

## ten years of progress

DENALI COMMISSION - AN INDEPENDENT FEDERAL AGENCY  
ANNUAL REPORT 2008



1998



2008

## **Introduction**

### **TEN YEARS OF PROGRESS**

This annual report provides an overview of an innovative government agency, the Denali Commission. Created by Congress in October 1998, the Denali Commission (Commission) is tasked with building infrastructure and creating economic opportunity in America's most underdeveloped and most geographically challenging region, rural Alaska. This year marks "10 Years of Progress" at the Denali Commission and we are pleased to provide you with a snap-shot of that progress.



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George J. Canelos  
Denali Commission  
Federal Co-Chair

**Dear Friends of the Denali Commission,**

As Alaskans celebrate 50 years of statehood, and the Denali Commission marks “10 Years of Progress” advancing rural development, we are pleased to provide this 2008 annual report. We hope it conveys the strength of our federal-state relationship, and the many lessons the Commission’s unique model offers the nation.

Congress created the Denali Commission in 1998 as a small, independent agency to coordinate the services of the federal government and help bring critical infrastructure to Alaska’s remote communities. The Commission works closely with state, tribal, regional and local leaders and organizations to plan and execute its mission.

Many Americans are surprised to learn the majority of Alaska’s communities are accessible only by water or air, and have no access to regional electrical power grids. Many homes still lack indoor plumbing. Many health and sanitation conditions still resemble the developing world.

In ten short years the Denali Commission has made remarkable progress. By coordinating efforts, the Commission has replaced obsolete bulk fuel facilities and upgraded power delivery in over 250 communities. The Commission is leading the way in implementing renewable energy solutions including wind, hydro, geothermal and woody biomass solutions. Through its partners the Commission has built over 100 primary care clinics bringing access to modern health care to thousands of remote residents.

Our nation faces unprecedented challenges in reviving the economy, upgrading infrastructure, addressing climate change, advancing renewable energy solutions and leading the way into the 21st century. The Denali Commission’s model and track record provides an innovative approach towards meeting these challenges. As the Commission begins its second decade of service, we are proud of the accomplishments thus far and look forward to a progressive and bright future.

“Nowhere else in the world do the geographical and environmental conditions exist as they do in Alaska.”

Meera Kohler, President & CEO of Alaska Village Electric Cooperative





## The commissioners

The Denali Commission Act requires that seven leading Alaskan policy makers form a team as the Denali Commission. 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.



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



**GEORGE J. CANELOS**  
Federal Co-Chair  
Denali Commission



**JULIE KITKA**  
President  
Alaska Federation of Natives



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



**KAREN PERDUE**  
Associate Vice-President for  
Health  
University of Alaska



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



**KATHIE WASSERMAN**  
Executive Director  
Alaska Municipal League

## history

### PREVIOUS COMMISSIONERS

**DICK CATTANACH**, Associated General Contractors of Alaska

**FRAN ULMER**, State Co-Chair

**FRANK MURKOWSKI**, State Co-Chair

**GARY BROOKS**, Alaska AFL-CIO

**HENRY SPRINGER**, Associated General Contractors of Alaska

**JEFF STASER**, Federal Co-Chair

**JIM SAMPSON**, Alaska AFL-CIO

**KEVIN RITCHIE**, Alaska Municipal League

**LOREN LEMAN**, State Co-Chair

**MANO FREY**, Alaska AFL-CIO

**MARK HAMILTON**, University of Alaska

**TONY KNOWLES**, State Co-Chair





## denali commission

### A FEDERAL-STATE PARTNERSHIP

This year marks 10 years since Congress created the Denali Commission as a small, innovative federal-state partnership charged with building economic opportunity and critical infrastructure in rural Alaska, one of our nation's most unique and challenged regions.

Many Americans forget that Alaska's star was added to the American flag in 1959. Prior to Alaska's admission, the last state added was Arizona in 1912. Because Alaska is so new, development of basic infrastructure arrived much later than in other states and did not cover the state as completely. The Denali Commission was tasked to address these development issues in collaboration with the State of Alaska. This partnership with the State of Alaska has become the cornerstone of the Denali Commission's success and progress.

During 2008 the partnership between the Denali Commission and the State of Alaska grew in several significant ways. At the invitation of Governor Sarah Palin, Federal Co-Chair George Canelos participated in a State cabinet meeting addressing joint strategies for rural development in Alaska.

At the invitation of the Alaska Legislature, the Federal Co-Chair also testified before the Legislative Budget & Audit Committee on recommendations for joint action to address rural development infrastructure.

#### Coordinating Efforts for Rural Development

A new Memorandum of Understanding (MOU), signed by state commissioners and federal agency heads, was adopted in 2008. This MOU strongly encourages state and federal agencies to coordinate capital projects planning and delivery throughout rural Alaska. This top-level body met twice in 2008 collaborating on the development of the state's draft energy plan, latest trends on changing demographics, comparing databases for capital projects, examining lessons learned both positive and negative from case studies at the village level, and working towards a series of regional forums. The group is chaired by the Federal and State Co-Chairs. Participants cite this forum as the only body of its kind where candid discussions can occur at the top level of federal and state leadership.

The State of Alaska has invested substantially in rural infrastructure development over the past 10 years. This investment has both directly and indirectly matched many Denali Commission program areas, leveraging dollars and improving life in rural Alaska. An excellent example of this multi-pronged approach to rural development is the state's renewed commitment to local revenue sharing. The reinstatement of this program provides a vital underpinning of flexible funding to local governments to conduct the business of a small municipality. With revenue sharing, small communities have the ability to operate and maintain infrastructure projects provided by the Denali Commission and other agencies. Early dialogue and our emphasis on coordination and sensible planning may be the most important contribution of the Denali Commission.

#### Denali Commission's Planning Work Group

Under the auspices of the MOU Group, the Planning Work Group meets to discuss and coordinate rural development and planning issues. Federal, state, and private for-profits and non-profits participate in these monthly meetings. Topics at these gatherings are driven by relevant issues affecting the state; for example, after this group expressed concern over the sampling methodology used

by the U.S. Census Bureau, the Denali Commission organized a meeting in Anchorage attended by lead Census staff from both Washington DC and Seattle. At this meeting participants were able to point out concerns in the census approach and brief key personnel on how the method would affect rural Alaska.

### **The Pre-Development Program**

Unique in the country, the innovative Pre-Development Program is a joint initiative of the Denali Commission, the State of Alaska (through the Alaska Mental Health Trust Authority) and the Rasmuson Foundation. Administered by the Foraker Group, this program assists potential infrastructure applicants in pre-planning and capacity building. In some cases, the success story is no project at all – the applicant realizes the idea is impractical and unaffordable. In other cases, applicants are assisted to reach “prime time” and the project is then funded by one or more of the participants. This is a tremendous collaborative story and a great example of voluntary federal-state-private foundation funding.

“It was our goal 10 years ago, to work ourselves  
out of a job. That is still our goal today. Someday,  
I hope to report to Congress, ‘The job is done.’  
But unfortunately, we are not there yet.  
In fact, we have huge challenges before us.”

- George J. Canelos, Federal Co-Chair, Denali Commission

### **Partnering at the Program and Project Levels**

The 1995 federal SAFETEA-LU transportation bill required Alaska’s Governor to establish an eight member Transportation Advisory Committee, led by the Federal Co-Chair to guide the Denali Commission’s new rural Transportation Program. This Committee oversees a public outreach and selection process resulting in more than 120 rural transportation projects from essential small boat harbors to local roads and boardwalks for villages.

The Alaska Legislature appropriated approximately \$4.5 million to the state Department of Transportation & Public Facilities to provide essential match funding for the Denali Commission’s Transportation Program.

Several state agencies continue to serve as major program partners for the planning, design and construction oversight for Denali Commission projects. Notable examples are the Alaska Energy Authority, Alaska Housing Finance Corporation, Department of Labor, Department of Health and Social Services and Department of Transportation & Public Facilities. The Governor’s office and the State Legislature each provide a professional liaison position based in the Commission’s office. As the lead planning agency for rural Alaska, the State Department of Commerce, Community & Economic Development details an employee to the Commission, and leadership from both organizations meet frequently to coordinate efforts. The Commission also participates on the state’s Immediate Action Working Group led by the Department of Environmental Conservation dealing with the impacts of climate change.

### **Retaining Teachers in Remote Alaskan Communities**

The Denali Commission’s award-winning Teacher Housing Program is a joint effort with Alaska Housing Finance Corporation, which voluntarily matches Denali Commission funds in a combination of grants and loans. Together school districts have constructed over 200 units of teacher housing, and evidence is mounting that this important recruiting and retention program is making a difference.

