

**2/01/11  
PRESENTATION  
DENALI  
COMMISSION -  
SUSTAINABLE  
RURAL  
DEVELOPMENT**

<TARGET><BILL></BILL><SUBJECT>2-01-11 PRESENTATION  
DENALI COMMISSION - SUSTAINABLE RURAL  
DEVELOPMENT</SUBJECT><COMM>SCRA27</COMM></TARGET>



**Denali Commission**  
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### **Role of the Denali Commission Request for Public Comment**

The Denali Commission is seeking public input and comment on the role of the Commission in the delivery of Federal services, projects and programs to rural Alaska.

We anticipate that public input will come in two forms: written and in-person. The Commission will schedule listening sessions around Alaska between now and April 8, 2011. We will be accepting written comments until April 15, 2011. Written comments can be provided at the address provided in the "header" above, or via fax at the fax number provided above, or via e-mail to: [communications@denali.gov](mailto:communications@denali.gov). Questions can be addressed to either Ms. Karen Johnson (271-3036) or Ms. Monica Armstrong (271-1414).

In just over 10 years, the Denali Commission has leveraged over \$1 billion of federal and other funds to support energy, transportation, health care, education, housing and training in rural Alaska, while the State of Alaska has invested over \$2 billion in infrastructure development in the Denali Commission program areas. Further information about the Commission's work and our current funding climate can be found in the Commission's 2010 annual report which is posted on the Commission's website.

The Denali Commission would like to hear from Alaskans on the following three topics:

1. Why is the Denali Commission important to rural Alaska?
2. What recommendations would you make as to the manner in which the Denali Commission does business?
3. What should the future role / focus of the Denali Commission be in rural Alaska?

The Denali Commission illustrates how the federal and state government, working together, can assist the most remote of Alaskan citizens to help themselves move closer to economic self-sufficiency, while preserving values and improving their health and quality of life. The Denali Commission is committed to meeting the White House rural policy of developing place-based solutions towards this effort.

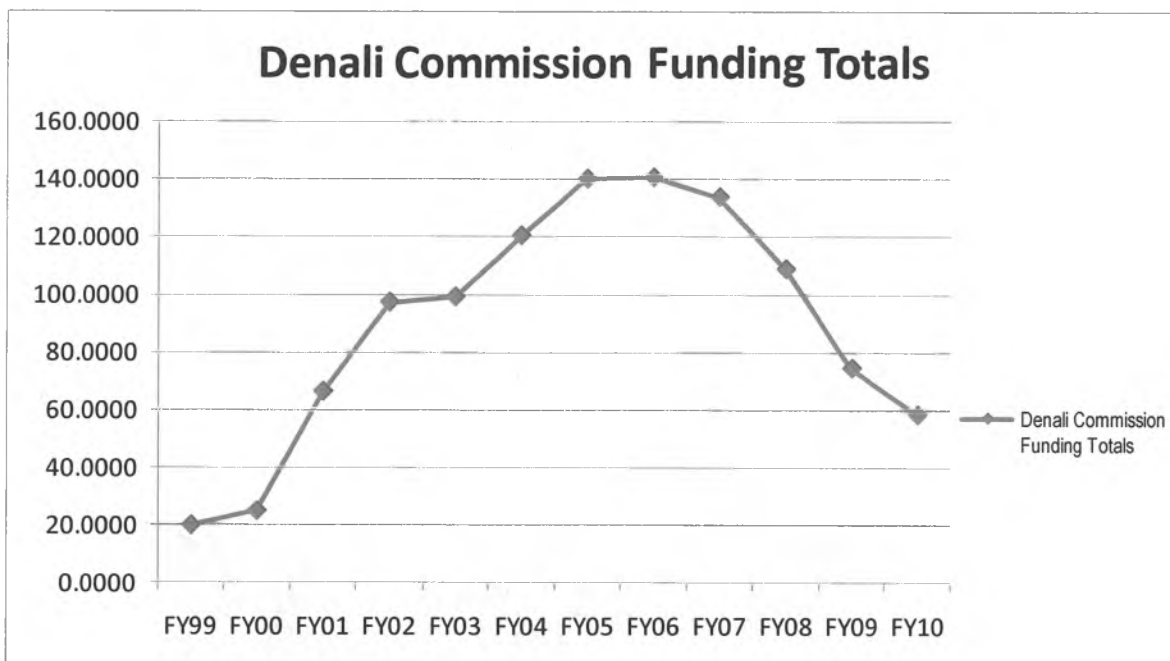
As in the last decade, we value local participation in designing and sustaining vital, rural communities. We hope that you will take the time to guide us on these three very important questions so that the Commission can strategically plan with rural Alaskans for the next ten years.

Joel Neimeyer, Federal Co-Chair  
Karen Rehfeld, State Co-Chair

Vince Beltrami, AFL-CIO, Commissioner  
Loretta Bullard, Alaska Federal of Natives, Commissioner  
Pat Gamble, University of Alaska, Commissioner  
John MacKinnon, Association of General Contractors, Commissioner  
Kathie Wasserman, Alaska Municipal League, Commissioner



- ◆ **\$3 MILLION STATE FUNDING**
  
- ◆ **TRANSPORTATION—FY11 PROJECTS**
  
- ◆ **HEALTH PROGRAM—SUITE OF FOUR PROJECTS**
  
- ◆ **ENERGY PROGRAM—EMERGING TECHNOLOGIES & FY11**
  
- ◆ **SUSTAINABLE RURAL COMMUNITIES**
  
- ◆ **ROLE OF THE DENALI COMMISSION—LISTENING SESSIONS**





Partnerships Make It Happen

2006 - 2010

Commission funding: \$478M  
State of Alaska funding: \$106M  
Leveraged funding: \$461M

Total of 899 Commission projects funded  
State provides Project Management for 412

Collaborative Programming

2005 - 2010

\$4 : \$1

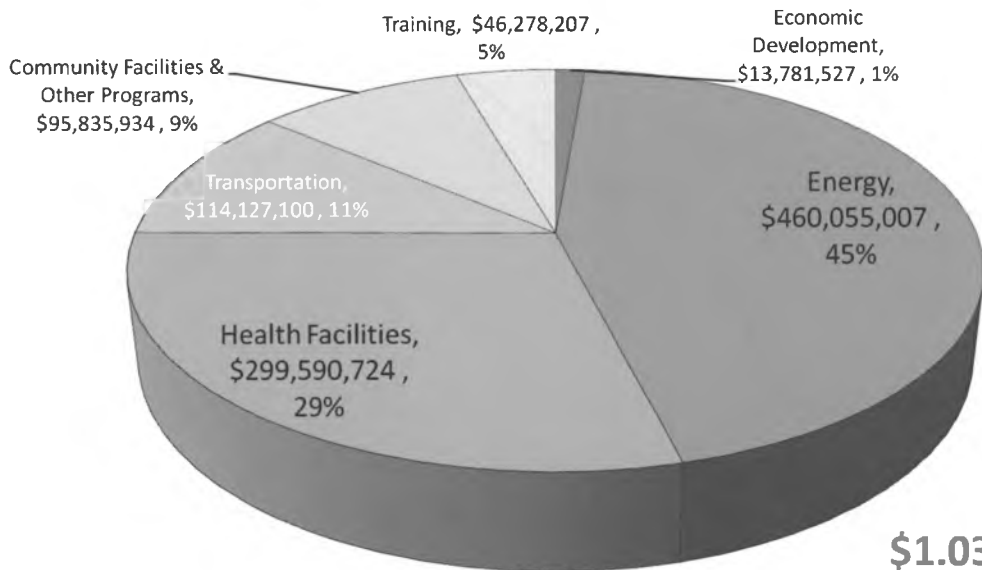
State of Alaska  
\$2.4 Billion

Denali Commission  
\$0.6 Billion

During the time period 2005 – 2010, the State of Alaska appropriated almost \$4 for every \$1 dollar that the Denali Commission contributed towards Alaska’s rural community facilities, economic development, energy, health, training and transportation.

Additionally, from 2006 to 2010 the total amount of Commission projects funded was 899. The State of Alaska participated in directly funding 250 of those projects valued at \$106 million.

