



Denali Commission
510 L Street, Suite 410
Anchorage, AK 99501

907.271.1414 *tel*
907.271.1415 *fax*
888.480.4321 *toll free*
www.denali.gov

Denali Commission MOU Meeting

Strengthening State and Federal Partnerships for infrastructure, workforce and economic development in rural Alaska

Agenda

May 18, 2009 9:00 a.m. – 12:30 p.m.

Thirty-four agency representatives attended the MOU Partners meeting held at the Denali Commission Offices on May 18, 2009 (a list of attendees is at the end of this report). Twenty-three different agencies were represented of which 10 were State of Alaska agency representatives and 10 were Federal agency representatives. Three private sector representatives attended as well.

The meeting was called to order promptly at 9:00 a.m. George Cannelos, Federal Co-Chair at the Denali Commission and Karen Rehfeld, State Co-Chair, Director of the Office of Management and Budget (OMB) welcomed all in attendance to this third, semi-annual MOU Partners meeting. The Co-Chairs emphasized the importance of face-to-face dialogue by federal and state leaders on important issues affecting rural Alaska. They urged everyone to get to know each other and to spread the word about the importance of effective government coordination.

Lynne Curry, facilitator, of The Growth Company, led the group in introductions. Because the group was ahead of schedule we moved the Immediate Action workgroup report to an earlier time slot.

Agenda Item: Recommendations from the Immediate Action Workgroup (IAWG) - Update by Bob Pawlowski, Legislative Liaison and Larry Hartig, Commissioner, Alaska Department of Environmental Conservation.

Commissioner Larry Hartig – This IAWG was formed as an integral part of Governor Palin’s Sub-cabinet on Climate Change, with endorsement from the Alaska Legislature, as a means of addressing the immediate threats to the six villages identified by GAO and the USACE. The IAWG focused on these villages in peril due to climate impacts of flooding and erosion. The IAWG identified protective measures needed, developed FY09 and FY10 state capital budget initiatives, and issued two reports focusing on 1) community and emergency planning, 2) temporary protective structures including revetments, and 3) long-term solutions including evacuation roads and relocation as being implemented for Newtok.

Mike Black and Trish Opheen co-chaired the IAWG. Credit also goes to John Madden, Department of Military and Veterans Affairs Emergency Management and Homeland Security; Mike Coffey, State of Alaska, Department of Transportation and Public Facilities, and Luke Hopkins, Alaska Municipal League. Affected communities played a direct role throughout the

process and presented their situations and recommendations. The IAWG recommends four broad policies to the Governor’s Climate Sub-cabinet. These will be offered to the Governor for her consideration in July:

POLICY 1: ESTABLISH A STATEWIDE SYSTEM TO DOCUMENT, ASSESS, AND ANALYZE CURRENT AND PLANNED PUBLIC INFRASTRUCTURE IN ORDER TO PROTECT EXISTING AND FUTURE INVESTMENTS AND PREVENT THREATS TO LIFE IN AN UNCERTAIN ENVIRONMENT.

POLICY 2: SUNSET THE IMMEDIATE ACTION WORKGROUP AND DIRECT THE RELEVANT STATE AGENCIES TO ESTABLISH AN INTERAGENCY COLLABORATION WITH EACH OTHER, ALONG WITH RELEVANT FEDERAL AGENCIES AND COMMUNITIES.

THROUGH REGULARLY SCHEDULED MEETINGS COORDINATE INFORMATION, PLANNING, EVALUATION AND DECISIONS ON PUBLIC INFRASTRUCTURE FOR THOSE COMMUNITIES IMPACTED BY CLIMATE CHANGE.

POLICY 3: ASSISTANCE TO COMMUNITIES IN PERIL MUST UTILIZE COMPREHENSIVE INTEGRATED PLANNING AND VIABLE, FUTURE-ORIENTED SOLUTIONS & FUNDING THAT ALLOWS FOR SUSTAINABILITY WHETHER THE COMMUNITY REMAINS IN PLACE, USES A MIGRATION STRATEGY OR NEEDS TO RELOCATE.

