



WORKING TOGETHER FOR A BETTER ALASKA

Annual Report 2007



WORKING TOGETHER FOR A BETTER ALASKA



Front cover: Yup'ik children wrestle and play in grass outside the village of Hooper Bay Western Alaska. In August 2006 the community suffered a devastating fire consuming 35 structures including teacher housing. The Denali Commission was one of many organizations with projects planned or underway in Hooper Bay. The fire expedited the project timeline bringing new teacher housing that same school year. Cover photo©2008 Matt Hage/AlaskaStock.com

Photo acknowledgments: The Buckland community photos, various meeting photos and group photos by Greg Martin Photography. Also, Lading Photography provided some meeting and group photos.

Innovative Government in Action

Admitted to the Union 183 years after the colonies united, Alaska has been the last state to benefit from the infrastructure and economic development other states have been receiving for many decades. Alaskans face challenges no other Americans do. Nearly 40% of the population lives in remote, frontier communities not connected by road or rail to any other community. In a state with a coastline longer than that of all other U.S. states combined and a land mass twice the size of Texas fractured by 39 mountain ranges and wetlands that, taken together, would be larger than California, even basic necessities must be transported by airplane, boat or snow machine to more than 200 remote villages. Yet Alaska's rural areas are home to vast natural resources that are vital to our national economy and security. And Alaska's strategic location has been recognized by military leaders since the days of Brigadier General Billy Mitchell.

In 1998, Congress answered the challenges of The Last Frontier by creating an extraordinary organization dedicated to building energy, transportation, healthcare, training opportunities and economic infrastructure in rural Alaska. That agency is the Denali Commission.

We invite you, in the following pages, to meet the people of "the bush" and to take inventory of a government agency that is making dramatic progress in the nation's least developed area. The Denali Commission is a model of effective, innovative government. In these pages, witness our vision for a better Alaska, a stronger America.

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January 2008

Dear Friends of the Denali Commission,

We are thrilled to report on the 2007 accomplishments of the Denali Commission, a unique federal-state partnership, and a model for the rest of the United States.

The Denali Commission is a small, independent federal agency established by Congress in 1998. In just nine short years, working with the State of Alaska and many other partners, the Commission has made unprecedented progress in accelerating the delivery of critical infrastructure to frontier towns and villages across our vast state.

The Commission has achieved many innovative breakthroughs, including a strategic approach to resolving energy and health delivery issues, and a focus on sustainability. By partnering with state agencies, tribal governments and organizations and the private sector, the Commission has coordinated the efforts of many federal and state agencies for the common good.

The Commission has built over 80 primary health care clinics, for example, that are staffed with highly-trained local residents. These clinics include space for behavioral health and dentistry, both critically-needed services.

The dramatic rise in the cost of diesel fuel and petroleum products threatens the viability of many communities. The Commission and the State of Alaska have joined forces to aggressively pursue renewable/alternative energy solutions to lower our dependence on imported oil and fossil fuel.

Alaska has long served as a laboratory for the nation. Climate change is the latest challenge where the effects of warming are felt more profoundly here across the economic, social, and environmental spectrum. The Commission and the State are working together to adapt to climate change in our community planning and infrastructure development programs.

We believe fervently that Alaska and the indomitable Alaskan pioneer spirit can lead our country in meeting many of the challenges and opportunities of the coming years. Later this year the Denali Commission celebrates its 10th anniversary, and in 2009, Alaskans celebrate our 50th anniversary as a new state. The motto "North to the Future" has never been more important.

Respectfully,



George J. Canelos
Denali Commission
Federal Co-Chair



Sarah Palin
Governor and
State Co-Chair



HISTORY OF THE COMMISSION

In 1998 Senator Ted Stevens focused national attention on the immense infrastructure and economic challenges faced by rural Alaskan communities when he authored the Denali Commission Act. The Act became law on October 21, 1998 (Title III of Public Law 105-277, 42 USC 3121). The Denali Commission is an innovative federal-state partnership designed to provide critical utilities, infrastructure and support for economic development in Alaska by delivering federal services in the most cost-effective manner possible. By creating the Commission, Congress mandated that all parties involved partner together to find new and innovative solutions to the unique infrastructure and economic development challenges of America's most remote communities.

This approach gives the Denali Commission its unique scope and breadth of services.

MILESTONES OF THE COMMISSION

1998

Denali Commission Act Passes
Act passed in Congress sponsored by Alaska's U.S. Senator Ted Stevens, creates an innovative approach to addressing the infrastructure and economic challenges in rural Alaska.

1999

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.

2000

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.

2001

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.

2002

Cost Containment Policy Implemented
The Commission implements this policy to ensure projects will be built at 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.

2003

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.

PURPOSE OF THE DENALI COMMISSION

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.

For decades Congress recognized the need for effective and flexible teamwork among local, state, tribal and federal agencies in addressing the extraordinary challenges in Alaska. To acknowledge the massive scope of work, the Commission was named "Denali," the Athabascan Indian word for North America's tallest peak (Mt. McKinley), which rises to 20,320 feet.

2004

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 ensures that federal dollars are maximized to meet rural Alaska needs with sustainable projects.

2005

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 Reauthorization Bill

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.

2006

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.

2007

Energy, Economic Development and Training Advisory Committee's Created

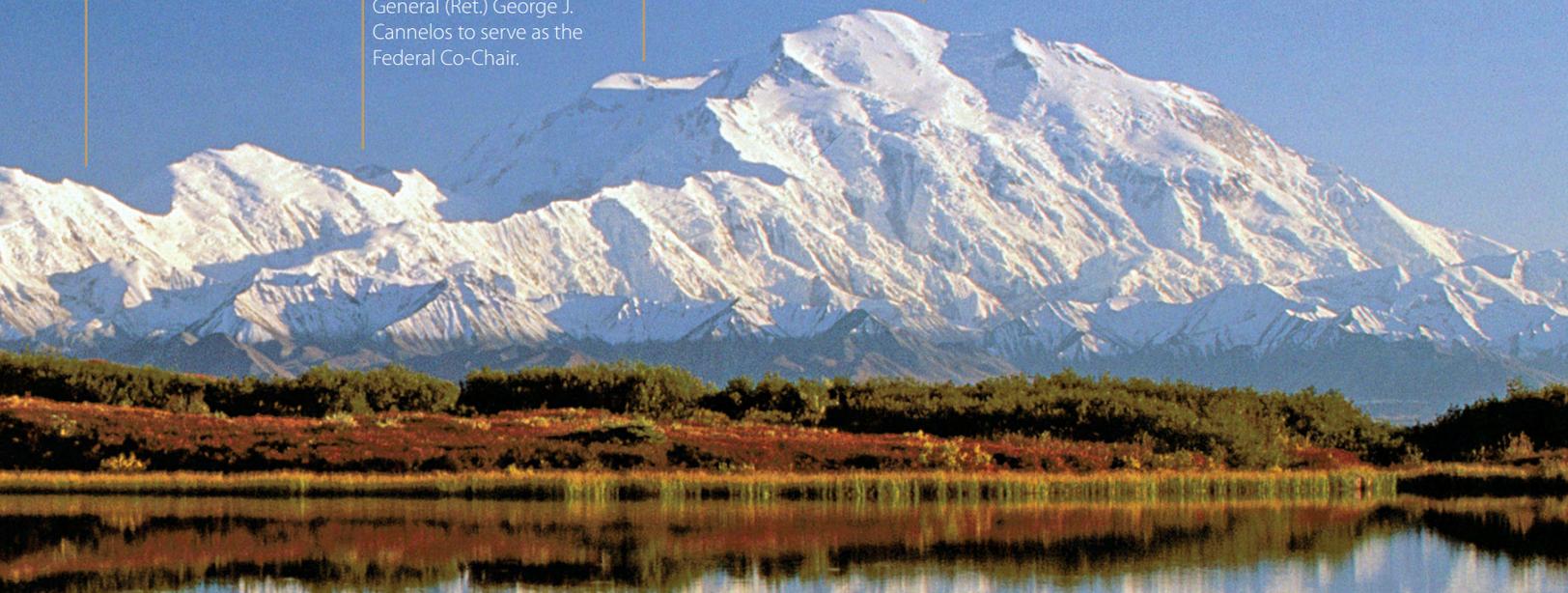
Modeled after the already successful Transportation Advisory Committee and the Health Steering Committee, Commissioners embark on a new charter of program delivery for all major program areas. Advisory Committees aid Commissioners in important decisions facing major program areas and consist of experts within the field and representatives from throughout Alaska.

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.

New Commissioners

Vince Beltrami of the AFL-CIO replaces Gary Brooks who retires; Karen Perdue replaces Mark Hamilton representing the University of Alaska; Kathy Wasserman, Alaska Municipal League, replaces Kevin Ritchie who retires; and Governor Sarah Palin appoints Karen Rehfeld, State OMB Director to serve as State Co-Chair.





COMMISSION 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.

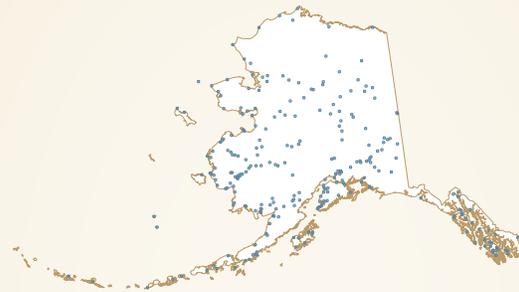
ACCOUNTABILITY

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.



Projects Completed and In Progress

This table was produced by the McDowell Group. In FY07 the McDowell Group conducted an independent evaluation of the Denali Commission's activities providing an in-depth program and policy review. Major findings in this report conclude that the "Commission has facilitated and funded an impressive number of essential infrastructure projects in rural Alaska. The legacy programs in particular (Energy and Health) have been well-conceived and are effective" and the "Commission is widely viewed as an effective and necessary organization."



	<u>Complete</u>	<u>In Progress</u>	<u>In Planning</u>
Energy Facilities	158	78	56
Health Facilities	105	52	74
Training	2,000*		
Multi-Use Facilities	10	6	12
Washeterias	17**	7	
Solid Waste	28	11	
Elder Housing		19	
Teacher Housing	21	10	8
Domestic Violence	22		
Economic Development	252	40	
Transportation		60	

*Total individuals as of 2005. Does not include those trained by our program partners.

**Funding for this program was discontinued in FY07.



The bulk fuel storage tanks in Buckland with dog team in the foreground.

