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City of Seward, Alaska
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All-America City

February 7, 2011

The Honorable Paul Seaton
Alaska Legislature
State Capitol
Juneau, AK 99801-1182

Re: House Bill 89

Dear Representative Seaton,

This letter is written in support of House Bill 89, an Act authorizing the Commissioner of Natural Resources to offer bedload material for disposal for flood control purposes in exchange for a percentage of the profit from the sale of that material. On behalf of the City of Seward, please accept our thanks for your sponsorship of this important legislation.

As you are aware, removal of gravel from alluvial streams is essential for successful flood mitigation efforts. In many cases, however, the removal of bedload material does not occur because of the cost of removing gravel. This is a cost that increases when we remove bedload gravel from navigable streams. In those instances, our community pays twice; we pay a contractor to remove the gravel and then we also pay a royalty to the State for the gravel.

Your legislation makes it more affordable for a community to remove gravel from navigable streams for flood mitigation purposes. This is because contractors have an opportunity to profit from sale of the gravel thus reducing or eliminating the amount we would pay to the contractor. House Bill 89 also provides superior value to the State for its gravel resources. The value to the State is from better flood protection for its citizens and the receipt of 12.5% of the pretax profit when the gravel is sold or used by the local government or contractor. Arguably, this is greater value than that offered by the current policy of a set royalty for each cubic yard of gravel.

Please make our support of House Bill 89 a matter of the official record. Let us know if you need additional testimony to support this important legislation.

Sincerely,

Willard E. Dunham
Mayor
City of Seward

Phillip E. Oates, DBA
City Manager
City of Seward