FY99 - FY10 Denali Commission Program Funding Uses





**DENALI COMMISSION**

510 'L' Street, Suite 410  
Peterson Tower  
Anchorage, Alaska 99501

**Joel Neimeyer**  
*Federal Co-Chair*

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## DENALI COMMISSION

Sustainable Rural Communities  
Joel Neimeyer, Federal Co-Chair





DENALI COMMISSION



Appalachian  
Regional  
Commission  
1965

Denali  
Commission  
1998

Delta Regional  
Commission

*Authority*



APPALACHIAN  
REGIONAL  
COMMISSION



Regional Commission Model For Government



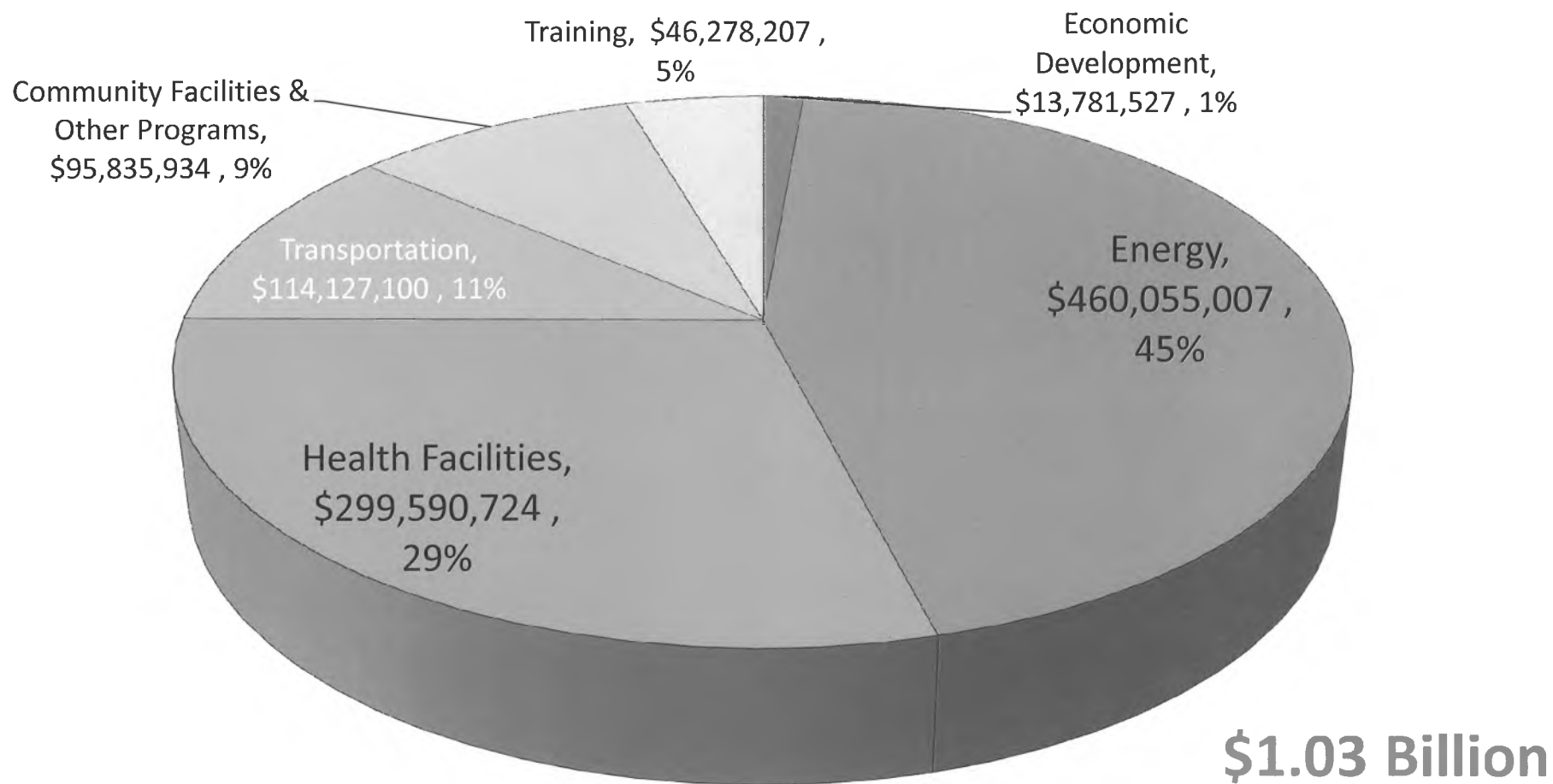
DENALI COMMISSION

- **Denali Commission – An independent Federal Agency**
- **Created in 1998 – Denali Commission Act**
- **Governing Principles:**
  - Small staff
  - Limited overhead costs
  - Numerous program partners
  - Shared resources; common vision
  - Transparency
  - Decisions made in Alaska



DENALI COMMISSION

## FY99 - FY10 Denali Commission Program Funding Uses



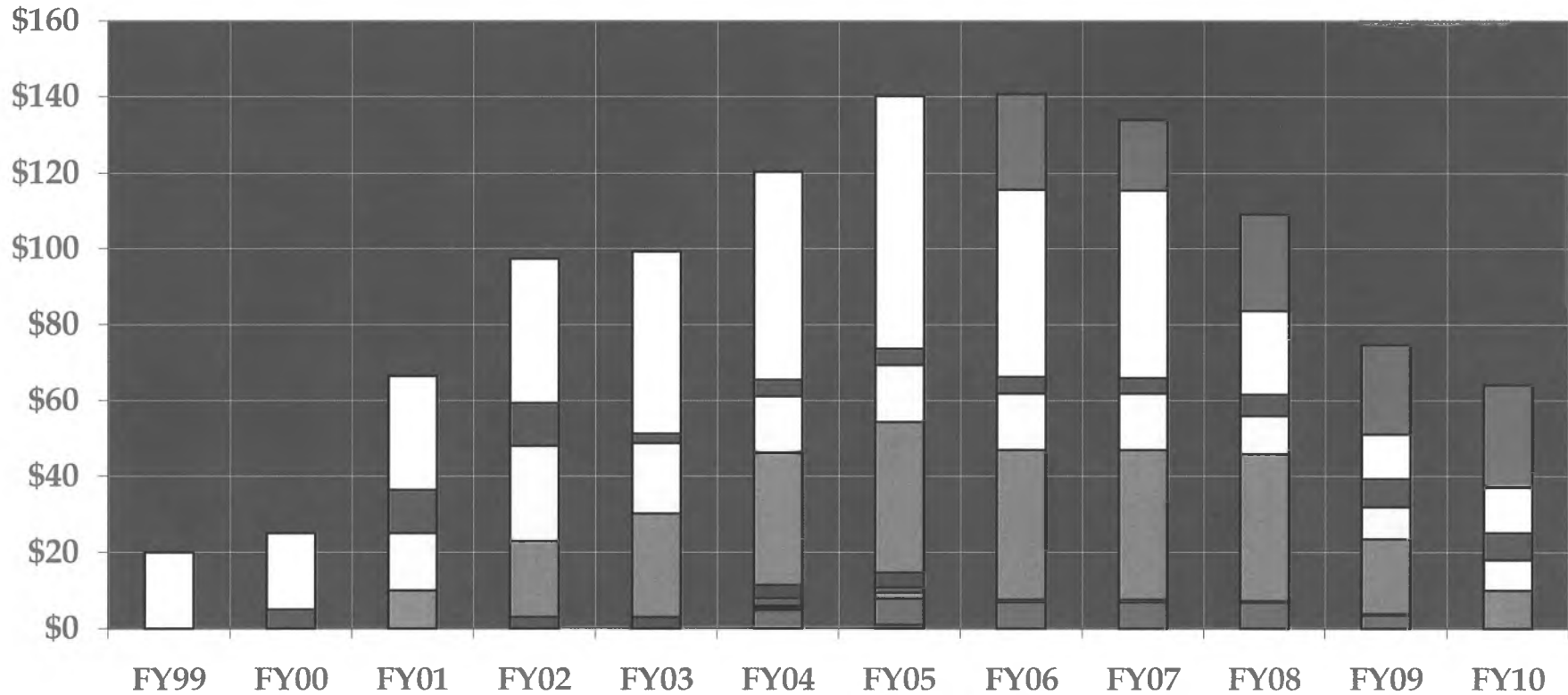


# DENALI COMMISSION



## Denali Commission Funding Sources FY99 - FY10

(in millions)

