

# programs for progress

Rural Development-Alaska  
Fiscal Year 2004



*Night view of the James and Elsie Nolan Museum and Civic Center in Wrangell, funded in part by USDA Rural Development. Photo by Ivan Simonek. See story on page 14.*

*“Values exist in the hearts and souls of our citizens. And I am here to trumpet one of the great values of America. That’s the enterprise of the American worker – the hardworking American citizens who make this economy go.”*

*–President  
George W. Bush*



President George W. Bush

### **A message from Secretary Ann M. Veneman**

One of the hallmarks of the Bush Administration centers on improving the quality of life and increasing economic opportunities in rural communities. To do this, USDA Rural Development focuses efforts on three primary areas – home ownership opportunities, business development, and community infrastructure.

The \$50 billion in USDA Rural Development investments made by the Bush Administration has helped to create or save over 800,000 jobs that are important to rural communities. The all time record high of 76.1 percent homeownership in rural areas is evidence that programs are working as USDA Rural Development has helped 170,000 families attain their dream of homeownership.

USDA Rural Development has provided 2.7 million people with basic community water and wastewater infrastructure. Additionally, investments that assist communities with financing public health and safety first responder requests, including financing the purchase of 600 fire trucks and 150 police cars and constructing or renovating nearly 100 medical facilities, are having a positive impact on the quality of life in rural America.

The Bush Administration understands the values and traditions that are unique to those who call rural America home. President Bush and I, along with our USDA Rural Development family, are working hard to support families, businesses and communities, increase economic opportunities and improve the quality of life in rural communities.



Secretary Ann M. Veneman

## **Acting Under Secretary for Rural Development Gilbert G. Gonzalez**

Citizens and community leaders throughout rural American share a common desire to bring economic opportunity and an improved quality of life to their communities. There is a remarkable cohesiveness among rural citizens that allows their energy and enthusiasm to harness the resources needed to bring solutions to economic and social issues facing their communities.

Today, more Americans than ever are realizing their dream of becoming a homeowner. I am proud to say that 20 percent of the first-time homeowners receiving financing this year are minority families.

We are committed to aggressively working to help families, communities and businesses build the basic community infrastructure, help create more local jobs, and gain access to educational and health care services and technologies that allow them to be better prepared to compete in a global environment.

While we have accomplished much, we know that more must be done to assist more families, businesses, and communities benefit from the financing and technical assistance that USDA Rural Development provides. That is why I unveiled this year a new education and outreach effort designed to ensure that everyone in rural areas knows what assistance is available to help them achieve their economic goals and improve their quality of life. Simply put, USDA Rural Development is the sole government agency that can build rural communities from the ground up.

To date, the Bush Administration, through USDA Rural Development, has invested \$50 billion to help create or save over 800,000 jobs. We have a team of dedicated professionals capable and ready to work with you to improve the quality of life in rural Alaska. I encourage you to contact your local or state office in Alaska to learn more about how USDA Rural Development can help improve the quality of life and increase economic opportunities in your community.



Under Secretary Gilbert G. Gonzalez

# Rural Development Team Alaska

## A Message from the State Director

Fiscal Year 2004 was another record-setter for USDA Rural Development in Alaska. We saw a substantial increase in volume in our core loan and grant programs of business, utilities and housing.

In dollar volume, the amount of community facilities program loans we made more than doubled, to almost \$4 million. Guaranteed business loan volume approached \$37.6 million, compared to \$22.6 million in 2003; and our housing volume (all programs) increased from \$36.7 million in 2003 to \$48.8 million this year. Most notably, the dollar volume for our guaranteed home loan program reached almost \$40 million (compared to \$27.9 million the year before.)

As in previous years, we worked closely with local, state and federal representatives and with lenders across our state to meet our goals. In fact, we continue to develop new partnerships while strengthening existing ones. Most notably, we are moving forward in cooperation with the State of Alaska, the Denali Commission, the Rasmuson Foundation, the Alaska Mental Health Trust, and the Foraker Group to meet Alaska's planning and infrastructure needs. In conjunction with the US Department of Housing and Urban Development and the Alaska Housing Finance Corporation, we are working to ensure that more credit-worthy Alaska families achieve the dream of homeownership, and that more members of minority groups become homeowners.

None of the successes that are outlined here would be possible without the collaboration and strong support of our private, non-profit and public partners. Additionally, many projects that you see in this report are funded directly through the efforts of our Congressional delegation, with the support of President George W. Bush, Secretary Ann M. Veneman, and Acting Under Secretary Gilbert Gonzalez. Working together as a team, we are boosting services to rural Alaska to ensure that "No one gets left behind." At USDA Rural Development we are, as our logo says, "Committed to the future of rural communities," as we continue to deliver our programs for progress.

Sincerely,

Bill Allen  
State Director



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## USDA Rural Development Regional Offices



*Rural Development operates federal loan and grant programs designed to strengthen rural Alaska businesses, finance new housing, improve existing rural housing, develop community facilities and stimulate rural employment. Direct and/or guaranteed loans are available for housing, water and waste, rural businesses, community facilities, electric power and telecommunications.*

*Rural Development is an agency of the U.S. Department of Agriculture and provides Rural Utilities Programs, Rural Housing Programs, and Rural Business-Cooperative Programs. It also contains the Office of Community Development. We work with many lenders, state and federal agencies, and private sector groups in Alaska to help provide a starting point to address business, community and housing needs.*

*Our mission is to help rural Alaskans create, build and sustain ventures within communities by building partnerships and investing financial aid and technical resources in areas of greatest need. Quite simply, our mission is to see that no one gets left behind; that all federal, state, non-profit and private sector programs are accessible to residents of rural Alaska, regardless of the size of the community.*

# Rural Development Programs

## Rural Housing Programs

Rural Development makes loans and grants to provide rural residents with decent, safe and sanitary housing. Our programs help finance new or improved housing for moderate, low and very-low income families each year. These programs provide financing—with no down payment, at favorable rates and terms—either through a direct loan or a loan from a private financial institution, which is guaranteed by Rural Development.

### Direct Housing Loans

For very low and low income borrowers who cannot obtain 100% financing from other sources but have the ability to pay house payments, insurance, taxes, maintenance, and necessary living expenses.

### Guaranteed Home Loans

For low and moderate borrowers with the ability to make mortgage payments but may not have the necessary down payment. Applications are made through an approved lender for 30-year mortgages at fixed market interest rates.

### Multi-Family Housing Loans

Finances modest apartments for rent by very-low, low and moderate income tenants.



*Rural Development Construction Analyst Tim Krug inspects the kitchen at one of nine homes constructed at Settlers Bay through the "Mutual Self Help" housing program.*

### Home Improvement and Repair Loans and Grants

Enable very-low income homeowners to remove health and safety hazards from their homes. People aged 62 and older who cannot afford to repay a loan may be eligible for a grant.

### Self-help Housing Loans

Assist groups of six to eight low-income families to build their own homes. Loans help provide materials and skilled labor. The families must agree to work together until all homes are finished.

### Housing Preservation Grants

Made to non-profit organizations or local governments for repairs and rehabilitation of the homes of eligible owners.