THE DENALI COMMISSION EFFECT

In 1990, the U.S. Coast Guard declared that it would no longer allow delivery of fuel to Alaskan communities with storage tanks that were leaking or otherwise contaminating the soil. Nearly one hundred villages were in jeopardy, facing winter without electricity or home heating oil. This emergency brought to national attention the desperate quality of life in the least developed region of America.

When the Denali Commission began working in rural Alaska in 1998, many people were living in rudimentary conditions, reminiscent of the 19th Century. Many villages were not connected to the main power grid and had electricity only on an intermittent basis. Aging generators required diesel fuel, which was stored in barrels or small tanks for months due to the impossibility of transport during winter. Some storage facilities were over 50 years old. The failing power supply system was also a point of origin for other problems such as poor hygiene and declining health.

The basic infrastructure of rural Alaska was critically behind the rest of America. In the other states, even rural communities have had reliable electricity for decades. The Rural Electrification Administration, created in the Great Depression by the Roosevelt administration in 1935, was tasked with connecting farming communities to the power grid. Private utility companies at the time, required to operate profitably, were reluctant to serve sparsely populated areas, so only 10% of rural America had electricity. Within five years, the REA had 40% of rural America on the grid and today, most Americans outside Alaska take electricity for granted.

The Denali Commission was created to find solutions, both immediate and long-term, to the inequities between rural Alaska and the rest of America. The Commission's primary objective was

to provide reliable power and healthcare to every community while securing contamination threats to the environment.

Since inception in 1998, the Denali Commission has been extraordinarily effective at accelerating the delivery of over 600 badly needed infrastructure projects. The Commission is widely regarded as effective and necessary by the people in rural Alaska and by private sector and government partners. In most cases, rural Alaska is still not connected to major power grids. The Commission has installed more efficient and reliable generators and switchgear equipment that are adequate to run schools, homes and healthcare facilities. Also, the Commission has replaced or repaired fuel storage facilities so they have appropriate, code compliant capacity. In recent years, the Commission has also built washeterias, roads, harbor access and housing for teachers. To help ensure that these projects are sustainable, the Commission has initiated job training and economic development projects.

Perhaps most promising of all, the Commission has initiated an innovative effort to develop alternative/renewable energy projects. "Despite being an oil producing state, Alaska has some of the highest per capita electric power costs in the U.S.," stated George Cannelos, Federal Co-Chair of the Denali Commission, "particularly in our rural, isolated villages scattered throughout the state. Alternative energy sources such as wind, solar, geothermal, hydroelectric, biomass, and in-river turbines have real potential to lower fuel costs, reduce the nation's dependence on foreign oil, and help rural communities become energy self-sufficient."

There is still a significant amount of work to be done in rural Alaska, but the Denali Commission has made inspiring progress across America's most rugged, beautiful, incomparable landscape.

RURAL ALASKA: AN AMERICAN TREASURE

The Image of Alaska as a frontier is essential to the American character. We have always cherished the idea of our nation as a new land of opportunity. The fact that there is still a part of this country that is literally a frontier provides each one of us, regardless of where we live, the promise of a better life. We are still growing. It is this knowledge - this traditional message of hope - that sparks optimism in the heart of every citizen from Dallas to Detroit. Optimism is what makes Americans American.

Rural Alaska is populated mostly by indigenous peoples who have lived in the same area for thousands of years. Of the 562 federally recognized tribes in the U.S., 225 are in Alaska. They are the first Americans and are, in fact, the only aboriginal group in the country living on their traditional lands in largely traditional ways. That fact alone makes Alaska Natives a priceless cultural asset.

But supporting rural Alaska is not a Native issue. It is a rural America issue. The health and vitality of America's small

But the importance of Alaska is not solely in safeguarding the American dream or providing natural resources. The true value of Alaska is its people.

The reality of Alaska as vast, undeveloped real estate is vital to both America's economy and security.

Alaska is, in a word, potential. As America feels the pressures of the declining value of the dollar, the rising price of foreign oil, climate change and terrorism, Alaska's strategic location and natural resources become ever more critical to the well-being of our nation.

Rural Alaska is the largest domestic producer of zinc and seafood, the second largest producer of oil, and is among the nation's largest producers of coal, gold, and silver. But the resources that have not yet been tapped make rural Alaska crucial to America's future. Scientists continue to discover huge reserves of oil and natural gas under the Arctic Ocean and the North Slope. Vast fields of coal are still being discovered in places like the Beluga River region. In addition, rural Alaska can be developed to produce wind, hydro and geothermal power that has a potential to replace some fossil fuels.

The sheer amount of available land in Alaska is unparalleled. Individuals in Alaska own less than 1% of the land. The federal government owns 60%, the state 28%, and Alaska Native Corporations 12%. This has allowed for massive areas of protected wilderness. Alaska contains more national park acreage, wildlife refuges, and national forest land than any other state. Thousands of square miles of Alaskan nature exist as an American treasure, available to the American people.

Alaska's geographic location makes it possible for military flights to reach parts of Asia and Europe more quickly than from other parts of the United States.

But the importance of Alaska is not solely in safeguarding the American dream or providing natural resources. The true value of Alaska is its people.





COMMISSION GUIDING PRINCIPLES

communities directly affect the health of the country's economy overall. We cannot exist as a nation with pockets of vast wealth surrounded by areas of desperate poverty. The people of rural Alaska believe very strongly in contributing to the nation. Alaska has among the highest rate of military service in America, they take pride in sending products to market in the lower 48, and American flags snap proudly in the Arctic winds of every Alaskan village.

Rural Alaska provides troops for our military, unique cultural assets, natural resources, strategic bases for ongoing military operations, and the dream of new opportunity. Rural Alaska has the potential to provide even more of the resources America needs to tackle the challenges of the world and remain strong and safe and growing into the future.

We hope to separate the image of Alaska from the reality of the place and the people who live and work at our nation's wild edges.

Alaska Native Inupiat Eskimos doing the blanket toss to celebrate the passing of the whale in Nulaktuk Barrow, Alaska. 2008©Clark James Mishler/AlaskaStock.com



- 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.

ALASKA: AMERICA'S LAST FRONTIER

The size of Alaska is difficult to comprehend. Alaska is more than eight times larger than Great Britain. If there were a highway from the top of Alaska to the bottom, a person could drive at sixty miles an hour for twenty-four hours and never leave the state. Lay a map of Alaska on a map of the contiguous U.S. and it reaches from San Francisco, California to Jacksonville, Florida.



disease due to inadequate hygiene. As in any rural area, jobs are scarce and small population centers do not have hospitals or advanced education facilities. But the difference between rural Alaska and “any rural area” is that in other states, a person can simply drive to a larger town for these services. Driving anywhere is not an option for the people of rural Alaska.



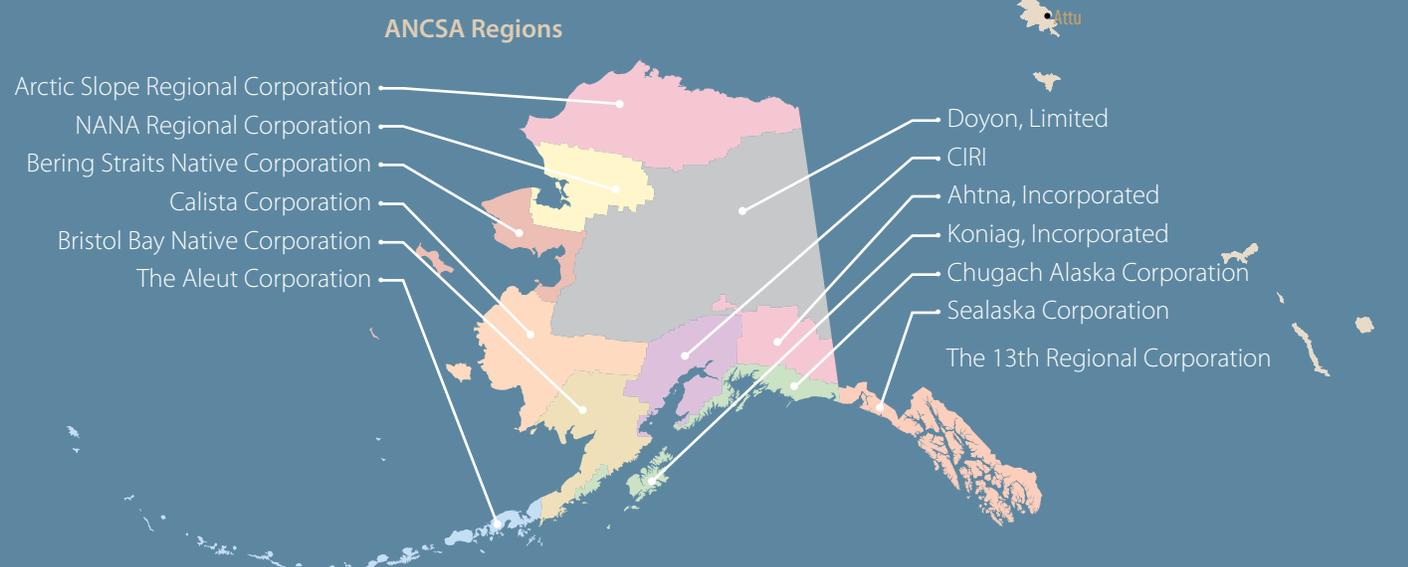
But vastness alone is not necessarily an obstacle, as countless pioneers proved. What makes life challenging for the people of rural Alaska is not what is there, but what is absent – essential community infrastructure.

Most communities in Alaska cannot be reached by road, which means movement is not only difficult, but costly. Mountain ranges, waterways and sheer distance make a statewide electric system prohibitively expensive, so the majority of rural villages are not connected to a major power grid. Many communities still lack basic indoor plumbing. Homes do not have flushing toilets or showers, which results in higher rates of childhood

There are fewer miles of paved road in Alaska than in any other state. For most communities, all the supplies of daily life must be transported by airplane or boat. The same is true for any person who wishes to visit a relative or an employer for a job interview. An injury or illness, which in Butte, Montana would require only a quick trip to the doctor's office, can cost a resident of Ambler, Alaska thousands of dollars and days of travel. A loaf of bread in Buckland, Alaska is three or four times more expensive than the same loaf of bread in Bixbee, Oklahoma and electricity in Kivalina costs five times what it costs in Anchorage, let alone the contiguous states.

