

HB

26

HB 26

Tape no.

Date

2

2/6

4

2/14

5

2/14

1/20/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date Feb. 11 1975

The Committee on Commerce has had House Bill 26

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "anJ" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

R. S. Seadle - D. Pass \_\_\_\_\_

Tom Walker \_\_\_\_\_

Mac Mo Kee \_\_\_\_\_

D. Pass \_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

R. S. Seadle \_\_\_\_\_ Chairman

A M E N D M E N T

Offered in the HOUSE

By Commerce Committee

To: \_\_\_\_\_ HOUSE BILL NO. 25

\_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

AMENDMENT: Page 2, 11 Line: 15, 17, 16

Page 2, line 15

After the word "within" add the words "the service area of  
a certified rural electrical cooperative or within".

Page 7, line 17

After the word "supplies" add the words "or cooperative".

Page 11, line 16

After the word "facility" add the words "or off" delete the  
word "and" and insert the word "or" after "off".



# Alaska State Legislature

## House

JUNEAU ALASKA

Commerce Committee

Meeting Feb. 6,  
House Bill 26

Members Present: Wallis, Kelley, Rhodes, Urion, Freeman

Commissioner Motley: Power requirements here are mainly affected by outmoded equipment and a change in use requirements. The methodology of the bill is good, though it needs to set an effective date.

Bob Loescher: Through the work of the Tlinglet-Haida Housing Authority and others have found that a chief area of difficulty is the development of electrical facilities which can handle industry and growth. A year ago they did a study with Community and Regional Affairs and other groups to provide data to use to go to the Rural Electrification Administration (REA) for low-interest loan money. In this process they took a look at the State Co-operative Act and the Rural Electrification Co-operative Act which normally are used as the legal instrument of the business entity of an electrical firm. They realized there would be difficulties, under these laws, they would like to merge municipal systems into a common system. They also need some powers, such as condemnation, tax-exemption, and new sources of funding. They drafted this bill so they can incorporate.

Bill Berrier: Mr. Berrier was called in to propose solutions to the electrical problem, of how electricity can best be provided. Many villages through out Alaska have similar problems. Individual villages may not get REA loans, because they aren't singly large enough to have feasible projects. Some system is needed to combine them into larger units. Another thing they found out they needed was something capable of REA loans. Also they needed to be given the authority to operate under. And last it had to be something capable of issuing tax-exempt securities. There are several approaches:

1. An REA co-op formed, there are some difficulties
  - a. The acts is outmoded
  - b. there are technical difficulties
  - c. they can't issue tax-exempt securities.
2. Using the Cooperation agreement of the Consitution, municipalities involved could enter into a cooperation agreement but this is very complex when you have five cities. None of these devices seemed adequate. The approach they came up with would also have to tie in with other factors.
  1. The possibility of a state authority.
  2. Possibilities of state appropriations of direct aid.This bill seemed to create a mechanism that would solve the problems involved, and it should not hurt AVEC.



JUNEAU ALASKA

Alaska State Legislature  
House

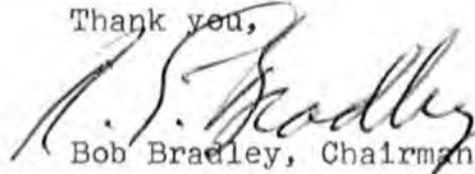
COMMERCE COMMITTEE

January 31, 1975

Consideration of HB #26

The House Commerce Committee will be considering HB #26 by Duncan regarding Regional Electric Authorities on February 6 at 8:00 AM in the committee room. If you wish to testify please contact Kim Hutchinson at 465-3824 so that time can be made available for you.

Thank you,



Bob Bradley, Chairman

cc Jim Duncan  
Bob Loesher  
Alaska Public Utilities Commission  
Tony Motley, Commissioner of Commerce  
Aleut Corporation  
AHTNA Incorporated  
Arctic Slope Regional Corporation  
Bering Straits Native Corporation  
Bristol Bay Native Corporation, Inc.  
Chugach Natives, Inc.  
CALISTA Corporation  
Cook Inlet Region, Inc.  
DOYON, Ltd.  
KONIAG, Inc. Regional Native Corp.  
NANA Regional Corporation, Inc.  
SEALASKA Corporation  
Jan Van Dort  
N.C. Banfield

BB/mr

BILLY G. BERRIER  
ATTORNEY  
144 NOWELL STREET  
JUNEAU, ALASKA  
99801

Phone 586-6142

Dec. 6, 1974

MEMORANDUM TO: Robert W. Loescher  
Executive Director  
Tlingit-Haida Regional Housing Authority

Enclosed are the two bills I have drafted at your request.

