

DENALI COMMISSION

QUARTERLY MEETING

MAY 1, 2008

9:00 A.M.

Taken at:
Reluctant Fisherman Hotel
Cordova, Alaska

Commissioners Present:

George J. Canelos	Federal Co-Chair
Richard Cattanach	Commissioner, Associated General Contractors of Alaska
Karen Perdue	Commissioner, University of Alaska
Vince Beltrami	Commissioner, Alaska AFL-CIO
Kathie Wasserman	Commissioner, Alaska Municipal League

Commissioners Absent:

Julie Kitka	Commissioner, Alaska Federation of Natives
Karen Rehfeld	State Co-Chair, State of Alaska

PROCEEDINGS

Federal Co-Chair Canelos called the meeting to order and noted a quorum was present with Commissioners Kitka and Rehfeld being excused. The City of Cordova and the Eyak Tribe were thanked for their hospitality. The commissioners introduced themselves.

Minutes Acceptance Vote:

Motion: **Commissioner Cattanach** moved to approve the minutes of February 28, 2008.

Second: **Commissioner Beltrami** seconds.

Vote: There being no objections, the minutes were approved.

There were no changes to the agenda.

LOCAL & REGIONAL PARTNERSHIP PRESENTATIONS

CITY OF CORDOVA – MAYOR JOYCE

Mayor Joyce welcomed the Denali Commission to Cordova. This year is Cordova's 100-year anniversary. On May 4, we will be having a community-wide kickoff celebration with barbequed Copper River sockeye salmon, halibut, smoked black cod and a variety of other things. A slide presentation of the City of Cordova was shown. The harbor is our prominent feature and fishing is the mainstay of our economy. Cordova got its start as the terminus for the railroad that served the Kennecott Mine in McCarthy, which was one of the largest copper ore deposits found in the world at that time. In July of 1909, Cordova's 4th of July celebration included various events such as a drilling contest. This year's celebration will include some of the same types of events. Several photos of Cordova throughout the years were shown and the landmarks were pointed out. The million-dollar bridge built in 1909 allowed the copper ore to come down from the Interior to the port to be shipped to Seattle for processing. In 1934, as the last train of copper came into town and the mines were closed, Cordova had to develop new industries. As the clamming industry grew in Cordova, we became known as the "Razor Clam Capital of the World." The sea became our mainstay as the salmon, herring and Dungeness crab industries grew. In 1963 a fire burned down a full city block, damaged several other buildings, and devastated the city. The 1964 earthquake swept houses away, raised land levels and changed the marine habitat causing the clams and crabs to go away. Sea otters became a thriving population. The delta by the Copper River was changed from a wet, grassy, marshy area that was home to thousands of geese to a brush-land area that is now home to the moose population. And then in 1989, an Exxon Valdez tanker hit a rock and discharged a large amount of oil causing more devastation to the marine habitat. The City of Cordova is rebounding with many projects and the help of the Denali Commission. Today many of our roads have chip sealing, which controls dust, reduces potholes, and makes road maintenance easier. Other projects the Denali Commission has helped with are the rock stabilization on Humpback Creek Hydroelectric Project, the Eyak mitigation area and oil spill cleanup, the Regional Health Plan, and the Ilanka Cultural Center. We have also received marine transportation support including the breakwater extension to stop the swells from coming into the harbor and the boat hoist. For our next big industry, Cordova is getting into tourism and has many world-class natural attractions to offer including national parks, glaciers, birds, excellent salmon fishing, hiking, and camping. Diagrams of Cordova's next mega-project were reviewed. The Cordova Center, which we are seeking funding for, will provide a venue for people to come to Cordova and hold meetings complete with sound and video systems, as well as theater style seating for 200 or conference style seating for 100. The multi-use facility will also contain our City Hall, a library, museum, emergency response center, and an education room. Once this is built, we can consolidate facilities and either sell or demolish at least one of our existing buildings. Another project we are working on is what we call a Child Safety Causeway. We have a new recreation park with baseball fields. Whiteshed Road is the only way to get to the park, and walking or riding bicycles along that road is very dangerous. The

Child Safety Causeway would provide safe access to the park for pedestrians and bicycles.