LAND OWNERSHIP IN ALASKA IS UNIQUE

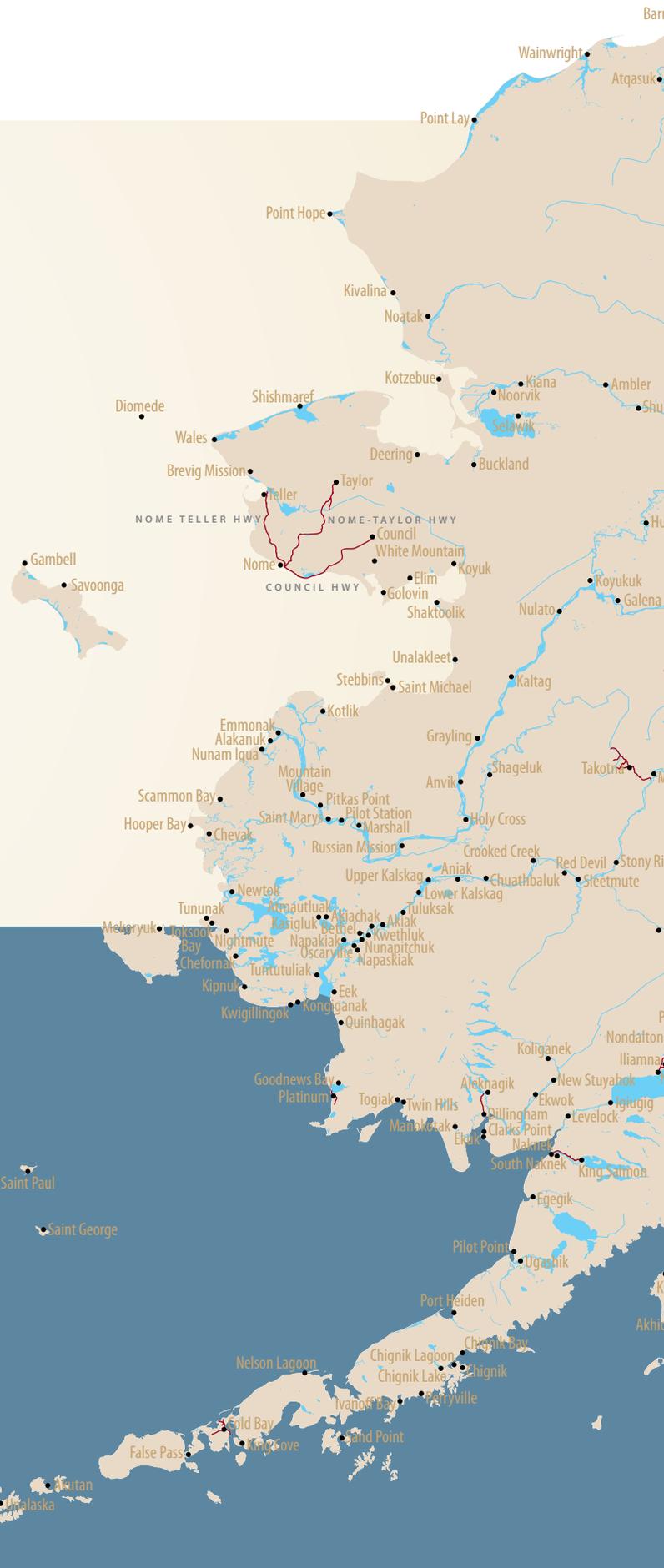
Alaska Native Claims Settlement Act (ANCSA) – Passed in 1971 by Congress, this act returned 44 million acres of land to Alaska Native corporations and provided compensation for lands in national parks, military reserves, etc. that could not be returned. ANCSA established the following 13 regional corporations and over 200 village corporations. Unlike the “Lower 48” states, Alaska has only one Indian Reservation.



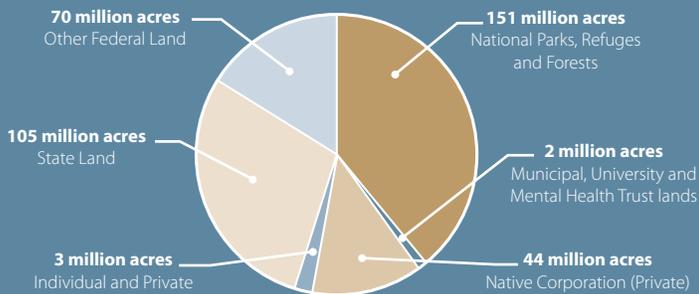
For all its size, Alaska's population is less than 700,000 people. If New York City had the same population density, Manhattan would only have 22 people! A "frontier" is defined as a region that contains 6 or fewer persons per square mile. Alaska has 2 persons per square mile. When writers refer to Alaska as "The Last Frontier," it is not hyperbole.

People have lived throughout Alaska for ten thousand years. The Aztec and the Iroquois were Alaskans before they walked south to Mexico and New York. Alaskans are truly the First Americans and the people who live in rural Alaska now are true innovators. They know how to adapt. Villages that cannot be connected to the power grid operate their own generators. They ship in diesel fuel during the thaw of summer and store it for months through the ice lock of winter. Where permafrost prevents the installation of underground pipes and sewers, they build above ground. They take job training and college courses through the mail and apply for jobs over the Internet. When they find employment, they travel to a job site and stay for weeks, only visiting home when they can. They recycle heat from diesel generators to use for heating water or thawing sewage pipes and they meet family budgets by providing as much of their own food as they can through subsistence.

The people of rural Alaska epitomize the American spirit, living in the Last Frontier.



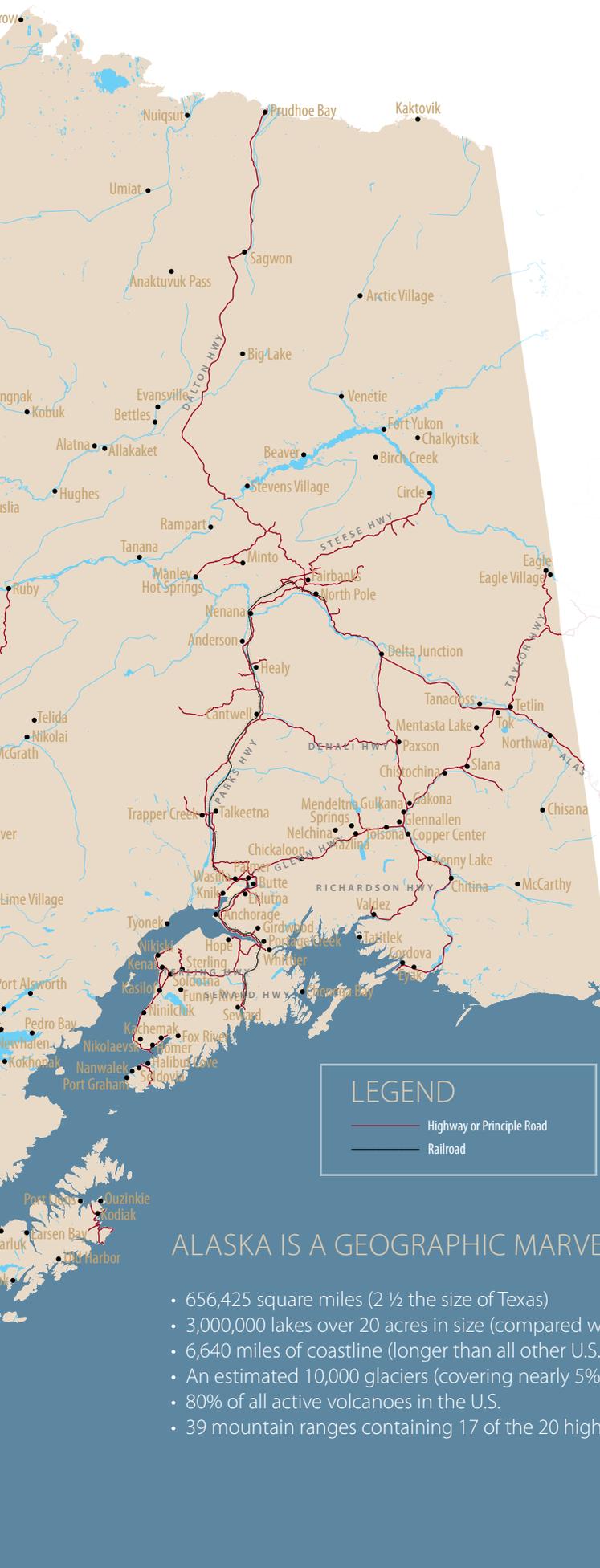
Alaska Land Ownership Source: ISER UAA 2006



Individual Alaskans own less than 1% of the land, the federal government owns nearly 60%, the state 28% and Alaska Native corporations 12%.



COMMON ALASKA TERMS



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.

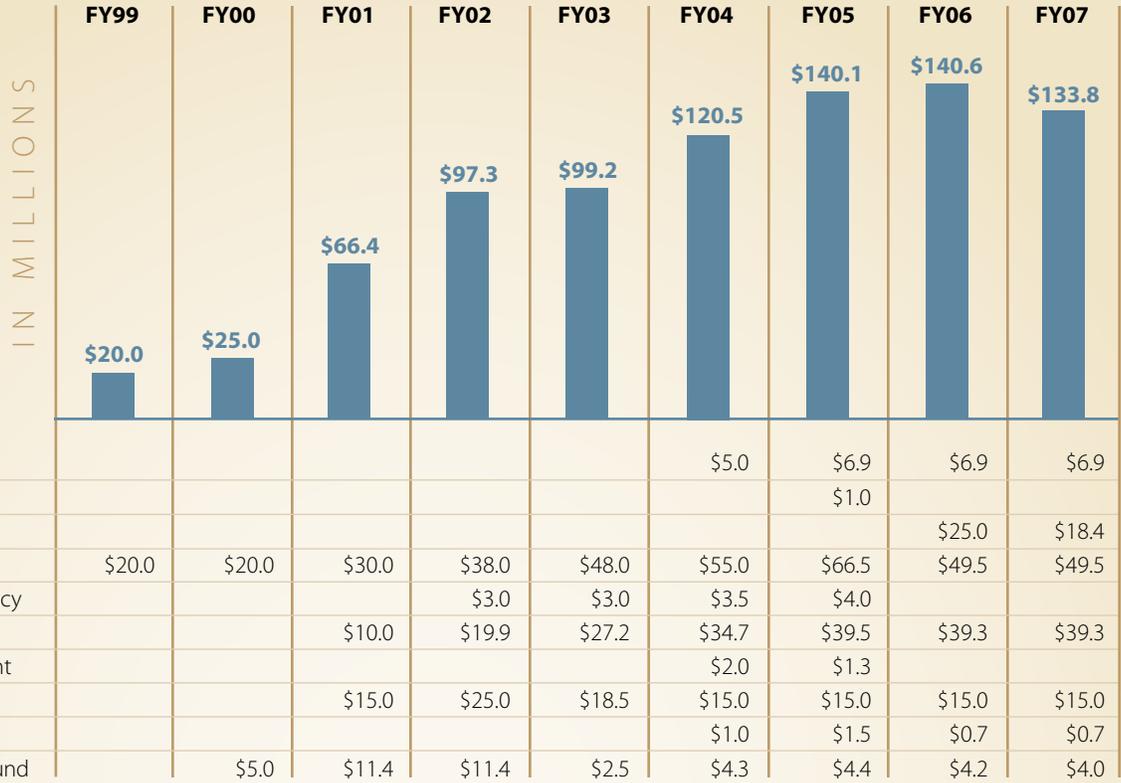
LEGEND

- Highway or Principle Road
- Railroad

ALASKA IS A GEOGRAPHIC MARVEL

- 656,425 square miles (2 ½ the size of Texas)
- 3,000,000 lakes over 20 acres in size (compared with Minnesota's 10,000 lakes)
- 6,640 miles of coastline (longer than all other U.S. states combined)
- An estimated 10,000 glaciers (covering nearly 5% of the state)
- 80% of all active volcanoes in the U.S.
- 39 mountain ranges containing 17 of the 20 highest peaks in the U.S.

