



DENALI COMMISSION

FISCAL YEAR 2011

BUDGET JUSTIFICATION



January 29, 2010

I am pleased to present the Denali Commission's detailed budget request for Fiscal Year 2011. The Denali Commission (Commission) supports the President's recommendation of \$16 million.

The Commission was established by The Denali Commission Act of 1998 (Title III, P.L. 105-277, 42 USC 3121), which recognized the need for a coordinated approach to address the vital health and infrastructure needs of Alaska communities, particularly isolated Native villages and other communities lacking access to the national highway system, affordable power, adequate health facilities and other contributors to achieving economic self-sufficiency.

The Commission programs underway for the past ten years are directly connected to the life, health, safety and sustainability of Alaskan communities and Alaskan residents. The barriers created by size, geography and lack of basic infrastructure in Alaska still cause significant portions of our rural population to live without basic infrastructure, health standards and public facilities.

This FY 2011 request will allow the Commission to deliver critical energy projects to Alaska's communities. With diesel fuel topping \$8.00 a gallon in many of Alaska's rural communities, the Commission's active engagement in alternative and renewable energy projects is more critical than ever. These projects which include hydro, in-river turbines, wind generation, and geo-thermal, directly complement President Obama's call to reduce dependence on foreign oil sources and diversify our energy portfolio. The Commission's energy program also funds the planning, design, and construction of bulk fuel tanks and rural power systems, which directly assists in reducing cost and enhancing access to code compliant facilities.

This funding will allow the Commission to continue planning, designing, constructing and equipping health facilities located in rural Alaska communities. In support of these infrastructure projects, the FY 2011 request will also provide critical economic development and workforce development, tied directly to jobs and employability for hundreds of Alaska residents. The budget includes a new provision that would require Commission construction projects to receive matching funds from the recipient community or the State of Alaska. The required match is 20% for distressed communities and 50% for non-distressed communities.

Currently, the Commission has 252 grant awards and 586 projects that are active in our system. The total number of all projects, in various stages from inception to close-out well exceeds 1,900.

In addition to successful program delivery, the Commission continues to make improvements and receive recognition of its administrative and operational services. The Commission utilizes the Office of Management and Budget Centers of Excellence for human resources, travel and procurement. In FY 2008 the Commission successfully

transitioned to the Grants Line-of-Business and subsequently in FY 2009 transitioned to the Finance Line-of-Business, which is now fully operational.

Please see the table below that enumerates the budgeted line items for Fiscal Year 2011 in accordance with our requested \$16 million.

FY 2011 Budget Request	Discretionary	Trans-Alaska Pipeline Liability	Total
<i>10 Personnel Compensation and Benefits</i>	598,250.00	200,000.00	\$798,250.00
<i>20 Contractual Services and Supplies</i>			
<i>30 Acquisition of Assets</i>			
<i>40 Grants and Reimbursable Agreements</i>	11,366,750.00	3,800,000.00	\$15,166,750.00
<i>[Energy, Health & Training]</i>			
Total	\$11,965,000.00	\$4,000,000.00	\$15,965,000.00

The *Inspector General Act Amendment of 1988 (PL 100-504)* requires the Commission to maintain an independent Office of Inspector General (OIG), which reports to the Federal Co-Chair and Congress.

The amount of the Inspector General's initial request for FY 2011 was \$373,000. The amount in this budget justification requested for the Office of Inspector General is \$373,000. The amount of funding for training for FY 2011 is \$5,000, as well as, \$900 in support of the interagency IG council. In October 2008, Congress passed The *Inspector General Reform Act (PL 110-409)*. This legislation placed increased requirements on the office of each Inspector General. This budget reflects the increased costs associated with complying with this legislation. Inspector General activities will continue to emphasize the effectiveness and efficiency of program operations and compliance with laws and regulations affecting grant programs, as well as coordination and cooperation with other oversight offices on crosscutting issues and legislated reviews. Audit activities enable the Commission to produce audited financial statements, as other agencies are required to do under the Accountability or Tax Dollars Act.

The Denali Commission would like to thank you for your support. Should you have any questions please do not hesitate to call me at (907) 271-1414.

Sincerely,



Joel Neimeyer
Federal Co-Chair

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SECTION 1- DENALI COMMISSION INTRODUCTION

In 1998 Congress focused national attention on the immense infrastructure and economic challenges faced by rural Alaskan communities with the passage of 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.

Alaskans face enormous challenges of remote distances, harsh climates, undeveloped economies, and high costs. Over 200 of our communities are off the road system. Most villages lack the basic infrastructure the rest of the nation has enjoyed for decades. Basic facilities such as health clinics, reliable power generation, diesel storage tanks, washeterias, teacher and elder housing, multi-purpose facilities and sanitation facilities are the building blocks needed so that residents have an acceptable level of health and safety. These essential facilities encourage private sector development, and together help create viable healthy communities and people who have a chance at competing in today's global economy.

Purpose of the Commission

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

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%).

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

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 service, to develop a well-trained labor force employed in a diversified and sustainable economy, and to build and ensure operation and maintenance of Alaska's basic infrastructure.

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.



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.

Model and Process

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

Federal Co-Chair appointed by the U.S. Secretary of Commerce

State Co-Chair who is the Governor of Alaska

Executive President of the Alaska, American Federation of Labor and Congress of Industrial Organizations

President of the Alaska Federation of Natives

President of the Alaska Municipal League

President of the Associated General Contractors of Alaska

President of the University of Alaska

Each year, the commissioners solicit input from the general public, local governments, and other organizations through a proposed work plan. The Commission also provides a comprehensive work plan for rural and infrastructure development and necessary job training in the area covered. This proposed plan is submitted to the federal co-chair for review and then published for public review.

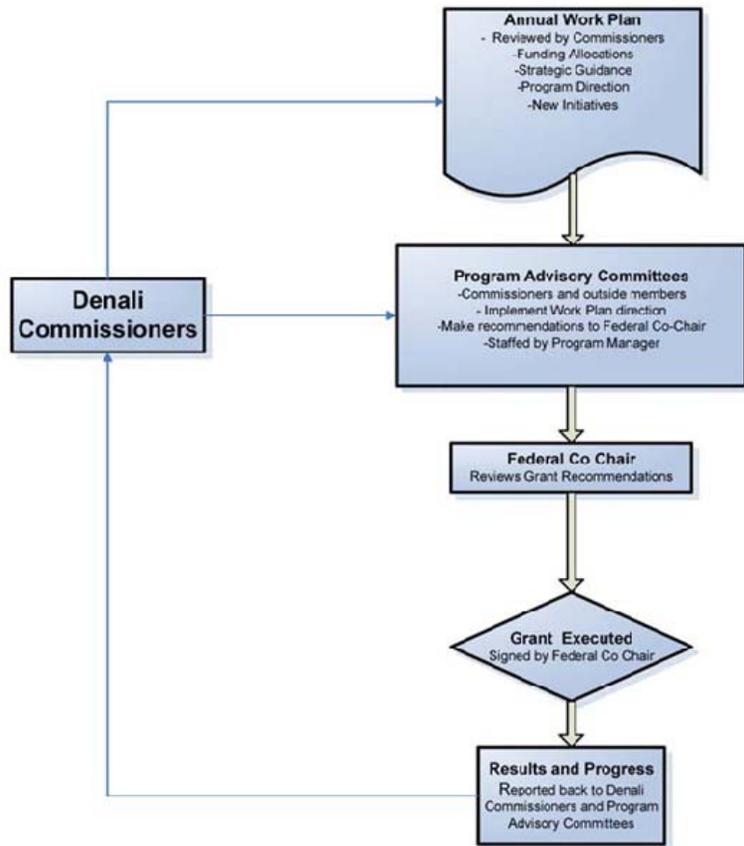
The federal co-chair takes into consideration the information, views, and comments received from interested parties through the public review and comment process and consults with appropriate federal officials in the state. Next, the Secretary of Commerce approves, disapproves, or partially approves the plan. The Commission then moves forward with approved projects.



Denali Commission Decision Making Process

This efficient methodology shortens the timeline for many projects critical to rural community survival across the state.

Commissioners meet at least twice a year to develop and monitor annual work plans that guide its activities. Commissioners draw upon community-based comprehensive plans as well as comments from individuals, organizations and partners 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.



The Commissioners



JOEL NEIMEYER
Federal Co- Chair
Denali Commission



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



VINCE BELTRAMI
Executive President
Alaska AFL-CIO



JULIE KITKA
President
Alaska Federation of Natives



JOHN MACKINNON
Executive Director
Associates General
Contractors of Alaska



KAREN PURDUE
Associate Vice- President for Health
University of Alaska



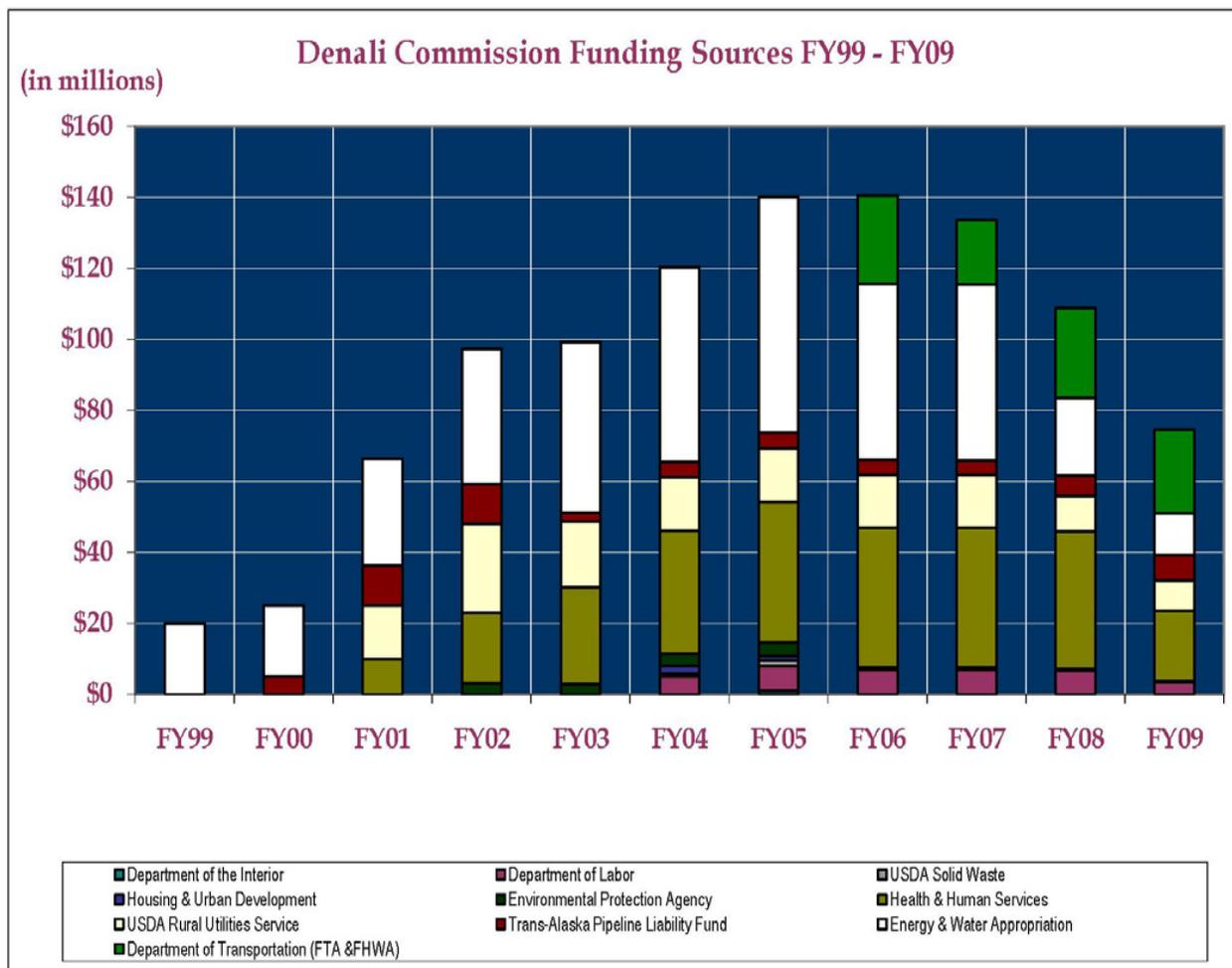
KATHIE WASSERMAN
Executive Director
Alaska Municipal League



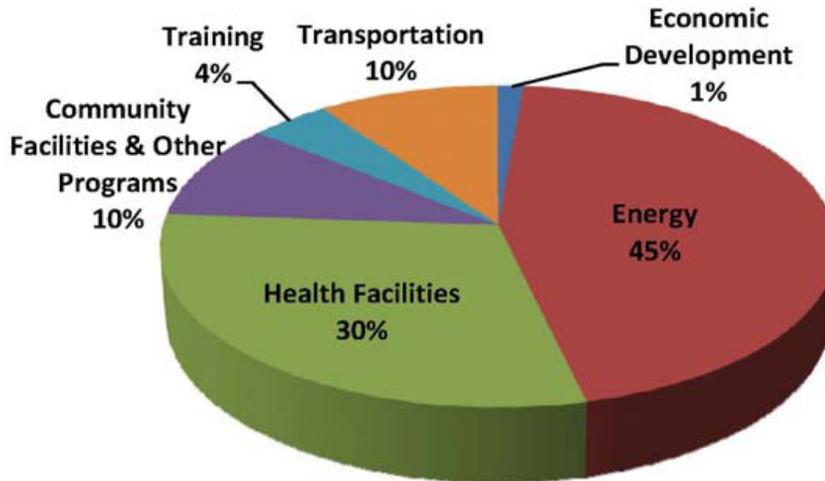


SECTION 2: PROGRAM SUMMARIES, ACHIEVEMENTS, FUNDING AND STRATEGIES

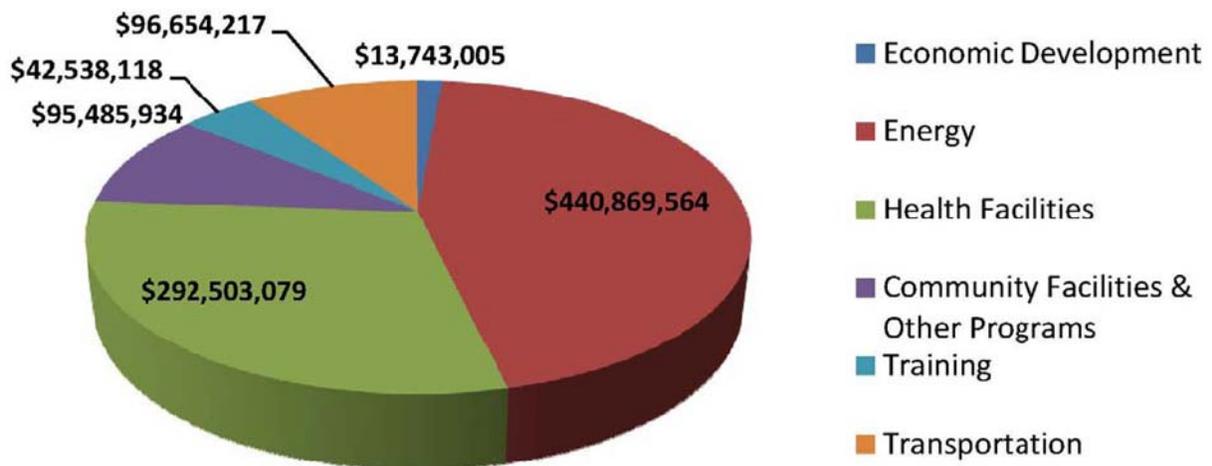
The Energy and Water Appropriations (commonly referred to as Commission base funding) are eligible for use in all programs, but has historically been used substantively to fund the Energy Program. The Energy Policy Act of 2005 established new authorities for the Commission's Energy Program, with an emphasis on renewable and alternative energy projects. No new funding accompanied the Energy Policy Act, and prior fiscal year Congressional direction has indicated that the Commission should fund renewable and alternative Energy Program activities from the available base appropriation. All other appropriations outlined may be used only for the specific program area and may not be used across programs. For example, the U.S. Health Resources and Services Administration (HRSA) funding, which is appropriated for the Health Facilities Program, may not be moved to the Economic Development Program. The figures appearing in the funding sources table include an administrative deduction of 5%, which constitutes the Commission's 5% overhead.



