

DENALI COMMISSION

QUARTERLY MEETING

NOVEMBER 29, 2007

9:10 a.m.

Taken at:
Cook Inlet Tribal Council
3600 San Geronimo
Anchorage, Alaska

Commissioners Present:

George J. Canelos	Federal Co-Chair
Karen Rehfeld	State Co-Chair
Kathie Wasserman	Alaska Municipal League of Alaska
Karen Perdue	University of Alaska
Vince Beltrami	Alaska AFL-CIO
Julie Kitka	Alaska Federation of Natives

PROCEEDINGS

Federal Co-Chair Canelos calls the meeting to order and asks Gloria O’Neil to welcome the Commission.

Ms. O’Neil states that the Cook Inlet Tribal Council is honored to have the Denali Commission meeting at CITC. The Denali Commission partnered with CITC on this building, and as a result of this investment we have been able to create and realize developing a Child Welfare Native Unit. The Office of Children Services, Native Village of Eklutna and CITC will create a State Native Unit here to respond to all of the Alaska Native children that are in State custody in Anchorage alone. She thanks the Denali Commission for all their work.

Federal Co-Chair Canelos asks the Commissioners for any opening thoughts. Commissioner Beltrami thanks Gloria for hosting us and comments that he is happy to be a part of the Commission that does tremendous work, and he looks forward to continue to do good work throughout the future.

Federal Co-Chair Canelos states that the building is one of the best examples of a building that tells a story of the people and their culture.

He moves to the agenda and states there is one change. The Inspector General has yielded his time to Mike McKinnon with the exceptions report and an update on the transportation program. He moves to the minutes.

Minutes Acceptance Vote:

Motion: **Commissioner Kitka** makes a motion to approve the minutes of May 31st, 2007.

Second: **Commissioner Beltrami** seconds.

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

Federal Co-Chair Canelos begins with an award, stating that the National Association of Development Organizations annually looks for innovative projects around the country in several categories. This national innovation award is presented to Bernie Karl of the Chena Hot Springs Geothermal Project, which is the first geothermal power plant in the world to generate power from essentially warm water. Mr. Karl accepts the award on behalf of the project and states that this would not have been possible without Gwenn Holden, a young engineer on the project.

Federal Co-Chair Canelos states the next award is for an Allied Health Care Program, Occupational Health and Training, which is presented to Karen Perdue, who has a long and distinguished career in health and was the longest serving health commissioner in the state.

Ms. Perdue accepts the award thanking all.

Federal Co-Chair Canelos moves to a presentation on teacher housing and states that the Alaska Housing Finance Corporation received a national award. Dan Fauske states that they were awarded the Best in America for the Teacher Housing, Health Professionals and Public Safety Housing Program for rental production. He reports that they currently have 160 units of housing and there are 205 in the works. There are a file of letters from superintendents and principals stating that this has helped with their recruitment and retention. The program is working. AHFC has requested \$8 million of its corporate funds and are working with Karen Rehfeld and the administration to take this program forward. Federal Co-Chair Canelos states that this is a model program and is a true partnership between the State AHFC and the Commission. He continues with his PowerPoint presentation on the different community power developments and education activities. He states that the Denali Commission works, but it is time to reinvent ourselves and be very, very bold. He moves on with the agenda.

TRANSPORTATION

Mike McKinnon gives a brief overview of the transportation program and then moves to the exception report overview. One of the striking developments of the program in the

last year has been the addition of tribal governments, local governments and regional tribal entities to the list of partners. This has been an important change in the program both in terms of developing local capacity for project management skills so they can do infrastructure development and is bringing the projects to a local level, so that they are making the decisions about scope of work and the classifications of design standards. He continues that they are working with the University of Alaska Fairbanks Research Center because dust control is a key issue on rural roads and they have a program development going on for dust control. He reports on the waterfront development program stating it looks at any rural port, harbor or barge landing facility which is eligible for consideration. He states that barge landings at villages on the coast and river systems are the most critical need that needs to be addressed at the Denali Commission because it is not being addressed by anyone else. At this point the Corps of Engineers has a system design project in place and we are going to bring in the barge operators and other folks with expertise in this area to map out the needs for villages on the rivers and along the coast. The key to this success is largely due to the Transportation Advisory Committee. He continues on to the Western Federal Lands Highway Division which is the design and construction outfit for federal highways. They do roads development on parks, refuges and other federal land. He states that the committee has done an exceptional job of distributing the projects very evenly throughout the State and all levels of rural communities. He then asks the Chair if he wants to go through any projects on the exceptions list.