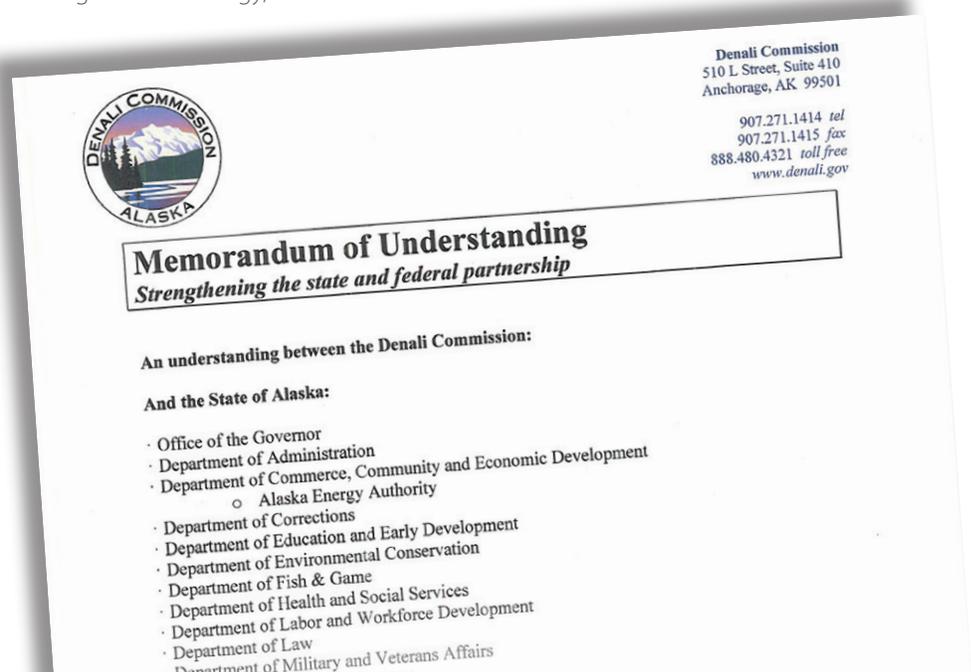
### **Advancing Rural Behavioral Health**

The Denali Commission and the Alaska Mental Health Trust Authority have forged a voluntary partnership unique to the nation – as the Commission funds primary care health clinics in the villages using federal appropriations, the Alaska Mental Health Trust Authority adds state dollars to ensure the clinics include critical behavioral health space.

## government coordination

The Denali 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 amongst the heads of all federal and state agencies with an emphasis on critical issues that affect the entire state of Alaska: the high cost of energy, out-migration, and coordination of efforts among all government agencies.

Government Coordination has become a mainstay of the efforts the Denali Commission has undertaken in improving communities in rural Alaska. Strengthening the partnerships between our state and federal agencies for rural Alaska was the focus of this effort in 2008.



## regional commissions

### A MODEL FOR GOVERNMENT

In March 1965 the Appalachian Regional Development Act was passed by a broad bipartisan coalition and signed into law. The Appalachian Regional Commission (ARC) was formed to systematically attack poverty and economic disparities in the 13-state Appalachian mountain region. Recently, Congress formed the Delta Regional Authority to focus on economic disparities in the eight-state Mississippi delta region. In 2007, the Farm Bill created three additional regional commissions, further acknowledging the value of federal-state partnerships. The latest commissions are the Great Plains, New England and Southern Crescent.



The Denali Commission, like the Appalachian Regional Commission, is a unique partnership between the federal government and state government. The Denali Commission is an innovative federal-state partnership designed to provide critical utilities, infrastructure and support for economic development in the nation's largest state, Alaska, by delivering federal services in the most cost-effective manner possible. The federal co-chair is appointed by the Secretary of Commerce and the state co-chair is the Governor of Alaska.

“The Denali Commission is instrumental in providing necessary funds and sustainable projects to Alaska. Without their support, there would be a reduction of population in rural communities, thus creating additional hardships on those communities and the state.”

A. Bruce Tiedeman, Coordinator – Rural Community Outreach, Alaska Energy Authority



**Program Partners**  
**Foraker Group**  
[www.forakergroup.org](http://www.forakergroup.org)

**Alaska Mental Health Trust Authority**  
[www.mhtrust.org](http://www.mhtrust.org)

**Rasmuson Foundation**  
[www.rasmuson.org](http://www.rasmuson.org)

## pre-development PROGRAM



The policies developed by the Denali Commission to ensure maximum effectiveness of its investments are most efficiently implemented at the project planning phase. For this reason the Denali Commission has joined with the Rasmuson Foundation and the Alaska Mental Health Trust Authority to fund The Foraker Group Pre-Development Program for the past several years. This program provides guidance, project management and technical assistance to communities and organizations that lack the resources to adequately plan projects on their own. More importantly, the Pre-Development Program ensures that the overall goal of project sustainability is tested and verified prior to the investment of Denali Commission funds in design and/or construction.

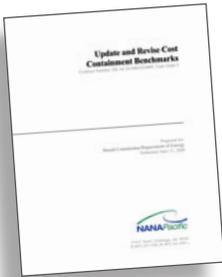
During the past two years the Pre-Development Program has provided assistance to 64 projects, 34 of which were sponsored by the Denali Commission. Assistance has varied from review of business plans and construction cost estimates to space programming and concept design. The program has 32 consultants under contract to provide these services at no cost to the recipients. Future plans include greater emphasis on green building principles and energy efficient design into all projects.



## rural development

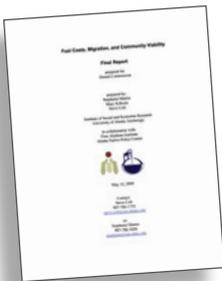
### ADVANCING THE PRACTICE

Meeting the needs of rural Alaska also involves knowing and understanding the challenges faced in developing infrastructure. Periodically the Commission will research critical issues affecting rural Alaska. In 2008 the Commission undertook three important studies pertinent to critical rural infrastructure development.



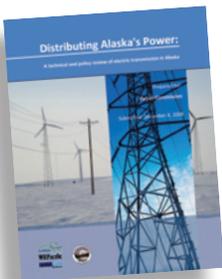
#### Update and Revise Cost Containment Benchmarks

Understanding regional construction costs is the first step in controlling and even reducing the funding needed for a particular facility. The Denali Commission funded this report, prepared by NANA Pacific, which provides updated regional benchmark costs per square foot for bulk fuel facilities, power systems, primary care clinics, multi-use facilities and teacher housing. The report offers several best practices for keeping costs under control. The Commission updates this information annually.



#### Fuel Costs, Migration and Community Viability

The University of Alaska's Institute of Social and Economic Research (ISER) in collaboration with First Alaskans Institute (FAI) examined existing information on rising energy costs and trends in population shifts. Understanding trends in demographics and population changes is essential for planning sustainable infrastructure investments in all Alaskan communities. While people in rural Alaska have always moved to seek better educational and economic opportunities, the ancient ties to the land remain strong and viable.



#### Distributing Alaska's Power

A technical and policy review of electrical transmission in Alaska. A strategic investment in regional power grids will help promote renewable energy development, encourage private sector investment, and provide a long-term solution for distributing reliable electric power. Compiled at the request of the Commission's Energy Advisory Committee, NANA Pacific prepared this important report which affirmed rural Alaskans face the highest energy costs in the nation.

These reports may be found on the Commission's website at [www.denali.gov](http://www.denali.gov)

## Infrastructure

### WHY IT MATTERS

Infrastructure is more than just bricks, mortar and buildings. Now, more than ever, national attention has focused on the significant infrastructure needs across the United States. Access to basic community infrastructure including: transportation, education, health facilities and energy resources and alternatives are recognized as essential components of interconnectivity, economic prosperity and socio-economic parity. Infrastructure must be functional, affordable, innovative and even inspirational.

In many rural Alaska communities basic infrastructure is lacking, undersized and often non-existent. Consider for example that Alaska has no state-wide road system or state-wide power grid. In many rural communities residents haul their own water; travel great distances, at great expense to obtain health care; and dream of the day when they will have the luxury of in-home piped water and sewer systems. Diesel generated power is still the primary source of energy in rural Alaska communities, and fluctuations in the cost of fuel have resulted in prices upwards of \$10/gallon in many communities.



Alaska's unique geography and location also provides opportunities and challenges for basic infrastructure development. Airports and aviation technologies often serve as the transportation lifeline for rural residents. Communities along major river and ocean systems utilize harbors as shipping hubs, ports of refuge and critical response and staging areas. Internet and telecommunications must be enhanced to cover great distances, and meet an array of needs from K-12 education to delivery of telepsychiatry services. Basic utilities must be designed to meet harsh Arctic conditions, promote public health and be relatively straightforward to operate and maintain.

In response to these infrastructure disparities and challenges the Commission has strategically invested in basic infrastructure in rural Alaska for the past ten years. With completion of each energy, health, teacher housing, transportation, economic development and training project the Commission is deliberately closing the basic infrastructure gap between rural Alaska and the rest of the nation.





**Case Study**  
**THE WIND TOWERS OF TOKSOOK BAY**

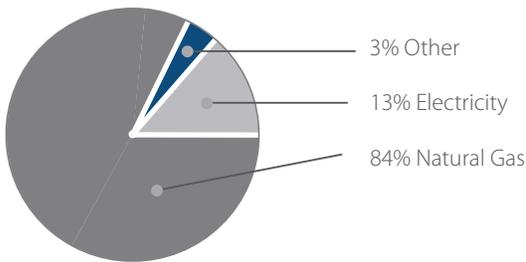
Americans, and much of the world, have long taken electricity for granted. In 1938, the Rural Electrification Administration, created by President Roosevelt, financed the creation of cooperatives to extend electricity to isolated towns and villages across America. While several cooperatives were formed in Alaska shortly after, with Matanuska Electric Association being the first in 1941, most Alaskan villages were too small to pull together the expertise to form cooperatives to serve themselves. In the mid-sixties, a task force appointed by Governor Hickel focused on how to bring electric service to the many small communities that had no central station service.