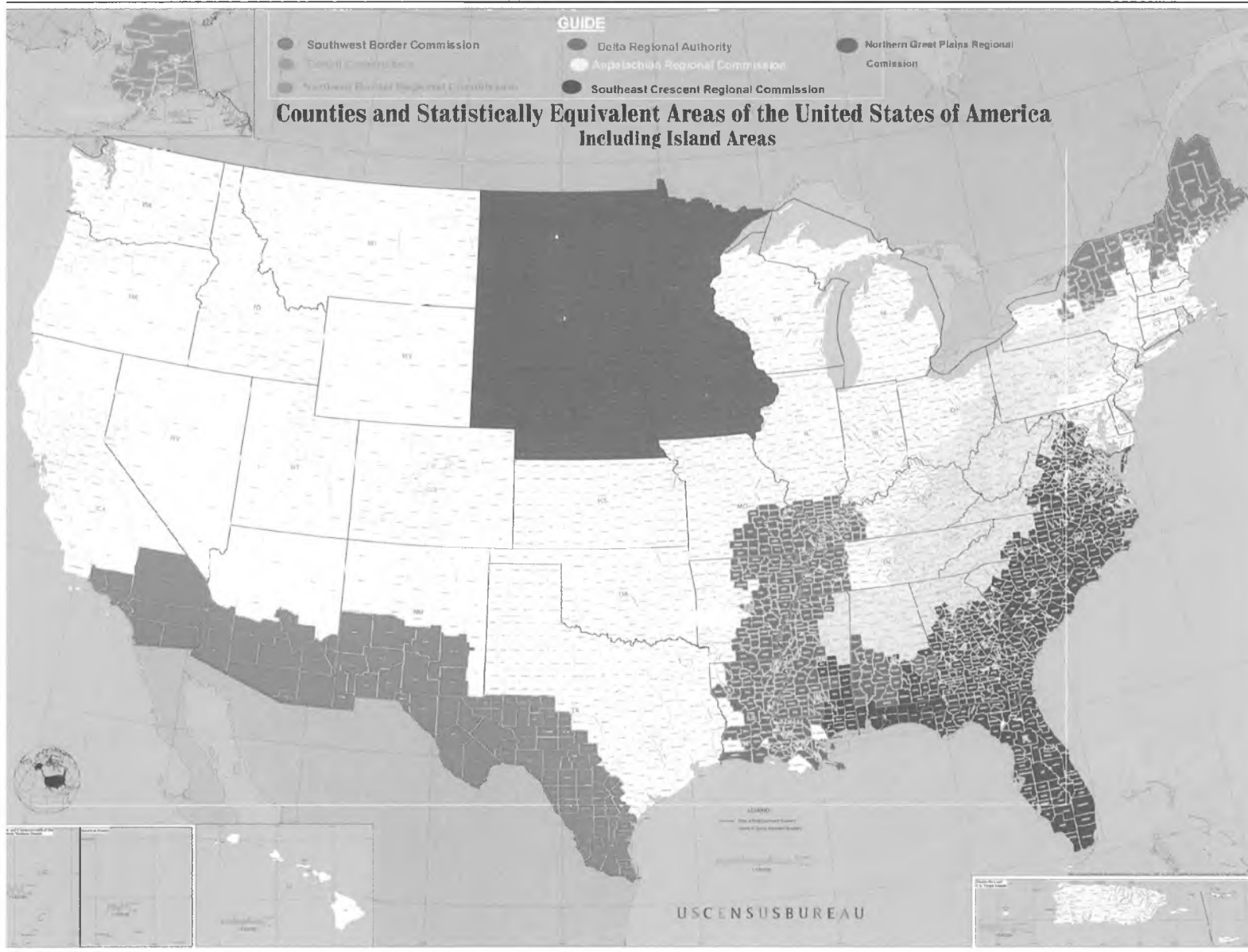


*#1 form*

- Department of Transportation (FTA & FHWA)
- Energy & Water Appropriation
- Trans-Alaska Pipeline Liability Fund
- USDA Rural Utilities Service
- Health & Human Services
- Environmental Protection Agency
- Housing & Urban Development
- USDA Solid Waste
- Department of Labor
- Department of the Interior



# DENALI COMMISSION





DENALI COMMISSION

# Partners

Our Program Partners Include:

### Federal

- FEDERAL HIGHWAY ADMINISTRATION, WESTERN FEDERAL LANDS HIGHWAY DIVISION
- U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE, RURAL DEVELOPMENT AND RURAL UTILITIES SERVICE
- U.S. DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION
  - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
- U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, INDIAN HEALTH SERVICE
  - U.S. DEPARTMENT OF INTERIOR, BUREAU OF INDIAN AFFAIRS
  - U.S. DEPARTMENT OF LABOR

### State

- ALASKA DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
  - ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
  - ALASKA DEPARTMENT OF HEALTH AND SOCIAL SERVICES
- ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
  - ALASKA DEPARTMENT OF PUBLIC SAFETY
- ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
  - ALASKA ENERGY AUTHORITY
  - ALASKA HOUSING FINANCE CORPORATION
  - ALASKA MENTAL HEALTH TRUST AUTHORITY
  - ALASKA STATE LEGISLATURE
  - UNIVERSITY OF ALASKA

### Other

- ALASKA FEDERATION OF NATIVES
  - ALASKA GROWTH CAPITAL
  - ALASKA MUNICIPAL LEAGUE
- ALASKA NATIVE TRIBAL HEALTH CONSORTIUM
  - ALASKA PUBLIC BROADCASTING, INC.
- ALASKA REGIONAL FOR-PROFIT CORPORATIONS
  - ALASKA REGIONAL HEALTH BOARDS
- ALASKA REGIONAL NON-PROFIT CORPORATIONS
  - ALASKA REGIONAL HOUSING AUTHORITIES
  - ALASKA VILLAGE ELECTRIC COOPERATIVE
- ASSOCIATED GENERAL CONTRACTORS OF ALASKA
  - FIRST ALASKANS INSTITUTE
  - RASMUSON FOUNDATION
- RURAL ALASKA COMMUNITY ACTION PROGRAM, INC.



## Indian Health Service

The Federal Health Program for American Indians and Alaska Natives





DENALI COMMISSION

# Partnerships Make It Happen

2006 - 2010

Commission funding: \$478M  
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DENALI COMMISSION

# Collaborative Programming

2005 - 2010

**\$4 : \$1**

State of Alaska  
\$2.4 Billion

Denali Commission  
\$0.6 Billion



DENALI COMMISSION

# Denali Commission Programs

- Energy Program
- Health Facilities Program
- Transportation Program
- Training Program
- Government Coordination



DENALI COMMISSION

# Energy Program





DENALI COMMISSION



# Health Program





DENALI COMMISSION



# Transportation Program



DENALI COMMISSION

# Training Program





DENALI COMMISSION

# Legislative/Commission Discussion Points

- \$3 Million State Funding
- Transportation Program – FY11 Projects
- Health Program – Suite of Four projects
- Energy Program – Emerging Technologies & FY11
- Sustainable Rural Communities
- Role of the Denali Commission – Listening Sessions



# State \$3 Million Partnership Grant

- Completion Funding for 7 Proposed Power Generation Projects:

Angoon \$300K

Hoonah \$470K

Igiugig \$150K

Karluk \$60K

McGrath \$200K

Pelican \$300K

Yakutat \$160K

Total, \$1.64M

*Communities*

- Mooring Projects (up to 17 communities)
- 20% Match Funding (\$1.36M) to Federal Funding (\$7M)

Akiachak, Goodnews Bay, Kongiganak, Napaskiak, Upper Kalskag, Crooked Creek, Lower Kalskag, Buckland, Fort Yukon, Galena, Kiana, Noorvik, Nulato, Savoonga, Stevens Village, Tanana, and White Mountain

*111*



DENALI COMMISSION



US Army Corps  
of Engineers  
Alaska District

ALASKA BARGE LANDING  
SYSTEM DESIGN  
STATEWIDE  
PHASE 1

Various Locations, Alaska

FINAL REPORT



JANUARY 2009

# Barge Landings & Mooring Designs



DENALI COMMISSION

# Chevak Mooring





DENALI COMMISSION

# FFY 11 Transportation Program

<u>Funding Type</u>	<u>Amount</u>	<u>Match</u>
Waterfront	\$12.4 Million	Secured
Roads	\$14.2 Million	\$500K Needed
Waterfront or Roads	\$3.9 Million	Secured