COMMISSION FUNDING SOURCES FY99-FY07



Commissioner Karen Rehfeld at a quarterly commission meeting held in Anchorage.



BUCKLAND: A LOOK AT ONE ALASKA VILLAGE

Last October, U.S. Army First Sergeant Herman Ticket was walking security patrol on the Iraqi border when he spotted an Arab man struggling under the weight of two jugs hanging from a piece of rebar across his shoulders. The man was hauling water to his house, which had no plumbing. American soldiers have grown accustomed to working amid the rudimentary living conditions in the Mid-East. The thing is, First Sergeant Ticket's own home does not have running water. To be clear, Ticket's home in the United States does not have running water.

"The guys in my squad made a joke or a comment about not having a toilet," Ticket says. "But I didn't say anything. I was thinking, 'That man could be me. That's the same way me and my neighbors live.'"

Sergeant Ticket lives in Buckland, a village of just over four hundred people in the Northwest Arctic Region of Alaska. Situated a few miles from the Arctic Circle, Buckland is one of 59 communities in the state of Alaska that have inadequate water and sewer or none at all.



Several years ago, lack of running water was the least of Buckland's worries. Like many rural communities in Alaska, Buckland's utilities and public services have been far behind the rest of the United States, where things like electricity and indoor plumbing are taken for granted. From small towns isolated by water in the rainforests of the southeast panhandle to villages in the rain-deprived arctic deserts of the north, thousands of Alaskan children live in what any American would define as sub-standard, even unsafe, conditions due to lack of basic infrastructure.

The Denali Commission was created by Congress for the specific purpose of challenging these inequities. We have had extraordinary successes, but building infrastructure in a state as large and geographically diverse as Alaska is a daunting task. We've been stymied by obstacles and have had to re-think our approach.

For example, in the years when Buckland had no medical facility, relatively simple illnesses turned deadly and small injuries became permanent conditions when people were



Many clinics struggle with space issues and quality of care due to inadequate equipment.

Denali Commission funded primary care clinics contain state of the art equipment and provide adequate space for proper patient care.

unable to reach a hospital. Today, Buckland has a modern healthcare facility, funded by the Denali Commission, that provides pre-natal, routine and triage care. For more serious conditions that cannot be diagnosed on site, the clinic uses "telemedicine" in which doctors in Kotzebue, Fairbanks or Anchorage examine patients via the Internet and a video camera. This ingenious system greatly reduces costs and limits the need for both patients and doctors to travel.

Unlike many previous programs, the Denali Commission requires a credible degree of "sustainability" for every project we fund. In other words, we do not simply put up a building and walk away. We want any given community to be able to support and run a facility we build so that it lasts and provides for that community well into the future. The Buckland healthcare facility's use of telemedicine is a good example of lowered cost that contributes to sustainability.

The Denali Commission also funds projects that support other community facilities. For example, Buckland's school,

continued on page 14



Above: Aerial view of Buckland from a bush plane.

Right: View of entrance to cold storage plant with pipes running from ice machine in old Buckland. From the Anchorage Museum of History & Art Ickes Collection. Photo by Ray B. Dame. 1938.



BUCKLAND CONTINUED



The Buckland school, like many rural schools, houses K-12 students in one building. Building to the right is Denali Commission funded teacher housing.

housing K-12 students, was funded and built by the State of Alaska. But teachers were unwilling to live in a community that did not offer adequate housing. The Denali Commission, in partnership with Alaska Housing Finance Corporation (AHFC), funded two economical, apartment-style buildings for teacher housing. Today, the children of Buckland have an excellent school, with a principal born and raised in Buckland, and a terrific staff of teachers with degrees from universities around the country.

One of the most important missions of the Denali Commission is to ensure a reliable, affordable supply of electricity in rural Alaska. We say “most important” because all other services rely on electricity.

Take, for example, the problems with Buckland’s power supply. The tanks used to store diesel fuel for the generator were small and old. They leaked. Considering the village relies on fish from the nearby river, the leakage was more than just messy: it threatened the primary food supply for the entire village and, potentially, for the region. The Denali Commission funded construction of a new power plant with three generators that run more efficiently. It is large enough to power the village homes, the school and the healthcare facility. We also funded a bulk fuel storage facility that holds enough diesel to run the generator throughout the cold winter months and does not allow a single drop of diesel to leak into the sensitive tundra.

One by one over the years, the Denali Commission has addressed and overcome the problems of Buckland’s lack of infrastructure. Herman Ticket continues that battle, which leads us back to Iraq. Last October, First Sergeant Herman Ticket was in an Army barracks in Kuwait packing his duffle bag, knowing that he would return to a home that had no shower, no running water, and no toilet.

“I heard my unit was going to war a few months before we shipped out,” Ticket says. “I started making my kids take over

the household chores, so they could do it while I was gone.”

One son was tasked with hauling drinking water from the washeteria, a tricky proposition with sub-zero temperatures and ground several feet deep in snow. Another son was assigned with bringing fuel oil. A third son got the distinctly unpleasant task of bagging human waste from the family “honey bucket” and carrying it to the dump.

Right: A typical sewer storage facility found in rural Alaska villages. The building contains a tank that is periodically emptied.



Below: The Buckland washeteria provides the community with a place for the community to wash and dry clothes, shower, toilets and clean water for personal consumption.



Because there is no sewage or water system, for generations, the people of Buckland had no place in which to bathe or wash clothes when the river was frozen for the six to eight months of winter. The Denali Commission funded the renovation of the village “washeteria,” which is a building that uses a self-supporting water system to provide hot showers and washing machines. The washeteria is also the place village residents come to fill up jugs with clean drinking water for use in their homes.

Since September 1997, several government agencies, from the State of Alaska to the Army Corps of Engineers, have been making plans to construct water and sewer in Buckland. Many obstacles have plagued the project with delays, obstacles that still exist. Today, the best estimate puts the finish date four to five years away and six million dollars under funded.

The lack of water and sewer is more than an inconvenience to the people of Buckland and the other rural communities of Alaska that struggle with this issue. Higher levels of infectious disease occur in those rural communities that lack adequate water or sewer. Simply not having the ability to shower or wash one’s hands degrades overall hygiene.

Sergeant Ticket is so concerned about the health of his community that he’s taking action. Iraq War veteran Herman Ticket is now the mayor of Buckland and he has made running water for every home his priority.

“The thing they keep coming back with is, ‘Is it affordable?’ ‘Affordable?’ This isn’t a business,” he says. “We’re talking about providing basic necessities for human beings, Americans.”

The Buckland community appealed to Senator Lisa Murkowski to help coordinate the efforts of the agencies involved in this project. Although the Denali Commission does not fund water/sewer projects, the Commission, through its role in government coordination, has organized meetings with all involved parties, and has facilitated communication and cooperation between the agencies and private contractors involved.

With the war behind him, Mayor Ticket is digging in to fight the battle in his hometown, a battle he is determined to win. The Denali Commission, led by a former Brigadier General, is standing firmly behind him and every Alaskan determined to make the American dream a reality at home.



Elder Dora Hadley resides in Buckland, Alaska, a community of just over 400 people near the Arctic Circle without running water. Senator Lisa Murkowski met Dora in Buckland and heard the concerns of community members and their growing frustrations for water and sewer development.

In 2006, Senator Murkowski asked the Denali Commission, in its role of government coordination, to work with the community of Buckland and help move this project forward. The project has been plagued with delays but every month, the key players in this project including Village Safe Water, the Corps of Engineers and the community convene in meetings arranged and facilitated by the Commission.

Because there is no piped water or sewer in Buckland, community members must dump their waste individually in this sewage lagoon.



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. We've made great strides developing safe and reliable energy infrastructure in Alaska while minimizing expenses.

The Energy Program primarily funds design and construction of replacement bulk fuel storage facilities, upgrades to community power generation and distribution systems, and some energy cost reduction projects. The Commission works with the Alaska Energy Authority (AEA), Alaska Village Electric Cooperative (AVEC), Alaska Power Company (APC) and other partners to meet rural communities' fuel storage and power generation needs. Since its inception, the Commission has provided over \$383 million in support of energy projects. In 2007, for the first time, the Commission set aside a portion of funding specifically for alternative energy projects: up to \$5 million was available through a competitive process.

Energy Advisory Committee

The Energy Advisory Committee is an advisory body commissioned in 2007. The Committee will review and update existing policies and help craft the Commission's direction in developing a more robust alternative energy program. The Energy Advisory Committee will serve in an advisory capacity to the full Commission.

