states that the purposes of the Denali Commission are to:

1. Deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs;
2. Provide job training and other economic development services in rural communities, particularly distressed communities; and
3. Promote rural development, provide power generation and transmission facilities.

The Act recognizes that these purposes can only be accomplished through a collaborative, coordinated effort by the State of Alaska and key federal agencies. The State of Alaska also recognizes the above benefits can be furthered if State agencies work in a collaborative and coordinated effort.

Purpose

This Memorandum of Understanding (MOU) outlines some points of agreement that will facilitate the collaboration and coordination necessary for achievement of the purposes of the Denali Commission and related missions of agencies who are parties to this MOU.

Points of Agreement

The parties to this MOU agree the following are a key element in achieving shared goals:

- 1) **Community plans.** A single community strategic plan should be sufficient to identify and establish the priorities of each rural community. To be effective, the plan must be value-based; based on significant community participation and support; approved by the city and tribal councils and village corporation (if these entities exist); and take into account regional priorities.

The parties to this MOU agree to:

- a) Support the development of comprehensive community plans where an acceptable comprehensive plan does not now exist; (USDA Rural Development, in collaboration with the Denali Commission, has developed a model planning process);
 - b) Support the concept of a single comprehensive community plan and utilize comprehensive community plans (or other acceptable plans that currently exist) as the basis for determining priorities in a community;
 - c) Work to coordinate the timing for service and project delivery so that projects are "whole" and sequenced most effectively (e.g. constructing road, water, and sewer for housing project in an orderly fashion).
- 2) **Regional strategies.** Systematic planning and coordination on a local, regional and statewide basis are necessary to achieve the most effective results from investments in infrastructure, economic development and training. Because Alaska is so vast and the regions of Alaska are unique, ideally these needs and priorities would be based on community plans presented as a regional strategy.

The parties to this MOU agree:

- a) To develop a protocol that weaves together many existing regional planning efforts, maximizing development and delivery of resources.
- b) A State-recognized regional strategy should be:
 - Based on community strategic plans that are value-based and comprehensive (more than a project list) and approved by the city council, tribal government, and village corporation, if applicable;
 - A balance of local, regional, and State identified needs, including needs identified by existing regional and sub-regional economic development organizations; any borough in the region; the regional Native profit and non-profit corporations; any other significant economic development "drivers"; and State and federal agencies doing work in the region.

- Approved by the regional entities, (an entity recognized and agreed be it an ARDOR, native regional non-profit or some other regional structure; and
 - Reflect existing State and federal agency approved plans, or a written agreement by an agency to change the approved plan.
- c) To collaborate on the development of a single uniform federal and state funding application and reporting process. The purpose of this effort is to reduce the administrative burden on communities.

3) **Regional Funding Summits.** The USDA Rural Development, Denali Commission and DCED, have held and plan to organize future regional funding summits. While the purpose of the summits is to help communities and regions fund their priority project(s), another long-term goal of the summits is to provide an opportunity for agencies and local and regional participants to discuss community and regional economic development issues and opportunities. Projects discussed at the summit must have municipal and tribal support and must be the result of a community planning process. Each project is reviewed and potential funders are identified.

Communities present their priority project(s) and agencies and community and regional representatives jointly scope available resources and assign a lead agency contact.

The parties to this MOU agree to:

- a) Participate in the regional funding summits if the agency has funds or other available resources. (e.g. technical assistance)

4) **Rural Alaska Project Identification Delivery System (RAPIDS).** The RAPIDS database maintained by the state's Department of Community and Economic Development provides information on completed and planned projects for most rural Alaska communities. The goal is to expand RAPIDS to include appropriate information for all communities in rural Alaska and regional projects.

The parties to this MOU agree to:

- a) Participate in the enhancement of RAPIDS by providing ideas and information.
- b) Contribute all appropriate updated information at least annually.
- c) Utilize RAPIDS as a management tool to achieve coordination and maximize the efficient use of available resources.

5) **Alaska Economic Information System.** The goal is to create and provide for the maintenance of a system of information relevant to economic development in Alaska, ultimately web-based. Components of

the AEIS include but are not limited to DCED's Economic Data Mapping Project, Community Database, and Rural Alaska Project Identification Delivery System (RAPIDS); and, DOL's "Polaris" Project. The AEIS will provide information for decision-making and be a vehicle for coordination and collaboration between local, regional, State and federal entities.