*Volunteers with the group "Worldchangers" assist families constructing new homes at the Settlers Bay "Mutual Self Help" housing site.*

## Community Facilities & Rural Utilities Programs

Rural Development seeks to improve the quality of life in rural America through a variety of loan and grant programs for community facilities. Community Facilities loans and grants may be made in rural areas and towns with a population of 20,000 or less. Utilities loans and grants may be made in rural areas or towns of 10,000 people or less.

### Community Facilities Loans

Used to improve community facilities providing essential services in rural areas and towns. The funds are available to cities, Alaska Native tribes, and non-profit corporations for health care, fire and rescue, community centers, assisted living projects, day care and other public purposes.

### Guaranteed Community Facilities Loans

Available to finance the same types of facilities as the direct loan program, as well as community recreational facilities.

### Community Facilities Grants

Available for essential facilities in low-income areas.

### Water and Waste Disposal Loans

Used to construct, extend or improve water and waste disposal (including solid waste and storm drainage) systems in rural areas and towns. The funds are available to cities, Alaska Native tribes, and non-profit corporations that are unable to obtain affordable credit elsewhere.

### Water and Waste Disposal Grants

Used to reduce water and waste disposal costs for rural users. Grants may not exceed 75% of eligible project costs and are usually made in conjunction with a loan.

## Rural Business-Cooperative Programs

### Technical Assistance and Training Grants

Provide funding to non-profit organizations for a wide range of issues relating to water and waste disposal operations.

### Solid Waste Management Grants

Available to provide technical assistance and training to non-profit organizations and public bodies to reduce or eliminate pollution of water resources, improve planning and management of solid waste facilities, and reduce the solid waste stream.

### Guaranteed Water and Waste Disposal Loans

Made by eligible lenders to public bodies and non-profit corporations to improve water, waste disposal, storm sewer or solid waste disposal systems in rural areas.

*The new Kotzebue water tank, constructed with over \$1.7 million in Rural Development funds provided through the 2002 Farm Bill. Matching funds were provided by the State of Alaska and the local community.*



*A musk ox checks out the construction site of the new Nome Power Plant, which is being built with Rural Development funding support (photo courtesy of John Handeland, City of Nome.)*

Our goal is to provide a dynamic business environment in rural America. Working with the private sector and community-based organizations, we provide financial assistance to rural businesses and cooperatives; conduct research into rural economic issues; and provide cooperative education material to the public.

We help fund projects that create or preserve quality jobs and/or promote a clean rural environment. Individuals, corporations, partnerships, cooperatives, public bodies, and non-profit corporations may be eligible.

### Business and Industry Guaranteed Loans

Designed to improve the economic and environmental climate in rural communities, including pollution abatement and control. This objective is achieved through bolstering the existing private credit structure with guarantees of quality loans.

### Intermediary Relending Program

Designed to alleviate poverty and increase economic activity and employment in rural communities, especially disadvantaged and remote communities, through financing targeted primarily toward smaller and emerging businesses, in partnership with other public and private resources, and in accordance with state and regional strategy based on identified community needs. This purpose is achieved through loans made to intermediaries that establish programs for the purpose of providing loans to ultimate recipients for business facilities and community developments in a rural area. Intermediaries (borrowers) may be private nonprofit corporations, public agencies, native American groups or cooperatives.

### Rural Cooperative Development Grants

Made available to eligible non-profit corporations and institutions of higher learning to assist with start-up, expansion, and operation of cooperatives in rural areas.

### Rural Business Enterprise Grants

Help finance and facilitate the development of small and emerging rural private business enterprises.

### Rural Economic Development Loans & Grants

Zero interest loans and grants available for rural electric and telephone borrowers to promote rural economic development.

### Cooperative Development Technical Assistance

Available to help residents form new cooperative businesses and improve the operation of existing cooperatives.

### 9006 Energy Program

Up to 25% grant funding for renewable energy production or energy efficiency projects.

### Value Added Producer Grants

Available to individual producers and groups of producers (including aquaculture) who add value to their products through further processing. The program is designed to encourage independent producers to process their raw materials into marketable goods, thereby increasing income.



*Owner John Haddad (Left) and Fairbanks Rural Development Area Manager Jim Pohlman at The Harley Outpost, financed with a B&I loan guarantee.*

# Rural Housing Programs

*Fiscal year 2004 was another banner year. Rural Development-Alaska recorded a 37% increase in single family home loan activity (measured by dollar volume). "We exceeded \$47 million, compared to about \$33.6 million the year before," said Acting Housing Director Debbie Andrys. The number of home improvement loans and grants made statewide topped \$469,000, compared to just \$320,000 the year before. "We continue to show marked improvement in our home loan and grant volume," said State Director Bill Allen. "Additionally, the number of new minority homeowners who took advantage of our home loan programs was 21.6 percent of our total volume. President George W. Bush has set a goal of increasing minority homeownership by 10% by the year 2010. Here in Alaska we are committed to exceeding that goal." Allen noted that 95% of all RD-Alaska single family loans went to first time homebuyers.*

*Rural Development marked several notable firsts in 2004. It provided a \$100,000 grant to the Association of Village Council Presidents in Western Alaska so the group can provide housing outreach services to residents in rural predominantly Native communities, and the Sitka Area Office used EZ-EC set-aside housing funds in the Southeastern Alaska Native community of Metlakatla for the first time. Also in 2004, Rural Development made a \$1 million Seafood Processor Housing Grant under a pilot program supported by Senator Ted Stevens which is designed to provide quality, secure housing to seasonal fish processing workers in Alaska.*

## **Rural Development, HUD, AHFC Pilot Program turns "SECTION 8" Renters into Homeowners**

For the first time in the history of Alaska, individuals with disabilities are being allowed to use their "Section 8" rental vouchers, issued by the U.S Department of Housing and Urban Development (HUD) to achieve their dreams of homeownership. It's being accomplished under an Alaska Housing Finance Corporation pilot program. USDA Rural Development is participating.

"This would not have been possible without involvement from our many partners," said AHFC President and CEO Dan Fauske. He noted Rural Development's commitment to the program when announcing the first loan closing in December. The first Alaska loan went to Antonia Fandycz of North Pole, near Fairbanks. Fandycz, a Department of Labor employee, is a first-time homeowner. She utilized AHFC's "Housing Choice Voucher Homeownership Program" which became available from the U.S. Department of Housing and Urban Development on a national basis in 2000. AHFC's board of directors approved the pilot program in 2003.

Fauske noted that in the case of the loan to Ms. Fandycz, USDA Rural Development provided financing for 80 percent of the loan with AHFC participating at 20 percent. "This is the type of partnership that puts Alaskans in houses," said Rural Development State Director Bill Allen. Allen credited Fairbanks Rural Development Area Manager Jim Pohlman and Loan Specialist Kim Wood for their efforts in making the closing a reality. "Jim and Kim worked closely with the lender, the buyer, and of course with AHFC," said Allen. "I'm proud of them and their efforts to promote homeownership in interior Alaska."

The loan is the first of what Allen hopes will be many under the program. Later in the year, Sandra Dickerson of Wasilla, who is disabled, was also able to build a home using the pilot program. She moved out of a rented duplex into a custom-built home on an acre of land. The new home is built to accommodate her disability, greatly improving her quality of life. "This is the first thing I've ever owned that doesn't have wheels under it," said Dickerson.



