

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030
FAX: (907) 465-3068

October 8, 2007

John J. Williams
Borough Mayor
Kenai Peninsula Borough
144 North Binkley Street
Soldotna, Alaska 99669-7520

Dear Mayor Williams:

Thank you for the letter dated October 2, 2007 submitted in response to the Commissioner's cease and desist order. I appreciate your commitment to comply with the order and understand the need for answers to the questions you posed in your letter. As to the six questions that you have posed, I offer the following:

1. Opening the bid orders for furniture does not violate the cease and desist order.
2. The repair of the humidifiers is a maintenance issue and does not violate the cease and desist order.
3. Processing of the Final Adjusting Change Order matching the contract to the current level of construction, including credits and charges does not violate the cease and desist order as long as no additional commitments for construction are made and no additional construction is performed until the Certificate of Need decision is made.
4. Paying for work already done does not violate the cease and desist order. Paying for any new work would.
5. The purchase for shipments and orders of equipment that was ordered prior to the cease and desist order is allowed, provided it is only for those components of the project that have been built. Stop orders should be issued for any equipment ordered for components of the project that have not been built.
6. Postponing the bid deadline to December 12, 2007, should provide enough time for me to make a decision on whether to approve this certificate of need.

Sincerely,



Karleen K. Jackson, Ph.D.
Commissioner

cc: Stacie Kraly, Chief Assistant Attorney General
David Pierce, Certificate of Need Coordinator