

HOUSE FINANCE COMMITTEE
May 11, 2011
9:01 a.m.

9:01:48 AM

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Co-Chair
Representative Anna Fairclough, Vice-Chair
Representative Mia Costello
Representative Mike Doogan
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Reggie Joule
Representative Mark Neuman
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

James Armstrong, Staff, Representative Bill Stoltze; Chip Thoma, President, Responsible Cruising in Alaska, Juneau; Mary Hakala, Education Coordinator, STEM, Juneau; Tom Brice, AK District Council of Laborers, Juneau; Jeff Weltzin, Tanana Chiefs Conference; George Pierce, Self, Kasilof; Representative Alan Dick; Representative Mike Kawasaki; Representative Cathy Munoz; Representative Bob Miller; Representative Steve Thompson.

PRESENT VIA TELECONFERENCE

Bill Smith, Kenai Peninsula Borough Assembly, Homer; Walt Wrede, Manager, City of Homer, Homer; Patti Mackey, Government Relations Chair, Alaska Travel Industry Association, Ketchikan; Wayne Pattison, Secretary of the

Board, Nikiski Senior Center, Nikiski; Brad Janorschke, General Manager, Homer Electric Association, Homer; Joe Griffith, ARCTEC, Mat-Su; Larry DeVilbiss, Mayor, Mat-Su; Rustin Kraft, Mat-Su Borough Purchasing Officer and Goose Creek Project Manager, Goose Bay; Ron Arvin, Mat-Su; Seth Kelly, President, Big Lake Community Council; Roe Sturgulewski, Rise Alaska and Consultant to the Borough, Mat-Su; Cindy Bettine, Mat-Su Borough Assembly, Big Lake; Tom Smith, Municipal Manager, Skagway; Yvette Wilkins, Self, Eagle River; Marge Larson, Girl Scouts of Alaska; Phil Morris, Mayor, Kachemak City; Donald Moore, City Manager, Dillingham; Sam Robert Brice, Self, Fairbanks; John Handeland, Self, Nome; Luke Hopkins, Mayor, Fairbanks; Jim Dodson, President, Fairbanks Economic Development Corporation; Craig Campbell, President and Chief Operating Officer, Alaska Aerospace Corporation, Anchorage; Doug Isaacson, Mayor, City of North Pole; Gwen Ramras, Self, Fairbanks; Barbara Negengast, Principal, Homestead Elementary, Eagle River; Jay Nolfi, Self, Mat-Su; Jerry Jez, Self, Eagle River; Jack Wilbur, President, Design Alaska, Fairbanks; Josie Stiles, City of Nome, Nome; Gwen Lee, Executive Director, Arc of Anchorage, Anchorage; Susan Bomalaski, Catholic Social Services, Anchorage; Lyle Brazier, Farmer, Delta Junction; Former Governor Bill Sheffield, Port of Anchorage, Anchorage; Susan Gorski, Executive Director, Chugiak-Eagle River Chamber, Eagle River; Stasha Kalugin, President, Nikolaevsk Community Council, Nikolaevsk; Ann Williams, Self, Anchorage; Steven Grohol, Eagle River Lions Club, Eagle River; Paul Kendall, Self, Anchorage; Jerry McCutcheon, Self, Anchorage; Suzy Pearson, Executive Director, AWAKE, Anchorage; John Cook, Director, Alaska Railroad Corporation, Fairbanks; Bryan Lindamood, Project Manager for the Tanana Access Project, Alaska Railroad Corporation; Jim Johansen, Deputy Mayor, City of Houston; Kenny Ray, Head Football Coach, Eagle River High School, Eagle River; Dick Traini, Anchorage Assembly, Anchorage; Michael Meliello, Self, Eagle River; Tom Smith, Self, Skagway; Michael Howard, Fairview Community Council, Anchorage; Roger C. Burggraf, Self, Fairbanks; Scott C. Eickholt, Laborers Local 942, Fairbanks; Jim Sampson, Self, Fairbanks; Lake Williams, President of Fairbanks Labor Council, Fairbanks; Geoffrey Bacon, Self, Fairbanks; Ken Reinke, Director, Threshold Recycling Services, Kodiak; David Weber, City of Kachemak, Homer; Steve Atwater, Superintendent of the Kenai Peninsula School District, Kenai; Jim Arnesan, Self, Eagle River; Clinton White, STG Incorporated, Anchorage; Roy Agloinga,

Norton Sound Health Corporation, Nome; Duane Heyman, Institute of the North, Anchorage; Ira Perman, Institute of the North, Anchorage; Virgi Thompson, Mayor, Houston; Julianne McGuiness, Executive Director, Alaska Botanical Garden; Kevin Shumway, Self, Houston; Lee Himes, Self, Houston; Sandy Traini, Self, Anchorage; Toby Sullivan, Director, Kodiak Maritime Museum, Kodiak; Doreen Terpak, Homeowner; Oscar Hall, President, Eagle River Booster Club, Eagle River; John Mackinnion, Executive Director, Associated General Contractors Of Alaska; Elvi Gray Jackson, Assembly Member, Anchorage; Pat Mahoney, Eagle River Lions Club, Eagle River; Jake Quakenbush, Assistant Manager, IBEW Local 1547, Fairbanks and President, Fairbanks Building and Construction Trades Council, Fairbanks; Beth Nordlund, Executive Director, Anchorage Park Foundation; Christian Hartley, Fire Officer, Houston Fire Department, Houston; Valerie Hall, Self, Eagle River; Nicole Schwan, Manager, Kodiak Animal Shelter, Kodiak; Brent Johnson, Kenai Assembly and President, Cook Inlet Aquaculture Association, Kasilof; Steve Patin, Self, Anchorage; John Hozey, City Manager, Valdez; Joan McBeen, City Council Member, Tenakee Springs.

SUMMARY

HB 107 BUDGET: CAPITAL

CSSB 46(FIN)
BUDGET: CAPITAL

[9:02:27 AM](#)

Co-Chair Stoltze relayed that there would be testimony on HB 107 and CSSB 46(FIN) concurrently.

#hb107
HOUSE BILL NO. 107

"An Act making and amending appropriations, including capital appropriations and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

#sb46
CS FOR SENATE BILL NO. 46(FIN)

"An Act making and amending appropriations, including capital appropriations, savings deposits in the form of appropriations to the statutory budget reserve fund, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

9:03:20 AM

JAMES ARMSTRONG, STAFF, REPRESENTATIVE BILL STOLTZE, highlighted the major differences between HB 107 and CSSB 46(FIN). Section 1 of CSSB 46(FIN) did not include \$100 million in bonding authority for the University of Alaska deferred maintenance projects. Section 4 related to energy and was slightly different in the Senate version. He relayed intent to speak with Legislative Legal Services and the Legislative Finance Division to iron out the differences. The House version included \$21 million for the Alaska Gasline Development Corporation compared to the Senate version, which had included \$5 million. The Senate version added an additional \$50 million to the Alaska Housing Finance Corporation (AHFC) Weatherization Program.

