

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DENALI COMMISSION
VIRTUAL COMMISSIONER MEETING
WATER/SEWER/SOLID WASTE

January 24, 2022

4:00 p.m.

Held via Zoom

COMMISSIONERS PRESENT:

- Garrett Boyle
- Alicia Amberg
- Tyson Gallagher
- Julie Kitka
- Pat Pitney
- Joelle Hall

OTHER PARTICIPANTS:

- Anne Stanislawski
- Jocelyn Fenton
- John Wittington
- Kristin Reardon
- Katie Conway
- Erik Obrien
- Angie Gorn
- Jerry Moses
- David Beveridge
- Christopher Fehrman
- Megan Alvanna Stimpfle

1 P R O C E E D I N G S

2 CHAIR BOYLE: Good afternoon,
3 commissioners. Thanks for joining us again here
4 today. Hope this session is off to a fun start
5 for you all, as I said this morning.

6 I'll go around and introduce the staff on
7 again, just real quick.

8 John Whittington's our general counsel.
9 Katie Conway does our energy portfolio. Jocelyn
10 Fenton is our director of programs. Kristen
11 Reardon DOJ Victims of Crime funds and the water
12 and sewer money. So, she's very interested in
13 this meeting. And Anne just kind of runs the
14 entire office, generally speaking, and is quite
15 helpful.

16 My report, I think, will be pretty quick
17 today since it's only been two weeks since our
18 last meeting.

19 So, first off, the good news is I won my
20 fight with GSA, and the commission now has the
21 authority to independently lease office space
22 which means we now no longer have to have GSA as a
23 middle man telling us where we have to be located
24 and charging us a 7 percent fee every year.

25 So, I'm very optimistic that's going to

1 make life easier for us. Hopefully save us a lot
2 of money in the long-term as well.

3 I'm talking to Tyson about potentially
4 finding space in the Atwood building if someone's
5 available. And if not, we'll just kind of pursue
6 other options.

7 But I'm letting you know an office move
8 may be in our future, depending on how things pan
9 out.

10 Bad news is two weeks down the road, and
11 we still haven't gotten anything about it from
12 federal highways. So, we're just sitting on our
13 thumbs waiting for that still, unfortunately.

14 Those are my two main items.

15 Thank you for giving me some of your time
16 on the morning of February 14th for the Department
17 of the Interior presentation. I'm looking forward
18 to hearing that one and what DOI has to say about
19 the \$216 million in village resiliency money that
20 the Bureau of Indian Affairs got under the IIJA.
21 So, it should be exciting.

22 And then I will note the program staff
23 here put together kind of a historical look at the
24 workforce development programs that the commission
25 has done.

1 And I will send that around after the
2 meeting so everyone can take a look at it and get
3 a sense of kind of where we've been in the past
4 and what we are currently doing. Maybe that can
5 inform your thoughts on where we should take the
6 \$2 million we have allocated.

7 That is basically all of my presentation
8 here.

9 So, I'd -- if we can jump into the
10 discussion items and knock those out before the
11 presentations start -- which will be from ANTHC,
12 IHS, and, I believe, Norton Sound will be joining
13 us as well.

14 So, first question on my agenda here today
15 is Nils proposed this, and -- I don't know if
16 you're busy dropping off the kids again, Nils --
17 but do we want to set some kind of hard goal in
18 terms of leverage dollars with the IIJA funds that
19 we are getting?

20 MS. KITKA: Well, this is Julie.

21 Yes, I think we should, but I think we
22 should be modest. We should -- instead of saying
23 some exorbitant amount, we should say -- we should
24 at least leverage it by three times.

25 CHAIR BOYLE: Okay. Thanks, Julie.

1 Does anyone else have thoughts?

2 No?

3 All right. I guess --

4 MS. HALL: Is that historically in
5 the realm, Garrett?

6 I mean --

7 CHAIR BOYLE: I think it --

8 MS. HALL: -- historically, is that
9 a doable amount, what Julie's proposing?

10 I assume it is because she wouldn't
11 propose it unless it was.

12 But just a little clarity.

13 CHAIR BOYLE: I think it's
14 imminently achievable.

15 Jocelyn, maybe you can chime in on what
16 kind of the average is, if you have an idea.

17 MS. FENTON: I don't have an
18 average number right offhand.

19 But I think over the life of the
20 commission, we've leveraged quite a bit more. So,
21 we're definitely looking at leveraging our '22 --
22 FY '22 work plan comment letter.

23 You know, they were sure to point out, you
24 know, leveraging our funds with other agencies.
25 So, we're cognizant of that in trying to get the

1 most bang for our buck.

2 And that silver bullet of nonfederal match
3 and know your funds and all that fun stuff too.

4 So...

5 CHAIR BOYLE: Okay.

6 Then I guess moving on to question No. 2.
7 I was kind of hoping Nils would be available for
8 this one as well.

9 But AML has this grant-writing pool, and I
10 want to throw that idea out to the commissioner's
11 as well.

12 MS. KITKA: I have some thoughts on
13 that.

14 And, one, I think it's absolutely
15 essential that there be a grant-writing pool and
16 that we ought to have standards for the type of
17 grant writers and accountability in deliverables
18 on that because many of these grants that drives
19 another's -- communities are applying for are
20 pretty difficult.

21 And we don't want just basic planning-type
22 grants being applied for. We -- we want to build
23 in some of the complexity on that.

24 So, I think it's -- it's one, first off,
25 very essential that we support some kind of effort

1 on that, but we put some parameters of the quality
2 of -- of grant writers that are involved.

3 CHAIR BOYLE: Thanks, Julie. I
4 absolutely agree with you on that one.

5 Finding good writers to tackle the -- the
6 bigger projects that some communities may not have
7 the capacity to take on themselves and then don't
8 have the funds to actually hire a writer either.

9 I think it would be a fun thing and an
10 interesting thing for us to look at.

11 So, we can explore that more if the other
12 commissioners are kind of in agreement that that's
13 a good path to explore.

14 Jocelyn?

15 MS. FENTON: I have a little
16 comment on that.

17 So, we have found through the Center for
18 Environmentally Threatened Communities, which, you
19 know, began as a pilot project, you know, of grant
20 writers to support villages, you know, that are
21 threatened by erosion, permafrost, degradation,
22 and flooding, it has worked very successfully.

23 But we've also learned that they're not
24 just grant writers. It's -- it's that project and
25 program development. It's the capacity building

1 working with individual communities, finding their
2 priorities, making sure they have plans in place
3 that -- that, you know, organize their priorities.

4 So, I just want to, you know, caution that
5 it's more than just a grant writer. It's more
6 than just hiring a grant writer. It's really
7 project managers, program managers that can help a
8 community see their priorities and put that into a
9 scope schedule budget in order to apply for
10 grants.

11 MS. KITKA: I'd like to add to
12 that. I think you're absolutely right.

13 And there's two needs in that -- is, one,
14 the professional grant writing ability to do that.

15 But then there's a whole separate thing of
16 the project manager and what a difference having a
17 project manager means for a project where it
18 increases the confidence of multiple other
19 funders.

20 So, if we can have a two -- two-step
21 process on that, it would be awesome.

22 CHAIR BOYLE: Joelle?

23 MS. HALL: Every grant I've ever
24 received, I also have reports to write. So, you
25 know, as check-in or quarterly, annually, what --

1 whatever it is.

2 So, what about that resource in addition?

3 Because what if they get a big grant but
4 they don't have a -- somebody who wrote the grant
5 to --

6 You know, where does the technical
7 assistance persist?

8 Because that's going to then be a
9 relationship between the project manager and the
10 report writer.

11 CHAIR BOYLE: Yeah.

12 Reporting is one of my major annoyances of
13 federal grants.

14 But until we fix that problem, you're
15 exactly right. It's a problem we need to address.

16 And maybe Jocelyn's idea of kind of having
17 the two paths there -- both the program manager
18 and the grant writer -- to help on the reporting
19 requirements down the road is something they can
20 cover.

21 Jocelyn?

22 MS. FENTON: Yeah.

23 It's kind of an element of the training
24 and that capacity building for the person who is
25 submitting the grant. You know, which is usually,

1 you know, a direct point of contact with the tribe
2 or the city or whomever the applicant is.

3 I hear you on the reporting for sure,
4 Julie. We -- you know, we've put a -- you know,
5 spotlight some of our local coordinator positions
6 that have excelled in both applying for grants but
7 also, you know, we pointed out that they had eight
8 reports due one quarter. You know, some were
9 annual, some were quarterly reports.

10 And it was just incredible, you know, that
11 Sophia Katchatag from Shaktoolik -- she was
12 getting it done, and we were so proud of her and
13 the work that she was doing there.