In response to Federal Co-Chair Cannelos, Mayor Joyce said the school population has steadily dropped over the last 10 years, but has stabilized at around 400 students.

EYAK TRIBE – BRUCE CAIN

Bruce Cain welcomed the Denali Commission to Cordova on behalf of the Native Village of Eyak. Robert Henrich, the president, and the other council members were unable to attend the meeting due to previous engagements. The Denali Commission was thanked for all their work in rural Alaska. The Prince William Sound Transportation Plan, developed in 1994, was discussed. At that time, we had the option of rebuilding the highway or railroad into Cordova, or improving the ferry system. The fast ferries were a new technology being used in other countries, but had not been tested in North America. We felt the fast ferries would provide our goal of daily ferry service between the major communities in Prince William Sound. Eleven years later, I stood on the dock today and watched the first fast ferry pull in, which emphasized the importance of good planning. I believe all the operational problems that arose were the result of not following the plan. When the plan is followed, the boat is full, profitable, and provides a needed service to the community. We still have a lot of needs in Cordova including energy, transportation, healthcare and education. Cordova is fortunate in that the community has many highly educated people. Many of our younger families have to go outside of the community to get an education and they never return. I would like to see more effort put into the distance education system that the University of Alaska has with their Rural Development Program and our Community College. Cordova is the Saudi Arabia of energy. The first oil wells in Alaska were drilled 50 miles from Cordova. Sixty miles away, we have gas wells that are developed and capped. We have huge coalfields less than 60 miles from town. We have vast forests, which can be used for fuel and lumber. We also have over 200 inches of rain on Montague Island that falls on coastal mountains, which is a hydroelectric resource second to none in the world. Cordova is in the “catcher’s mitt” and every storm that comes through the Gulf of Alaska hits Cordova, but it is also a huge wind resource. We also have the entire Gulf of Alaska with its waves. And yet, we are paying over \$5 a gallon for diesel fuel and \$0.50 to \$1 per kilowatt for electricity in the wintertime, with all that money going outside of Alaska. Cordova can do a lot to remedy this, but we need help with the planning. We have an incredible healthcare system in Cordova. We have a 40,000 square foot hospital building and a Tribal-run clinic with enough funding to hire the physicians and staff. The City and the Tribe needs to get together to insure an integrated healthcare system that could serve not only our community, but surrounding communities as well. We could use the Denali Commission’s and the State’s support for that planning effort. There are four main components to maintaining good health: a healthy food supply, exercise, staying clean, and keeping your bodies free of alcohol and drugs. Sanitation is expensive in rural Alaska, but nothing compared to an ineffective healthcare system. It is the community’s job to get together and figure out how to use our resources to put together a good

healthcare system. The Transportation Program was discussed. With the new Indian Reservation Road Program there is a great deal of money coming available. The Native Village of Eyak's funding for Tribal transportation went from \$30,000 to \$500,000 a year in one year. Some of the villages in Alaska have over \$3 million a year, while others receive less than \$8,000, because they have not been able to get their inventories into the system. We need the cooperation of the Alaska Department of Transportation to leverage the funding in order to build roads. The challenge is getting the Federal Highway Administration, the Alaska Department of Transportation, the Denali Commission, and all 226 Tribes together to develop tribal, regional and statewide plans. We have had many successes. Last year we combined resources with the Forest Service and completed a joint project where we rerouted an access road to Sheridan Lake. The project was the first in the state and the Forest Service is looking at using it as a model for other communities. The Denali Commission was again thanked for all their good work.