Representative Doogan queried the amount of the proposed AHFC Weatherization Program appropriation. Mr. Armstrong responded that the Senate version had included an additional \$50 million, which increased the program funding to \$76.5 million.

Mr. Armstrong continued to discuss differences between the two bills. The Senate version did not include \$7.2 million for the Alaska Gasline Development Corporation in its supplemental section. The Senate version funded \$400,000 for the scholarship program with the remainder of the \$370 million from the AHFC capital fund and \$30 million in general funds; whereas, the House version proposed the placement of FY 11 funds into the AHFC account. The Senate version did not include \$200 million for the instate gasline fund, which the House had included in the AHFC fund. The Senate had added \$8 million added for the Low Income Home Energy Assistance Program, which was based on an anticipated shortfall in federal funding. The Senate had changed the Statutory Budget Reserve (SBR) deposit structure; \$500 million of FY 11 funds and \$500 million of FY 12 funds would go into the SBR. The House version did not include the deposits; however, a House proposal the previous day would have automatically swept \$460 million

into the SBR on June 30. He explained that the \$460 million combined with the \$370 the House did not intend to use from the AHFC fund came close to the savings included in the Senate version. The Senate had not included a Department of Law request in the amount of \$14 million, which was intended for BP corrosion cases and TAPS [Trans Alaska Pipeline System] litigation. He added that the bills included slightly different non-severability language.

Co-Chair Stoltze wondered whether Mr. Armstrong understood how budget language would prevent third-party litigants from suing. Mr. Armstrong replied that he had never worked on tort reform.

[9:08:19 AM](#)

Mr. Armstrong summarized that the Senate version spent approximately \$2.8 billion compared to the House version, which spent approximately \$3.050 billion.

Co-Chair Stoltze recalled that there had been an endorsement of the House debt retirement program, which had previously been referred to as a concession.

Representative Gara noted that statute could not dictate who could sue and who could not; he believed it was constitutional. He asked about the language in the House version that would sweep funds directly into the SBR at the end of the fiscal year, given his belief that surpluses were typically swept into the Constitutional Budget Reserve.

Mr. Armstrong responded that language in the supplemental bill would sweep the money into the SBR.

Co-Chair Stoltze noted that money was not necessarily automatically swept into the CBR. Mr. Armstrong replied that the CBR was paid off.

Mr. Armstrong hoped to have a House CS version of the bill available later in the day or the following day.

Representative Doogan asked whether applying the Senate changes to the current House bill would increase the total budget cost and if so, how much the increase would be.

Mr. Armstrong responded that under the Senate version there was approximately \$20 million in FY 11 funds remaining after the \$500 million deposit. He explained that the bills were structured differently and the Senate version did not leave room for any of the additions the committee had talked about the prior day.

Representative Doogan surmised that in order to fund additional budget items the committee had discussed, the \$500 million sweep into the SBR would need to be removed from the bill.

Mr. Armstrong replied that the earlier version of SB 46 [currently CSSB 46(FIN)] had included \$200 million in FY 11 and \$300 million, which was subsequently increased to two deposits of \$500 million apiece. He stated that the Senate version did not allow room for the House to include additional items.

Co-Chair Thomas deduced that the Senate version had left no room for the House members to add any money for items in their districts. Mr. Armstrong responded that under the Senate version there was \$21.8 million remaining in FY 11 funds and a projected surplus of \$159 million in FY 12. He reiterated that \$500 million would be swept in on June 30 and another \$500 million would be swept in on July 1.

Co-Chair Thomas relayed that in order for the House members to fulfill the needs of their districts it was necessary to dip into savings.

Co-Chair Stoltze noted that it would be necessary to reevaluate the amount available for savings.

Co-Chair Thomas clarified that he was speaking about the \$500 million in FY 11 funds. Mr. Armstrong answered the only funding source remaining would be the AHFC capital fund of approximately \$370 million if the Senate structure was adopted.

Co-Chair Thomas referred to scholarship monies. Mr. Armstrong replied that the House would put the FY 11 funds into the AHFC account to fund performance scholarships.

[9:14:27 AM](#)

Co-Chair Stoltze discussed the importance of the capital budget and its role in putting Alaskans to work on projects including those in rural areas and on weatherization. He stressed that a delay in passing the budget until September was not a viable option.

Mr. Armstrong urged members to make their amendments to CSSB 46(FIN).

Co-Chair Stoltze agreed that CSSB 46(FIN) would be the working vehicle going forward.

9:16:00 AM

CHIP THOMA, PRESIDENT, RESPONSIBLE CRUISING IN ALASKA, JUNEAU, spoke in support of projects for Homer, Hoonah, and Kodiak that were included in both HB 107 and CSSB 46(FIN). He believed that the ports were not typically given the appropriate deference, funding, and infrastructure. He noted that each of the ports had seen increased activity during the current year. He was concerned about two projects included in HB 107 related to the Alaska Aviation Museum energy and safety improvements and for the Alaska Wildlife Conservation Center (page 142). He did not believe that the projects had the nexus with cruise ships and their passengers, which was necessary in order to comply with state law. He stressed that projects should be focused on the cruise ship docks. He urged the committee to exclude the two projects and to move forward with the others.

9:18:31 AM

BILL SMITH, KENAI PENINSULA BOROUGH ASSEMBLY, HOMER (via teleconference), spoke in support of the gasline project his hope that it would extend through Kachemak City. He discussed that the project was in phase 2 of its development; a PR station and 0.5 miles of pipe had been installed the prior year. The project had grown in response to legislative intent language from the past year. Construction on the last phase of the project could begin during the current year. He emphasized local support of the project. No further support would be needed from the state and communities would be able to complete the project on their own. He explained that the completed project could save over \$1 million in operating costs to publicly owned tax payer supported buildings and typical private residence could save an average of \$250 per month. He relayed that

the first phase of the project had been funded by a grant to municipalities. He believed the second phase should be handled the same way to reduce bureaucratic processes. He opined that the Senate energy bill called for the development of the most cost effective long-term energy source for communities. He believed the gasline project embodied the same principal.

Co-Chair Stoltze queried whether the appropriation was to Enstar. Mr. Smith replied that the appropriation was for the City of Homer, which contracted with Enstar.

9:21:10 AM

WALT WREDE, MANAGER, CITY OF HOMER, HOMER (via teleconference), vocalized support for the gasline project. He discussed that wells were producing gas 14 miles from Homer, but that the gas was flowing north. The regional project had strong support from the Kenai Peninsula Borough, Chamber of Commerce, Homer School District, borough economic development district, South Peninsula Hospital, and more. He referenced spreadsheets in members packets that showed how much Homer would save if the project was completed. There were strong local matching funds available, which represented more than 50 percent. Homer was ready to convert its facilities to natural gas and the community had worked hard to address legislative intent language from the prior year. He urged support of the project and thanked the committee for their time.