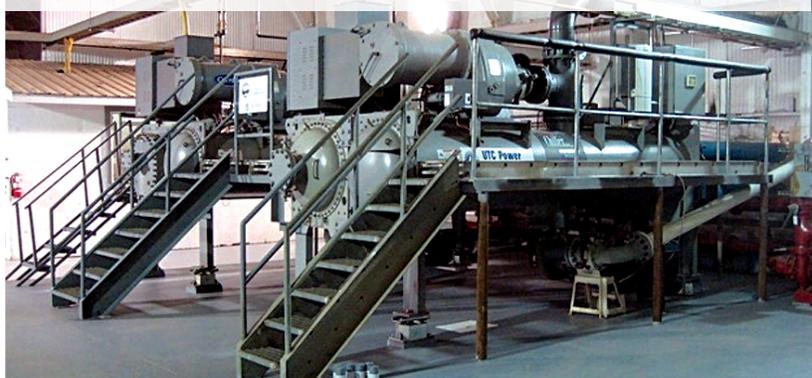


Right: Seated left to right: Dick Cattanach; Dr. Buck Sharpton; Standing left to right: Vince Beltrami; Nels Anderson, Jr.; Not pictured: Dan Salmon; Eric Marchegiani, P.E.; Brad Reeve; Bob Martin.

New bulk fuel storage tanks to the right, funded by the Denali Commission.



Chena Hot Springs Resort, near Fairbanks, Alaska, is the lowest temperature geothermal resource to be used for commercial power production in the world.





Kasigluk bulk fuel, power generation and wind projects were all funded by the Denali Commission.



Energy Advisory Committee Members

BOB MARTIN
GOLDBELT CORPORATION

NELS ANDERSON, JR.
RETIRED

BRAD REEVE
KOTZEBUE ELECTRIC ASSOCIATION

VINCE BELTRAMI
ALASKA STATE AFL-CIO

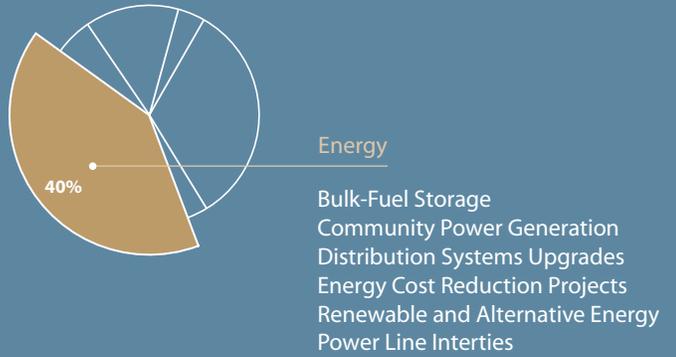
BUCK SHARPTON
UNIVERSITY OF ALASKA, FAIRBANKS

DAN SALMON
IGIUGIG VILLAGE COUNCIL

DICK CATTANACH
ASSOCIATED GENERAL CONTRACTORS

ERIC MARCHEGIANI, P.E.
USDA-RURAL DEVELOPMENT

FY07 Energy Funds: \$50,416,398



Energy Projects

- Akiak power plant final design
- Akutan power distribution construction
- Angoon power plant partial construction
- Brevig Mission bulk fuel construction
- Brevig Mission-Teller intertie, partial construction
- Chevak bulk fuel design, power plant & wind construction
- Chignik Bay power plant & distribution construction
- Chitina power plant construction
- Craig wood fired boiler construction
- Eagle in-river turbine construction
- Elfin Cove power distribution completion
- Ft. Yukon power plant conceptual design report (CDR)
- Gambell power plant and wind turbines completion
- Gustavus bulk fuel construction & hydro
- Igiugig power plant final design
- Kasigluk bulk fuel, power & wind completion
- Kasigluk/Nunapitchuk intertie
- Kwethluk power plant final design
- Levelock bulk fuel & power plant final design
- Metlaktla Walden Point Road transmission line
- Naknek 3-D seismic modeling
- Napakiak bulk fuel CDR
- Nightmute bulk fuel & power construction completion
- Nunapitchuk bulk fuel and power construction completion
- Oscarville bulk fuel CDR
- Pelican bulk fuel & hydro retrofit construction
- Pilot Point bulk fuel & power plant construction
- Ruby power plant CDR, bulk fuel construction
- Savoonga amalgamated energy with wind, construction completion
- Skagway Kasidaya Creek hydro construction
- Statewide alternative energy RFP (issued FY08)*
- Statewide AVTEC switchgear replacement
- Statewide business plan monitoring & development
- Statewide energy cost reduction RFP
- Statewide village end use measures
- Statewide impact of ultra low sulfur fuel study
- Statewide HVDC transmission study
- Statewide intertie studies
- Statewide hydroelectric development
- Tenakee Springs power distribution completion
- Toksook Bay amalgamated energy with wind, construction completion
- Toksook Bay/Nightmute intertie completion
- Toksook Bay/Tunak intertie completion
- Twin Hills bulk fuel CDR
- Tyonek bulk fuel final design
- Unalakleet power plant with wind final design

*Awarded FY08

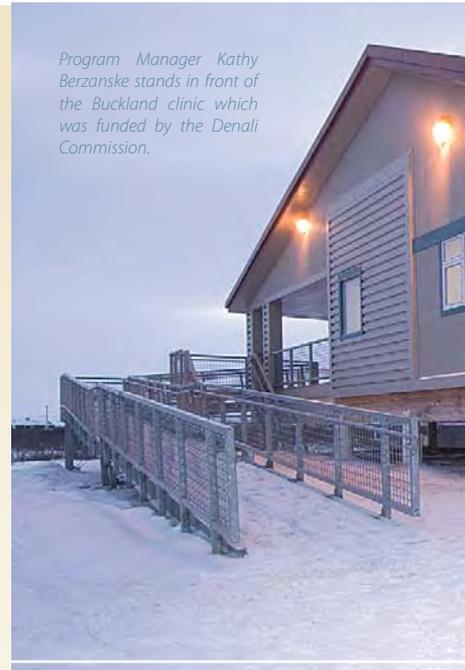
HEALTH FACILITIES PROGRAM

Congress amended the Denali Commission Act in 1999 to provide for planning, constructing and equipping health facilities. Since then the Health Facilities Program has methodically invested in regional networks of primary care clinics across Alaska. Primary care clinics have remained a priority for the program. In 2003 additional program components were adopted in response to Congressional direction to fund a mix of other health and social service related facility needs. The Commission has adopted innovative additions to clinic design, including behavioral health and dental care. The Commission has expanded the program to include 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 the Health Steering Committee for other sub-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. As of December 2007, 84 clinics have been completed (either new construction or renovation), 37 are in construction and 50 are in planning/design. Projects are recommended for funding if they have completed all necessary due diligence and demonstrate project readiness.

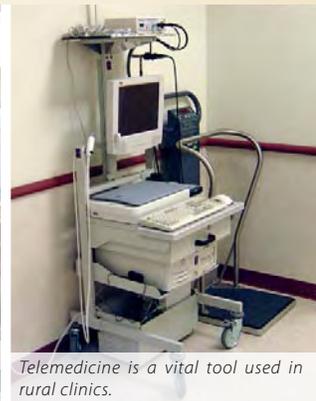
Health Steering Committee

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 crafts the Commission's direction in health infrastructure.



Program Manager Kathy Berzanske stands in front of the Buckland clinic which was funded by the Denali Commission.

Right: Back row left to right: Jerry Fuller; Beverly Wooley; Karen Perdue; Kenneth Glifort; Front row left to right: Jeff Jessee; Bill Hogan; Marilyn Kasmar; Lincoln Bean. Not pictured: Don Kashevaroff; Rod Betit; Tom Coolidge; Rod Moline.



Telemedicine is a vital tool used in rural clinics.





Health Steering Committee Members

BEVERLY WOOLEY
DEPARTMENT OF HEALTH
AND SOCIAL SERVICES

BILL HOGAN
DEPARTMENT OF HEALTH
AND SOCIAL SERVICES

DON KASHEVAROF
ALASKA NATIVE TRIBAL
HEALTH CONSORTIUM

JEFF JESSEE
ALASKA MENTAL HEALTH
TRUST AUTHORITY

JERRY FULLER
DEPARTMENT OF HEALTH
AND SOCIAL SERVICES

KAREN PERDUE
UNIVERSITY OF ALASKA

KENNETH GLIFORT, MD, MPH
ALASKA AREA NATIVE
HEALTH SERVICE

LINCOLN BEAN
ALASKA NATIVE
HEALTH BOARD

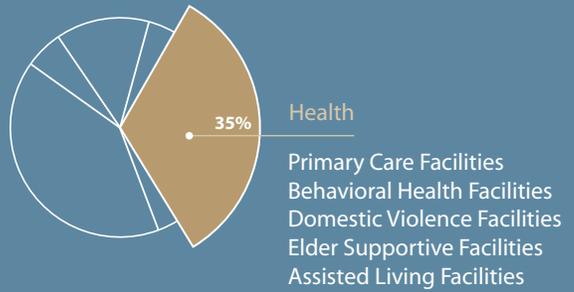
MARILYN KASMAR
ALASKA PRIMARY CARE ASSOCIATION

ROD BETIT
ALASKA STATE HOSPITAL AND
NURSING HOME ASSOCIATION

ROD MOLINE
DEPARTMENT OF HEALTH
AND SOCIAL SERVICES

TOM COOLIDGE
ALASKA AREA NATIVE
HEALTH SERVICE

FY07 Health Facility Funds: \$45,319,040



Health Facility Projects

- Anchorage Neighborhood Health Center clinic design
- Anchorage, Statewide youth psychiatric, Salvation Army
- Anchorage, Statewide youth psychiatric facilities, Volunteers of America
- Brevig Mission clinic planning, design & construction
- Central Peninsula general hospital (MRI)
- Chignik Bay clinic construction
- Code Blue – Interior, North Slope, Northwestern Arctic, Norton Sound, Southeast, Southern and YKHC
- Cold Bay clinic renovation
- Dillingham youth psychiatric facilities
- Eklutna, Statewide youth psychiatric facilities
- Fairbanks Family Centered Services, Statewide youth psychiatric facilities
- Fort Yukon clinic planning, design & construction
- Gakona clinic planning, design & construction
- Hooper Bay clinic construction
- Juneau birthing center construction
- Juneau primary care in hospital – physical therapy
- Kake clinic construction, SEARHC
- Ketchikan primary care improvements in hospitals (C-Arm Equipment and mammography)
- Kodiak clinic planning, design & construction
- Kodiak primary care improvements in hospitals (MRI)
- Kotlik clinic construction
- North Slope, Statewide youth psychiatric facilities
- Perryville clinic planning, design & construction
- Petersburg primary care improvements in hospitals
- Selawik clinic construction
- Sitka primary care improvements in hospitals (surgical renovation)
- Skagway clinic design
- Statewide clinic planning and design funding*
- Teller clinic construction
- Tuntutuliak clinic construction
- YKHC primary care improvements in hospitals (CT scan)
- Yuut Elitnaurviat – Bethel dental training facility construction

*Awarded FY08

TRANSPORTATION PROGRAM

Led by then House Transportation Committee Chairman Congressman Don Young, on August 10, 2005, the President signed H.R. 3 - Safe, Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) into law creating the Denali Commission's newest program, transportation. The Transportation Program has two primary elements: roads and waterfront development. The road program primarily targets basic road improvements in rural Alaska. It also looks at opportunities to connect rural communities to one another and the state highway system, and for opportunities to enhance rural economic development. The waterfront development program addresses port, harbor and other waterfront needs for rural communities. For example, the program has prioritized the design of site appropriate barge landing structures in several communities. These enhancements will result in improved efficiency for fuel and freight transfers and also may reduce instances of bank erosion.