State Co-Chair Rehfeld states that for most of the projects the exceptions are related to timing issues.

Mr. McKinnon thanks the Chair.

Federal Co-Chair Canelos introduces and welcomes Jimmy Smith, the newest staff member to the Denali Commission, who is an expert in rural development and a DCCED employee.

SPONSORSHIP UPDATES

Ms. Lind states that this report has no action required; it is just an update. She states that the existing policy and procedures on sponsorships are included in the packet and that they are maintaining our focus on conference sponsorships that are in the public interest and consistent with our mission. She continues that sponsorships are being delivered as financial assistance awards.

ADVISORY COMMITTEE STATUS REPORT

Mr. Johnsen states that he is the chief operating officer with the Denali Commission and gives a background on the creation of the advisory committees. He invites Kathy Prentki to start with the energy program and the Energy Advisory Committee.

Ms. Prentki reports that the Energy Advisory Committee had its first meeting on November 7th and one of the parameters for that was to get to know each other and to get familiar with the policies of the Commission and what the program does. They also asked for some advice on a new alternative renewable energy RFP that they are putting out jointly with the State of Alaska Energy Authority, which should be issued next week. She continues that another agreement was for the committee to look at and work on upgrading the policies to get them revised and updated to meet the new expectations.

Federal Co-Chair Canelos thanks Ms. Prentki and introduces Mark Allred and the Economic Development Committee. Mr. Allred reports that the committee met two weeks ago and although they did not get to the meat of some of the policy issues, the committee members had an opportunity to get to know each other.

Federal Co-Chair Canelos moves to Karen Johnson.

Ms. Johnson states that she is the training program manager and that the committee met the first week in November. She also reports that the committee members took the opportunity to get to know each other. Some of the focus areas they are looking at are to explore ways to improve job retention, especially in the health field, in rural Alaska. Also, how to help increase the youth predevelopment skills in the math and sciences areas to get them prepped up for the construction jobs that are out there. They also want to know how to effectively educate the youth statewide about the detrimental effects of alcohol, drug and crime and how it affects their choices and how it will prohibit them from employment opportunities in the future. The advisory committee wants to take it a step further and possibly attach a no-drug policy or drug-free policy to any Denali Commission-funded training project. Any participant needs to be drug free, which would set an example. She continues that the advisory committee also wants to find out how to require construction contractors who are working on our projects in rural Alaska to hire the local, trained workforce and at the same time want to learn how to better coordinate capital projects at the community and regional level. Finally, the committee wants to improve trackability and be able to report real numbers on specific villages. She adds that their next meeting is February 20th.

Federal Co-Chair Canelos moves to Health Facilities, Denali Daniels.

Ms. Daniels states that she manages the health facilities program for the Commission and recognizes her deputy, Ms. Kathy Berzanske and Automme Circosta, a program assistant for the health program. She reports that the membership is comprised of the State of Alaska, the Alaska Primary Care Association, the Alaska Native Health Board, Alaska Mental Health Trust Authority, Indian Health Services, the Alaska State Hospital and Nursing Home Association, and the University. She continues that the Health Steering Committee is meeting about three times a year. The health program is divided into two areas, primary care being the major focus. The other program areas are under the big umbrella of the “other than primary care,” which tends to be where the Health Steering Committee gets pretty engaged. There have been different program areas that have processed over time that have been best characterized as ad hoc. She continues that there

are no recommended changes from the staff perspective; things appear to be working well. In October they met for an all-day retreat, which was excellent. A discussion ensues on how to measure program successes, developing performance and accountability.

Ms. Kitka states that bold and innovative ways are needed to look at how to really use our resources to make the greatest impact and lasting impact.

Federal Co-Chair Canelos thanks Ms. Daniels and moves to Financial Management. He states that he and Commissioner Rehfeld are members of a Financial Management Advisory Committee and gives a summary beginning with the model which is a high-level look at the financial controls and processes within an agency to ensure that they are absolutely following the best practices possible. He continues that their second meeting is coming up and will cover two very important topics. One is a formal brief by the auditor, and, second, the GAO is doing a study on the 30 small agencies in the federal family about what is the best structure for them. The Denali Commission is one of them. We have invited the lead analyst to talk to this group. They may go to a recommendation on a different structure for the Commission, perhaps a government corporation, perhaps something else. He invites the other Commissioners to attend the meeting. He states that there will be a much more thorough update in February. He calls for a break.

(Break.)