The problem you outlined was to find a means whereby electrical systems could be constructed, operated, and financed in certain specified areas. Because of the current state of the existing service and the limited revenue potential several factors were necessary;

- (a) Financing at the lowest possible cost which requires authority to receive and utilize federal and state grants and loans (including R.E.A. financing) and a capability to issue securities, the income of which is not taxable to the holder to realize the interest savings inherent in tax exempt securities
- (b) It must be possible to construct and operate the systems on a larger than local basis because individually the village operations would not be feasible financially
- (c) Maximum operating flexibility in order that the diverse factors which exist and may arise in the future could be accommodated and maximum operating efficiency could be attained thus realizing such cost economies as are possible.

Under existing law part, but not all, of these objectives can be attained. There are several limitations on electrical cooperatives organized under AS. 10.25 the principal ones being structural and service limitations and the lack of authority to issue tax exempt securities. Municipal operation does not allow the scope necessary for a feasible project and,

althouth the municipalities could enter into a cooperation agreement under the constitution and statues, no seperate corporate entity to carry out the required functions could be created directly. This could be handled in a somewhat cumbersome manner but because the fact that one of the areas which must be included is not a municipal corporation this avenue is not open.

After considerable exploration of the alternatives we agreed that legislation providing a vehicle to accomplish this should be prepared. Any such legislation must avoid conflict with a state-wide agency for financing electrical systems should one be created.

Since there are two reasonable approaches to do this I have drafted a bill for each alternative approach. The enclosed bills, in my opinion, accomplish these objectives. Further the vehicles which can be created would be useful in a wide varity of situations so that they should be acceptable to other areas of the state, since many areas face similar problems.

*Billy G. Bessier*



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 10, 1974

RECEIVED  
JAN 16 1975

Tlingit-Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Mr. Robert W. Loescher  
Executive Director  
Tlingit-Haida Regional  
Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Mr. Loescher:

This will acknowledge our receipt of your letter of December 17, 1974, concerning rural electrification problems and legislation.

I know personally that the electrification problems you speak of in your letter are genuine and that their solution is critical to achieve better living conditions for rural residents throughout the State. Reliable electric service and other basic public utilities have a key role in community development and are a major responsibility of local government and related public utility organizations.

Therefore, I have requested the Department of Community and Regional Affairs to study the draft legislation you propose to determine how it might contribute to realization of the State's community development objectives. When that review is completed, a more detailed reply will be forthcoming.

Thank you for sharing your experience with rural utility problems and your ideas about possible legislative solutions.

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read "Jay S. Hammond".

Jay S. Hammond  
Governor

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION  
WASHINGTON, D.C. 20250

OFFICE OF THE ADMINISTRATOR

JAN 14 1975

Mr. Robert W. Loescher, Executive Director  
Tlingit & Haida Regional Housing Authority  
Juneau, Alaska 99801

Dear Mr. Loescher:


We have read the proposal that you submitted to your legislators and do wish to offer some comments regarding it.

In earlier correspondence to you dated July 17, 1974, and September 10, 1974, Mr. Fitch and I have indicated reasons why we are not in favor of the creation of additional organizations which may detract from the ability of the AVEC to accomplish its objective.

In a letter to Senator Gravel dated August 15, 1974, we discussed the possibility of making REA funds available directly to the State of Alaska or an authority created by the State for such a purpose. Under such an arrangement REA could make loans and advance funds based on assignment of bonds or other forms of security. The State would continue to have access to other Federal funds as it now does. Under such an arrangement the property of AVEC could be transferred to the State by debt assumption. Since the State is now contributing substantially to the support of AVEC through the high minimum revenue guarantee by the State operated schools, substantial savings may be made by using village school employees, many of whom are already qualified to operate the generating plants. In addition, the State is in the best position to determine where and at what rate additional village systems should be added in coordination with its other village activities.

We now suggest that perhaps such a solution may still be the best means of resolving the problems of feasibility limitations and could result in more villages being provided service at a faster rate. REA would be favorable to such an arrangement.