14 So, yes. We completely understand that.

15 One really fun initiative that BIA is
16 working on that I'm hoping that Reyna (phonetic)
17 can describe to us in a little more detail --
18 there's nothing published yet, but we want to
19 anticipate it.

20 And our partnership on it is they want to
21 hire 20 resilience coordinators for the top 20
22 most threatened communities. They're kind of
23 working out, you know, who -- you know, which
24 communities those are, which ones are the longer
25 lead ones.

1 But they're looking at, you know, putting
2 together a training package for these folks that
3 they plan on hiring, and that could be a model for
4 other -- for other initiatives, you know, in
5 addition to some of the training programs that
6 we've been taking a look at over this last week or
7 two to put this list together that Garrett will
8 send out.

9 CHAIR BOYLE: All right. Thanks,
10 Jocelyn.

11 That sounds like something we need to run
12 down, then, on our end.

13 And then my kind of third and final
14 question -- I guess this is going faster than I
15 had envisioned given how much time we spent last
16 time.

17 How do you envision the infrastructure
18 bills interacting with or meshing with our typical
19 annual appropriations?

20 This is a question that the
21 administration's asked me, OMB has asked me, other
22 people are asking me how exactly we're going to do
23 this.

24 Are we going to have, like, this separate
25 bucket of funds over here that we got from the

1 infrastructure bill and our separate pot of money
2 in the annual appropriations?

3 And our annual approps will just kind of
4 do their kind of thing, and we'll take the
5 infrastructure bill money and do something
6 different entirely?

7 Are we going to use the infrastructure
8 bill to supplement the kind of legacy programs we
9 have going on?

10 I would love to hear thoughts on that one.

11 MS. PITNEY: I -- my -- my chime-in
12 is that, you know, the infrastructure bill has --
13 you know, we have the time -- we don't have the
14 time constraint on the infrastructure funding.

15 The annual appropriation, to the degree
16 that we think what it is, is solid. You know,
17 we -- we have that to deploy.

18 But then we -- we use the infrastructure
19 to really focus on the tipping point things that
20 we could only do with that infrastructure bill
21 that wouldn't otherwise be possible in the annual
22 appropriation.

23 And maybe in some ways, you know, we may
24 want to hold some of the annual appropriation to
25 be -- you know, to make it -- the tipping point

1 even more possible on -- on what -- on the few
2 things that are -- that are vitally important.

3 But it -- because we have that -- the --
4 we don't want to sit on the money, but we don't
5 have that time constraint. It becomes -- I mean,
6 the longer we sit on it, the less value it --
7 valuable it becomes.

8 But in the same token, we can do something
9 different and pointed with that that can't do as
10 much in the annual appropriation.

11 CHAIR BOYLE: Yeah. I agree with
12 you on that one, Pat.

13 I don't think we just want to sit and keep
14 our powder dry for so long it goes bad. But
15 making strategic investments on it, I -- is
16 obviously the best way to approach it.

17 Just finding that balance, I think, may --
18 will be a bit of a challenge, perhaps.

19 Alicia, did you want to chime in?

20 You had raised your hand.

21 MS. AMBERG: We had talked, I know,
22 in our first meeting about filling gaps that --
23 that in order to make more happen -- and I'm not,
24 like, being very eloquent with my words right now.
25 It's late in the day on a Monday, and there's a

1 lot going on here.

2 But I know -- you know, we had discussed
3 filling some of those gaps that -- only because
4 there's so much flexibility with our portion and
5 just kind of keeping that at the front of our
6 minds as well.

7 I don't know if that's the question you
8 were asking, Garrett, but...

9 CHAIR BOYLE: Essentially, yeah.

10 If we just kind of want to reserve the
11 infrastructure bill money for those strategic
12 investments where we can leverage the most to hit
13 our three times goal or make really big --

14 MS. AMBERG: Uh-huh.

15 CHAIR BOYLE: --
16 investments (indiscernible) smaller communities
17 and that kind of deal.

18 I think it's a plan I fully support and
19 endorse. I just needed to hear that from you all.

20 MS. AMBERG: Biggest bang for our
21 buck.

22 CHAIR BOYLE: Uh-huh.

23 MS. KITKA: Well, I'll give you a
24 little historical perspective on the commission.

25 When Senator Stevens first set this up and

1 met with it, he told us not to sit on money and
2 pool it up because we'll destroy the sense of
3 urgency to get additional funds the more we sit on
4 it.

5 So, he urged us to deploy it as smartly
6 and quickly as we could. So, that's one train of
7 thought.

8 The other thing in dealing with this
9 administration, the Denali Commission is
10 underfunded completely. Completely. And that
11 needs to change.

12 And we need a commitment from the
13 administration that they're going to plus-up the
14 budget. We need a commitment from Senator
15 Murkowski that she's going to plus-up the budget,
16 and we need to get back into a base funding of the
17 commission of 50-, 60 million a year. Regular
18 stuff.

19 And the only reason we are not plussed up
20 had to deal with the problems with our inspector
21 general, and we need to make a compelling case
22 that we don't have those problems anymore, that
23 everything's sound and going proactive.

24 But, no. I think we need to be really
25 aggressive. Pushing out to increase the base and

1 do that.

2 And in regard to the flexible
3 infrastructure money, I think we -- we leverage it
4 smart, but we think about trying to deploy it
5 sooner than later.

6 I think there's a big risk to the Denali
7 Commission sitting on a pool of money that's not
8 deployed.

9 And the -- the critical needs that are
10 going on are very real right now too.

11 So...

12 MS. PITNEY: Are there key State
13 programs -- I'm thinking of the Renewable Energy
14 Fund and the sewer and water fund -- so, a lot of
15 those are getting up.

16 Is there any way that -- or is there any
17 merit in using some of this to adjust the
18 priorities to things that are most important that
19 may not be of highest priority in that -- in
20 the -- in the State ranking?

21 Is there a way to do -- to get a tipping
22 point using this infrastructure money from any of
23 the existing State programs in a sense to -- to
24 move known priorities higher in the list but yet
25 also get the leverage?

1 MS. KITKA: Pat, let me give an
2 example of what the Denali Commission did.
3 Exactly that. And that is the hospital in Barrow
4 and the hospital in Nome.

5 Because the Denali Commission
6 strategically invested in the planning things on
7 that, they were able to rise up on the national
8 hospital replacement priority list, and that's why
9 they got done.

10 So, if it hadn't been for the Denali
11 Commission investing at that critical time on
12 that, that bumped them up on the priority list.

13 And we should be doing analysis on these
14 national priority things. Where are the strategic
15 investments that bump things up?

16 So, that's exactly what we've done in the
17 past.

18 MS. PITNEY: Good.

19 CHAIR BOYLE: Thanks for that
20 historical perspective on everything, Julie.

21 Understand your concern, I think, about
22 sitting on money too long and possibly having it
23 rescinded or having the administration view us as
24 an, I don't know, inefficient body to send money
25 to, which would obviously hamper our efforts to

1 increase our base funding.

2 Pat, I think to answer your question from
3 my perspective, yes, I think it would be a fun
4 thing, good thing for us to go out, like, on the
5 energy program and find projects that need funding
6 that aren't being taken care of by AEA or AVEC,
7 right?

8 I mean, the one that's been a bug in my
9 ear is the dam down in Angoon, right?

10 Like, they have been looking for funding
11 since ANILCA got signed into law, and now this
12 whole big project's ballooned up to \$25 million.

13 And they can't afford to take on that kind
14 of debt. They can't access AEA's revolving loan
15 fund or that kind of thing.

16 So, like, is that a place we can go in
17 outside of our usual programs with a few million
18 dollars from this bill and make a really big
19 impact in the community?

20 Probably.

21 MS. PITNEY: Right.

22 And maybe that's something that tribal
23 funding plus this funding and potentially some
24 other would get it to a price that they could hit
25 the revolving loan.

1 CHAIR BOYLE: Yeah.

2 MS. PITNEY: And -- and afford
3 the -- the debt service on it.

4 CHAIR BOYLE: Uh-huh. Yeah.

5 If you piece enough different pots of
6 money together and, you know, the IRT goes in
7 there and builds a road and this happens and that
8 happens, then maybe the entire project comes
9 together. It's just missing that first initial
10 investment from somebody that is not a loan.

11 Any other thoughts?

12 Joelle?

13 Okay. Well, we've got a few minutes till
14 our presentation starts.

15 Do we want to maybe -- Joelle -- go back
16 to the conversation last time that we didn't fully
17 flesh out on workforce development again, or do
18 you guys prefer to wait until I send around the
19 historical look at what we've done?