CORDOVA ELECTRIC COOP – CLAY KOPLIN

Clay Koplín said the cornerstones of a sustainable economy are education, available workforce, energy and transportation, all which are addressed by the Denali Commission. We look at the whole energy picture, even though we are an electric cooperative. A cooperative is a community deciding to make their own power by combining resources, building a power plant, and providing electricity to the community with a distribution system. Our energy needs in Cordova are electricity, space heating, transportation, and subsistence. Electricity is only a small part of that and we need to insure that we are addressing the core problems. We are working with the City of Cordova and the Native Village to see how we can most effectively get money and resources to the people in need. On the electric side, our energy supply is about 60% run of the river hydro in the summer, but in the winter it is 100% diesel. Space heating is about 10% wood and 90% diesel fuel. Transportation is about 100% fossil fuels. Those are the areas where we can work on sustainability and reduce the amount fossil fuels used. A presentation on the structure of the Cordova Electric Coop was reviewed. This morning, gasoline was \$4.80 a gallon. Our current costs are about \$0.32 a kilowatt-hour for residential and diesel fuel is \$5.50 a gallon at the pumps. The Coop is looking at every energy opportunity, but we are focusing on reconstructing our Humpback Creek hydroelectric power plant and diesel efficiency. A new technology, heat recovery, is being explored. An overview of Humpback Creek was reviewed. We received Denali Commission funds for a pipeline to replace the wooden flume with a penstock. We had just prepared to install the penstock when a flood hit and wiped out the structure. Due to the more increased and severe flood events over the last few years, we decided this project was not sustainable without changes. We are working with the Native Village and the Eyak Corporation to build an access road to the intake structure. The method of building a sustainable project was reviewed. Once complete, we will have a project that will still be producing power in 100 years and using all the water available in the creek. A slide presentation on a flood event was viewed and discussed. We are looking at more hydroelectric projects, but we need storage for future use. We have a memorandum of agreement with the Native Village of Eyak to develop wind in Cordova and the readings are very favorable. Hydrogen is the

future and we are looking at that to provide cheap energy for Cordova, as well as to Prince William Sound and the Gulf of Alaska. On the customer side, it is all about conservation and wisely using the energy you need. We created incentive rates when our Power Creek project first came online. Energy companies penalize people for the first block of power they use, which is upside down. We need to make the first 500-kilowatt hours the cheapest and raise the rates after that so you create incentives to use less energy. Internally, Cordova Electric Coop is doing many things. The lights at the Power Creek project are on a relay so we can turn them on and off as necessary, which saves about 7,000 gallons of fuel a year. Externally, we gave away 3,500 compact fluorescent lights and educated the community on ways to save energy at home. We started an LED Street Light Program to help the city with their light bills. We hope to setup a program of selling our renewable energy credits to finance projects to replace street lamps with LED lights, which takes a quarter of the operations and maintenance costs and uses half as much electricity. The Compact Fluorescent Light Program distributed two lights per customer and five per commercial customer. We educate the children on where energy comes from and energy safety. We are looking at using our renewable energy credits to setup a revolving account to provide people with \$2,500 to purchase an energy and water efficient washer and dryer, which would be paid back to the electric coop at \$20 a month. The savings on their electric bills will help pay for those appliances. Hydrogen, weatherization, wood use and other potential energy saving methods were discussed. The Denali Commission projects were discussed. Before the flood hit it, Humpback Creek was well on the way to being back in service. The steps for getting the project back online were discussed. The Eyak remediation was discussed. It used to be a generation site, which was converted into making it an efficient storage and operations center. We received help from the Denali Commission to remediate the site and upgrade the buildings. Today we have many community partnerships working towards maximizing our community resources. Humpback Creek is a pressurized water sources. If we don't need the hydroelectric at night, the water is available for the City's water system. Shepard Point Road, which needs to be built, was discussed. We have a 300 KW emergency generator and with a fairly small investment we can bring it into town for the hospital to use. We are working with the Native Village of Eyak on the Hartney Bay project. Just donating the LED street lights to the City's Christmas tree saved over \$1,000 in electric costs and helped educate the community on what can be done with LED lights. Why should the Denali Commission invest in Cordova? Food and shelter are core human needs. Cheap energy has made food incredible inexpensive. The five communities of Prince William Sound produce about 20 times as much food as they consume. Salmon is a high value commodity that can be exported at a good profit. The State needs to look at agriculture on many levels. Instead of paying high shipping costs, Alaska needs to look at what we can produce locally to meet our needs.

