

Minutes for the
DENALI COMMISSION QUARTERLY MEETING

MAY 31, 2007
9:00 a.m. – 5:00p.m.

Taken at:
Bristol Bay Native Association Family Resource Center
Dillingham, Alaska

Commissioners Present:

George J. Canelos	Federal Co-Chair, Denali Commission
Karen Rehfeld	State Co-Chair, State of Alaska
Richard Cattanaach	Commissioner, Associated General Contractors of Alaska
Karen Perdue	Commissioner, University of Alaska
Kathie Wasserman	Commissioner, Alaska Municipal League
Vince Beltrami	Commissioner, Alaska AFL-CIO
Nelson Angapak	Alternate, Alaska Federation of Natives

PROCEEDINGS

Federal Co-Chair Canelos called the meeting to order and noted that next year the Denali Commission would celebrate its 10th anniversary. The poem *There is No Word for Goodbye* was read from Mary Tall Mountain's book entitled *The Light on the Tent Wall*. Commissioner Karen Perdue, who replaced Commissioner Mark Hamilton, was introduced. In lieu of the Pledge of Allegiance, Co-Chair Canelos asked everyone to remember the Troops, especially the National Guardsmen, who are serving our country. Staff was thanked for organizing the meeting. The promotion of Kathy Berzanske to Program Manager was announced and the new employees were introduced.

Janet Hall, RuralCap Interagency Liaison, introduced the new interns.

Federal Co-Chair Canelos noted that Nelson Angapak would not be voting since he was an alternate representing Commissioner Julie Kitka. He asked the Commissioners to introduce themselves.

Commissioner Wasserman, Director of the Alaska Municipal League, said she joined the Denali Commission on January 1, 2007, but has been working with them for a number of years.

Commissioner Richard Cattanach, Associated General Contractors of Alaska, said he had been with the Denali Commission for over five years and had a great deal of institutional knowledge.

Commissioner Beltrami, President of the Alaska AFL-CIO, said he was appointed in March and was pleased to be on the Denali Commission.

Alternate Angapak, Vice President of the Alaska Federation of Natives, said he had been involved with AFN since 1973. He felt the Denali Commission should review its accomplishment and update its mission to best serve the interests of the public.

Commissioner Perdue, University of Alaska, said this was her first Denali Commission meeting. Much of her career focus has been on having public systems serve people, which is what the Denali Commission should be doing.

Federal Co-Chair Canelos asked the Commissioners to review the agenda.

Agenda Acceptance Vote:

Motion: **Commissioner Beltrami** moved to approve the agenda.

Second: **Commissioner Perdue** seconds.

Vote: There being no objection, the agenda was approved.

Minutes Acceptance Vote:

Motion: **Commissioner Wasserman** moved to approve the minutes of April 9, 2007, as presented.

Second: **Commissioner Beltrami** seconds.

Vote: There being no objection, the minutes were approved.

REGIONAL SITE VISIT REPORTS

Federal Co-Chair Canelos described staff site visits to Manokotak, New Stuyahok, and the Kakanak Hospital. The differences between the old and new clinic in Manokotak are dramatic. The powerhouse, funded by the Denali Commission, includes a mentoring agreement with Naknek Electric. Similar projects in the other communities would be beneficial. The Comprehensive Plan for Manokotak would make a great model for other communities. In New Stuyahok, they attended a meeting where the Alaska Native Tribal Health Consortium presented the 35 percent design for a new clinic model that will include domestic violence capabilities and a family resource center. They also

visited the Kakanak Behavioral Health Facility, the Child Advocacy Center, and the Kakanak Hospital.

REGIONAL PARTNERS PRESENTATIONS TO THE COMMISSION

Ralph Anderson, CEO of Bristol Bay Native Association (BBNA), was pleased to see that the FY 07 Work Plan included energy, which is a key component to economic development. He discussed the escalating cost of energy in the villages. He felt the distressed and non-distressed community list was disappointing. Much of rural Alaska is distressed, because they do not have the same services and facilities enjoyed in urban areas such as paved roads or transportation systems. He discussed the geothermal project proposed by Naknek Electric, which will help reduce energy costs. He felt health facilities were an important key to survival in the villages. He encouraged the Commission to support the Kakanak boiler project, which was another important project.