The task force identified an innovative twist to the Lower-48 electric cooperative movement and suggested banding numerous non-

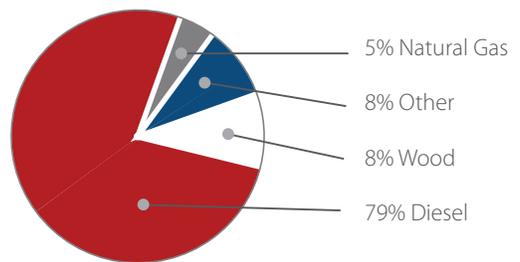
“Alaska Energy Authority and successful partnership



**HOW ALASKA HOUSEHOLDS HEAT THEIR HOMES USING VARIOUS ENERGY SOURCES**



ANCHORAGE



RURAL COMMUNITIES

Source: Estimated Household Costs for Home Energy Use, May 2008 a report by ISER.



## the Denali Commission have enjoyed a – building a sustainable, healthy Alaska together.”

Steve Haagenon, Executive Director – Alaska Energy Authority, Alaska Energy Coordinator

contiguous villages together into a single cooperative. Alaska Village Electric Cooperative (AVEC) was incorporated in 1967, and its first three member villages were energized in 1968. By the end of 1969, 40 member villages were being served and today, AVEC serves 53 villages spread hundreds of miles apart, from Kivalina in the Arctic north to Kodiak Island, south of Anchorage.

Serving these far-flung communities is a challenge made difficult by high fuel prices and high transportation costs. Only one of AVEC's 53 member communities is accessible by road. All others can only be reached by boat or airplane. As one might expect, AVEC struggles to find the financial resources to provide electrical service that, by virtue of Alaska's extreme geography, is far more costly than it would be in any other region of America. For decades, AVEC villages have been using antiquated diesel power plants. But, as AVEC President & CEO Meera Kohler says, "It was better than nothing. We've been operating on a shoestring budget and using 'better than nothing' technology for 35 years."

AVEC has long believed that their member communities deserve the same utility grade power that everyone else in the country enjoys, but they realized that if they were going to provide it, they would need to create some innovative solutions to the many problems associated with on-site diesel fuel generators.

One of AVEC's member communities is the Yup'ik Eskimo village of Toksook Bay. With a population of just over 500 residents, Toksook Bay is located in a very windy region of Alaska's west coast. The quality of wind is classed in regimes. Much of Alaska's west coast is Class-7, which is the top ranking. AVEC has been harnessing wind power for years. They worked with another regional cooperative, Kotzebue Electric Association (KEA), to build wind turbines in the tiny community of Wales, population 139. KEA's program in Kotzebue has been a great success and has been pointed to by many publications as a ground-breaking example of the "right way" to harness renewable energy.

Wind-diesel power generation appears deceptively easy, but requires a complex combination of engineered equipment and processes. As KEA tells us: "The equipment is highly engineered and finely tuned to its purpose. The force of the wind spins the blades, or rotor, of the turbine. This spinning turns a shaft that is attached to an electric generator. Electronic controls help to assure proper frequency of the electricity output. Transformers and electric lines feed the electricity at the proper voltage into the utility system for transport to consumers. Each component of the

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process is carefully designed to work with other components." Wind power in villages supplements the essential diesel power generation that must be maintained and used throughout the year.

With experience from its work with KEA, AVEC was determined to bring renewable energy to its own members who lived in areas with excellent wind resources. Its first wind project was a modest wind farm in Selawik in northwest Alaska. Next was Toksook Bay, where the diesel generation and storage systems were in desperate need of upgrade. Toksook Bay was high on the State of Alaska's list of communities with critical energy deficiencies. AVEC decided that, rather than simply pour more money into Toksook Bay's diesel generation system, they would build wind turbines to capitalize on the excellent local wind regime and offset the village's consumption of diesel fuel. Wind power generation is not cheap. The equipment requires significant initial investment and regular, highly technical maintenance. AVEC knew that the payoff for both the local consumers and the environment was worth it.

AVEC went to its partner, the Denali Commission, with whom they were already working to upgrade their member communities' fuel tank farms and generation systems. The Denali Commission quickly signed on. "Toksook Bay was a huge project," Meera Kohler tells us. "The Coastal Villages Region Fund (member of the Community Development Quota Program, a federal fisheries program started in 1992 to promote fisheries related economic development in Western Alaska) contributed to AVEC, which enabled us to put money down on the utility grade turbines. There were a total of four funding sources for the wind project in Toksook Bay, the Denali Commission being the lion's share of that with around 75%."

As plans came together, AVEC and the Denali Commission realized that the wind generators would also be able to send power to nearby villages, so they ran tie lines to two neighboring communities, Nightmute and Tununak. The turbines are actually quite small, at 100 kilowatts (kW) each. In the Lower 48 and Europe, it's common to see wind turbines as big as 5 megawatts. But on Alaska's west coast, the three 100 kW turbines are enough to displace 23 - 25% of diesel usage in all three villages. When the wind is really blowing, the turbines can almost displace the entire load, up to 85%.



"The Denali Commission supports alternative and energy per year in rural Alaska.

These machines are operating at what any measurement would rate as optimal for the foreseeable future. Small communities in Alaska will always need diesel fuel generators, at least as a back-up for their renewable energy sources. Diesel fuel is reliable and easy to use once it's on site. But it's dirty, costly to transport, and in the event of an accident, environmentally disastrous. Even though Toksook Bay must still rely on diesel fuel generators for a large portion of its electricity, consider how far they've come since the mid-sixties when they had no electricity at all. And now, more and more of their electricity is being provided by a modern, innovative "green" generation. "It's a quantum leap over where we were 40 years ago," says Meera Kohler.

The Denali Commission, which was originally created for the purpose of upgrading small villages' diesel power plants and fuel storage facilities, is committed to moving rural Alaska away from diesel and toward a reliance on clean, inexpensive renewable energy. The Commission has placed an imperative on developing ways for Alaska's remote communities to use the resources found locally.

"Nowhere else in the world do the geographical and environmental conditions exist as they do here in Alaska," says Meera Kohler. A native of India, Kohler has acquired a deep knowledge of our rural needs. "Working with the Denali Commission has been wonderful," she says. "They've been extremely effective and they want to see results. They don't want to see projects being dragged out year after year. They demand an accounting of all projects that are in the mill. They want to see the variances, whether a project is coming in on estimate or not and why. They want to see progress being made. They're just less bureaucratic. Working with the Denali Commission has been a much smoother process than we've had working with any other federal agency."

We have a long way to go before we can claim victory over our legacy programs of rehabilitating rural Alaska's energy and health challenges. But with partners like AVEC and renewable energy programs like the one in Toksook Bay, we will continue to achieve successes. And step-by-step, successes lead to victory. As Denali Commission Federal Co-Chair George Canelos states, "It was our goal 10 years ago, to work ourselves out of a job. That is still our goal today. Someday, I hope to report to Congress, 'The job is done.' But unfortunately, we are not there yet. In fact, we have huge challenges before us."



efficiency projects that displace 1.4 million gallons  
This is tangible progress toward sustainability."

Peter Crimp, Program Manager - Alternative Energy, Alaska Energy Authority

# Ten years of progress

## DENALI COMMISSION



### Creation of the Denali Commission

The Denali Commission Act passed in Congress, sponsored by U.S. Senator Ted Stevens from Alaska, creates an innovative approach to address the infrastructure and economic challenges in rural Alaska.

### First Federal Co-Chair Appointed

Secretary of Commerce William Daley appoints the first Federal Co-Chair, Jeff Staser.

### Memorandum of Understanding (MOU)

16 state and federal agencies sign an MOU with the Commission outlining roles and coordinating the efforts of government agencies in rural Alaska.

### Health Care Facility Needs Assessment

The Commission conducts a statewide survey to identify primary care facility needs in 288 rural Alaska communities, which estimated costs of \$253 million to meet those needs. The Commission begins building facilities to meet these needs. The U.S. Department of Health and Human Services, through the Health Resources Services Administration (HRSA), provides funding support for the program.

### Cost Containment Policy Implemented

The Commission implements this policy to ensure projects will be built at a reasonable cost to the federal government. The policy sets initial benchmarks for dollars spent per gallon of storage in bulk fuel facilities, as well as dollars spent per kilowatt of power capacity in power plants.

### Washeteria Program

The Commission begins building and renovating washeterias in rural Alaska.



### Congress Expands Programs

Congress directs the Commission to expand on existing programs and build teacher housing, elder supportive housing, domestic violence facilities, and solid waste facilities in rural Alaska.



### Investment Policy Adopted

The Commission adopts a policy to ensure federal dollars are maximized to meet rural Alaska needs with sustainable projects.

1998 — 1999 — 2000 — 2001 — 2002 — 2003 — 2004

### Bulk Fuel Needs

Working with the state, the Commission updates an assessment of statewide bulk fuel needs and determines the need for new facilities.

### Rural Energy Program Initiated

The Commission begins addressing bulk fuel and power deficiencies in rural Alaska communities by partnering with state, and others to build code compliant bulk fuel facilities.