ADVISORY COMMITTEE REPORTS

FFMAC – CORRINE EILO

Corrine Eilo, who previously provided a reported on the Financial Management Advisory Committee, noted that this committee was new to the Denali Commission. The federal co-chair serves as the chair of the committee. There will be four meetings each fiscal year and three have already been held. Although we look at financial management issues, everyone is encouraged attend the meetings, because we also look at system wide issues, federal mandates and cost effective ways to meet compliance issues.

TRAINING – TESSA RINNER

Tessa Rinner gave an updated on the Training Advisory Committee. Commissioners Beltrami and Cattanach serve on the committee, along with other members of the public. At the last meeting in Anchorage, they made some decisions about funds that will be moving to the Department of Labor, as well as some general ideas about how they will break funding out for the different categories in the program. The Training Advisory Committee, along with some other committees and programs of the Commission, will be taking a rural site visit in July or August to the Bristol Bay area. The next meeting will be in July and then again some time in the fall.

HEALTH – DENALI DANIELS

Denali Daniels gave an update on the Health Facilities Health Steering Committee. Two subcommittees were recently appointed, the Small Clinic Subcommittee and the Large Clinic Space Guideline Committee. Both have held meetings and reported back to the Health Steering Committee. The Small Clinic Subcommittee was established with the idea of more appropriately meeting the needs of communities with small populations; focusing on communities of less than 100. There have been about 50 communities identified that have yet to engage in the Commission's process for primary care. Staff is auditing those communities to determine their existing health facility needs, staffing, and what is going on in the communities. In terms of the committee goals, we are looking at the idea that many communities are at high risk for erosion and we may need to design structures that can be relocated and meet shorter-term needs. As a way to address those issues and provide recommendations, the committee has identified half a dozen pilot projects that represent every region in the state geographically. The idea is that the pilot projects will be designing potential prototypes in communities using different procurement mechanisms over the course of the next year, while the committee also looks at some of these policy issues. By fiscal year 2009, we hope to have some fairly concrete recommendations for this component of the Health Program. The Large Clinic Space Guideline Committee is for communities with populations over 750, many of which are serving higher levels of care to a number of communities in a region. The Clinic Program space guidelines are based on population. Clinics that serve populations over 750 really have no clear framework for staff to follow. The Large Clinic Space Guideline Committee has held one meeting and there continues to be debate about what we can appropriately recommend. There is one side that feels we can come up with space

guidelines that can be a one-size-fits-all based on population and different things. Another side feels that is inappropriate and we might end up with larger facilities due to the established guidelines not addressing particular needs on a case-by-case basis. There have been some very good recommendations coming out of the discussion including things we can do earlier on in the planning process so we can give applicants working on a large scale, regional project some tools for projecting their needs before they get too far into the plan. We have been working with the Foraker Group and Predevelopment Program to develop tools that technical assistance advisors can start employing right away. I expect the committee will only meet a few more times before making some recommendations. The Health Steering Committee is talking about a site visit in late August, probably in the Glennallen area. There are a number of communities that have very unique needs on the road system and we will have some policy issues to address. Our HRSA point of contact, Mr. Tom Morris, is planning to travel to Alaska in August and we may want to set up another trip to an area where we have some built facilities.

Commissioner Perdue brought up a previous discussion on the dilemma regarding communities with 100 people or less. Given the incredible increase in fuel prices, the question becomes what investment strategy should the Commission employ, not only today, but also five years from now. Since smaller communities have limited budgets, we need to consider if they will be able to support the health facilities in the future. We are trying to predict what will happen in the future as we struggle with the question of need versus sustainability. The committee is doing a good job asking those questions, but the Denali Commission will need to weigh in on those questions as well.