Commissioner Perdue felt the Bristol Bay Partners was a great concept and asked for more information on what they did.

Ralph Anderson described the make-up of the Bristol Bay Partners and what they did. They focus on information gathering, exchanging ideas, and organizing regional activities to identify and address problems.

Alternate Angapak recommended that the Commission review the criteria used in developing the distressed and non-distressed community list and work with various organizations to determine how that fits in with rural Alaska.

Frank Corbin, Chief Executive Officer of Nushagak Electric, reported on the status of their energy upgrade project. He felt the cost of fuel was a huge problem and the answer was to provide cheap power so electric heat was feasible. He thanked the Denali Commission for their help in the past and hoped they would continue their partnership into the future.

Dave McClure, Executive Director of Bristol Bay Housing Authority, discussed the Rural Utility Business Assistance (RUBA) indicators. He felt the Denali Commission should review the process, because there are 30 villages that have either funds or projects that are being held up due to the indicators. He asked the Commission to review the distressed community list criteria, which was based on employment statistics. He discussed the local poverty level, which was set at \$14,000, and felt that number was inappropriate. He talked about vocation training and the need for the State of Alaska to step up to the plate in that area.

Eldon Davidson, Executive Director of Southwest Alaska Vocational and Education Center, noted that people depend on the schools to provide education and hope in the

villages. He discussed the suicide rate and felt vocational training was an opportunity to provide hope to communities. He outlined the heavy equipment program, which is reaching past its boundaries and into areas such as Bethel. He felt distance education made sense for Alaska, because they could cover a large area at a reduced cost. Online learning is growing in technical areas such as heating, ventilating, and air conditioning. He described how online learning worked and new technological advances in the area. He discussed the need for skilled local employees and the funds required to provide training.

Alternate Angapak asked what Southwest Alaska Vocational and Education Center was doing to prepare rural Alaska to work on the proposed gas line.

Eldon Davidson explained how the Industry Council was formed and what they were doing to provide training for future gas line jobs.

Federal Co-Chair Canelos asked the Commission to think about what funds should be put towards training for the gas line, as opposed to other infrastructure projects.

Donna Vukich, General Manager of Naknek Electric Association, discussed the high cost of energy, which keeps economic development to a minimum. She talked about Naknek Electric's alternative energy project: geothermal. She felt the three things that stifled economic development were energy costs, the lack of transportation and the lack of communications.

H. Robin Samuelsen, Jr., President/CEO of Bristol Bay Economic Development Corporation (BBEDC), felt all 30 communities in Bristol Bay were distressed. Schools are inadequately funded, city and borough governments are trying to make ends meet by cutting back programs, and taxes continue to increase. They have formed memorandums of understanding with city and borough governments to leverage dollars to keep our communities alive. He discussed salmon prices and the fact that the loss of drift permits and set-net permits decreased employment opportunities. He talked about BBEDC's many exciting programs to help fishermen and rural communities, as well as the need for educational opportunities that encourage educated children to return to their village.

Dorothy Larson, Tribal Administrator for the Curyung Tribal Council, thanked the Commission for the funds appropriated to build the Community Center. She discussed the need to fund an entire project and not just set arbitrary amounts. She talked about the fuel cooperative, which purchases bulk fuel to reduce the cost to individual consumers. She felt the long-term goal needed to be alternative energy sources, work opportunities, and providing appropriate vocational skills.

INSPECTOR GENERAL'S REPORT

Mike Marsh gave the Inspector General's Report and outlined 10 areas of concern.