Sincerely,

  
DAVID A. HAMID  
Administrator



# tingit & haida regional housing authority



ROBERT W. LOESCHER  
Executive Director

February 14, 1975

Mr. Robert Bradley  
Chairman  
House Commerce Committee  
Alaska State Legislature  
Pouch V  
State Capital  
Juneau, Alaska 99801

Re: HB 26

Dear Mr. Bradley:

We would like to thank your committee for the diligent work it has put into HB 26 entitled "An Act Authorizing the Creation of Regional Electrical Authorities." As proponents of the bill, we have been working to generate support of interested groups around the State of Alaska in order to secure proper input on the legislation for its passage. Today in a meeting with the Alaska Rural Electric Cooperative Association an amendment was proposed by the group that would improve the legislation and prevent encroachments into existing electrical service areas without consent of already established cooperatives. The changes are as follow:

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(b) The regional electrical authority has jurisdiction

FRANK SEE — Chairman, Hoonah  
CYRIL GEORGE — 1st Vice Chairman, Angoon  
CAROLYN POWELL — Secretary, Yakutat

ROBERT SANDERSON — Treasurer, Hydaburg  
BERTHA CAVANAUGH — Member at Large, Kake

February 14, 1975

to operate in all or part of the operating area of the individual association as determined by resolution of the governing body of the association. The governing body may, by resolution, add to or subtract from the area served. The authority may operate within the service area of a certificated rural electrical cooperative or within the corporate limits of a municipality only with consent, by resolution, of the governing body of the municipality or cooperative; however, if an authority is operating within an area which becomes part of a municipality or has a certificate of convenience and necessity from the Alaska Public Utility Commission to operate in an area which becomes part of a municipality, no consent is necessary.

With the aforementioned changes, the Alaska Rural Electric Cooperative Association went on record as supporting the legislation.

Our group completely supports the recommended changes and requests the amendment as soon as possible. We will ask the sponsors of the legislation, Representatives Duncan and Miller, by a copy of this letter, to endorse these changes in the draft legislation.

Thanking you for this consideration.

Sincerely,

TLINGIT HAIDA REGIONAL  
HOUSING AUTHORITY

Robert W. Loescher  
Executive Director

cc: Rep. Duncan  
Rep. Miller  
Senator Bill Ray  
Mayor of Hoonah  
Mayor of Kake  
Mayor of Angoon  
Mayor of Klawock  
Mayor of Klukwan  
Alaska Village Electric Cooperative Inc.

RWLc:jg



## tingit & haida regional housing authority



ROBERT W. LOESCHER  
Executive Director

February 14, 1975

Mr. Robert Bradley  
Chairman  
House Commerce Committee  
Alaska State Legislature  
Pouch V  
State Capital  
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February 14, 1975

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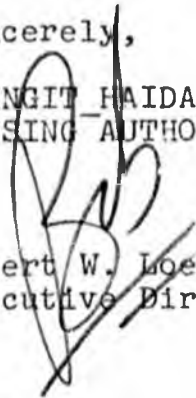
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Sincerely,

TLINGIT HAIDA REGIONAL  
HOUSING AUTHORITY



Robert W. Loescher  
Executive Director

cc: Rep. Duncan  
Rep. Miller  
Senator Bill Ray  
Mayor of Hoonah  
Mayor of Kake  
Mayor of Angoon  
Mayor of Klawock  
Mayor of Klukwan  
Alaska Village Electric Cooperative Inc.

RWLcjpg

HB 26

Regional Electrification Authority

Whereas: adequate housing, public facilities, and economic development are desperately needed in our rural areas, and

Whereas: development of those adequate housing depend on safe electrical systems, and

Whereas: it is necessary to provide public corporations to assist in providing those electrical systems, and

Whereas: The SEACAP Board of Directors is aware of the filing of HB 26 by Representatives Duncan and Miller,

Now therefore be it resolved: that SEACAP Board of Directors, meeting this day, February 13, 1975, in Juneau, Alaska, vote to support House Bill 26, authorizing the creation of regional electrification authorities.

ATTEST:

Dorothy Williams  
Secretary

Dick Whittaker  
President

February 14, 1975  
Date

IN REPLY REFER TO:



UNITED STATES  
DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

Juneau Area Office  
P. O. Box 3-8000  
Juneau, Alaska 99801

January 2, 1975

Mr. Robert W. Loescher  
Executive Director  
Tlingit & Haida Regional  
Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Mr. Loescher:

Indeed we are interested in your approach to Rural Electrification legislation as advanced by your December 19, 1974 letter. We hope you have been in touch with AVEC on the matter, as we understand they have been working on the same basic approach for several months past. The impacts of the proposed legislation on the economics of rural utilities might be best presented for comparison using the AVEC operating experience of the past five years.

Perhaps it would help for you to understand our particular aspect of the AVEC dilemma. Five years ago a three-way agreement was made between REA, AVEC and BIA. Essentially, an income base was established for AVEC by BIA agreement to pay a minimum rate for all schools using AVEC electricity so AVEC could build up the system and be able to repay REA loans needed to start the system. The State Operated Schools system accepted a like agreement shortly thereafter. When started, the rate was \$1200 per location per month; it is currently \$2835 per month per location. As you can see, this is an increased cost of over 150 percent over five years to BIA and SOS. This is a substantial cost borne by both the BIA and SOS educational budgets.