DENALI COMMISSION

# Health Program and State Legislative Changes

Suite of Four Behavioral Health projects: (no new funding)

- Yukon-Kuskokwim Elder Assisted Living Facility
- Tundra Women's Coalition
- Nugen's Ranch
- Seeds of Change

Working with State OMB, A-DHSS and Alaska Mental Health Trust Authority



DENALI COMMISSION

## Energy Program & proposed Federal Cost Share Requirements

FFY11 President's budget proposes cost share match to the Commission's base budget:

- 20% economically distressed communities
- 50% non-distressed communities
- Range of match needed: \$4.5M to \$15M
- Should know by March 2011 (CR is the key)



DENALI COMMISSION

# Government Coordination

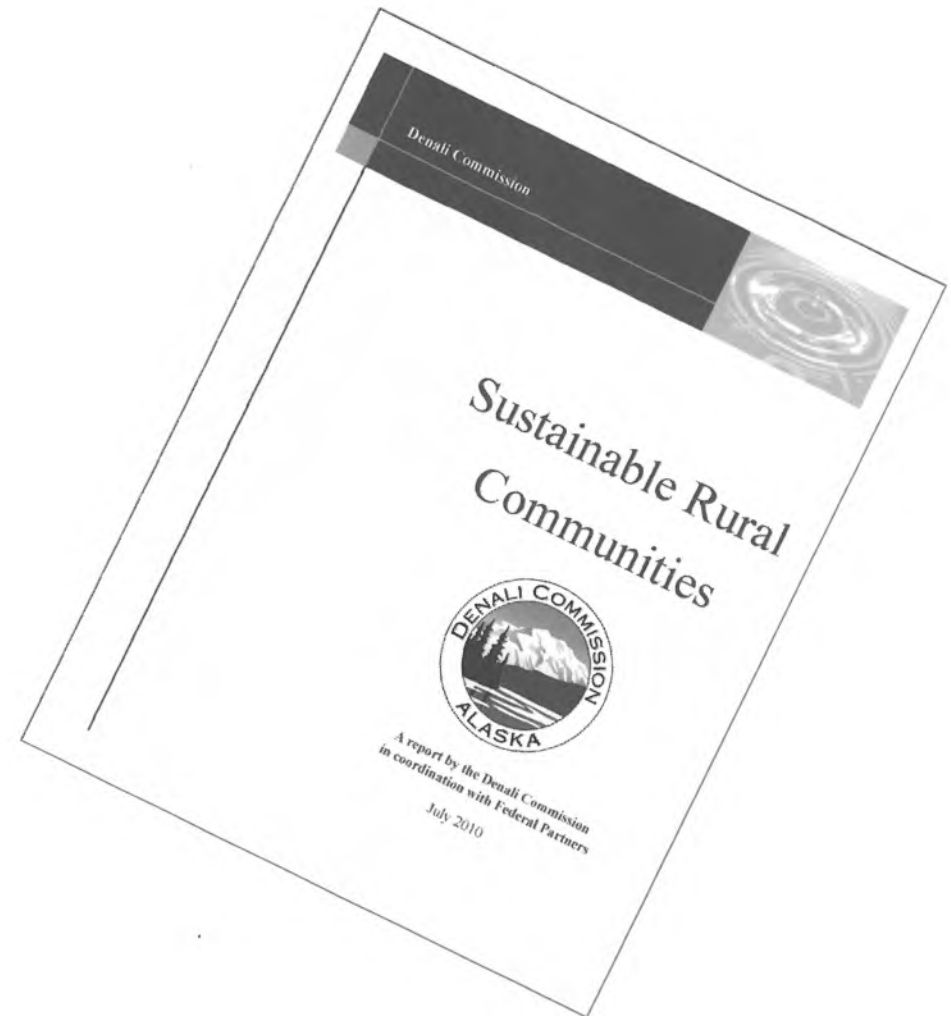




DENALI COMMISSION

# Sustainable Rural Communities

- Phase I – Sustainable Rural Communities report by federal partners.





DENALI COMMISSION

# Findings

- Lead Agency
- Focus on Community
- Solutions in Partnership at the Federal Level
- Regional Approach



DENALI COMMISSION

# Sustainable Rural Communities

- Phase II – Public Comment





DENALI COMMISSION

# Sustainable Rural Communities

- Phase III –  
Supplemental  
Report





DENALI COMMISSION

# Listening Sessions

- What is the Commission doing right?
- What are we not doing?
- How can we improve?
  
- Nome  
February 23, 2011
- Bethel (pending)  
March 8, 2011
- Anchorage (pending)  
March 2, 2011





DENALI COMMISSION



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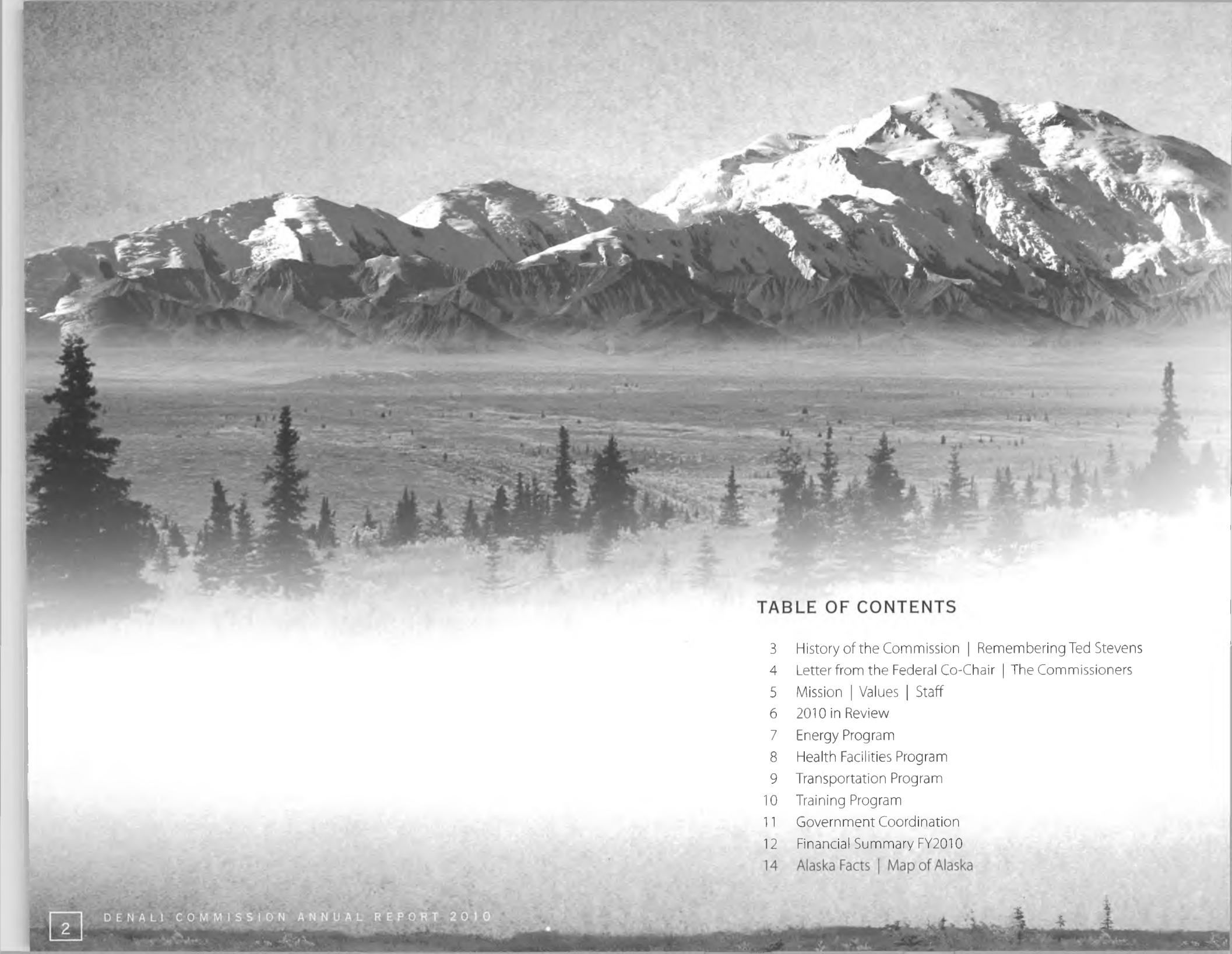


ANNUAL REPORT 2010



THE JOURNEY CONTINUES : THE NEXT DECADE OF THE DENALI COMMISSION





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## HISTORY OF THE COMMISSION

Denali Commission (Commission) is an innovative independent federal-state partnership designed to provide critical utilities, infrastructure and support for economic development in Alaska by delivering federal services in the most cost-effective manner possible.

