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**Denali Commission Transportation Advisory Committee (TAC)**  
**Meeting Minutes for January 26-27, 2012**

**Members Present:**

Joel Neimeyer, Denali Commission  
Ray Richards, Doyon Ltd.  
Chuck Pool, Pool Engineering Inc.  
Randy Romenesko, Norton Sound Health Corporation (NSHC)  
Steve Ivanoff, Kawerak Inc.  
Chuck Quinlan, K'oyitl'ots'ina Ltd.

**Members Absent:**

Walter Sampson, NANA Regional Corporation  
Mike Hoffman, Association of Village Council Presidents (AVCP)  
Carvel Zimin Jr., Bristol Bay Borough (BBB)

**Others Present:**

Tessa DeLong, Denali Commission  
Adison Wetzel, Denali Commission  
Mike McKinnon, Denali Commission  
Mark Spafford, Denali Commission  
Melanie Peterson, United States Army Corps of Engineers (USACE)  
Stuart Hartford, Bureau of Indian Affairs (BIA)  
Pat Coullahan, USACE  
Ken Eisses, USACE  
Chris Tew, USACE  
Susan Lutz, the City of Akutan  
Jim Potdevin, Alaska Department of Transportation and Public Facilities (ADOT&PF)

**TAC Meeting Minutes**

**January 26-27, 2012**

Patrick Baker, Tribal Government of St. Paul  
Mike Korsmo, the City of Skagway

**Via Teleconference:**

Tom Smith, the City of Skagway  
Pete Williams, the City of Bethel

**Day 1, January 26, 2012**

**Agenda Item 1: Introductions and Opening Comments**

The meeting was called to order by Chair Neimeyer. TAC members and guests introduced themselves.

The meeting agendas for January 26 and 27, 2012 were reviewed.

***A motion to approve the January 26-27, 2012 agendas was made by Mr. Romenesko and seconded by Mr. Quinlan. The motion passed unanimously.***

Meeting minutes for March 3-4, 2011 were reviewed.

***A motion to approve the March 3-4, 2011 meeting minutes as presented was made by Mr. Ivanoff.***

Mr. Pool made a correction to the minutes, stating that Mr. Quinlan was present at the meeting, which was not noted in the minutes.

***The minutes of the March 3-4, 2011 meeting were approved as corrected.***

A meeting overview was presented by Ms. Tessa DeLong.

**Agenda Item 2: Transportation Program Update**

**FY11 Agency Funding Summary:**

Chair Neimeyer provided an overview of FY11 funding, stating that the Commission was notified in February of FY11 that Congress intended to rescind \$15 million. Chair Neimeyer explained that \$15 million was paid back in September and the balance of the FY11 funds were also obligated. Mr. Neimeyer stated that the Commission had about \$250,000 in unobligated funding at the start of FY12.

Chair Neimeyer also discussed the loss of FY11 Federal Highways Administration (FHWA) funding, informing the TAC that the Federal Department of Transportation deemed the Denali Access System to be sufficiently funded in FY11. Therefore, the State of Alaska was given the contract authority for the funds

which totaled ~\$14 million. Chair Neimeyer shared with the TAC that the Commission has an upcoming trip to Washington to meet with the Government Accountability Office (GAO). The intent of this meeting is to receive an opinion that the FHWA funds should be a non-expenditure transfer (similar to a prior GAO opinion on the FTA funding) coming straight to the Commission. Chair Neimeyer informed the TAC the Commission should have an opinion from GAO sometime in April or May.

Chair Neimeyer discussed the Continuing Resolution (CR) status under the Safe Accountable Flexible Efficiency Transportation Equity Act for Legacy Users (SAFETEA-LU), mentioning that the Commission expects to receive funding for FY12 at the same levels received in FY10, dependent on the final GAO ruling.

Chair Neimeyer explained that a portion of the FY12 transportation funding has been appropriated to the Commission. The appropriation is Federal Transit Administration (FTA) funds, and is expected to be available for obligating to transportation projects in the early spring.