- 1: The Commission has not told a passionate public story as to why the rest of the nation should care about rural Alaska.
- 2: The Commission has failed to tell the public the lessons it is learning from spending \$1 billion on rural projects.
- 3: The Commission is overlooking the tremendous research machine that exists at the University of Alaska.
- 4: The Commission has failed to discover a widespread alternative to simply putting a diesel generator in every village.
- 5: The Commission has not used treatment statistics to prove to the world that its clinics are making people healthier in rural Alaska.
- 6: The Commission is neglecting the brainpower of its Commissioners. This should be a think-tank to solve problem in the state.
- 7: The Commission has done too little to partner with the state's rural schools.
- 8: The Commission has not encouraged rural students to consider a wider range of careers.
- 9: The Commission has done too little to partner with the military, which is this state's biggest employer.
- 10: The Commission has done too little to verify what communities are getting from the agencies. He made two recommendations: track each facility you build with a separate grant so we know what people are getting and do not transfer cash to an agency until they have actually incurred an expense to help a community.

Federal Co-Chair Canelos agreed that the Denali Commission needed to tell the rural Alaska story to the American public.

Commissioner Wasserman discussed a meeting of the National Association of Counties where they discussed PILT, payment in lieu of taxes, and reformulating it to be more equitable. Alaska was not invited to the meeting, because they thought Alaskan communities had more money than they knew what to do with.

Federal Co-Chair Canelos thanked everyone associated with the National Rural Health Association Conference for encouraging the site visits. The professionals that visited the villages had life-changing experiences and now understand some of the challenges they face.

SUMMARY OF FY 07 DRAFT WORK PLAN PUBLIC COMMENTS

Krag Johnsen, Chief Operating Officer of the Denali Commission, outlined what would be covered in the summary of the FY 07 draft Work Plan.

Corrine Eilo, Director of Administration, discussed the recommendations made at the last audit regarding the timeliness of reports. The reporting procedures were reviewed and it was noted that in the near future all financial reporting from grant recipients would be done on a new federal financial form. A Federal Finance Management Advisory Committee is being formed to provide advice on risk management, agency financial performance, and the performance and accountability report.

Tessa Rinner, Director of Programs, discussed the opportunity to develop a partnership with the CDQs around the state on transportation and other infrastructure programs. She discussed the Solid Waste Program and the developing partnership between the Alaska Village Initiatives, the Alaska Forum on the Environment and RuralCap to participate in the selection process and management of the projects. She discussed several other memorandums of understanding that were being created, reevaluated or revised. She noted that the Commission was working with the finance staff to create a joint progress reporting system. New database functions will allow them to accept, reject, and provide responses to reports in a more timely fashion. They are working on the performance and accountability report, which is a report of what the Commission has accomplished. The McDowell contract has been extended to do a program evaluation and that report will be available in mid-July.

Krag Johnsen continued his report by reviewing the FY 08 State Capital Budget.

Commissioner Rehfeld felt they had an opportunity to do a better job of leveraging State and Federal partnerships, which was critical in terms of the Reauthorization.

Krag Johnsen continued his report by expressing a need to clearly communicate the Denali Commission's priorities to the Legislature for next year's budget.

Commissioner Wasserman noted that each project had a cost for fuel, personnel, training, cleaning and other things. As project support increases, the Commission needs to remember that management and operational costs will also increase.

(Break.)

Federal Co-Chair Canelos began the public testimony portion of the meeting.

Robert J. Clark, President and CEO of Bristol Bay Area Health Corporation (BBAHC), said they operated 29 health clinics, staffed by 75 health aides, in addition to managing Kakanak Hospital, the only critical access hospital serving 34 communities in the area. He discussed the importance of primary care, which depended on heat and humidification to meet JACHO standards. He talked about the condition of the boilers at the Kakanak Hospital and what BBAHC had done to raise funds to replace them. He asked the Denali Commission to grant BBAHC an exception so they would be eligible for funds to correct this life safety issue. He outlined the cost of energy and how the boilers would pay for

themselves in projected fuel savings. He ask that the Denali Commission join BBAHC, area tribes, private and federal funders in supporting this project, whether through granting a waiver for primary care funds through Alaska State Hospital and Nursing Home Association (ASHNHA) or though other options such as the Energy Program funding when it is appropriated. He reviewed how much money they currently had, where it came from, other funding avenues they were pursuing, and the proposed timeline for the project.