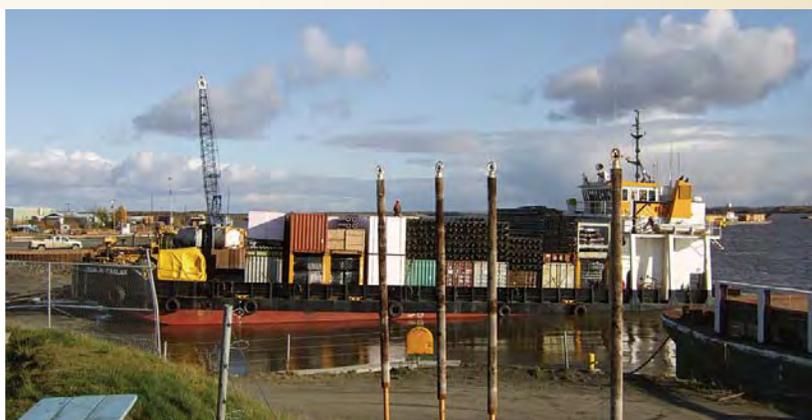
The Denali Commission approved the first generation of road and waterfront development projects in May 2006. Now in its third year of operation, the program has over 80 projects underway.

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.



Right: Standing left to right: Norm Phillips; Chuck Pool; Ray Koonuk; Mike Hoffman. Seated left to right: Steve Ivanoff; Walter Sampson; Randy Romensko. Not shown: Carvel Zimin, Jr.; Chuck Quinlan; George Cannelos.



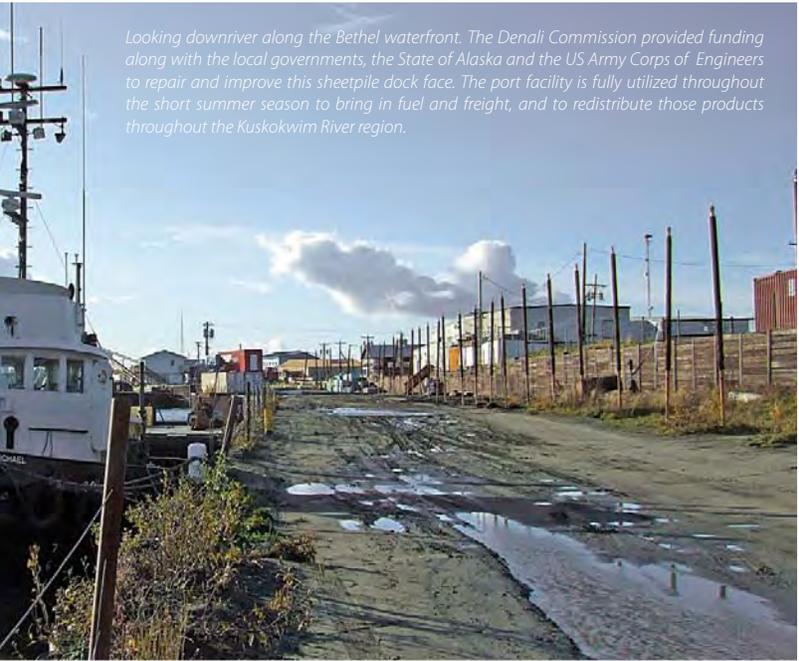
At the Bethel port facilities, a river barge operator prepares to transport imperative construction material. This improved barge landing is part of an overall upgrade of the waterfront that serves almost 40 villages in the region. Denali Commission has participated in two phases of this multi-phase reconstruction and upgrade of the port facilities.



Approaching Walden Point Road where excavated rock provided material for this road to be completed.



This type of bridge provides all-terrain vehicles and snowmachines access over Wesley Creek near Kobuck.



Looking downriver along the Bethel waterfront. The Denali Commission provided funding along with the local governments, the State of Alaska and the US Army Corps of Engineers to repair and improve this sheetpile dock face. The port facility is fully utilized throughout the short summer season to bring in fuel and freight, and to redistribute those products throughout the Kuskokwim River region.



Transportation Advisory Committee Members

CARVEL ZIMIN, JR.
BRISTOL BAY BOROUGH

RAY KOONUK
CITY OF POINT HOPE

CHUCK POOL, P.E., R.L.S.
POOL ENGINEERING, INC.

STEVE IVANOFF
KAWERAK, INCORPORATED

CHUCK QUINLAN
K'OYITL'OTS'INA, LIMITED

WALTER SAMPSON
NANA REGIONAL CORPORATION

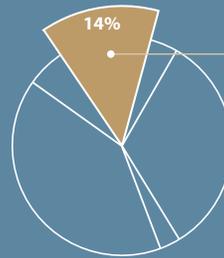
GEORGE J. CANNELOS
DENALI COMMISSION

MIKE HOFFMAN
ALASKA VILLAGE
COUNCIL PRESIDENTS

NORM PHILLIPS
DOYON, LIMITED

RANDY ROMENESKO, P.E.
CITY OF NOME

FY07 Transportation Funds: \$17,493,601



Transportation

- Local Roads and Boardwalks
- Waterfront Development
- Community Connection and Roads

Transportation Projects

- Aniak road realignment, resurfacing and dust palliative project
- Bethel Brown's Slough bank stabilization
- Chuathbaluk barge landing design
- Cordova dust control with asphalt surfacing
- Cordova harbor storm breakwater design
- Design of Statewide barge landing system
- Dillingham small boat harbor ramps construction
- Diomedes harbor barge landing preliminary engineering
- False Pass boat harbor rehabilitation
- Gakona village school road rehabilitation and construction
- Gulkana road paving project
- Hooper Bay wind tower access road construction
- Ketchikan Knudson Cove harbor construction
- Kipnuk barge landing design
- Kivalina evacuation road
- Kobuk snowmobile bridges
- Kongiganak barge landing design
- Koyuk community streets reconstruction
- Kwethluk community & barge landing roads design
- McGrath barge landing design
- Noatak school access road design
- Nome low-level dock float
- Nondalton dock & launch ramp design
- Nunam Iqua boardwalk design
- Pelican boardwalk construction
- Pelican harbor rehabilitation
- Pitka's Point sanitation road construction
- Port of Bethel multi-facility improvement & upgrade
- Shaktoolik evacuation road preliminary engineering
- Sitka Indian River road upgrade and paving
- Skagway small boat harbor wave barrier design and construction
- Statewide construction inspection services
- Stevens Village community roads construction
- Unalakleet community roads construction
- Unalakleet community streets improvements design

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 funds for local residents to maintain and operate the new facilities.

The Denali Commission training partners include the Associated General Contractors of Alaska, the University of Alaska, First Alaskans Institute, Alaska Works Partnership and the Department of Labor and Workforce Development. Each of our partners provide high level 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. Mike Andrews, the Director of Alaska Works Partnership, Inc., stated the "Denali Commission training programs are the most effective job training programs I know of. Hundreds of people living in rural and remote communities trained by Denali workforce programs are building skills, communities and personal incomes. Our research shows that Denali job training could be the best anti-poverty program in the nation."

Training Advisory Committee

The Training Advisory Committee is a high level planning group that will provide guidance and recommendations to Commissioners on policy and strategic planning. At the same time ensuring that all training program activities are aligned with the current Denali Commission Work Plan and other on-going Denali Commission projects.

The Denali Commission funds training programs all over the state that help rural residents get established in the field of construction. This Commission funded training project in Bethel where Nicholas Cooke of Bethel and Jason Maxie of Kwethluk worked on a plumbing mock-up project in the second portion of the NCCER Plumbing course.



Denali Commission places a high priority on the construction trades. Here are 3 electrical apprentices standing in the shed they wired for lighting - a portion of their electrical training.



Henry Smith, of Hooper Bay, and Nicker Nick, of Bethel, work together to build a shed during the hands-on portion of their carpentry class.

Right: Standing left to right: Click Bishop; Dick Cattanach; Wanetta Ayers. Seated left to right: Rose Heyano; Vince Beltrami; Bernice Joseph.

This 10 acre Yuut Elitnaurviat Campus will soon be Bethel's regional training center. The Denali Commission not only supported the construction of this training facility, but also funds numerous construction and non-construction educational programs.





Training Advisory Committee Members

BERNICE JOSEPH
UNIVERSITY OF ALASKA

CLICK BISHOP
DEPARTMENT OF LABOR
AND WORKFORCE DEVELOPMENT

DICK CATTANACH
ASSOCIATED GENERAL CONTRACTORS

ROSE HEYANO
BRISTOL BAY AREA
HEALTH CORPORATION

VINCE BELTRAMI
ALASKA STATE AFL-CIO

WANETTA AYERS
WESTERN ALASKA COMMUNITY
DEVELOPMENT ASSOCIATION

FY07 Training Funds: \$6,531,250



Training Program Priorities

- Priority #1**
Construction, Operations and Maintenance Training of Denali Commission Projects (to include health services and training related to allied health)
- Priority #2**
Management Training for Commission Projects
- Priority #3**
Youth Initiatives
- Priority #4**
Construction, Operations and Maintenance Training of "Other Public Infrastructure"

Training Program Guiding Principles

- Principle #1**
Priority will be given to construction, operations and maintenance of public infrastructure.
- Principle #2**
Training will be tied to a job.
- Principle #3**
Training will encourage careers not short term employment.
- Principle #4**
Funding will support a training system.



Governor Sarah Palin and George Cannelos, Federal Co-Chair, visited the Alaska pipeline training school in Fairbanks, Alaska. The Denali Commission is proud to work with the State of Alaska, Alaska Works Partnership to provide training across Alaska. Photo by Lance Parrish.