ENERGY – KATHY PRENTKI

Kathy Prentki said Commissioners Beltrami and Cattanach were members of the Energy Advisory Committee. We have had three meetings. By May 28 a review of the Commission Policies, especially as they relate to the Energy Program, will be done. The secondary task we are working on is trying to help the State layout relevant elements of a Statewide Energy Policy. The next meeting will be held on May 28. The second week of September, we will be traveling to Kotzebue to see their windmills and power plant, as well as visiting several surrounding communities. In our initial meetings, we talked about what the sideboards needed to be on our first request for proposal (RFP) for alternative energy projects. We had up to \$5 million from fiscal year FY2007 that we put toward alternative renewable projects. The RFP with the State of Alaska, who also put money into it, did not go out until December, but those projects are in the second phase of evaluation. We had 96 projects come in. The Alaska Energy Authority is working to evaluate those projects in a three-stage evaluation. A Cordova project made it into the second phase and hopefully will progress to the third phase. Information should be out this week on those projects. We are struggling with several issues including the size and cost of the infrastructures, as well as the cost per capital for some of the small communities. The benchmarks are being revised and we should have that report out shortly, which will help set some new standards for energy projects. We need to look at having prototypes for communities that are on the edge of needing to move or are very

small and we need to condense the expenditures. We need to be sure we design the projects to insure they are sustainable. Alaska Energy Authority has a new energy coordinator, Steve Hageson. He has announced 25 town hall meetings in the next month to discuss the communities' energy needs and available resources. Unfortunately, Cordova is not on the list and the closest meeting will be in Valdez on May 12.

Federal Co-Chair Canelos said he and Ms. Prentki attended the International Wind/Diesel Conference last week at Alyeska, which had 170 participants. The scientists, utility owners, and entrepreneurs were really excited about Alaska and viewed Alaska as being in the lead in terms of applying wind/diesel technology to small, cold places.

Kathy Prentki noted that it truly was an international conference with participants from Russia, Switzerland, Denmark, Finland, Norway, Germany, Australia, New Zealand, and other places. A lot of good information came out at the conference.

Federal Co-Chair Canelos said the conference members viewed the Denali Commission's earlier projects with AVEC in Wales and Selawick as projects that did not work, but were good attempts that were being retrofitted. They viewed Kasigluk and Toksook Bay as legitimate projects that were doing the best they could. And they viewed our next efforts in Hooper Bay, Gambell, and Savoonga as more of that effort.

Commissioner Perdue asked where the Denali Commission was in the process of distributing their existing money and partnering with other entities.

Kathy Prentki said the committee decided to allow up to \$1 million for preconstruction activities in a maximum of \$100,000 increments that would require a 20% match. The rest of the money requires a 1-to-1 match from various sources. The original 96 projects have been narrowed down in phase two. The third phase is where they get really serious about the technical evaluation, the feasibility of the projects, the existing assets and knowledge, the design, and the cost benefit ratio. House Bill 152, Harris' alternative energy bill, passed this year. We are hopeful that the funding in the bill avoids the veto pen, because there is \$50 million for alternative projects, which would be a real boost to the State whether we are part of it or not.

Federal Co-Chair Canelos asked about the status of the bulk fuel efficiency list.

Kathy Prentki said they were about three-quarters of the way down with bulk fuel efficiency list and about halfway down the efficiency list for power plants. Like the health clinics, we have communities with erosion or declining populations that may make it difficult to arrive at a good resolution for some of the smallest communities.

Commissioner Wasserman asked if the committee had taken an active role in trying to encourage the State to write an energy plan. If the committee had not, perhaps the commission should.

Kathy Prentki said Mr. Haagenson, the State's new energy coordinator, listed the energy plan as his third stage goal and hopes to have it developed by December. His first stage goal is to go after low hanging fruit and try to reduce energy costs in communities as quickly as possible. There are a number of committee members engaged in doing regional energy planning, including Nels Anderson in Dillingham and Bob Martin in Juneau.