20 MS. AMBERG: I'd kind of like to
21 see the historical.

22 But if there's anything, I guess, in
23 advance that you want to share with us...

24 MS. HALL: I'm --

25 MS. AMBERG: I have to jump off

1 right at 5:00 today, so I'm going to switch to my
2 cell phone. So, you're going to see me here
3 twice, and then I'll be driving.

4 But anyways...

5 Sorry.

6 CHAIR BOYLE: It's okay.

7 MS. HALL: Not to start a totally
8 different conversation right before our friends
9 come on board, but I'm thinking about the
10 senator's visitor to Alaska earlier this summer
11 with Secretary Granholm and some of the renewable
12 projects she was talking about and thinking
13 about that -- that spot where we're -- some of the
14 stuff that's really, really innovative that's
15 happening that a lot of it --

16 I don't know that it's happening in the
17 Denali auspices, but, like, what -- I -- the
18 Renewable Energy Fund, is that where all that
19 happens?

20 It just seems like that was a lot of
21 interest -- enough interest that Senator Murkowski
22 brought Secretary Granholm here to look at --
23 basically we're the incubator of all kinds of
24 really fascinating and baby steps of renewable
25 energy projects and wondering about that.

1 Because we could be incubating a couple
2 different types of things, right?

3 Incubating things on the federal list
4 and -- that are relating to specific projects but
5 also, like, is it the Renewable Energy Fund that
6 is the one that's going to push in-river hydro
7 or --

8 You know, like, some of these projects
9 that are -- I feel like they're nascent. And are
10 we in the nascent technology business?

11 I'm -- I'm not entirely sure, but I don't
12 know that we're not, right?

13 All these things are kind of exciting, and
14 they seem to have the interest of this
15 administration.

16 So...

17 CHAIR BOYLE: Yeah.

18 I honestly think that might be a fun place
19 for us to kind of explore a little bit.

20 Erik Obrien, who's our workforce guy got
21 on a bit late. But he has been doing a lot of
22 great work trying to expand mariculture, for
23 example.

24 I don't know exactly to what degree we
25 helped, but we assisted with Southeast Conference

1 and their initial phase of this Build Back Better
2 grant.

3 They got moved on to phase 2, so we got
4 500,000 bucks from EDA to kind of build this out.
5 And that might result in a pretty huge grant to do
6 economic development work all along the coast.

7 One thing that I think would be
8 fascinating for us to get into is green hydrogen.

9 Like, is there a small nonprofit company
10 we can give a couple million bucks to say, "All
11 right. You know, throw some turbines out in the
12 arm, produce clean power that way, and start
13 cracking water to produce hydrogen."

14 And then we could, you know, build that
15 out over the course of 10 or 15 years and probably
16 solve a lot of the energy problems in the state.

17 If we can produce clean energy in the
18 state, ship that directly to villages, I mean,
19 there you go, right?

20 You're -- you're now off diesel.
21 You're -- you're energy secure because you're
22 producing that from a renewable resource in the
23 state so we don't even have the supply chain
24 problems to deal with now.

25 MS. KITKA: Well, Garrett,

1 doesn't --

2 MS. HALL: Well, I was talking --

3 MS. KITKA: -- the university have
4 a power initiative that we can just scale up?

5 MS. PITNEY: Yeah. The Alaska
6 Center for Energy and Power.

7 And not sure the status on the -- the
8 green hydrogen. But happy to link back.

9 I do know we're doing a lot on the
10 hydrogen -- or the title area that -- you know, I
11 just learned the other as we were -- as somebody
12 was looking to partner, we've got a DOE grant with
13 that.

14 And so I think certainly -- can connect to
15 Alaska Center For Energy and Power, Gwenn Holdmann
16 and Jeremy -- I can't think of Jeremy's last
17 name -- about what the projects and partners are
18 because we -- you know, we're interested in having
19 commercial partners as well and focusing on
20 testing and proof of concept and the like.

21 So, I can see if that's --

22 You know, one thing we are working on that
23 is -- is on the nuclear side -- you know, those
24 self-contained nuclear batteries and kind of what
25 are the -- what are the issues that are holding us

1 back in terms of being able to deploy those,
2 that would be a complete game changer.

3 That -- that could -- that could power a
4 hub of communities. It's probably a little bit
5 too big to power, like, a small community. But a
6 place like Bethel, do the whole thing.

7 And -- and have enough power to actually
8 have an industry of some sort.

9 And -- and they're self-contained, and
10 they last for 30, 40 years.

11 So, you know, maybe --

12 Oh, Katie. You -- you -- you know more
13 about this, don't you?

14 So, I -- correct me if I'm wrong. You've
15 been involved in this way longer than I have.

16 MS. CONWAY: A little bit. Please
17 don't give me too much credit. I did just come
18 back after a few years away.

19 But I think referencing the REF and the
20 EETF is a good place to start. There are so many
21 interesting technologies and project ideas
22 floating around.

23 I think it's really important to work them
24 through the processes that have already been set
25 into place to ensure that we're looking at

1 everything from an objective perspective and
2 looking at the economic and technology
3 feasibility.

4 And those are the two programs that are
5 here on the books, although the EETF would have to
6 be reauthorized.

7 I think AEA let that one -- I think it
8 kind of disappeared when nobody was looking, and
9 they'll need to fix the statute.

10 But my personal opinion is that those two
11 programs have been set up with a lot of thought
12 put into how projects should be solicited and
13 scored and selected to ensure that the best of the
14 bunch is -- is picked.

15 And I think that in particular, the
16 EETF -- when you talk about incubating new
17 technology is -- if the statute has to be
18 reauthorized, then maybe that's a good opportunity
19 for ACEP and the commission and AEA to put heads
20 together and reconsider the parameters of that
21 program to make sure the EETF of today is what --
22 you know, it's just considered and that it's
23 reestablished in a way that fits the -- the new
24 context because that program was set up a long
25 time ago.

1 CHAIR BOYLE: Thanks for that,
2 Katie. I think that was pretty helpful.

3 Pat, I agree with you.

4 You know, Lisa's been super excited about
5 the small module reactors for a number of years.
6 So, been exploring that one.

7 And I hear rumors the governor's going to
8 introduce a bill to change the law to make it a
9 wee bit easier to get that done in the state this
10 session.

11 So, we'll see if he does that and if it
12 goes anywhere.

13 MS. PITNEY: Yeah.

14 CHAIR BOYLE: You -- might be worth
15 chasing down in the years to come.

16 MS. PITNEY: That would be a, you
17 know, complete game changer for mining as well.

18 I mean, just a tremendous difference.

19 CHAIR BOYLE: Yeah.

20 Cheap power makes business a lot better
21 and a lot easier.

22 All right. Looks like our presenters are
23 slowly joining us here.

24 So, we have Jerry Moses and David
25 Beveridge from ANTHC on.

1 Hey, Megan.

2 MS. STIMPFLE: Hi. Megan Alvanna
3 Stimpfle here with Norton Sound Health
4 Corporation.

5 MR. BEVERIDGE: Hello.

6 CHAIR BOYLE: Hi, Angie.

7 MS. GORN: High.

8 CHAIR BOYLE: Thanks for joining
9 us, everybody.

10 MS. GORN: Thank you.

11 CHAIR BOYLE: All right.

12 David, are you guys ready to kick it off?

13 MR. BEVERIDGE: Yeah.

14 I think first Chris and I had discussed
15 the format. I know that the commission's very
16 interested in learning a lot about how the
17 commission can help with the infrastructure bill.

18 So, kind of divided this up. Chris is
19 going to take the lead -- Chris with INHS -- and
20 then I was going to pick up more about some of the
21 actual contributions and funding scenarios.

22 So, I guess with that, I'll turn it over
23 to Chris.

24 Thank you.

25 MR. FEHRMAN: Great. Thank you,

1 David. I appreciate it.

2 So, yeah. Good afternoon, esteemed
3 commissioners. I think that's who we're directing
4 this presentation to.

5 My name is Chris Fehrman, and I serve as
6 the deputy director of the sanitation facilities
7 construction program within the Alaska area for
8 the Indian Health Service, also known as the
9 Alaska Area Native Health Service.

10 So, first of all, I'd like to thank you
11 for the opportunity that you've given David
12 Beveridge, senior director of ANTHC, and myself
13 and others to speak today regarding the 229
14 federally recognized tribes in Alaska and their
15 respective communities that are served by the IHS
16 and as programmatically compacted by the Alaska
17 Native Tribal Health Consortium -- or ANTHC -- to
18 meet the trust responsibilities of the federal
19 government. That is to provide for essential
20 water supply, sewage disposal, and solid waste
21 disposal facilities for American Indian and Alaska
22 Native homes and communities as part of IHS's
23 comprehensive healthcare mission.