ECONOMIC DEVELOPMENT PROGRAM

The Commission firmly believes that sustainable economic development for Alaska's rural communities will be generated in the private, commercial sector, not within government. To that end, the Commission supports the development of public infrastructure upon which the private sector creates jobs and wealth and helps ensure that good businesses and entrepreneurial ideas have a chance to become long-term, self-sustaining enterprises.

This year the Commission's Economic Development Program supported the development of community profile maps upon which community planning and public infrastructure development can be based. The program also funded the State of Alaska mini-grant program, the Alaska Marketplace, and an important study conducted by First Alaskans Institute titled "Rural Development Performance Measures." Through this study, First Alaskans Institute identified ways to measure the performance of development efforts in rural Alaska and provided key indicators for use by the Commission.

The Initiative for Accelerated Infrastructure Development (IAID) creates new maps for communities around Alaska. IAID has completed mapping for nearly 100 Alaskan communities providing them with a necessary planning tool. The community mapping effort is becoming even more crucial in light of coastal erosion.

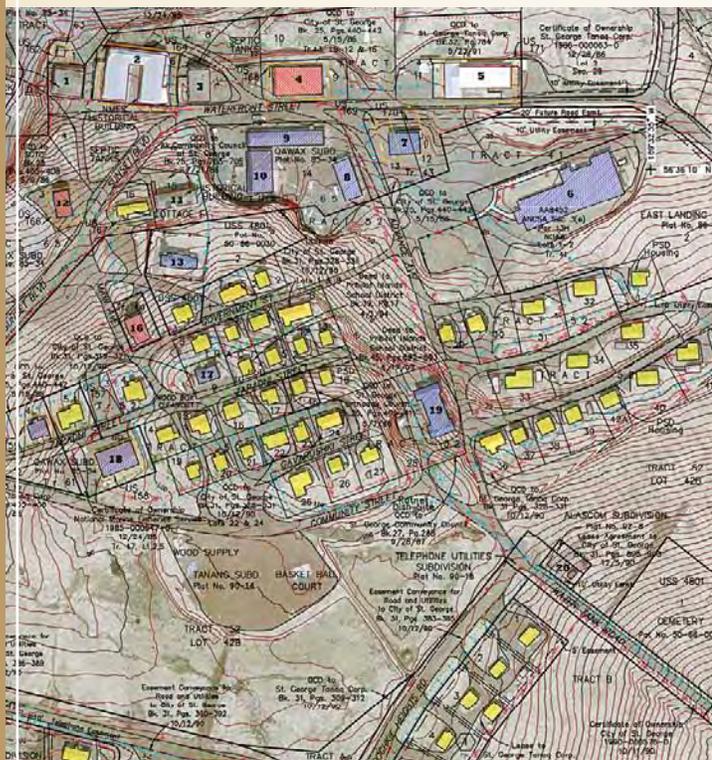
Economic Development Advisory Committee

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



Commercial fishing boats at a salmon opener off the shore of N...

Right: Standing left to right: Barb Nickels; Sheri Burette; Wilfred "Boyuick" Ryan; Christi Bell; Berney Richert, Jr. Seated left to right: Joseph Austerman; Wanetta Ayers. Not pictured: Kathie Wasserman; Julie Kitka; Dr. Bruce Borup; Doug Ward.



Many communities in Alaska either do not have a community profile map or the map that exists is outdated. Through the Denali Commission's mapping program communities like St. George, shown here, can develop community maps that will help with future community planning efforts.

George Cannelos and the panel of judges for the Alaska Marketplace competition 2007.





Waknek village. Photo courtesy of BBEDC.



Economic Development Advisory Committee Members

BARB NICKELS
KAWERAK

BERNEY RICHERT, JR.
ECONOMIC DEVELOPMENT
ADMINISTRATION

DR. BRUCE BORUP
CAPE FOX CORPORATION

CHRISTI BELL
UNIVERSITY OF ALASKA CENTER FOR
ECONOMIC DEVELOPMENT

DOUG WARD
ALASKA SHIP AND DRYDOCK, INC.

JOSEPH AUSTERMAN
DEPARTMENT OF COMMERCE

JULIE KITKA
ALASKA FEDERATION OF NATIVES

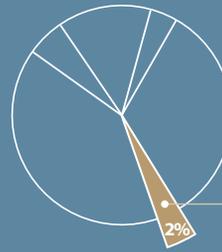
KATHIE WASSERMAN
ALASKA MUNICIPAL LEAGUE

SHERI BURETTA
CHUGACH ALASKA CORPORATION

WANETTA AYERS
WESTERN ALASKA COMMUNITY
DEVELOPMENT PROGRAM

WILFRED "BOYUCK" RYAN
ARCTIC TRANSPORTATION SERVICES &
ALASKA AIR CARRIERS ASSOCIATION

FY07 Economic Development Funds: \$2,000,000



Economic Development

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

PARTNERING IN ACTION

The Community Development Quota (CDQ) Program began in December of 1992 with the goal of promoting fisheries related economic development in western Alaska. The program is a federal fisheries program that involves communities who have formed six regional organizations, referred to as CDQ groups. The CDQ program allocates a portion of the Bering Sea and Aleutian Island harvest amounts to CDQ groups, including pollock, halibut, pacific cod, crab and bycatch species to the CDQ groups.

The six CDQ groups are:

- Aleutian Pribilof Island Community Development Assoc. (6 communities)
- Bristol Bay Economic Development Corporation (17 communities)
- Central Bering Sea Fishermen’s Assoc. (1 community)
- Coastal Villages Region Fund (20 communities)
- Norton Sound Economic Development Corporation (15 communities)
- Yukon Delta Fisheries Development Assoc. (6 communities)



Photo by Frank Flavin.

On September 28, 2007 the Commission and the six CDQ groups entered into a Memorandum of Understanding (MOU) with one another. The MOU commits the Commission and the groups to participate in annual planning and in one another’s meetings and programs.

COMMUNITY FACILITIES

Community facilities are an integral part of daily life, economic development and the health and welfare of Alaskan communities. As the cost of heating fuel and operations and maintenance of older, less efficient structures continue to rise, community members have partnered with one another, local entities and regional stakeholders to plan, design, equip and construct facilities that serve various community needs, and allow for the sustainable and cost effective delivery of services within one facility.

The Denali Commission has funded a wide array of critical facilities such as multi-use buildings; washeterias; teacher housing units; and solid waste projects. In many communities, facilities like a washeteria can provide the only place for bathing and showers and a washer and dryer for clothing.

Community centers, or multi-use facilities may include tribal offices, municipal offices, social service offices, itinerant housing and community meeting space. Multi-use facilities can also serve as the community gathering center. Tribal meetings, community activities, and sporting events are just a few of the important functions that may take place in such facilities.

Below left: With assistance from the Denali Commission Solid Waste Program, communities can purchase a burn box for their dump sites. Burn boxes, like this one shown in False Pass, provide a safe location for the incineration of solid waste. The burn box will minimize the volume of material held in the landfill and protect the watershed from wind-borne trash. In addition, it will extend the life and capacity of the landfill and reduce the capital investment needed by the City to meet this critical service.

Below top right: A study conducted in 2004 by the Commission verified the shortage of teacher housing units in many rural communities throughout Alaska was contributing to high rates of teacher turnover. The Commission received funding in FY04 to address this need and continues to work with partners like the Alaska Housing Finance Corporation to construct teacher housing in rural communities. Shown here, Commission funded teacher housing in Scammon Bay.

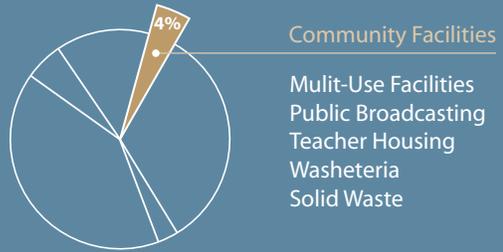
Below bottom right: Denali Commission funded teacher housing in Nightmute.



Right: Dan Fauske, CEO of AHFC and George Canelos, Federal Co-Chair of the Denali Commission.



FY07 Community Facilities Funds: \$2,000,000



Teacher housing funded by the Denali Commission in Chefnak.



The Teacher, Health Professional, and Public Safety Housing Program, provided by Alaska Housing Finance Corporation (AHFC) and the Denali Commission, was recognized nationally as the outstanding program in affordable housing production from the National Council of State Housing Agency's (NCSHA).

AHFC, in partnership with the Denali Commission, has awarded \$39 million for the rehabilitation, acquisition, or new construction of 208 units of rental housing for teachers, health professionals, and public safety officials in rural Alaska.

ALASKA EXPERIENCE PROJECT

To coincide with the National Rural Health Association's first conference in Alaska, six agencies planned a series of day-trips to expose the conference registrants to remote Alaska. Approximately 150 individuals from the "lower 48" participated.

To call this a collaborative effort would be an understatement. Eight different agencies, including the Denali Commission, provided financial sponsorship to this effort. And over 25 rural Alaskan communities welcomed guests on at least one of the days.

The overall goal of these day-trips was to allow these well-connected rural healthcare advocates to experience first-hand the level and extent of Alaska's remote community and program needs, and provide a better understanding of the challenges of rural, remote healthcare in this state.

"I am so honored that someone took the time to educate those of us "uneducated" about community health in one community in Alaska. It was well worth the time of the sponsors, volunteers, advocates, organizers, etc., to educate us about their health and education challenges. If we thought we had demographic challenges in our rural area of the country, stop and consider Alaska. Anyone who was on the experience will never be the same nor look at the world and health care the same way."

— Participant in the Alaska Experience Project



Experiencing the Maniilaq region with Paul Hansen.

GOVERNMENT COORDINATION

The Denali Commission is charged with the special role of increasing government effectiveness. We do so by acting as a catalyst and strategic partner for many federal and state programs that serve 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, information technology and 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.

The Pre-Development Program is an initiative established in response to concerns with the viability of capital project proposals presented to the Denali Commission and funding partners. The Commission partnered with the Rasmuson Foundation, Alaska's largest private foundation; the Alaska Mental Health Trust Authority, a state agency, and The Foraker Group signing a Memorandum of Understanding in July 2006. This unique program is housed at The Foraker Group and is overseen by the participating partners. Pre-Development helps produce stronger and more sustainable project proposals statewide and eliminates redundancy by bringing major funders to the table early in the process.

Geothermal Project Chena Hot Springs Resort



Karen Rehfeld; George Cannelos; Bernie Karl; Kathy Prentki.

Despite being an oil exporting state, Alaska is home to some of the highest electric power costs in the United States, particularly in the many rural, isolated villages scattered throughout the state.

