

construction, rehabilitation, distribution, and cost reduction projects totals \$300.8 million. The information presented below is separated by needs of communities that are part of the Alaska Village Electric Cooperative (AVEC) and all other remote communities.

AVEC

\$76,000,000—Power Plant Construction and Rehabilitation.
\$18,000,000—Wind Power Generation Projects.
\$1,800,000—Other Power Distribution.
Total AVEC: \$93,800,000.

Other Communities

\$131,000,000—Power Plant Construction and Rehabilitation.
\$20,000,000—Power Distribution Construction and Rehabilitation.
\$56,000,000—Energy Cost Reduction Projects*.
Total for other communities: \$207,000,000.

In terms of facility upgrades, AEA is approximately 10% complete with the initial scope of projects. Based upon current and projected funding, AEA anticipates completing the program of upgrading projects for communities outside of AVEC by 2015.

* Energy Cost Reduction Projects include: Alternative Energy Projects (Wind \$30 million and Hydro \$20 million) and Energy Efficiency Upgrades \$6 million.

Bulk Fuel Storage

Need: \$362.5 million.

Annual Funding: \$20 to \$40 million
Denali Commission Funding.

Source: AEA Assessment, 2000.

Background: The Alaska Energy Authority (AEA) initiated an assessment of bulk fuel tank farms in rural Alaska communities in 1996. This assessment was completed in 2000.

AEA is responsible for 141 projects while the Alaska Village Electric Cooperative (AVEC) has assumed responsibility for 51 communities under construction agreements between the Commission and AVEC.

Of AEA's 141 projects, 9 have been completed by others. The balance of 132 AEA projects has a bulk capacity upgrade need of approximately 26,000,000 gallons. This average is anticipated to decline as AEA undertakes projects that are lower on the deficiency list and thus require less effort to upgrade. To date (including the 2003 construction season), AEA has upgraded 9,500,000 gallons of capacity and has projected that 11,000,000 of capacity remain to be upgraded.

The average project size AEA has undertaken is decreasing in size from an

average of \$2,100,000 in 2001 to a projected cost of \$1,700,000 in 2004. The average cost of upgrading since 2001 (including the 2003 Construction Season) is approximately \$15.00 per gallon. It is not anticipated that this cost will increase over the next few years.

In terms of storage capacity, AEA is approximately 48% complete with the initial scope of projects. Based upon current and projected funding, AEA anticipates completing the program of upgrading their respective project communities by 2010.

Of AVEC's 52 projects a total of 9 have been completed. Of the 42 remaining communities, a total of 9,800,000 gallons remains to be completed for AVEC communities.

Water and Wastewater

Need: Current need: \$650 million (FY 02 estimate for Alaska Natives only). (Funded Fiscal years 1960—2002: \$1.33 billion).

Annual Funding: There are six existing primary funding sources for developing and improving water and wastewater facilities in rural Alaska. Those sources and the amounts contributed in federal fiscal year 2002 are shown below.

U.S. Public Health Service—Indian Health Service	\$17,863,000
U.S. Environmental Protection Agency Drinking Water Tribal Set-Aside	3,958,200
U.S. Environmental Protection Agency Clean Water Tribal Set-Aside	7,053,100
U.S. Environmental Protection Agency Infrastructure Grant	36,494,500
U.S. Department of Agriculture—Rural Development	23,120,000
State of Alaska, Village Safe Water	19,873,370
Total	108,362,170

While these amounts vary from year to year, the annual average for fiscal years 1997 through 2002 is \$85.7 million. The trend has been towards increased funding levels.

Background: Assistance in developing water and wastewater facilities in rural Alaska is provided to communities through two programs. The Alaska Native Tribal Health Consortium (ANTHC) is the organization responsible for administering Indian Health Service, and EPA Indian Set-Aside sanitation construction funds in Alaska. The Alaska Department of Environmental Conservation's Village Safe Water (VSW) program is the organization responsible for administering sanitation

construction funds provided by the State, EPA (non-Tribal Set-Aside), and the USDA—Rural Development.

Both ANTHC and VSW work with rural communities to plan, design and construct sanitation systems. ANTHC and VSW have developed a close working relationship despite the relative recent transfer of the sanitation program from IHS to ANTHC in October 1998. The priority funding lists of both organizations are coordinated and generally complement each other. ANTHC predominantly works in Alaska communities with Native-owned homes, whereas VSW works in all rural communities (Native and non-Native). A lead agency is designated for each community receiving assistance. Lead agencies typically have responsibility for administering all state and federal funding in the community.

Existing funding streams and programs are making progress towards satisfying the overall need for sanitation facilities in rural Alaska. An estimated remaining need of \$650 million and a current funding level of \$108 million combine to suggest a 6-year timeframe for meeting the need.

The Denali Commission has not targeted water and wastewater improvements as a major initiative for infrastructure funding due to the level of funding and effort already underway in this sector of critical infrastructure. However, the Commission is involved in improving, planning and interagency coordination.

Primary Health Care Facilities

Identified Need: \$253 Million as of October 1, 2000.

\$481 Million as of April 17, 2003 for the total unmet need.

\$165 Million from the Commission to fully address clinic needs.

Annual Funding: Typically \$30 Million/Year.

Source: Annual funding is a mixture of Health Resources Services Administration (HRSA) funding and Denali Commission Base funding.

Background: In October 2000 the Commission published the "Alaska Rural Primary Care Facility Needs Assessment—Final Report". The report looked at primary care clinic improvements in 288 Alaskan communities with a minimum population size of 20 year-round residents, and lacking in-patient services (hospital). The report identified an unmet primary care need of \$253 Million.

Not long after the report was published the Commission recognized that the unmet primary care need for "hospital" communities was extremely