

I. SUSTAINABLE UTILITIES WORK GROUP

(Chairs: Federal - Bill Allen, State Director, USDA Rural Development; State – currently vacant)

1. RCA regulatory changes to allow future capital replacement costs for water/sewer/electric utilities to be included in the rate base.

Current Status: RCA reviewed a petition on June 24, 2004 from the Denali Commission and others, and determined that the subject needed additional information. Accordingly, the petition was denied, a new docket was opened and a Notice of Inquiry was released on October 5, 2004 to allow interested parties to participate in the discussion of this issue.

One Year Goal:

- Assist RCA in developing a full record that can be a basis of new rate regulations specifically tailored to rural Alaska utilities.
- Assist in the regulations drafting process.

2. Define “sustainability” in quantified terms, with specific criteria to determine if infrastructure built with grant funds will be sustainable.

Current Status: The Denali Commission has defined “sustainability” on two levels – conceptual (must be able to cover operation, maintenance, renewal and replacement costs) and project specific (business plan balances revenues and expenses) bases.

One Year Goal:

- No additional work scheduled under this goal.

3. Develop a proposal to set aside a portion of new utility grant funds for future capital costs.

Current Status: The Alaska Dept. of Environmental Conservation has drafted amendments to EPA and USDA RD federal appropriations language to authorize broader use of funding from those agencies to Village Safe Water for water, sewer and solid waste facilities.

One Year Goal:

- Monitor federal appropriations language, and follow up according to outcome.

4. Develop recommendations for use by granting agencies to develop / modify criteria used to allocate grant funds among competing applicants.

Current Status: Initial work on investigating the feasibility / desirability of blending the CIP (State) and SDS (Indian Health Service/Alaska Native Tribal Health Consortium) sanitation facilities systems has been undertaken.

One Year Goal:

- To have better integrated CIP / SDS application and scoring systems devised and in place by January 2006.

5. Establish incentives for the consolidation of utility systems.

Current Status: Two pilot projects are in place for water/sewer utilities services and a third is in the making.

One Year Goal:

- Validate operational cost estimates for a fully functional rural utility cooperative (RUC)
 - (a) Establish RUC best practices from operational data.
 - (b) Estimate/project best value criteria for selecting a multi-community utility organization option when studying strategies for community utility operations improvement.
- Validate unit cost estimates for ANTHC Utility Association member services, such as utility customer billing.

6. Denali Commission pilot competition to reward innovation in sustainable utility projects.

Current Status: Denali Commission staff member has assigned the task of developing a recognition plan for innovative sustainability.

One Year Goal:

- A “pilot” award program will be developed.
- Denali Commission will participate with the Alaska Municipal League Awards Program in recognizing significant achievements with regard to sustainability.