POLICY 4: THE STATE OF ALASKA WILL LEAD A COORDINATING EFFORT TO:

DEVELOP A COMPREHENSIVE STATEWIDE DATA COLLECTION AND EVALUATION SYSTEM THAT PROVIDES FOUNDATIONAL INFORMATION FOR COMMUNITY AND BUSINESS DECISIONS &

SOLUTIONS LEADING TO EFFECTIVE RESPONSES AND ADAPTATION STRATEGIES TO ADDRESS CLIMATE CHANGE IMPACTS.

Commissioner Hartig noted agreement with the GAO report that a lead federal agency to coordinate village relocations is a critical missing element.

The need for coordination of agencies on climate change was shared; so that one agency is not building a permanent structure, while others are building modular. It was asked who makes the “final call” on a communities relocation. Commissioner Hartig discussed the need for community involvement to make that decision with various involved state and federal agencies involved in infrastructure development in a particular community. Emergency response and planning to enhance response to these villages was discussed.

Upcoming events: A GAO report is expected in July, also the Corps of Engineers Baseline Erosion report was discussed. The next Governor’s Sub-cabinet meeting will be in June. Final recommendations from the Sub-cabinet working groups will be in for review before the end of June.

Agenda Item: Issues with the 2010 Census & Latest Information on Demographic Trends and Outmigration – Presentation by Janie Leask, President/CEO and Liz Cheney, Vice-President, Alaska Native Policy Center both of First Alaskans Institute (FAI) – [Update on the FAI Census Information Center, Research and Resources](#) and a presentation by Greg Williams, from the Alaska Department of Labor, State Demographer – [Outmigration data](#).

Janie Leask started with an overview of FAI. First Alaskans Institute was founded in 2000. Visit the FAI website at www.firstalaskans.org. FAI has an 11 member board of trustees with Willie Hensley as Chair and Sam Kito, Jr. as Vice Chair. FAI partners with the Denali Commission for the summer intern program which currently employs 26 interns. FAI helps develop capacities of Alaska Native people and their communities to meet the social, economic, and educational challenges of the future, while fostering positive relationships among all segments of our society.

FAI has an MOU with the Census Bureau to participate in rural census taking and analysis. FAI is very concerned with the methodology adopted by the Census Bureau to count and survey rural Alaskans, noting there have been major errors in the decennial census since the first census in 1880.

The Census Bureau is dropping the usual long form in favor of the new American Community Survey (ACS). Inaccurate counts and sampling have direct and lasting negative impacts on rural Alaska, including loss of political representation through inaccurate redistricting, exaggeration of incomes which negatively affect a host of grants and federal and state programs. In 2000 only 10% of Alaskan's were living in what is called remote rural Alaska, the first numbers for rural sampling will be available in 2010, reliability of this data is a huge concern.

Tessa Rinner cited an example of survey sampling which reported on three residents: the post master, the mayor and a teacher of Igiugig, where the average income was determined to be \$70,000! (It matters who you survey.)

The sample rate for ACS is much less than with the long form. The Bureau has agreed to a longer window (four months) to sample remote rural Alaska, which is defined as most of the state outside Anchorage, Fairbanks and Juneau. FAI, Alaska Municipal League (AML), the Southeast Conference and others are asking the Bureau to increase the sample size.

Other issues with ACS: Inaccurate redistricting could leave large areas sparsely represented by state government. In September 2010, the Redistricting Board will be appointed – 2 representatives by the Governor, 1 by the Senate, 1 by the House, and 1 by the Alaska Supreme Court. Their recommendations are subject to approval by the Justice Department.

Greg Williams, from the State of Alaska Department of Labor, State Demographer office reported further on the ACS process and on current State of Alaska outmigration trends. Greg reported that the ACS is urban-oriented and has serious limitations for rural America. It will be done in rural Alaska twice a year January and September. Surveys sent to P.O. Boxes will be returned. Confidence intervals will be wider. As the State's liaison to the Census Bureau, Greg has proposed several changes for Alaska:

- Improved follow-up for non responses to the survey

- A third sample period for remote rural Alaska (the most seasonal state in the nation)
- An increase in the sample size
- In the 5 year ACS there will be no missing estimates for any of the data for small communities
- Village approval of information

Greg was asked whether the ACS could be somehow linked to the Permanent Fund Dividend data. Greg responded that the PFD data is confidential and would not be a source of information.