Commissioner Cattanach questioned at what level the other agencies felt the Denali Commission should be involved in this project.

Robert J. Clark said they hoped to receive \$1 million from the Denali Commission, but they would take whatever was offered. A letter of introduction from the Denali Commission would also help their fundraising efforts.

Commissioner Wasserman asked if there was an opportunity to go to the regional corporation for help.

Robert J. Clark said this was not something that a regional corporation would typically fund, but they were pursuing every avenue.

Norm Anderson, Bristol Bay Native Association, discussed the infrastructure that was needed in the Bristol Bay region. He felt wild salmon was a common denominator for everything done in Bristol Bay. He noted that they strived to protect their wild salmon label and enhance the freshness and quality of their salmon for the world market. He discussed the development of tourism in Bristol Bay so they could share their region with the rest of the world. He felt increasing fuel costs was a real concern.

Darryl Thompson, a public works administrator for the Village of Togiak, discussed their partnership with the Denali Commission, which allowed them to build a Family Resource Center, train heavy equipment operators, improve roads, and various other projects and upgrades. He felt the Denali Commission had done a great job in the last 10 years and looked forward to their continued support in the future.

Lamont Albertson, representing the People's Learning Center in Bethel, discussed the Health Training Facility and the completion of the Technical Educational Sports Services building. He discussed public comment #26, where they were requesting a broadening of the definitions to help them meet funding requirements. He noted that the shell of their test building was under construction and encouraged everyone to visit the site.

Commissioner Cattanach asked for clarification on why the Denali Commission's continued support was necessary for the project.

Lamont Albertson discussed the cost of the project. With over \$4 million invested in constructing the shell of the building, \$5.58 million was needed to complete the interior. He stated that they were a broad-based program and planned to take over the Dental Health Therapist Program in January of 2008. He hoped that the Denali Commission would be flexible and accommodate the training facility, which was unique in that it served the entire regional area.

Commissioner Rehfeld asked for clarification on the timing and amount of the request.

Lamont Albertson said the request was for \$2 million, but he was not sure where the request was in the internal operation of the Denali Commission.

Krag Johnsen discussed the request for the People's Learning Center project, which was before the Commission. He felt the Commission should discuss their role and priorities in economic development and decide if training facilities, similar to the People's Learning Center, should be a priority.

Jeannette Carlson, a health aide in Chignik Bay, advocated for construction funding for a new Sub-Regional Clinic in Chignik Bay. She outlined what the clinic would cost and what money had already been raised. She described the condition of the clinic and felt it should have been condemned 15 years ago. The design and permits are complete, the business plan has been accepted, and they were construction ready. She noted that the land had been donated and the clinic would be named the George Harris Sub-Regional Clinic. She asked the Denali Commission to consider funding the clinic, because adequate health care for the people of the region was very important.

Alternate Angapak talked about the distressed community list and the fact that it was based on unemployment statistics. He noted that when a person ran out of unemployment benefits, they were no longer part of the Department of Labor's statistics. He felt that was wrong and should be reviewed by the Legislature as well as the Denali Commission.

Anthony Caoli discussed the Sub-Regional Clinic in Chignik Bay. He noted that the 50 percent match was a heavy burden for a small community. He discussed the timing of the match and the possibility of the HUD funding being lost or alternative funding having to be obtained. Gap financing is very difficult to obtain for small communities. Chignik had to go to California to get the gap financing to meet the matching requirements. Mr. Caoli presented a few observations on the Multi-Purpose Facility Program, which is the core of the community in terms of providing basic services. He felt developing and using concept designs could reduce the cost of the facilities.

