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# *Bristol Bay Borough*

March 24, 2015

House Finance Committee  
Alaska State Legislature  
120 4<sup>th</sup> Street, State Capitol, Room 3  
Juneau, AK 99801-1182

Re: House Bill 136

The Honorable Representative Steve Thompson & Honorable Representative Mark Neuman:

The Naknek School facility was originally constructed in 1968 with subsequent additions in years following and is in need of immediate structural, code, safety repairs, and modifications. The maintenance and renovations project currently in process will also include many energy efficiency upgrades as it is costing the Bristol Bay Borough nearly \$350,000 per year in energy costs alone to operate the existing facility.

The Borough started to address the issues with the aging facility in 2012 by performing an energy audit of the Naknek School. Using the 2012 energy audit we explored the possibilities of utilizing Alaska Housing Finance Corporation (AHFC) grant through an energy performance contract in 2013 through early 2014 to fund some of the needed repairs; however, we discovered that the life of the repairs accomplished by such contract matched the life of the proposed contract. In addition, only energy efficiency measures could be approved for this AHFC program. The cost of many items needed for code, safety, and ADA compliance would not be funded under the AHFC grant program. This was an unacceptable option/outcome for the Borough so we began to look at bonding for the needed maintenance and repairs.

Our current bond process began on September 3, 2014 by selecting a consultant to put together an RFP for architectural and engineering (A&E) services for the Bristol Bay Borough Naknek School facility. By October 23, 2014 we advertised for such A&E services. Eight (8) conforming proposals were received mid-November and were then reviewed and scored prior to December 1, 2014. The firm selected by the RFP scoring criteria was identified and contracted to perform design for 35% at the December 1, 2014 Assembly meeting. We are in the process of completing the 35% design for submittal to the Department of Education and Early Development for approval. The Borough's school project is scheduled for a bond election to be held on April 28, 2015.

The Bristol Bay Borough has invested in excess of \$500,000 in the effort to prepare for the project needed to extend the life of the existing school facility. In 2013, the Borough spent \$828,367 renovating only a portion of the school facility. In addition, we stand to lose the School District's \$300,000 VEEP grant that the current project would have served as match for the grant if constructed in the next year.

The current effort to eliminate debt reimbursement with a retroactive date of January 1, 2015 is an extremely severe punishment to inflict on the Borough especially given the fact that we have a proven need for this project and would have been eligible under the existing program and within the legislatively approved deadline. The idea that the Borough is trying to beat a deadline is not the motivation for the project and is simply a misrepresentation of the facts. A moratorium on all school projects for debt reimbursement from the effective date has the appearance of further punitive retribution for aging facilities. I urge you to maintain the May 1, 2015, cutoff date for voter approved bond debt. We simply do not have the capacity to cover all of the costs associated with education alone and I believe the State of Alaska has a clear responsibility in completing this endeavor.

If you have any questions regarding this request for help please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to be 'John Fulton', written over a circular stamp or seal.

John Fulton,  
Borough Manager

cc Bryce Edgmon