FY99 - FY09 Program Funding Snapshot



FY99 - FY09 Program Funding Snapshot



Program Summary: *Government Coordination*

As defined by statute, 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. Transparency and accountability in government requires that agencies strive to coordinate and collaborate together. Failure to do so may result in inefficiencies, duplication and an inability to effectively carry out our respective missions.

The Denali Commission's agility, flexibility and track record of innovation depends on our ability to partner, support and collaborate with a wide variety of federal and state agencies. The foundation for this collaboration has been a unique Memorandum of Understanding (MOU) between both state and federal agencies throughout Alaska signed in 2000, 2003 and 2008. These MOU's adopted a workgroup model focusing on planning, utilities, housing and infrastructure.

Today, Government Coordination has become a mainstay of the efforts the Denali Commission has undertaken in improving communities in rural Alaska and several efforts have produced effective workgroups throughout the years including: the *Planning Workgroup*, the *Buckland Workgroup*, the *MOU Partners Workgroup* and the *Alaska Clearinghouse* project.

A copy of the MOU signed by state and federal partners in Government Coordination can be found in Appendix A.

Guiding Principles for Coordination

Sustainable Infrastructure- Participants of the MOU recognize the importance of funding and developing infrastructure programs and projects that will have a positive, lasting affect in rural Alaska. Parties agree to communicate and coordinate project planning, pre-development, site planning, design and construction processes.

Economic Development- Parties recognize that government can provide opportunities for meaningful private sector development. Parties agree to coordinate activities which can stimulate economic growth.

Workforce Development- Workforce development and having a job is critical to family and community wellbeing. Parties agree to coordinate on programs and policies that promote a skilled rural workforce.

Planning and Coordination- Local participation, to include local funding is essential for successful infrastructure projects. Parties affirm the importance of local planning to identify and prioritize proposed projects, and the need to understand the overall impacts of multiple projects on a community.

Communication- Active communications and sharing of information increases efficiencies and decreases the duplication of services. To the extent allowed by each agencies guidelines, MOU participants will share information as needed for the successful implementation of projects.

Involving other partners- Participants recognize that many other non-profit and community organizations in Alaska are valuable resources for furthering the goals of this MOU. Parties will collaborate and communicate to provide regional planning, program support and partnering opportunities where practicable.



Fiscal Year 2011 Government Coordination Goals

Government Coordination efforts at the Denali Commission provide communication between key federal and state stakeholders across the state of Alaska. With continued funding, the Commission would be able to deliver program efforts and lead state and federal collaboration by facilitating, organizing and leading government partnerships in new and innovative ways across the entire state. Continued efforts and goals involve the MOU Partners Workgroup. New partnerships and goals include a new Sustainable Rural Communities initiative and stronger ties to tribal governments.

Means and Strategies

The Government Coordination Program is led by one Program Manager and overseen by the Director of Programs.

To be successful in coordinating with other state and federal agencies there is a clear invitation for open communication at all times. A monthly newsletter and annual report, viewable on the Commission website at www.denali.gov assists in keeping all parties informed and connected. The measurement of success is outlined in quarterly meetings to eliminate duplication of efforts for rural Alaskan communities.



Buckland Community Development Meeting held in Anchorage, Alaska

March 2009 Quarterly Meeting held in Fairbanks, Alaska





Denali Commission Results Report

Government Coordination

Sustainable Rural Community Development Workgroup



Workgroup History at the Denali Commission:

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 other agencies 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. Today, Government Coordination has become a mainstay of the efforts the Denali Commission has undertaken for rural Alaska community improvements.

In August 2009 the Secretaries of the U.S. Department of Energy, Housing and Urban Development, Education and Agriculture visited Alaska. This group received firsthand knowledge of the realities of village life and the unique challenges facing rural Alaska communities. As a result of this historical visit by these Cabinet members and by the Alaska Congressional Delegation, a new direction for government coordination between state and federal agencies was discussed and formulated and the Denali Commission was charged with leading this new effort of collaboration.

At the request of Senator Mark Begich, a *Sustainable Rural Community Development Interagency Meeting* was hosted by the U.S. Department of Housing and Urban Development on January 14, 2010 in Anchorage to find solutions for sustainable rural community development. It was recognized early on that this effort of collaboration coincided with the Denali Commission's efforts in the already established MOU Partners Workgroup.

This new group, *Sustainable Rural Communities*, committed to compiling a report for the delegation, Cabinet members and major stakeholders by **May 5, 2010** for comment and input - addressing the following goals for the improvement of government efforts in rural Alaska:

- Identify statutory and regulatory changes that affect Alaska so the Alaska delegation can address them for all Alaskans.
- Identify best practices that work to bring government costs down with a focus on innovative solutions.
- Identify the barriers that prevent implementation best practices and recommend solutions to address those barriers.
- Establishment of a tribal consultation plan as defined in President Obama's Executive Order 13175.



Sustainable Rural Community Development Workgroup Continued

Comments and input for all major stakeholders will be compiled by the first of July, 2010 and a final report presented by August 2010.

Results:

May 2010: A report will be developed by May 5, 2010 addressing the workgroup's goals for participating federal and state agencies, the Alaska Delegation, and to the offices for all of President Obama's cabinet. That report will include: an overview of any existing statutory and regulatory changes that affect Alaska so the Alaska delegation can address them for all Alaskans and a methodology of identifying this in the future; an overview of best practices that work to bring government costs down with a focus on innovative solutions; an overview of barriers that prevent the implementation best practices and recommend solutions to address those barriers; and a tribal consultation plan.

As discussed by President Obama, the United States has a unique legal and political relationship with Indian tribal governments, established through and confirmed by the Constitution of the United States, treaties, statutes, executive orders, and judicial decisions. The state of Alaska's tribal governance structures include multifaceted government layers not faced in lower 48 tribes including: boroughs, cities, municipalities, school districts and both Regional and Village Alaska Native corporations. This tribal consultation could be used as a model for this effort in Alaska and create meaningful dialogue between federal and state officials and tribal officials for the improvement of federal policies.

July 2010: The *Sustainable Rural Communities* workgroup will compile comments and changes from all concerned stakeholders and provide a final report by August 2010.

August 2010: By **August 2, 2010** the Denali Commission will provide a final Sustainable Rural Communities workgroup to include the goals and input from other agencies and concerned stakeholders.



Program Summary: *Energy*

Recognizing the critical role energy plays in the quality of life and economic development of Alaska's communities, the Commission has made energy its primary infrastructure theme since 1999. The Commission continues to make 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 (APT) and other partners to meet rural communities' fuel storage and power generation needs.

Projects Funded

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

Fiscal Year 2011 Energy Program Goals

Projects for bulk fuel tank construction and Rural Power System Upgrades (RSPU) will be selected from the state-wide deficiency list. Additional funding will be utilized for on-road communities, deficiency evaluations and alternative energy projects, along with energy cost reduction projects and/or end user efficiency upgrades (ECR and EUE respectively). The Commission continues to comply with the Administration's initiative to reduce dependence on foreign oil by investigating alternative energy projects across Alaska like wind, hydro, geothermal and emerging technologies in this arena. Specifically, the area of emerging technologies is a priority for the Commission and an unmet need in identifying the greatest efficiency potential.

Results for FY11 are anticipated to include up to thirty (30) emerging technology projects. Examples include solar feasibility, wind-diesel hybrid analysis, organic heat recovery systems, electric vehicle power generation for small remote villages, wood pellet fire boiler systems, small-scale hydrokinetic power and smart grid technology for rural communities.

The Commission anticipates funding up to fifteen (15) communities with bulk fuel and/or power system upgrade or replacement in FY11. In addition to emerging technologies, energy efficiencies for diesel reliant communities continue to be a priority. By upgrading communities with large bulk fuel facilities, the cost of fuel transport is dramatically decreased. Additionally, rural power systems for remote, off-grid villages can experience up to 50% fuel efficiency through replacement of basic generator, switch gear and other upgrades to power systems. This savings is further increased as renewable technologies are made feasible and implemented to offset high energy costs.

Bulk fuel tank upgrades contribute to the health, life and safety of communities by providing sustainable, code compliant fuel storage while reducing the risk for spills and fires. Power plant upgrades provide significant cost reductions and end use efficiency upgrades provide more useful power per gallon of fuel used, thus reducing the cost of energy in the communities and decreasing the needed fuel storage capacity. Wind projects likewise reduce the need for fuel storage and purchase. The possible fuel savings for two wind projects is around 80,000 gallons per year. Anticipated offsets for each ECR or EUE projects are 180,000 to 200,000 gallons of diesel, with lifecycle cost savings double those of the project costs.



Energy Advisory Committee (EAC)

John MacKinnon
(Chair)
Denali Commissioner



Vince Beltrami*
Denali Commissioner

- Brad Reeve, Kotzebue Electric Assoc.
- Eric A. Marchegiani, P.E., U.S. Department of Agriculture Rural Development
- Nels Anderson, Jr., Bristol Bay Resident
- Robert Martin, Jr., P.E. Goldbelt Corporation
- Dr. Daniel White, PhD., University of Alaska

The Energy Advisory Committee meets quarterly and provides recommendations to Commissioners.

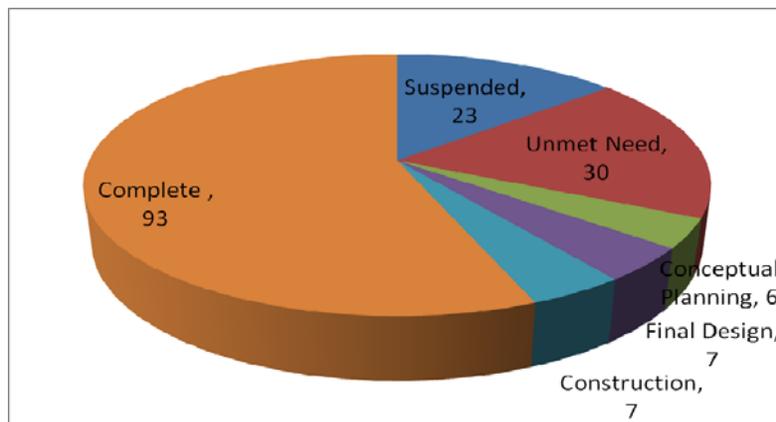
**Commissioner Beltrami serves as a liaison between the EAC and the Renewable Energy Fund Advisory Committee*

Means and Strategies

The Energy Program is led by one Program Manager and a Deputy Energy Program Assistant. Both positions are overseen by the Director of Programs. To be successful the Commission’s Energy Program has been actively engaged in soliciting requests for information regarding the universe of projects that may exist in the state of Alaska for renewable and alternative energy.

The Commission had made it common practice to engage in combination diesel/wind energy projects in its legacy bulk fuel program, and recognizes the importance of continued development of alternative and renewable technologies. In 2007 a request for information (RFI) yielded a well of 185 projects that in total represent approximately \$2 billion in alternative and renewable energy needs in the state of Alaska. The Commission, through engagement of its Energy Advisory Committee, will be actively evaluating how these projects can be combined with existing initiatives to ensure that low cost, reliable energy is provided to all Alaska residents. At a time when diesel fuel prices can reach upward of \$8- \$9/gallon in rural communities, the energy crisis is a critical focus of the Commission.

Bulk Fuel Storage Universe of Need in Alaska Rural Communities-2009



Energy Results

Partnerships—The U.S. Department of Agriculture Rural Development Rural Utility Service program is critical to the Denali Commission success in energy and has enabled the Commission to address the bulk-fuel storage deficiencies and improve energy efficiencies by upgrading infrastructure in over 100 communities. This translates into cleaner, healthier energy that is more cost effective for our poorest citizens.

Results—The Denali Commission is proving reliable, code compliant fuel storage and power generation to thousands of rural Alaskans. Thus far, the Commission has completed 93 bulk fuel tank farms in rural communities throughout Alaska and has completed 48 Rural Power System Upgrades (RPSU). An updated comprehensive universe of need report will be completed in 2009 providing current, reliable resources to the Denali Commission and partners for future projects.

Fiscal Year 2009 Projects

Title/Project Description	2009 Energy Funds
Unalakleet <i>RPSU</i>	\$3,500,000.00
Savoonga <i>Power Plant Completion</i>	\$466,689.00
Eagle <i>Hydrokinetic Project Completion</i>	\$25,298.00
Statewide <i>DOE Energy Efficiency and Conservation Block Grant Match</i>	\$40,510.00
Chevak <i>Power Plant Completion</i>	\$1,474,394.00
Chevak <i>Wind Completion</i>	\$597,704.00
Chistochina, Mentasta Lake, Slana <i>Completion of the Mentasta, Slana, Chistochina Intertie</i>	\$674,601.00
Kipnuk <i>RPSU Renovation</i>	\$400,000.00
New Stuyahok <i>Bulk Fuel Facility</i>	\$3,230,694.00
New Stuyahok <i>Power Plant Pad Construction</i>	\$315,000.00
Nightmute <i>Bulk Fuel Completion</i>	\$402,305.00
Mekoryuk <i>Bulk Fuel Completion</i>	\$1,497,310.00
Brevig Mission <i>Bulk Fuel Completion</i>	\$313,686.00
New Stuyahok <i>Bulk Fuel Facility</i>	\$4,734,306.00
	\$17,672,497.00



Energy Program Partners

Alaska Center for Energy and Power
(ACEP)
www.uaf.edu/acep

Alaska Energy Authority
www.aidea.org/aea

Alaska Power & Telephone
www.aptalaska.com

Alaska Village Electric Cooperative
www.avec.org

National Energy Technology Lab
(NETL)
www.netl.doe.gov

National Renewable Energy Lab
(NREL)
www.nrel.gov

U.S. Department of Agriculture
Rural Utility Service
www.usda.gov/rus/electric



Kwethluk Bulk Fuel Tanks



Toksook Bay Wind Turbines



Deering Old and New Bulk Fuel Tanks





Denali Commission Results Report

Energy Project

Kasigluk Amalgamated Energy Project Project Numbers: 49A-49H



OVERVIEW

Kasigluk is an isolated village located 26 miles northwest of Bethel. Kasigluk, Old Kasigluk, and Nunapitchuk, 4 miles upriver, rely on diesel powered generators for electric power. The combined population of these communities is just over 1,100 residents. There are no roads and transport is limited to a few small airplanes a week, depending on weather, personal skiffs, and barges. Prior to the Denali Commission's investment, each community had a power plant and associated bulk fuel facility. **This amalgamated project provided for one power plant, three wind turbines, and a bulk fuel facility in Kasigluk with an intertie to connect the 3 communities.**

LESSONS LEARNED

Barge delivery of construction materials and fuel is dependent upon schedules, river water levels, and other factors. Poor soil conditions and thawing permafrost were encountered. Much of the heavy fabrication and construction were done during winter months which resulted in reduced productivity due to severe weather conditions. The wind turbine foundations were specially engineered and constructed to overcome the challenges of the soil conditions. Thermosiphons were installed at wind turbine foundations to maintain frozen soil conditions and thermistor strings are utilized to monitor the sub-grade soil temperatures.