Federal Co-Chair Canelos moves to the Denali Commission policies. He introduces Krag Johnsen and Tessa Rinner.

Ms. Rinner states that she is director of programs at the Commission and this discussion is related to a follow-up to the retreat in Anchorage this summer. One of the things requested of management was for staff to look at the policies that the Commission has utilized over its nine-year history, not necessarily for revision, but more toward placing them into one document and putting them into a narrative form. She does an overview and a summary of the broad level Denali Commission policies: Sustainability policies; community planning policy; the open-door policy; private enterprise policy; competitive bid policy; cost containment policy; and the investment policy. She continues that staff would like to see discussion with the Commissioners of how to revise the investment policy, something that is more detailed in how it is applied. She states that there are no significant changes to these policies.

Federal Co-Chair Canelos moves to Krag Johnsen and states that he will lead the discussion of summary of FY08 funding and where we might go. Mr. Johnsen begins by going through a summary of the FY08 funding. He states that there are a lot of challenges to meet the legislative obligations, the statute obligations to pass a work plan, which we will work on later this afternoon.

Federal Co-Chair Canelos breaks for lunch.

(Lunch break.)

Federal Co-Chair Canelos states that they are back in session and recognizes Krag Johnsen.

Mr. Johnsen begins with the work plan, which the Commission passes each year. It has to go out to public comment in the Federal Register, which stays out for 30 days. Those comments are then brought back and any changes are incorporated. They then go to the Secretary of Commerce for approval; and, finally, approval by our Federal Co-Chair. This work plan guides all of our grants and all of our funding that goes out for the year. He asks the Commissioners to go through the draft and give a sense of what the priority areas are for the next year and what should be incorporated into that draft. He turns it over to Tessa Rinner.

Ms. Rinner begins with a bit of historical background and discusses scenarios. She states that it is a huge milestone for the Commission that this is the third year we have been without earmarks. This allows us more flexibility in the programming. She moves to the scenarios that relate to the base appropriation and provides three potential scenarios as a basis for discussion. The first is the status quo, which is that we would fund everything from the base that was funded last year. The second scenario is an energy focus. The recommendation here is the only item funded would be programmatically from the base, the legacy and alternative and renewable components of the energy program. The third scenario is a suggestion that the funds be divided evenly between the energy program and the health program. The idea here is with a reduction in funding that it is critical to maintain a focus on the two legacy programs. It is important, knowing that funding will continue to decrease in the future for the Commission, that we forward-fund to get the most bang for the buck in the programs where there are projects ready to go. She moves to an analysis of the scenarios and then the final section that is intended to provide Commissioners with some specific policy issues that program folks are challenged with.

Ms. Prentki, the energy program manager, states that the energy program is the original legacy program of the Commission and started out looking at a deficiency list of bulk fuel facilities across rural Alaska that were code-deficient and problematic in terms of health and safety. The goal of the Commission was to look at the rural communities and bring the tank farms up to code compliance so that the EPA and Coast Guard no longer had the problem of needing to do something to protect the water and protect the communities.

Commissioner Kitka states that there needs to be another alternative scenario: Is there willingness for the State to step in and help in targeted ways on that? The other idea is new partnerships.

Federal Co-Chair Canelos adds that they are working closely with a number of foundations and are a member of Philanthropy Northwest.

Denali Daniels goes through the funding for the health facilities program and then moves to some policy issues.

Mike McKinnon states that he is the transportation program manager and that there are currently 30 projects underway. He continues that their scenario is predetermined by the SAFETEA-LU which runs through fiscal year 2009. He adds that they will receive in the range of \$13 million for roads and \$8 million for waterfront development. He continues that they have a planning system with criteria that is aimed directly at rural transportation projects and are working formally and informally with DOT.

Mr. Allred, from the economic development program, highlights a couple of areas that this program has partnered very well with.

Federal Co-Chair Canelos states that it is one of the smallest, but very meritorious programs and needs to be multiplied. He calls for a ten-minute break.

(Break.)

PUBLIC COMMENT

Federal Co-Chair Canelos reconvenes and moves to public comment. He recognizes Tara Jollie, the new director of the Division of Community and Regional Affairs. She is also the State Co-Chair for our planning work group with Bernie Richard. He states that there are four awards to be presented at 4:30, but one of the recipients has to leave. He first asks Ms. Rinner to describe the process of the awards.