### Health Steering Committee Created

The Health Facilities Program receives appropriations prompting the formation of the Health Steering Committee.



### First Commission Meeting Held

The first meeting of the Commission was held in April in Anchorage.

### Denali Training Fund Created

This fund is created to provide job training for Commission and other public infrastructure projects across Alaska.



### Power Needs Assessment Concluded

The Commission's statewide power system assessment identifies critical needs in 168 communities. Upgrades begin immediately.

### Sustainability Resolution Adopted

This resolution, adopted by the Commission, requires communities to meet specific sustainability requirements before projects are funded.

### The Denali Commission Reauthorization

Section 504 of Division D of Public Law 108-7, the Energy and Water Appropriations, is signed into law reauthorizing the Denali Commission through 2008.

### MOU Commitment Renewed

33 state and federal agencies sign an MOU renewing a commitment to coordinate the efforts of government agencies in rural Alaska.



### Multi-Use Facilities Program Begins

The Commission begins building multi-use facilities in rural Alaska.

### Private Enterprise Policy Adopted

The Commission adopts a policy to ensure federal funding does not interfere or compete with private enterprise.

### Energy Policy Act Passes

The 2005 Energy Policy Act authorizes the Commission to pursue alternative-renewable energy solutions.

### Community Plan Requirement

As a commitment to sustainable development, the Commission requires that projects applying for funding be part of a community plan.

### Transportation Program Begins

The passing of this bill authorizes up to \$100 million to the Denali Commission for roads, docks, harbors, and related infrastructure in rural Alaska for four years.



### New Leadership for the Commission

Secretary of Commerce Carlos Gutierrez appoints Brigadier General (Ret.) George J. Cannelos to serve as the Federal Co-Chair.

### Energy, Economic Development and Training Advisory Committee's Created

Modeled after the already successful Transportation and the Health Committee model, Commissioners embark on a new charter of program delivery by adding these committees.

### Federal Financial Management Advisory Committee (FFMAC) Created

The Commission is a pioneer among small independent federal agencies in establishing a Federal Financial Management Advisory Committee. Composed of Commissioners and nationally respected experts in financial management, this Committee advises the Federal Co-Chair and the Inspector General on financial management issues.

### Commissioners Approve up to \$5 Million for Alternative-Renewable Energy Projects

An enthusiastic response to a Letter of Interest over the summer garnered 181 descriptions of potential alternative-renewable energy projects. This led to a Request for Proposals with an FY08 due date. The response to that RFP was overwhelming paving the way for future funds in this area at both the federal and state level.

### The Denali Commission Participates in the PAR Pilot Program

The Commission participates in the Performance and Accountability Pilot Program. The program presents federal accountability information in a new format, including the now popular agency Citizens' Report.

### The Denali Commission Opens a Rural Satellite Office

The Commission opens its first rural office. A remote site workforce is another innovative strategy at the Commission.

2005

2006

2007

2008

### Program and Policy Review

After a national solicitation, the McDowell Group is selected to conduct an independent review and analysis of performance, impacts and outcomes of the Denali Commission's programs and policies since inception. Findings detail the significant contribution of the Commission to rural Alaska.



### Transportation Advisory Committee Created

A committee, designated by statute and made up of rural Alaska leaders with experience in transportation, guides the Transportation Program and recommends project funding.



### Meeting with the Secretary of Commerce

Federal Co-Chair George J. Cannelos meets with Secretary of Commerce Carlos M. Gutierrez on his visit to Alaska. The Secretary of Commerce appoints the Commission's seven Commissioners and approves the annual work plan. Gutierrez gained a much better understanding of the Commission's challenges and work.

### MOU Partners Reconvene

In an ongoing effort of government coordination, the Commission recommitted various federal and state agencies through the signing of a new Memorandum Of Understanding in May 2008. This group has committed to meeting twice a year with a focus on strengthening state and federal partnerships for infrastructure, workforce and economic development in rural Alaska.



### The Denali Commission Receives NADO Awards

For two years in a row, the Denali Commission is recognized by the National Association of Development Organization (NADO) for innovative program work. The Commission's Training Program is recognized for its partnership with Alaska Works Partnership for workforce development that is reaching rural Alaska. Also, the Commission's Economic Development Program is recognized for its partnership with Alaska Marketplace. This program brings economic opportunities to rural residents with an entrepreneurial spirit.

### October 21, 2008

The Denali Commission looks back to see 10 Years of Progress. Ten years ago, in 1998, the Denali Commission Act was signed into law. The Commission's creation involved the support of Congress and many others who had the vision to create something unique in American government. The Denali Commission model does not simply provide assistance for the development of rural infrastructure; the Commission model requires involvement from community leadership in which it serves, promoting self-governance, sustainability and a vested interest in every project conceived.



## STAFF DENALI COMMISSION

**Mark Allred**  
Economic Development Program  
Manager (Detail from the  
ANCSA Regional Assoc.)

**Kathy Berzanske**  
Teacher Housing Program  
Manager & Health Facilities  
Deputy Program Manager

**Dawn Bishop-Kleweno**  
Office Administrator/Analyst for IG

**Valerie Boyd**  
Operations Administrator

**George J. Canelos**  
Federal Co-Chair

**Automme Circosta**  
Program Assistant

**Denali Daniels**  
Health Facilities Senior  
Program Manager

**Corrine Eilo**  
Director of Administration

**Jodi Fondy**  
Program Assistant

**Jamilia George**  
State Co-Chair's  
Representative

**Janet Hall**  
Community Planning Program Manager  
(Detail from RurAL CAP)

**Krag Johnsen**  
Chief Operating Officer

**Karen Johnson**  
Training Program Manager

**Lindsey Jolly**  
Finance Specialist

**Gene Kane**  
Solid Waste Program Manager (Detail from  
USDA-Rural Development)

**Sharon Guenther Lind**  
Government Coordination & Public  
Information Officer Program Manager

**Mariah McNair**  
Grants Specialist

**Mike Marsh**  
Inspector General

**Nancy Merriman**  
Administrative Officer

**Jason Meyer**  
Fellow, Energy Program

**Bob Pawlowski**  
Legislative Liaison (Detail from The Alaska  
Legislature)

**Jennifer Price**  
Finance Administrator

**Tessa Rinner**  
Director of Programs

**Jennifer Robinson**  
Administrative Clerk

**Adison Smith**  
Program Assistant

**Jimmy Smith**  
Detail from Alaska  
- DCCED

**Payton Snider**  
Information and Technology Administrator

**Betty Sorensen**  
Grants Administrator

**Brandi Taylor-Kelly**  
Assistant to the  
Federal Co-Chair

**Dolly Ann Trefon**  
Travel Administrator



## Common Terms USED IN ALASKA

### ANCSA

The Alaska Native Claims Settlement Act passed in 1971 and was the largest land claims settlement in U.S. history, transferring land title to Alaska Native Corporations.

### ATV

All terrain vehicle or four-wheeler, a common form of transportation in rural Alaska.

### Break Up

The spring melting season when rivers thaw and begin to flow again, carrying huge chunks of ice down river.

### Bulk Fuel Storage Facility

Facilities used to store 6-to-13 months supply of diesel fuel required to meet the power generation and home heating needs for rural Alaska communities.

### The Bush

Rural Alaska communities, typically not on the road system.

### Bush Pilot

Pilots of aircraft who provide transportation to bush communities and isolated destinations.

### Four Wheeler

An all-terrain vehicle used as a primary mode of transportation in rural Alaska.

### Honey Bucket

A bucket used as a toilet in homes without sewer or running water. Buckets are emptied manually.

### The Last Frontier

Because of its rugged splendor, Alaska is commonly referred to as The Last Frontier.

### Lower 48

Alaskans refer to the contiguous 48 states as the Lower 48.

### Multi-Use Facility

A facility to consolidate essential community services such as health clinics, fire departments, washeterias and jails.

### Northern Lights

Magnetic particles from the sun hitting the earth's atmosphere which are visible for more than half the year. Also called Aurora Borealis.

### Permafrost

Ground that is permanently frozen year round in Arctic regions.

### Snowmachine

A small vehicle with ski-like runners in front and tank-like treads, ridden by straddling a seat and used for driving in or traveling on snow. Also called a snowmobile.

### Subsistence

The hunting, fishing, and gathering activities which traditionally constitute the economic base of life for rural Alaska.

### Termination Dust

The first snowfall on the mountains signaling the end of the summer season.

### Tundra

An area where tree growth is hindered by permafrost, low temperatures and short growing seasons. Typically the surface is boggy due to a high water table.

### Washeteria

A small, public facility serving as the local watering point where people can obtain treated drinking water. Washeterias are also locations for laundry, showers and flushable toilets.



# energy

## PROGRAM

Recognizing the critical role energy plays in the quality of life and economic development of Alaska's communities, the Denali Commission has made energy its primary infrastructure theme since 1999. The Commission has made great strides developing safe and reliable energy infrastructure in Alaska.

The Energy Program primarily funds design and construction of replacement bulk fuel storage facilities, upgrades to community power generation and distribution systems, alternative-renewable energy projects, and some energy cost reduction projects. The Commission works with the Alaska Energy Authority (AEA), Alaska Village Electric Cooperative (AVEC), Alaska Power and Telephone and other partners to meet rural communities' fuel storage and power generation needs.