Representative Sharon Cissna said she represented the University/Medical area in Anchorage, which is the vendor for health services when the capabilities of the clinics, hospitals and providers in other parts of Alaska had been exhausted. She reviewed her background and what she learned from it, which was to listen to and understand what the

people needed. She noted that communities often receive what someone else thought they needed as opposed to what they really needed. She felt America, as well as the rest of Alaska, needed to know what the Denali Commission was doing. She felt they needed to keep data on the really important things, which includes all those who are uninsured, including the self-employed. Without good statistics, people cannot get the appropriate help. They have to fight for their future. She stressed the importance of local knowledge and the roles of elders in the communities.

Dave Bouker, a resident of Dillingham for 35 years, discussed his involvement with the rural Alaska utility industry, which has spanned 45 years. He spoke in support of Naknek Electric's efforts to develop geothermal energy to supply energy at a reasonable cost. He felt the Togiak Tuya, which had a volcano that developed underneath a glacier, was another possible source of energy.

Gordon Issaks, with the Chamber of Commerce, thanked the Denali Commission for coming to Dillingham, which supports local businesses.

Shelby Booth, a member of the Bristol Bay Borough Assembly, spoke in support of the Bristol Bay port facility. In 2005, they put 175 million pounds of cargo across a 200-foot dock in six months, making it the eighth busiest seafood port in the United States. The dock facility was built in 1982 and is 25 years old. With the increase in volume and container sizes, the dock needs to be updated to avoid a catastrophic failure. He felt the dock was critically important to the entire fishing industry, the local villages, and other freight services.

Dan O'Hara spoke in support of the Bristol Bay dock project. Last year they had 28 million fish and this year expect about the same. They asked the Legislature for \$1 million last year, but it was denied. The dock will pay for itself and provide the Legislature with millions of dollars in fish tax.

Federal Co-Chair Cannelos noted that the Bristol Bay dock project fit the criteria for the Transportation Program. The borough approached the Transportation Advisory Committee for funding, but they said the design needed to be completed and then funds could be reapplied for next year.

Shelby Booth said they anticipated having the design complete in time for the Denali Commission's December funding allocation cycle. With the rising cost of construction, the longer the project is delayed, the more it will cost.

Rachael Muir, formerly a nurse for BBAHC and now in public health, discussed distressed communities. She talked about the mortality rate in Bristol Bay for unintentional injuries, which was six times the national average. She felt primary prevention was essential and multi-use facilities should be based on a wellness approach to make it easier for people to make healthy decisions. The vision statement from one of

the Center for Disease Control's (CDC) primary prevention programs was reviewed. The communities in rural Alaska have not received the health promoting and wellness resources that they need. She discussed the importance of education and the fact that Dillingham's alternative school had been closed down by the Fire Marshal this year. She noted that the schools needed funding and were stressed with the No Child Left Behind requirements.

Dave Hayes advocated that the work plan continue the Multi-Use Program this year.

Frank Corbin, CEO of the local telephone company, discussed the lack of 911-service in western Alaska. A map representing the Internet super highway in Alaska was presented and it was noted that western Alaska effectively fell off the map. Many services are not available without Internet access. He advocated for support of Nushagak Telephone's plan to address this issue.

SUMMARY OF FY 07 DRAFT WORK PLAN PUBLIC COMMENTS

Krag Johnsen reviewed the public comments to the draft Work Plan, which were summarized in the packet.

SUMMARY OF FY 07 DRAFT WORK PLAN RECOMMENDED REVISIONS

Krag Johnsen began his review of the revised draft Work Plan by discussing the Multi-Use Program. Staff proposed allocating up to \$1 million to provide the program the ability to continue the projects already in the pipeline. At the same time, the Commission will be working with the Department of Community and Economic Development (A-DCCED) on evaluating the funded projects, recommending changes to the process, and where the program is heading in the future.

Commissioner Cattnach suggested going with the original recommendation to allow time to coordinate with the State and directing the \$1 million back towards basic energy.