RESULTS

This family of projects provides efficient energy solutions to three communities. The intertie allows the operation of one power plant and associated fuel tank farm and distributes the benefits of renewable energy. **In 2008, the wind turbines displaced nearly 22% of the diesel fuel consumed to run the generators.** Recovered heat is available to heat community buildings near the power plant.

Front to back: bulk fuel storage; power plant; wind turbines



Recipient

Alaska Village Electric Cooperative (AVEC)

Denali Commission Funding

\$15,566,993.00

Total Match Funding

\$1,273,924

Total Project Cost

\$16,840,917

Match Funders

AVEC

Affected Communities

Kasigluk, Old Kasigluk, Nunapitchuk



Program Summary: *Health Facilities*

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.

<u>Projects Funded</u>
Primary Care Facilities
Elder Supportive Housing Facilities
Behavioral Health Facilities
Primary Care in Hospitals
Domestic Violence Facilities
Assisted Living Facilities

Fiscal Year 2011 Health Program Goals

The Health Facilities Program is a collaborative effort which methodically invests in *regional networks* of primary care clinics across Alaska. The Commission has made a monumental impact in the lives and health of rural Alaskans by contributing to the construction of needed health facilities throughout the state: 95 clinics have been completed, 29 are being constructed now and 110 are in the conceptual planning / business planning / design phases.

Results for FY11 include 9 primary care clinics (new construction or renovation), 8 primary care clinic designs, 4 behavioral health facilities, 9 primary care in hospitals projects, 5 emergency medical equipment projects, and 6 elder housing projects.



Health Steering Committee (HSC)

<p>Bill Hogan <i>(Co-Chair)</i> State Commissioner Department of Health and Social Services</p>	 	<p>Karen Perdue <i>(Co-Chair)</i> Denali Commissioner University of Alaska</p>
<ul style="list-style-type: none"> • Kenneth Glifort, Indian Health Service • Jerry Fuller, Dept. of Health and Social Services • Lincoln Bean, Alaska Native Tribal Health Consortium • Ward Hurlburt, Depart. Of Health and Social Services representative • Marilyn Walsh Kasmar, AK Primary Care Assoc. • Rebecca Hilgendorf, Depart. Of Health and Social Services • Jeff Jessee, Alaska Mental Health Trust • Rob Betit, Alaska State Hospital Nursing Home Assoc. • Andy Teuber, Alaska Native Tribal Health Consortium 		

The Health Steering Committee meets quarterly and provides recommendations to Commissioners.



Means and Strategies

The Health Facilities Program is led by one Program Manager and one Deputy Program Assistant, both overseen by the Director of Programs.

To be successful in developing the program there is a Health Facilities Steering Committee that meets on a quarterly basis. The committee's work is instrumental in fine-tuning the project selection process to better reflect the evolving resources and goals of the Health Facilities Program. The Behavioral Health Subcommittee was resurrected FY 2009 and began the process of crafting new directions for the behavioral health facility component of the program.

A Gated Process: The Health Facilities Program has a rigorous application process for primary care clinics, including:

Business planning, Community planning, and Conceptual planning

Site Plan Checklists – to ensure the site of the new facility is sound, and has clear title to the owners

Design – which incorporate green / energy conservation and efficiency features; and which are right sized to small rural Alaskan communities

Construction

Each of these phases is “gated” – and projects are only permitted to move to the next phase when Denali Commission approval is granted.

Fiscal Year 2009 Projects

Title/Project Description	2009 Health Funds
Juneau <i>Bartlett Digital Mammography Equipment</i>	\$420,958.00
Ketchikan, Kodiak Island Borough, Petersburg, Wrangell <i>APSCI's Consortium Project for 4 Hospitals' Oxygen Generating Systems</i>	\$451,729.00
Nome <i>Norton Sound Pyxis Machine</i>	\$185,140.00
Petersburg <i>Petersburg Surgical Videoscope System</i>	\$49,751.00
Valdez <i>Valdez Anesthesia Delivery System</i>	\$28,746.00
Valdez <i>Valdez Equipment for Obstetrics</i>	\$23,746.00
Wrangell <i>Wrangell Medical Center - Refurbished 16 Slice CT Scan</i>	\$366,676.00
Ketchikan <i>Ketchikan Senior Citizens Services, Inc - Pioneer Heights Senior Housing</i>	\$1,137,823.00
Togiak <i>Bristol Bay Housing Authority - Togiak Senior Housing Project</i>	\$219,398.00
Mountain Village <i>Mountain Village Clinic Construction</i>	\$1,998,283.00
Nunapitchuk <i>Nunapitchuk Clinic Construction</i>	\$2,572,397.00
Ouzinkie <i>Ouzinkie Clinic Construction</i>	\$1,588,213.00
ANTHC <i>Health Facilities Planning, Design & Construction - pending</i>	\$2,734,190.00
<i>Hydaburg Clinic Construction</i>	\$2,181,189.00
ANTHC <i>Behavioral Health & Primary Care Facilities - FY2009</i>	\$1,017,831.00
Maniilaq - <i>Noorvik Clinic Construction</i>	\$3,683,830.00
Statewide <i>FY2009 Alaska eHealth Network</i>	\$250,000.00

\$18,909,900.00



Health Program Results

Progress—In ten short years, the Denali Commission has made a monumental impact in the lives and health of rural Alaskans by contributing to the construction of needed health facilities throughout the state:

- 96 clinics have been completed
- 23 are being constructed now
- 107 are in the planning / design phases

Partnerships—Alaska has an intricate system of health delivery – with Tribal, City, Village, private and federally-designated clinics and providers working in partnership to ensure there is a secure continuum of care for isolated communities and regions throughout the state. When the Commission has funded a privately owned facility, it has been because of the critical role that clinic plays in the provision of care for residents. Most of these facilities are Federally-Qualified Health Centers, complete with all of the features and requirements earned by that designation.

Need—Designing and building health facilities in rural Alaska is complex, accounting for small populations, extreme climates, roadless communities, and environmental sensitivities. Methodical planning and attention to unique community challenges enables the Denali Commission to meet these needs.

Health Program Partners

Alaska Department of Health and Social Services
(DHSS)
www.hss.state.ak.us

Alaska Housing Finance Corporation
www.ahfc.state.ak.us

Alaska Mental Health Trust Authority
www.mhtrust.org

Alaska Native Tribal Health Consortium
www.anthc.org

Alaska State Hospital and Nursing Home Association
www.ashnha.com

Health Resources and Services Administration
www.hrsa.gov

Rasmuson Foundation
www.rasmuson.org

Regional Alaska Native
Health Organizations

Nilavena Clinic, Iliamna



Therapeutic Family Home, Fairbanks





Denali Commission Results Report

Primary Care Clinic Project

Harris Sub-regional Clinic

Project Number: 371-08



OVERVIEW

This project funded a 5,468 square foot subregional clinic in Chignik Bay on the Alaska Peninsula, to serve the health care needs of Chignik, Chignik Lake, Chignik Lagoon, Perryville, Ivanoff Bay and Port Heiden. The clinic is a federally-designated Community Health Center. This is a unusual project management model which uses a direct grant award to the local tribe using a force account method for construction with increased oversight by the Denali Commission Program staff.

LESSONS LEARNED

This represents a successful application of the Health Facilities Program philosophy to size clinics to the needs of the community and region. This clinic will provide a higher level of care - mid-level practitioners - that cannot be found elsewhere in the region.

RESULTS

The model of a direct award to Chignik Bay Tribal Council proved very successful and reflects the philosophy of tribal self-determination.

The coordination between the Training and Health Programs at the Denali Commission paid off with jobs and future career potential for community residents. Only two outside contractors were hired to work on the clinic. The rest of the labor was local. The project was completed in the summer of 2009.



Recipient

Chignik Bay Tribal Council

Denali Commission Funding

\$1,968,780

Total Match Funding

\$2,313,670

Total Project Cost

\$4,282,450

Match Funders

Chignik Bay Tribal Council

Trident Seafoods

Rasmuson Foundation

RCAC Loan

Alaska Mental Health Trust Authority

Pebble Foundation

Affected Communities

Chignik, Chignik Lake, Chignik Lagoon, Perryville, Ivanoff Bay, and Port Heiden



Program Summary: *Transportation*

The 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.

<u>Projects Funded</u>
Local Roads and Boardwalks
ATV Roads
Community Connection Roads
Economic Development Roads
Regional Port Barge Landings
Local Small Boat Harbors

Fiscal Year 2011 Transportation Program Goals

The Commission Transportation Program targets basic road improvement needs and waterfront development connecting rural Alaskans through roads and critical waterways. The program has successfully completed 33 road projects and 30 waterfront projects thus far. Over 50 projects are in design or in the planning phase.

Results are estimated at 10-15 road projects and 10-15 waterfront development projects in FY11.



Transportation Advisory Committee (TAC)

Joel Neimeyer
(Chair)
 Denali Commissioner



- Mike Hoffman, Assoc. of Village Council Presidents
- Steve Ivanoff, Kawerak, Inc.
- Ray Richards, Doyon Ltd.
- Chuck Pool, P.E., R.L.S., Pool Engineering Inc.
- Chuck Quinlan, K'oyitl'ots'ina, Ltd.
- Randy Romenesko, P.E., Consultant
- Walter Sampson, NANA Regional Corp.
- Carvel Zimin, Jr., Bristol Bay Borough Assembly

The Transportation Advisory Committee meets quarterly and provides recommendations to Commissioners.



Means and Strategies

The Transportation Program is led by one Program Manager and a program assistant, both overseen by the Director of Programs.

To be successful in developing the program, The Transportation Advisory Committee meets at least twice a year. Key outcomes from this group in FY09 include: the revision of the program eligibility and scoring criteria to provide greater clarification to applicant organizations and communities; development of the annual Denali Commission TIP, or project prioritization list; coordination with key program partners such as the Bureau of Indian Affairs, the Corps of Engineers, regional Tribal transportation organizations and Western Federal Lands Highway Division to combine funding and project planning timelines to ensure best value for the funders and further development and refinement of the barge landing study system design, including prioritization of participating communities and initial development of a construction schedule.

Transportation Results

Unique Goals—A primary and unique goal of the Denali Commission Transportation Program is to work with rural communities to make sure that the road standards applied to projects align with the vehicle fleet that operates in those communities. This translates into a focus on All-Terrain Vehicles (ATV's) and light trucks, and manifests itself in board roads for tundra villages and geo-grid ATV roads between villages and to subsistence harvest areas. These types of projects reduce wear on vehicles, improve driver safety and reduce environmental impacts of ATV's on the fragile tundra.

Flexibility—The Denali Commission has the flexibility to use U.S. Department of Transportation Federal Highway Administration Western Federal Lands Highway Division (FHWA) funds to create joint-funded projects with BIA-based road funding, State of Alaska general funds and other federal-state-local funds to provide projects that would otherwise not be feasible. In addition, the Commission and the State DOT combine funds to provide hard surfacing for state roads that pass through rural communities. This action reduces dust in the communities and improves vehicle and pedestrian safety.

Partnerships—The Denali Commission Transportation Program is working with the U.S. Army Corps of Engineers to develop a barge landing system that provides intermodal connections. Improvements include mooring anchors and small dock face structures that improve fuel/freight transfers, improve worker safety and reduce near shore environmental impacts associated with tugs holding barges against the shore. A rural barge landing system has been absent in the past and is one of the state's pressing freight transfer needs.

Results—The Denali Commission Transportation Program targets basic road improvement needs and waterfront development connecting rural Alaskans through roads and critical waterways. The program has successfully partnered with DOT&PF and U.S. DOT Western Federal Lands Highway Division to complete 33 road projects and 30 waterfront projects thus far. Over 50 projects are in design or in the planning phase.



Typical Community Boardwalk



Fiscal Year 2009 Projects

Title/Project Description	Recipient	2009 FHWA Sec 1960 Roads Funds
Sand Point <i>School Loop Road Rehabilitation</i>		\$357,103.18
Nenana <i>9th and K Streets Reconstruction Phase II</i>		\$627,424.71
Brevig Mission <i>Brevig Mission Community Streets Construction</i>		\$1,000,000.00
Takotna <i>Takotna Gold Creek Bridge Replacement</i>		\$272,910.00
Cold Bay <i>Cold Bay Road Improvements</i>		\$136,455.00
Selawik <i>Selawik - Boardwalk Construction</i>		\$327,090.00
King Cove <i>Street Improvement - WFLHD</i>		\$476,817.11
Manley Hot Springs <i>Manley Hot Springs Community Streets Design</i>		\$1,819,400.00
Manokotak <i>Manokotak Heights Road</i>		\$2,274,250.00
McGrath <i>McGrath Road Reconstruction</i>		\$133,499.82
Atmautluak, Nunapitchuk <i>Tevyraq Railway Tram Design</i>		\$1,364,550.00
Tununak <i>Tununak ATV Geo-Tech Trail Design</i>		\$2,274,250.00
Akiak <i>Akiak Roads Rehabilitation</i>		\$2,274,250.00
Gakona <i>Village School Road Rehabilitation Project</i>		\$1,364,550.00
McGrath <i>McGrath Road Reconstruction</i>		\$762,555.00
Statewide <i>Technical Services - Commission Transportation Program</i>		\$13,645.00
Kwethluk <i>Kwethluk - Airport Roads Improvements and Extensions</i>		\$2,274,250.00
Shaktoolik <i>Shaktoolik Evacuation Road Design</i>		\$1,000,000.00
		\$18,752,999.82

Title/Project Description	Recipient	2009 FHWA Sec 1934 Waterfront Funds
Chenega Bay <i>Chenega Bay Small Boat Harbor Rehabilitation</i>		\$1,138,813.00
Gustavus <i>Gustavus Transient Vessel Mooring Facility</i>		\$739,131.00
Akutan <i>Akutan Marine Link to Airport</i>		\$982,684.00
Old Harbor <i>Small Boat Harbor Renovations</i>		\$500,000.00
Platinum <i>Platinum Public Dock Conceptual Design & Road Connection Feasibility</i>		\$196,172.00
		\$3,556,800.00

TOTAL TRANSPORTATION

\$22,309,799.82



Transportation Program Partners

Alaska Department of
Transportation and Public Facilities
www.dot.state.ak.us

Bureau of Indian Affairs
www.doi.gov/bia

Community Development
Quota Organizations
www.wacda.org

U.S. Department of
Transportation (DOT)
www.dot.gov

U.S. DOT
Federal Highway Administration
www.fhwa.dot.gov

U.S. DOT Western
Federal Lands Highway Division
www.wfl.fhwa.dot.gov

Regional Tribal Non-Profit
Organizations



Old Thomsen Harbor Replacement,
Sitka



Bottom left. In partnership with the City of Cordova, this chip sealing, dust control road project was completed. *Bottom right.* The Pitka's Point sanitation road project was completed in partnership with the Alaska Native Tribal Health Consortium.





Denali Commission Results Report

Transportation Project

Port of Bristol Bay Construction Project Number: 01062



Bristol Bay Borough

OVERVIEW

Regional ports provide critical fuel and freight transfer services for villages throughout rural Alaska. Delivered products are redistributed by smaller barges to villages, keeping communities self-sufficient through the winter. Regional ports also provide economic value, often serving as commercial fishing processing and transshipment points.