### Program Partners

#### Alaska Energy Authority

[www.aidea.org/aea](http://www.aidea.org/aea)

#### Alaska Village Electric Cooperative

[www.avec.org](http://www.avec.org)

#### Alaska Power & Telephone

[www.aptalaska.com](http://www.aptalaska.com)

#### USDA RUS

[www.usda.gov/rus/electric](http://www.usda.gov/rus/electric)



SELAWIK



DEERING

### Energy Advisory Committee

The Energy Advisory Committee was established in 2007 to aid the Commission by reviewing and updating existing policies and guiding the Commission's direction in developing a more robust energy program. The Energy Advisory Committee serves in an advisory capacity to the full Commission.

### Committee Members

#### John MacKinnon (Chair)

Denali Commissioner  
Associated General Contractors of Alaska

#### Vince Beltrami

Denali Commissioner  
Alaska AFL-CIO

#### Nels Anderson, Jr.

Bristol Bay Resident

#### Eric Marchegiani, P.E.

U.S. Department of Agriculture  
– Rural Development

#### Bob Martin

Goldbelt Corporation

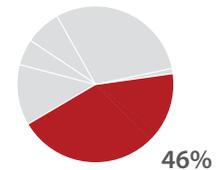
#### Brad Reeve

Kotzebue Electric Association

#### Dr. Buck Sharpton

University of Alaska

### Funding Uses FY99 - FY08



### Projects Funded

- Bulk-Fuel Storage
- Community Power Generation and Distribution Systems Upgrades
- Energy Cost Reduction Projects
- Renewable and Alternative Energy
- Power Line Interties

## Innovation at work

Thanks to funding received from the Denali Commission and other organizations over the past seven years, Alaska Village Electric Cooperative (AVEC) has been able to upgrade several power plants, increasing generating efficiency and installing wind turbines where feasible.

Some communities have received automated power plants with separate modules for engine-generator sets, control switchgear, storage, and employee living quarters. Control modules contain state of the art control panels and switchgear that manage each diesel generator with maximum efficiency. The resulting savings are substantial and the flexibility to add further alternative or renewable resources to the overall system provides great opportunity for future diversification of the local energy system.

Installing modular power plants is a creative way to address unique situations in rural Alaska. From an empty module that measures 30' x 11' x 11', workers seemingly pull off miracles while fitting all the associated components and intricate wiring required for automated modular power plants. The modular units are then transported to the Port of Anchorage where they are placed on a barge for shipment to a remote village. Just one example of innovation at work in Alaska!



# progress report

1998 - 2008

## ENERGY PROGRAM

	Complete	In-Progress	Planning	Unmet Need
<b>Bulk Fuel</b>	96	45	7	19
<b>Rural Power System Upgrade</b>	43	23	7	90
<b>Other</b>	76	59	—	—





**Program Partners**

**Health Resources and Services Administration**  
[www.hrsa.gov](http://www.hrsa.gov)

**Alaska Department of Health and Social Services (DHSS)**  
[www.hss.state.ak.us](http://www.hss.state.ak.us)

**Alaska Native Tribal Health Consortium**  
[www.anthc.org](http://www.anthc.org)

**Alaska Housing Finance Corporation**  
[www.ahfc.state.ak.us](http://www.ahfc.state.ak.us)

**Alaska Mental Health Trust Authority**  
[www.mhtrust.org](http://www.mhtrust.org)

**Alaska State Hospital and Nursing Home Association**  
[www.ashnha.com](http://www.ashnha.com)

**Rasmuson Foundation**  
[www.rasmuson.org](http://www.rasmuson.org)

**Regional Alaska Native Health Organizations**



**Innovation at work**

**Tele-Pharmacy for Remote Clinics**

In 2006, the Denali Commission in partnership with the Rasmuson Foundation and Southcentral Foundation, funded a tele-pharmacy project startup for the communities of Atka, Tyonek, Chistochina, Unalaska, Nikolski, St. George, Nicolai, Ninilchik, Takotna and Mentasta Lake. The program provided capital funding for pharmacy equipment and installation.

Utilizing innovative software, videophone systems, and automated dispensing machines (ADMs), the Alaska Native Medical Center (ANMC) created a pharmacy network for remote clinics. Pharmacy staffers are physically located in the main pharmacy in Anchorage, and they allocate their time as needed to the remote clinics. The network has improved access to pharmaceuticals, decreased physical and economic barriers to drug therapy, and allowed isolated remote clinics to offer comprehensive pharmacy services to both Native and non-Native patients.

# health facilities

## PROGRAM

Congress amended the Denali Commission Act in 1999 to provide for planning, designing, constructing and equipping health facilities. The Health Facilities program is a collaborative one, with the partnership of numerous organizations, and the invaluable assistance of the Alaska Native Regional Health Corporations. The Commission has methodically invested in regional networks of primary care clinics across Alaska, and these clinics have remained a priority. In response to Congressional direction in 2003, funding for additional program areas addressing other health and social service related facility needs was initiated. The Health Facilities Program has adopted innovative additions to clinic design, including behavioral health and dental care. The program has expanded to include annual initiatives like domestic violence facilities, elder housing, primary care in hospitals, emergency medical services equipment and hospital designs.

The program utilizes a universe of need model for primary care and an annual selection process through a Health Steering Committee for other program areas. In 1999, the program created a deficiency list for primary care clinics and found 288 communities statewide in need of clinic replacement, expansion and/or renovation; this list was updated in 2008. Projects are recommended for funding if they demonstrate project readiness.

### Health Steering Committee

The Health Steering Committee is an advisory body comprised of the following membership organizations: the State of Alaska, Alaska Primary Care Association, the Alaska Native Tribal Health Consortium, the Alaska Mental Health Trust Authority, the Alaska Native Health Board, the Indian Health Service, the Alaska State Hospital and Nursing Home Association, and the University of Alaska. The Committee reviews and updates existing policies and guides the Commission's direction in health infrastructure.

### Committee Members

#### Bill Hogan (Co-Chair)

State Commissioner  
Department of Health  
and Social Services

#### Karen Perdue (Co-Chair)

Denali Commissioner  
University of Alaska

#### Kenneth Glifort

Indian Health Service

#### Don Kashevaroff

Alaska Native Tribal  
Health Consortium

#### Jerry Fuller

Department of Health  
and Social Services

#### Lincoln Bean

Alaska Native Tribal  
Health Consortium

#### Beverly Wooley

Department of Health  
and Social Services

#### Marilyn Walsh Kasmar

Alaska Primary Care  
Association

#### Rebecca Hilgendorf

Department of Health  
and Social Services

#### Jeff Jessee

Alaska Mental Health Trust

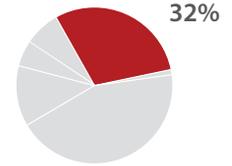
#### Rod Betit

Alaska State Hospital  
Nursing Home Assoc.

#### Andy Teuber

Alaska Native Tribal Health  
Consortium

### Funding Uses FY99 - FY08



### Projects Funded

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

# progress report

1998 - 2008

## HEALTH FACILITIES PROGRAM

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Our second legacy program, health, began its work in 2001 and has focused on primary care facilities across the state of which roughly 288 communities were identified initially as having some level of health infrastructure need. Our focus now includes a mix of other health and social service related facilities and to date the Commission has funded 111 primary care clinics; there are approximately 40 currently in design. Elder housing/assisted living, domestic violence shelters, rural hospitals and behavioral health have also been part of this plan across the state. The health facilities program is improving access and reducing the cost of healthcare to residents in Alaska.

	Complete/ In Construction	In Design/ Pending Funding	Planning/ Unmet Need
<b>Primary Care Clinics</b>	111	40	~100
<b>Domestic Violence Shelters</b>	22	—	—
<b>Elder Housing/Assisted Living</b> (New Units/39 Rehab Units)	193	—	—
<b>Primary Care-Hospitals, Health Equipment, Behavioral Health Facilities, etc.</b>	45	—	—



NAPASKIAK



TUNTUTULIAK

# transportation

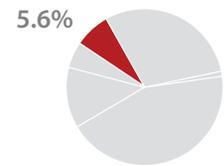
## PROGRAM

The Denali Commission's Transportation Program began in late 2005 as part of the Safe, Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) legislation and accompanying amendments to the Denali Commission Act of 1998 (amended). The program focus is rural roads and waterfront development.

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 opportunities 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.

The Transportation Program has developed successful design and construction partnerships with the U.S. Federal Highway Administration (FHWA) Western Federal Lands Highway Division, Alaska Department of Transportation and Public Facilities and the Corps of Engineers. The program also develops projects with regional, local and tribal governments, and regional tribal non-profits. Success in the program is also a function of excellent ongoing guidance from the FHWA Alaska Division.

### Funding Uses FY99 - FY08



### Projects Funded

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

## Innovation at work

### Partnerships Make It Happen

In the small community of Mekoryuk, material was needed for an upgraded pad, liner bedding and ballast for the Denali Commission and AVEC funded tank farm. It was soon learned, by all parties involved, that the community's boat landing (which is 1,500 feet from the bulk fuel tank farm) also needed some work and repair.