Vice-chair Fairclough asked testifiers to identify the bill, the project name, and the total funding request.

9:24:50 AM

PATTI MACKEY, GOVERNMENT RELATIONS CHAIR, ALASKA TRAVEL INDUSTRY ASSOCIATION, KETCHIKAN (via teleconference), requested additional funding for the tourism marketing program to enhance tourism levels. She discussed that Alaska continued to compete with other destinations for visitors; over 5,000 industry jobs and 265,000 visitors had been lost over the past two years. Improvements were beginning to show; however, a diminished presence in the marketplace would cause the state to lose the momentum it had gained. Two bills aimed at addressing the issue had been held over for the following legislative session; therefore, the industry currently could not maximize the

available match. Operating funds were the lowest the industry had seen in 10 years. She urged the committee to fund tourism marketing.

Co-Chair Stoltze remarked that the House Finance Committee had passed one of the tourism marketing bills out of committee.

[9:28:34 AM](#)

WAYNE PATTISON, SECRETARY OF THE BOARD, NIKISKI SENIOR CENTER, NIKISKI (via teleconference), supported the \$5 million municipality grant to the Kenai Senior Center from the Department of Commerce, Community and Economic Development. The project had been underway for over 10 years and the planning process had been completed. He stressed that the current building was in very poor shape and that a new facility was needed.

Co-Chair Stoltze remarked that the project was included in HB 107, but not in CSSB 46(FIN).

[9:31:32 AM](#)

BRAD JANORSCHKE, GENERAL MANAGER, HOMER ELECTRIC ASSOCIATION, HOMER (via teleconference), supported the Homer Electric Association Soldotna to Nikiski transmission upgrade appropriation of \$25 million. He opined that the project strengthened the railbelt transmission grid and benefited Alaskans from Homer to Fairbanks. The project improved the utility's ability to export power from a state owned project off the Kenai Peninsula. Arctec participants supported the project.

[9:32:51 AM](#)

JOE GRIFFITH, ARCTEC, MAT-SU (via teleconference), supported the CSSB 46(FIN) language that funded electric transmission and energy items. He discussed that Arctec consisted of five railbelt utilities. He hoped the bill would be economic and provide job security. He agreed that passing the budget in the spring was important.

Co-Chair Stoltze asked whether the projects had to be tied together or whether they could stand on their own. Mr. Griffith replied that the projects could stand alone.

Representative Gara asked whether Arctec projects would save consumers money because each state dollar invested represented one dollar that would not go into the base that the Regulatory Commission of Alaska would charge consumers. Mr. Griffith responded in the affirmative.

9:36:06 AM

LARRY DEVILBISS, MAYOR, MAT-SU (via teleconference), supported funding for the rail extension project. He relayed that the requested \$55 million would put the project half way between Pt. MacKenzie and Houston. He noted that the project would be pushed back without the funding, which would result in delayed revenue to the state. He expressed concerns about a lack of funding for road safety programs. He appreciated the efforts of the committee.

Co-Chair Stoltze remarked that the numbers between the House and Senate bill versions were very disparate in their funding for the Anchorage and Mat-Su areas. He added that the committee was working to do what they could.

Representative Neuman communicated that the committee had been working to improve road safety.

Representative Gara asked whether there was a customer need in Pt. MacKenzie if the railroad spur was built out to the area. He wondered how the state would receive \$300 million in tax revenue from the railroad spur.

Mr. DeVilbiss assured the committee that the railroad was not a "railroad to nowhere." He relayed that the port was functioning and shipments of coal and cement would be transported to the area. He explained that Pacific Rim markets were lined up and that time was an issue. He discussed that the tax revenue to the state would come from the export of minerals.

Co-Chair Stoltze noted that there were studies available from the Institute of Social and Economic Research. He asked Representative Neuman to provide the information to Representative Gara.

Representative Neuman responded in the affirmative. He added that the rail spur had support from various areas throughout the state. The project would create jobs and

would transport cement, concrete, Healy coal, gravel, and other.

Representative Gara had wondered whether the project was economic and did not mean to be critical.

Co-Chair Stoltze noted that there were many voluminous studies that were available.

[9:43:58 AM](#)

RUSTIN KRAFT, MAT-SU BOROUGH PURCHASING OFFICER and GOOSE CREEK PROJECT MANAGER, GOOSE BAY (via teleconference), encouraged funding for the Goose Creek Correctional Center. He was concerned about potential effects on prison structures if additional funds were not provided. Completion of the prison was projected for August 2011; at that time the facility operation and utility costs would transfer to the owner and the lease purchase agreement would transfer to the state. There would be a one-year warranty period and it would be the desire of the owner to test the systems during the warranty period. He was concerned that current funding was only adequate to keep the new facility warm, but would not fund the prison operation. He was also concerned about the impact on the water and wastewater system. He urged additional funding to reach the original amount proposed by the governor.

Co-Chair Stoltze explained that the House had included \$3.6 million for the project and that the Senate had not included funding. He noted that the House was working with the administration to salvage the project.

Representative Neuman commented that the prison would provide 350 jobs in Mat-Su and that it had been worked on for years. He believed that the project was good and that it created jobs for the state.

[9:48:50 AM](#)

RON ARVIN, MAT-SU (via teleconference), supported the \$17.25 million that had been added to the governor's proposed \$20 million for the rail extension. He asked the committee to support a \$55 million appropriation for the project. He supported \$3 million in funds to support substandard roads and bridges, \$1 million for a bridge replacement, \$1.5 million for a school expansion, and \$3

million for the South Denali Visitor Center. Mat Su was the fastest growing area of the state and he was concerned about the highway safety in the area. He encouraged the support of road upgrades.

Co-Chair Stoltze discussed the challenges that the House was faced with due to the inequity of funding that had been made by the Senate.

Mr. Arvin believed that the funding had not been spread equally across the state. He believed it was important to look at the infrastructure, education, and essential services that the government should be providing.

Representative Gara relayed that the Department of Transportation and Public Facilities (DOT) had told him that people falling asleep at the wheel was one of the major causes of accidents. He encouraged Mr. Arvin to contact the department regarding the success of rumble strips.

[9:54:55 AM](#)

SETH KELLY, PRESIDENT, BIG LAKE COMMUNITY COUNCIL (via teleconference), encouraged funding for the rail extension, the prison, and the port. He believed the projects were important for the Mat-Su Valley and the entire state. The transportation impact study was important and was a way for the community to be proactive and for the borough to provide responsible planning. The study was currently tied to railroad project for \$250,000.

Representative Neuman discussed that the railroad project would go through Big Lake and that the road to Port MacKenzie would pass through the community as well. He encouraged funding for the community impact assessment that was not currently funded in the budget. He wondered how many members had requested the project.

Mr. Kelly responded that the entire community was in support of the projects.