Within the BIA budgetary system our budget increases over the same five years have not kept pace. Our appropriations have increased less than 40% over the same period of time. Our school maintenance and operating budgets now buy little more than electricity, even extending to our schools where there are no AVEC systems. This, combined with the extreme increases in petroleum products and general inflation, face us with very serious problems this fiscal year and next.

While we cannot readily gauge the dollar impact of what you propose as a legislative remedy, we see quite clearly that the method used

with AVEC in the recent past cannot support either the continuing r  
rural electric systems nor development of any new rural systems. A  
new base must be built so rural electrical systems can achieve sound  
financing, especially because of the impacts you point out caused by  
housing improvements and increased economic and industrial-type  
development activities. The reliance on educational facilities as  
the financing base is too narrow and cannot sustain the base over  
the long term.

While your letter does not solicit specific help, we will be happy  
to assist with the development of materials for legislative present-  
ation at your request. We are limited so far as staff knowledgeable  
in this particular area, but do have records and information which  
may be helpful as you develop your presentations.

Sincerely yours,

A handwritten signature in cursive script that reads "Joseph E. Kahklen". The signature is written in dark ink and is positioned above the typed name and title.

Joseph E. Kahklen  
Acting Area Director

ALASKA FEDERATION OF NATIVES, INC.



*Integrity, Pride in Heritage, Progress*

1675 C STREET  
ANCHORAGE, ALASKA 99501  
PHONE (907) 274-3611

*Staffer  
File  
Boh*

EXECUTIVE OFFICES  
**RECEIVED**  
JAN 27 1975

Tlingit & Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

January 22, 1975

Mr. Robert W. Loescher  
Executive Director  
Tlingit & Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Robert:

First, let me congratulate you on your proposed Rural Electrification legislation. With your usual wisdom and forethought, I find that your noble approach to solving the problem of delivery of hand maintenance the cheap power source for villages in Southeast Alaska is a good one.

I am pleased to see that at a recent meeting of villages and towns in Sitka, that your proposal and your concept was adopted by those in attendance. Please let me know if there is anything I can do to help you in establishing these new means of developing rural electric co-ops.

Sincerely,

Roger Lang  
President

*Letter*

# STATE OF ALASKA

**DEPARTMENT OF COMMERCE**  
**ALASKA PUBLIC UTILITIES COMMISSION**

JAY S. HAMMOND, Governor

1100 MACKAY BUILDING  
338 DENALI STREET - ANCHORAGE 99501

January 17, 1975

Robert W. Loescher, Executive Director  
Tlingit and Haida Regional  
Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Mr. Loescher:

I have read your letter of December 18, 1974 with interest, and have given copies of this material to my fellow commissioners. We will keep your discussions in mind during the upcoming legislative session in the event we are asked to comment regarding the power situation in small communities.

I appreciate the time and effort that you have taken to develop what I consider a valid document discussing the difficulties of financing electric generation and distribution systems in these areas.

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

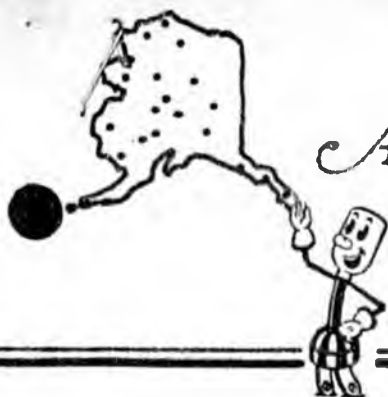
*Jim Hendershot*  
James R. Hendershot, Commissioner

JRH/pat

CC: Mayor Frank See - Hoonah  
Mayor Cyril George - Angoon  
Mayor Frank Gordon - Kake  
Mayor John Skann - Klawock  
Mayor Dick Hotch - Klukwan

RECEIVED  
JAN 22 1975

Tlingit-Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801



# Alaska Village Electric Co-operative, inc.

999 TUDOR RD., ANCHORAGE, ALASKA 99503  
TELEPHONE 279-3548

September 16, 1974

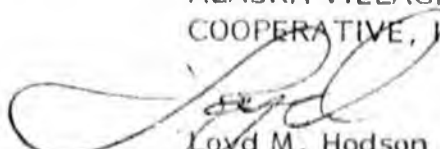
Robert Loescher  
Executive Director  
Tlingit Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Mr. Loescher:

In accordance with recent correspondence and followup of your meeting with the A.V.E.C. Board, attached is a copy of a Resolution passed by the A.V.E.C. Board on September 10, 1974.