*AHFC Director of Public Housing Wes Weir (right), home buyer Antonia Fandycz and Rural Development State Director Bill Allen at a "key presentation ceremony" at Ms. Fandycz's ranch-style home in North Pole. This was the first home in Alaska purchased through the "Housing Choice Voucher Homeownership Program."*



*Sandra Dickerson demonstrates special cabinetry in her kitchen designed to improve her quality of life and accommodate her physical disability*

### Leveraged Loan Puts Kenai Family in a New Home

Enriqueta Castellon-Hernandez came to the Kenai Rural Development Area Office after being told by a lender that she could not qualify for loan to purchase her home because they could not verify that her income was sufficient to make mortgage payments, and they could not verify residence.

She is a resident alien, having been in Kenai since January 2001. She had been with her current employer since August 2001. Her credit is excellent, with very little debt. She is the mother of two small children.

Rural Development stepped forward and processed her application. It was determined she had income enough to qualify for a leveraged loan. After discussing the situation with her she asked to leverage with a local mortgage company.

Everything was going fine, when a complication arose.

The restaurant where Enriqueta worked was sold, her hours were cut, and she no longer qualified for the home she wanted. Undeterred, Loan Specialist Amy Milburn and Kenai Area Manager Michelle Hoffman turned to the Alaska Community Development Corporation's Home Ownership Program and filed an application with the organization that day.

As a result, Enriqueta got the maximum Home Ownership Program funding, and the mortgage firm made the loan. A very happy homeowner indeed, Enriqueta expressed her appreciation when we went to take this picture. She and her children love the house and the neighborhood. Another Rural Development success story!



*Kenai Rural Development Loan Specialist Amy Milburn (right) and new homeowner Enriqueta Castellon-Hernandez stand in front of a home financed through a Rural Development leveraged loan.*

### Lifelong Nome Resident, Children, Achieve the Dream of Home Ownership

Nome resident Kathy Ezukameow and her four children have settled into a three bedroom home, thanks to the joint efforts of the Nome Eskimo Community and USDA Rural Development.

"Last summer, I went to my Native Corporation office to find out what sort of funding for housing was available," said Ms. Ezukameow. "They suggested I take a class about home buying. At about the same time I learned about the housing programs offered by USDA Rural Development." At the time, Ms. Ezukameow and her children were living in a cramped two bedroom apartment. "We found a house over the summer and moved into it in September. The Nome Eskimo Community helped with the down payment and closing costs, and Rural Development made the home loan." She said the process was fast and easy. "Rural Development staff in Nome were great to work with. I started the (loan) process with Area Manager Leo Rasmussen and with Loan Specialist Randy Morton in July, and they moved quickly."



The home is fully up to code, and its a comfortable place to raise a family. Ms. Ezukameow is a dental assistant with the Norton Sound Health Corporation and travels frequently to rural communities to provide dental care. She says the house is perfect for her family. "It's nice to know that my kids have a safe place to live. We have a huge living room and compared to my old place, it's like a gymnasium."

*New homeowner Kathy Ezukameow with her four children. (Left to right) Nicolas, age 3; Pamela, 9; Tamaira, 7; and Katelyn, 2*

### **Worldchangers Partners with USDA Rural Development to Improve Living Conditions for Rural Alaskans**

For the past three years, hundreds of high school age students from the lower 48 states affiliated with the group “Worldchangers” have worked to help eligible Alaskans get more out of the home improvement grant and loan funds provided to them through the Rural Development “504” program. “We provide grants of up to \$7,500 and loans of up to \$20,000 so that income-eligible homeowners can make repairs and improvements that affect issues of life, health and safety,” said Amy Milburn, Kenai Rural Development Loan Specialist. “Worldchangers provides volunteer labor, so the grant and loan recipients can spend more of the funds on materials.” Milburn spoke as a “Worldchangers” crew installed a new roof, made structural repairs and installed sheetrock at the home of Fred Christian, a rural Kenai Peninsula resident. “This would have taken me five years to accomplish,” said Christian, who is disabled. “They did it in four days.” Christian, a first-time homeowner, returned to Alaska a year ago after living a number of years in the “lower 48”. “This program gives me more bang for my buck and it will really improve the quality of my life.”

“Worldchangers” may expand its role in the future. Later in the summer, at the request of the Alaska Community Development Corporation, which has overseen construction of two Rural Development “Mutual Self Help Housing projects, a group of 84 teens and adults worked for a week in the Mat-Su Valley to help income eligible homeowners complete work on nine new homes.

Next year, “Worldchangers” tentatively plans to work with Rural Development’s Fairbanks office to provide “504” home repairs for residents of the community of North Pole. “Our partnership with ‘Worldchangers’ allows us do more with limited grant and loan funds,” said State Director Bill Allen. “They provide the labor. We provide the funds, and the homeowner gets a safe and livable home. This is another example of a partnership working to improve the quality of rural life.”



*Kenai Rural Development Loan Technician Kristen Edwards (left) and Loan Specialist Amy Milburn flank Stephen Brown, a carpenter from Du Quoin, Illinois, who came to Alaska last summer with the group Worldchangers. Brown and a Worldchangers volunteer crew replaced the roof on a Kenai Peninsula home. Funding for the repair was provided through the “504” program.*



*Using Rural Development “504” funds, Worldchangers volunteers rehabilitated the home of Fred Christian, near Kenai.*



*Worldchangers volunteers at the mutual self-help housing site at Settlers Bay near Wasilla.*

### Nine Families Work Together to Achieve the Dream of Homeownership

Nine more Alaska families achieved the dream of homeownership through Rural Development's Mutual Self-Help Housing Program in 2004. The families, working together under the direction of the Alaska Community Development Corporation (ACDC) built nine ranch-style homes on adjoining lots in the Settlers Bay subdivision near Wasilla over the past year. Family members signed closing documents and took possession in late fall of 2004. "This program is unprecedented in modern-day America, and it really works," said Pat Shiflea, ACDC Executive Director. Each family had an estimated \$60,000 in "sweat equity" when they took possession of their homes.



*New homeowners Bart and Lisa Barnes stand in front of their house at Settlers Bay. Nine Alaska families built homes over the past year using the "Mutual Self Help Housing Program."*



### Low Interest Rate Helps Alaskan Purchase Her Own Home

Many Alaskans need low interest rates to buy a house because of our state's high housing costs.

Kenai Peninsula resident Ann Shirnberg found she qualified for a new home. Working with a contractor and USDA Rural Development, she received a 90 percent Single Family Housing Section 502 Guaranteed Loan through a credit union. Her 30-year fixed rate mortgage was made at a historic low interest rate.

Shirnberg now lives in an attractive, new "Alaskan style" A-frame home in the Zephyr Hills subdivision. "I am a first-time homebuyer and this is my dream home," she said. "It's a dream come true. I was pleased with the mortgage, and the people at USDA Rural Development. It's such a joy to own and not to rent."