STG, Inc., the construction manager for the AVEC bulk fuel tank farm, proposed that dredging improvements to the community's boat landing area be a source of fill material for the new tank farm project. In conjunction with the bulk fuel tank farm funding from the Denali Commission, AVEC and STG worked with the community to apply for funding from the Commission's Transportation Program for the boat landing improvements. Contractors were able to use the sandy material taken out of the boat landing area, utilizing equipment already on site for the bulk fuel tank farm installation, and eliminate the need to barge material in from Nome, a costly endeavor, and provided much needed improvements to the navigable area within the boat landing basin.





- Program Partners**  
**U.S. Department of Transportation (DOT)**  
[www.dot.gov](http://www.dot.gov)  
**Alaska Department of Transportation and Public Facilities**  
[www.dot.state.ak.us](http://www.dot.state.ak.us)  
**U.S. DOT Federal Highway Administration**  
[www.fhwa.dot.gov](http://www.fhwa.dot.gov)  
**U.S. DOT Western Federal Lands Highway Division**  
[www.wfl.fhwa.dot.gov](http://www.wfl.fhwa.dot.gov)  
**Bureau of Indian Affairs**  
[www.doi.gov/bia](http://www.doi.gov/bia)  
**Community Development Quota Organizations**  
[www.wacda.org](http://www.wacda.org)  
**Regional Tribal Non-Profit Organizations**

**Transportation Advisory Committee**

Road and waterfront development projects are selected by the program's Transportation Advisory Committee (TAC) following an extensive public application process. TAC members, appointed by the Governor of Alaska and led by the Denali Commission Federal Co-Chair, are rural Alaska leaders with extensive experience in transportation development. In addition to project selection work, the TAC advises Denali Commission management on surface transportation needs in rural Alaska and assists in coordinated rural transportation planning efforts. The TAC is a key statutory feature of the program, and a key element in the program's success.

**Committee Members**

**George J. Cannelos (Chair)**  
 Denali Commissioner

**Mike Hoffman**  
 Association of Village Council Presidents

**Steve Ivanoff**  
 Kawerak, Incorporated

**Norm Phillips**  
 Doyon, Limited

**Chuck Pool, P.E., R.L.S.**  
 Pool Engineering, Incorporated

**Chuck Quinlan**  
 K'oyitl'ots'ina, Limited

**Randy Romenesko, P.E.**  
 Consultant

**Walter Sampson**  
 NANA Regional Corporation

**Carvel Zimin, Jr.**  
 Bristol Bay Borough Assembly



**progress report**  
 1998 - 2008

**T R A N S P O R T A T I O N P R O G R A M**

The Transportation Program includes a full range of traditional rural road and port/harbor projects. However, work with communities has resulted in the Commission leading the way in two unique transportation system areas. One is a growing focus on the ATV vehicle fleet, including board-roads within villages and hardened ATV trails. These projects improve safety, extend vehicle life and reduce environmental impacts. The second focus area is barge landings, which are a significant need across rural Alaska. Upgraded landings will improve operational efficiencies and worker safety, while reducing environmental risks associated with fuel and freight transfers.

	<u>Complete/In Construction</u>	<u>In Design</u>	<u>Planning</u>
Road Projects	33	20	11
Waterfront Projects	30	15	7





#### Program Partners

**U.S. Department of Labor**  
[www.dol.gov](http://www.dol.gov)

**Construction Education Foundation  
 Associated General Contractors  
 of Alaska**  
[www.agcak.org](http://www.agcak.org)

**University of Alaska**  
[www.alaska.edu](http://www.alaska.edu)

**First Alaskans Institute**  
[www.firstalaskans.org](http://www.firstalaskans.org)

**Alaska Works Partnership**  
[www.alaskaworks.org](http://www.alaskaworks.org)

**Department of Labor and  
 Workforce Development**  
<http://labor.state.ak.us>

## training PROGRAM

The Denali Commission has placed job training at the center of its comprehensive plan for economic growth in Alaska. In just a few short years, the Commission has made significant strides in assisting rural communities with their workforce development needs. As the Commission funds projects for new clinics, roads, and tank farms, it also builds sustainability into those projects by providing training for local residents to maintain and operate the new facilities.

The Denali Commission administers the training program through numerous program partnerships. Each of our partners provide a high level of training opportunities that support Commission investments in rural Alaska by providing training for careers related to Commission programs such as Energy, Transportation, and Health Facilities.

#### Training Advisory Committee

The Training Advisory Committee is a high level planning group that provides guidance and recommendations to Commissioners on policy and strategic planning. The committee also ensures that all training program activities are aligned with the current Denali Commission Work Plan and other on-going Denali Commission projects.

#### Committee Members

##### Vince Beltrami (Chair)

Denali Commissioner  
 Alaska AFL-CIO

##### John MacKinnon

Denali Commissioner  
 Associated General Contractors of Alaska

##### Rose Heyano

Bristol Bay Area Health Corporation

##### Click Bishop

Alaska Department  
 of Labor and Workforce Development

##### Dawn Salesky

Alaska Native Coalition of Employment and Training

##### Wanetta Ayers

Western Alaska Community Development Association

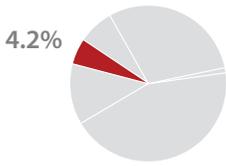
##### Jennifer Carrol

University of Alaska

##### Bernice Joseph

University of Alaska

**Funding Uses  
FY99 - FY08**



**Projects Funded**

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



2008 NADO Innovation Award to Alaska Works Partnership, Inc.

**innovation at work**

**Alaska Works Partnership, Inc.**

For the past seven years, Alaska Works Partnership, Inc. (AWP), in partnership with the Denali Commission, has conducted vocational training to build and maintain community infrastructure in rural Alaska. AWP has assisted more than 2,000 job seekers living in 166 rural and remote communities.

AWP has developed outstanding partnerships with local and regional tribal entities, regional training centers, trade apprenticeship programs, educators and industry employers and has had great success placing trainees in construction jobs locally, regionally and statewide. AWP has developed innovative approaches for serving rural Alaska with mobile, flexible, and culturally sensitive training. Program case managers and job developers provide a holistic, comprehensive and effective set of support services. AWP's programs are helping move people out of poverty into high skill, high wage jobs and careers that bring health and prosperity to Alaska's communities.

AWP has several programs training participants in numerous disciplines. AWP's Rural Apprenticeship Outreach program has helped more than 400 rural Alaskans become trade apprentices, giving them the opportunity to develop skills for lifelong careers as carpenters, plumbers and pipe fitters, operating engineers, electricians, laborers, and truck drivers. AWP's Building Maintenance Repairer Apprentice and Step-UP program was developed by AWP to assist tribal designated housing entities develop a local workforce to build new affordable housing in remote villages, and to maintain Alaska Native public housing stock. The AWP Rural Youth Academies connect rural schools, employers, and young Alaskans, ages 16-24, in vocational training courses.

The Denali Commission is proud to partner with organizations like AWP to reach rural residents. This innovative partnership approach provides new avenues for program delivery and produces outstanding results.

**progress report**

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**TRAINING PROGRAM**

**Allied Health Careers**

Pharmacy radiology and medical lab techs, dental assistants, personal care attendants, certified nurses aids, health care reimbursement and community health aides. Over 1,000 individuals have been trained to date.

**Youth Initiatives**

The Denali Commission has helped over 1,000 youth access supplementary training programs, work experience, career awareness and employability skills that have helped them prosper in Alaska's workforce.

**Construction**

Carpentry, plumbing, electrical, heavy equipment operation, commercial driver's license, welding, wind turbine technicians, building maintenance repair, weatherization and project administration. Over 4,000 individuals from rural communities have been trained in careers that led to employment.



*"Commercial Organic Greenhouse" Nikolski IRA Council. 2007 Alaska Marketplace winner.*

**Program Partners**

**Alaska Federation of Natives**  
[www.nativefederation.org](http://www.nativefederation.org)

**Dept. of Community & Regional Affairs**  
[www.dced.state.ak.us/dca/home.htm](http://www.dced.state.ak.us/dca/home.htm)

**First Alaskans**  
[www.firstalaskans.org](http://www.firstalaskans.org)

**Alaska Growth Capital**  
[www.alaskagrowth.com](http://www.alaskagrowth.com)

**Mini grant program**  
[www.dced.state.ak.us/dca/grt/minigrant.htm](http://www.dced.state.ak.us/dca/grt/minigrant.htm)

**Community Mapping (IAID)**  
[www.dced.state.ak.us/dca/grt/iaid/iaidhome.htm](http://www.dced.state.ak.us/dca/grt/iaid/iaidhome.htm)

**Innovation at work**

**Alaska Marketplace**

The Commission's Economic Development Program has supported the Alaska Marketplace competition. The competition is administered through the Alaska Federation of Natives (AFN). AFN is a non-profit organization comprised of regional for-profit Alaska Native Corporations formed under the Alaska Native Claims Settlement Act (ANCSA), regional non-profit Native Associations and Native villages throughout Alaska. AFN represents the social, economic, and political interests of more than 125,000 Alaska Natives.