Best Wishes,

ALASKA VILLAGE ELECTRIC  
COOPERATIVE, INC.



Lloyd M. Hodson  
General Manager

LMH/ma  
Encl.

RECEIVED  
SEP 19 1974

Tlingit-Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

RESOLUTION NO. \_\_\_\_\_

ENTITLED: DEVELOPMENT OF A SOUTHEAST  
ALASKA ELECTRICAL COOPERATIVE

WHEREAS, the Alaska Village Electric Cooperative, Inc. is a nonprofit Cooperative association established under the and by virtue of the Electric and Telephone Cooperative Act of 1959 for the express purpose of providing electrical generation and service to the people of small and often remote village of the State of Alaska, and,

WHEREAS, AVEC'S Electrification program was made possible through an REA loan granted in 1968 and subsequent REA loans to date, and,

WHEREAS, the Alaska Village Electric Cooperative was established and is being supported through the mutual cooperation of several state and federal agencies, and

WHEREAS, AVEC is currently providing service to 48 villages in the State of Alaska, only one of which is located in Southeast Alaska, and

WHEREAS, the Tlingit & Haida Regional Housing Authority is working with various State and Federal agencies in an effort to electrify several rural Southeast Alaskan communities.

THEREFORE, BE IT RESOLVED, that the Alaska Village Electric Cooperative, Inc. does hereby approve of and endorse the Authority's efforts to have a comprehensive study conducted in the villages in question to determine the feasibility of establishing a separate REA sponsored cooperative to serve rural Southeast Alaska.

Passed and approved by the Board of Directors of the Alaska Village Electric Cooperative, Inc. this 10<sup>th</sup> day of Sept, 1974, by a vote of \_\_\_\_\_ yeas and \_\_\_\_\_ nays.

*Leslie A. ...*  
President  
Alaska Village Electric Cooperative, Inc.

*Harold ...*  
Secretary



**tingit & haida regional housing authority**



**ROBERT W. LOESCHER**  
Executive Director

February 10, 1975

Honorable Tim Wallis  
House of Representatives  
State of Alaska  
Vice-Chairman  
Commerce Committee  
Pouch V - State Capitol  
Juneau, Alaska 99801

Dear Representative Wallis:

Pursuant to your request, enclosed for the Commerce Committee's information in reviewing House Bill No. 26, "An Act Authorizing the creation of Regional Power Authorities", is the preliminary feasibility study prepared by the Tlingit-Haida Regional Housing Authority.

Also, included are the preliminary responses from various State and Federal agencies after reviewing the bill.

We urge early consideration of this legislation. Thanking you for this consideration.

Sincerely

TLINGIT-HAIDA REGIONAL HOUSING AUTHORITY

Robert W. Loescher  
Executive Director

encls.

RWL:CG:lg  
FRANK SEE — Chairman, Hoonah  
CYRIL GEORGE — 1st Vice Chairman, Angoon  
CAROLYN POWELL — Secretary, Yakutat

ROBERT SANDERSON — Treasurer, Hydaburg  
BERTHA CAVANAUGH — Member at Large, Kake

525 VILLAGE STREET

JUNEAU, ALASKA 99801

TELEPHONE (907) 586-2192



## tingit & haida regional housing authority



ROBERT W. LOESCHER  
Executive Director

February 14, 1975

Mr. Robert Bradley  
Chairman  
House Commerce Committee  
Alaska State Legislature  
Pouch V  
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Juneau, Alaska 99801

Re: HB 26

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February 14, 1975

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Thanking you for this consideration.

Sincerely,

TLINGIT HAIDA REGIONAL  
HOUSING AUTHORITY

Robert W. Loescher  
Executive Director

cc: Rep. Duncan  
Rep. Miller  
Senator Bill Ray  
Mayor of Hoonah  
Mayor of Kake  
Mayor of Angoon  
Mayor of Klawock  
Mayor of Klukwan  
Alaska Village Electric Cooperative Inc.

RWlcjg

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 10, 1974

RECEIVED  
JAN 10 1975

Tlingit-Haida Regional Housing Authority  
525 Village Street  
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Executive Director  
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Thank you for sharing your experience with rural utility problems and your ideas about possible legislative solutions.

Sincerely,

A large, stylized handwritten signature of Jay S. Hammond in dark ink.

Jay S. Hammond  
Governor

# Nushagak Electric Co-operative, Inc.

P. O. BOX 197

DILLINGHAM, ALASKA 99576

February 7, 1975

Mr. Nels A. Anderson, Jr.  
State House of Representatives  
Pouch V  
Juneau, Alaska 99801

RE: House Bill No. 26

Dear Nels:

A copy of HB No. 26 came across my desk the other day and it moves me to make some comment in behalf of Nushagak Electric Cooperative, Inc.