The parties to this MOU agree to:

- a) Participate in the development of the AEIS by providing ideas and information.
 - b) Contribute all appropriate updated information at least annually.
 - c) Utilize AEIS as a management tool to achieve coordination and maximize the efficient use of available economic development resources.
- 6) **Regional Economic Development Initiative (REDI).** REDI is intended to 1) create links between job placement, training, and community and economic development; and 2) enhance the communication between a region and the Governor's Jobs Cabinet. The seven regions targeted by REDI are Southeast, Gulf Coast, Anchorage-Mat/Su, Southwest, Yukon-Kuskokwim Delta, Interior, and Northern. Each region has a designated DOL/DCED captain and co-captain who are responsible for organizing the teleconference and compiling regional reports. In the teleconferences, DOL and DCED report on economic/workforce activities for and administration news and initiatives affecting economic and workforce development in the region. ARDOR executive directors and others are invited to participate.

The parties to this MOU agree to:

- a) Participate in the Rural Economic Development Initiative (REDI) as requested;
 - b) Participate in REDI-related follow up, as requested.
- 7) **Vocational and Career Training.** For purposes of state agency input and coordination with the Denali Commission, the Alaska Human Resource Investment Council (AHRIC) is the recognized lead agency in vocational and career training. (SB 289) This agreement also recognizes that the Balance of State Workforce Investment Board sets policy and provides the state job training and employment resources through the one-stop system (ACJN). The Alaska Department of Education and Early Development has been tasked with developing a statewide comprehensive vocational education training strategy. The Denali Commission will continue to collaborate with AHRIC, the Alaska Department of Education and Early Development, other federal and state agencies and organizations in the design of the state's process to identify vocational and career training needs in high unemployment areas of Alaska, and deliver training to meet the workforce needs for the

foreseeable future. The State and the Denali Commission believe that a collaborative, coordinated approach to delivering needed training will be most effective and efficient.

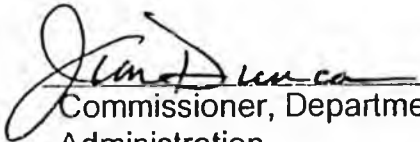
The parties to this MOU agree to:

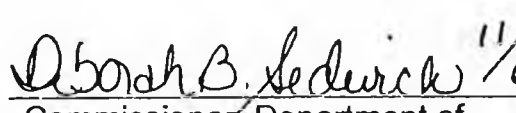
- a) Where applicable and practicable, utilize the AHRIC process and the combined resources of all agencies including the Denali Commission; to identify needs and deliver training in high unemployment areas of Alaska.

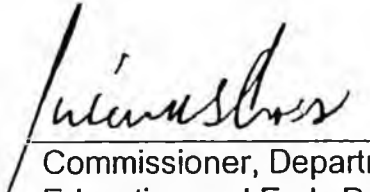
Implementation:

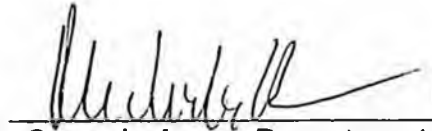
- 1) This MOU becomes effective immediately for participating agencies upon signature and will remain in effect indefinitely.
- 2) Any party to this MOU may withdraw upon 30-day notice to all other participants. The MOU will remain in effect for all other participants so long as two or more remain.
- 3) Nothing in this MOU shall be construed to limit or modify the authority or responsibility of any participating agency.

This list will be an amendable document to allow for other agency participation.


9/26/00
Commissioner, Department of
Administration

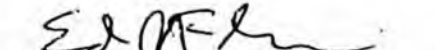

11/6/00
Commissioner, Department of
Community and Economic
Development


9/26/2000
Commissioner, Department of
Education and Early Development



11/14/00
Commissioner, Department of
Environmental Conversation


9/26/00
Commissioner, Department of
Health and Social Services

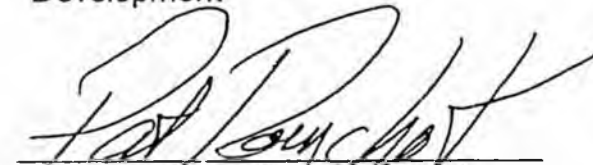
Commissioner, Department of
Law



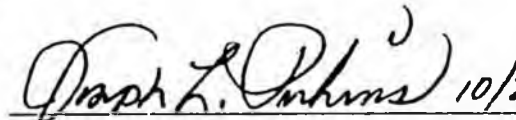
Commissioner, Department of
Labor and Workforce
Development




Commissioner, Department of
Military and Veterans Affairs




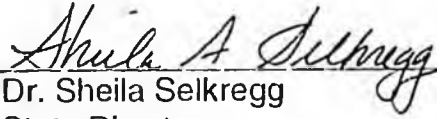
Commissioner, Department of
Natural Resources