*This Kenai Peninsula home was purchased with a Rural Development Section 502 guaranteed loan.*

### Rural Housing Program Lenders, Contributors, and Partners:

US Department of Housing and Urban Development  
 Alaska Housing Finance Corporation  
 Wells Fargo Home Mortgage, Inc.  
 Alaska USA Mortgage Co.  
 Alaska USA Federal Credit Union  
 Pacific Alaska Mortgage  
 Alaska Pacific Bank  
 Norwest Mortgage  
 First National Bank Alaska  
 Residential Mortgage, LLC  
 Aleutian Housing Authority  
 Northern Schools Federal Credit Union  
 Kodiak Island Housing Authority  
 Chase Manhattan Mortgage Corp.  
 Central Pacific Mortgage  
 Countrywide Funding Corp.  
 Homestate Mortgage  
 Nome Eskimo Community  
 Seattle Mortgage Co.  
 Cook Inlet Housing Authority  
 AHFC's HOME Opportunity program  
 Vista Mortgage  
 Ketchikan Indian Corp.  
 Northwest Inupiat Housing Authority  
 Northern Pacific Mortgage  
 Denali State Bank  
 First Bank  
 GMAC Mortgage Corp.  
 Guild Mortgage  
 Mt. McKinley Mutual Savings Bank

# Rural Utilities Programs

*In 2004, USDA Rural Development continued its commitment to improving utility, electrical and telecommunications systems across Alaska. Through the efforts of Senator Ted Stevens, Rural Development invested \$27.1 million in the Alaska Village Safe Water program alone. Rural Development also awarded grants to assist Alaska communities where the cost of energy far exceeds the national average, and it awarded three Distance Learning and Telemedicine grants to rural Alaska school districts, enabling them to link schools over the Internet and provide enhanced educational opportunities.*



*Rural Utilities Programs Administrator Hilda Gay Legg presents a \$2.5 million check to the City of Nome to partly fund a new power plant. Also pictured are Nome Rural Development Area Manager Leo Rasmussen (left), Loan Specialist Randy Morton (to Ms. Legg's right), and State Director Bill Allen.*

## **\$2.8 Million Grant and Loan Funds Galena Water/Sanitation Project**

Grant and loan funds totaling \$2.8 million have been approved for to the Interior Alaska community of Galena for construction of a three phase sewer and water project that will improve the quality of life for about 130 Alaska families. The announcement was made on Earth Day, 2004.

Rural development has a long, positive history of involvement in Galena. Working with its partners, Rural Development previously participated in construction of a combination health clinic and city administration building, provided funding for an ambulance, and awarded a grant that paid for the purchase of cutting-edge technology to link the Galena school and health care system to other parts of Alaska and the world via the Internet.

Rural Development will provide the city of Galena with a \$700,000 loan and \$2.1 million in grant funds. The community will use the funds to install 33 individual home sewage treatment systems next to houses that are built on lots where permafrost (ground that is permanently frozen) makes it impossible to install conventional sewage handling systems. The 33 units in phase one were purchased with funds previously provided through other sources. In phase 2, Galena will use Rural Development funds to purchase and install 37 additional units. It will also install conventional septic and leach field systems for homes where permafrost is not a concern, and, in phase 3, it will extend an existing water line a mile, providing city water service to an estimated 60 homeowners who now receive their water by tanker trucks.

*Abraham Tsiongas of LifeWater Engineering Company, stands next to a control and monitoring unit to be installed on an above-ground sewage treatment system.*



## **Water Quality Programs Get A Boost Through Rural Development Efforts**

In 2004, Rural Development invested another \$27,135,000 in Alaska's Village Safe Water Program. Those funds enabled the State to move forward on water quality projects in 26 rural communities. The funding is a "pass through" grant and is provided through the efforts of Senator Ted Stevens. USDA Rural Development has been a partner in the effort to replace unsafe water sources and "honeybucket" waste disposal systems with modern water and sewage handling systems since 1994.



*A young Kotlik resident samples tap water provided through a project financed in part with \$67,000 in Rural Development Farm Bill funds. Photos courtesy of Ray Solomon.*



*Above-ground sewage treatment units, known as Extreme STPs (sewage treatment plants) are being purchased by Galena and fabricated at a facility in Fairbanks operated by Bob Tsiongas and his family. Permafrost in Galena makes it impossible to install conventional sewage handling systems.*

### Southeast Alaska Intertie Moves Ahead with USDA Rural Development Funding

Plans to construct new electrical Intertie segments in Southeast Alaska took a step forward during fiscal year 2004 with the announcement that the Southeast Conference Intertie Committee had selected an owner/operator entity for the Intertie project. The committee also voted to expand its mission to include all energy within Southeast Alaska. USDA Rural Development and the Denali Commission provided funds to move the project forward, and USDA's Rural Utilities Programs Administrator Hilda Gay Legg met with Intertie officials and toured the Intertie route by helicopter during a trip through Alaska in August.



*Southeast Conference Intertie Coordinator Dave Carlson (left), Rural Utilities Programs Administrator Hilda Gay Legg and Assistant to the State Director Frank Muncy during an inspection of the route of the planned Southeast Alaska Intertie.*

### Rural Utilities Programs

Electrical service upgrades, Distance learning programs and Telemedicine: Part of Rural Development's mission.

Four grants, designed to improve efficiency in parts of Alaska where the cost of electricity is extremely high, were awarded by Rural Development this year. A \$2.5 million grant enabled the Nome Joint Utilities System to begin construction of a replacement power plant. The new plant site, which was toured this summer by RUS Administrator Hilda Gay Legg and State Director Allen, is located on higher ground, out of the flood plain and away from the Nome Airport glide path. Additional grants were awarded to the following:

Utility	Grant	Project
Alaska Village Electric Cooperative:	\$1,156,811	Hooper Bay Wind Generation
Naknek Electric Association	\$2,618,387	Rural power plant upgrades
Inside Passage Electric Cooperative	\$2,119,517	Line extensions and efficiency improvements in Angoon, Kake, Klukwan and the Chilkat Valley
Three loans were approved during FY 2004:		
Golden Valley Electric Association	\$8,190,000	Transmission line: North Pole to Carney
Kotzebue Electric Association:	\$1,187,000	Fuel system and plant upgrade
Kotzebue Electric Association:	\$2,847,000	New Generation unit and headquarters addition
Rural Utilities Funds provided through the Denali Commission for eleven communities with extreme high energy costs	\$14,400,000	

### Telecommunications: Investing in Alaska's communities.

In 2004, USDA Rural Development awarded Distance Learning and Telemedicine Grants to three more Alaska school districts, bringing to eight the number receiving grants over the past two years. One of the districts receiving a grant is the Chatham School District, which includes the Southeast Alaska communities of Angoon, Gustavus, Klukwan and Tenakee Springs. Superintendent of Schools Connie A. Newman, Ph.D., said the funds will be used to link schools in the four communities and enhance instruction by increasing the number of electives offered to students. She also said the district plans to establish a pilot program to provide Chinese and Spanish language instruction.