24 So, Captain Beveridge and I will be
25 providing you with a short presentation on IHS and

1 ANTHC's partnership with the Denali Commission
2 over the past two fiscal years to fund sanitation
3 facility projects in tribal communities, where we
4 stand presently with the passage of the
5 Infrastructure Investment Jobs Act -- or the
6 IHAA -- and, lastly, our forecast for how that
7 will impact our work and hopefully our
8 partnership -- our continued partnership with
9 Denali Commission over the course of the IHAA
10 funding for the next five fiscal years.

11 So, we'll both present for, I think,
12 roughly 10 minutes, and then we'll have some time
13 at the end to take any questions that you might
14 have.

15 So, just a little brief history. Under
16 the amended Indian Healthcare Improvement Act --
17 or IHICIA -- of 1988, IHS is mandated to maintain
18 an inventory of sanitation deficiencies affecting
19 existing Indian tribes and communities.

20 We're mandated to develop and prioritize
21 projects to address those deficiencies and then
22 report them to congress on an annual basis.

23 What resulted from that mandate was an IHS
24 database that some of you might be familiar with
25 called the Sanitation Deficiency System or SDS.

1 This database contains water, wastewater,
2 and solid waste projects that are prioritized with
3 a three-tier system in order to fund the highest
4 priority or the tier 1, ready-to-fund projects,
5 each year according to IHS's policies and
6 guidelines, and with the overall appropriation
7 from congress, an allocation formula that
8 determines how much funding the Alaska area will
9 receive.

10 Needless to say, it's never really enough
11 funding. Historically, the various funding
12 entities in Alaska have only received
13 approximately 5 percent of the SFC need that we
14 have in the system on an annual basis.

15 IHS's annual report to congress is based
16 on a national snapshot of the SDS data each year.
17 The most recent snapshot for FY '22 was taken on
18 November 16th of 2021, and it shows that Alaska
19 has \$2.2 billion of need of the total \$3.8 billion
20 of national need. Almost 60 percent of the need
21 is here in Alaska.

22 IHS headquarters began an effort in 2015
23 to clarify and update the SDS guidance. This took
24 roughly four years and included some tribal
25 consultation efforts. A new guidance document was

1 produced in 2019. However, starting in FY 2018,
2 there seemed to be a greater emphasis to calculate
3 ineligible costs on SFC projects.

4 Since headquarter's interpretation was
5 that projects should serve Native homes, other
6 non-Native homes and buildings that were to be
7 served with water, sewer, and solid waste projects
8 like community clinics and schools and post office
9 and things like that would need to provide or find
10 a contribution for those ineligible project costs.

11 This practice of finding the ineligible
12 costs -- sorry. I just saw Jocelyn's chat.

13 I'm just speaking from some notes right
14 now. Actually, I do have a couple PowerPoint
15 slides that I could share that just kind of show
16 the SDS system and then also kind of the funding
17 levels.

18 So, if you want to make me a cohost, maybe
19 I can share that screen.

20 In the meantime, I'll just pick up where I
21 left off here.

22 CHAIR BOYLE: Chris, you should be
23 able to. I made you a cohost.

24 MR. FEHRMAN: Okay. Great.

25 Let me go ahead and do that at this time.

1 All right. You can see that.

2 Can you guys see that?

3 MS. HALL: Sure.

4 MR. FEHRMAN: Okay. All right.

5 And I'll get to this, but this is just a
6 snapshot showing what our SDS database looks like.

7 And so this is an example of -- we've got
8 532 projects in SDS right now for the Alaska area.
9 111 of those projects are what we consider to be
10 those highest priority that are -- well, they're
11 tier 1, so they're ready to fund, meaning that
12 they meet all the criteria and have a detailed
13 cost estimate and, you know, a narrative and all
14 the support documentation so that they're --
15 they're ready to receive funding in this -- this
16 FY '22 cycle.

17 Let's see. Getting back to my notes here.

18 So, I was talking about the ineligible
19 costs. So, that -- that practice of finding the
20 ineligible costs for some of the disadvantaged
21 communities was proving to be challenging.

22 And IHS nor ANTHC wanted to be forced
23 to -- to skip any of those projects because a
24 small contribution was needed to cover these
25 ineligible costs.

1 Some of these costs could be covered by
2 EPA's Safe Drinking Water Act or Clean Water Act
3 Tribal Set-Aside Funding when IHS and EPA blended
4 their project funding each year.

5 However, EPA has their own set of criteria
6 and, therefore, not all projects were eligible for
7 the funding.

8 So, in 2019, IHS and ANTHC staff met with
9 the Denali Commission to communicate this need to
10 cover these ineligible costs. To be sure, the
11 Denali Commission has provided funding for many
12 years towards health facilities, sanitation
13 facilities, and most recently, energy efficiency
14 projects.

15 However, the Denali Commission
16 intentionally wanted to include more sanitation
17 facility infrastructure specific funding in the FY
18 '20 work plan and emphasized the desire to help
19 get more communities off of the honey bucket.

20 So, we proposed that the Denali Commission
21 could leverage those smaller amounts of funding to
22 pay for the ineligible costs on larger IHS-funded
23 projects that might otherwise be postponed or
24 skipped.

25 So, what's come to pass since then is a

1 successful partnership with the Denali Commission
2 over the past two funding cycles.

3 In FY '20, the Denali Commission invested
4 \$1.6 million on 18 projects, which allowed
5 \$14.2 million of IHS funding to move forward.

6 So, for every \$1 of commission funding,
7 this yielded about \$10 of project funding. So, a
8 leverage in funding of about 1 to 10.

9 Then, last year in FY '21, it was an even
10 bigger yield. So, the Denali Commission invested
11 \$1.3 million on 8 projects, which allowed
12 \$31 million of IHS EPA funding to move forward.
13 This is a leverage in funding of almost 1 to 25.

14 So, I'd like to stop there, you know,
15 after I've provided kind of that historical
16 background information of how this came to be and
17 this partnership -- successful partnership with
18 the Denali Commission and turn it over to Captain
19 Beveridge to talk about the juncture that we find
20 ourselves at right now with the -- the passage of
21 the IIJA on November 15th of 2021.

22 MR. BEVERIDGE: Thank you, Chris,
23 for that background overview.

24 We do appreciate the work of the
25 commission to dedicate themselves some -- some

1 funding to this effort.

2 It really is an exciting time for the SFC
3 program. The Infrastructure Investment Jobs Act
4 is going to provide \$3.5 billion nationwide for
5 sanitation throughout Indian country. And in
6 Alaska, we expect to see a lot of that.

7 This money isn't being distributed all at
8 once. It's over 5 years at about \$700 million a
9 year. And IHS will keep a small portion of that.

10 So, we would expect that \$675 million
11 would come out in the form of projects each year.

12 As a -- as Chris had mentioned, the entire
13 SDS list was 3.4 billion. So, the intent of
14 congress was to cover all the need.

15 And what's really nice about this funding
16 is that it does not expire. Unlike CARES Act and
17 some other funding that has expiration dates --
18 and in Alaska, it's always hard to construct in
19 a -- in a expeditious manner, these funds don't
20 expire.

21 Our need in Alaska is about \$2 billion.
22 1.95 billion of that \$3.4 billion need is ours.
23 So, 57 percent of the funding is in Alaska. That
24 need.

25 And what's really good about this funding

1 is it's -- congress is providing up to
2 \$2.2 billion for projects that traditionally
3 excluded high costs for homes. That was a barrier
4 to a lot of our first service projects. IHS would
5 not completely fund those projects.

6 So, by congress establishing that up to
7 \$2.2 billion be provided, it -- it's -- it gives
8 the marching orders to go ahead and serve these
9 first service projects using IHS funds.

10 But we do still have the contribution
11 issue.

12 The projects will fund water, sewer, and
13 solid waste projects. So, not only first service
14 but aged systems, leaking systems, systems that
15 are, you know, at the end of their design life.
16 They're all in the -- in the project list.

17 And IHS has indicated that it's not going
18 to be a static list. Every year, SDS gets
19 updated. And that's, like, the new snapshot.

20 And the new allocations with this
21 Infrastructure Investment Jobs Act, that funding
22 will be based on the snapshots at that time.

23 In Alaska, as I mentioned, we have a
24 significant amount of this funding. Tier 1, which
25 is the -- what IHS considered ready-to-fund, we

1 have \$191 million in that tier. That requires
2 approximately \$23 million of contributions at this
3 point. It's 111 projects.