Commissioner Rehfeld expressed concern over the lack of process in terms of how appropriations were included in the budget and suggested better coordination with the State Capital budget.

Commissioner Cattnach noted that the primary group asking for an extension of a Multi-Use Facility Program had various people write letters. Based on who wrote the letters, they should have been able to get funding through the Legislature.

Commissioner Wasserman said she supported multi-use facilities, but was concerned that there was a disconnect between the Denali Commission and the Legislature.

Commissioner Perdue discussed suspending the Multi-Use Program for a year. She spoke in support of the original recommendation, because we need to get a handle of how this program works and how it can be repurposed to be more efficient.

Federal Co-Chair Canelos discussed the procedure for approving and/or changing the revised Work Plan.

Krag Johnsen continued his presentation of the revised Work Plan by stating the \$1 million for the Multi-Use Program would come out of the economic development budget.

Commissioner Cattanach did not feel \$2 million was enough for economic development due to the high unemployment rates in the communities. On the other hand, he felt they needed to insure that the money was being spent wisely.

Krag Johnsen reviewed the Commission's track record on economic development, which has not been a cohesive strategy for rural Alaska. He discussed the formation of the Economic Development Advisory Committee to review the Commission's role in economic development.

Commissioner Cattanach said the seed money they gave to Alaska Growth Capital was a wise investment and felt they should be expansive in the way they were looking at this.

Federal Co-Chair Canelos noted that Under Secretary of Agriculture Tom Dorr's strategy for rural development was to convert most of their grant programs into loan programs to insure more leverage and bang for the buck. He felt the Commission had the freedom to think that way, act that way, and modify themselves accordingly.

Krag Johnsen continued his presentation by discussing the Commission's lack of direction in economic development. He noted that the Training Program had set priorities, and felt they needed the same type of direction for economic development.

Commissioner Wasserman agreed that government does not do economic development well, but they were the only group that could remove the barriers that allowed other people to do economic development.

Commissioner Cattanach discussed the idea of the Bristol Bay dock project being in the economic development area, as opposed to the transportation area, and utilizing loans as opposed to grants.

Paul McIntosh discussed the need to coordinate with the State on various projects. He felt it was critical to fix a dock in an area that relied on the dock for economic development. These types of projects are normally handled by the EDA and the Commission needs to avoid duplicating their charge, because that could threaten the

Reauthorization. He pointed out that it was the government's role is to provide the conditions under which businesses could flourish and not provide actual jobs.

Krag Johnsen continued his presentation by discussing renewable energy. He noted that the Commission's involvement in renewable energy had mostly been in conjunction with the development of power or bulk fuel in a community. Although the focus has never been on bigger projects, the Commission is attempting to consider them.

Kathy Prentki, Energy Program Manager, discussed renewable energy projects that they had funded. Under the Energy Policy Act of 2005, the Commission was directed to be more active, but no money was allocated for that. Last year, the Commission committed to doing an inventory of the interest in alternative energy projects, but that is not complete. The Department of Natural Resources was appropriated \$500,000 to do a resource assessment for renewable energy this year.

Commissioner Cattnach asked if the Denali Commission was using its partners to develop a strategy for alternative energy.

Kathy Prentki discussed ad-hoc meetings that were being held with AEA, AVEC, and Alaska Power Company. She noted that the Commission had said advisory committees would be developed to approve projects, but that had not happened.

Alternate Angapak expressed concern about using Base funding to meet an unfunded Congressional mandate for renewable energy. Congress should be informed that this would impact the bottom line and funding should be provided for such mandates.

Federal Co-Chair Cannelos agreed that it would be great if Congress could appropriate funding for the Energy Act. He expressed concern that if they stayed on course with updating all of the bulk fuel storage tanks, then all they would have in the future was diesel fuel.

Commissioner Perdue said she supported renewable energy, but felt there was an urgency to change the balance between legacy and renewable systems.