#### **FY12 Funding Outlook:**

Chair Neimeyer provided an overview of appropriation trends and anticipated funding for FY12. Chair Neimeyer referred to the briefing paper handed out to the TAC prior to the meeting which included a table of Commission appropriations for the past three fiscal years and an estimate for FY12 funding. The table included the anticipated estimate of federal funding for the agency in the amount of \$26.7 million for FY12. These appropriations are broken out in the following funding sources: \$5 million in FTA (waterfront) funds, \$5.7 million in Rural Utility Services (energy) funds, \$7 million in Trans Alaska Pipeline (TAPL) (bulk fuel) funds, and \$9 million in base (typically for energy but can be used in other programs) funds. The amount anticipated from FHWA is unknown.

Chair Neimeyer explained that the base money is very flexible and has historically been used to pay for a substantial portion of administrative expenses at the Commission. Chair Neimeyer shared that there will be a Commission meeting on February 23, 2012 to discuss the annual work plan. Chair Neimeyer also explained that FY12 will be the first year base funds have a required cost-share match requirement of 50% for construction projects; this new requirement will also be discussed at the Commissioner meeting.

#### **Waterfront Program – Financial Overview:**

Ms. DeLong provided an overview of FY11 funding and FY12 anticipated funds for the waterfront development program. Ms. DeLong discussed the impact the rescission in FY11 had on the program and the projects that were selected in FY11. Ms. Adison Wetzel providing a summary of the program finances including prior year funding from FY06-FY11; the summary document was provided to the TAC the day of the meeting.

Ms. DeLong provided a summary of the FY12 Waterfront Development Program Funding Considerations briefing paper which lists FY11 projects that were recommended and funded versus FY11 projects that were recommended and still need to be funded. Ms. DeLong highlighted the following three scenarios for the TAC to consider in their FY12 funding recommendation:

1. Fund only FY11 Projects
2. Fund both FY11 and FY12 Projects
3. Fund only FY12 Projects

Chair Neimeyer and Ms. DeLong requested the TAC provide a recommendation to staff on how to allocate the funds between FY11 and FY12 projects.

**(Break)**

Chair Neimeyer reconvened the meeting at 11:13 a.m.

***A motion to approve scenario No. 2 to fund both the FY11 and FY12 projects and then consider the barge landing project separately, as recommended by staff, was made by Mr. Chuck Pool and seconded by Mr. Chuck Quinlan.***

The TAC discussed the question of the need to provide appropriate priority to barge landings during FY12 to protect prior years' investments. Mr. Steve Ivanoff called the question.

***The motion was approved unanimously.***

### **Agenda Item 3: Transportation Program Updates (continued)**

#### **Waterfront Program – Exceptions Report**

Ms. DeLong provided an overview of the exceptions report which was provided to the TAC prior to the meeting and stated that there are five projects on the exceptions report. Mr. Mike McKinnon provided detail on the five projects which included: Kake Multi-Use Dock, Eek Barge Landing, Naukati Small Boat Harbor, Gustavus Dock, and the Akutan Marine Link. All projects listed on the exceptions report had variances in time due to project permitting issues and/or discoveries in project execution that could change the scope of work.

The TAC discussed concerns about cost increases due to the delay in the start of construction on some of the projects listed. Staff replied that any additional costs are the responsibility of the recipient.

**(Break)**

**Agenda Item 4: USACE Barge Landing/Waterfront Projects:**

Ms. Melanie Peterson with the USACE provided a presentation to the TAC and Commission staff which included an overview of projects funded by the Commission and assigned to the USACE which are completed, in the planning/design/construction phase, or are waiting to be started/funded. Ms. Peterson highlighted several projects that have proven to be successful due to the USACE/Commission partnership. Ms. Peterson highlighted the Barge Landing System Design Study Phase II, which allowed expansion of the Phase I Barge Landing Design System Study. This study is an assessment that encompasses the entire State of Alaska for Barge Assessment Improvement Needs. In Phase I, 34 communities were identified with priority improvement needs. In Phase II, 12 communities were identified with priority improvement needs.