4 So, if you looked at the list that Chris
5 had shared previously just for even FY '21, I
6 think there was only maybe 20 projects on that
7 list.

8 And the Denali Commission had contributed,
9 I think, up to maybe 10 of those projects -- 8 to
10 10 projects to help them go.

11 So, we see an amplified amount of projects
12 coming to Alaska. Higher need for contributions
13 as well.

14 The next four years will be really
15 interesting because the projects that are in tier
16 2, those are considered in a -- funding
17 allocations of the money that comes to Alaska.

18 But those are the projects that have to be
19 moved into a tier 1 status to be funded -- to be
20 considered ready to fund.

21 And right now, Alaska has \$1.6 billion in
22 that list -- that waiting list, more or less. And
23 it requires \$272 million of contributions. So,
24 that's pretty significant.

25 But of the 232 million -- 270 million,

1 there was about 232 million of that is associated
2 with first time water and sewer.

3 So, maybe about 38 to 40 million would be
4 for projects like -- being funded this year under
5 tier 1.

6 And you have to remember that all this
7 Infrastructure Investment Jobs funding is on top
8 of the normal appropriation for IHS and EPA. So,
9 there's some additional funding that's coming in.

10 So, I think we need to -- approach on
11 contributions really needs to look at the
12 eligibility piece, the contribution amounts for
13 each project, and what the administrative
14 requirements require -- you know, require to
15 actually get that funding.

16 As Chris had mentioned, there are some
17 restrictions. So, traditionally, the money that
18 comes through with the Alaska Native Village Grant
19 program with EPA and the USDA Rural Alaska Village
20 programs do not allow for solid waste project
21 funding.

22 So, that's why that's been a huge gap to
23 get contributions for solid waste projects, and I
24 think that's where Denali Commission's really been
25 able to stand in and assist. And so this year,

1 there's going to be a lot more solid waste
2 projects needing those contributions.

3 Also, as mentioned, EPA has restrictions
4 on what they can and can't fund with the tribal
5 set-asides. Things like certified operators are
6 required. They can't fund water projects that
7 involve installing a dam or water impoundments.

8 And then other grant funding that we go
9 after, some of it just frankly has a tremendous
10 amount of admin -- administrative work to try and
11 get the dollars.

12 And so I think when we look at, you know,
13 if we need a \$20,000 effort, are we going to go
14 for a USDA Rural Development direct grant that
15 would require probably, you know, 3-, 4-, \$5,000
16 of effort to actually apply for the grant?

17 So, I think those three things need to get
18 looked at as we look through the portfolio and how
19 to address them this year.

20 Looking at just this year for tier 1 of
21 the \$111 million, there's 58 solid waste projects
22 that require \$12 million of contributions. And
23 there's 53 other projects -- water and sewer
24 projects that require \$11 million of
25 contributions.

1 So, with -- with those other projects, you
2 know, we feel that EPA will be able to pick up a
3 significant amount of those, but not everything.

4 And for the solid waste projects, we think
5 that we might be able to maybe pursue a grant like
6 USDA Direct. However, you know, we would want to
7 probably reserve that for projects that are, you
8 know, significantly over \$1 million or higher.

9 So, there's a -- a much larger need for
10 contributions this year than we've seen in the
11 past where we think the commission can -- can play
12 a role.

13 And then, fortunately, one thing IHS did
14 say on a consultation call that they would not
15 exclude projects under the IIJA funding without
16 contributions. They would be able to move them to
17 tier 1 and hold on to them.

18 But they didn't say how long they would be
19 held until the contributions are received. I
20 would imagine at some point, if a contribution
21 isn't received, IHS would make a move to pull
22 those projects back.

23 So, the -- the process is under tribal
24 consultation. We hope to hear soon in the next
25 couple weeks the status of some of these things

1 that we're talking about.

2 And, you know, we would be very --
3 appreciate, you know, knowing the Denali
4 Commission's deadline for trying to put together a
5 work plan and, you know -- and how you could
6 contribute to these contributions so that we can
7 work with the EPA and IHS and others and then
8 provide you with maybe a firmer number on -- on
9 how they could -- how the commission could assist,
10 you know, moving forward in the next couple of
11 years.

12 Thank you.

13 CHAIR BOYLE: Thank you, David.

14 Thank you, Chris.

15 Commissioners, do you have any questions?

16 Okay. Well, if not, I guess --

17 MS. HALL: Trying to take it all
18 in.

19 Good job you guys. It's just -- I'm --
20 I'm listen as fast as I can.

21 Thank you.

22 CHAIR BOYLE: Okay.

23 We can move on to Norton Sound, then.

24 Megan, Angie, you two want to take it
25 away?

1 Megan, I think I made you a cohost, so you
2 should be able to share.

3 MS. STIMPFLE: Yes. Okay. Great.

4 Well, I -- I thank you for the opportunity
5 to join us -- to join you today.

6 I wanted to just share a little bit of the
7 urgency because while the infrastructure bill
8 provided \$3.2 billion for SDS, this trusty GAO
9 report (indicating) on water and sewer mentions
10 that the EPA found another 2.4 billion in need.

11 There are a lot of places in the United
12 States without water and sewer, specifically, you
13 know, the Navaho nation.

14 So, Alaska, we are in a race against the
15 country for these funds. That means we have to
16 hustle if we're going to get our unserved
17 communities served.

18 And we have, as you know, tremendous
19 partnership opportunities with the Denali
20 Commission and knowing the Denali Commission Act
21 of 1998 and the opportunity for collaboration and
22 partnership, we really want to do business with
23 you.

24 Right now -- and I'm going to quote David
25 Beveridge, as I've quoted him often in

1 testimony -- that it takes 5 to 10 years to
2 connect a community, due to all the agencies'
3 regulations with the EPA, the IHS, the USDA. And
4 then it costs, because of those regulations,
5 350,000 to \$750,000 per home.

6 So, high cost of construction. I know you
7 all know the challenges of rural construction.

8 And what we hope is to -- through
9 partnership with tribal transportation, tribal
10 housing, coordinate investment to reduce the cost
11 of construction of water and sewer.

12 I want to share some realtime experience
13 in SDS because we know SDS in Alaska is vastly
14 underestimated.

15 When we first stated SDS in our region,
16 and I started managing the engineers, we
17 identified an additional \$100 million in
18 deficiency in one year. And that doesn't even
19 capture the full service pipe service projects for
20 our unserved communities.

21 So, I have a feeling we don't know how big
22 the puzzle is until we get there, and we're really
23 going to have to hustle.

24 So, on that note, I'm going to share my
25 screen and start out with a little bit of history,

1 if you guys don't mind.

2 Because I'm a self-governance liaison, and
3 I really believe in Indian self-determination.
4 And as we start out, I really wanted to share that
5 foundation.

6 So, can I share my screen now?

7 Okay. I think I need to be made a cohost.

8 Okay. Great. Thank you.

9 So, the first thing I want to share -- and
10 I'll do this really quickly and hand it off to my
11 boss, Angie Gorn, is where does self-governance
12 come from?

13 You know, where does Indian
14 self-determination come from?

15 In your meeting today with the Alaska
16 Native Tribal Health Consortium, which is a
17 self-governance organization, all tribes in
18 Alaska, we compact with the Indian Health Service
19 as one to deliver the programs of IHS, as Chris
20 mentioned.

21 So, our annual compact -- and this is just
22 the -- in the OMB justification -- in 2021 was
23 722 million.

24 So, we are billion-dollar organizations,
25 and we have a huge footprint in Alaska for hiring

1 and managing projects.

2 And so this government-to-government
3 relationship, it starts with the United States
4 Constitution, the Indian Commerce Clause. And
5 then in -- it wasn't until 1953 that the United
6 States started policies of Indian
7 self-determination.

8 So, 1953 -- if you remember, you know,
9 America had policies of termination, which was
10 terminate the Indian. And thankfully, President
11 Nixon and President Reagan advanced the notion of
12 Indian self-determination.

13 And -- and why this is important is -- is
14 because if we're going to improve serving our
15 Native community and -- we have to empower our
16 tribes and Native people in this conversation.

17 So, I do want to quote here from President
18 Nixon, which he says, "The time has come to break
19 decisively with the past and create the conditions
20 for a new era in which the Indian future is
21 determined by Indian acts and Indian decision."

22 So, what that means is Native people are
23 determining their future, and they're empowered to
24 make those decisions in their communities.

25 And so I'm going to tie that back to

1 sanitation.

2 So, it did go through a few congressional
3 acts to really empower tribes, namely the -- of
4 course the Indian Self-Determination Act, which
5 Norton Sound Health Corporation operates a
6 contract with the Indian Health Service to execute
7 these services.