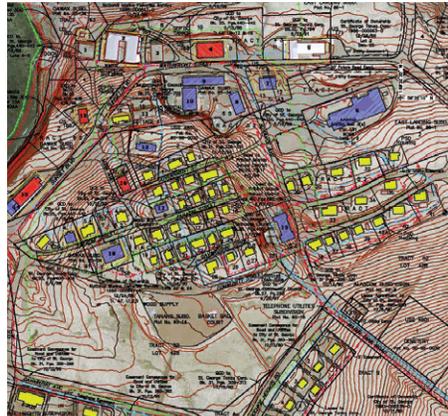
The Alaska Marketplace seeks to revitalize the economies of rural Alaska by fostering innovation and business creation that promotes Alaska's unique cultural heritages. It provides job opportunities using local economic resources, generates revenue and diversifies strategies of economic development. The initiative brings together visionaries, financiers, technical experts and entrepreneurs in a competition which business owners and/or aspiring business owners showcase their ideas. Entrepreneurs compete and are chosen by a panel of appointed judges. The selection process involves a review of business plans and presentations by the individual(s)

Morris Thompson Cultural and Visitors Center



FAIRBANKS

Community Mapping



Alaska Marketplace



# economic development

## PROGRAM

The Economic Development program at the Denali Commission realizes that the economic success in Alaska's larger communities is directly related to the success of rural Alaska. These economies are linked and the Commission continues to take important steps at encouraging economic development in one of the most challenging markets in the American economy, rural Alaska.

The Economic Development Program continues to provide rural communities with the tools necessary to plan for their own sustainability. The Commission encourages economic development through innovative partnerships with regional organizations in the areas of community mapping, community planning, feasibility studies, business planning, small equipment purchases and more.

### Economic Development Advisory Committee

The Economic Development Advisory Committee provides guidance on policy matters at the Denali Commission pertaining to the economic well being and enhancement of the communities of rural Alaska.

### Committee Members

#### Kathie Wasserman (Chair)

Denali Commissioner  
Alaska Municipal League

#### Julie Kitka

Denali Commissioner  
Alaska Federation of Natives

#### Wilfred "Boyuck" Ryan

Alaska Air Carriers Association

#### Berney Richert, Jr.

Economic Development  
Administration

#### Sheri Buretta

Chugach Alaska Corporation

#### Joseph Austerman

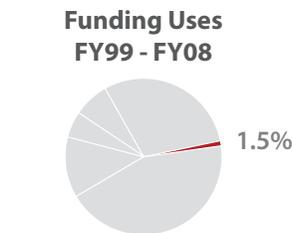
State of Alaska, Office of  
Economic Development

#### Wanetta Ayers

Western Alaska Community  
Development Association

#### Christi Bell

University of Alaska, Center for  
Economic Development



### Projects Funded

- Mini-grants
- Business Financial Assistance
- Business Technical Assistance
- Community Mapping

#### Doug Ward

Alaska Shipyard and Dry Dock

#### Barb Nickels

Alaska Regional Development  
Organization

#### Charles Parker

Alaska Village Initiatives

selling their idea. The goal is to promote new businesses and stimulate economic development in rural Alaskan communities. All Alaskans are eligible to compete.

The competition has drawn considerable media coverage locally, regionally, statewide and nationwide. Winner's have been featured in numerous business periodicals, radio, television, and invited as guest speakers at conferences and workshops to highlight their business and the Alaska Marketplace competition.

The Denali Commission's innovative approach to program delivery allows the flexibility of supporting programs and partnerships like AFN's Alaska Marketplace.



2008 NADO Innovation Award to the Alaska Marketplace.

# progress report

1998 - 2008

## ECONOMIC DEVELOPMENT PROGRAM

The Economic Development Program completed its first project in 2000. Since then, over 130 projects have been either completed or started in many areas including: strategic, community, and business planning, feasibility studies, design projects, essential equipment purchases, facility renovations, and park upgrades or builds.



SCAMMON BAY

Teacher Housing



KIANA

Burn Box

**Program Partners**

**Alaska Housing Finance Corporation**  
[www.ahfc.state.ak.us](http://www.ahfc.state.ak.us)

**Association of Village Council Presidents**  
[www.avcp.org](http://www.avcp.org)

**USDA Rural Development Water and Environmental Program**  
[www.usda.gov/rus/water](http://www.usda.gov/rus/water)

**U.S. Environmental Protection Agency**  
<http://yosemite.epa.gov/R10/TRIBAL.NSF/webpage/Tribal+Grants>

**RurAL CAP**  
[www.ruralcap.com](http://www.ruralcap.com)

# Improving communities PROGRAMS

Teacher Housing, Solid Waste, Multi-Use Facilities and Washeterias are a few examples of programs the Denali Commission has funded over the last 10 years improving rural communities. While funding for these program areas has been limited, the results have provided lasting, far reaching changes to communities in areas that most take for granted in other parts of the country. These critical program areas help to build the foundation of a community by meeting some of the needs most take for granted in urban areas.

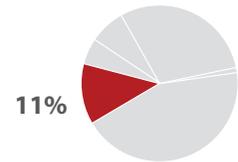
**Teacher Housing**

A study conducted in 2004 found that 57% of Alaska’s school districts reported having difficulty attracting and retaining teachers due to inadequate housing. A needs assessment found that 327 teacher housing units required complete replacement, of which, 195 units have been funded for new, replacement, or refurbished units. Still, there remains a need for the replacement of 235 teacher housing units and 134 units are still in desperate need of repair.

**Solid Waste Program**

Since 2004 the Commission has received annual funding from the U.S. Department of Agriculture Rural Development to address deficiencies in solid waste disposal sites that threaten drinking water across Alaska. The program has funded 57 projects to a variety of municipal, tribal, and non-profit community and regional organizations. Program funds are typically used to purchase basic equipment: balers, burn boxes, trailers and solid waste sorting devices. The program has been managed in partnership with the Rural Alaska Community Action Program since 2007.

**Funding Uses FY99 - FY08**

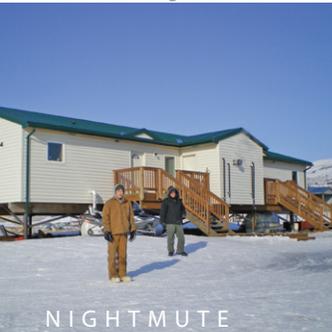


11%

**Projects Funded**

- Teacher Housing
- Solid Waste
- Multi-Use Facilities
- Washeteria
- Public Broadcasting

Teacher Housing



NIGHTMUTE

The Solid Waste program funds a variety of projects to meet specific needs.



## mentoring leaders

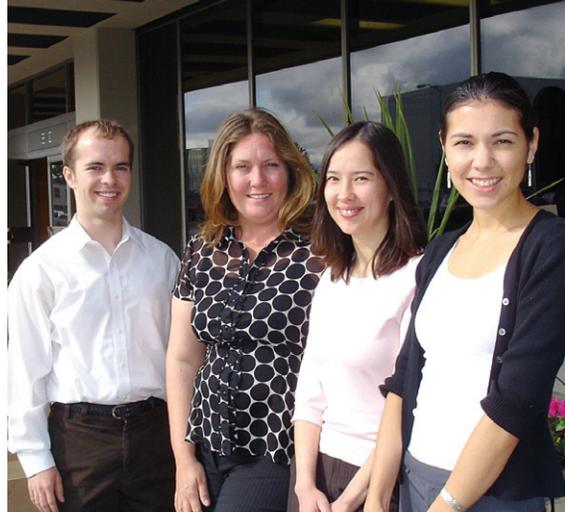
### SUMMER INTERNS

Since 2002, the Denali Commission has provided educational opportunities to over 30 Alaska students through its summer internship program. This 12 week, summer internship program is based in Anchorage. Students have an opportunity to work on projects that support on-going program functions at the Commission.

*"The most enjoyable and rewarding aspect of my internship was being able to work with the residents of Chevak, face to face in their village."*

-2008 Summer Intern

For more information about the internship program, please contact Janet Hall, Program Manager, at [jhall@denali.gov](mailto:jhall@denali.gov).



2008 Denali Commission Summer Interns: (L-R) Berney Richert, III, Lee Huntoon, Albertha Nay, and Jennine Stebing

"The Denali Commission has been a solid partner with First Alaskans Institute in the development of young Alaska Native leaders. Over 100 college-aged students have participated in our program in the past five years."

Janie Leask, President/CEO First Alaskans Institute

## enterprising programs

### DENTAL THERAPISTS

Rural Alaskans have lacked adequate dental care for many years. The rate of tooth decay is reported to be twice the national average among Alaska Natives. Research has shown that 60% of Alaska Native children five and under have severe dental decay. The Dental Therapist program, launched in 2003 by the Alaska Native Tribal Health Consortium and championed by the Rasmuson Foundation, had a very rocky start with national opposition from the American Dental Association, which has since been resolved. Dental Therapists like Lillian "Lilly" McGilton can now fill cavities, extract teeth, and educate about dental health in our rural communities. Dental Therapist programs are known around the world but, until now, have not existed in the U.S. In fact training for this program originally occurred abroad in New Zealand because of the resistance to the addition of this program. Lilly participated in that early program and lived in New Zealand away from her family and friends for 18 months while she trained to be a dental therapist.

Today, the Denali Commission supports the Dental Therapist Program through our Health Facilities Program which has integrated dental stations into the modern health clinics where new skilled dental therapists like Lilly can provide much needed dental care while living in her community. The Denali Commission has also partially funded the construction of the new Yuut Elitnaurviat in Bethel which houses Alaska's only Dental Therapist School. The Denali Commission Training Program provides tuition to rural residents to complete the two year Dental Therapist Program so people like Lilly do not have to travel abroad for training. Lilly works for the Yukon Kuskokwim Health Corporation in Toksook Bay and provides dental therapist services to: Cheforvak, Mekoryuk, Nightmute, Newtok, Tununak and Toksook Bay.