Chena Hot Springs Resort wanted to change that by tapping into the geothermal resources available in that area and the Denali Commission helped in that effort.

This innovative project received the National Association of Development Organizations (NADO) 2007 Innovation Award during NADO's 2007 Annual Training Conference held in Austin, Texas.

Rural Alaska Allied Health Alliance Occupation Training



Karen Perdue of the University of Alaska; George Cannelos.

The Rural Alaska Health Occupation Training program is an alliance of university educators from across the state of Alaska seeking to expand healthcare education. Recognizing rural Alaska's need for healthcare workers, the Denali Commission agreed to provide funding for occupational training for healthcare workers. As a result, Allied Health Alliance training was born.

This innovative program received the NADO 2007 Innovation Award during NADO's 2007 Annual Training Conference held in Austin, Texas.

FINANCIAL SUMMARY FY07



During Fiscal Year 2007, the Commission continued to concentrate on resolving rural energy and health care needs, obligating more than \$80 million (60 percent of the total budget authority) of the total FY 2007 funding received. In FY 2007, the Transportation Program was fully developed and \$15.5 million in grants were awarded for local transportation projects (11 percent of the total budget authority). Additional investments were made in the program areas of job training, economic development, elder and teacher housing, and solid waste.

For the fourth consecutive year, an independent auditor (this year's audit was conducted by Brown & Company) has rendered an unqualified opinion on the Commission's annual financial statements, attesting that the statements do present fairly, in all material aspects, the assets, liabilities, and net position of the Commission for the year ending September 30, 2007.

In addition to the FY 2007 financial and project information contained in this report, current information can be found on the Denali Commission website at www.denali.gov.

Funding Sources

Energy & Water Development Bill	\$ 49,500,000
Trans-Alaska Pipeline Liability Funds (TAPL)	\$ 4,201,398
USDA Rural Utility Service Funds	\$ 15,000,000
Health & Human Services Funds	\$ 39,283,200
Department of Labor Funds	\$ 6,875,000
USDA Solid Waste Funds	\$ 742,500
Department of Transportation (Obligating Authority)	\$ 18,567,531
Total Funding	<u>\$ 134,169,629</u>

Funding Uses

Obligated Funds	
Program Obligated Liabilities	
Energy & Water Development Bill	\$ 34,566,197
Trans-Alaska Pipeline Liability Trust Fund (TAPL)	\$ 3,991,328
USDA Rural Utility Service Funds	\$ 14,400,000
Health & Human Services Funds	\$ 37,319,040
Department of Labor Funds	\$ 6,531,250
USDA Solid Waste Funds	\$ 41,338
Department of Transportation (Obligating Authority)	\$ 14,890,586
Total Program Obligated Funds	\$ 111,739,739
Administrative Funds	
Operating Funds	\$ 4,863,319
Program Supplemental Projects	\$ 1,058,967
Total Administrative Obligated Funds	\$ 5,922,286
Total Obligated Funds	<u>\$ 117,662,025</u>



Standing left to right: Kathie Wasserman; Richard Cattanach; Vince Beltrami; Karen Perdue. Seated left to right: Karen Rehfeld, State Co-Chair; George J. Cannelos, Federal Co-Chair. Not pictured: Julie Kitka.

THE COMMISSIONERS

Unlike any other state, the Denali Commission Act requires that seven leading Alaskan policymakers form a team as the Denali Commission. Commissioners meet at least twice a year to develop and monitor annual work plans that guide 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. CANNELOS
FEDERAL CO-CHAIR
DENALI COMMISSION

RICHARD CATTANACH
EXECUTIVE DIRECTOR
ASSOCIATED GENERAL CONTRACTORS OF ALASKA

JULIE KITKA
PRESIDENT
ALASKA FEDERATION OF NATIVES

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

DENALI COMMISSION STAFF



Photo taken in the Anchorage Federal Building.

The Commission is staffed by a small number of professionals, together with additional personnel from partner organizations. The Commission relies upon a special network of federal, state, local, tribal and other organizations to successfully carry out its mission.

MARK ALLRED

ECONOMIC DEVELOPMENT PROGRAM
MANAGER AND LIAISON TO THE
ASSOCIATION OF ANCSA CEOs AND
PRESIDENTS

KATHY BERZANSKE

TEACHER HOUSING
PROGRAM MANAGER &
HEALTH FACILITIES DEPUTY
PROGRAM MANAGER

VALERIE BOYD

OPERATIONS ADMINISTRATOR

GEORGE CANNELOS

FEDERAL CO-CHAIR

LINDSEY CIPRIANO

FINANCE SPECIALIST

AUTOMME CIRCOSTA

PROGRAM ASSISTANT

DENALI DANIELS

HEALTH PROGRAM MANAGER

CORRINE EILO

DIRECTOR OF ADMINISTRATION

JODI FONDY

PROGRAM ASSISTANT

JAMILIA GEORGE

REPRESENTATIVE TO THE STATE CO-CHAIR

JANET HALL

RURAL CAP LIAISON

KRAG JOHNSEN

CHIEF OPERATING OFFICER

KAREN JOHNSON

TRAINING PROGRAM MANAGER

GENE KANE

SPECIAL PROJECTS COORDINATOR
USDA RURAL DEVELOPMENT LIAISON

SHARON GUENTHER LIND

GOVERNMENT COORDINATION & PUBLIC
INFORMATION OFFICER PROGRAM
MANAGER

MARIAH MCNAIR

GRANTS SPECIALIST

MIKE MARSH

LEGISLATIVE LIAISON &
INSPECTOR GENERAL

NANCY MERRIMAN

ADMINISTRATIVE OFFICER

KATHY PRENTKI

ENERGY PROGRAM MANAGER

JENNIFER PRICE

CERTIFYING OFFICER

TESSA RINNER

DIRECTOR OF PROGRAMS

JIMMY SMITH

ALASKA-DCCED LIAISON

BETTY SORENSEN

GRANTS ADMINISTRATOR

BRANDI TAYLOR-KELLY

ASSISTANT TO THE FEDERAL CO-CHAIR

CARLA WELLS

HUMAN RESOURCES ADMINISTRATOR

PROGRAM PARTNERS INCLUDE: FEDERAL TRANSIT AUTHORITY • U.S. ARMY CORPS OF ENGINEERS • U.S. DEPARTMENT OF AGRICULTURE: RURAL DEVELOPMENT, ALASKA OFFICE; FOREST SERVICE, REGION 10; FARM SERVICE AGENCY; NATURAL RESOURCES CONSERVATION SERVICE • U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE, RURAL DEVELOPMENT AND RURAL UTILITIES SERVICE • U.S. DEPARTMENT OF COMMERCE: ECONOMIC DEVELOPMENT ADMINISTRATION, WESTERN REGION; U.S. COMMERCIAL SERVICE, ALASKA EXPORT ASSISTANCE CENTER • U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: INDIAN HEALTH SERVICE, ALASKA REGION • U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT • U.S. DEPARTMENT OF INTERIOR: BUREAU OF INDIAN AFFAIRS, ALASKA OFFICE; BUREAU OF LAND MANAGEMENT; NATIONAL PARK SERVICE; FISH AND WILDLIFE SERVICE; U.S. GEOLOGICAL SURVEY; MINERALS MANAGEMENT SERVICE • U.S. DEPARTMENT OF LABOR • U.S. DEPARTMENT OF TRANSPORTATION: FEDERAL AVIATION ADMINISTRATION; FEDERAL HIGHWAY ADMINISTRATION WESTERN FEDERAL LANDS HIGHWAY DIVISION • U.S. ENVIRONMENTAL PROTECTION AGENCY, ALASKA OPERATIONS OFFICE • ALASKA DIVISION OF HOMELAND SECURITY

DENALI.GOV

AND EMERGENCY MANAGEMENT RESPONSE • ALASKA HOUSING FINANCE CORPORATION • ALASKA MENTAL HEALTH TRUST AUTHORITY • ALASKA STATE LEGISLATURE • DEPARTMENT OF ADMINISTRATION • DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT • DEPARTMENT OF CORRECTIONS • DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT • DEPARTMENT OF ENVIRONMENTAL CONSERVATION • DEPARTMENT OF FISH & GAME • DEPARTMENT OF HEALTH AND SOCIAL SERVICES • DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT • DEPARTMENT OF LAW • DEPARTMENT OF MILITARY AND VETERANS AFFAIRS • DEPARTMENT OF NATURAL RESOURCES • DEPARTMENT OF PUBLIC SAFETY • DEPARTMENT OF REVENUE • DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES • ALASKA ENERGY AUTHORITY • UNIVERSITY OF ALASKA ANCHORAGE ALASKA FEDERATION OF NATIVES • ALASKA FORUM ON THE ENVIRONMENT • ALASKA GROWTH CAPITAL • ALASKA MUNICIPAL LEAGUE • ALASKA NATIVE TRIBAL HEALTH CONSORTIUM • ALASKA PUBLIC BROADCASTING, INC. • ALASKA REGIONAL FOR-PROFIT CORPORATIONS • ALASKA REGIONAL HEALTH BOARDS • ALASKA REGIONAL HOUSING AUTHORITIES • ALASKA REGIONAL NON-PROFIT CORPORATIONS • ALASKA VILLAGE ELECTRIC COOPERATIVE • ALASKA VILLAGE INITIATIVES • ALEUTIAN Pribilof ISLAND COMMUNITY DEVELOPMENT ASSOCIATION • AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS • ASSOCIATED GENERAL CONTRACTORS OF ALASKA • ASSOCIATION VILLAGE COUNCIL PRESIDENTS • BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION • CAPE FOX HERITAGE FOUNDATION • CENTRAL BERING SEA FISHMEN'S ASSOCIATION • COASTAL VILLAGES REGION FUND • COMMUNITY DEVELOPMENT QUOTA GROUPS • FIRST ALASKANS INSTITUTE MURDOCK CHARITABLE TRUST • NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS • NATIONAL RURAL HEALTH ASSOCIATION • NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION • PAUL G. ALLEN FOUNDATION • PHILANTHROPY NORTHWEST • RASMUSON FOUNDATION • RURAL ALASKA COMMUNITY ACTION PROGRAM, INC. • SOUTHWEST ALASKA MUNICIPAL CONFERENCE-ECONOMIC DEVELOPMENT • YUKON KUSKOWIM HEALTH CORPORATION • YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION



Many communities throughout Alaska rely on boardwalk systems to cross parts of the tundra. This boardwalk in Tuntutuliak, Alaska shows the vastness of the "Last Frontier."