The Commission was created to find solutions, both immediate and long-term, to the inequities between rural Alaska and the rest of America. Initially, the Commission's primary objective was to provide reliable power and healthcare to every community while securing contamination threats to the environment.

Since inception in 1998, the Commission has been extraordinarily effective at accelerating the delivery of badly needed infrastructure projects. The Commission is widely regarded as efficient and necessary by the people in rural Alaska and by private sector and government partners.

The Commission has a lengthy history that demonstrates the agency's ability to not only respond to critical infrastructure needs, but also provide innovative solutions that work in rural Alaskan environments. Examples include the installation of efficient and reliable generators and switchgear equipment that power schools, homes and healthcare facilities. The Commission has replaced or repaired fuel storage facilities so they have appropriate, code compliant capacity. The Commission's work in the Health Facilities Program has enabled communities to design and construct clinics throughout the entire state and has made an enormous impact in the lives and health of rural Alaskans. The Commission has built roads and provided harbor access for rural communities which serve as the essential lifeblood of a thriving community. To help ensure that these projects are sustainable, the Commission has initiated job training and economic development projects to complement its investment in infrastructure.

We invite you, in the following pages, to see the past work of the Commission and reflect on a government agency that is making dramatic progress in the nation's least developed area. The Denali Commission is a model of effective, innovative government. In these pages, witness our vision for a better Alaska, and a stronger America.

Denali Commission Act - (Title III of Public Law 105-277, 42 USC 3121)



In Memory of  
Senator Ted Stevens  
1923 – 2010

*"My future is in God's hands. The future of Alaska, however, is in your hands."*

In 1998 Senator Ted Stevens focused national attention on the immense infrastructure and economic challenges faced by rural Alaskan communities when he authored the Denali Commission Act. The Act became law on October 21, 1998. The Denali Commission, with its unique scope and breadth of services, has helped change the face of rural Alaska.



**JOEL NEIMEYER**  
Federal Co-Chair, Denali Commission

## THE JOURNEY CONTINUES: THE NEXT DECADE OF THE DENALI COMMISSION

Change is upon us at the Denali Commission (Commission) as we embark on our second decade of critical infrastructure development in Alaska. For twelve years the Commission has administered over \$1 billion dollars in basic infrastructure, training, and economic development projects in Alaska's remote communities. The Commission's funding, along with all the leveraged funding from other program partners, has improved the standard of living across the state and has provided rural residents with access to fundamental facilities and opportunities that many urban residents take for granted. Over these past twelve years, the Commission has:

- Completed 97 code compliant bulk fuel tank farms and 55 rural power system upgrades in rural Alaska communities.
- With numerous partners, including the State of Alaska, we are engaged in the development and construction of alternative and renewable energy projects, including wind turbines, hydro, geothermal and biomass.
- Completed 114 clinics with an additional 11 clinics currently under construction. The Commission has 27 health facility projects that are in the conceptual planning or design phases.
- Completed 33 road projects and 42 waterfront development projects. Eighty-two road and waterfront development projects are currently in the planning, design or construction phase.
- Partnered with numerous agencies, including the State of Alaska, and leveraged millions of dollars. Since 2006, for example, the Commission's \$478 million in program dollars were matched by the State of Alaska with \$106 million and an additional \$460 million from other funding sources.

The Commission is in its next decade and its next phase of growth. While we have accomplished much in our first decade, we recognize there are many rural communities still waiting for code compliant bulk fuel tank farms, roads, small boat harbors, clinics and training opportunities.

Although our funding has decreased in the past four years, the relevance and necessity of the Commission is clear. The need for partnerships, leveraging of dollars and collaboration are all the more apparent in this economy. This is the very foundation the Denali Commission was built upon years ago and it will be the foundation of our future efforts as we adjust in these changing times. This coming year the Commission will look at reauthorization opportunities, review organizational restructuring models and work to continue the necessary project development activities in which we have excelled for over a decade. We are excited about our future prospects and our future course as we work with program partners on rural development issues.

I am proud to share this annual report which showcases the work of the Commission in FY2010. The next decade holds challenges for the agency which will highlight our strengths and adaptability as we continue to serve Alaska.

Joel Neimeyer  
Federal Co-Chair

## COMMISSIONERS

The Denali Commission Act teams seven leading Alaska policy makers together. Commissioners meet at least twice a year to develop and monitor an annual work plan that guides the Commission's activities. Commissioners draw upon community-based comprehensive plans as well as comments from individuals, organizations, partners and staff to guide funding decisions. This approach helps provide basic services in the most cost-effective manner by moving the problem solving resources closer to the people best able to implement solutions.

**JOEL NEIMEYER**  
Federal Co-Chair  
Denali Commission

**KAREN REHFELD**  
State Co-Chair  
Director of the Office of Management & Budget, State of Alaska

**VINCE BELTRAMI**  
Executive President, Alaska AFL-CIO

**LORETTA BULLARD**  
Director, Alaska Federation of Natives

**PATRICK K. GAMBLE**  
President, University of Alaska

**JOHN MACKINNON**  
Executive Director  
Associated General Contractors of Alaska

**KATHIE WASSERMAN**  
Executive Director, Alaska Municipal League

## MISSION

The Denali Commission works with partners to develop basic public infrastructure, opportunity, and quality of life in Alaska communities.

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## 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.

### INCLUSIVE

The Commission will provide the opportunity for all interested parties to participate in decision making and will 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. Priority will be generally given to projects with substantial cost sharing.

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## STAFF

### MONICA ARMSTRONG

Operations Administrator

### KATHY BERZANSKE

Program Manager, Teacher Housing &  
Deputy Program Manager, Health Facilities Program

### DENALI DANIELS

Senior Program Manager, Energy Program

### TESSA DELONG

Director of Programs

### CORRINE EILO

Director of Administration

### JODI FONDY

Deputy Program Manager, Energy Program

### JAMILIA GEORGE

State Co-Chair's Representative

### JANET HALL

Program Manager, Community Planning  
(Detail from RurAL CAP)

### SABRINA HOPPAS

Assistant to the Federal Co-Chair

### KAREN JOHNSON

Program Manager, Training Program

### LINDSEY JOLLY

Finance Specialist

### GENE KANE

Program Manager, Solid Waste Program  
(Detail from USDA-Rural Development)

### SHARON GUENTHER LIND

Program Manager, Government Coordination  
& Public Information Officer

### MIKE MARSH

Inspector General

### NANCY MERRIMAN

Senior Program Manager, Health Facilities Program

### JOEL NEIMEYER

Federal Co-Chair

### BOB PAWLOWSKI

Legislative Liaison  
(Detail from The Alaska Legislature)

### JENNIFER PRICE

Finance Administrator

### ADISON SMITH

Program Assistant

### PAYTON SNIDER

Information and Technology Administrator

### BETTY SORENSEN

Grants Administrator

## 2010 IN REVIEW



### OVERVIEW OF THE DENALI COMMISSION

Modeled after the Appalachian Regional Commission, Congress created the Denali Commission twelve years ago with a vision to deliver the services of the federal government in the most cost-effective manner, provide job training and other economic development services in rural Alaska communities and promote rural development by meeting basic infrastructure needs. This small, independent federal agency is charged to move quickly to tackle systemic issues of rural development by listening to rural Alaskan's concerns, and working with the State of Alaska, local communities and tribes to build basic community infrastructure and sustain rural economies.

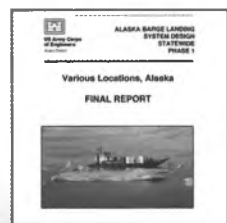
The Denali Commission's infrastructure projects throughout the state proceed in an efficient, transparent manner with the involvement of the people they serve. Over 2,100 projects have been funded by the Denali Commission in nearly every Alaskan community in numerous program areas.



### DENALI COMMISSION ADVISORY COMMITTEES

The Denali Commission has used an Advisory Committee model to review and update policies, guide the Commission, and provide more robust program outcomes. These committees have formed and developed over the years and continue to play a critical role in advising Commissioners, the Federal and State Co-Chairs and program staff.