[9:59:42 AM](#)

ROE STURGULEWSKI, RISE ALASKA and CONSULTANT TO THE BOROUGH, MAT-SU (via teleconference), spoke in support of increased funding for the Goose Creek prison. Routine

maintenance at the facility would be required or damage would result. He discussed that inadequate funding put extended warranties in jeopardy.

[10:03:12 AM](#)

CINDY BETTINE, MAT-SU BOROUGH ASSEMBLY, BIG LAKE (via teleconference), testified in support of the railroad project. She believed keeping the projects on schedule would help move commodities when the price was right and would diversify the economy of the state in the long run. She supported the Bogard Road extension and requested an additional \$29 million the project. She urged funding for the railroad, the Bogard Road extension, and the prison.

[10:07:58 AM](#)

TOM SMITH, MUNICIPAL MANAGER, SKAGWAY (via teleconference), testified in support of the three projects for Skagway listed in the budget. He encouraged full funding of the DOT small harbor matching program, \$10 million in improvements to the Alaska Industrial Development and Export Authority owned ore dock terminal, and the library construction matching grant program.

[10:09:59 AM](#)

YVETTE WILKINS, SELF, EAGLE RIVER (via teleconference), requested additional funding for road maintenance in the area. She explained that the road flooded every year due to snow and that homes had been ruined. She thanked the committee for its time.

Vice-chair Fairclough pointed out that the road mentioned in the testimony was a state road.

[10:14:03 AM](#)

MARGE LARSON, GIRL SCOUTS OF ALASKA (via teleconference), voiced support of the \$500,000 appropriation for the Girl Scouts Singing Hills retreat facility. The center would focus on leadership development in science, technology, engineering, math, and outdoor skill building. She stressed that leadership counseling for girls helped them to gain confidence, courage, and character.

Representative Doogan wondered about the camp the facility would be used for.

Vice-chair Fairclough responded that the camp was a day camp. She noted that she had been a girl scout and that all of the women in the legislature had joined an honorary scout group. She supported the appropriation.

PHIL MORRIS, MAYOR, KACHEMAK CITY (via teleconference), urged support for the Homer-Kachemak City gasline. He believed that the project would encourage economic development. He thanked the committee for its support.

10:19:34 AM

MARY HAKALA, EDUCATION COORDINATOR, STEM, JUNEAU, requested support for funding of the Science Technology Engineering Math (STEM) program. The program had been funded with appropriations from the U.S. Department of Defense and had lost half of the funding in December 2010. The program worked to enhance students' capabilities in science and math. She highlighted Alaska's participation in First Lego League and First Tech Challenge. She urged funding to support STEM work throughout the state.

Representative Costello asked whether schools were working to allow teachers to team up to teach the curriculum. She expressed her support for the program.

Ms. Hakala replied that integrating subjects had proven to be a challenge. There had been discussions with the commissioner of the Department of Education and Early Development vocalizing support. She hoped to have more success in cross disciplinary ventures related to Alaska Performance Scholarships. The program supported surround school activities such as summer camps, after school functions, and other.

Representative Guttenberg offered praise for the STEM program.

Representative Neuman asked whether there were any other programs in the Juneau School District that offered alternative learning opportunities.

Ms. Hakala clarified that the program was part of a non-profit organization and did not work under the Juneau

School District. She listed alternative programs that fell under the Juneau School District including, First Robotics, teachers working with SEAPerch, and elementary science programs. The Anchorage School District was the only district that had the capacity to offer STEM resources.

Rep. Newman asked whether Anchorage was the only school district that was actively participating in the program. Ms. Hakala replied in the negative. She explained that Anchorage was the only school district with internal capabilities to use the program in its classrooms. There were math, science, and technology specialists available at the Department of Education and Early Development.

[10:28:39 AM](#)

DONALD MOORE, CITY MANAGER, DILLINGHAM (via teleconference), requested support for funding of the Snag Point sewer line emergency relocation. He explained why the \$3.8 million to \$4 million project was necessary. The \$1 million in the capital budget was not sufficient to fund the bidding of the project. He urged the committee to include the original request of \$1.8 million to make the project viable. The sewer line serviced the low income areas, downtown, and businesses. The city had made contributions to the project, but state financing was essential. He stressed that an environmental disaster would result if the line broke.

Representative Edgmon reiterated the urgency of the situation and offered support for funding the project. He added that Dillingham had recently been told that it did not qualify for a Department of Environmental Conservation loan it had hoped to obtain.

[10:36:34 AM](#)

Co-Chair Stoltze asked whether the Senate was aware of the problem.

Representative Edgmon replied that the Senate was aware of the issue to some extent. He explained that the situation was had been rapidly evolving.

[10:37:22 AM](#)

SAM ROBERT BRICE, SELF, FAIRBANKS (via teleconference), expressed opposition to a delay in the passing of the capital budget. He stressed that a delay would jeopardize federal funding, delay construction, and cut back hiring. He did not support bundling language related to energy projects. He encouraged the inclusion of \$44 million for the northern rail bridge project. He opined that the project would allow for year-round military training operations.

Vice-chair Fairclough clarified that the bundling language in CSSB 46(FIN) had been removed from HB 107.

Representative Wilson enquired how many jobs would be created if the bridge project moved forward. Mr. Brice believed that a minimum of 200 jobs would be created.

Representative Wilson asked whether the project would be utilized by the entire state. Mr. Brice answered in the affirmative.

[10:42:40 AM](#)

Representative Gara conveyed his support for the weatherization project and believed it had worked well for Alaskans.

[10:43:31 AM](#)

JOHN HANDELAND, SELF, NOME (via teleconference), spoke in favor of funding for the Richard Foster Building. He offered a brief background of the project and expressed his affection for Richard Foster. He stated that the existing facility old and was in the flood plain. The building would serve the region and provide native, mining, and dog mushing history. He stressed the importance of the preservation of historical documents.

[10:48:48 AM](#)

LUKE HOPKINS, MAYOR, FAIRBANKS (via teleconference), supported projects in HB 107. He urged support for the Tanana River Bridge project. He stressed the importance of the bridge for military stability and the state's economy. He hoped that the state would not lose federal government funding.

Representative Wilson queried which federal funds he was referring to. Mr. Hopkins understood that there were two pots of money with time limits on them. The first amount was \$44 million and the amount in the following year was approximately \$66 million. He added that the first amount could be returned as early as the spring of 2012.

Representative Wilson understood.

[10:52:59 AM](#)

Vice-chair Fairclough stated that the Senate had not seen the project as a priority; however, the House believed it was a priority.

Representative Guttenberg clarified the pots of money appropriated from the Department of Defense required matching funds from the state.

Mr. Hopkins added that the levy construction required state funding.

Representative Neuman expressed concern with BRAC [Defense Base Closure and Realignment Commission] closures in the Fairbanks area. He wondered how the bridge would affect future BRAC closures and how the state supported military bases in the Fairbanks area.

Mr. Hopkins replied that striker brigades trained in the Fairbanks area. The bridge would allow military training vehicles to access the area year-round. He thought the issue involved the entire state.