8 But why? What's the nexus to sanitation,
9 you might ask?

10 And the Indian Healthcare Improvement Act
11 as the -- in my opinion, the most powerful statute
12 that we're governed by.

13 I was a congressional staffer on the
14 senate floor negotiating these amendments. So, I
15 know particularly, you know, the power of this
16 act.

17 And you'll see here where the nexus to
18 sanitation is, and that is that the IHS is the
19 primary agency responsible and has the authority
20 to provide necessary sanitation facilities. And
21 it is in the interest of the United States, and it
22 is a policy of the United States, that all Indian
23 communities and Indian homes, new and existing, be
24 provided with safe and adequate water supply
25 systems and sanitary sewage waste disposal systems

1 as soon as possible.

2 So, I won't read the next line there, but
3 it is -- it's really important when you're
4 analyzing the regulatory criteria of the other
5 agencies.

6 This said -- this is the premise, you
7 know, that we operate an Indian self-determination
8 contract. Therefore, our tribes have a primary
9 role in addressing sanitation facilities in the
10 United States and in Alaska.

11 And so I do want to kick off with our
12 business plan, and I'll jump it over to Angie, if
13 you want to take over.

14 Thanks.

15 MS. GORN: Yeah.

16 Well, good afternoon, everybody. Thanks
17 again for the invite. We appreciate participating
18 in this discussion.

19 I know time is limited, but we wanted to
20 share an initiative that we're working on in our
21 region.

22 I'm the CEO at Norton Sound Health
23 Corporation. I've been working here for 24 years.
24 And I'm just in awe that this funding is
25 available, and it's really an exciting time to see

1 that water and sewer will be a reality in our
2 communities.

3 So, I wanted to speak to this initiative,
4 the development of a co-op in our region,
5 community utility assistance program.

6 Last winter, our region was blessed with
7 this opportunity. The Rasmuson Foundation
8 introduced a funder to us, the Helmsley Charitable
9 Trust.

10 And they funded \$20 million in sanitation
11 funding to make an investment in our region. And
12 that funding was aimed toward infrastructure
13 repairs, new infrastructure in the form of
14 matches.

15 But one goal that they really wanted to
16 see was the development and implementation of this
17 co-op.

18 And it was under discussion for quite some
19 time in our region. A lot of partnering agencies
20 had already been working on, you know, a lot of
21 these activities, and there's a lot of progress
22 underway. But this funding was really the
23 catalyst for us to really drop everything and say,
24 "Why aren't we doing this?"

25 So, we spent the whole past year planning

1 and putting together this business plan that you
2 see here, and we completed it in December.

3 And the -- the partnership, you know, is
4 between all of our agencies and our communities.
5 And when I say "community," we're talking about
6 our cities in our communities, our tribal
7 governments, and also our corporations.

8 And then the partnering agencies include
9 Norton Sound Health Corporation; Kawerak; NSCDC,
10 which is our fishery CDQ for the region; our
11 housing authority; and then EMI. EMI stands for
12 Engineering Ministries International. They are
13 actually managing this grant from the Helmsley
14 Charitable Trust. And they're our partners, so
15 we're working closely with them every day.

16 So, to develop the business plan, we've
17 been meeting weekly. We have had a steering
18 committee in place.

19 And this initiative will actually sit
20 under the oversight of Norton Sound Health
21 Corporation. We're the tribal healthcare provider
22 in the region, and it will be our board of
23 directors that has governance and oversight over
24 this initiative.

25 Norton Sound is not stepping in and

1 saying, "We're going to take over ownership of the
2 utilities."

3 Those will be retained and maintained by
4 the city governments.

5 The mission -- if you want to go to the
6 mission, Megan.

7 Our mission is right there, to empower
8 elected leaders and community staff in the
9 management and development of community utility
10 systems, for improving affordability and
11 sanitation services in communities.

12 And then our vision is within this decade,
13 by 2030, that all residents in our region will
14 have access to safe and affordable water and
15 wastewater disposal systems in order to ensure
16 healthy communities, live our way of life on our
17 lands, and create economic opportunities for
18 residents.

19 And then Megan is going to cover values
20 and some of the goals of our co-op.

21 MS. STIMPFLE: Thank you.

22 So, some of the values that, you know,
23 we're really governed by are building on the
24 Native values in our region.

25 And when I think -- when I share these

1 values, I really want to think about, you know,
2 the commissioners as a group of powerful
3 organizations in Alaska and how we can really work
4 together to make sure our unserved communities get
5 served.

6 When I -- it's nice to meet you,
7 Ms. Pitny.

8 I -- when I think about the University of
9 Alaska system, I think about how we can make
10 sure -- you know, maybe it's partnering with the
11 oil industry on arctic engineering and how do we
12 design systems that are climate resilient and
13 making sure Alaskans have access. And we're
14 creating career paths for not only operators but
15 engineers, and we're doing that here in Alaska.

16 So, when I think of -- when I mention
17 these values, it's really thinking ahead of what
18 your team members might need to get the job done.
19 So, cooperation, teamwork, serve one another in
20 results and serve and anticipate how to serve one
21 another and achieve results, and serve one another
22 selflessly.

23 Knowledge of location-based languages and
24 cultures in our region. We're a really diverse
25 region. It's incredible.

1 We have Inuit diplomacy, and that is, you
2 know, really reflective of the respect and the
3 stewardship that our culture, you know, really
4 ties to the land and our way of life and how we
5 help each other out.

6 So, sharing. You know, making sure we're
7 empowering our teammates with knowledge, how to do
8 their job.

9 You know, hard work. We're not going to
10 celebrate this CUAP until our communities are
11 served.

12 And, of course, avoidance of conflict and
13 respect for nature.

14 And so those are some of the values
15 that -- you know, we -- we try to -- that -- the
16 technical folks that work in our region, we try to
17 build in our Native values into the technical
18 teams. Because a lot of times, they're coming
19 from somewhere from in the Lower 48 and we want
20 them to stay and we want them to be integrated
21 into our communities and work with, you know,
22 Native people and other teams seamlessly.

23 And so I -- I'll just quickly go over some
24 of the infrastructure goals.

25 Of course Angie mentioned empowering

1 community leadership and community staff in
2 owning, managing, and maintaining sanitation
3 systems. And we really, you know, emphasize on
4 this goal for an important reason. And this is
5 systemic across Alaska.

6 You know, we're a young state. We're --
7 our state is, you know, some-60 years young. The
8 democratic institutions in our state are even
9 younger.

10 And so the -- you know, the notions of
11 democracy and -- and overcoming the challenges of
12 our history are still real and one generation ago.

13 And so, you know, providing culturally
14 relevant training opportunities and on-site
15 training and -- and -- so, we've built these goals
16 and objectives to kind of overcome the challenges
17 that we have faced with the agency regulation.

18 So, Goal 2 is improving community
19 infrastructure through achieving economies of
20 scale.

21 We have our regional engineers meet weekly
22 on projects in our communities, and then we have
23 the housing authority and our tribal
24 transportation program engineers meeting weekly to
25 coordinate, you know, projects.

1 And -- and this coordination is -- it
2 happens through reaching out and knowing what each
3 other is doing. Because if we're going to share
4 equipment, manpower, knowledge, technical data, it
5 really takes a lot of communication.

6 And then the third goal of underserved,
7 unserved, and served replacement infrastructure.

8 So, how -- we have -- you know, as all of
9 rural Alaska, we have aging infrastructure.
10 Unalakleet in our region was the first community
11 served almost 40 years ago. And, you know,
12 they're due for a replacement. The replacement is
13 on its way.

14 But -- so we have this balance of how do
15 we make sure we're maintaining infrastructure
16 that's there, responding to climate threats, and
17 also putting our unserved communities on a path to
18 service.

19 You know, when we started this work three
20 or four years ago, it was sort of a hopeless place
21 in that our unserved communities were not on a
22 path.

23 And it took tremendous advocacy among our
24 tribal health organizations that it's our tribes
25 that will establish a path of service through our

1 unserved communities.

2 And with the ARPA funds, the Alaska area
3 IHS, thankfully put all of our unserved
4 communities on a path to service by funding their
5 preliminary engineering reports.

6 And what those PERs do is breakout all the
7 project scopes and create estimates for serving
8 communities. And then those -- those project
9 scopes get pumped into SDS.

10 So, with the American Rescue Plan Act, the
11 IHS put our unserved communities on a path to
12 service.

13 I'll say IHS did it, but really, through
14 self-governance, it's our tribal health system --
15 ANTHC, Norton Sound, YKHC -- that put our unserved
16 communities on the path to service.