The Denali Commission took this opportunity to say goodbye to Commissioner Cattanach, who was leaving the commission and has retired from the Associated General Contractors. The committee viewed a PowerPoint presentation. Commissioner Wasserman recited a poem. A framed photograph of the commissioners, a card, and an Aleut paddle were presented to Commissioner Cattanach. The Denali Commission thanked Commissioner Cattanach for his dedicated service and wished him well in the future. Commissioner Beltrami thanked Commissioner Cattanach for his service and noted it had been a pleasure working with him. Commissioner Perdue said Commissioner Cattanach had taught her to ask the hard questions and never be complacent. Commissioner Wasserman noted that Commissioner Cattanach has done an amazing amount of work for the Denali Commission. Kathy Prentki said Commissioner Cattanach asked the right questions and kept the Commission in focus. Mike McKinnon said the Transportation Program, as the Commission's newest program, has greatly benefited from Commissioner Cattanach's advice and guidance. Federal Co-Chair Canelos said Commissioner Cattanach would continue to serve on the Financial Management Advisory Committee. He noted that he would miss Commissioner Cattanach's input and the fact that he always raised the bar and made an incredible difference.

Break from 10:42 a.m. to 10:58 a.m.

Federal Co-Chair Canelos called the meeting back to order.

ECONOMIC DEVELOPMENT – MARK ALLRED

Mark Allred said the Economic Development Committee held a meeting since the last Denali Commission meeting and it was the first meeting where all members were either present or represented. We are moving our meetings out of the Denali Commission's offices and into Native Corporations offices. We reviewed the 68 submitted letters of interest with over \$50 million in ideas, although about a quarter of the projects did not ask for a specific dollar amount. We discussed the idea of providing technical assistance to communities. The next meeting will be on Tuesday at the CIRI offices and we hope to set some program criteria to define our niche. At the following meeting, at the Bristol Bay Corporation, we will do a policy review.

Commissioner Wasserman said it was a good idea to hold the meeting outside of the Denali Commission offices, but felt they should consider holding meetings at other organization's offices as well.

Mark Allred said the State Office of Economic Development has invited us to their offices as well.

Commissioner Perdue asked about the timelines on the letters of intent and how they would be processed.

Mark Allred said the projects broke down into some key areas. Many of them fit within existing Commission programs such as training and energy. At the next meeting, we hope to have a 30-day opening to ask for actual projects. A site visit is planned for the end of July to look at the CDQ activity in the Nome area.

TRANSPORTATION – MIKE MCKINNON

Mike McKinnon said there were 117 projects under active design and/or construction in the Transportation Program. The Transportation Advisory Committee, which is a statute driven membership, will be meeting on June 2-6 in Ketchikan with a full day meeting on June 3 and then visiting projects in the southeast region for the rest of the week. As part of the meeting agenda, the Chair will be asked to invite John MacKinnon, the new AGC representative, to sit as an ex-officio member at the June 3 meeting. We are about 80% on a complete project status report, which should be out on June 1. We are currently preparing a capital budget, which goes to the Federal Highway Administration along with the BIA capital budget in the STIP package. We are working on the local projects. About 20 of our projects are direct local sponsor projects and we are helping them get an engineering firm onboard, as well as walking them through the design and construction management process. That is a capacity building exercise and a way for local government to control scope, schedule and budget. It has been a very successful effort so far, except for the fact that we need more resources. Dale Lewis, the area engineer with the Federal Highway Administration, will be directly working with local communities and our program assistant will shadow him as much as possible to learn the system. She will also be working with the University of Alaska's Technical Assistance Program staff in developing a manual that can be used by all parties for local project development, which we hope to have complete by January of next year. For the Barge Landing Program, the Corps of Engineers has agreed to do an analysis on barge landing needs throughout Alaska, which has had a remarkable response from the barge operators, the construction companies, and small-scale freight forwarders. We are reviewing an interview summary, which will be sent out to the Commissioners through the Chair. The Galena bid was reviewed and it was noted that the bid had gone out successfully. We are working on Stevens Village aerial reconnaissance for a road between Stevens Village and Dalton Highway with a meeting scheduled for May 21. Anyone who would like to attend the meeting is welcome. We are looking at the Noatak Road between Noatak and the Red Dog port facility, which is a general coordination with the Northwest Arctic Borough and the community. It is not an official project, but it has so much potential to improve economics in Noatak that we would like to see how the modeling works.