- Health Steering Committee / 1999
- Transportation Advisory Committee / 2006
- Economic Development Advisory Committee / 2007
- Energy Advisory Committee / 2007
- Training Advisory Committee / 2007
- Federal Financial Management Advisory Committee / 2007



### BARGE LANDING STUDY COMPLETED

The Denali Commission completed the 2009 Barge Landing Study (BLS) with the help of the U.S. Army Corps of Engineers. The BLS will provide rural communities, barge operators, and state as well as federal agencies with a catalog of existing barge landing facilities, and an improvement needs list by community. The catalog also provides users with potential design solutions that can address basic infrastructure needs.



Secretary of Commerce Gary Locke (L) with Joel Neimeyer, Federal Co-Chair.

### NEW FEDERAL CO-CHAIR IN 2010

Joel Neimeyer became the first Alaska Native Federal Co-Chair at the Denali Commission on January 2010. "I'm excited to be a part of the Commission's next decade. This new decade brings new challenges and I look forward to being a part of this dynamic organization", stated Neimeyer.



### RIGHTSIZING CLINICS IN RURAL ALASKA

As energy and construction costs have risen over time, it became apparent that the smallest of the Denali Commission health clinic prototypes was not "right-sized" for communities in Alaska with fewer than 100 residents. The partners of the Health Program are meeting this challenge through the development of new prototype clinic designs that are less than 1,000 square feet in size. The new designs can accommodate energy efficiencies and alternative energy methods as they become proven and cost-effective for rural Alaska. The first pilot of the small clinic design will be deployed in the spring of 2011.



### DENALI COMMISSION'S 100TH CLINIC PROJECT

The Dahl Memorial Clinic in Skagway marked the completion of the Denali Commission's 100th clinic project in June 2010. At the close of FY10 the Denali Commission has contributed to the construction of 114 clinics statewide. See more on the Skagway project on the Health Facilities Program page.



### FINANCE LINE OF BUSINESS

The Commission has worked diligently to improve and enhance our program delivery internally. On October 1, 2009 the Commission implemented the Financial Line of Business through the Administrative Resource Center, Bureau of Public Debt, U.S. Treasury. This significant change has enhanced controls over financial reporting and provided Federal Managers' Financial Integrity Act compliance. Implementation of these types of important procedures enhances the Commission's program delivery and strengthens Commission grants management practices.

## ENERGY PROGRAM

The Denali Commission's Energy Program began in 1999. The primary goals of this program are to address environmental compliance issues while also improving energy efficiency, decreasing diesel consumption, and exploring alternative-renewable options. Projects for bulk fuel tank construction and rural power system upgrades (RPSU) are identified from statewide deficiency lists. The Commission continues to comply with the Administration's initiative to reduce dependence on foreign oil by investigating renewable energy projects across Alaska such as wind, hydro, geothermal and emerging technologies. Specifically, the area of emerging technologies is a priority for the Commission.

### TOTAL PROGRAM FUNDING USES FY1999 - 2010



### PROJECTS FUNDED

- Bulk Fuel Storage
- Community Power Generation and Rural Power System Upgrades
- Energy Cost Reduction Projects
- Renewable, Alternative, and Emerging Energy Technologies
- Power Line Interties

### PROGRAM STAFF

Denali Daniels *Senior Program Manager*  
Jodi Fondy *Deputy Program Manager*

## EAGLE HYDROKINETIC TURBINE PROJECT



The Commission provided funding to the Alaska Power and Telephone Company (APT) for a demonstration project in Eagle, Alaska. The hydrokinetic in-river turbine mirrors fish wheels used by villagers to harvest salmon, but instead captures natural energy produced by the majestic Yukon River. The turbine's four blunt-edged blades are suspended by an anchored pontoon barge and spins at a rate of just 22 revolutions per minute. Energy is transferred to a power line beneath the river floor onto shore where the electricity is distributed to the power grid for the community.

In the summer of 2010, the turbine produced 15 to 17 kilowatts which could supply about a quarter of Eagle's electricity needs. Efforts are underway to address potential impacts on fish, (which, so far, are thought to be minimal), managing debris during times of heavy rain fall and inoperability during winter months when the river is frozen.

Alternative and renewable energy continues to be a priority for the Commission in addressing the challenges of small remote communities off the electrical grid and road systems.

## KWETHLUK RURAL POWER SYSTEM UPGRADE



The Commission, in partnership with the State of Alaska, Alaska Energy Authority (AEA), funded a new power plant in Kwethluk, Alaska. The community of nearly 800 residents lies at the junction of the Kuskokwim and Kwethluk Rivers in western Alaska and is accessible by air year round and by barge or boat during the summer months. The new power plant includes three energy efficient generators, a control panel with automatic load sensing and paralleling capabilities to ensure the most efficient combination of generation is utilized, heat recovery to the high school, and remote monitoring to allow trouble shooting from AEA's office in Anchorage. The new power plant was completed and brought on line in February 2010 and immediately achieved over 12% efficiencies, which equated to a savings of nearly 6,000 gallons of diesel between February and June 2010. In addition, it is estimated that the school district will save 12,000 gallons of diesel through use of the heat recovery system, which will eliminate approximately 134 tons of CO<sub>2</sub> emissions, in 2010.

## HEALTH FACILITIES PROGRAM

The Health Facilities Program is a collaborative effort which methodically invests in regional networks of primary care clinics across Alaska. In addition to clinic design and construction, the program has expanded to support infrastructure needs in behavioral health, dental care, domestic violence facilities, elder housing, primary care in hospitals, emergency medical services equipment and hospital designs.

Since the inception of this program, the Denali Commission has made a monumental impact in the lives and health of rural Alaskans by contributing to the conceptual planning, business planning and design and construction of needed health facilities throughout the state.

### TOTAL PROGRAM FUNDING USES FY1999 - 2010



### PROJECTS FUNDED

Primary Care Facilities  
Behavioral Health Facilities  
Elder Housing/Assisted Living Facilities  
Primary Care in Hospitals

### PROGRAM STAFF

Nancy Merriman *Senior Program Manager*  
Kathy Berzanske *Deputy Program Manager*

### THE NEW AKHIOK CLINIC



Collaboration led by the Kodiak Area Native Association (KANA) brought the Akhiok clinic to completion in September 2009. KANA collaborated with the City of Akhiok, the Akhiok Tribal Council, the Denali Commission, the Alaska Native Tribal Health Consortium and the Indian Health Service to bring this 1,500 square foot clinic to completion in a year's time. The previous clinic was located in a two-bedroom home not adequately equipped for medical care delivery. Rightsizing clinics for smaller communities in rural Alaska is a priority of the Denali Commission Health Facilities Program.

### SKAGWAY CLINIC



Many years ago E.A. and Jenny Rasmuson spied a special site in Skagway they knew would be perfect for a future health facility. That vision became a reality in June 2010, when the health center was opened. This striking state-of-the-art health clinic is a 14,531 square foot facility and includes nine exam rooms, three urgent care rooms, space for physical therapy, audiometry, and optometry, lab, x-ray and three dental operatories. Partnerships made this a successful project – with the in-kind and funding support of Rasmuson Foundation, the City of Skagway, the State of Alaska, and the Denali Commission.

## TRANSPORTATION PROGRAM

The Denali Commission Transportation Program began in 2005. This program focuses on basic road improvement needs and waterfront development connecting rural Alaskans through roads and critical waterways. The road program targets basic road improvement needs. It also looks at opportunities to connect rural communities to one another and the state highway system, and ways to enhance rural economic development. The waterfront development program addresses port, harbor and other waterfront needs for rural communities. The emerging focus areas are improvements to regional ports, and construction of barge landings and docking facilities.

### TOTAL PROGRAM FUNDING USES FY1999 - 2010



### PROJECTS FUNDED

Local Roads and Boardwalks  
ATV Roads  
Community Connection and Economic Development Roads  
Regional Ports and Local Small Boat Harbors  
Barge Landings

### PROGRAM STAFF

Tessa DeLong *Senior Program Manager*  
Adison Smith *Program Assistant*

### GULKANA COMMUNITY ROADS RECONSTRUCTION



The Gulkana road project is a long awaited project that reconstructs the main road into and through the village of Gulkana. In 2006, the Denali Commission partnered with the Native Village of Gulkana on this early Transportation Program project.