17 And then -- so, anyhow, you know, we're --
18 I'll just jump forward. You know, this may have
19 been shared with you.

20 But the human capital goals. I can talk a
21 lot, so I'm going to pass it off to Angie to keep
22 us moving forward.

23 MS. GORN: Okay.

24 To the goal -- so, development. We have
25 some co-op development goals. We obviously want

1 to keep the co-op sustained.

2 We are in the process now of developing
3 our policies for the co-op. We're trying to
4 figure out, you know, different levels of
5 membership. Participate in communities that want
6 to join, you know, what -- where are they at. Do
7 they need assistance with billing?

8 There's -- there's all different levels,
9 and we're just trying to figure out, you know, a
10 tier system and what the criteria is.

11 We do know through our work over the past
12 year that every community can benefit from several
13 work sessions to really make sure that they're
14 operating budgets break even.

15 There's a huge opportunity to strengthen
16 billing practices in all of our communities, and
17 they're interested in doing the same.

18 There's also this opportunity to improve
19 homeowner collection compliance.

20 And then our communities are really
21 excited about the opportunity to grow reserve
22 accounts. So, building up a bank account to be
23 able to fund small repairs, equipment over time.

24 Our partners -- the way we're going to
25 formalize things on paper is through a memorandum

1 of agreement. That will outline exactly what
2 different partners are funding and then what those
3 roles and responsibilities are.

4 And when I get to the operating budget, I
5 can speak to a little bit where the sources of
6 revenue are coming from for this co-op.

7 Again, the oversight sits under the
8 umbrella of Norton Sound Health Corporation board
9 of directors.

10 When we brought this idea to our board, it
11 was really important to get a financial commitment
12 from them. So, our board pledged \$500,000 on an
13 annual basis to support this. That's in addition
14 to what we're already funding.

15 The reason that the Helmsley Charitable
16 Trust and Rasmuson felt as though we were in a
17 position to take this on is because Norton Sound
18 Health Corporation is already self-funding a lot
19 of sanitation activities and, essentially, an
20 entire program here already.

21 And we'll speak to some of those existing
22 services that are already in place.

23 Now that our business plan is completed,
24 our next step is to form this advisory council.
25 And that's how we're going to get input from all

1 of our communities. Every community will nominate
2 a representative.

3 And we'll have quarterly meetings, just
4 like a utility board. We'll have quarterly
5 meetings where standing reports given about
6 sanitation.

7 And we've hired a project manager, Denice
8 Michaels. She may be familiar to you. She's
9 worked in our region for years. She's actually
10 leading the project management for the co-op.

11 And I think we can speak to just some of
12 the current services that we have in place and
13 then what we're adding through development of this
14 co-op.

15 MS. STIMPFLE: Yes.

16 So, over the last several years, in
17 partnership with Kawerak, we really ramped up the
18 services that we're providing.

19 Our office of environmental health, which
20 is headed by Rachel Lee, she created a water lab
21 so that our communities can send their water
22 samples to Norton Sound, whereas before they were
23 sending them to Anchorage or Fairbanks and often
24 missing deadlines and getting regulatory dings.

25 So, we're super thankful that, you know,

1 we have the office of environmental health. And
2 she's charging -- she's charged with kind of
3 moving forward on addressing solid waste issues
4 and managing our water lab.

5 And then we've hired our own sanitation
6 engineer to really amplify the work of the VSW and
7 ANTHC engineers.

8 As I mentioned before, we found out that
9 the -- the need was tremendously underreported.
10 And so, you know, how we make sure we're
11 identifying the deficiencies in communities and
12 creating project scopes and getting things into
13 the system has been -- and responding to
14 emergencies has been his sole focus.

15 And so our sanitation engineer is out in
16 Brevig right now, which is out of water. And so
17 instead of -- you know, before I would beg,
18 borrow, and plead across the board, across the
19 agencies, our delegations, raise hell. But now I
20 can just have our sanitation engineer go and
21 respond to emergencies.

22 And so we've really made a robust effort
23 to make sure our operators are not only supported
24 with education that's culturally relevant but they
25 have a career support so they are not alone in

1 responding to emergencies.

2 What we've learned is that, you know,
3 operator training, it's a mix of water law,
4 physics, chemistry, and mathematics, all in a -- a
5 few days' class.

6 And then you have to pass a multiple
7 choice examine [sic]. And the passage rate in
8 Alaska was 7 percent for -- for maybe over a
9 decade.

10 David can correct me.

11 And in the years that we've implemented
12 this operator career support program, we've had
13 almost 89 percent passage rates for our
14 certification exams. So, that means we now have
15 certified operators serving our communities.

16 And I'll stop there.

17 Angie, if you want to keep going.

18 Oh. Engineering assessments if you're --

19 So, the -- go ahead.

20 MS. GORN: Over the course of the
21 past year, we worked with Kawerak.

22 And we knew that, you know, it's really
23 important for every utility system to manage their
24 business like a business.

25 And so in addition to the whole sanitation

1 and engineering part, we also wanted to put focus
2 on just the financial aspects and making sure that
3 our utility clerks were equipped with the training
4 to do QuickBooks.

5 So, we have partnered with a group from
6 Anchorage, JW Industries. They traveled out to
7 every community, assisted with the financial
8 analysis. And that's how we were able to get a
9 lot of the information we needed to, you know,
10 develop this business plan.

11 In addition to that, we hired Max from MK
12 Consulting. You may have heard of him before.
13 And he has assisted Norton Sound and the co-op
14 with starting five engineering assessments with
15 the communities that are listed there.

16 The goal is complete an engineering
17 assessment for every single community.

18 In addition to the assessment, we've also
19 asked him to develop a preventative maintenance
20 manual, which is something that some of our
21 communities may have. Maybe they had to dust it
22 off the shelf and revise it. And other
23 communities may be starting from ground zero on
24 that.

25 So, there's a lot of work underway, and a

1 lot of work that still needs to happen. But
2 that's also, you know, part of our initiatives
3 here.

4 Do you want to keep going?

5 Keep scrolling down.

6 We're not going to read through our whole
7 SWAAT, but hopefully you have a copy of this plan
8 and you can just read through what we identified
9 as strengths, weaknesses, opportunities and
10 threats.

11 I did want to just briefly mention the
12 operating budget.

13 So, again, I talked about Norton Sound
14 Health Corporation providing this pledge of
15 \$500,000 on an annual basis.

16 We then went to NSCDC, that's our fishery
17 CDQ, and met with their board of directors
18 multiple times. And they also matched this
19 \$500,000 annual pledge. So, we basically have
20 \$1 million to work with to make sure that this is
21 successful here in our region.

22 Norton Sound Health Corporation intends to
23 use funds to keep the project manager hired. We'd
24 also like to add another remote maintenance
25 worker. If we can't advocate with the State and

1 get them to fund that position, we will be adding
2 another position.

3 The work is definitely there, and our
4 staff is stretched very thin.

5 And then the other part of the funding
6 will contribute toward Norton Sound Health
7 Corporation paying a much higher institutional
8 rate as one of very few institutional users of
9 water and sewer in our region.

10 So, the example is we have five
11 communities unserved in our region. And in those
12 small communities, there is running water.
13 There's a flush toilet and folks can wash your
14 hands if you're in school teacher housing, when
15 you're at the school, or if you're at the clinic.

16 And so, basically, that leaves two
17 institutional users in those five communities in
18 our region that are always using water and sewer
19 that the city has to maintain and keep going.

20 And so our goal is to, you know, work with
21 the school and make sure also that Norton Sound
22 Health Corporation is paying an adequate rate to
23 make sure that water operators are paid well and
24 are retained.

25 The overall goal, though, in five years,

1 is this aim to make sure that each community is
2 running their utility like a business, that it
3 breaks even, that they've strengthened billing,
4 and they're able to collect, you know, and really
5 bring in the revenue that's necessary to support
6 their expenses.

7 So, that's the remaining pages that you
8 see. There's a lot of narrative that kind of
9 details that out.

10 But that's our overall goal is to empower
11 our communities, make sure that they've got the
12 staff and the training that they need to be able
13 to bill appropriately and, you know, collect to
14 support their own utility expenses.

15 And we'll end there.

16 So, we're going to answer any questions
17 you may have.

18 Thank you.

19 MS. PITNEY: I have more of a
20 statement.

21 Megan, I appreciated how you started.
22 We're in a race and tie that to what Commissioner
23 Kitka said about we can't -- you know, we've got
24 to utilize this money smart and on time.

25 But I liked your urgency and don't lose

1 that.