Krag Johnsen continued his presentation by reviewing the Health Facilities Program.

Commissioner Cattnach questioned the criteria for saying the \$8 million used for health care would provide more benefits to the communities than using the \$8 million for bulk fuel and energy.

Federal Co-Chair Cannelos said the \$8 million would go to projects that were construction ready, with matching dollars in hand, that were at risk.

Jamlila George, State Co-Chair Representative, questioned if the clinics would have affordable energy once they were constructed. She did not feel it made sense to fund something just to check it off the list. She discussed a clinic in Marshall that had been boarded up for two years, because the community could not afford to run the facility. She felt there needed to be a process to verify that heat, water, and power were available before projects were funded.

Denali Daniels, Health Facilities Program Manager, discussed sustainability issues related to the energy crisis in Alaska. She noted that the clinic in Marshall was an anomaly and they were looking into the matter. In partnership with the Alaska Native Tribal Health Consortium, the Commission has developed a tool for the clinics that use the prototype design and will continue to work on the business planning process on a case-by-case basis to address these issues.

Federal Co-Chair Canelos pointed out that the Commission needed a better method to follow-up on projects after they were completed.

Commissioner Wasserman noted that sometimes follow-up was too late and these issues should be addressed before the project was started.

Federal Co-Chair Canelos discussed a situation where the Denali Commission had built a clinic in Newtok without the knowledge that the community had already decided to move to another location.

Denali Daniels said there was a plan to relocate the Newtok clinic after the community actually moved.

Commissioner Perdue discussed the process used by the Health Steering Committee to make the recommendation.

Commissioner Cattnach expressed concern that the \$8 million was being taken out of the energy fund and questioned how that would affect next year's budget.

Denali Daniels did not believe this level of funding would be necessary in the future, but could not guarantee the Commission of that.

Commissioner Cattnach said they could not continue to take money from the Energy Program, because energy costs was an important issue for rural Alaska.

Alternate Angapak questioned if the Denali Commission looked at a community's ability to sustain a project, especially if there were multiple projects.

Denali Daniels discussed how sustainability issues were reviewed.

Krag Johnsen continued his presentation by discussing teacher housing, which had a loan component. Working with the school districts, the Housing Corporation finances as much of the project as possible and then the Commission provides grant funding to finish the package.

Commissioner Cattanach said the Commission's involvement in teacher housing was predicated on the assumption that improving the quality of teacher housing would improve the longevity of teachers, thereby improving student performance. He felt they should be gathering data to see if that was a true outcome.

James Wiedle, Alaska Housing Finance Corporation, said they believed the program was successful in keeping teachers in the community. Half of the units are now occupied and they can begin collecting data on those issues.

Commissioner Cattanach asked for more information on whether HUD had been asked to expand their program on teacher housing, and cost differences between HUD and Denali Commission teacher housing projects.

James Wiedle discussed the teacher housing projects.

Commissioner Wasserman pointed out that they were building teacher housing, yet teachers were being laid off.

Federal Co-Chair Canelos felt it was time to engage the Commissioner of Education on this issue. By the fall meeting, statistics from all of the school districts with teacher housing should be available.

Commissioner Rehfeld discussed a mentoring program between the Department of Education and the University of Alaska where teachers were mentored in rural areas. She felt information from that program could be used to determine the effectiveness of teacher housing on recruiting and retention.

Commissioner Perdue felt family housing had more of an impact on student performance than teacher housing. She felt they needed to be careful in what they evaluated to measure the outcomes.

Krag Johnsen continued his presentation by discussing advisory committees. Three new committees will be formed: the Economic Development Advisory Committee, the Training Advisory Committee, and the Energy Advisory Committee. Conflict of interest procedures will be put in place for all of the advisory committees. He noted that there was a draft proposed membership list for the committees.

Commissioner Cattanach felt they needed counsel to provide an opinion on the Inspector General's opinion that Commissioner's did not have jurisdiction over the Transportation Committee, because he disagreed with the Inspector General's opinion.