During the design phase of the project, it became clear that water and sewer utilities bedded in the roadway were failing. Rather than proceed with the road construction as scheduled in 2008, the Commission, the Bureau of Indian Affairs and the Native Village of Gulkana agreed to put the road project in abeyance so the community could seek utility reconstruction funds to include in an overall repair project. In 2009, USDA, Rural Utilities approved a water-sewer reconstruction project and provided funding.

This combination of funds and construction phases improves overall costs to both components of work and preempted the possibility of a water-sewer project tearing up a recently reconstructed road.

### CHEVAK BARGE LANDING MOORING POINTS



Mooring points provide safe and secure anchorage for boats and barges. The necessity for mooring points in rural Alaska is prevalent and of great concern to the Advisory Committee of the Transportation Program.

In many communities, barges are held against the coast shoreline or river banks by tugs under power while transfers are completed. Transfers under these conditions create near shore environmental impacts and create safety challenges for tug and barge workers and shore-side employees.

The Chevak mooring points project is a prototype installation of a new mooring system for rural Alaska communities that is the result of two years of investigations into barge operation needs throughout western and Arctic Alaska. Safe and efficient transfer of fuel and freight in rural communities is the end goal of this important project.

## TRAINING PROGRAM

The Denali Commission has established a high performing workforce in rural Alaska focused on jobs and careers in construction, energy and health care. The Commission's alignment of infrastructure development and workforce development has created hundreds of construction and allied health jobs in communities where unemployment is at critical levels. A State of Alaska Department of Labor Research and Analysis report on the Commission's Training Program shows that training has increased wages of program participants by a staggering 64.4% and shows a 12.1% increase in employment.

As the Commission funds projects for new clinics, roads, and power plants, it also builds sustainability into those projects by providing training for local residents to maintain and operate the new facilities.

### TOTAL PROGRAM FUNDING USES FY1999 - 2010

4.5%

TRAINING

#### PROJECTS FUNDED

Allied Health Professions  
Construction Trades  
Facility Operations and Maintenance  
Administration of Public Infrastructure

#### PROGRAM STAFF

Karen Johnson *Program Manager*

### ALLIED HEALTH PROFESSIONS



Alaska Natives have a much higher risk of suffering from dental problems. This, in part, is due to the lack of dental health services in many rural areas of Alaska. In 2000, the Commission began integrating dental suites into many of its newly constructed health facilities which provided dedicated dental space for the first time ever. Soon after, the Commission joined other funders and regional Native health corporations to support the Alaska Dental Health Aide Therapist program (DHAT). Since 2007, DHAT has had 17 graduates who have become the designated Dental Health Aide Therapists in their home towns, providing much needed dental services including preventative care and education.

### DISTANCE EDUCATION FOR RURAL ALASKANS



A young mother working in the Bethel Hospital enrolled in the University of Alaska's Limited Radiography Program; a program made available through distance learning by a Denali Commission funded initiative. This learning method allowed her to stay home in Bethel, continue working and taking care of her family. It was just a few years ago that students could only develop these skills by gaining admission into a two-year degree program in Anchorage. Now Nina Menegak could participate, even though hundreds of miles separated her from her instructors in Anchorage. Nina completed the four-course Radiology Occupational Endorsement program and the area hospital put her new skills to work. Nina's success in these courses led her to recognize her own capabilities. She gradually tackled other college courses, successfully completing the distance-delivered AAS Radiography Program while remaining in Bethel, one of the University of Alaska Anchorage's clinical sites.

## GOVERNMENT COORDINATION

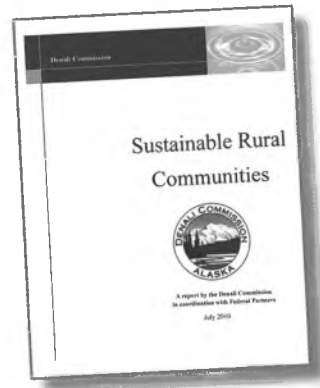


The Denali Commission (Commission) is charged with the special role of increasing government effectiveness. The Commission does so by acting as a catalyst and strategic partner for many federal and state programs in Alaska. The Commission joined others in a Memorandum of Understanding (MOU) that outlines the roles of agencies in coordinating resources and efforts in areas such as community planning, sustainability, data sharing and coordination of pre-construction activities. This MOU served as the basis for creating several multi-agency workgroups and cooperative projects that have increased overall government effectiveness. The MOU was amended in 2003 with increased participation from both state and federal partners and renewed once again in 2008. This renewed effort focuses efforts on improving the channels of communications among the leaders of all federal and state agencies with an emphasis on critical issues that affect the entire state of Alaska: the high cost of energy, outmigration, and coordination of efforts among all government agencies.

## SUSTAINABLE RURAL COMMUNITIES PROJECT

The Commission plays a key role in coordinating the myriad of federal, state and tribal programs that affect rural Alaska. Through senior leadership forums, workgroups and advisory committees, we work effectively to leverage dollars, produce meaningful outcomes, and deliver innovative and sustainable projects.

As a convener and coordinator, in 2010 the Commission developed and published the Sustainable Rural Communities report.



Phase I of this project involved gathering the federal partners together to collaborate on the development of the Sustainable Rural Communities report. This document takes a hard look at the barriers to developing and maintaining sustainable rural communities, as defined by the federal partners and, in some cases, offers possible solutions to those barriers.

Phase II of this project involves input and comments from our partners and the public at-large. After comments are compiled, an addendum to the already informative document, is set to be completed by the end of 2010.

Phase III of this project begins the actual implementation of the proposed efforts outlined in the report, efforts like the Regional Forum concept. The goal of this overall effort is collaborative transparency and improved government effectiveness. Watch our website as this project unfolds.

FINANCIAL SUMMARY

At any given time Denali Commission staff and partners are engaged with several hundred grants and/or projects in various stages of planning, design and construction. Program partners range from large line agencies to small village-level organizations. The ability to deliver timely, sustainable projects with the right level and type of oversight and guidance, while also being nimble and agile, requires constant attention. Commission leadership emphasizes the paramount importance of public integrity, transparency and accountability. The Commission maintains an aggressive staff training program and uses the latest in grant processing technology through the U.S. Department of Health and Human Services. During 2010 staff received training from the Office of Management & Budget, U.S. Department of Health and Human Services and the Government Accountability Office. To keep staff size at an optimum level, the Commission contracts with other federal "lines of business" at the U.S. Department of the Treasury, Bureau of Public Debt to provide services in the areas of finance, human resources, procurement and travel. In addition, for the advancement of governmental accountability, the Commission relies on a network of federal experts through its Federal Financial Management Advisory Committee, which include members from U.S. Treasury, Office of Management and Budget and the Association of Government Accountants.

FUNDING SOURCES FY2010

Energy & Water Development Bill .....	\$ 11,965,000
Trans-Alaska Pipeline Liability Fund (TAPL) .....	\$ 7,142,869
USDA Rural Utilities Service Funds.....	\$ 8,000,000
U.S. Department of Health & Human Services Funds.....	\$ 10,000,000
Federal Transit Administration.....	\$ 5,000,000
U.S. Department of Transportation (Obligating Authority).....	\$ 16,337,855
<b>Total.....</b>	<b>\$ 58,445,724</b>

FUNDING USES

Energy Program.....	\$24,430,725
Health Facilities Program .....	\$9,500,000
Transportation Program .....	\$20,270,962
Training Program .....	\$1,000,000
<b>Total.....</b>	<b>\$55,201,687</b>

# FY1999 - 2010

## FUNDING SOURCES (TOTAL FUNDING IN MILLIONS)

	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
	\$20.0	\$25.0	\$66.4	\$97.3	\$99.2	\$120.5	\$140.1	\$140.6	\$133.8	\$108.9	\$74.5	\$58.4
U.S. Department of Labor						\$5.0	\$6.9	\$6.9	\$6.9	\$6.8	\$3.4	
U.S. Department of the Interior							\$1.0					
U.S. Department of Transportation (FTA & FHWA)								\$25.0	\$18.4	\$25.5	\$23.5	\$21.3
Energy & Water Appropriation	\$20.0	\$20.0	\$30.0	\$38.0	\$48.0	\$55.0	\$66.5	\$49.5	\$49.5	\$21.8	\$11.8	\$12.0
U.S. Environmental Protection Agency				\$3.0	\$3.0	\$3.5	\$4.0					
U.S. Department of Health & Human Services			\$10.0	\$19.9	\$27.2	\$34.7	\$39.5	\$39.3	\$39.3	\$38.6	\$19.6	\$10.0
U.S. Department of Housing & Urban Development						\$2.0	\$1.3					
USDA Rural Utilities Service			\$15.0	\$25.0	\$18.5	\$15.0	\$15.0	\$15.0	\$15.0	\$10.0	\$8.5	\$8.0
USDA Solid Waste						\$1.0	\$1.5	\$0.7	\$0.7	\$0.4	\$0.4	
Trans-Alaska Pipeline Liability Fund		\$5.0	\$11.4	\$11.4	\$2.5	\$4.3	\$4.4	\$4.2	\$4.0	\$5.8	\$7.3	\$7.1