Greg also provided a State of Alaska migration update stating among other stats that 70% of the people who leave Alaska go to the lower 48 rather than to other areas of Alaska. Other interesting stats were provided in Greg's statistical PowerPoint which will be provided on the Denali Commission website.

Agenda Item: Opportunities in the ARRA - Alaska Clearinghouse – Presentation by Jon Bittner from the Denali Commission.

Jon Bittner gave an overview of the Denali Commission's work with partners to develop the Alaska Clearinghouse. The Alaska Clearinghouse, is a partnership between the Denali Commission, the Alaska State Legislature, the Rasmuson Foundation, the U.S. Department of Housing and Urban Development and the Alaska Federal Executive Association. This group created the Alaska Clearinghouse for the coordination of information and opportunities from the 2009 American Recovery and Reinvestment Act (ARRA).

The Alaska Clearinghouse web site found at www.denali.gov contains information regarding funding opportunities and eligibility requirements received from federal agencies. The Clearinghouse will also maintain e-mail distribution lists and a deadlines calendar which will assist in communicating opportunities to eligible Alaskan organizations.

The Alaska Clearinghouse staff created a database system which includes all of the project information we have received from individuals, tribes, non-profit and for-profit organizations, communities, boroughs, municipalities, and federal agencies. Informational seminars on the database are taking place. You can learn more about this, ARRA, and the new Alaska Clearinghouse website by contacting the staff for this project at the Denali Commission office in Anchorage, Alaska. Staff is available for questions at this toll-free number: 1-888-480-4321, or (907) 271-1414. Email is akclearinghous@denali.gov. Also, you can request to receive Alaska Clearinghouse updates via our email alerts.

Many in attendance thanked the Denali Commission and partners for their work on disseminating this important information to others.

Agenda Item: Energy Issues – Update on State Energy Plan - Steve Haagenson, Alaska Energy Authority, Executive Director, & Rail belt Utility Issues – Joe Balash, State Alaska Department of Natural Resources, Inter-Governmental Coordinator.

Steve Haagenson provided an update on the State Energy Plan. Steve noted the challenges inherent in storing excess energy at the village level for future use. The Alaska Energy Authority (AEA) has contracted with the Alaska Center for Energy and Power based at the University

Alaska. The Alaska Center for Energy and Power is doing a technology assessment of all energy storage facilities and will investigate all energy storage solutions; e.g. “artificial geothermal” solutions; e.g. using excess energy to heat water or other mediums for later use. Steve cited the work of Cold Climate Housing Research Center (CCHRC) in storing energy by heating concrete slabs.

AEA wants to find integrated solutions from the assumption of 100% renewables. They will be conducting meetings in each of the 12 regions of Alaska.

Joe Balash from the State of Alaska Department of Natural Resources then discussed railbelt utility issues. Joe is Governor Palin’s lead to try to bring together the six utilities along Alaska’s railbelt. Seventy percent of our population lives here, and over the next decade 45% of the generation infrastructure is set to retire.

Chugach Electric Association (CEA) is the dominant player and has long-term power sales agreements which expire in five years (2014). To continue CEA must know how much power to plan for and to whom. Further, their generation capacity is largely based on declining Cook Inlet natural gas.

In urging the utilities to organize for the future, Governor Palin tasked AEA with forming a workgroup comprised of the utilities, business and other agencies. In 2008, they concluded that consolidating the utilities would lead to long-term cheaper power costs. They recommend moving to a “transmission and generation” model. A new organization would build and operate all generation facilities, and the existing utilities would then buy and sell the power to their customers. The six utilities met in April to review the Governor’s proposed legislation.