Federal Co-Chair Canelos said he would ask counsel for an opinion on the issue.

Commissioner Cattanach felt they had the cart before the horse, because the policies that the Advisory Committee is to provide advice on have not yet been established.

Commissioner Beltrami felt it was important for the Commissioner's to have an opportunity to weigh-in on who is selected for the advisory committees.

Alternate Angapak questioned if the advisory committees were really necessary, because it just created another level of bureaucracy.

Commissioner Cattanach asked for time to consider the proposed membership lists for the advisory committees. He questioned why a fuel distributor on the Energy Committee would have an equal vote to a major partner.

Federal Co-Chair Canelos suggested a summer retreat for the Commissioners to discuss these issues.

Krag Johnsen concluded his presentation and suggested discussion and/or a motion.

Commissioner Cattanach noted that washeterias were no longer in the work plan. He questioned if the program was complete or unsuccessful.

Tessa Rinner, Director of Programs, said there were more communities that needed washeterias, but could not meet the sustainability requirements. The Commission intends to complete the projects in the queue that have been able to meet the business plan requirements. She discussed alternatives to washeterias, such as including a washeteria component in multi-use facilities.

Work Plan Vote

Motion: **Commissioner Cattanach** moved to adopt the Work Plan as proposed with the exception of zeroing out the Multi-Use Program and increasing the Energy Program by \$1 million.

Second: **Commissioner Wasserman** seconds.

Amendment: **Commissioner Cattanach** amended the motion to accept the appropriate language modifications.

Second: **Commissioner Wasserman** accepted the amendment.

Vote: There being no objection, the Work Plan was adopted as amended.

APPROVAL OF HONORARY RESOLUTION

Krag Johnsen introduced draft Resolution 07-09, a resolution honoring outgoing Commissioner Mark Hamilton.

Motion of Resolution 07-09

Motion: **Commissioner Beltrami** moved to adopt Resolution 07-09.

Second: **Commissioner Cattanach** seconds.

Vote: The motion passes unanimously.

CLOSING COMMENTS

Commissioner Wasserman noted that the Commission appreciated the wonderful work done by the staff.

Commissioner Rehfeld pointed out that there were a great many needs across the state. She was anxious to see the Denali Commission reauthorized. She noted that there was a tendency to want to do too many projects, but they needed to focus on the ones that would make the biggest differences. She discussed the need to develop timelines so that State and Federal agencies could work together more effectively. She expressed concern about how projects were prioritized and looks forward to working on that.

Commissioner Cattanach felt that holding meetings in communities such as Dillingham was very educational. The people have many needs and it is frustrating to know that the Commission cannot do more to help them. The Commission strives to insure that our dollars are spent in a way that will affect communities and make the people's lives better. He thanked the staff for putting together the meeting.

Commissioner Beltrami discussed the site visits and the people's hope that the Commission has an impact on improving their lives. He was impacted by concerns stressed by the Inspector General. He thanked the staff for their work.

Alternate Angapak felt that the Commission had matured since the time of its inception and their ability to provide services to the people of rural Alaska has been very rewarding. He thanked the staff for their work. The Inspector General pointed out that the Commission would cease to exist unless Congress reauthorized it. He stressed the importance of finding the means to get the Denali Commission reauthorized, because it was so important to future generations.

Commissioner Perdue felt it was important to remember that the Denali Commission really impacted the lives of rural Alaska. The Commission needs to focus our budget in an effective way to build local capacity. It is important to remember that a lot of really smart people have been working on this for a very long time. The Commission needs to build on their wisdom and tackle the difficult problems.

Federal Co-Chair Canelos noted that a retreat would be scheduled for Summer 2007. A healthy organization asks the important questions and deals with them, which is now the Commission's challenge. He expressed his pride in the Commission and the staff, which he felt was a powerful team. He thanked the community of Dillingham for their hospitality.

(The Denali Commission meeting adjourned at 4:55 p.m.)