## FUNDING USES

	Total	FY1999 - 2010
Total.....	\$1,029,668,499	
Community Facilities and Other Programs.....	\$95,835,934	9.3%
Economic Development Program.....	\$13,781,527	1.3%
Energy Program.....	\$460,055,007	44.7%
Health Facilities Program.....	\$299,590,724	29.1%
Training Program.....	\$46,278,207	4.5%
Transportation Program.....	\$114,127,100	11.1%

# ALASKA'S UNIQUE CHARACTERISTICS

Alaska supports one of the most productive commercial fishing economies in the world. Forty-two percent of the world's harvest of wild salmon and 80 percent of the production of high value wild salmon species such as sockeye, king and coho salmon are from Alaska.

**42%** OF THE WORLD'S WILD SALMON  
COMES FROM ALASKA

**ALASKA = 375** MILLION  
ACRES\*

### OWNERSHIP OF ALASKA IN MILLIONS OF ACRES

National Parks, Refuges, and Forests.....	151
State Land .....	105
Other Federal Land.....	70
Alaska Native Corporations.....	44
Individual Private .....	3
Municipal, University, Mental Health Trust Lands.....	2

\*Excludes tidelands and inland navigable bodies of water.  
Source: Institute of Social and Economic Research, University of Alaska.

**\$4 TO \$1**  
ALASKA STATE DENALI COMMISSION  
\$2.4 BILLION \$ .6 BILLION

During the time period 2005 - 2010, the State of Alaska appropriated almost \$4 dollars for every \$1 dollar that the Denali Commission contributed towards Alaska's rural community facilities, economic development, energy, health, training and transportation.

A Commission funded new bulk fuel storage facility was completed in Ruby, Alaska in 2010. This facility has a combined capacity of 247,000 gallons of diesel and gasoline which is used to power diesel fired generators for electricity, heating homes and for vehicles. Fuel is delivered once or twice a year, weather dependent. Environmentally safe, code compliant storage facilities like this one are the lifeblood of the community.



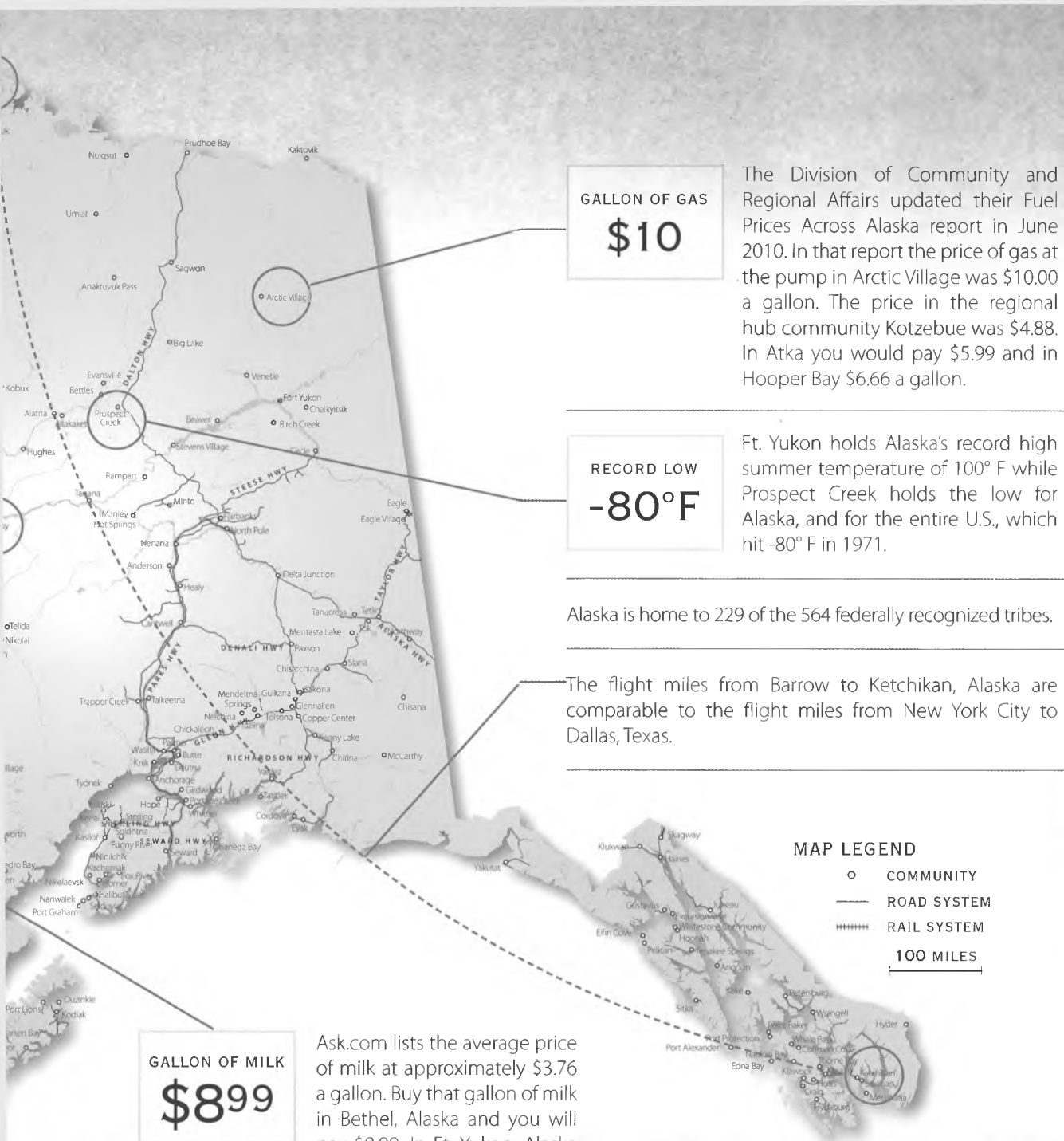
Three Commission funded wind turbines were installed in Kasigluk in 2006. Since then, 134,641 gallons of diesel fuel have been offset, which totals \$353,583 in savings. In 2010 alone, 45,966 gallons of diesel were offset totaling \$181,564 in savings.

**3** WIND TURBINES = **\$353,583**  
IN SAVINGS SINCE 2006

In December, a typical home in Anchorage, Alaska could pay an average of \$146/month for electricity. The same home in Seattle, Washington pays \$93/month. Napakiak, Alaska residents could pay over \$1,100 a month for that same home size at their current rates.

THE ELECTRIC BILL IN DECEMBER  
**\$1,189**





**ALASKA IS OVER TWICE THE SIZE OF TEXAS**

Alaska is 656,425 square miles (2 ½ times the size of Texas), has 3 million lakes over 20 acres in size (compared with Minnesota's 10,000 lakes), has an estimated 10,000 glaciers (covering nearly 5% of the state), holds 80% of all active volcanoes in the U.S. and 39 mountain ranges containing 17 of the 20 highest peaks in the U.S.

Alaska has the highest number of pilots per capita of any U.S. state. For every 100 people, Alaska has 1.3 pilots, Montana is second highest with .4 pilots per every 100 people. Because of the very limited highway access for rural communities, air travel remains an essential form of transportation in Alaska.

**GALLON OF MILK**  
**\$8.99**

Ask.com lists the average price of milk at approximately \$3.76 a gallon. Buy that gallon of milk in Bethel, Alaska and you will pay \$8.99. In Ft. Yukon, Alaska you will have to buy two half gallons and pay \$12.58.



Rural residents rely on ATV's and snowmachines as a primary mode of transportation. All terrain vehicles can be used year round, while snowmachines, or snowmobiles, are used only in the winter months. The lack of improved roads in communities, and between communities, makes these vehicles necessary for basic transportation.



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