Another project highlighted was the Shaktoolik Flood Hazard Analysis. Ms. Peterson stated that the USACE Labs of Vicksburg were used to run models for storm surges and wave run-up. Mr. McKinnon added that this project came out of the question of building an evacuation road. There was a great deal of technical work that helped the community decide that the school and a secondary building would be used to address storm events. Mr. Ivanoff stated that the hope of the community is an evacuation route, which is years away. Ms. DeLong stated that the USACE did an exceptional job on taking highly technical material and turning it into something the community could use.

Ms. Peterson discussed the construction services inspection award which allows verification of construction projects awarded to any recipient. Ms. Peterson stated that six inspections for the Commission have been completed to date. Ms. Peterson also discussed the technical services award, stating that last year seven tasks for the Commission were completed. Those tasks ranged from a dredging analysis to site visits with a trip reports provided to the Commission, which include potential scoping alternatives for potential projects to move forward.

Ms. Peterson discussed the mooring point projects, stating that, to date, moorings have been constructed in ten communities. Last year the construction of Phase II was finished, which included six communities on the Lower Yukon River; design work for Phase III, which includes six communities on the Kuskokwim River is finalized; and the design for Phase IV, the last phase of the moorings on 11 communities in the Yukon area and other places throughout the State of Alaska, is on schedule. Ms. Peterson stated that the USACE is waiting to receive authorization/funding from the Commission to move forward with construction for these projects.

Mr. Chris Tew with the USACE expressed the appreciation for the partnership with the Denali Commission and provided an overview of the success the partnership has had in leveraging funds for transportation

projects statewide. Mr. Tew discussed the potential of partnering with BIA and the Commission on road projects in the future. Mr. Stuart Hartford with BIA discussed the same, and provided project examples that the USACE and BIA are going to work on together exploring this new partnership. Mr. Hartford explained that many tribes have accumulated funding from their annual shares from the IRR program which is not being expended. Mr. Hartford emphasized that IRR funding is used on a lot of road projects across the state and a partnership to ensure the funding is being expended and coordination efforts are occurring on all levels, is desirable from BIA's perspective. Chair Neimeyer asked Mr. Hartford if it is possible to have the design services completed, provide construction management and inspection services, and have the community do force account work. Mr. Tew replied that it is possible.

Ms. DeLong stated that the partnership with BIA is exciting considering that many of the road projects in the transportation program use their tribal shares from BIA or High Priority Project (HPP) funds to meet the required match in the program. Mr. Hartford stated that they are going forward with 47 Alaska applications for HPP funds and will look forward to discussing the potential project coordination in the near future.

Chair Neimeyer thanked the USACE and BIA for their presentation and called a break.

(Break)

#### **Project Status Overview:**

Ms. DeLong provided an overview of the project status summary document provided to the TAC prior to the meeting. Ms. DeLong stated that the intention of this document is to provide a general overview of project expenditure trends and status. Chair Neimeyer asked staff to discuss any challenges or successes noted with local sponsor recipients. Ms. DeLong responded that, as it relates to local sponsors in the waterfront development program, there are a robust group of recipients that manage projects and Commission funds very well. The challenges staff notices with local sponsor recipients relates to the amount of time it takes to secure an Architect and Engineering (A&E) firm, review designs, and understand the contract processes. Ms. DeLong shared with the TAC that this is an area where program staff provides extensive support and technical assistance.

#### **Agenda Item 5: FY12 Waterfront Project Selection:**

##### **TAC Conflict-of-Interest Procedure Review**

Ms. DeLong provided an overview of the project summary sheet provided to the TAC prior to the meeting. Ms. DeLong stated that 13 nominations were received for waterfront development projects, which totaled ~\$11.3 million. Ms. DeLong reminded the TAC to vocally identify if there is a conflict of interest related to a particular project and to abstain from voting in the case of that project.