#### Distance Learning and Telemedicine Grants:

Chatham School District:	\$472,579
Haines Borough School District:	\$499,999
Kuspuk School District (Aniak)	\$411,913

#### Distance Learning and Telecommunications loans:

Unicom, Inc.:	\$10 million loan
	\$1 million grant
(To improve telemedicine services in the Yukon/Kuskokwim Delta region of Alaska)	

#### Broadband Community Connect Grants:

Funds provided by Rural Development connect essential community facilities in towns where no broadband service exists. Two grants were made in Alaska under the program in Fiscal Year 2004:

Anvik Traditional Council:	\$280,310
Arctic Slope Telephone Association Coop.:	\$ 60,497

# Community Facilities Programs

*In 2004, USDA Rural Development continued to work with its funding partners to provide financial support for clinic construction projects and rescue gear purchases in communities across the state. In Southeast Alaska, the new Angoon Clinic, funded in part with a \$1,732,500 grant, opened during fiscal year 2004. In the Mat-Su Valley, the Sunshine Clinic, which was completed a year ago with Rural Development funding support, opened a dental clinic this fall to serve Susitna Valley residents; and in the Aleutians, the community of Sand Point began soliciting bids for a new clinic. Rural Development is participating in that project by providing a \$250,000 Community Facilities grant. "It's much needed," said Sand Point Mayor Glen Gardner, Jr., "We don't have the space now. The new clinic will save lives. Our community is so remote you can't always get to Anchorage."*

*Along with the grant to Sand Point, there is also a \$250,000 direct Community Facilities loan to the city for this project.*



*The Angoon Clinic in Southeast Alaska, built with Rural Development funding support.*

## **New Technology Center Benefits Craig Following Mill Closure**

Southeast Alaska residents, facing a decline in traditional employment sources in the timber and fishing industries, get opportunities for retraining, thanks to USDA Rural Development.

### **How USDA Rural Development helped:**

A new community technology center opened in January, 2004 in the Southeast Alaska community of Craig. The 5,500 square foot facility is located on the lower level of the existing Craig Tribal Hall, and features high speed Internet access, a 12 student computer lab, a long distance learning center and a videoconference center. It was funded with two grants from USDA Rural Development totaling almost \$700,000 and additional support from the community and the US Department of Housing and Urban Development.

"Our technology center is a new trend for educational learning," said Craig Community Association (CCA) President Millie Stevens. "Our people won't have to leave Prince of Wales Island to get an education, and it is our hope that all island residents, not just our tribal members, will be able to use this center to move from seasonal to full-time work." Stevens thanked Lawrence Spotted Bird of Spotted Bird Technologies for his vision in seeing the project move forward, and she also thanked Project Manager Richard Bergeron, who managed the architectural building construction phase.

*Assistant to the State Director Frank Muncy inspects new equipment at the technology center in Craig.*



## **Rural Development Helps "The Children's Place" Secure a Home**

As you enter the peaceful, well-lit, comfortable and cozy building that houses "The Children's Place" you see the sign: "Children are to be seen, heard and believed". The spin is on the old phrase "Children are to be seen and not heard," as this is where children come when it is suspected that something has gone badly wrong with their lives. "The Children's Place", a non-profit organization, serves families in the Mat-Su Valley, the fastest-growing part of Alaska, and, regrettably, an area where child abuse is a significant problem. "Last year we saw 119 children," said Jennifer Downey, Interim Executive Director. Each of those children was referred by the state or by a law enforcement organization. Over the past 5 years, "The Children's Place" has served over 700 minors under the age of 18. Children who come through the door include suspected victims of sexual and physical abuse. Others are also severely depressed or anxious. "The Children's Place" contains a comfortable physical examination room, and also an interview room where a law enforcement officer, medical or social service professionals can gather evidence and information needed to complete a report and provide a child with legal protection. There is also a well-appointed play area, and a big yard for children and their families to use while they are there.

"We had been leasing this building (a former house) for five years. The owner was ready to sell and that's when we approached USDA Rural Development," said Downey. "We talked to Rural Development Loan Specialist Renee Johnson about the Community Facilities low interest loan program and, after filling out the paperwork, we were able to buy the building." Downey said alterations were made to the building to increase the privacy of children and families who are being served. "This was my project," said Downey. "Renee was lots of help, easy to work with. You guys were wonderful." The organization, which is

governed by a non-profit board, realized significant savings through the purchase. “Our mortgage payment is half of our former rent payment. We use the savings to provide additional services. We have a contract with a mental health service professional. We never charge families for our services,” said Downey. She said that continuing federal, state, and local grants and fundraising efforts provide funding for the facility and pay the salaries of seven staff members.

As an extra bonus, a remodeling project enabled “The Children’s Place” to establish a separate, private entrance for a second program it provides: home visits through the “Dual Track” program. “We receive reports of possible harm to children through the Alaska Office of Children’s Services. We send workers to homes to make sure the health and safety needs of children are being met, and we provide resource information to the families. Over the past five years we’ve seen 3,800 children under this program.”

Through Rural Development efforts, more money is now available to serve children in times of crisis. “We provide a neutral atmosphere for agencies to come together to help a child,” said Downey. “It used to be that a child would have to go to a police department or similar place to be interviewed. Now he or she comes here.”



*Interim Executive Director Jennifer Downey at “The Children’s Place.”*



## **Wasilla Senior Center Kitchen Renovation**

### **THE NEED:**

After over 20 years of service the cramped, antiquated kitchen at the Wasilla Senior Center was showing its age. Wasilla is located in the Mat-Su Valley, the fastest-growing part of Alaska. The Senior Center is expanding rapidly, adding a new multi-unit housing facility almost yearly, and it is completing work on an assisted living facility to give seniors safe, clean and dignified housing options. The old kitchen, in the community meeting area, was overdue for replacement.

### **HOW USDA RURAL DEVELOPMENT HELPED:**

In 2002, the operators of the non-profit Wasilla Senior Center faced a dilemma. The center is a primary provider of meals for residents, seniors confined to their homes, and the local Head Start Program. Demand was on the upswing, but the center only had a cramped kitchen, containing a small grill and oven and limited refrigeration and freezer space. Center director Tim Anderson, who also serves as Mat-Su Borough Mayor, turned to Alaska Congressman Don Young for help. With the Congressman’s support, USDA Rural Development is participating in a \$640 thousand dollar expansion project at the center, which provides a spacious new kitchen, state of the art food serving area, and a new, large walk-in cooler. Rural Development provided a \$300,000 Community Facilities loan. The non-profit Rasmuson Foundation provided \$240,000. Additionally, the Alaska Mental Health Trust provided \$50,000 and the Senior Center Board provided \$100,000. “This is a prime example of how a group of partners can work together to achieve positive results,” said Alaska State Director Bill Allen. Center Deputy Director Mary Anderson said “Thanks to Congressman Young, State Director Allen, and the staff at Rural Development we now have a facility that, for our seniors, is a dream come true. The senior community is very

proud of the new kitchen and they’re happy to show it off to visitors. Additionally, we’re re-carpeting the public area. The kitchen has new equipment, including a steam kettle and a large-capacity cooler. Everything is modernized, and it comes just in time. We’re adding 30 more senior housing units and by this time next year there will be 100 more people on the senior center campus.” The addition will bring the total number of units at the center to 190.

### **THE RESULT:**

Working with USDA Rural Development, funding partners and with the strong support of Alaska’s Congressional Delegation, and especially Congressman Don Young, Mat-Su Valley Seniors and Head Start students will receive better meal service from a modernized facility.



*Congressman Don Young (Left), State Director Bill Allen (Center) and Elmer Feltz, Chairman, Wasilla Senior Center Board of Directors, cut a ribbon at the opening of the new Senior Center kitchen.*

# Community Facilities

## **The James and Elsie Nolan Museum and Civic Center—Wrangell’s Economic and Cultural Centerpiece**

Years of effort by the residents of Wrangell have produced a beautiful new building on the community’s waterfront. The James and Elsie Nolan Museum and Civic Center was dedicated last summer. The 20,000 square foot building is located near the community’s docks, and within convenient walking distance of downtown stores. Rural Development contributed \$629,000 to the project in the form of a Community Facilities grant. Private foundations contributed \$4.5 million, the community contributed almost \$3.2 million and the Denali Commission also provided funding support.