[10:58:06 AM](#)

JIM DODSON, PRESIDENT, FAIRBANKS ECONOMIC DEVELOPMENT CORPORATION (via teleconference), spoke in favor of funding for the Tanana River project. He believed the bridge was the most important project to diversify, sustain, and grow the Alaskan economy. He stated that military was a major industry in Alaska. He requested support from the House that it had provided the prior year. He emphasized that the project would impact the entire state.

Representative Guttenberg asked about the project's statewide influence.

Mr. Dodson replied that the JPARC [Joint Alaska Pacific Range Complex] was the most significant military training area in the world. The ice bridge access limited the military's ability to bring in exercises from around the world. He stressed that the new bridge was critical to growing a military presence in Alaska.

[11:02:13 AM](#)

CRAIG CAMPBELL, PRESIDENT and CHIEF OPERATING OFFICER, ALASKA AEROSPACE CORPORATION, ANCHORAGE (via teleconference), spoke in favor of the \$4 million appropriation for the operation and maintenance of the Kodiak launch complex. The Alaska Aerospace Corporation was also requesting \$4 million for its financial obligations in the coming year. The request had been increased due to the loss of federal funding. He explained the funding history for the corporation. The corporation was working to obtain future funds from the U.S. Department of Defense. He urged the House to reinsert the \$4 million back into the budget and to include the additional \$4 million request.

[11:05:25 AM](#)

DOUG ISAACSON, MAYOR, CITY OF NORTH POLE (via teleconference), testified in support of \$44 million to complete the Tanana Bridge. He agreed that weatherization was an important issue, but people needed to have jobs and money to make the improvements. He stressed the importance of the bridge for military operations in Alaska. He relayed a story about the aging infrastructure. He spoke in favor of \$2.5 million for the North Pole sewer line. There had been a major break in the pipe earlier in the spring, which highlighted that the infrastructure was aging. The treatment plant was vital for the operation of Flint Hills and Petro Star. He urged funding for the Tanana Bridge and North Pole sewer line.

[11:10:36 AM](#)

Representative Wilson clarified that the additional money was for low income heating and not for a rebate or weatherization program. She asked whether there were other loan or grant options to help pay for the sewer project if an appropriation was not included in the capital budget.

Mayor Isaacson replied that the city would continue to pursue other funding. He emphasized that the infrastructure was rapidly deteriorating and the community needed the money urgently.

[11:12:33 AM](#)

Representative Wilson wondered what had caused the sewer line to break. Mayor Isaacson replied that an accident had fractured the pipe, which caused the eruption.

[11:14:54 AM](#)

GWEN RAMRAS, SELF, FAIRBANKS (via teleconference), testified in support of funding for the Fairbanks North Star Borough Parks and Recreation Department. The funding would be used partially for the resurfacing of six tennis courts in Fairbanks. The courts had been resurfaced through private funds in 2002 due to disrepair. She believed the funds would help in conjunction with a potential grant from the U.S. Tennis Association. The sport contributed to the quality of life for many citizens in the Interior.

[11:18:29 AM](#)

BARBARA NEGENGAST, PRINCIPAL, HOMESTEAD ELEMENTARY, EAGLE RIVER (via teleconference), spoke in support of money allocated for security and safety upgrades at Homestead Elementary. Funds would allow the school to upgrade its intercom and security system, which would enable teachers to focus on teaching their students.

Representative Costello stressed that passing the capital budget in the spring would allow upgrade maintenance work to occur during the summer and would not interrupt classroom learning. Ms. Negengast agreed.

[11:21:25 AM](#)

JAY NOLFI, SELF, MAT-SU (via teleconference), spoke in support of \$55 million to fund the railway extension to Port MacKenzie. She opined that the location of the port was the most viable cost effective means resource exportation. She emphasized that it was imperative to take advantage of the opportunity. She believed the extension would benefit all Alaskans.

[11:24:02 AM](#)

JERRY JEZ, SELF, EAGLE RIVER (via teleconference), spoke in support of roof replacement funding for the Eagle River Lions Club. The roof had been patched several times in the past few years and the building was beginning to deteriorate due to roof problems.

Co-Chair Stoltze explained that Lions Club facility was considered the community center of Eagle River. He detailed that the building was the community's largest public facility. He stressed that the club provided an independent Parks and Recreation program as a community service. Mr. Jez agreed.

[11:27:52 AM](#)

JACK WILBUR, PRESIDENT, DESIGN ALASKA, FAIRBANKS (via teleconference), spoke in favor of adding \$44 million in funding for the Tanana River Crossing. He explained that the military was a large component of Alaska's economy. He expressed concern that the military would perceive the action as a disinterest in the military.

[11:29:42 AM](#)

JOSIE STILES, CITY OF NOME, NOME (via teleconference), spoke in favor of \$14 million for the Richard Foster building construction. She stated that Nome hoped to honor Richard Foster's state contribution with the building dedicated in his name. She stated that the building would display historical collections and some of Richard Foster's belongings and collections related to his life. The current facility was located in a flood plain, which made the new building necessary.

Co-Chair Stoltze thanked Representative Neil Foster for his work on the project and contribution to the inclusion of funds for the project in the capital budget.

[11:34:13 AM](#)

GWEN LEE, EXECUTIVE DIRECTOR, ARC OF ANCHORAGE, ANCHORAGE (via teleconference), voiced support for Arc of Anchorage safety and deferred maintenance funding. The organization provided services to people with intellectual and

developmental disabilities. She stated that the facility's roof, paint, and phone service needed refurbishment.

Vice-chair Fairclough queried a specific project name and funding amount for the Arc of Anchorage. Ms. Lee replied that funding was included in CSSB 46(FIN) for the Arc of Anchorage in the amount of \$580,000.

Co-Chair Stoltze remarked that the funding was also included in HB 107.

Representative Gara thanked Ms. Lee for her work and surmised that it was needed, but did not pay well. Ms. Lee responded that the organization had a very dedicated staff. She emphasized the importance of the maintenance work.

[11:37:32 AM](#)

SUSAN BOMALASKI, CATHOLIC SOCIAL SERVICES, ANCHORAGE (via teleconference), testified in support of \$300,000 for the Claire House Replacement Project. The facility provided emergency shelter and transitional housing beds for homeless women and expectant mothers. The current facility accommodated 45 individuals. She stated that the current building was built in 1969 and was located in an industrial zone. The new facility would be in a safer area and would allow increased capacity.

Co-Chair Stoltze voiced his support for the project.

Representative Gara added that the Claire House project would help to relieve overcrowding at the Awake shelter.

[11:41:19 AM](#)

LYLE BRAZIER, FARMER, DELTA JUNCTION (via teleconference), vocalized support for \$600,000 to fund potato disease testing for the potato export project.

Co-Chair Stoltze clarified that the item would be included in a CS and that it had been in HB 107, but was not in CSSB 46(FIN).