Ms. Rinner states that some time ago the Commission developed a sustainability awards program. This award is in the category of innovation and is being presented to Bernie Karl of Chena Hot Springs Resort. This particular award recognizes an individual that has had a meaningful change in improving a community's product, their services, their programs and their operations; and as a result of that, has created new value for the community, for the region, and for Alaska.

Mr. Karl thanks the Denali Commission for the award. He states that at the World Energy Conference he started a petition to appropriate \$500 million for the Alaska Renewable Energy Fund. House Bill 152 will create a loan and grant fund to provide a portion of the necessary up-front capital costs to build viable wind, geothermal, hydro, biomass, solar and ocean energy projects. The legislation must be passed and funded generously so that all Alaskans can reap the benefits of local stable-priced electricity and heat. He continues that in ten years, if we have the desire and the vision, Alaska can be totally self-sufficient. He again, thanks the Commission for the award.

Ms. Meera Kohler states that she is president and CEO of Alaska Village Electric Co-op. She talks about the reality of oil and that it will take more time for alternative energy forms to become reliable. She urges all to pay attention to the reason why the Denali Commission was formed. The intent was a one-to-one match with the State, and the

State has not been able to pony up their share. The Denali Commission has been carrying the burden more or less single-handedly. She continues that the Commission has made a tremendous impact in rural Alaska and asks to not let the legacy program of energy languish.

Federal Co-Chair Canelos thanks Ms. Kohler and recognizes Lamont Albertson and Paul Morrison.

Mr. Albertson begins by thanking the Denali Commission for their support in the past. He continues that their mission continues to be making an area of the state a net exporter of employees. They are working toward opening the dental health therapy facility building by January 1st of 2009.

Mr. Morrison states that he is the health facilities manager with the Alaska Native Tribal Health Consortium and is very involved very extensively in a lot of the clinics that are built around the state. He thanks the Commission for the funding that has been provided.

Andrea Heinz introduces herself as the CEO of Cross Road Medical Center out in the Copper River Basin area in Glenallen. She states that one of the challenges in the Copper River Basin area is that we are over 50 years old. We are the only urgent care facility in the area. We provide the pharmacy services, extensive lab services and extended stay services. She continues that they are in about 13,727 square feet now and are proposing about 19,000 square feet. She encourages the Commission to consider their plan. We need your support and need a new facility and need the Denali Commission to fund this application, this business plan that will come before you in December.

Mike Broskovius states that he is on the board at the medical center and asks the Commission to consider the fact that we do need your help for this clinic.

Federal Co-Chair Canelos thanks Mike and recognizes Carol.

Carol states that she has been a member of the Board for Cross Road Medical Center for the last 20 years. She states that the medical center is very important to the community which is well over 80 miles in any direction, the Richardson to Denali, the Glenn and the Tok Highways. She concurs that the facility is very crowded and appreciates that the Commission is looking to help us with the new facility. We have the space and the land and would appreciate your consideration.

Federal Co-Chair Canelos thanks Carol and recognizes Roland Shanks and then Dennis Nottingham and then Greg McIntyre.

Mr. Shanks states that he works with Rural Community Assistance Corporation, a nonprofit organization that does technical assistance with small communities and villages across Alaska. One of the projects he has been working on is a group called the Alaska Zero Waste Action Council to come together and start to address solid waste issues in the

state. The Commission grants have been a godsend to these groups and that those communities are very appreciative of what you have done.

Mr. Nottingham states that he has been giving a number of talks around the state on erosion control, which is a pretty significant problem for a lot of the rural areas. He gives a presentation on a long-term dock solution.

Mr. McIntyre states that Senator Stevens asked Dennis to talk about this because he is really looking for some solutions. This is an Alaskan-developed solution that is used all around the state. There are almost three lineal miles of this dock in Dutch Harbor under really rough conditions.

Mr. Nottingham adds that they are flat-sheet piles, and the reason they work is because they are driven well below any anticipated scour or movement of the beach. He explains that the rounded face of the front of the structure is what makes it really strong, and then the tie-back walls hold it in. This gives an internal structure that works in really unstable soils.

Mr. McIntyre states that he is from the Yukon-Kuskokwim Health Corporation in Bethel and thanks the Commission for the help over the last few years with 20-plus clinics in our area. He states that there are still a few clinics to go. They are awaiting the results of the Medicaid study. This will be very important in terms of sustainability for some of our future projection, especially in elder care. For the future they would like the Commission to consider possibly a pilot project with YKHC in terms of meeting the needs of the very small villages. He adds that one of the other things that needs to be looked at is the detox units.