Commissioner Wasserman felt the Transportation Committee operated extremely well. About six weeks ago, I attended a U.S. Transportation meeting in Washington, D.C. The U.S. Secretary of Transportation setup a committee to study U.S. highways and gave a presentation to the different states, but Alaska was not on any of their maps. After I asked them about it, they said not everyone could be included. So I wrote a letter to the Secretary of Transportation two months ago and have not received an answer.

Mike McKinnon said they met with the Federal Highway Administration in March. They liked our two targets: local roads with connector and resource roads, and barge landings. If the Commission is successful in reducing the Federal U.S. DOT programs from 100 to 10 programs, the Federal Lands Highway Program will remain one of those 10 programs. We have been successfully integrated into that discussion as the Denali Commission Transportation Program and I believe we will do well in that.

Federal Co-Chair Canelos said the goal was to change the paradigm of how we receive funding. Currently, we receive appropriations from Congress. Under this paradigm shift, we would be embedded within the Reauthorization of the Highway Bill and the requests would come from the administration, which is a stronger position. With the realities of politics and the fact that we are within the last few months of a change in administration, this is not the time for those initiatives and we should wait until after the election. Western federal lands and highways are very open at the right time for the Denali Commission to come back and do some formal presentations.

Commissioner Wasserman said the meeting addressed ports and harbors and how imports and exports were driven by major harbors. It seemed silly that Kansas was on the map, but Alaska was not.

PUBLIC COMMENTS

Sylvia Lange said she has recently been involved in statewide issues and whenever she mentioned that she was from Cordova, the perception was that Cordova was always arguing amongst themselves. That information is 30 years old and now we really work together. We have taken the road off the debate table and solved our access problem with the fast ferries. We have phenomenal interaction and cooperation between the City and the Native Corporations. When building the Little League field, 70 community members, including children and the Mayor turned out in the rain to work on the project. As a community, we have come a long way and are working together. I hope you familiarize yourselves with the Cordova Center, because it really is the next generation for Cordova and will bring us into the 21st Century. The Denali Commission was thanked for holding their meeting in Cordova.

Federal Co-Chair Canelos said 25 years ago the Cordova community did have a reputation of being divided and controversial on most issues. Perceptions always die

hard. I now have the perception and belief that Cordova is a very high performing community that works very well together.

Dune Lankard thanked the Denali Commission for their support of the Alaskan Marketplace Competition. Four out of the 7 top finalists were from Cordova, which shows that this is a really wonderful and creative town. The project that I submitted was a community cold storage project, which is a facility that will be run off of renewable energy. The facility will have three components. One will provide a space for fishermen and people in the seafood industry to process and direct market their salmon rather than selling it directly to the canneries. At the same time, the subsistence users would have a place to process, package, and blast freeze their subsistence foods to bring up its quality. The third area will be a community kitchen where people can do research and development on final finished products and recipes. It could be an incubator for a cottage industry in Cordova. After the competition, I was approached by three different entities to use this as a model to help other communities not only get off the grid and deal with their high energy costs, but also provide a higher quality of foods in their villages and create an economy for the local community. Today, Cordova is a unique place. Exxon still hasn't settled the oil spill case and there are many people in the spill zone that have died and will never see a just and fair compensation. Any way to diversify the economy in a sustainable and viable way is important for the spill zone communities and we appreciate the Denali Commission's support. The Cordova Center will go a long ways towards attracting more businesses into Cordova. The high school recently did a survey that showed the education quality in Cordova compared to the rest of the nation. Cordova ranked in the top 5% and I believe it is because of the clean air and water that Cordova has to offer. Our population fluctuates from about 1,500 people in the summer to about 5,000 in the winter due to the seafood industry. The children in Cordova are academically high. We rank high in basketball, volleyball, and wrestling. We have excellent swimmers and now we have a baseball program. Our high school also has a debate program and our kids win regionally and nationally. I believe our children are so successful because of the quality of life in Cordova. Whether or not Exxon ever settles the case, Cordova is resilient, creative, and sustainable. The Denali Commission was thanked for their support.