I heartily approve of the concept of increasing, improving and insuring the reliability of electric service in this state especially since climatic conditions play such a significant part in our life style. Unfortunately, most communities today have very few options available for their very survival in the event of an electrical system breakdown.

We need a plan to handle contingencies of an emergency nature, and as far as I can see, there has been nothing forthcoming from any agency to handle the ever increasing frequency of prolonged power outages and breakdowns that occur each winter. For an example, the military generators that were shipped to Kodiak in their recent power crisis were immediately shipped back outside for storage. Why were they not stored at Elmendorf or other suitable military installations in Alaska for future contingencies?

On the surface, it would appear that HB 26 would not readily lend itself to more efficient rural electric utility operations. Apparent disadvantages would include the following:

1. The establishment of a regional electrical authority would provide a political tool for assumption of responsibilities already adequately handled by other agencies, i.e., Federal Power Commission, Rural Electrification Administration, Alaska Public Utilities Commission, various municipalities and REA cooperatives throughout the state.
2. HB 26 as written does not make provision for technical expertise on the governing body of the association. This is really the crux of most power supply problems -- lack of funds and good technical assistance.

Nels A. Anderson, Jr.  
February 7, 1975 -- Page 2

3. The mailing list dated January 31, 1975 and signed by Bob Bradley appears to be essentially directed at Native organizations throughout the State. No utilities are included. I cannot help but feel that this may be an effort to make political hay over a particular event which did not affect more than one community. If this is not the case, I would certainly be receptive to some enlightenment.

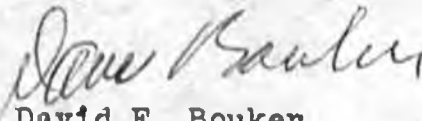
On the plus side, I believe HB 26 brings to light and helps to underscore a very basic problem area -- that the power supply in most Alaskan communities leaves much to be desired. We do not have a readily available supply of technical manpower which is of primary importance if the lights are to be kept burning. Most Alaskan communities are at the mercy of one fuel supplier. Most utilities in those areas have to rely on diesel generation which is, historically, the most expensive. Requirements involving development of hydro power are astronomical -- no rural community can foot the bill by itself!

Yes, there are very definite power supply problems begging for solutions. To start with, I would suggest establishing a power pool under the aegis of the APUC or the Alaska Power Administration that would supply emergency diesel generation units on short notice to any Alaskan community. In addition, this same agency should survey all possible hydro sites, determine feasibility over the long run and assist through the REA or a state bonding bank to develop these facilities as soon as possible. The immediate effect would be twofold -- the cost of fuel would be eliminated and the cost of producing power over the long run would remain relatively stable. There is no chance for this condition to exist as long as we are tied to a rapidly depleting fuel.

Nels, thank you for listening. I would like some feedback on this matter, if possible.

Best Regards,

NUSHAGAK ELECTRIC COOPERATIVE, INC.



David F. Bouker  
Manager

DFB:jn

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION  
WASHINGTON, D.C. 20250

OFFICE OF THE ADMINISTRATOR

JAN 14 1975

Mr. Robert W. Loescher, Executive Director  
Tlingit & Haida Regional Housing Authority  
Juneau, Alaska 99801

Dear Mr. Loescher:

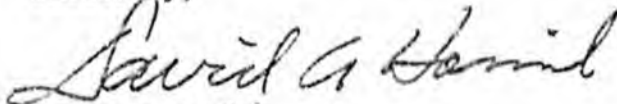
We have read the proposal that you submitted to your legislators and do wish to offer some comments regarding it.

In earlier correspondence to you dated July 17, 1974, and September 12, 1974, Mr. Fitch and I have indicated reasons why we are not in favor of the creation of additional organizations which may detract from the ability of the AVEC to accomplish its objective.

In a letter to Senator Gravel dated August 15, 1974, we discussed the possibility of making REA funds available directly to the State of Alaska or an authority created by the State for such a purpose. Under such an arrangement REA could make loans and advance funds based on assignment of bonds or other forms of security. The State would continue to have access to other Federal funds as it now does. Under such an arrangement the property of AVEC could be transferred to the State by debt assumption. Since the State is now contributing substantially to the support of AVEC through the high minimum revenue guarantee by the State operated schools, substantial savings may be made by using village school employees, many of whom are already qualified to operate the generating plants. In addition, the State is in the best position to determine where and at what rate additional village systems should be added in coordination with its other village activities.