Mr. McKinnon provided detail information on the due diligence of each project; and the TAC scored FY12 projects. Details on the projects, scoring notes and funding amounts are in the table below:

<b>FY12 WATERFRONT DEVELOPMENT PROJECT SELECTION</b>	
<b>Project</b>	<b>Scoring Notes</b>
Coffman Cove Harbor Drive-down Ramp Construction	Mr. McKinnon stated that it is a design of a drive-down ramp rather than a construction project and requested ranking process for design phase looking at \$150,000. A motion to score the proposal as a design phase for \$150,000 was made by Mr. Romenesko and seconded by Mr. Pool. Chair Neimeyer amended the nomination to score and rank based upon design phase at <b>\$150,000</b> ; seconded by Mr. Pool. The motion was passed unanimously. With all the TAC members scoring, the project was scored at 101.
Naukati Harbor – Small Boat Float – Construction	Mr. McKinnon stated that this is a small boat float construction phase designed by ADOT. The nomination was submitted as a \$2 million project; staff would accept a phasing for \$1 million. A motion to score this project for <b>\$1 million</b> as recommended by staff and contingent on a 50/50 match provided for the project. Motion was made by Mr. Pool and seconded by Mr. Romenesko. The motion passed unanimously. With all of the TAC members scoring, the project was scored at 114.4.
Port Alexander Outer Float Reconstruction	Mr. McKinnon stated that this is the second phase of a two-phase project by ADOT to upgrade their facilities. It is scored for the design phase at the requested amount of <b>\$80,000</b> . With all of the TAC members scoring, the project was scored at 61.8.
Skagway Small Boat Harbor Reconstruction	Mr. McKinnon suggested amending the nomination to <b>\$650,000</b> due to 90% design number coming in lower than when the design was at 60% . A motion to accept staff recommendation to rank and score based upon the amended nomination of <b>\$650,000</b> for the construction phase work was made by Mr. Romenesko and seconded by Mr. Pool. The motion passed unanimously. With all of the TAC members scoring, the project was scored at 136.6.
Shoemaker Harbor Reconstruction in Wrangell - Design	Mr. McKinnon stated that staff’s recommendation is to provide <b>\$0</b> funding. Mr. McKinnon stated that staff recommendation is to let the community do the design of their facility to include a Harbor Enterprise Fund, and if they chose, they can reapply for construction funds once the other projects that are currently active and funded by the Commission are completed and closed out.

	A motion to pass on this application at this time based on staff's recommendation was made by Mr. Quinlan and seconded by Mr. Ivanoff. A friendly amendment to do their own design and come back for construction funding in the future was made by Mr. Pool and accepted by Mr. Quinlan and Mr. Ivanoff. The motion passed unanimously.
Nondalton Launch Ramp - Construction	Mr. McKinnon stated that staff recommendation is to build the ramp with a cost estimate of \$1,031,591; however, the community does not have the 20-percent match. A motion to accept staff's recommendation to score the project for <b>\$800,000</b> based on the community coming up with matching funds of \$200,000 was made by Mr. Pool and seconded by Mr. Romenesko. The motion passed unanimously. With all of the TAC members scoring, the project was scored at 111.2.
St. Paul Intermodal Transportation Infrastructure Dock Construction	Mr. McKinnon stated that staff's recommendation is to score the project to <b>\$938,049</b> and staff will continue to work on the details of this project. A motion was made by Mr. Ivanoff and seconded by Mr. Quinlan to score this project <b>up to a million dollars</b> . The motion passed unanimously. With all of the TAC members scoring, the project was scored at 119.6.
Sand Point Harbor - Construction	Mr. McKinnon stated that staff's recommendation is to provide <b>\$0</b> funding. Given the substantial funds that exist in the community; staff recommends that the City fund the design and reapply for construction funding once the design is complete and other active projects funded by the Commission are complete. A motion to accept staff's recommendation and table the application with the understanding that this does not preclude the community from coming back for money was made by Mr. Quinlan and seconded by Mr. Romenesko. The motion passed unanimously, and the program was tabled.
Eek Barge Landing - Construction	Mr. McKinnon stated that this project is not ready for construction and staff's recommendation is to suggest bringing this project back next year when either the problems with regard to cost or with regard to the match are resolved. A motion to accept staff's recommendation to table this application until further along with the design and permitting was made by Mr. Quinlan and seconded by Mr. Ivanoff. The motion passed unanimously.
Elim Small Boat Harbor Study	Mr. McKinnon stated that this is a request for matching funds to continue the preliminary investigations associated with the Elim Small Boat Harbor. Staff's recommendation is that this project is ineligible due to Commission funding not being eligible to match USACE funding. A motion to accept the staff's