“The people of Wrangell love it,” said Janell Privett, Acting Chair of the Nolan Center Board of Directors. “This building is the center of downtown. It has really given a boost to our economy. We have more visitors, more overnight guests, and we’re hosting meetings and conventions that never could have happened without this center. In the seven months we’ve been open it’s exceeded our expectations.” Mrs. Privett says the center has about six full and part-time employees, and will provide additional jobs to local youth during the summer tourist season. There are also plans to open the community’s only movie theatre in the center, and run it with student employees.

Wrangell is an island community of 2,100 located in Southeast Alaska. “We had a down turn in the timber and fishing industries. Those remain important to our economy, but this center allows us to move in a new direction,” said Mrs. Privett. “We’ve attracted arts events and theatrical performances, and this has really brought us together. Working together (on this building), the community has accomplished a great deal.”



*The James and Elsie Nolan Museum and Civic Center was dedicated at a ceremony in the summer of 2004. Photos © Ivan Simonek.*



## **Klawock Public Safety Building Expands with \$1.3 Million in USDA Assistance**

The City of Klawock dedicated its public safety building on April 3rd, 2004 with a ribbon cutting ceremony.

“We’re proud of this newly expanded and remodeled building,” said Klawock City Administrator John Morris. “The new building is state-of-the-art and contains space for our police department, the Alaska State Troopers and Fish and Wildlife personnel.” The building project was financed by a \$400,000 loan and \$900,000 grant through the USDA Rural Development Community Facilities program.

“Projects like this one are what Rural Development is all about,” said Alaska State Director Bill Allen. “This building will serve Klawock’s residents for decades to come.” The Community Facilities program has been used by a number of cities and villages around the state to build public safety buildings, libraries, meeting halls and health facilities. Last year, Rural Development invested over \$11.5 million in the state through the Community Facilities program alone.

The loan and grant enabled the community of Klawock to purchase an existing 2,900 square-foot building, renovate it, and construct an addition.

Klawock is a community of over 800 residents on Prince of Wales Island in Southeast Alaska.



*The Klawock Public Safety Building*

**Priority Funds for First Responders**

Rural Development, for the third year in a row, provided funding for “Project Code Blue”, which provides rescue gear to communities across the state. “We provided a total of \$424,700 to four regional health care agencies,” said Director of Community and Business Programs, Dean Stewart. Under “Project Code Blue,” Rural Development teams with the State of Alaska, regional EMS councils and local communities to provide ambulances and other needed rescue gear to emergency medical services providers.



*Working with funding partners, USDA Rural Development continues to support the deployment of life saving equipment across Alaska.*



*Norton Sound Health Corporation CEO Joe Cladouhos accepts \$71,600 in “Project Code Blue” funding from Rural Utilities Programs Administrator Hilda Gay Legg at a luncheon in her honor in August. Also pictured is State Director Bill Allen*



*Photo courtesy of Mary Glover.*

**\$2.4 Million Grant helps move Valley Hospital Project Forward**

Construction of a new 78 bed regional hospital in the Mat-Su Valley got a boost when it was announced that Rural Development had approved a \$2.4 million grant to partially fund a water and sewer line to the new hospital site. The new hospital will replace an outdated facility in the community of Palmer, about fifty miles north of Anchorage. The Valley is the fastest-growing part of Alaska.

The water and sewer grant was announced by RUS Administrator Hilda Gay Legg during an August meeting of the Palmer Chamber of Commerce. During the presentation of the grant check, Administrator Legg credited U.S. Senator Lisa Murkowski for working to make the grant possible. “This simply would not be possible without the Senator’s leadership,” said Legg. “This is a huge step.”



*(Right to Left) Director of Community and Business Programs Dean Stewart, Rural Utilities Administrator Hilda Gay Legg, Alaska State Director Bill Allen, U.S. Senator Lisa Murkowski, Palmer Mayor Jim Cooper, and Water and Environmental Programs Specialist Debby Retherford at the presentation of a check to the City of Palmer to extend water and sewer services to the new Valley Hospital site.*

# Rural Business-Cooperative Programs

## *BUSINESS AND INDUSTRY-PUTTING ALASKANS TO WORK*

*The volume of guaranteed business loans made in Alaska by Rural Development jumped sharply in 2004. "We guaranteed almost \$37.6 million in business loans in the just-completed fiscal year. That compares to \$22.6 million in 2003," said Director of Community and Business Programs Dean Stewart. "This is the second year in a row that we ranked 4th among all the states in terms of loans guaranteed under this program...quite an accomplishment for a state with our relatively small population." Stewart credited the increase in dollar volume to a knowledgeable staff and an excellent rapport with Alaskan commercial lenders. "We continue to develop relationships with new lenders while strengthening our ties to lenders already using our program." The B&I program created 743 new jobs and saved 1,796 jobs in Alaska in 2004.*

*Led by the sharp rise in guaranteed business loan volume, total activity for all business and cooperative programs jumped sharply. "We awarded \$645,000 in Rural Business Enterprise Grants and \$86,000 in Rural Business Opportunity Grants in 2004. These programs really help with small business development and expansion," said Stewart. Additionally, the agency awarded a \$345,000 Value Added Producer Grant, and it awarded its first Comprehensive Community Planning Grant. In all, Business and Cooperative Program volume totaled over \$39 million in the just-completed fiscal year.*

## **Precision Crane Gets Off the Ground with USDA Guaranteed Loan**

USDA Rural Development State Director Bill Allen joined representatives of Mt. McKinley Bank and Precision Cranes, Inc., earlier this year in North Pole to close a USDA guaranteed loan, enabling the newly formed company to purchase assets that include six construction cranes.

"This loan will help to encourage economic growth in the Fairbanks area," said Director of Community and Business Programs Dean Stewart. "These loans create jobs, and put Alaskans to work." Stewart and Fairbanks Rural Development Area Manager Jim Pohlman joined State Director Allen at the loan closing ceremony. Allen is a former mayor of the Fairbanks North Star Borough.

According to North Pole resident Fred Kuykendall, part owner of the new firm, Precision Cranes is positioned in the construction industry to participate in the significant commercial activity planned for the next several years in Interior Alaska by the military, the mining industry and the private sector. After the loan closing, Precision Cranes owned six cranes ranging in size from 65 to 300 tons.

*Precision Crane: An Interior Alaska business assisted with a Rural Development loan guarantee.*



## **Alaska Business Expands with Rural Development Support**

L & J Enterprises operates the Three Bears Stores throughout Alaska. A B&I loan guarantee allowed L & J to undertake a large expansion of their Kenai Store. L & J added 16,000 square feet to the already existing 32,000 square foot facility, allowing for more variety of goods. It also allows the store to stock more non-food items, which is great for the community, along with single package food items instead of just case lot goods.