The Port of Bristol Bay, which serves over 30 communities, had been seeking funds for several years. The Denali Commission was able to provide the final \$1,700,000 segment of funding to get the project to construction. Construction is successfully underway and the completed project will improve maritime operations throughout the region.

LESSONS LEARNED

This project is a successful partnership with five other funding partners. This strategy of large regional projects with benefits to numerous surrounding communities and to the regional economy overall, reinforces the value of focusing infrastructure development on regional ports. These improvements, supplemented by accompanying barge landing improvements at regional villages, combine to significantly improve fuel and freight delivery services in rural Alaska.

RESULTS

The project, in final construction, will successfully provide additional fuel and freight handling facilities and uplands storage capacity for economic and community demands.



Recipient

Bristol Bay Borough

Denali Commission Funding

\$1,700,000

Total Match Funding

\$6,371,854

Total Project Cost

\$8,071,854

Match Funders

Bristol Bay Borough

Bristol Bay Economic Development Corp.

State of Alaska

Department of Commerce-EDA

Affected Communities

30-west to Togiak east to Port Moller north to Non-dalton



Program Summary: *Training*

The 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 Commission administers the training program through numerous program partnerships. Each of the 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.

Projects Funded

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

Fiscal Year 2011 Training Program Goals

The Commission's goal is to engage with training projects that facilitate emerging science and technology training and also training for green jobs including energy efficiency and energy conservation initiatives. The Commission will also increase its role in developing the financial and administrative capacities of local city governments through training.

The Commission Training Program will maintain a continued focus on training directed for local residents that enables them to build, operate and maintain Commission infrastructure resulting in 12-15% increase in employment and serving over 300 rural Alaska communities. Additionally, FY11 results will expand to include training that is linked to emerging science and technology, energy efficiency/conservation, job creation and job attainment for all training, and local capacity building. These results are estimated at creating and/or sustaining jobs statewide and servicing all communities in Alaska.

The Commission's new focus on more scientific and technology driven training will result in economic growth, energy efficiency and improve the quality of life for Alaskan communities. The training program would be able to provide assistance to the communities selected for the energy, transportation, and health care projects that are funded in the projects. By providing funds for training to support the infrastructure built, the community becomes more self sustaining and the investment the Commission made is secure.



Training Advisory Committee (TrAC)

Vince Beltrami
(Chair)
Denali Commissioner



John MacKinnon
Denali Commissioner

- Rose Heyano, Bristol Bay Area Health Corp.
- Click Bishop, Alaska Dept. of Labor and Workforce Development
- Dawn Salesky, Alaska Native Coalition of Employment and Training
- Wanetta Ayers, Western Alaska Community Development Association
- Bernice Joseph, University of Alaska

The Training Advisory Committee meets quarterly and provides recommendations to Commissioners.



Means and Strategies

In communities that can have a 50% unemployment rate, Commission funded training programs have seen increased wages of participants by a staggering 64% and have shown a 12% increase in employment. 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. Commission training projects support job training activities and initiatives in Alaska's allied health professions, construction careers, and maintenance and operation of local facilities. Additionally, the Commission continues to support Alaska's budding workforce through its Youth Initiative which centers on skill development, internships, job preparation, placement and career pathways.

The Training Program is led by one Program Manager and is overseen by the Director of Programs. To be successful in developing the program there is a Training Steering Committee that meets on a quarterly basis. The major stakeholders in training for the state are members of the committee and assist in selecting projects to fund each year.

Training Program Results

Demonstrated Performance—A recent State of Alaska Department of Labor Research & Analysis report on the Denali Commission training program, shows that the Denali Training Fund (DTF) has **increased wages of those participants by a staggering 64.4%** and shows a **12.1% increase in employment**.

Partnerships—The Denali Commission (Commission) partners with the State of Alaska Department of Labor (DOL) to *reduce redundancy, leverage dollars* and to *ensure that all rural Alaska residents have the same training opportunities*.

Lasting Results—The Denali Training Fund (DTF) has had 4,480 participants complete training programs between 2001-2007. The program funds only training that leads to employment.

Unique Challenges—The Denali Commission has become the expert in serving our rural residents. To meet this daunting challenge, the Commission has supported innovative, resourceful training entities whose service delivery best fits the needs of rural Alaskans.

Innovation—Denali Commission success can be seen at the University of Alaska. With Commission funding, the University developed web based training for allied health careers. This reduces travel, food and lodging costs and allows rural residents to stay at home to take care of their families and jobs and at the same time earn essential career accreditations.





Construction and heavy equipment operators training.



Training Program Partners

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

Alaska Works Partnership
www.alaskaworks.org

Construction Education Foundation Associated
General Contractors of Alaska
www.agcak.org

First Alaskans Institute
www.firstalaskans.org

University of Alaska
www.alaska.edu

U.S. Department of Labor
www.dol.gov





Denali Commission Results Report

Training and Workforce Development

Alaska Dental Health Therapist Program

Project Numbers: 366-F



OVERVIEW

Alaska Natives suffer from high rates of dental problems which for some age ranges is five times the national average. This, in part, is due to the lack of dental health services in many rural areas. In early 2000, the Denali Commission began integrated dental suites into many of its new constructed health facilities which provided dedicated dental space for the first time ever. Soon after, the Denali Commission joined other funders and regional native health corporations to support the Alaska Dental Health Program. This program trained local participants to become Dental Health Aid Therapist who would be working in the new clinic facilities in rural communities providing the much needed dental services including prevention and education to rural area residents.



LESSONS LEARNED

This training project effects the quality of life for hundreds of rural residents but has an uncertain future because of limited funding expectations. Many efforts have been made to induce long term funding opportunities, however one lesson that has worked to help fund individual programs was the development of a student handbook which lists financial resources for students. This resource has allowed students to successfully apply for a portion of their training expenses and more importantly creating a sense of ownership of their new career.

RESULTS

This workforce development project produced ten graduates who are certified Dental Health Aid Therapist (DHAT) and who are currently working under a two year employment contract with their regional native corporations. The DHAT's are using the dedicated dental space and equipment in the new clinic facilities and providing essential dental health care on site, everyday.



Recipient

Alaska Native Tribal Health Consortium

Denali Commission Funding

\$208,000

Total Match Funding

\$905,694

Total Project Cost

\$1,105,694

Match Funders

Kellogg Foundation

Murdock Charitable Trust

Alaska's Regional Health Organizations

Affected Communities

Atka, St. Mary's, Tok, Toksook Bay, Galena, New Stuyahok, Kotzebue, Sand Point, Hooper Bay and Emmonak



Program Summaries: *Community Facilities*

Teacher Housing

Teaching in rural Alaska can be one of the most rewarding and challenging professions. A critical issue for rural teachers is finding safe, affordable housing during the school year. Housing availability varies by community from newer adequate homes, to old housing units with multiple safety and structural problems, to a lack of enough available housing, requiring teachers to double-up or even live in the school.



Economic Development

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 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.



Solid Waste

The goal of the solid waste program at the Commission is to provide funding to address deficiencies in solid waste disposal sites which threaten to contaminate rural drinking water supplies. Solid waste handling and disposal is one of the most under-served arenas in the context of Alaska's environmental and public health.

The program employs a competitive RFP process to select and identify projects, and has utilized a multidisciplinary review panel to ensure that projects meet all Denali Commission due diligence and policy requirements.

The Rural Alaska Community Action Program is a program partner with the Commission Solid Waste Program. The program also collaborates with USDA Rural Development's Water and Environmental Program and the U.S. Environmental Protection Agency.





Denali Commission Results Report

Teacher Housing Project

Nanwalek Teacher Housing Project

Project Number: THP-08-KBP-1



Nanwalek

OVERVIEW

The word “rural Alaska” often stirs up visions of extreme, remote villages in the Interior of Alaska, where temperatures dip to –40F and winter holds its grip until the late spring. Seldom does one consider southcentral Alaska to be rural. However, new teacher housing has remained elusive for Nanwalek. Even though the community is only about 12 air miles from Homer materials must be barged or flown in, driving up costs significantly. The teacher housing duplex was completed during the summer of 2009.

LESSONS LEARNED

This represents a successful partnership between the State of Alaska (Alaska Housing Finance Corporation), the Denali Commission, along with the commitment and contribution from the Kenai Peninsula Borough.

RESULTS

The Village of Nanwalek has historically experienced high teacher turnover due to the lack of, and quality of, housing in the community.

This completed project was a model of energy efficiency, achieving the highest Bureau of Energy Efficiency (BEEs) rating possible, 5 stars+ and was completely fitted with Energy Star appliances. With the generous contribution of other funders, the community of Nanwalek now has two units of affordable and safe housing.

With the contribution of other funders, the community of Nanwalek now has two additional units of affordable and safe housing for their teachers.



Recipient

Alaska Housing Finance Corporation (AHFC)

Denali Commission Funding

\$418,920

Total Match Funding

\$419,132

Total Project Cost

\$838,052

Match Funders

Alaska Housing Finance Corporation (AHFC)

Kenai Peninsula Borough

Affected Communities

Nanwalek





Denali Commission Results Report

Economic Development Project

Alaska Source Link
Project Number: 1074



OVERVIEW

AKSoucelink is a web-based community referral service



connecting Alaskan's entrepreneurs and small business owners to the training and technical assistance as they may need it. It consists of a website and toll-free hotline, and demonstrates a unique collaboration of rural and urban, Alaska Native and non-Native organizations from every region of Alaska. Thirteen primary service providers across the state have partnered to roll out the program through a series of business development workshops in 30 communities.

LESSONS LEARNED

Small business owners in rural Alaska are excited to have a virtual "one stop shop" where they can connect to the information they need and to "real people who can help you". Internet access is very slow in some rural communities, even where there is wireless, but new funding will be bringing high speed internet to more communities. It takes time and a sustained effort to establish a new program with the geographic scope of this project. Lastly, bringing small businesses and resource partners together in rural communities to discuss business development and resources creates new synergies.

RESULTS

More than 100 resource partners have been recruited to the network and been uploaded into the websites database. In travelling around the state 87% of workshop participants said they would use the website as a resource. Since the website went live in July 2009, more than 530 individualized searches for service have been conducted, from communities of all sizes and regions of Alaska. In the last quarter of 2009, there were 2016 visits to the website and 888 unique visits, with 14,444 total page views.

Recipient

University of Alaska -
Center for Economic
Development

Denali Commission Funding

\$449,295

Total Match Funding

\$115,000

Total Project Cost

\$564,295

Match Funders

University of Alaska

Affected Communities

Statewide Initiative



SECTION 3– A SNAPSHOT OF ACTIVE PROJECTS

The Denali Commission has participated in well over **1,900** projects since 1999. As of October 2009, the Denali Commission Project Database reported over 710 projects at various stages of active status, ranging from inception to close-out process. In order to illustrate the types of projects and needs that Alaskan communities have, below is a snapshot of **17** active projects, organized by program category. The following pages are details on each project title, theme, milestone, and affected communities.

Program Area	Number of Projects Represented
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Energy

Bulk Fuel Storage Tanks	2
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Other Energy <i>(Wind Diesel, Intertie, and Conservative Block Grant)</i>	3
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Rural Power System Upgrades	1
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Health Facilities

Hospitals/ Primary Care Clinics	4
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Transportation

Roads/ Boardwalks	2
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Docks/ Harbors	1
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<i>Teacher Housing</i>	2
------------------------	---

<i>Training</i>	2
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Total Projects	17
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For more information on projects the Denali Commission has been involved with, please visit our Project Database website at www.denali.gov



Bulk Fuel Projects

Project Title:	Bulk Fuel Upgrades					
Project Number:	01055					
Theme:	Bulk Fuel					
Milestone:	Construction					
Description:	This award provides construction funding in the amount of \$2,025,000 to install 243,000 gallons of code-compliant bulk diesel fuel storage for use by the electric power plant that serves the entire village of Brevig Mission. In the future, it is planned that the power plant will also serve the nearby village of Teller, by means of an intertie between Brevig Mission and Teller.					
		Funding				
Denali Commission:		\$2,025,000.00				
Other Funding:		\$225,000.00				
Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Brevig Mission	N	Unorganized	Bering Straits Native Corp.	39	T

Project Title:	Bulk Fuel Facility					
Project Number:	01190					
Theme:	Bulk Fuel					
Milestone:	Construction					
Description:	This award of \$7,965,000 will provide design, shipment, and installation of two new bulk fuel storage tank farms and related facilities in New Stuyahok, Alaska that will meet all applicable codes and regulations. Alaska Village Electric Cooperative (AVEC) is providing match funding to this award in the amount of \$385,000.					
		Funding				
Denali Commission:		\$7,965,000.00				
Other Funding:		\$385,000.00				
Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	New Stuyahok	Y	Unorganized	Bristol Bay Native Corporation	37	S



Hospitals/Primary Care Clinic Projects

Project Title:	Nome Hospital Design - 2008 Health Program
Project Number:	01002-A
Theme:	Hospitals
Milestone:	In-Progress
Description:	Funding for the Nome Hospital Design

	Funding
Denali Commission:	\$3,820,000.00
Other Funding:	\$0.00

Communities:	Name	Distressed/ Non- Distressed	Borough	ANCSA Region	House District	State District
	Nome	N	Unorganized	Bering Straits Native Corp.	39	T

Project Title:	Petersburg Primary Care Expansion
Project Number:	01004-C
Theme:	Hospitals
Milestone:	In-Progress
Description:	Funding includes expansion of primary care center

	Funding
Denali Commission:	\$446,649.00
Other Funding:	\$446,649.00

Communities:	Name	Distressed/ Non- Distressed	Borough	ANCSA Region	House District	State District
	Petersburg	N	Unorganized	Sealaska Corporation	2	A



Hospitals/Primary Care Clinic Projects Continued

Project Title:	Norton Sound Health Corporation				
Project Number:	01004-E				
Theme:	Hospitals				
Milestone:	In-Progress				
Description:	Funding includes purchase and installation of CAT scan.				