[11:42:38 AM](#)

FORMER GOVERNOR BILL SHEFFIELD, PORT OF ANCHORAGE, ANCHORAGE (via teleconference), testified in support of

funding for the \$37.5 million Port of Anchorage expansion. He explained that the Port of Anchorage project was currently the largest project in the state, and served 85 percent of the population. He stated that the docks in Anchorage were very old and the infrastructure should be replaced.

Co-Chair Stoltze felt that the City of Anchorage would be paralyzed if there was ever a port shutdown. He stressed that the project was critical to the state. Governor Sheffield agreed. He added that there was a ten-day to two-week supply of food and fuel in the state; therefore, without the port the state would be in serious trouble.

[11:47:10 AM](#)

Representative Gara queried an estimate of the amount needed to complete the project. Governor Sheffield replied that the total project would be \$1.1 billion. He stated that the project was currently \$800 million short. He stated that some of the remainder would be paid by federal funding.

[11:50:03 AM](#)

SUSAN GORSKI, EXECUTIVE DIRECTOR, CHUGIAK-EAGLE RIVER CHAMBER, EAGLE RIVER (via teleconference), spoke in support of \$2.5 million to address transportation safety and congestion issues. She relayed that the project was the top priority for the Eagle River community.

[11:51:55 AM](#)

STASHA KALUGIN, PRESIDENT, NIKOLAEVSK COMMUNITY COUNCIL, NIKOLAEVSK (via teleconference), spoke in favor of the natural gasline.

[11:52:45 AM](#)

ANN WILLIAMS, SELF, ANCHORAGE (via teleconference), requested the addition of the \$40 million Tanana River Bridge project to the budget. She believed the project would create jobs and expand military operations. She spoke in favor of adding money for the Alaska Blood Bank and emphasized its importance.

[11:55:15 AM](#)

STEVEN GROHOL, EAGLE RIVER LIONS CLUB, EAGLE RIVER (via teleconference), voiced support of \$102,000 for the Eagle River Lions Club roof replacement. The building supported a multitude of community organizations. The roof problems were beginning to cause deterioration to the building.

Vice-chair Fairclough reiterated the importance of the facility.

11:57:08 AM

PAUL KENDALL, SELF, ANCHORAGE (via teleconference), spoke in support of energy development and technology funding. He expressed concern that there was no foundational data for oil usage in the metropolitan areas. He was concerned that Alaska Energy Authority (AEA) could not handle its mission due to its heavy project. He believed that Alaska had the ability to lead the world at an accelerated pace.

12:00:56 PM

JERRY MCCUTCHEON, SELF, ANCHORAGE (via teleconference), spoke in support of the city dock in Anchorage contingent upon a legislative audit specifically related to seismic data. He opined that the Susitna dock appropriation should be reduced to \$1 million and provided to the Army Corps of Engineers to restudy the project finances and receive a second opinion on the AEA's plan. He had been a proponent of Susitna for the past ten years, but worried the current high funding amount was not justified.

12:05:15 PM

RECESSED

1:46:17 PM

RECONVENED

1:47:05 PM

SUZY PEARSON, EXECUTIVE DIRECTOR, AWAKE, ANCHORAGE (via teleconference), was in support of \$230,000 would help AWAKE replace the emergency generator, address piping and lighting issues, provide transportation services to victims and replace mattresses and damaged furniture in the shelter. She thanked the committee for its commitment to ending the cycle of violence.

1:48:49 PM

JOHN COOK, DIRECTOR, ALASKA RAILROAD CORPORATION, FAIRBANKS (via teleconference), testified in support of \$44 million for the northern rail extension. The project price had escalated in the past year due to the loss of \$12.5 million in federal funding, erosion on the bank of the Tanana River, an increase in commodity prices, and additional project scope increases. He explained that the total cost was \$188 million and \$44 million was still needed. He opined that the project was good for economic development, the military, and other.

1:52:13 PM

BRYAN LINDAMOOD, PROJECT MANAGER FOR THE TANANA ACCESS PROJECT, ALASKA RAILROAD CORPORATION (via teleconference), was available for questions.

Representative Wilson asked about the cost of a project redesign that had been referred to in earlier testimony.

Mr. Lindamood replied that costs had been affected in two ways: (1) efforts dealing with the multiple agencies had been significantly more expensive than expected; and (2) there were design changes on some of the smaller bridges, which had required larger bridges. The cost was in the millions of dollars.

Representative Wilson wondered what the corporation could do to ensure the legislature that it would not have another funding request related to the project in the future.

Mr. Lindamood replied that the corporation had worked double check costs related to the project. Third party costs had been vetted and the corporation was within \$1 million to \$2 million in its negotiated contract. There was a contingency that the railroad was holding if needed. The corporation fully anticipated that any risk was significantly reduced and were constantly monitoring projects to reduce risk.

Representative Wilson wondered whether the corporation had other funding resources. Mr. Lindamood replied that the corporation did not.

Representative Guttenberg asked about estimates from all related agencies.

Mr. Lindamood answered that corporation had been working with the Army Corps of Engineers to get through the permit process. He believed there would be a favorable decision from the Corps in the near future. There were two outstanding permits from the U.S. Coast Guard and the Department of Fish and Game that the corporation expected to obtain.

Representative Guttenberg was glad that the Coast Guard was involved.

Representative Doogan believed that the project was 110 percent higher than the initial cost of the project. He needed stout evidence that the state should pay the bill and that there would be no further costs.

[1:59:00 PM](#)

JIM JOHANSEN, DEPUTY MAYOR, CITY OF HOUSTON (via teleconference), testified in favor of \$425,000 for a new City of Houston tanker. The tanker was very important to the city and the fire department. The city provided the public service to Houston and surrounding areas.

[2:00:50 PM](#)

KENNY RAY, HEAD FOOTBALL COACH, EAGLE RIVER HIGH SCHOOL, EAGLE RIVER (via teleconference), spoke in favor of \$130,000 for Eagle River High School football stadium bleachers. The team was not able to play home games at the school because it was lacking bleachers. The appropriation would service all of the private and public schools in Anchorage. He urged the support of the committee.

[2:02:57 PM](#)

DICK TRAINI, ANCHORAGE ASSEMBLY, ANCHORAGE (via teleconference), spoke in favor of \$4 million in CSSB 46(FIN) for the Walden Lake purchase. The property would be turned into a park and currently included six soccer fields. Anchorage would like to purchase the area to turn it into a park to avoid a condominium development in the future.

[2:05:31 PM](#)

MICHAEL MELIELO, SELF, EAGLE RIVER (via teleconference), supported the inclusion of \$2.5 million for road safety in the Eagle River area. He applauded the committee for including the funding in HB 107.

[2:06:28 PM](#)

TOM SMITH, SELF, SKAGWAY (via teleconference), informed the committee that the community of Skagway would be contributing \$1 million in bond proceeds for a small boat project, \$5 million for the port development project, and \$500,000 for the library matching grant.