*The Three Bears Store expansion, Kenai.*

## Talkeetna Good Times Funded with B&I Guaranteed Loan

A fast growing area of Alaska needs reliable information. The community needed a local newspaper to provide reliable coverage of events and meetings. A publisher with extensive newspaper business experience moved to the Talkeetna area but was unable to marshal the financial resources necessary to convert her start-up once-a-month publication to a twice-monthly publication.

### How USDA Rural Development Helped:

When Judy Marie moved to Alaska from the “lower 48” states a decade ago, the last thing she expected to be was a newspaper publisher. She brought with her a long career in the newspaper business, but her main objective was to help out an adult son who was stationed with the Coast Guard at Kodiak. Subsequently, she decided to stay in Alaska and moved to a homestead in a roadless area north of the Susitna Valley community of Talkeetna. Talkeetna is a rustic, unincorporated town about 115 miles north of Anchorage. The homestead was accessible by rail service: once or twice a week in the winter, and twice-daily in the summer.

In the spring, Judy went to “town” and rented a two-room Talkeetna cabin. “It had no conveniences. Not even electricity,” she said. Modern conveniences weren’t the only thing in short supply. The community had no newspaper. The nearest regional paper was located 70 miles to the south. Ms. Marie’s original intention was to publish a yearly tourist publication carrying advertising and travel information of interest to summer visitors, and to return to the homestead in the fall. She named it “The Talkeetna Good Times.” The paper was such a hit with the community and with advertisers that she soon found herself publishing a monthly newspaper with a combination of

news stories and light articles. With winter closing in, she was suddenly too busy to return to the homestead, except for visits. She called a local realtor who found her a cabin with electricity and later moved into a rambling building which housed her business. Living quarters were located nearby.

Eventually, Ms. Marie hired two additional staff members. By now, her newspaper was very popular. One reason for the popularity was that it was “free”, and another reason was that it was well designed. The business community and local residents asked her to publish the paper more often and provide additional service to surrounding communities including Sunshine, Trapper Creek and Willow, but to do that she needed more staff. She also needed a loan. In the spring of 2003, USDA Rural Development Public Information Officer Wayne Maloney dropped by for a visit and Ms. Marie talked to him about her business goals. She told him she was convinced the advertising dollars were there to support more frequent publication of her paper. He put her in contact with Rural Development staff who worked with her and a local credit union.



*Talkeetna Times publisher, Judy Marie.*

Six months later, the credit union made Ms. Marie and The Talkeetna Good Times a \$135,000 loan with a Rural Development B&I guarantee. “Rural Development talked to me, looked at my business plan and decided we could make it happen.” said Ms. Marie. In the spring of 2004 she changed the name of the paper to “The Talkeetna Times” and began publishing twice a month. She also publishes “The Talkeetna Good Times” as a once-yearly publication aimed at tourists and visitors.

“The ‘Good Times’ is the yearly paper I planned to start ten years ago. I now publish that and the ‘Talkeetna Times,’ which is an actual newspaper. It’s a growth paper in a growth area. The response has been overwhelming. We get so many calls, so much response.”

### **B & I Guaranteed Lender Program participants:**

Alaska Growth Capital  
Alaska Pacific Bank  
First Bank  
Key Bank  
Matanuska Valley Federal  
Credit Union  
Mount McKinley Bank  
Wells Fargo Bank Alaska  
Denali State Bank  
First National Bank Alaska  
Northrim Bank

# EZ/EC

## Empowerment Zones/ Enterprise Community Program

### Empowerment Zones/Enterprise Community Program (EZ/EC)

Metlakatla is Alaska's only EZ/EC community. Under this program, Metlakatla is entitled to receive about \$250,000 per year in EZ/EC grant funds for ten years, with the actual amount subject to annual Congressional appropriation. EZ/EC "no year" funds can only be used to help fund projects identified in the community's strategic plan. They are intended to be used to help leverage other federal, state, foundation and private funds. Metlakatla has now completed six years as an Enterprise Community.

During the past six years, Metlakatla has received slightly more than \$1.5 million in EZ/EC grant funds. In FY 2004, \$323,405 in EZ/EC funds were used to complete renovation of the Town Hall, to undertake emergency repairs and install equipment at the Annette Island Packing Company, and to acquire an expanded parts and equipment inventory at the water bottling plant.



*Metlakatla Bottled Water  
Company products.*

The Metlakatla Town Hall is a large and imposing wooden building, dating from the 1920's or 1930's. It houses a much used indoor basketball court, complete with an upstairs viewing area. It is also used for a wide range of community events, plus Tsimpshian dancing when larger tourist ships visit the community. The repairs were urgently needed, especially the roof, which leaked and was in danger of total collapse. With EZ/EC funds, the roof was replaced and related structural damage was repaired. Rotted exterior porches were also replaced, electrical wiring was upgraded, and the entire interior was renovated. Today, the Town Hall is once again a major community asset.

The Annette Island Packing Company is a tribally owned fish processing plant which freezes salmon, halibut, herring and other species. In 2004, EZ/EC funds were used to help connect conveyors and other equipment to a new tunnel freezer installed at the cold storage plant. EZ/EC funds were also used to help eliminate several health and safety hazards at the plant, such as replacing rotted decking and moving the geoduck cooking facilities to a safer location.

The Metlakatla Bottled Water Company, another tribally-owned enterprise, used EZ/EC funds in 2004 to acquire an expanded parts and equipment inventory. Indian gambling casinos in Washington and California are a target market that the Metlakatla plant has already begun to penetrate. However, the casinos prefer smaller bottles than the plant currently produces. EZ/EC funds are being used to make needed adjustments at the plant and to provide an expanded parts and equipment inventory to accommodate that demand.



*The gym in the newly-renovated  
Metlakatla Town Hall*



# Community Outreach

## Alaska Rural Development Employees—Contributing to their Communities.

Alaska's 43 Rural Development employees work together and individually to make a difference in the communities where they live. Two shining examples are Sitka Area Manager Keith Perkins, and Utilities Programs Specialist Debby Retherford.

Perkins, a life-long Sitka resident spends his "free" time officiating high school sporting events: a pastime he's enjoyed for over 20 years. "High school sports are such an important part of rural communities, especially here in Southeast Alaska. This is a fun way to contribute to my town and to surrounding communities." Perkins is a referee at basketball, volleyball and baseball games, having been asked to officiate at state level tournaments. He also has been a den leader of the local cub scout pack and coaches little league baseball.

Perkins is also a member of the local college advisory board and the Chamber of Commerce Board of Directors, serving as President. He serves on the board of the Sitka Economic Development Association and the Southeast Conference Board of Directors. He also served for six years on the City and Borough Assembly and is a former deputy mayor.

Debby Retherford, who also serves as Alaska Rural Development's Native Outreach Coordinator, works in the state office in Palmer. As a girl growing up in the Matanuska-Susitna Valley, she became active with her local 4-H club. In recent years she has worked closely with the American Cancer Society and the Palmer Rotary Club. She has served on the Board of Directors of the Palmer Chamber of Commerce.

"Another organization that is near and dear to my heart is the Alaska State Fair. Many Alaskans don't know that the fair doesn't receive operating support from the State of Alaska. It's a non-profit, member-run organization." Six years ago Retherford was asked to run for the State Fair Board of Directors, and she is now serving her second term.