	recommendation was made by Mr. Quinlan and seconded by Mr. Romenesko. The motion passed, with Mr. Ivanoff abstaining.
Bethel Harbor Dredging Construction	Mr. McKinnon stated that there have been substantial changes in the scope of work since this nomination was submitted. Staff's recommendation is that the project be scored for <b>up to \$1 million</b> for the purposes of two ramps being reconstructed, which is the first phase of the harbor reconstruction. A motion was made to accept staff's recommendation to fund up to \$1 million for the Bethel Launch Ramp Improvements Project by Mr. Romenesko and seconded by Mr. Pool. The motion passed unanimously. With all of the TAC members scoring, the project was scored at 112.5.
Kipnuk Barge Landing Construction	Mr. McKinnon stated that staff recommends assigning this project to the USACE under a technical service agreement requesting the USACE to look at a 20- to 30-year service life and see they could locate mooring points within the 300-foot range and integrate this into the mooring points in the current contract. A motion was made by Mr. Quinlan and seconded by Mr. Pool to not fund this application with FY12 funds and allow it to come back for FY13 funds, once the USACE has done their investigation. The motion passed unanimously.
Mountain Village Planning Study	Mr. McKinnon stated that staff recommends <b>\$400,000</b> for the design for the Village Dock Planning Study. A motion was made by Mr. Romenesko and seconded by Mr. Quinlan to accept staff's recommendation to amend the nomination to \$400,000 for project design for the Mountain Village Dock Planning Study. The motion passed unanimously. With all of the TAC members scoring, the project was scored at 93.3.

**Agenda Item 6: Public Comment**

Chair Neimeyer asked for those in the room and on the phone to provide public comment. There being none, Chair Neimeyer asked for a motion to suspend the meeting until the next morning at 9:00 a.m.

***A motion to suspend the meeting until tomorrow at 9:00 a.m. was made by Mr. Pool and seconded by Mr. Quinlan.***

***The motion passed unanimously.***

Federal Co-Chair Neimeyer suspended the meeting.

**(Meeting suspended at 4:30 p.m.)**

**DAY 2, January 27, 2012**

**Agenda Item 1: Introductions & Opening Comments:**

**Meeting Overview**

Chair Neimeyer reconvened the TAC meeting at 9:12 a.m. He stated that he is adding an agenda item and introduced Mr. Mark Spafford, an engineer on loan to the Commission from the Alaska Native Tribal Health Consortium (ANTHC) and provided an overview of Mr. Spafford's assignments and current projects at the Commission.

**Agenda Item 2: Public Comment:**

Mr. Mike Korsmo, with the City of Skagway, stated that the Denali Commission is filling a huge gap to keep the waterfront development projects in the state moving forward. Mr. Korsmo mentioned he has been supporting ports and harbor development throughout the state, and added that it is hard to get funding for these types of projects so he is very pleased with the Commission's work in the waterfront development program. Mr. Korsmo added that he represents Skagway, a small town of 975 people who have the cruise ship industry and get most of their revenue from sales tax in the summertime which pays for most of the staff. A discussion ensued on the lack of taxes and money in the other communities.

Chair Neimeyer thanked Mr. Korsmo and asked if anyone else wished to provide public comment.