Federal Co-Chair Canelos asks for any other testimony. There being none, he concludes public testimony and thanks all who testified.

AWARDS

Federal Co-Chair Canelos continues with the awards.

Ms. Rinner states that the next award to be presented is the sustainability award. This award recognizes and supports those who are working to ensure long-term health viability and stability in their communities. The entity that is the recipient of this award this year is the Ouzinkie Native Corporation, the City of Ouzinkie and the Ouzinkie Tribal Council; and we are proud to present this award. Together those three entities formed a 501(c)3 called the Spruce Island Development Corporation, or SIDCO. SIDCO has become a vehicle for all three of the entities to work together with a primary focus on economic development. Specifically, they have developed a community comprehensive plan of which transportation is the centerpiece. This includes a new dock and an airport rebuild. SIDCO is also looking at starting a custom fishing processing plant. The next award is under the category of best practices which is provided to an individual, a community, a village or an organization for their creation, their use of processing or

practices or activities that are beneficial to a wide area of stakeholders. She continues that it is our great pleasure to provide this award this year to Kawerak. Kawerak, Incorporated developed the first ever tribal transportation agreement, which serves as a template for future project agreements in other regions across the state. This agreement provides financial and project development benefits to Kawerak's communities and has become a leadership model for us in the transportation program for other tribal agreements across the state of Alaska. This tribal compact agreement pools funds from the communities and prioritizes capital projects in the region.

Ms. Edwards accepts the award stating that it is a great honor to receive this award. There has been a tremendous amount of work by Kawerak staff to make these successes happen. Kawerak looks forward to a continued partnership with the Denali Commission to achieve our mutual goals.

Ms. Rinner states the final category is community champion award. This award is intended to ensure that we are celebrating folks who develop new strategies, systems, methods for achieving performance excellence, stimulating innovation, building knowledge and capabilities, and ensuring organizational sustainability. She states that it is our pleasure to celebrate Dick Levitt who is with Gustavus Electric Company, Incorporated. Dick is not available to be here. In true rural Alaska fashion, there is great weather in Gustavus and they are pouring concrete. She continues that in addition to committing over 20 years of his time and energy, Dick has personally funded a substantial portion of the Gustavus hydroelectric project, including the design, obtaining a Federal Energy Regulatory permit, securing an act of Congress for a land swap with the government prior to the grant funding being awarded.

Ms. Rinner continues that as we get to the nominations process for next year and the selection of folks, we would like commissioners to be engaged, and the hope is to have a discussion about that either at the late April meeting in Cordova or at the retreat this summer.

Federal Co-Chair Canelos states that this is an absolutely great program. He moves to closing comments.

CLOSING COMMENTS

Mr. Johnsen states that most of the programs were gone through, but we did not talk about teacher housing. If we are going to fund teacher housing, it needs to come from the discretionary fund.

Federal Co-Chair Canelos states that he likes the program because it is a one-to-one Federal/State match and is the only program where both partners are stepping up.

Commissioner Kitka states that some State match requirements need to be put in our budget, and then the Legislature needs to be urged to step up and match. Some private-sector match goals should also be put in.

State Co-Chair Rehfeld comments that the fourth model brought up could be something looked at in the multi-use facility for some of the smaller communities. She comments that the teacher housing is showing tremendous results.

Commissioner Wasserman agrees and adds that the Commissioners can help with finding areas, places and ways to tap money. There is a lot of money out there and once presented to the Legislature as matches they may be inclined to bend a bit and agree to them.

Commissioner Beltrami agrees with everyone, especially with the teacher housing component.

Commissioner Kitka suggests that the Federal Co-Chair work with the Governor to come up with something cooperatively.

Commissioner Wasserman thanks staff for getting this all put together and adds they should be proud of what they do.

State Co-Chair Rehfeld thanks all for the great party, stating it was exciting to see how many people attended. She continues that great progress has been made. She would like to spend some time on the 30-year study, and talk about some of those performance indicators, measures that could be built into all of our programs.

Commissioner Beltrami also thanks the staff, stating that he is continually more and more impressed on how professional they are.

Commissioner Kitka thanks George and the State Co-Chair on their hard work, along with the staff, and looks forward to accomplishing more this coming year.

Federal Co-Chair Canelos offers his sincere gratitude to the staff and the Commissioners. He states that the Commission has never been stronger. Everyone is on stride and on step and moving in some really powerful directions. He looks forward to the coming year. He again thanks everyone and adjourns the meeting.

(Denali Commission meeting adjourned at 4:53 p.m.)