		Funding			
Denali Commission:		\$550,218.00			
Other Funding:		\$842,393.00			

Communities:	Name	Distressed/ Non- Distressed	Borough	ANCSA Region	House District	State District
	Nome	N	Unorganized	Bering Straits Native Corp.	39	T

Project Title:	Levelock Clinic Construction, AN07-GJ6				
Project Number:	00397-B AN07-GJ6				
Theme:	Primary Care				
Milestone:	Construction Complete				
Description:	ANTHC has authority to proceed with the construction of the Levelock Clinic project. Construction - \$1,257,095 Management Fee - \$156,330. Indian Health Services - \$176,356 and Bristol Bay Economic Development Corp - \$182,000				

		Funding			
Denali Commission:		\$1,413,425.00			
Other Funding:		\$358,356.00			

Communities:	Name	Distressed/ Non- Distressed	Borough	ANCSA Region	House District	State District
	Levelock	Y	Lake & Peninsula Borough	Bristol Bay Native Corporation	36	R



Other Energy Projects

Project Title:	St. George High Penetration Wind Diesel					
Project Number:	01016 410014					
Theme:	Other Energy					
Milestone:	In-Progress					
Description:	This award of \$1,000,000 is for the construction of a 225 kW wind energy project in the City of St. George, Alaska Energy Authority (AEA) project number 410014. The project is envisioned to be a high penetration wind-diesel hybrid system with potential for thermal recovery to heat schools, community buildings, and other large buildings.					
		Funding				
Denali Commission:		\$1,000,000.00				
Other Funding:		\$1,000,000.00				
Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Saint George	N	Unorganized	Aleut Corporation	37	S

Project Title:	Napakiak Intertie					
Project Number:	01117 220607					
Theme:	Other Energy					
Milestone:	Construction					
Description:	This award of \$150,000 will provide for the completion of an intertie between Bethel and Napakiak, Alaska (Alaska Energy Authority project number 220607). The project consists of a major upgrade of a twenty-two year old single line ground return tie-line and includes the replacement of the poles, an upgrade to a three-phase line, new transformers, and various equipment.					
		Funding				
Denali Commission:		\$150,000.00				
Other Funding:		\$2,700,000.00				
Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Bethel	N	Unorganized	Calista Corporation	38	S
	Napakiak	Y	Unorganized	Calista Corporation	38	S



Other Energy Projects Continued

Project Title:	DOE Energy Efficiency and Conservation Block Grant Match					
Project Number:	01179					
Theme:	Other Energy					
Milestone:	In-Progress					
Description:	This award of \$53,510 provides match funding to the U.S. Department of Energys Energy Efficiency and Conservation Block Grant programs Alaska Tribal Allocations through the American Recovery and Reinvestment Act. The match funding represents 10% of eligible applicant allocations in pooled applications. These funds may be used for any approved energy efficiency and/or conservation activities.					
		Funding				
Denali Commission:		\$53,510.00				
Other Funding:		\$535,100.00				
Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Bristol Bay Borough	?	Bristol Bay Borough	Bristol Bay Native Corporation	37	S

Rural Power System Upgrade Projects

Project Title:	RPSU					
Project Number:	01044 350278					
Theme:	RPSU					
Milestone:	Construction					
Description:	This award of \$1,500,000 is for the Kwethluk rural power system upgrade (RPSU), Alaska Energy Authority project number 350278. The scope of work includes procurement of switch gear, generators, and other long lead time items. Construction of the gravel pad needs to begin immediately for settlement before freeze-up.					
		Funding				
Denali Commission:		\$3,000,000.00				
Other Funding:		\$100,000.00				
Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Kwethluk	Y	Unorganized	Calista Corporation	38	S



Teacher Housing Projects

Project Title:	Teacher Housing - Bering Straits School District					
Project Number:	206-06-I					
Theme:	Teacher Housing					
Milestone:	Project Close-out Complete					
Description:	New construction of two teacher housing duplexes at 3,808 square feet total. Project cost is \$1,041,469 with an applicant match of \$30,000, debt capacity of \$90,865, AHFC Teacher, Health Professional, and Public Safety Grant Funds of \$460,302.					
		Funding				
Denali Commission:		\$520,593.00				
Other Funding:		\$520,962.00				
Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Brevig Mission	N	Unorganized	Bering Straits Native Corp.	39	T

Project Title:	Manokotak Teacher Housing					
Project Number:	01131					
Theme:	Teacher Housing					
Milestone:	Project Close-out					
Description:	Construction of Manokotak Teacher Housing					
		Funding				
Denali Commission:		\$1,489,600.00				
Other Funding:		\$1,493,400.00				
Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Manokotak	Y	Unorganized	Bristol Bay Native Corporation	37	S



Training Projects

Project Title:	Denali Training Fund Southeast Alaska Regional Health Consortium					
Project Number:	366-J					
Theme:	Training					
Milestone:	Project Close-out Complete					
Description:	The Southeast Alaska Regional Health Consortium (SEARHC) will train 50 participants from eight southeast communities (Kake, Angoon, Hydaburg, Haines, Klawock, Klukwan, Juneau, and Sitka) in the comprehensive cleaning system called Operating System 1 (OS1). The OSI training is based on standardized janitorial service procedures and tools.					

	Funding
Denali Commission:	\$25,000.00
Other Funding:	\$58,820.00

	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
Communities:	Angoon	Y	Unorganized	Sealaska Corporation	5	C
	Haines	Y	Haines Borough	Sealaska Corporation	5	C
	Hydaburg	Y	Unorganized	Sealaska Corporation	5	C
	Juneau	N	City & Borough of Juneau	Sealaska Corporation	3,4	B
	Kake	N	Unorganized	Sealaska Corporation	5	C
	Klawock	N	Unorganized	Sealaska Corporation	5	C
	Klukwan	Y	Unorganized	Sealaska Corporation	5	C
	Sitka	N	City & Borough of Sitka	Sealaska Corporation	2	A



Training Projects Continued

Project Title: Youth Initiatives Alaska Works Partnership	
Project Number:	01072-A
Theme:	Training
Milestone:	In-Progress
Description:	Alaska Works Partnership (AWP) will provide five construction training academies for forty-two rural youth ages 18-24. AWP will train these youth participants for basic employability and welder helper skills for entry-level construction jobs, including welders involved in pipeline construction occupations.

	Funding
Denali Commission:	\$90,000.00
Other Funding:	\$120,000.00

	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
Communities:	Bethel	N	Unorganized	Calista Corporation	38	S
	Fairbanks	N	Fairbanks North Star Borough	Doyon, Limited	10,9	E
	Galena	N	Unorganized	Doyon, Limited	6	C
	King Salmon	N	Bristol Bay Borough	Bristol Bay Native Corporation	37	S
	Nome	N	Unorganized	Bering Straits Native Corp.	39	T



Transportation Projects

Project Title:	Boardwalk Design and Construction
Project Number:	01036
Theme:	Transportation
Milestone:	Construction
Description:	The project consists of design and construction of improvements to the community boardwalk system and pedestrian trail in Elfin Cove. The project includes improvements and extensions to dilapidated sections of the boardwalk where community buildings are situated. The project will reconstruct dilapidated sections and upgrade the section that extends to the head of the Inner Harbor.

Funding	
Denali Commission:	\$45,485.00
Other Funding:	\$4,514.00

Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Elfin Cove	Y	Unorganized	Sealaska Corporation	2	A

Project Title:	East Harbor Reconstruction
Project Number:	01006
Theme:	Transportation
Milestone:	Construction
Description:	This project will expand the Seward boat harbor to house large commercial fishing and US Coast Guard vessels. Construction includes floats, gangway and approach, utilities and fire suppression system. This large-vessel harbor will improve maneuver safety and overall operations. This facility also extends the life of other harbor areas through reduced wear on smaller floats, piling and gear.

Funding	
Denali Commission:	\$1,000,000.00
Other Funding:	\$4,500,000.00

Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Seward	N	Kenai Peninsula Borough	Chugach Alaska Corporation	35	R



Transportation Projects Continued

Project Title:	School Loop Road Rehabilitation					
Project Number:	01035					
Theme:	Transportation					
Milestone:	In-Progress					
Description:	This project is for the design and construction of rehabilitating an existing 2.3 miles of deteriorating roadway in Sand Point including drainage. This road connects the housing area, K-12 grad school, community center/Head Start facility and the health clinic. The road also provides access to the landfill.					
		Funding				
Denali Commission:		\$1,500,000.00				
Other Funding:		\$1,507,350.00				
Communities:	Name	Distressed/ Non-Distressed	Borough	ANCSA Region	House District	State District
	Sand Point	N	Aleutians East Borough	Aleut Corporation	37	S



SECTION 4– INFORMATION AND PROGRAM EVALUATION

The Commission will continue to undertake program evaluation efforts in FY 2011, while at the same time developing and implementing new evaluation systems for new or emerging programs.

Since its inception in 1998 the Commission has utilized an evaluation methodology in its two primary programs (energy and health facilities) that is based on a “universe of need” model. For example, in 1999 the Commission, along with stakeholders and program partners undertook an extensive review of primary care clinic facilities in 188 Alaska communities eligible for Commission funding. The Commission has worked aggressively to plan, design, equip and construct or renovate the facilities in the underserved communities. Similarly, the Commission and its partners have developed a needs list for bulk fuel tank farms and rural power system upgrades across Alaska.

In FY 2011 the Commission will continue evaluating program progression and project outputs with the universe of need models for health and energy. Additionally, the Commission will be undertaking an update to both programs. Specifically in the energy program, the Commission will be partnering with the U.S. Coast Guard, which along with the Environmental Protection Agency (EPA) has jurisdiction over the code compliance of rural tank farms. The health facilities program is undergoing a similar evaluation update which will include analysis of the communities that remain on the unmet needs list and further evaluation regarding the benefit that has been provided in the areas of cost reduction, improved access and quality of health care services in rural communities that have received new or renovated primary care clinics with Commission funding.



SECTION 5– ANALYSIS OF RESOURCES

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 2009 staff received training from the Office of Management & Budget, U.S. Department of Health and Human Services and the Government Accountability Office. To keep staff size at an optimum level, the Commission contracts with other federal “lines of business” at the U.S. Department of the Treasury, Bureau of Public Debt to provide services in the areas of finance, human resources, procurement and travel. In addition, for the advancement of governmental accountability, the Commission relies on a network of federal experts through its Federal Financial Management Advisory Committee, which include members from U.S. Treasury, Office of Management and Budget and the Association of Government Accountants.

Grants Management Electronic Processing and Reporting Systems

The Denali Commission has two electronic web-based systems for Grants Management: GrantSolutions for processing proposed awards and post award amendments and the Commission Project Database for reporting progress on funded awards.

The Commission utilizes GrantSolutions (www.grantsolutions.gov) to manage the electronic processing of every award from start to finish. The award starts with the posting of announcements of funding opportunities, receipt and review of applications, issuance of funded awards, the generation of post award amendments, to the close out of each award.

The GrantSolutions system provides access to award information based on verified identification of the individual, their job function or role within their organization, and their organization's business relationship with the Commission through their official awards or proposed awards. Individual users and the public do not have access to the GrantSolutions database itself but do have access to awards funded by the Commission in the Commission's Project Database System (see also Commission's Project Database - Electronic Grants Management Reporting System).

Travel

GovTrip, the travel system used by the Denali Commission, is an end-to-end online travel service for federal agencies. GovTrip supports the entire government travel process, which includes planning and authorizing travel, making reservations, delivering electronic tickets, calculating and approving reimbursements, and archiving data. GovTrip increases the number of self-service transactions thus reducing travel-management costs.

Human Resources

The realm of human resource (HR) management for the federal workforce is complex and large. From position classification to employee benefits to payroll administration, HR tasks demand a level of training and experience that recognizes the personal impacts these services have on Denali Commission employees every day.



The enabling legislation of the Commission exempts the agency from some parts of federal Title 5, affording the management at the Commission flexibilities in hiring qualified personnel that are uncommon across the federal government. This has allowed the Commission to continue to be agile and flexible, proactively responding to Alaska's needs and new mandates, while still maintaining a lean federal staff.

To ensure the Commission provides the best HR services to our federal staff, we have engaged the U.S. Treasury's Bureau of the Public Debt (BPD) Administrative Resource Center in Parkersburg, West Virginia, to administer the official human resources duties. BPD has an entire branch of highly educated and trained Human Resources professionals who are available to all staff for consultation and assistance.

Procurement

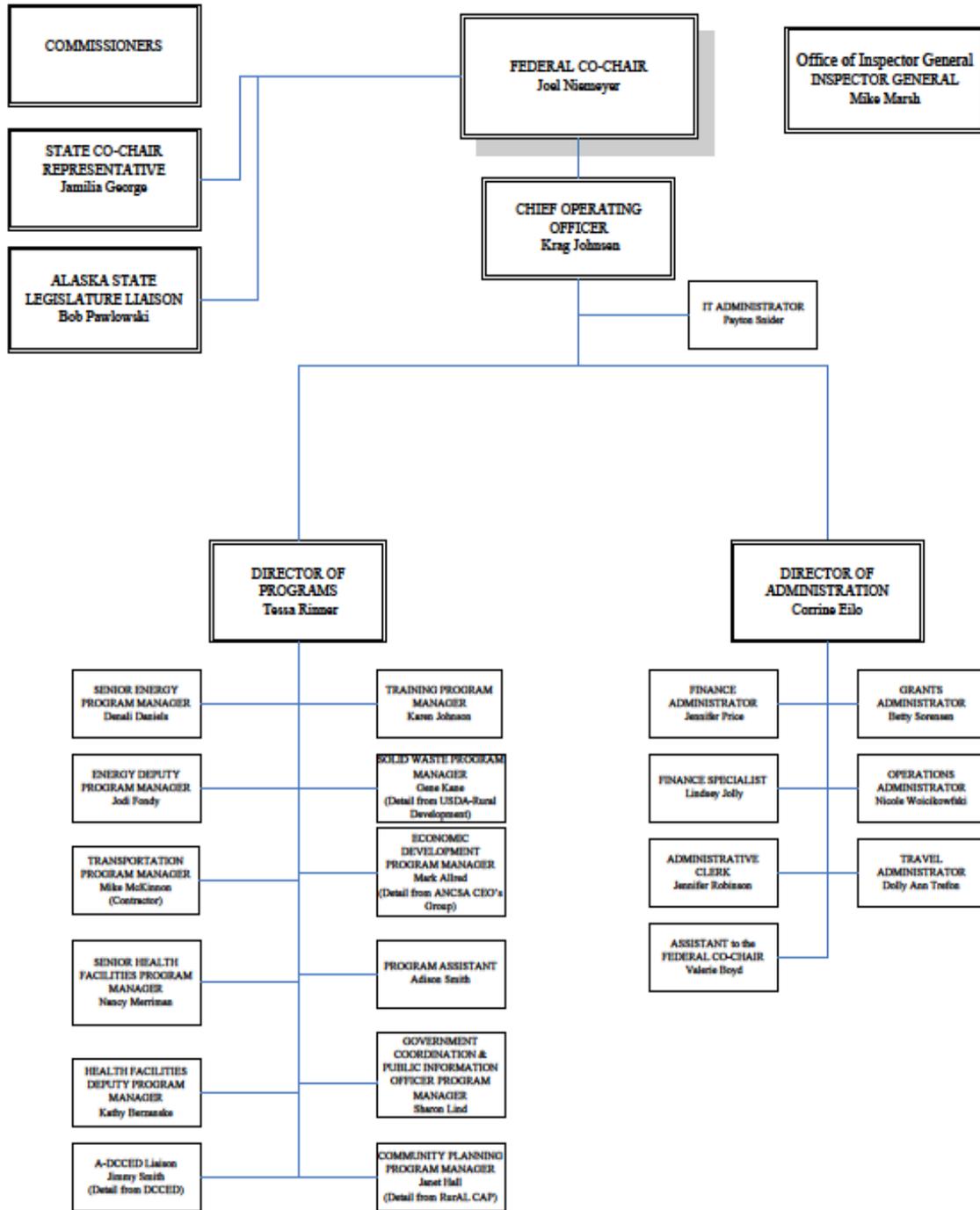
When the Denali Commission needs to obtain goods or services required to operate the agency office or programs, we do so under the Federal Acquisition Regulations (the FAR). This set of regulations embodies the philosophy of the federal government to support, to the degree practical, small and disadvantaged businesses when procuring goods and services. Small businesses are the backbone of the American economy, and the FAR recognizes and implements guidance that encourages contracting with those small businesses. Competitive solicitations among responsible contractors results in the best value to the Government, and that has fostered new and mutually beneficial relationships between businesses and the Commission.

The federal government requires that performance-based work statements be written, to maximize the application of the contractor's knowledge and experience in achieving the Government's goals. The Denali Commission has competitively procured goods and services over the past two years which include: program management services, technical assistance services, computer software and hardware, photography services, and graphic design services.

Because the authority to obligate federal funds rests with Contracting Officers, we partner with the U.S. Treasury's Bureau of the Public Debt (BPD) Administrative Resource Center in Parkersburg, West Virginia, which has a procurement branch staffed with highly educated and qualified Contracting professionals.