CLOSING COMMENTS

Commissioner Beltrami said the tone of recent discussions was that the Denali Commission was at a crossroad. We need to think about that and how we will go forward. We are looking at diminished or uncertain funding in the future. We are talking about how to maximize what we do for the best benefit of the entire state. I want to continue with those discussions to make sure whether we need to look from that 30,000 foot view regionally about how we are going to solve problems and what we can do to engage as commissioners and be a part of the decision making process more. The Denali Commission does a fantastic job and has done wonderful things. It is nice to hear some of the examples, particularly in a community that I have never been to before. Cordova is a

wonderful community. I look forward to continuing our work, but acknowledge that we have a lot of challenges ahead of us, particularly with increasing energy prices, and I look forward to finding solutions.

Commissioner Perdue said she was still looking for the balance between being an effective commissioner that acts on the public trust with the resources that we have been given and fostering cooperation. It is a very important role to spread the word about the kinds of things that are going on in Cordova and many other communities. The staff is high performing and doing excellent work, which makes the Denali Commission look good. Cooperation is a journey that goes up and down depending on many things. I want to congratulate George for the tremendous memorandum of understanding that he and the staff have developed between the Denali Commission and the state and federal agencies. I think it is important for the Commission to get a report back as quickly as possible on the proceedings, as well as a briefing on where you plan to take the group, because the commissioners need to support that discussion as it goes forward. I am looking forward on being briefed on the projects list, because we have a sense that the committee processes are really taking hold, but we do not have the time to attend all the meetings and are starved for information on what is actually happening on the ground.

Commissioner Wasserman said it was good to have public meetings, because it cements the big pictures. I always have to step back and remember that even though there are politics involved or other things to sort out, it is the infrastructure that we have to concentrate on. I hope Commissioner Cattanach calls us often with critical suggestions to keep us on track. I also hope we get our arms around where we want to go, because I'm sure it is confusing to staff if we are unclear. Staff performs very well, even though they are not quite sure where we are going from day to day..

Commissioner Cattanach thanked everyone who participated in the bulk fuel storage that was named after him. The Denali Commission is 10 years old and it has a lot to be proud of. At this meeting, we have heard about the accomplishments in Cordova and the Denali Commission should be proud to know that they are making a difference. The Denali Commission, at \$100 million, is about 1/25th of what the state capital budget will be this year. Yet, we probably have more impact in rural Alaska than the state does. We make more differences in people's lives in rural Alaska. As we look forward, we have to say that it is going to be different. The way we did business three years ago will not work tomorrow. Fuel costs are making a difference in rural Alaska and we have to change the way we look at things. We have to start questioning why we're doing what we're doing and where we're doing it. It is not enough just to say well that's the way we've always done it, because that is not going to work anymore. What we previously did may not work in rural Alaska in the future. We always need to be questioning what we're doing and why we're doing it. It is amazing to me that we've accomplished so much, yet we have so much left to do. I want to warn all the commissioners not to be complacent. You can pat yourselves on the back and say we have really accomplished a lot in 10 years, but good is not enough. You should always strive to be better. I have always tried to question

what we're doing. There were times that I worried that I was over the top. It was nice to hear from people that we made a difference in the way they looked and approached things, which is all we can really do as commissioners. I have learned from all of the commissioners and the staff. The Denali Commission is a tremendous organization, but good is not enough and we should always strive to do better.

Federal Co-Chair Cannelos noted that the Denali Commission would miss Commissioner Cattanach and said he took his words to heart about complacency. As I think back to my military days, the military always tends to fight the last war and not the one going on. I think government agencies do the same thing. The landscape is shifting under our feet so we really need to rethink and be that nimble organization that we claim to be. Everyone was thanked for his or her work. Jodie, who did a lot of the logistics and arrangements for the meeting, was thanked. He complimented Cordova on their outstanding presentations. Cordova seems to get slammed with unexpected nasty surprises over the years whether it is copper collapsing, World War II, the earthquake, the fire, the oil spill, and other things. Yet Cordova is a very resilient town and we are privileged to have worked with you in the past and into the future. Sylvia Lange and her husband were complimented for their courage in buying the Reluctant Fisherman, which is a cornerstone of Cordova's economy.

The meeting adjourned at 11:34 a.m.