Retherford says her goals for the future include increasing the understanding of Alaska Native issues. "I am excited to have the opportunity to work with Rural Development to increase outreach, communication and cultural awareness between our organization and Alaska Native groups throughout the state." Retherford also intends to continue to work with volunteer groups in her area. "I strongly feel that a healthy, friendly, cohesive community does not just 'happen', but takes the participation of all its members in small but meaningful ways and in selfless acts that contribute to the greater good. I receive a huge personal reward from public service."



*Rural Development's Debby Retherford, Assisting families constructing homes under the "Mutual Self Help Program". Mrs. Retherford serves as Water and Environmental Programs specialist, and was recently named Native Outreach Coordinator by State Director Bill Allen.*



*Sitka Area Manager Keith Perkins (Center) with Lawrence Blood, Executive Director, Greater Sitka Chamber of Commerce (right) and John Krebs, Executive Director, Sitka Economic Development Association.*

## Recent Retiree

John LaVarnway, Civil Engineer, worked for USDA Rural Development from 1982 to 2004. During that time he inspected projects in all our program areas from Business and Industry to Water and Environmental. While in his position he was involved with the creation of more than \$300 million in infrastructure in the state of Alaska. John traveled from as far north as Barrow to as far east as Unalaska, to the southern tip of the state in Metlakatla and even to within five miles of the International Dateline to the community of Gambell. USDA Rural Development's Alaska staff and Alaskans he served have been enriched by John's humane nature. Residents of the state of Alaska are living much healthier and easier lives because of John's efforts.



*Former Rural Development State Engineer John LaVarnway and Area Manager Debbie Andrys at a water/sewer construction site in Nome.*

# Financials 2004

## Rural Housing Programs:

Guaranteed 502 Loans	\$ 39,957,000
Direct 502 Loans	\$ 7,099,000
504 Home Improvement Loans	\$ 168,000
504 Home Improvement Grants	\$ 301,000
Housing Preservation Grants	\$ 50,000
Seafood Processors Housing Grants	\$ 1,000,000
Farm Labor Housing Loans	\$ 175,000
Tech. / Sup. Asst. Grant	\$ 100,000
App. Packaging Grants	\$ 5,000

**Total** \$ 48,855,000

## Community Facilities Programs:

Community Facilities Loans	\$ 3,932,000
Community Facilities Grants	\$ 201,000
(CF) Economic Impact Init. Grants	\$ 3,951,000
<b>Total</b>	<b>\$ 8,084,000</b>

## Business & Co-Op Programs:

Guaranteed Business Loans	\$ 37,572,000
Rural Business Enterprise Grants	\$ 247,000
TV Demo Grants	\$ 398,000
Rural Bus. Opportunity Grants	\$ 86,000
Value Added Proc. Grants	\$ 345,000
EZ-EC Grant Asst.	\$ 326,000
Comp Community Planning Grant	\$ 99,000
<b>Total</b>	<b>\$ 39,073,000</b>

## Rural Utilities Programs:

Water & Waste Disposal Loans	\$ 1,400,000
Water & Waste Disposal Grants	\$ 4,623,000
Alaska Village Grants (VSW)	\$ 26,283,000
Feasibility Studies (VSW)	\$ 452,000
Solid Waste Mgmt. Grants	\$ 251,000
Tech. Asst. & Training Grants	\$ 195,000
High Cost Energy Grants (Denali Comm.)	\$ 14,400,000
High Cost Energy Grants (RUS)	\$ 8,395,000
Distance Learning/Telemedicine/ Community Connect	\$ 1,385,000
Electrical Co-Op Loans	\$ 12,224,000
Remote Maintenance Worker (VSW)	\$ 400,000
<b>Total</b>	<b>\$ 70,007,000</b>

## Loan & Grant Activity by Area Office

	Mat - Su	Fairbanks
Community and Business Programs	\$ 5,275,000	\$ 14,984,000
Housing Programs	\$ 20,985,000	\$ 3,146,000
Alaska Village Grant (VSW)	\$	\$ 4,290,000
<b>Total</b>	<b>\$ 26,260,000</b>	<b>\$ 22,420,000</b>

	Kenai	Sitka
Community and Business Programs	\$ 13,411,000	\$ 4,577,000
Housing Programs	\$ 13,444,000	\$ 8,439,000
Alaska Village Grant (VSW)	\$	\$
<b>Total</b>	<b>\$ 26,855,000</b>	<b>\$ 13,016,000</b>

	Bethel	Nome
Community and Business Programs	\$ 5,776,000	\$ 7,613,000
Housing Programs	\$ 2,152,000	\$ 635,000
Alaska Village Grant (VSW)	\$ 17,702,000	\$ 1,999,000
<b>Total</b>	<b>\$ 25,630,000</b>	<b>\$ 10,247,000</b>

	Dillingham
Community and Business Programs	\$ 1,636,000
Housing Programs	\$ 2,292,000
Alaska Village Grant (VSW)	\$
<b>Total</b>	<b>\$ 3,928,000</b>

Total Community and Business Programs	\$ 53,273,000
Total Housing Programs	\$ 48,800,000
Total Alaska Village Grant (VSW)	\$ 26,283,000
<b>Total</b>	<b>\$ 128,356,000</b>

# Staff & Regional Offices

## Rural Development – Alaska State Office Personnel

B. B. (Bill) Allen, *State Director*  
Frank A. Muncy, *Assistant to the State Director*  
Beth Skow, *Administrative Support Assistant to State Director*  
Gillian Smythe, *Director, Special Projects*  
Wayne Maloney, *Director of Public Affairs/FOIA*



*RUS Administrator Hilda Gay Legg (back row, 7th from left) with Rural Development Alaska State Office staff.*



*Rural Development Team Alaska, Girdwood, Alaska.*

## Housing

Deborah Davis, *Housing Director on Special Detail to HUD and AHFC Special Projects*  
Debbie Andrys, *Director Rural Housing, RD Manager, Management Control Officer*  
Karen LaMouria, *Assistant Director Rural Housing, Loan Specialist*  
Sherryl Gleason, *Loan Specialist*  
Catherine Milazzo, *Loan Specialist, leveraged/direct*  
Cynthia Jackson, *Loan Specialist, servicing*  
Nancy Hayes, *Loan Technician*  
Misty Hull, *Loan Technician*  
Colleen Peterson, *Loan Technician, leveraged/direct*  
John Pipp, *Loan Specialist*  
Marge Gagnon, *Loan Technician, leveraged/direct*

## Business & Industry, Community Facilities Programs, and Water & Environmental Programs

Dean R. Stewart, *Director, Community & Business Programs*  
Merlaine V. Kruse, *Assistant Director, Community & Business Programs*  
Melissa (Missy) Hayes, *Community Facilities Specialist*  
Renee Johnson, *Business Programs Specialist*  
Debby Retherford, *Rural Utilities Specialist*  
Tim Krug, *Construction Analyst/Engineer*  
Mariela Figueroa, *Community Facilities Technician*  
Sherry Sparrs, *Business Programs Technician*  
Tasha Deardorf, *Rural Utilities Technician*

## Administration/Human Resources

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Barbara Winters, *Manager, Information Technology, Administrative Programs*  
Kathy Russell, *Contract Specialist*  
Sharon Griggs, *Administrative Support Assistant*  
Michelle Henn, *Human Resource Assistant, Timekeeper, Administrative Support Assistant*



Committed to the future of rural communities.

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