DENALI COMMISSION ORGANIZATIONAL CHART- January 2010



SECTION 6– AGENCY RESTRUCTURING AND WORK PROCESS

The Denali Commission has developed a number of policies intended to guide federal funds investment in the most efficient, effective and prudent manner possible, while at the same time maximizing the benefit to Alaskan communities and residents in the areas of infrastructure development, economic development and training and workforce development. These policies have been adopted through various methods including: passage via resolution or motion. To-date the Commission has adopted the following policies:

Investment Guidance

The Commission is committed to accelerating the building of sustainable infrastructure in rural Alaska to enhance the health and safety of rural residents and to provide the underpinnings for economic opportunity. Commission investments are directed by federal law, and the Commission's Annual Work Plan. Infrastructure needs of rural Alaska are enormous compared to available funding, thus, it is imperative that each dollar be invested in a way that will maximize the sustainable long term benefits to Alaskans.

Sustainability

For the purposes of Commission funded infrastructure projects, sustainability is defined as the ability of a recipient or applicant to demonstrate the capacity, both administratively and financially, to provide for the long-term operation and maintenance (typically a 30 year life cycle) of a facility. This demonstration may include such factors as maintenance costs, fuel/heating costs, staffing/personnel costs, insurance as applicable, bonding, cost escalation factors, etc. Further, sustainability includes all costs associated with management, operation and maintenance, renewal and replacement necessary to maintain a given level of service.

Community Planning

The Commission recognizes the importance of a community plan in the community development process. The plan demonstrates the community's goals and ability to focus on future initiatives. The Commission requires communities to provide a copy of their current community plan when submitting funding requests. The reason for this request is two-fold: 1) the plan provides a current economic, social, and infrastructure summary of a community and 2) the plan provides a prioritized list of projects for which the community is seeking funding assistance. The plan also explains how the community intends to sustain its existing infrastructure as well as any additional infrastructure. In general, any infrastructure projects identified for funding from the Commission should also appear as a prioritized infrastructure goal, or initiative in the community plan submitted by the applicant community.

Open Door

The Commission requires that any funded infrastructure project be available to all potential users. This requirement may be documented in varying forms in Commission programs (for example, commitment to the open door policy is a component of the clinic business plan process).



Private Enterprise

In general, the Commission will support private enterprise where it is functioning or can function efficiently and adequately to meet the needs of all members of the local community. Where private enterprise is inadequate or non-existent to achieve this purpose, consideration must be given to providing these services through other means. The Commission will not support the replacement of new structures for a publicly funded service to compete with services delivered by private enterprise as long as those services are:

- Accessible to all members of a community including temporary members;
- Reasonably priced when compared to comparable communities;
- Predictably available and sustainable for the long term.

Competitive Bid

Any infrastructure project funded by the Denali Commission with a total project cost (to include the planning, design and construction phases) of \$3 million or greater shall be competitively bid. A waiver to this policy may be granted if an applicant demonstrates that it is in the best economic, cultural or social interest of a community or region to not competitively bid a project. The waiver request must document the benefit to the federal government (in the form of cost savings, job creation, etc.) and the community and/or region of not utilizing a competitive bid process. Key considerations for reviewing the waiver request will include cost, local preference, career training, opportunities for local hire, and local economic impact.

Cost Containment

The Denali Commission is committed to both internal and external cost containment for all of its programs. All Commission projects are to be sustainable and that requires examining projects on a life-cycle cost basis in the context of the community's long-term development plan. The tradeoffs between initial costs of construction and long-term operating and maintenance costs must seek to minimize the true life cycle costs of the project. The Commission requires cost effective designs, need specific designs, competitive procurement, effective project management, and maximization of cost benefit via project selection.



Progress Toward the President's Agenda

President Obama announced in 2008 and 2009 an aggressive agenda for improving health care and economic development with a strong focus on science and technology and building a high performing government. The Denali Commission has made significant progress in accomplishing the goals of this administration.

Health Care

Small population centers do not always have access to reliable healthcare facilities; Alaska is no exception. Alaska has some unique challenges not faced by many in the lower 48 communities. Driving to a hub community for healthcare services is simply not an option for many of the people of rural Alaska. There are fewer miles of paved road in Alaska than in any other state.

The Denali Commission remains committed to the President's aggressive agenda for improving healthcare and is accelerating the building of sustainable infrastructure in rural Alaska to enhance the health and safety of rural residents through the continuation of the Health Facilities Program bringing healthcare to our rural communities.

The basic infrastructure needs of rural Alaska are enormous. The Denali Commission focuses on leveraging dollars, coordinating efforts and planning and constructing infrastructure that is lasting and sustainable. The Health Facilities Program at the Commission has a rigorous application process for primary care clinics. These health facilities enhance access, improve the quality of care and reduce the cost of health care to Alaska residents.

Building a High Performing Government

Since its inception in 1998, the Denali Commission has developed a number of policies intended to guide federal investments in the most efficient, effective and prudent manner possible, while at the same time maximizing the benefit to all Alaskan communities and residents in the areas of infrastructure development, economic development and training and workforce development. The end result through the development and enhancement of these guiding principles over the years is a high performing government agency.

These policies are the guiding principles for all Denali Commission projects and address specific guidelines for the highest performance possible including: investment guidance, sustainability, community planning, public availability, relationships with private enterprise, competitive bid requirements and cost containment considerations. A detailed policy statement addressing each of these areas is always available to the public via our website. These policies over the years have become the cornerstone to the Commission's mission. (Further details on policies can be found in the appendices, Section C).

Ensuring responsible spending of American Recovery and Reinvestment Act funds

The Commission plays a key role in coordinating the myriad of federal, state and tribal programs that affect rural Alaska. Through senior leadership forums, workgroups and advisory committees, we work effectively to leverage dollars, produce meaningful outcomes, and deliver innovative and sustainable projects. As a convener and coordinator, in 2009 we established the Alaska Clearinghouse to inform the public on the opportunities within the American Recovery and Reinvestment Act for Alaskans. This effort has won praise from all sectors and helped Alaskans secure funding for deserving projects which promote economic recovery.



Progress Toward the President's Agenda Continued

In addition to informing and educating other agencies on ARRA funds, the Denali Commission also partook in an Interagency Agreement with the National Telecommunications and Information Administration (NTIA) to work toward broadband mapping and planning for the state of Alaska. The Denali Commission will adhere to the guidelines set forth in this agreement to produce the best product possible for the state.

Economic Growth, Science and Technology

The Denali Commission moves quickly to tackle systemic issues of rural development by listening to rural Alaskan's concerns and working with the state of Alaska, local communities and tribes to build basic community infrastructure and sustain rural economies. Training local communities to be self sustaining is a primary goal. By investing in training opportunities that focus on economic development by creating jobs and scientific research to build energy efficient technologies that correlate with rural Alaskan ways of life, the Commission is able to serve the state and carry out its mission.

Housing for Professionals in Rural Alaska

Frontier Alaska is populated with resourceful people. Community members take on many jobs and learn new skills and jobs to help keep their villages operating and providing basic safety, public health, and educational services. But for some critical positions, trained professionals must be brought in. Public safety officers (including State Troopers and Village Public Safety Officers), health providers and teachers are key personnel for basic community infrastructure. In order to attract and retain these professionals, communities must be able to offer safe, comfortable, affordable housing with running water. Although that sounds simplistic, the reality is that rural Alaska communities across the state – with populations of 40 to 800 – have housing shortages. And only approximately five percent of the housing stock is available for rent.

The need can be stated simply: Frontier Alaska communities need adequate, safe, comfortable housing so that they can recruit and retain critical professionals to provide basic services that support residents' safety, individual and public health, and education.

The Denali Commission is poised and ready to assist in filling this need for housing for professionals. For the past five years, the agency has had success in partnering with State agencies and other funders to leverage money to construct or renovate more than 300 housing units for teachers and elders. Utilizing funds strategically to fill gaps, funders have been able to invest as little as 15 percent of the total cost of a project and deliver good quality new housing. Communities have reported that recruitment of teachers has improved significantly, and many teachers have signed contract extensions – providing consistency that is a true benefit to village students.



Progress Toward the President's Agenda Continued

Managing Across Sectors

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, outmigration, 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 will have a much greater focus in 2010.

Transforming the federal workplace

All programs at the Denali Commission focus on the Commission's place-based core strategies. The originating legislation of the Denali Commission states that the Denali Commission will: 1) deliver the services of the federal government in the most cost-effective manner practicable by reducing administrative and overhead costs, 2) 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%) and 3) promote rural development and provide power generation and transmission facilities, bulk fuel storage tanks and other infrastructure needs.

The Commission has funded over 1,900 projects with program areas including energy, health care facilities, transportation, training, economic development, community multi-use facilities, teacher housing, public broadcasting, and government coordination. There is an urgent need to continue providing this basic infrastructure for the state of Alaska.

In addition to our numerous program accomplishments, the Commission has also worked very hard to improve and enhance our program delivery in house. On October 1, 2009 the Commission implemented the **Financial Line of Business** through the **U.S. Treasury, Bureau of Public Debt**. This significant change has already enhanced controls over financial reporting and provided **Federal Managers' Financial Integrity Act** compliance. Also the Commission, in accordance with the **National Institute of Standards and Technology (NIST)** under the **Federal Information Security Management Act (FISMA)** of 2002, has completed all requirements for 2009 security certification and accreditation of information systems supporting the agency's mission. Implementation of these types of important procedures enhances the Commission's program delivery and strengthens Commission grants management practices.

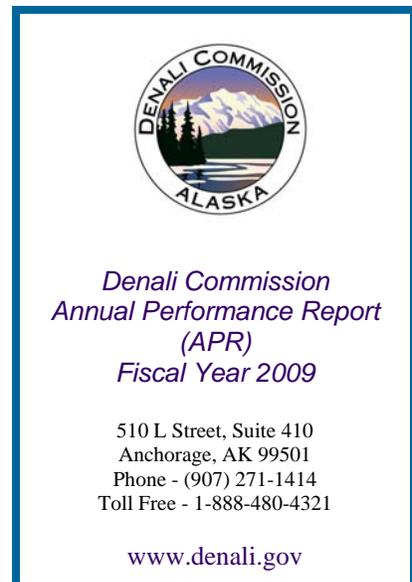


SECTION 7– ENSURING INFORMATION IS PUBLICALLY AVAILABLE

The Denali Commission’s on-line project database (www.denali.gov/dcpdb) continues to be a transparent tool through which we communicate performance to our constituents. Displaying information on every project the Commission has ever funded, this database displays funded amounts, expended amounts, narrative progress reports and photos of projects. In the end, the effectiveness of the Commission is measured in the number of lives that are improved as a result of the taxpayers’ investment in a particular program.

Commission results can also be found in our Performance Accountability Report (PAR). For two years the Commission has participated in the Certified of Excellence in Accountability Reporting (CEAR) program of the Association of Government Accountants (AGA), which allows individuals with high levels of federal financial and performance expertise to examine our PAR report with objectivity. Voluntarily submitting our PAR to this scrutiny has produced results that have been used to strengthen our report significantly.

The Commission also stepped forward as one of the agencies to enroll in the PAR Pilot program sponsored by the Office of Management and Budget. Our experience as a small agency contributes to enhancing the PAR program. The PAR represents the most comprehensive account of Commission results; however, the report format can be technical and bureaucratic in nature. Enhancing that report, the Commission has also produced the Association of Government Accountants “Citizens-Centric Report”. This report provides an overview of the Commission in a meaningful, reader friendly format highlighting the financial condition and performance of the agency to its constituents.



Other Accompanying Information

Appendix A: Partners in Government Coordination

Commissioner Partnerships

Alaska Federation of Natives, Julie Kitka
Alaska Municipal League, Kathie Wasserman
American Federation of Labor and Congress of Industrial Organizations, Vince Beltrami
Associated General Contractors of Alaska, John MacKinnon
Office of the Governor, Office of Management and Budget, Karen Rehfeld
University of Alaska, Karen Perdue

Federal Partnerships

Office of the Federal Coordinator, Alaska Natural Gas Transportation Projects

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 Commerce:
Economic Development Administration, Western Region;
National Oceanic and Atmospheric Administration;
U.S. Commercial Service, Alaska Export Assistance Center

U.S. Department of Defense, Alaska Division (ALCOM)

U.S. Department of Health and Human Services: Indian Health Service, Alaska Region

U.S. Department of Homeland Security: Coast Guard, Alaska Region

U.S. Department of Housing and Urban Development

U.S. Department of Interior:
Office of the Secretary
Bureau of Indian Affairs, Alaska Office;
Bureau of Land Management; National Park Service; Fish and Wildlife Service;
U.S Geological Survey and Minerals Management Service

U.S. Environmental Protection Agency, Alaska Operations Office

U.S. Social Security Administration

U.S. Department of Transportation:
Federal Aviation Administration;
Federal Highway Administration;
Federal Highway Administration Western Federal Lands Highway Division

U.S. Department of Treasury: Internal Revenue Service



Partners in Government Coordination Continued

State Partnerships

Department of Administration

Department of Commerce, Community and Economic Development
Alaska Energy Authority

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
Alaska Housing Finance Corporation
Alaska Mental Health Trust Authority

Department of Transportation and Public Facilities

Other Partnerships

Alaska Growth Capital

Alaska Native Tribal Health Consortium

Alaska Public Broadcasting, INC.

Alaska Regional For-Profit Corporations

Alaska Regional Health Boards

Alaska Regional Housing Authorities

Alaska Regional Nonprofit Corporations

Alaska Village Electric Cooperative

Alaska Village Initiatives



Partners in Government Coordination Continued

Association Village Council Presidents

Cape Fox Heritage Foundation

Community Development Quota Groups (CDQ)*

Aleutian Pribilof Island Community Development Association (6 communities)

Bristol Bay Economic Development Corporation (17 communities)

Central Bering Sea Fishmen's Association (One community)

Coastal Villages Region Fund (20 communities)

Norton Sound Economic Development Corporation (15 communities)

Yukon Delta Fisheries Development Association (6 communities)

First Alaskans Institute

Murdock Charitable Trust

National Association of Development Organizations

National Rural Health Association

Paul G. Allen Foundation

Philanthropy Northwest

Rasmuson Foundation

Rural Alaska Community Action Program, INC.

Southwest Alaska Municipal Conference -Economic Development

Yukon Kuskowim Health Corporation

**The Community Development Quota 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 eligible communities who have formed six regional organizations, referred to as CDQ groups. There are 65 communities within a fifty-mile radius of the Bering Sea coastline who participate in the program.*



Other Accompanying Information

Appendix B: Commonly Used Terms 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.



Other Accompanying Information

Appendix C: Denali Commission Policies

Since its inception in 1998 the Denali Commission (Commission) has developed a number of policies intended to guide federal funds investment in the most efficient, effective and prudent manner possible, while at the same time maximizing the benefit to Alaskan communities and residents in the areas of infrastructure development, economic development and training and workforce development. These policies have been adopted through various methods including: passage via resolution or motion. To-date the Commission has adopted the following policies, which appear in more detailed form below:

- Investment Guidance
- Sustainability
- Community Planning
- Open Door
- Private Enterprise
- Competitive Bid
- Cost Containment

INVESTMENT GUIDANCE The Denali Commission (Commission) is committed to accelerating the building of sustainable infrastructure in rural Alaska to enhance the health and safety of rural residents and to provide the underpinnings for economic opportunity. Commission investments are directed by federal law, by the Commission's Annual Work Plan. Infrastructure needs of rural Alaska are enormous compared to available funding, thus, it is imperative that each dollar be invested in a way that will maximize the sustainable long term benefits to Alaskans.