MICHAEL HOWARD, FAIRVIEW COMMUNITY COUNCIL, ANCHORAGE (via teleconference), spoke in favor of \$20,000 to implement a neighborhood revitalization program. There was \$20,000 in HUD funding to support the effort and a local foundation would provide \$25,000. There were some great partnerships that had developed and the council was very happy with their success so far.

[2:10:59 PM](#)

ROGER C. BURGGRAF, SELF, FAIRBANKS (via teleconference), spoke in support of HB 107. He had concerns about CSSB 46(FIN) and hoped for a compromise. He emphasized support for \$44 million for the Alaska rail extension and believed it would support the military. He was also in support of deferred maintenance funding for the University of Alaska. He vocalized support for development and jobs in Alaska.

[2:13:24 PM](#)

SCOTT C. EICKHOLT, LABORERS LOCAL 942, FAIRBANKS (via teleconference), expressed support for the northern rail extension. He believed that the extension would increase jobs in the area, help with the shipment of goods, and aid the military.

[2:14:27 PM](#)

JIM SAMPSON, SELF, FAIRBANKS (via teleconference), urged the committee to include \$44 million for the railbelt extension.

[2:14:59 PM](#)

LAKE WILLIAMS, PRESIDENT OF FAIRBANKS LABOR COUNCIL, FAIRBANKS (via teleconference), supported the additional \$44 million Tanana Bridge funding. The project would keep military bases off of the BRAC list and opened training ground. He discussed that the project had full community support and urged the committee to support the appropriation.

[2:16:24 PM](#)

GEOFFREY BACON, SELF, FAIRBANKS (via teleconference), requested support for the Tanana River rail bridge project. The project would help to ensure that military training continued.

[2:17:51 PM](#)

KEN REINKE, DIRECTOR, THRESHOLD RECYCLING SERVICES, KODIAK (via teleconference), urged support of \$50,000 in HB 107 for Threshold Recycling Services. The organization provided jobs and training to individuals with disabilities. The funding would go towards a recycling facility, which would allow for more efficient and sustainable recycling. The Kodiak landfill was expected to be full in 10 years. The program was modeled after a successful program in the Mat-Su Valley.

[2:19:54 PM](#)

DAVID WEBER, CITY OF KACHEMAK, HOMER (via teleconference), testified in support of funds for the Homer natural gas pipeline to provide clean and affordable energy to Kachemak City and Homer. He relayed that fuel savings should pay back the project within 10 years. He stressed that residents needed the savings and that the gasline would bring economic development to the area.

Representative Wilson asked what the current heating costs were. Mr. Weber replied that the monthly heating cost was \$120 for natural gas, \$399 for fuel, \$686 for propane, and \$471 for electricity. He emphasized that the natural gasline would create a significant fuel savings for the communities.

[2:24:15 PM](#)

STEVE ATWATER, SUPERINTENDENT OF THE KENAI PENINSULA SCHOOL DISTRICT, KENAI (via teleconference), was in support of the Homer gasline and the Nikolaevsk gasline in the amount of \$197,000. He encouraged the committee to maintain the items on the Department of Education and Early Development major maintenance list.

[2:25:51 PM](#)

JIM ARNESAN, SELF, EAGLE RIVER (via teleconference), urged support of HB 107 funding for an Alaska Police Department training facility.

[2:26:44 PM](#)

CLINTON WHITE, STG INCORPORATED, ANCHORAGE (via teleconference), voiced support for CSSB 46(FIN) with minor modifications. He encouraged support for the energy projects and the weatherization and energy rebate program.

[2:28:04 PM](#)

ROY AGLOINGA, NORTON SOUND HEALTH CORPORATION, NOME (via teleconference), urged support for tribal nursing home funding in HB 107. The new site was ready for development and the corporation was excited to move into a more functional facility.

[2:29:24 PM](#)

DUANE HEYMAN, INSTITUTE OF THE NORTH, ANCHORAGE (via teleconference), requested the inclusion of \$315,000 for an Arctic, Maritime, and Aviation Transportation Infrastructure Initiative and Arctic Energy Network, Energy Summit, a conference of young Alaskans, and a primer on oceans and coastal governance.

[2:31:51 PM](#)

VIRGI THOMPSON, MAYOR, HOUSTON (via teleconference), supported funding for a fire department tanker in order to decrease the community's ISO rating. She requested support for the \$425,000 appropriation.

[2:33:33 PM](#)

JULIANNE MCGUINESS, EXECUTIVE DIRECTOR, ALASKA BOTANICAL GARDEN (via teleconference), was in support of the \$725,000 for an Alaska Botanical Garden facility. There was a growing tourism and educational demand for the garden services related to horticultural research and training.

[2:35:34 PM](#)

KEVIN SHUMWAY, SELF, HOUSTON (via teleconference), supported tanker funding for the City of Houston.

[2:36:37 PM](#)

LEE HIMES, SELF, HOUSTON (via teleconference), strongly supported the \$425,000 tanker appropriation for the City of Houston. He believed that the city would benefit greatly from the tanker.

[2:38:08 PM](#)

SANDY TRAINI, SELF, ANCHORAGE (via teleconference), urged support for funding the purchase of the Waldron Lake property to use as a park and recreational area.

[2:39:34 PM](#)

TOBY SULLIVAN, DIRECTOR, KODIAK MARITIME MUSEUM, KODIAK (via teleconference), requested support for the Kodiak Harbor Gateway project. The project included work and repair to a vessel, site preparation, protective roofing, etc. He detailed the history and economic and social benefits of the museum.

[2:41:50 PM](#)

DOREEN TERPAK, HOMEOWNER (via teleconference), expressed concern about the sale of the Waldron Lake property. She worried that development of the area would negatively impact the neighborhood. She supported the park designation.

Vice-chair Fairclough asked about the cost of the sale. Ms. Terpak did not know. She offered a multitude of different ways that the community utilized the park.

[2:45:37 PM](#)

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3:03:01 PM

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3:03:11 PM

OSCAR HALL, PRESIDENT, EAGLE RIVER BOOSTER CLUB, EAGLE RIVER (via teleconference), expressed appreciation for the \$130,000 included in the budget for Eagle River Stadium. He discussed the city's inability to host large stadium events and believed would solve the problem. He urged the committee's support for the appropriation.

3:06:09 PM

GEORGE PIERCE, SELF, KASILOF, supported \$150,000 for sanitation problems at the mouth of the Kasilof river. He urged the removal of \$2 million for a boat launch on the Kasilof River. He explained that there were currently two private boat launches on the river.

3:08:21 PM

JOHN MACKINNION, EXECUTIVE DIRECTOR, ASSOCIATED GENERAL CONTRACTORS OF ALASKA (via teleconference), testified in support of \$44 million for the rail extension. He did not want to lose federal matching funds. He believed that the residential and weatherization programs were very successful. He urged the removal of the contingency language in SB 46.