Difficult questions and choices arise in this concept. Should we commit to an in-state gas line, promote more exploration in Cook Inlet, go for a Susitna Dam, etc.? Joe advocates pursuing multiple strategies simultaneously. The six utilities and their boards came together in April, 2009 and appointed a task group and plan for a report in the fall and hope to figure out a structure and a financing model.

Donlin Creek was discussed by the group as an example of the importance of consolidation. Recently the proposed Donlin Creek mine in western Alaska sought the ability to purchase power from one of the railbelt utilities. This would have led to a new transmission line to western Alaska, connecting a new region of the state to the power grid, and an ability to power the mine. As it stands, no single railbelt utility had the generation capacity to handle it, and Donlin must look for other options.

Dan Fauske interjected strong support for a major capital project such as a gas line or Susitna. He stated that Alaska has so far avoided the major downturns suffered by other states that succumbed to the easy mortgage crisis. He says the financial crisis is far from over, and to help ensure Alaska avoids a major downturn, a new major capital project would bring capital and important jobs to help support and boost the economy.

Considerations that must be looked at: there are long lead-times for environmental reviews for large projects to be constructed; there is declining production for natural gas in Cook Inlet; Governor Palin has proposed the examination of a gas pipeline.

Agenda Item: Regional Forum – Colleen Bickford, Field Office Director, Alaska HUD office and George Canelos, Federal Co-Chair at the Denali Commission.

Colleen Bickford and George Canelos updated the group on the Regional Forum concept discussed at the last MOU meeting. The group had suggested the MOU Partners pursue this concept and hold a series of regional forums. After consideration and a review of potential costs, George and Colleen recommend that instead of establishing a new program of meetings, the Partners establish gatherings that are in conjunction with other regularly scheduled annual meetings and events with already well-established groups. Examples include AVCP, SE Conference, AML, etc. Berney Richert cited the Alaska Regional Development Organizations (ARDORS) as another important group to coordinate with.

The group agreed with this recommendation. It was discussed that there needed to be a couple of lead agencies on this effort who can carry this forward; there have to be a couple of other agencies that are willing to work with the Denali Commission to work with an existing function and put on one regional forum in the next year.

Agenda Item: Closing remarks & Next Steps – Lynne Curry, George Canelos, Federal Co-Chair, Denali Commission and Karen Rehfeld, State Co-Chair - Director of the Office of Management and Budget (OMB)

- Dan Fauske recommended the MOU Partners hear a presentation on the economics behind the nation’s financial crisis and how it is and will affect Alaska. Dan expressed his concern for the declining availability of credit, particularly for smaller banks. The group asked that Dan host a session and to please not wait until the next MOU meeting. Participants felt this session was needed as soon as possible. This topic will be coordinated for an upcoming session or the next MOU Partners meeting.
- Colleen Bickford requested more MOU Partners meetings, perhaps quarterly. After discussion on cost and schedules, the group decided to keep the next MOU Partners meeting in November 2009.
- Trish Opheen asked that the MOU Partners place on the agenda for next time and/or develop initiatives around any of the first three items of the MOU:
 - 1.federal & state policies that hinder collaboration;
 - 2.federal and state funding streams;
 - 3.case studies of successes & failures in rural Alaska and codifying what’s happened in Newtok;

The group is largely in favor of this effort. This topic will be coordinated for the next meeting.

- Karen Rehfeld suggested the group look at the State budget at the next meeting. Karen said she appreciated the MOU groups ability to “peel” these topics apart and look at these items more closely.
- Bob Pawlowski noted that the Waxman-Markey American Clean Energy and Security Act as being heard in Congress will require every federal agency to have a climate

change adaptation plan and would be a good area to follow on with Trish's proposed agenda initiatives.

- Sharon Lind asked all members to please provide her with any agenda ideas so that she could get that to George and Karen.
- A list of possible regional meetings will be compiled and the Regional Forum idea will be addressed.
- George Cannelos and Colleen Bickford discussed the Sustainable Utilities Workgroup that was developed several years ago and then later disbanded. George suggested that this important workgroup needs to be re-ignited work groups in areas such as sustainable utilities and potentially water & sewer.