Mr. Patrick Baker, with the St. Paul Tribal Government, provided public comment stating that when St. Paul Tribe applied for a TIGER transportation grant they had a difficult time finding intermodal transportation plans within any local, community, region or state transportation plans. Mr. McKinnon stated that the Southwest Transportation Plan is being updated by ADOT right now which may include more intermodal transportation plans.

Ms. DeLong shared with the TAC that Commission staff will be traveling to D.C. to meet with TIGER program staff to discuss recent Alaska applications, and discuss with program staff how Commission staff can work with Alaska applicants to help with the application process. There are some issues with the application process that exclude possible eligible entities in Alaska.

Chair Neimeyer asked for additional public comment. There being none, he moved on to the next agenda item.

**Agenda Item 3: Waterfront Development Project Selection continued:**

Ms. DeLong provided an overview of the scoring from yesterday, and a reminder of funding scenarios recommended. Ms. DeLong shared with the TAC that the total budget available for waterfront in FY12 is \$6,961,752. This total includes prior-year funding made available through deobligations, prior-year funds that were not obligated and anticipated FY12 FTA funds.

Ms. DeLong subtracted \$2,803,928 from the total, which comprised of the total award amounts for the Kodiak to Ketchikan projects from the FY11 list. Ms. DeLong shared that there is a total of \$4,157,824 to assign to projects that will be scored and prioritized. Ms. DeLong also added that the TAC will need to have a discussion regarding the Mooring Points funding.

***A motion was made by Mr. Romenesko and seconded by Mr. Quinlan that the TAC recommends funding the FY11 projects, known as Ketchikan to Kodiak, as presented by staff, and four FY12 projects scored yesterday: Skagway Small Boat Harbor Project, St. Paul Multi Intermodal Transportation Project, Naukati Harbor Project and the Bethel Launch Ramp Improvements; and that any balance of funds remaining be utilized to fund the USACE Mooring Points projects as identified by staff. Further, any funds that are not obligated to FY11 or FY12 projects will be utilized to fund USACE Mooring Point projects. A friendly amendment adding “based upon the summary sheet of potential activities developed by the USACE staff” was made by Mr. Pool and accepted by Mr. Quinlan. The motion passed unanimously.***

**(Break)**

**Agenda item 4: Summary of FY12 Project Scoring and Proposed Funding:**

Chair Neimeyer asked Ms. DeLong to summarize the funding. Ms. DeLong stated that there is a total budget of ~6.9 million for FY12 available for waterfront projects. The TAC recommends that ~\$2.8 million be dedicated to projects from FY11 which were selected but did not receive funding. In addition, the TAC recommends that the top ranked projects (four total) from FY12 be funded, and that remaining funds in the amount of ~ \$500,000, will be dedicated to the USACE for construction-ready mooring point activities after the TAC and Commission Staff have an opportunity to review the current status of the USACE’s work on those projects.

**Agenda Item 5: FY12 Roads Program Nomination Period:**

Ms. DeLong requested the TAC’s approval to proceed with the FY12 road nominations, regardless of the uncertainty of FY12 FHWA funding. Ms. DeLong requested TAC and Commission Staff discuss opening the FY12 road nominations during the second week of February, using a 60 day period. Commission staff proposed February 6<sup>th</sup> – March 30<sup>th</sup>, FY12. The TAC concurred with this approach.

**Future Meeting Dates**

Ms. DeLong proposed the road selections meeting date be scheduled for the end of May or the first part of June. After discussion, a tentative meeting date was planned for either May 22-23, FY12 or May 23-24, FY12. Ms. DeLong also mentioned that there is a strong potential for a Delegation Staff Trip focused on transportation projects in May.

**Closing Comments**

Chair Neimeyer asked for closing comments. Commission staff thanked the TAC for all their hard work and expertise. There being no other comments, Chair Neimeyer called to adjourn the meeting.

**Meeting Adjourns**

***A motion to adjourn was made by Mr. Ivanoff and seconded by Mr. Romenesko.  
The motion passed unanimously.***

Chair Neimeyer thanked all and adjourned the meeting.

(TAC meeting adjourned at 10:32 a.m.)