TOM BRICE, AK DISTRICT COUNCIL OF LABORERS, JUNEAU, urged support for the Tanana River Bridge project. He opined the project would help to anchor the military to Alaska and that the railroad should continue to move south.

3:13:15 PM

ELVI GRAY JACKSON, ASSEMBLY MEMBER, ANCHORAGE (via teleconference), urged support for the Waldron Lake property purchase. She believed the park was a needed and vital part of the community.

3:14:07 PM

PAT MAHONEY, EAGLE RIVER LIONS CLUB, EAGLE RIVER (via teleconference), requested support for maintenance funding

for the roof repairs on the Eagle River Lions Club facility.

Co-Chair Stoltze recognized Mr. Mahoney's hard work.

[3:15:55 PM](#)

JAKE QUAKENBUSH, ASSISTANT MANAGER, IBEW LOCAL 1547, FAIRBANKS and PRESIDENT, FAIRBANKS BUILDING and CONSTRUCTION TRADES COUNCIL (via teleconference), voiced support for the \$44 million Tanana River Bridge funding. He cited the military as a large part of the area's economy and believed the bridge would help with training efforts. He thought that the project could open up private ventures as well. He addressed the availability of federal matching funds in the amount of \$100 million. He shared a personal story related to the fragile economy in Fairbanks.

Co-Chair Stoltze echoed the concern about the Alaskan economy.

[3:19:58 PM](#)

BETH NORDLUND, EXECUTIVE DIRECTOR, ANCHORAGE PARK FOUNDATION (via teleconference), expressed gratitude for funding in the capital budget for park projects. She added that the projects would be reinforced with private funding and local volunteers. She asked for support of the construction of two ice rinks scheduled to happen during the upcoming summer through work with the Gomez Foundation. She supported funding for the Kincaid Park trail project that would put teenagers to work.

[3:22:27 PM](#)

CHRISTIAN HARTLEY, FIRE OFFICER, HOUSTON FIRE DEPARTMENT, HOUSTON (via teleconference), encouraged the committee to support fire tanker funding for the Houston Fire Department. He stated that there was a significant need for the tanker and that surrounding communities would benefit as well. He stressed that a new tanker would allow the department to provide the best service to district 15.

[3:25:48 PM](#)

VALERIE HALL, SELF, EAGLE RIVER (via teleconference), requested support for the \$130,000 Eagle River High School

Stadium project. The team could not currently play on its own field and had to play at the Alaska Football Stadium, which was a condemned site. She emphasized that the project would boost morale for students and supporters. She stressed that the stadium would help the school to raise funds to alleviate costs to families and for the school. She added that the community was working to raise matching funds.

[3:28:15 PM](#)

NICOLE SCHWAN, MANAGER, KODIAK ANIMAL SHELTER, KODIAK (via teleconference), requested support for the \$12,000 appropriation to the Humane Society of Kodiak, which would help pave the dog-run surrounding the facility. The current dog-runs were gravel, which made sanitation difficult.

[3:30:28 PM](#)

BRENT JOHNSON, KENAI ASSEMBLY and PRESIDENT, COOK INLET AQUACULTURE ASSOCIATION, KASILOF (via teleconference), supported the \$9 million for the Homer solid waste transfer and \$10 million for the Homer natural gasline project. He supported \$197,000 to fund the gasline to the community of Nikolaevsk. He spoke in favor of the \$865,000 for Trail Lake hatchery maintenance funding, \$591,000 for Tutka Bay hatchery maintenance. He testified in support of \$45,000 in HB 107 for Tustumena Lake smolt outmigration monitoring. He spoke in favor of \$328,000 for Ninilchik fairground improvements, \$4.5 million for Kenai road projects, \$50,000 for Kasilof River dune fencing, and \$151,000 for Kasilof River habitat protection.

[3:34:46 PM](#)

RECESSED

[3:46:43 PM](#)

RECONVENED

[3:47:15 PM](#)

STEVE PATIN, SELF, ANCHORAGE (via teleconference), testified in support of the Eagle River High School Stadium project. He stressed the economic vibrancy of the project and noted there were only three venues that could hold football games. The turf would help all of schools in the

Anchorage and Mat-Su areas. He explained that the project would benefit Eagle River and young people.

Vice-chair Fairclough asked what the original request had been for the bleacher project. Mr. Patin replied that the original request had been for \$750,000. He explained that the construction company had originally projected the costs at several times the current \$130,000 request.

[3:52:05 PM](#)

JEFF WELTZIN, GRANTS WRITER, TANANA CHIEFS CONFERENCE, testified in support of community facility needs. He spoke in favor \$500,000 in improvements to the Tanacross community health center project. He voiced support for \$180,000 for the Stevens Village road landfill project. He supported \$255,000 for the Tanana community to help alleviate dust and drainage issue. He requested \$150,000 in funding for a Koyukuk health clinic and a Galena assisted living facility. He asked for support of \$300,000 for Fort Yukon and \$300,000 for Minto elder housing facilities. He spoke in favor of \$150,000 in funding for the Allakaket clinic, \$200,000 for family apartments in Grayling, \$250,000 for a clinic in Ruby, \$100,000 for retrofits at the Beaver community building, and \$150,000 for a new clinic in Arctic Village.

[3:57:46 PM](#)

Representative Costello asked about the priority of each of the projects. Mr. Weltzin responded that the projects had been prioritized by the E-Board of the Tanana Chiefs Conference.

Vice-chair Fairclough asked whether the top priority was \$200,000 for Tetlin. Mr. Weltzin responded that the projects were currently in HB 107 and CSSB 46(FIN). He pointed to projects under "Other Priority TCC IPs," and explained that they were prioritized.

Representative Costello asked whether the multipurpose building and landfill equipment were higher priorities than the health concerns related to dust control and drainage issues. Mr. Weltzin replied that all of the projects were health safety issues.

[3:59:29 PM](#)

JOHN HOZEY, CITY MANAGER, VALDEZ (via teleconference), testified in favor of the \$2.5 million request to expand the harbor in the City of Valdez. He explained that there was city and municipal money leveraged in the project. He stressed that the harbor was utilized by the entire Interior.

Vice-chair Fairclough wondered whether the request was in CAPSIS and queried the amount. Mr. Hozey replied that the \$2.5 million request was in CAPSIS.

JOAN MCBEEN, CITY COUNCIL MEMBER, TENAKEE SPRINGS (via teleconference), spoke against the Pegmatite Mountain geothermal project in the budget's energy package. She stressed that Tenakee was concerned about the development of the area through a Sealaska grant. She explained that there were no letters of support from Tenakee, Hoonah, or Pelican. The city was currently studying hydropower at Indian River. The community believed the Pegmatite Mountain area should stay in the public domain and objected to development by a private corporation.

[4:06:20 PM](#)

Vice-chair Fairclough thanked the committee and staff.

#

[4:10:00 PM](#)

ADJOURNMENT

The meeting was adjourned at 4:10 PM.