Larry Hartig said he felt it would be very timely to reestablish this group as we are seeing drastic cuts in funding; we have to leverage money further and we have to figure out efficiencies and these projects are a great source of jobs. We need to get everyone who has a say in this at the table; maybe we could also combine housing and utilities. Larry also suggested that we need a coordinating body to look at the changes in funding.

Larry Hartig will co-chair this reinstated workgroup. It was suggested that the yet to be identified USDA RD director be the federal co-chair of this group. All agreed on the co-chairs and others volunteered to participate:

- Sam Kito, State of Alaska, Department of Education and Early Development
 - Marcia Combes, U.S. Environmental Protection Agency, Alaska Operations Office
 - Steve Haagenson, State of Alaska, Department of Commerce, Community and Economic Development, Alaska Industrial Development and Export Authority
 - Dan Fauske, State of Alaska, Department of Revenue, Alaska Housing Finance Corporation
 - George Cannelos, the Denali Commission
 - Tara Jollie, State of Alaska, Department of Commerce, Community and Economic Development, Division of Community & Regional Affairs
 - Colleen Bickford, U.S. Department of Housing and Urban Development
 - Bernie Richert, U.S. Department of Commerce Economic Development Administration
 - Steve Weaver, Alaska Native Tribal Health Consortium
 - Trish Opheen, U.S. Army Corps of Engineers
 - Jamilya George, Denali Commission
- It was recommended that the group receive a presentation from Jack Hebert at Cold Climate Housing Research Center. This topic will be coordinated for the next meeting.
 - The group thanked George and Sharon for organizing this month's meeting. George and Karen thanked everyone for attending the meeting.
 - Next meeting: *Tuesday, November 17, 2009 – 9:00 a.m. – 12:30 noon*

<i>Meeting Attendees</i>	<i>Agency</i>
Steve Weaver	Alaska Native Tribal Health Consortium
Bob Pawlowski	Denali Commission
George Cannelos	Denali Commission
Jamalia George	Denali Commission
Jimmy Smith	Denali Commission
Krag Johnsen	Denali Commission
Sharon Lind	Denali Commission
Tessa Rinner	Denali Commission
Janie Leask	First Alaskans Institute
Liz Cheney	First Alaskans Institute
Rachael Petro	State of Alaska, Department of Administration
Steve Haagenson	State of Alaska, Department of Commerce, Community and Economic Development, Alaska Industrial Development and Export Authority
Brigitta Windisch-Cole	State of Alaska, Department of Commerce, Community and Economic Development, Division of Community & Regional Affairs
Tara Jollie	State of Alaska, Department of Commerce, Community and Economic Development, Division of Community & Regional Affairs
Larry LeDoux	State of Alaska, Department of Education and Early Development
Sam Kito	State of Alaska, Department of Education and Early Development
Larry Hartig	State of Alaska, Department of Environmental Conservation
Bill Hogan	State of Alaska, Department of Health and Social Services
Gregory Williams	State of Alaska, Department of Labor and Workforce Development
Joe Balash	State of Alaska, Department of Natural Resources
Dan Fauske	State of Alaska, Department of Revenue, Alaska Housing Finance Corporation
Mark Romick	State of Alaska, Department of Revenue, Alaska Housing Finance Corporation
Karen Rehfeld	State of Alaska, Office of the Governor, Office of Management and Budget, and the Denali Commission
Lynne Curry	The Growth Company
Trish Opheen	U.S. Army Corps of Engineers
Gene Kane	U.S. Department of Agriculture, Rural Development, Alaska Office
Berney Richert	U.S. Department of Commerce Economic Development Administration

Bill Zachares	U.S. Department of Housing and Urban Development
Colleen Bickford	U.S. Department of Housing and Urban Development
Jolie Pollet	U.S. Department of Interior: Bureau of Land Management
Dan Healy	U.S. Department of Interior: National Park Service
Ron McCoy	U.S. Department of Interior: Office of the Secretary
Greg Holt	U.S. Department of Transportation: Federal Aviation Administration
Marcia Combes	U.S. Environmental Protection Agency, Alaska Operations Office