Factors which will influence investment decisions:

Imminent environmental threats

Facilities will be placed so as to be protected from imminent environmental threats such as flooding and erosion. Long term investments generally will not be made in areas that are subject to imminent environmental threats.

Priority to be placed on needs of existing communities

The Commission will give priority to the critical infrastructure needs of existing communities before considering proposals to create new communities unless there is relocation of an existing community.

Regional support

The Commission recognizes that borough, tribal and local government involvement increases the probability that basic infrastructure and services provided with Denali Commission funds will be sustained over the long term. The Commission also recognizes that other regional organizations share both responsibility and capacity to contribute to sustainability. Consistency with regionally approved plans is a factor lending strength to investing in a particular project. The Commission shall give priority consideration to projects that have regional support and demonstrate regional planning and coordination. In general, the Commission will require regional planning documentation before providing funding for projects. Consideration will be given to the unique geographic boundaries, regional organizations and project requirements. The Commission may prioritize regional and/or multi-community projects.



Proximity/access to existing services and/or facilities

In determining the need for a new facility, a careful evaluation of existing access to services or facilities will be performed. Where the needs of two or more communities in close proximity to one another can be adequately and more cost effectively served by a single facility, that option will be selected over separate facilities for each community. Investments will be made where critical unmet needs are demonstrated. In general, the Commission will not fund projects for like facilities in communities within a twenty mile distance of one another, and accessible by year-round road service.

Renovation versus new construction

Where existing facilities can be renovated or expanded to adequately meet community needs at significantly lower life-cycle costs than new construction, that option will be favored.

Population trends

Infrastructure will be sized to meet needs that can reasonably be projected over the design life of the project. If population is increasing, appropriate excess capacity will be provided to accommodate growth. Decreasing population may result in a smaller facility than the current population would dictate. The Commission will require additional documentation of community and project sustainability in communities that have any of the following characteristics: populations less than 100 year round residents, significant (20% or greater) population fluctuations (either decrease or increase), and projected or actual closure of State of Alaska school facilities.

Affordability

The Commission will evaluate proponents' capacities to afford the life-cycle costs associated with sustaining proposed services and/or facilities, either through user fees, industry support, government transfer payments or grants from private entities.

Unit cost

Unit cost of construction varies widely across the state for a number of reasons including the technology employed and/or designs utilized. High unit cost tends to work counter to project sustainability. Some of the variables impacting unit cost (project location, soil conditions, etc.) are not controllable, but many others are. The Commission will make every reasonable effort to control unit cost to ensure that the most appropriate technology and designs are applied. However, in cases where the Commission deems unit costs too high, the Commission reserves the right to pursue alternative construction and design methodology, including, but not limited to, all of the following: re-design, value engineering, alternative size, relocating or sitting and revision of the construction budget.

Good faith The long term sustainability of Commission investments is highly dependent on the good faith of the recipients of those investments. In evaluating potential investments the Commission will give priority to advocates who have historically demonstrated good faith in making and keeping financial commitments. Previous demonstrations of bad faith, particularly with previous state or federal investments or failure to pay taxes, may preclude additional investments.

Match Funding

The Commission will give priority to projects that have cost share match from the following sources: the State of Alaska, other federal government agencies and other (to include local, tribal, corporate, philan-



thropic, etc.) in addition to Commission funding for a project. Local sources of match may include, but are not limited to, the following: land valuation, equipment, right of way, etc. In some cases, the Commission shall require a cost share match contribution from one or all of the sources listed above prior to approving funding. This requirement does not apply to the statutory cost share match identified for the health facilities program. Projects which provide a variety of match funding from multiple sources shall be viewed more favorably than those that do not.

Implementation

The Commission will consider all available information regarding each of the factors identified above and any other relevant information in making investment decisions. In cases where sustainability of an investment is questionable, the Commission, either directly or through its Partners, will work with project proponents to attempt to find workable solutions. It will be incumbent on requestors to provide pertinent information that is not otherwise available and to actively engage in the effort to develop workable solutions. Solutions may involve smaller scale or mobile facilities and may include multi-community or regional management approaches. If no workable sustainable solution is apparent, the Commission or its Partners may suggest alternative means to access critical services.

SUSTAINABILITY POLICY For the purposes of Denali Commission funded infrastructure projects, sustainability is defined as the ability of a recipient or applicant to demonstrate the capacity, both administratively and financially, to provide for the long-term operation and maintenance (typically a 30 year life cycle) of a facility. This demonstration may include such factors as maintenance costs, fuel/heating costs, staffing/personnel costs, insurance as applicable, bonding, cost escalation factors, etc. Further, sustainability includes all costs associated with management, operation and maintenance, renewal and replacement necessary to maintain a given level of service.

The Sustainability Policy indicates that because the Commission, through its enabling legislation, is charged with ensuring that all infrastructure projects demonstrate sustainability prior to Commission funding projects must provide documentation of their ability to meet the definition above. In most Commission programs this is achieved through the business plan process. However, applicants may also be asked to revise business plans, or application documents as their projects progress through the different phases of project development.

The Commission recognizes that the high cost of infrastructure makes it infeasible for the total costs of all services in all communities to be borne by local users; however, to the extent feasible, user rates should include all costs necessary to achieve sustainability.

All practical steps should be taken, including simplification of projects, standardization of infrastructure, combining of facilities, regionalization of management structures, bulk purchases of fuels, training and development of management personnel and other actions that reduce the cost of sustainable infrastructure.

To the greatest extent possible the Commission will encourage and advocate for other project funders and program partners to participate in the earliest phases of project development and the application process.

The Commission recognizes the importance of the business planning process, however, also understands that the business plan presents a “snapshot” of a project and a community at a particular point



in time. To that end, the Commission shall require documentation related to sustainability over the course of a project's various phases (planning, design, and construction), and shall reserve the ability to alter project funding and design and construction specifications pursuant to documentation review.

The Commission will use as many existing community planning and sustainability indicators as possible in project selection including, but not limited to, the following: Rural Utility Business Advisor (RUBA) documentation and analysis, regional and local community planning documents, and infrastructure prioritization lists.

COMMUNITY PLANNING POLICY The Commission recognizes the importance of a community plan in the community development process. The plan demonstrates the community's goals and ability to focus on future initiatives.

The plan should be the community's starting point for any outside agency or business considering work in a community. Title 29 of the Alaska Statutes states that boroughs and first class cities established under state law shall be responsible for land use planning. In communities outside organized boroughs (and not first class cities), the task for identifying who is responsible for community planning falls to local leadership including recognized tribes in a community.

The Commission requires communities to provide a copy of their current community plan when submitting funding requests. The reason for this request is two-fold: 1) the plan provides a current economic, social, and infrastructure summary of a community and 2) the plan provides a prioritized list of projects for which the community is seeking funding assistance. The plan also explains how the community intends to sustain its existing infrastructure as well as any additional infrastructure. In general, any infrastructure projects identified for funding from the Commission should also appear as a prioritized infrastructure goal, or initiative in the community plan submitted by the applicant community.

Community plans submitted to the Commission are retained in the project file, and are also provided to the State of Alaska, Department of Commerce, Community and Economic Development to be added to the online database of community plans.

The Commission recognizes that successful project development is directly correlated to community planning. The Commission will make every effort to evaluate the benefits and potential costs of project investments against other community projects and initiatives, so that a holistic picture of community capacity and project development is utilized to make funding determinations. The Commission will rely largely on application and community planning detail to document this analysis, but may also utilize site visits and other sources of information.

OPEN DOOR POLICY The Commission requires that any funded infrastructure project be available to all potential users. This requirement may be documented in varying forms in Commission programs (for example, commitment to the open door policy is a component of the clinic business plan process).

PRIVATE ENTERPRISE POLICY In general, the Commission will support private enterprise where it is functioning or can function efficiently and adequately to meet the needs of all members of the local community. Where private enterprise is inadequate or non-existent to achieve this purpose, consideration must be given to providing these services through other means. The Commission will not support the



replacement of new structures for a publicly funded service to compete with services delivered by private enterprise as long as those services are:

Accessible to all members of a community including temporary members;
Reasonably priced when compared to comparable communities;
Predictably available and sustainable for the long term.

All proposals for new or upgraded infrastructure facilities to be funded with Denali Commission funds shall be evaluated on the basis of public benefits resulting from the project. A proposal for funding may be approved where the facility is or will be owned, operated, and/or maintained by private entities only if there is found to be a direct and substantial public benefit from the project.

Facilities funded in whole or in part by the Denali Commission may not be sold, leased, sub-leased, or interest otherwise assigned without the express approval of the Denali Commission or its successor agency. In any event, the facility shall continue to provide the originally intended public benefit until such time as that public need no longer exists or until the serviceable life of the facility has expired.

Funding decisions must take into account existing private enterprise in the community. Funding should not generally be used to create new or additional competition with existing private enterprise in the community. However in cases where an unregulated monopolistic or other wise inefficient condition exist in which current services are not available at fair and reasonable rates the Commission, after appropriate consultation, may consider funding projects that would contribute to more competitive rates.

Provisions Specific to Health Care: The Commission seeks to support health care facilities in a manner which improves access to quality, affordable health services, be it by a private entity or a publicly funded one. The Denali Commission does not seek to create or enhance competition in an inefficient market. In this scenario, an inefficient market is one that cannot support two mutually exclusive health care providers. Given the economic fragility of rural health care systems, Denali Commission funding for health care facilities will be deployed in a manner which encourages a cooperative and collaborative arrangement for the health benefit of the community in question, and improves the sustainability of the overall care delivery system for that population. Denali Commission health facility funding supports systems that ensure access to care for everyone regardless of ability to pay. It is expected that a system that is exclusively private in rural Alaska will not be able to meet that criteria. Thus, some integration of public and private provider entities will likely be required in areas where any private provider system currently exists.

Provisions Specific to Bulk Fuel Storage: The development of any bulk fuel storage consolidation project funded in whole or in part by Denali Commission funds will consult with all retail fuel suppliers within a community in the course of developing the project's conceptual design to ensure that their interests are understood and, to the extent feasible, dealt with in the course of conceptual design.

The existing market share balance among retail fuel suppliers within a community may be significantly altered as a result of a Denali Commission funding only if all of the affected retail fuel suppliers currently operating in the community agree to it or if such alteration is deemed necessary to facilitate competitive conditions in the community. For each type of fuel, the existing market share for a retail fuel supplier is defined as the supplier's existing in-service storage capacity as a percentage of the total gal-



lons of existing in-service storage capacity for all retail fuel suppliers in the community.

Where multiple retail fuel suppliers are involved in a project, comparable levels of investment in project costs (based on market share) will be sought from each participating retail fuel supplier in the community, whether public or private.

Denali Commission funds may be used to upgrade or replace fuel storage facilities owned by private sector retail fuel suppliers if there is determined to be significant public benefit. However, to ensure that long term project benefits flow through to the public, such new or improved fuel storage and dispensing facilities will generally be owned by a local government entity which may lease the facilities to the private sector fuel supplier at a nominal cost or contract with the private sector fuel supplier for facility operation. The term of such lease or contract will be for the life of the assets, and is not transferable as an asset of the leaseholder without express written approval of the Denali Commission or its successor agency.

COMPETITIVE BID POLICY Any infrastructure project funded by the Denali Commission with a total project cost (to include the planning, design and construction phases) of \$3 million or greater shall be competitively bid. A waiver to this policy may be granted if an applicant demonstrates that it is in the best economic, cultural or social interest of a community or region to not competitively bid a project. The waiver request must document the benefit to the federal government (in the form of cost savings, job creation, etc.) and the community and/or region of not utilizing a competitive bid process. Key considerations for reviewing the waiver request will include cost, local preference, career training, opportunities for local hire, and local economic impact.

In general, and to the greatest extent possible the Commission shall encourage the use of community and regional hire for construction projects.

COST CONTAINMENT POLICY The Denali Commission is committed to both internal and external cost containment for all of its programs. All Commission projects are to be sustainable and that requires examining projects on a life-cycle cost basis in the context of the community's long-term development plan. The trade-offs between initial costs of construction and long-term operating and maintenance costs must seek to minimize the true life cycle costs of the project.

The Commission requires cost effective designs, need specific designs, competitive procurement, effective project management, and maximization of cost benefit via project selection.

The Commission shall evaluate all infrastructure facilities (excluding transportation) against the benchmarks which are produced under contract on an annual basis. Commission program partners shall be required to produce cost estimate detail and project budgets in accordance with the annual benchmarks, and shall be required to justify any budget requests that are not in keeping with the benchmark figures.

POLICY APPEALS PROCESS Appeals to any of these policies should be sent to the Denali Commission Federal Co-Chair, and the State Co-Chair, in writing.



Other Accompanying Information

Appendix D: Denali Commission Act of 1998

**Denali Commission Act of 1998.
PL 105-277 42 USC 3121.**

TITLE III--DENALI COMMISSION

SEC. 301. SHORT TITLE.

This title may be cited as the ``Denali Commission Act of 1998".

SEC. 302. PURPOSES.

The purposes of this title are as follows:

- (1) To deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs.
- (2) 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 percent).
- (3) To promote rural development, provide power generation and transmission facilities, modern communication systems, water and sewer systems and other infrastructure needs.

SEC. 303. ESTABLISHMENT OF COMMISSION.

(a) Establishment.--There is established a commission to be known as the Denali Commission (referred to in this title as the ``Commission").

(b) Membership.—

(1) Composition.--The Commission shall be composed of 7 members, who shall be appointed by the Secretary of Commerce (referred to in this title as the ``Secretary"), of whom—

- (A) one shall be the Governor of the State of Alaska, or an individual selected from nominations submitted by the Governor, who shall serve as the State Co-chairperson;
- (B) one shall be the President of the University of Alaska, or an individual selected from nominations submitted by the President of the University of Alaska;
- (C) one shall be the President of the Alaska Municipal League or an individual selected from nominations submitted by the President of the Alaska Municipal League;
- (D) one shall be the President of the Alaska Federation of Natives or an individual selected from nominations submitted by the President of the Alaska Federation of Natives;
- (E) one shall be the Executive President of the Alaska State AFL-CIO or an individual selected from nominations submitted by the Executive President;
- (F) one shall be the President of the Associated General Contractors of Alaska or an individual selected from nominations submitted by the President of the Associated General Contractors of Alaska; and



(G) one shall be the Federal Co-chairperson, who shall be selected in accordance with the requirements of paragraph (2).

(2) Federal Co-chairperson.—

(A) In general.--The President *pro tempore* of the Senate and the Speaker of the House of Representatives shall each submit a list of nominations for the position of the Federal Co-chairperson under paragraph (1)(G), including pertinent biographical information, to the Secretary.

(B) Appointment.--The Secretary shall appoint the Federal Co-chairperson from among the list of nominations submitted under subparagraph (A). The Federal Co-chairperson shall serve as an employee of the Department of Commerce, and may be removed by the Secretary for cause.

(C) Federal Co-chairperson vote.--The Federal Co-chairperson appointed under this paragraph shall break any tie in the voting of the Commission.

(4) Date.--The appointments of the members of the Commission shall be made no later than January 1, 1999.

(c) Period of Appointment; Vacancies.—The Federal Co-Chairperson shall serve for a term of four years and may be reappointed. All other members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.²

(d) Meetings.—

(1) In general.--The Commission shall meet at the call of the Federal Co-chairperson not less frequently than 2 times each year, and may, as appropriate, conduct business by telephone or other electronic means.