We now suggest that perhaps such a solution may still be the best means of resolving the problems of feasibility limitations and could result in more villages being provided service at a faster rate. REA would be favorable to such an arrangement.

Sincerely,



DAVID A. HAMIE  
Administrator



## tingit & haida regional housing authority



ROBERT W. LOESCHER  
Executive Director

December 12, 1974

Honorable Jim Duncan  
House of Representatives  
State of Alaska  
R.R. 4 Box 4316  
Juneau, Alaska 99801

Re: Rural Electrification Legislation

Dear Mr. Legislator:

In attempting to develop the elements required for comprehensive planning in housing, water and sewerage facilities, roads, electrical generation and distribution, health, employment and industrial development in Alaskan communities, often times, we discover we do not have all the tools to work with in order to accomplish the job. Road blocks such as technical capability, feasibility funds, proper corporate authority, long term funding, legal powers and public interest to satisfy basic steps hinder progress. Such is the case with the whole area of electrical generation and distribution systems development throughout rural Alaska. It is extraordinary that in the year 1974 - when we are able to put men on the moon, build oil pipelines, conquer the atom communicate by satellite - that a basic service such as providing electricity to our homes and industries has become such an insurmountable problem. Yet it has. Some places do not have electricity at all. Other places have inadequate systems that are more of a burden because old transmission lines and out of date generation equipment than the communities can bear. A number of systems are unable to extend electricity to critical need areas because of the lack of funding and load capacities.

The Alaska Village Electric Cooperative (AVEC) has made headway in about a third of the rural Alaska communities. Yet, it too, has been slowed tremendously by high operational costs of its existing system, lack of capital to expand, high cost to consumers and a lot of bureaucratic "red tape" to secure financing and subsidies to support the system.

A few years ago, the Bureau of Indian Affairs - Alaska Area Office advanced a comprehensive electrical generation and distribution development program

FRANK SEE — Chairman, Hoonah  
CYRIL GEORGE — 1st Vice Chairman, Angoon  
CAROLYN POWELL — Secretary, Yakutat

ROBERT SANDERSON — Treasurer, Hydaburg  
BERTHA CAVANAUGH — Member at Large, Kake

Honorable Jim Duncan  
Re: Rural Electrification Legislation  
12/12/74 - Page 2

which would have affected over one hundred twenty five (125) villages throughout the State and costing an estimated total of twenty five million dollars. The program was advanced to Washington, D.C. and was never heard about again.

The legislature, through the years has developed legislation dealing with municipal problems. Bond Bank legislation has been thought of but not enacted. Last year, a Public Utility Revolving Loan Fund bill (HB611-Malone - referred Commerce/Finance) was presented but not enacted. No true concentration has been given to the problem of rural electification.

The problem still remains with us. The question is how to get a handle on it. Our efforts in the electrical field over the last year, have led us to the conclusion that the lack of electricity is one of the greatest stumbling blocks to improvement of community health, housing improvement and industrial development. It is clear that the problem is common to all segments of the community and is a matter of the "highest public interest" which cannot be met and solved by private enterprise within the limits of reasonable cost. [Upon further analysis and assistance by legal counsel, it has been concluded that any tools to work with the electrical problem in rural Alaska must have certain characteristics in order to be effective and successful.] As a result of the current condition of the existing service and the limited revenue potential several factors were necessary;

(a) Financing at the lowest possible costs which requires authority to receive and utilize federal and state grants and loans (including R.E.A. financing) and a capability to issue securities, the income of which is not taxable to the holder to realize the interest savings inherent in tax exempt securities;

(b) It must be possible to construct and operate the systems on a larger than local basis because individually the village operations would not be feasible financially;

(c) Maximum operating flexibility in order that the diverse factors which exist and may arise in the future could be accommodated and maximum operating efficiency could be attained thus realizing such cost economies as are possible.

Under existing law part, but not all, of these objectives can be attained.

Honorable Jim Duncan  
Re. Rural Electrification Legislation  
12/12/74 - Page 3

There are several limitations on electrical cooperatives organized under AS 10.25, the principal ones being structural and service limitations and the lack of authority to issue tax exempt securities. Municipal operation does not allow the scope necessary for a feasible project and, although the municipalities could enter into a cooperation agreement under the constitution and statutes, no separate corporate entity to carry out the required functions could be created directly. This could be handled in a somewhat cumbersome manner, but because the fact that one of the areas which must be included is not a municipal corporation, this avenue is not open.