## Financial summary

### FY08

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 sophisticated 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 2008 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 and relies on a network of experts including financial staff at the Veterans Administration.

“With the Denali Commission’s ability to bring federal, state  
and financial support for projects, and with ANTHC’s  
services around Alaska,

#### Funding Sources

Energy & Water Development Bill.....	\$ 21,800,000
Trans-Alaska Pipeline Liability Funds (TAPL).....	\$ 5,830,940
USDA Rural Utility Service Funds.....	\$ 10,000,000
Health & Human Services Funds.....	\$ 38,596,726
Department of Labor Funds.....	\$ 6,754,894
USDA Solid Waste Funds.....	\$ 433,940
Department of Transportation (Obligating Authority).....	\$ 25,463,091
<b>Total Funding.....</b>	<b>\$ 108,879,591</b>

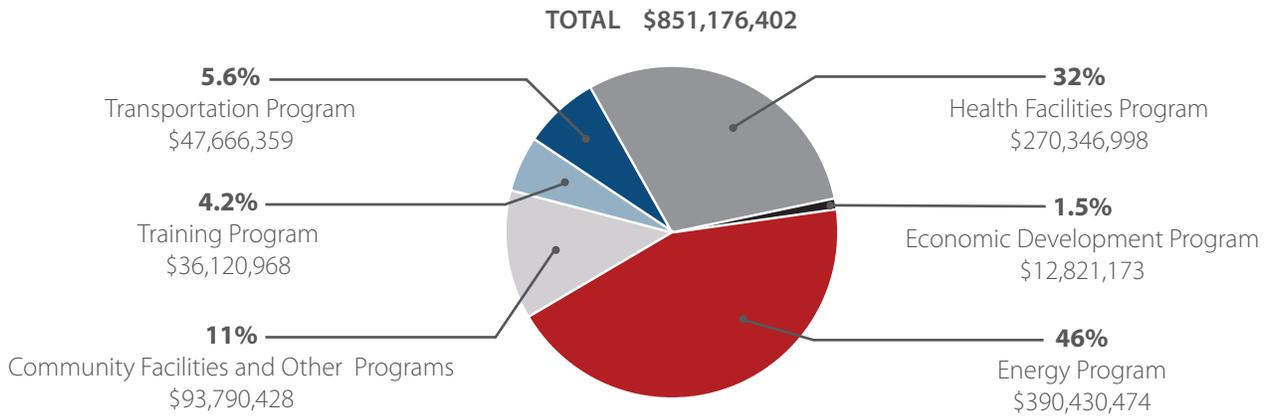
#### Funding Uses

Energy.....	\$ 25,337,767
Alternative Energy.....	\$ 9,000,000
Teacher Housing.....	\$ 1,000,000
Economic Development.....	\$ 511,620
Primary Care.....	\$ 22,666,890
Behavioral Health.....	\$ 5,000,000
Primary Care in Hospitals.....	\$ 4,000,000
Domestic Violence Facilities.....	\$ 1,000,000
Hospital Designs.....	\$ 4,000,000
Training Programs.....	\$ 6,417,149
Transportation.....	\$ 24,189,936
Solid Waste.....	\$ 418,209

**Program Funding..... \$ 103,541,571**

## Funding uses

FY99 - FY08



and private organizations together to provide technical knowledge, presence, and experience in providing health our partnership is a winning combination.”

- Don Kashevaroff, CEO, Alaska Native Tribal Health Consortium

## Funding sources

FY99 - FY08

	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Department of Labor						\$5.0	\$6.9	\$6.9	\$6.9	\$6.8
Department of the Interior							\$1.0			
Department of Transportation								\$25.0	\$18.4	\$25.5
Energy & Water Appropriation	\$20.0	\$20.0	\$30.0	\$38.0	\$48.0	\$55.0	\$66.5	\$49.5	\$49.5	\$21.8
Environmental Protection Agency				\$3.0	\$3.0	\$3.5	\$4.0			
Health & Human Services			\$10.0	\$19.9	\$27.2	\$34.7	\$39.5	\$39.3	\$39.3	\$38.6
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
USDA Solid Waste						\$1.0	\$1.5	\$0.7	\$0.7	\$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
<b>Total Funding in Millions</b>	<b>\$20.0</b>	<b>\$25.0</b>	<b>\$66.4</b>	<b>\$97.3</b>	<b>\$99.2</b>	<b>\$120.5</b>	<b>\$140.1</b>	<b>\$140.6</b>	<b>\$133.8</b>	<b>\$108.9</b>

### Federal Financial Management Advisory Committee (FFMAC)

The Commission is a pioneer among small independent federal agencies in establishing a Federal Financial Management Advisory Committee. Composed of Commissioners and nationally respected experts in accounting and auditing, this Committee advises the Federal Co-Chair, CFO, and the Inspector General on agency-level financial management issues.

### Committee Members

**George J. Canelos (Chair)**  
Denali Commission

**Peter V. Aliferis, CGFM**  
Association of Government Accountants

**Dick Cattanach**  
**Emeritus Commissioner**  
CPA/PhD

**Mary Heath**  
US Department of Veterans Affairs

**Joseph L. Kull**  
PricewaterhouseCoopers LLP,  
Washington Federal Practice

**Karen J. Rehfeld**  
State of Alaska

“United Nations Development Program (UNDP) is excited to learn more about the Denali Commission’s model for rural development. The ability to take top-down federal resources, make open decisions within a region on how to best invest the funds, and do so in a multicultural setting is the right way to make lasting change. Other developing regions of the world can benefit from your experience.”

Christophe Nuttall  
 Director, Hub for Innovative Partnerships  
 United Nations Development Program

## the next 10 years

### FUTURE OF THE DENALI COMMISSION

Over the past 10 years, the Denali Commission has invested nearly \$1 billion in rural Alaska. The Commission’s focus on coordinating the delivery of affordable, reliable, safe, sustainable infrastructure will continue to close the gap on major disparities in facilities and services. The Commission’s model of partnering and collaboration provides the foundation for program delivery.

■ **Essential Government Coordination.** The Commission continues to act as a catalyst, bringing federal, state, tribal, regional and local governments and organizations together to dialogue, discuss and improve the delivery of basic government services. This coordination results in great savings to the American taxpayer and improves the quality of life throughout remote Alaska. The Commission will continue to work closely with an array of partners striving to bring the opportunities of the 21st century to all Alaskans.

■ **Infrastructure Stimulus.** Basic community infrastructure is a key building block for viable communities and a healthy economy. Rural Alaska communities still lag behind the nation in many basic utilities, housing and public facilities. Planning, designing, constructing and operating this infrastructure provides jobs, stimulates the economy and gives the private sector opportunities to grow in rural communities.

■ **Progressive Energy Solutions.** With its partners, the Commission leads a concerted effort to provide energy efficient facilities, improve performance of essential diesel power systems and bring renewable energy solutions, where practical, to every community. The Commission will continue to apply the latest technologies to supplement diesel power and expand energy supply portfolios, including hydro power, wind generation, woody biomass and geothermal energy and consider green design concepts for projects.

■ **Seeking Regional Solutions.** The challenges of geography and isolation require new breakthroughs in rural infrastructure development. The Commission will continue to listen and apply innovative solutions for all its programs. Connecting communities with a basic electrical grid, for example, is an essential step for stabilizing economies, lowering energy costs and improving quality of life. The Commission will continue to work closely with regional Alaska Native non-profit organizations, which apply excellent models for prioritizing capital projects and the delivery of essential health and social services.





## purpose

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

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

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

### Vision

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

### Mission

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

## values

### Catalyst for Positive Change

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

### Respect for People and Cultures

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

### 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.

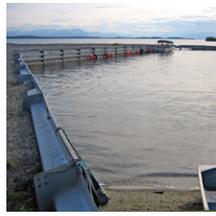
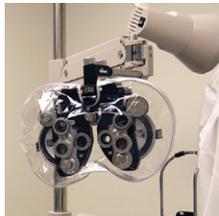
## guiding principles

- The Denali Commission will give priority to funding needs that are most clearly a federal responsibility.
- Denali Commission funds may supplement existing funding, but will not replace existing local, state, federal government or private funding.
- Denali Commission funds will not be used to create unfair competition with private enterprise.
- Projects must be sustainable.
- The Denali Commission will generally not select individual projects for funding nor manage individual projects, but will work through existing state, federal or other appropriate organizations to accomplish its mission.
- Projects in economically distressed communities will have priority for Denali Commission assistance.
- Projects should be compatible with local cultures and values.
- Projects that provide substantial health and safety benefit, and/or enhance traditional community values will generally receive priority over those that provide narrower benefits.
- Projects should have broad public involvement and support. Evidence of support might include endorsement by affected local government councils (municipal, tribal, etc.), participation by local governments in planning and overseeing work, and local cost sharing on an "ability to pay" basis.
- Priority will generally be given to projects with substantial cost sharing.
- Priority will generally be given to projects with a demonstrated commitment to local hire.

This Regional Utility Cooperative Project is Supported and Financed by the Denali Commission and its Partners



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[denali.gov](http://denali.gov)