10/2/00
Commissioner, Department of
Transportation and Public
Facilities



President, University of Alaska


10/2/2000
State Co-Chair, Denali
Commission



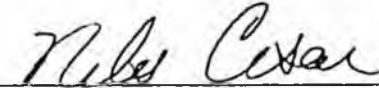
Dr. Sheila Selkregg
State Director
USDA-Rural Development



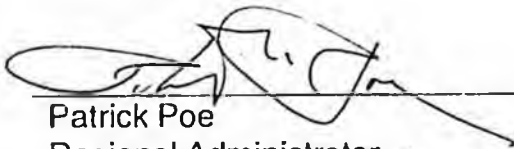
Bernhard Richert
Director
EDA



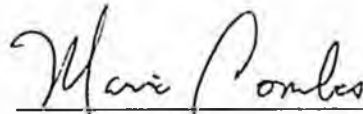
Colleen Bickford
State Director
US HUD



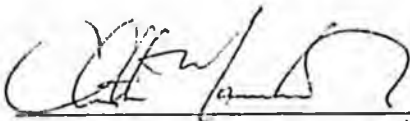
Niles Cesar
Regional Director
BIA



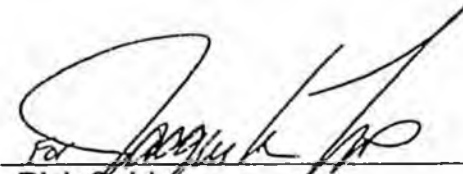
Patrick Poe
Regional Administrator
FAA



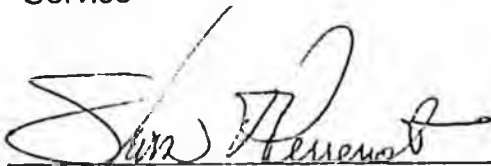
Marcia Combes
State Director
EPA



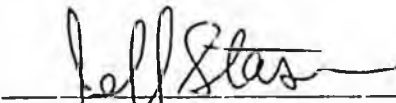
Christopher Mandregan, Jr., MPH
Director
IHS, Alaska Area Native Health
Service



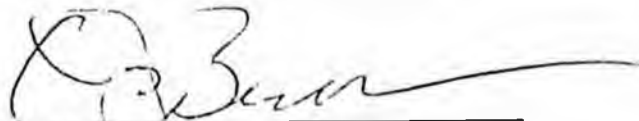
Rick Cables
Regional Forester
USDA Forest Service



Colonel Steven Perrenot
District Engineer
U.S. Army Corps of Engineers



Jeff Stayer
Federal Co-Chair
Denali Commission



Charles Becker
Director
Alaska Export Assistance Center
U.S. Commercial Service
United States Department of Commerce

CREATION OF THE COMMISSION

The Denali Commission Act of 1998, authored by Senator Ted Stevens (R) Alaska, was signed into law on October 21, 1998, becoming Title III of Public Law 105-227, 42 USC, 3121. This Act draws national attention to the plight of impoverished rural Alaska communities.

The Denali Commission is an innovative federal-state partnership designed to provide critical utilities, infrastructure and economic capacity throughout Alaska. With the creation of the Denali Commission, Congress acknowledged the need for increased interagency cooperation and focus on Alaska's rural communities.

The Denali Commission Act of 1998 defines the specific purposes as follows:

1. To deliver the services of the Federal Government in the most cost-effective manner possible by reducing administrative and overhead costs.
2. To provide job training and other economic development services in rural, particularly distressed, communities.
3. To promote rural development, provide power generation and transmission facilities, modern communication systems, water and sewer systems and other infrastructure needs.

The Act appoints the Governor of Alaska to serve as the State Co-Chairman. The Federal Co-Chairman is nominated by the United States Senate and the House of Representatives and appointed by the Secretary of Commerce.

The Act brings decision-making closer to Alaskan communities through the appointment of the following statewide organizations:

1. President of the University of Alaska
2. President of the Alaska Municipal League
3. President of the Alaska Federation of Natives
4. Executive President of the Alaska State AFL-CIO
5. President of the Associated General Contractors of Alaska

GUIDING PRINCIPLES

- Projects in economically distressed communities will have top priority for Denali Commission assistance.
- Projects should be compatible with local cultures and values.
- Projects that provide substantial health and safety benefits and/or enhance traditional community values will receive priority over those providing more narrow benefits.
- Projects should be sustainable.
- Projects should have broad public involvement and support. Evidence of support might include endorsement by affected local government councils (municipal, tribal, etc.), participation by local governments in planning and overseeing work, and local cost-sharing on an ability to pay basis.
- Priority will be given to projects with substantial cost sharing.
- Priority will be given to projects with a demonstrated commitment to local hire.
- Commission funds may supplement existing funding, but will not replace existing federal, state, local government, or private funding.
- The Commission will give priority to funding needs that are most clearly a federal responsibility.