(2) Notification.--Not later than 2 weeks before calling a meeting under this subsection, the Federal Co-chairperson shall—

(A) notify each member of the Commission of the time, date and location of that meeting; and

(B) provide each member of the Commission with a written agenda for the meeting including any proposals for discussion and consideration, and any appropriate background materials.

(e) Quorum.--A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

SEC. 304. DUTIES OF THE COMMISSION.

(a) Work Plan.—

(1) In general.--Not later than 1 year after the date of enactment of this Act and annually thereafter, the Commission shall develop a proposed work plan for Alaska that meets the requirements of paragraph (2) and submit that plan to the Federal Co-chairperson for review in accordance with the requirements of subsection (b).

(2) Work plan.--In developing the work plan, the Commission shall—

(A) solicit project proposals from local governments and other entities and organizations; and



(B) provide for a comprehensive work plan for rural and infrastructure development and necessary job training in the area covered under the work plan.

(3) Report.--Upon completion of a work plan under this subsection, the Commission shall prepare, and submit to the Secretary, the Federal Co-chairperson, and the Director of the Office of Management and Budget, a report that outlines the work plan and contains recommendations for funding priorities.

(b) Review by Federal Co-chairperson.—

(1) In general.-- Upon receiving a work plan under this section, the Secretary, acting through the Federal Co-chairperson, shall publish the work plan in the Federal Register, with notice and an opportunity for public comment. The period for public review and comment shall be the 30-day period beginning on the date of publication of that notice.

(2) Criteria for review.--In conducting a review under paragraph (1), the Secretary, acting through the Federal Co-chairperson, shall—

(A) take into consideration the information, views, and comments received from interested parties through the public review and comment process specified in paragraph (1); and

(B) consult with appropriate Federal officials in Alaska including but not limited to Bureau of Indian Affairs, Economic Development Administration, and Rural Development Administration.

(3) Approval.--Not later than 30 days after the end of the period specified in paragraph (1), the Secretary acting through the Federal Co-chairperson, shall—

(A) approve, disapprove, or partially approve the work plan that is the subject of the review; and

(B) issue to the Commission a notice of the approval, disapproval, or partial approval that—

(i) specifies the reasons for disapproving any portion of the work plan; and

(ii) if applicable, includes recommendations for revisions to the work plan to make the plan subject to approval.

(4) Review of disapproval or partial approval.--If the Secretary, acting through the Federal Co-chairperson, disapproves or partially approves a work plan, the Federal Co-chairperson shall submit that work plan to the Commission for review and revision.

SEC. 305. POWERS OF THE COMMISSION.

(a) Information From Federal Agencies.--The Commission may secure directly from any Federal department or agency such information as it considers necessary to carry out the provisions of this Act. Upon request of the Federal Co-chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission. Agencies must provide the Commission with the requested information in a timely manner. Agencies are not required to provide the Commission any information that is exempt from disclosure by the Freedom of Information Act. Agencies may, upon request by the Commission, make services and personnel available to the Commission to carry out the duties of the Commission. To the maximum extent practicable, the Commission shall contract for completion of necessary work utilizing local firms and labor to minimize costs.

(b) Postal Services.--The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.



(c) Gifts.--The Commission may accept, use, and dispose of gifts or donations of services or property.

“(d) The Commission, acting through the Federal Co-Chairperson, is authorized to enter into contracts and cooperative agreements, award grants, and make payments necessary to carry out the purposes of the Commission. With respect to funds appropriated to the Commission for fiscal year 1999, the Commission, acting through the Federal Co-chairperson, is authorized to enter into contracts and cooperative agreements, award grants, and make payments to implement an interim work plan for fiscal year 1999 approved by the Commission.”

SEC. 306. COMMISSION PERSONNEL MATTERS.

(a) Compensation of Members.--Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during the time such member is engaged in the performance of the duties of the Commission. The Federal Co-Chairperson shall be compensated at the annual rate prescribed for a level IV of the Executive Schedule under section 5315, of title 5, United States Code. All members of the Commission who are officers or employees of the United States shall serve without compensation that is in addition to that received for their services as officers or employees of the United States.

(b) Travel Expenses.--The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) Staff.—

(1) In general.--The Federal Co-chairperson of the Commission may, without regard to the civil service laws and regulations, appoint such personnel as may be necessary to enable the Commission to perform its duties.

(2) Compensation.--The Federal Co-chairperson of the Commission may fix the compensation of personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(d) Detail of Government Employees.--Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) Procurement of Temporary and Intermittent Services.--The Federal Co-chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(f) Offices.--The principal office of the Commission shall be located in Alaska, at a location that the Commission shall select.

(g) Administrative Expenses and Records. The Commission is hereby prohibited from using more than 5 percent of the amounts appropriated under the authority of this Act or transferred pursuant to section 329 of the Department of Transportation and Related Agencies Appropriations Act, 1999 (section 101 (g) of division A of this Act) for administrative expenses. The Commission and its grantees shall maintain accurate and complete records which shall be available for audit and examination by the Comptroller General or his or her designee.



(h) Inspector General. Section 8G(a)(2) of the Inspector General Act of 1978 (5 USC App 3, Section 8G(a)(2)) is amended by inserting ‘the Denali Commission,’ after ‘the Corporation for Public Broadcasting,’.

SEC. 307. SPECIAL FUNCTIONS.

(a) Rural Utilities.--In carrying out its functions under this title, the Commission shall as appropriate, provide assistance, seek to avoid duplicating services and assistance, and complement the water and sewer wastewater programs under section 306D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d) and section 303 of the Safe Drinking Water Act Amendments of 1996 (33 U.S.C. 1263a).

(b) Bulk Fuels.-- Funds transferred to the Commission pursuant to section 329 of the Department of Transportation and Related Agencies Act, 1999 (section 101(g) of division A of this Act) shall be available without further appropriation and until expended. The Commission, in consultation with the Commandant of the Coast Guard, shall develop a plan to provide for the repair or replacement of bulk fuel storage tanks in Alaska that are not in compliance with applicable—

(1) Federal law, including the Oil Pollution Act of 1990 (104 Stat. 484); or

(2) State law

(c) Demonstration Health Projects- In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health and Human Services is authorized to make grants to the Denali Commission to plan, construct, and equip demonstration health, nutrition, and child care projects, including hospitals, health care clinics, and mental health facilities (including drug and alcohol treatment centers) in accordance with the Work Plan referred to under section 304 of Title III – Denali Commission of Division C – Other Matters of Public Law 105-277. No grant for construction or equipment of a demonstration project shall exceed 50 percentum of such costs, unless the project is located in a severely economically distressed community, as identified in the Work Plan referred to under section 304 of Title III – Denali Commission of Division C – Other Matters of Public Law 105-277, in which case no grant shall exceed 80 percentum of such costs. To carry out this section, there is authorized to be appropriated such sums as may be necessary.

SEC. 308. EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.

The Federal Advisory Committee Act shall not apply to the Commission.

SEC. 309. DENALI ACCESS SYSTEM PROGRAM.

(a) ESTABLISHMENT OF THE DENALI ACCESS SYSTEM PROGRAM.—Not later than 3 months after the date of enactment of the SAFETEA–LU, the Secretary of Transportation shall establish a program to pay the costs of planning, designing, engineering, and constructing road and other surface transportation infrastructure identified for the Denali access system program under this section.

(b) DENALI ACCESS SYSTEM PROGRAM ADVISORY COMMITTEE.—

(1) ESTABLISHMENT.—Not later than 3 months after the date of enactment of the SAFETEA–LU, the Denali Commission shall establish a Denali Access System Program Advisory Committee (referred to in this section as the ‘advisory committee’).



(2) MEMBERSHIP.—The advisory committee shall be composed of nine members to be appointed by the Governor of the State of Alaska as follows:

(A) The chairman of the Denali Commission.

(B) Four members who represent existing regional native corporations, native nonprofit entities, or tribal governments, including one member who is a civil engineer.

(C) Four members who represent rural Alaska regions or villages, including one member who is a civil engineer.

(3) TERMS.—

(A) IN GENERAL.—Except for the chairman of the Commission who shall remain a member of the advisory committee, members shall be appointed to serve a term of 4 years.

(B) INITIAL MEMBERS.—Except for the chairman of the Commission, of the 8 initial 11 members appointed to the advisory committee, 2 shall be appointed for a term of 1 year, 2 shall be appointed for a term of 2 years, 2 shall be appointed for a term of 3 years, and 2 shall be appointed for a term of 4 years. All subsequent appointments shall be for 4 years.

(4) RESPONSIBILITIES.—The advisory committee shall be responsible for the following activities:

(A) Advising the Commission on the surface transportation needs of Alaska Native villages and rural communities, including projects for the construction of essential access routes within remote Alaska Native villages and rural communities and for the construction of roads and facilities necessary to connect isolated rural communities to a road system.

(B) Advising the Commission on considerations for coordinated transportation planning among the Alaska Native villages, Alaska rural villages, the State of Alaska, and other government entities.

(C) Establishing a list of transportation priorities for Alaska Native village and rural community transportation projects on an annual basis, including funding recommendations.

(D) Facilitate the Commission's work on transportation projects involving more than one region.

(5) FACCA EXEMPTION.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory committee.

(c) ALLOCATION OF FUNDS.—

(1) IN GENERAL.—The Secretary shall allocate funding authorized and made available for the Denali access system program to the Commission to carry out this section.

(2) DISTRIBUTION OF FUNDING.—In distributing funds for surface transportation projects funded under the program, the Commission shall consult the list of transportation priorities developed by the advisory committee.

(d) PREFERENCE TO ALASKA MATERIALS AND PRODUCTS.—To construct a project under this section, the Commission shall encourage, to the maximum extent practicable, the use of employees and businesses that are residents of Alaska.

(e) DESIGN STANDARDS.—Each project carried out under this section shall use technology and design standards determined by the Commission to be appropriate given the location and the functionality of the project.

(f) MAINTENANCE.—Funding for a construction project under this section may include an additional amount equal to not more than 10 percent of the total cost of construction, to be retained for future maintenance of the project. All such retained funds shall be dedicated for maintenance of the project and may not be used for other purposes.



(g) LEAD AGENCY DESIGNATION.—For purposes of projects carried out under this section, the Commission shall be designated as the lead agency for purposes of accepting Federal funds and for purposes of carrying out this project.

(h) NON-FEDERAL SHARE.—Notwithstanding any other provision of law, funds made available to carry out this section may be used to meet the non-Federal share of the cost of projects under title 23, United States Code.

(i) SURFACE TRANSPORTATION PROGRAM TRANSFERABILITY.—

(1) TRANSFERABILITY.—In any fiscal year, up to 15 percent of the amounts made available to the State of Alaska for surface transportation by section 133 of title 23, United States Code, may be transferred to the Denali access system program.

(2) NO EFFECT ON SET-ASIDE.—Paragraph (2) of section 133(d), United States Code, shall not apply to funds transferred under paragraph (1).

(j) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account) to carry out this section \$15,000,000 for each of fiscal years 2006 through 2009.

(2) APPLICABILITY OF TITLE 23.—Funds made available to carry out this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code; except that such funds shall not be transferable and shall remain available until expended, and the Federal share of the cost of any project carried out using such funds shall be determined in accordance with section 120(b).

“(C) \$5,000,000 shall be available for each of fiscal years 2006 through 2009 for payments to the Denali Commission under the terms of section 307 (e) [Clarification: 309(e)] of the Denali Commission Act of 1998 (42 U.S.C. 3121 note) for docks, waterfront development projects , and related transportation infrastructure.

SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.--There are authorized to be appropriated to the Commission to carry out the duties of the Commission consistent with the purposes of this title and pursuant to the work plan approved under section 4 under this Act, \$20,000,000 for fiscal year 1999, and such sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003

(b) Availability.--Any sums appropriated under the authorization contained in this section shall remain available until expended.

SECTION 310 (no title provided)

- (a) The Federal Co-chairman of the Denali Commission shall appoint an Economic Development Committee to be chaired by the president of the Alaska Federation of Natives which shall include the Commissioner of community and Economic Affairs for the State of Alaska, a representative of the Alaska Bankers Association, the chairman of the Alaska Permanent Fund, a representative from the Alaska Chamber of Commerce, and a representative from each region. Of the regional representatives, at least two each shall be from Native regional corporations, Native non-profit corporations, tribes, and borough governments.



- (b) The Economic Development Committee is authorized to consider and approve applications from Regional Advisory Committees for grants and loans to promote economic development and promote private sector investment to reduce poverty in economically distressed rural villages. The Economic Development Committee may make mini-grants to individuals applicants and may issue loans under such terms and conditions as it determines.
- (c) The State Co-Chairman of the Denali Commission shall appoint a Regional Advisory Committee for each region which may include representatives from local, borough, and tribal governments, the Alaska Native non-profit corporation operating in the region, local Chambers of Commerce, and representatives of the private sector. Each Regional Advisory Committee shall develop a regional economic development plan for consideration by the Economic Development Committee.
- (d) The Economic Development Committee, in consultation with the First Alaskans Institute, may develop rural development performance measures linking economic growth to poverty reduction to measure the success of its program which may include economic, educational, social, and cultural indicators. The performance measures will be tested in one region for two years and evaluated by the University of Alaska before being deployed statewide. Thereafter performance in each region shall be evaluated using the performance measures, and the Economic Development Committee shall not fund projects which do not demonstrate success.
- (e) Within the amounts made available annually to the Denali commission for training, the Commission may make a grant to the First Alaskans Foundation upon submittal of an acceptable work plan to assist Alaska Natives and other rural residents in acquiring the skills and training necessary to participate fully in private sector business and economic and development opportunities through fellowships, scholarships, internships, public service programs, and other leadership initiatives.
- (f) The Committee shall sponsor a statewide economic development summit in consultation with the World Bank to evaluate the best practices for economic development worldwide and how they can be incorporated into regional economic development plans.
- (g) There is authorized to be appropriated such sums as may be necessary to the following agencies which shall be transferred to the Denali commission as a direct lump sum payment to implement this section:

- (1) Department of commerce, Economic Development Administration
- (2) Department of Housing and Urban Development
- (3) Department of the Interior, Bureau of Indian Affairs
- (4) Department of Agriculture, Rural Development Administration, and
- (5) Small Business Administration

Note: The following “open meetings” language is incorporated into the Commission’s energy program authorizations within the *Energy Policy Act of 2005*, PL 109-190, SEC 356. The Act does not specify it’s insertion into the enabling legislation.

(c) OPEN MEETINGS-

(1) IN GENERAL- Except as provided in paragraph (2), a meeting of the Commission shall be open to the public if--

- (A) the Commission members take action on behalf of the Commission; or
- (B) the deliberations of the Commission determine, or result in the joint



conduct or disposition of, official Commission business.

(2) EXCEPTIONS- Paragraph (1) shall not apply to any portion of a Commission meeting for which the Commission, in public session, votes to close the meeting for the reasons described in paragraph (2), (4), (5), or (6) of subsection (c) of section 552b of title 5, United States Code.

(3) PUBLIC NOTICE-

(A) IN GENERAL- At least 1 week before a meeting of the Commission, the Commission shall make a public announcement of the meeting that describes--

- (i) the time, place, and subject matter of the meeting;
- (ii) whether the meeting is to be open or closed to the public; and
- (iii) the name and telephone number of an appropriate person to respond to requests for information about the meeting.

(B) ADDITIONAL NOTICE- The Commission shall make a public announcement of any change to the information made available under subparagraph (A) at the earliest practicable time.

(4) MINUTES- The Commission shall keep, and make available to the public, a transcript, electronic recording, or minutes from each Commission meeting, except for portions of the meeting closed under paragraph (2).