2 And I agree, we need to train the
3 engineers. We need to train the facilities
4 people. We need to have the unions on board
5 making sure that the people that are out there
6 doing the jobs are the people from the community
7 so -- so we build a stronger community.

8 So, thanks.

9 MS. KITKA: Garrett, this is Julie.

10 I just want to express my strong support
11 for Denali Commission investment in this
12 cooperative.

13 We hosted a roundtable quite a few months
14 ago in which this project was showcased of what
15 the vision of that was.

16 And it has really come together quite far
17 since that roundtable we had.

18 I think they're on to something. I also
19 think that probably one of the things that needs
20 to be added to the cooperative is with the new
21 investment of resources for the port of Nome on
22 how the investment of -- for water and sanitation
23 for the port of Nome, how that ties in. And if
24 there's any efficiencies, if there's any bulk
25 purchasing, if there's anything -- there's got to

1 be a way for the port of Nome to contribute to
2 this effort and strengthen this thing.

3 So, I would -- if I was you with Norton
4 Sound, I would -- I would put a request for them
5 to be one of your sponsors of the cooperative too.
6 That whole effort.

7 Because that's going to be a mega thing.
8 It's going to have a tremendous impact in the
9 region.

10 And it shouldn't be the communities are
11 the ones that are tagging along on this. You guys
12 are showing tremendous leadership putting this
13 forward.

14 And I'd sure like to see you supported.

15 So, thank you.

16 MS. GORN: Thank you.

17 CHAIR BOYLE: Yeah.

18 Thank you for that, Julie. Duly noted.

19 No other questions?

20 MS. KITKA: I did have one question
21 to -- to respond to some of the discussion the
22 Tribal Health Consortium raised as well on the
23 unallowed expenditures on that.

24 It seems to me that the Denali Commission
25 could use its unique role and to step in to

1 renegotiate some of this stuff on the national
2 level.

3 Sometimes the Tribal Health Consortium's
4 stuck in the process of implementing stuff on
5 that, where our role as the commission should be
6 untangling some of these requirements.

7 And I think that this administration is
8 one of the ones that might be amenable to doing
9 it.

10 And I think this is a perfect example of
11 exercising that justice 40 directive in OMB where
12 the Denali Commission's mentioned, that we ought
13 to make the big push out on that. Worth a try.

14 But, like I said, in our view, we've been
15 operating this navigator project for the last six
16 months. And we saw that the -- the federal
17 agencies do not understand the uniqueness in
18 Alaska. Their national formulas are skewed
19 against Alaska because of our small population
20 size and the fact that we're not -- don't have
21 reservations, other than Metlakatla.

22 And there's a lot of things that can be
23 done in those national formulas with OMB's help.

24 And I -- I would definitely make a stab at
25 that myself.

1 CHAIR BOYLE: Yeah. Julie, I was
2 going to try to avoid addressing that since I
3 think Megan and I both have, like, latent
4 bitterness -- no offense, Chris, to you
5 personally -- with IHS over the redefinition of
6 ineligible costs from our time in the senate.

7 But to your point directly, yes. I have
8 made that suggestion directly in the Arctic
9 Executive Steering Committee meetings that IHS
10 should look at either waiving or redefining
11 ineligible costs for some of these projects in
12 unserved communities.

13 Didn't really seem to get a lot of
14 traction, but it's something I planned to keep
15 raising.

16 MS. STIMPFLE: Madam Commissioner,
17 if I can help answer too, if you don't mind,
18 Garrett.

19 CHAIR BOYLE: No, please.

20 MS. STIMPFLE: So, one thing that I
21 did share with Garrett yesterday was the Federal
22 Highways Administration. They've really solved
23 this coordination issue of, you know, working
24 across agencies to reduce the cost of
25 construction.

1 And -- and what they call is something
2 called bundled contracting. And so they do whole
3 projects -- so, housing, water, sewer, roads.

4 And as you know in Alaska, we have the
5 tribal -- tribal transportation program, which got
6 amply plussed up; the tribal housing authorities,
7 which have been funded; and then of course our
8 sanitation.

9 And so our sanitation programs alone, you
10 know, just among the agencies, are -- are mired in
11 regulation.

12 But what we hope is we can bring our
13 tribal funds to the Denali Commission and -- and
14 contract on a bigger level so that we can reduce
15 the cost of construct.

16 And so I -- yeah. I don't -- I don't want
17 to get too far ahead of myself, but we -- we have
18 ideas.

19 And we know the agencies have solved these
20 issues and we want to see how far you can go and
21 we're here to support the mission.

22 Thanks.

23 MS. HALL: I just have a follow-up
24 question.

25 So, are you suggesting that there's a role

1 for the Denali Commission to kind of be the
2 coordinating entity that brings these parties
3 together for rural construction to kind of create
4 a -- for lack of a better word -- in my world, we
5 call it, like, a table where everybody sits
6 together and then try to figure out how exactly we
7 solve the problem and create the -- put the
8 partnerships in place and the MOUs?

9 Is it -- is there a legal hurdle first and
10 then -- is it practical then legal; legal then
11 practical?

12 What do we think the order of operation is
13 here?

14 MS. STIMPFLER: I can go first if --
15 I'll defer to Garrett, of course, the federal
16 co-chair.

17 You know, having been a former with the
18 Denali Commission under my plate, so I -- I know
19 your statutes and authority.

20 And I know that you can accept funding
21 from federal agencies, strip them of their
22 regulations, and implement programs.

23 And the whole goal was to reduce the cost
24 of, you know, construction. Improve efficiencies,
25 improve administration efficiencies in government.

1 And, you know, Senator Stevens left Alaska
2 such a tremendous legacy of the Denali Commission
3 that we have yet to fulfill. And so the blueprint
4 is there.

5 And it's -- it's feeling our way forward.

6 You know, we met with the federal co-chair
7 several weeks ago. And, you know, the challenge
8 is getting other agencies to, you know, transfer
9 over the funds.

10 So, that would be our job. That would be
11 our job as tribes requesting that our funds be
12 directed there. And, of course, there's, you
13 know, self-governance issues.

14 But, you know, with the committed staff
15 and federal co-chair and, you know, the
16 visionaries that we have here, we know we can, you
17 know, give breath to that mission.

18 And yeah. So, the federal highways, it's
19 called CMGC contracting. I don't know if you've
20 heard that term before.

21 But they -- we've had the Federal Highways
22 Administration brief the Indian Health Service
23 headquarters on that.

24 And we don't know the legal answer
25 stepwise approach, but I was hoping a government

1 attorney could help figure that out.

2 CHAIR BOYLE: Yeah. Megan, I think
3 you're exactly right.

4 Joelle, the hurdles aren't necessarily
5 legal, from our perspective. It's getting the
6 other agencies to, A, understand we have this
7 fairly unique authority to have funds transferred
8 to us and get rid of all the strings attached to
9 them. And then, B, once they actually do
10 understand that, actually giving us the money.

11 There seems to be -- how would I say this
12 nicely -- people want to kind of protect their
13 program and execute their program and not give
14 us --

15 MS. HALL: Shocking. Shocked to
16 hear it.

17 CHAIR BOYLE: So --

18 MS. HALL: Thiefdoms. They're
19 called thiefdoms.

20 CHAIR BOYLE: I was trying to be
21 nice about it, like I said. I don't think I did a
22 good job, but I tried.

23 So, yeah. The tool definitely exists, I
24 think, to do this faster and easier at the
25 commission. It's just whether or not we can

1 convince other agencies to join us in the effort.

2 MS. HALL: Interesting. It's
3 fascinating.

4 Thank you, guys. This is so much to think
5 about. I really appreciate it.

6 CHAIR BOYLE: Yeah. It's --

7 No other questions or discussion points,
8 thank you very much to our presenters.

9 Thank you, commissioners, for being here.

10 Since I've had you for about an hour and a
11 half, I think we can adjourn for the evening.

12 MS. KITKA: Thank you so much
13 for -- to the presenters.

14 And, like I said, you guys are doing
15 amazing work.

16 And thanks, Garrett.

17 And thank you, everybody.

18 MS. HALL: Good night all.

19 CHAIR BOYLE: Thank you.

20 (This proceeding was concluded at
21 5:24 p.m.)

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

I, CARRIE JOHNSON, notary public for the State of Alaska, and Shorthand Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place herein set forth; that the proceedings were reported stenographically by me and later transcribed by computer transcription; that the foregoing is a true record of the proceedings taken at that time; and that I am not a party to, nor do I have any interest in, the outcome of the action herein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 14th day of February, 2022.

Carrie Johnson
Notary Public, State of Alaska
My commission expires 07/12/2022