DENALI COMMISSION

WORKING TOGETHER
TO SOLVE ALASKA'S
CHALLENGES



DENALI COMMISSION
510 L STREET, SUITE 410
ANCHORAGE, ALASKA 99501
TEL 888.480.4321 907.271.1414
FAX 907.271.1415
www.denali.gov

VISION

Alaska will have a healthy well-trained labor force working in a diversified and sustainable economy that is supported by a fully developed and well maintained infrastructure.

MISSION

The Denali Commission will partner with tribal, federal, state and local governments and will collaborate with all Alaskans to improve the effectiveness and efficiency of government services, to develop a well trained labor force employed in a diversified and sustainable economy, and to build and ensure the operation and maintenance of Alaska's basic infrastructure.

VALUES

Catalyst For Positive Change The Commission will be an organization through which agencies of government, including tribal governments, may collaborate, guided by the people of Alaska, to aggressively do the right things in the right ways.

Respect For People and Cultures The Commission will be guided by the people of Alaska in seeking to preserve the principles of self-determination, respect for diversity, and consideration of the rights of individuals.

Inclusiveness The Commission will provide the opportunity for all interested parties to participate in decision making and carefully reflect their input in the design, selection, and implementation of programs and projects.

Sustainability The Commission will promote programs and projects that meet the current needs of communities and provide for the anticipated needs of future generations.

Accountability The Commission will set measurable standards of effectiveness and efficiency for both internal and external activities.

DENALI COMMISSION



Federal Co-Chair
Jeff Staser



State Co-Chair
Lieutenant Governor Fran Ulmer



Julie Kitka, President
Alaska Federation of Natives



Mano Frey, Executive President
Alaska AFL-CIO



Mark Hamilton, President
University of Alaska



Henry Springer
Associated General Contractors of Alaska



Kevin Ritchie, Executive Director
Alaska Municipal League

INFRASTRUCTURE

The scope and scale of improvements needed in basic infrastructure like bulk fuel storage facilities, power generation facilities and primary health care facilities are staggering. Recognizing the significance of these challenges, the Commission focuses a majority of funds to rural infrastructure development.

The intent of the Commission is to compliment, not duplicate, the efforts of other agencies in addressing each infrastructure theme selected. The Commission creates partnerships with local, tribal, state and federal agencies and infrastructure funds are invested in priority projects that leverage the most benefit for Alaskans.

The Denali Commission continues to focus on energy and health clinic infrastructure development as primary themes.

Guiding Principles for Infrastructure Projects:

- A project should be consistent with a comprehensive plan.
- Any organization seeking funding assistance must have a demonstrated commitment to operation and maintenance of the facility for its design life. This would normally include an institutional structure to levy and collect user fees if necessary, to account for and manage financial resources, and having trained and certified personnel necessary to operate and maintain the facility.



ECONOMIC DEVELOPMENT

In most rural communities, the opportunities for development of the market economy are extremely limited. With this in mind, the Commission's goal is not to make every community individually self-sufficient, but to assist communities in attaining their full potential, and through regional economies of scale, provide for sustainable markets.



Guiding Principles for Economic Development Projects:

- Priority will be given to projects that enhance employment in high unemployment, economically distressed areas of the State, with emphasis on sustainable, long-term local jobs or career opportunities.
- Projects should be consistent with statewide or regional plans, and the Denali Commission Act of 1998.
- The Commission may fund demonstration projects that are not a part of a regional or statewide economic development plan if such projects have significant potential to contribute to economic development.

JOB TRAINING

With the limited number of jobs available in rural Alaska, the Denali Commission believes it is imperative to provide local residents with the training and education needed to be successful in the job market. The Commission will promote training and invest in preparing local residents to assume the jobs created by the construction, operation and maintenance of Denali Commission funded public facilities.

The Commission believes that in order for construction and sustainability of public infrastructure in rural Alaska to be successful we must invest in training local residents.

Guiding Principles for Job Training Projects:

- Training should increase the skills and knowledge of local residents to become employed on jobs created by the Denali Commission's investment in public infrastructure.
- In order to protect the federal investment, training should increase the local capacity to operate and maintain Denali Commission funded public infrastructure.



WORKING TOGETHER TO SOLVE ALASKA'S CHALLENGES