#### A CASE STUDY: THE SOUTHEASTERN SITUATION AND POSSIBLE SOLUTIONS.

The Tlingit and Haida Regional Housing Authority is working with various State and Federal agencies, the Tlingit and Haida Central Council, and the Rural Electrification Administration in a combined effort to bring up to standard the electrical utility systems in five rural southeast Alaska communities. The existing systems are, for the most part, virtually not systems at all; most are 35-40 years old and have had minimal maintenance and/or up-grading over the years. They are in such an advanced stage of dilapidation that completely new systems are necessary. To compound the problems, the communities have expanded and grown so that the existing diesel-electric sets are not capable of handling the increased loads. New homes have been built with many more either under construction or in the planning stage. Existing industry is expanding and new industry is being introduced. Elderly homes and clinics are in the development stage with construction to take place next year. The communities realize their problems. They know that new electrical systems are critically needed-virtually from the ground up! They also realize that it would be economically unfeasible for an individual community to attempt to finance and operate and maintain such an undertaking.

In order to provide the electrical systems, a vehicle which would allow operation and financing on a regional scale is needed. Such a vehicle needs substantial operating flexibility and the power to issue tax exempt securities, in addition to federal, state and conventional financing, in order to achieve maximum economy in overhead and financing costs. The two legislative bills enclosed would allow creation of such a vehicle by in effect combining the virtues of a cooperative which can act on a greater than local basis but does not have the flexibility of a government unit

Honorable Jim Duncan  
Re: Rural Electrification Legislation  
12/12/74 - Page 4

nor can issue tax exempt securities with that of a government unit which has the advantages noted but is limited in scope of local areas.

The first bill is a full authorization bill allowing creation of regional electric authorities in order to satisfy geographic considerations by those entities which may create housing authorities. The authority is given broad operating powers comparable in scope to the powers of a municipality and is in fact made a political subdivision of the state as are the housing authorities. As a political subdivision, the power to issue securities which are tax exempt to the holder, thus making possible substantial interest savings, may be given and has been given by the proposed bill. The bill would not cause conflict with municipalities since their consent is necessary if the authority is to operate within the municipal boundaries. Nor does this bill conflict with any possible statewide financing vehicle which may be created in the future since any statewide vehicle would serve as a conduit of R.E.A. funds, state funds and to the extent of its financing, funds derived from sale of tax exempt securities. With its direct access however, it would be supplementary to a statewide agency should the financing of such agency not be large enough to meet the full needs.

The second bill is an authorization bill, which would allow municipalities, I.R.A. corporations and housing authorities to create, by agreement among themselves, associations which have separate corporate status and would have such functions within the broad limits of the bill (e-2, sewers and sewage treatment facilities, a-9, telephone systems, s-10, light power and heat, a-II water) as the parties to the agreement specify. This association is also a political subdivision with the right to issue tax exempt revenue bonds.

#### IN CONCLUSION...

On behalf of the communities in Southeastern Alaska and as an impetus for solution finding on a statewide level, the Tribal Council and the Authority intend to advance the attached bills for legislative consideration this year. Any comments you might have on the weakness or strengths, deficiencies or exuberances or even approach would be very much appreciated. Foremost, progress in any field of endeavor requires the work and support of many. Any assistance you might give to leveling out the "stumbling blocks"

Honorable Jim Duncan  
Re: Rural Electrification Legislation  
12/12/74 - Page 5

in the development of electrical generation and distribution systems in rural Alaska would be very much appreciated.

Sincerely,

TLINGIT-HAIDA REGIONAL HOUSING AUTHORITY

Robert W. Loescher  
Executive Director

encls.

cc. Mayor Frank See - Hoonah, Alaska  
Mayor Cyril George - Angoon, Alaska  
Mayor Frank Gordon - Kake, Alaska  
Mayor John Skann - Klawock, Alaska  
Mayor Dick Hotch - Klukwan, Alaska  
Tlingit-Haida Central Council

RWL:lg

DRAFT BILL NO. 1

REGIONAL ELECTRICAL AUTHORITIES

18.55.997 FINDING AND PURPOSE The legislature finds that an acute shortage of adequate, safe, reliable electrical facilities exists in the rural areas of Alaska and that adequate electrical systems cannot be provided by the private sector due to inadequate projected system revenues and economic depression in certain areas. The legislature further finds that adequate housing, public facilities and economic development are heavily dependant upon adequate, safe and reliable electrical facilities. These conditions are inimical to the safety, health, welfare and prosperity of the residents of the state and to the sound growth of rural communities. The legislature further finds that a reasonable means of accomplishing the purpose of providing adequate, safe and reliable systems is the creation of regional electrical authorities. It is the purpose and intent of the legislature to provide a means whereby public corporations to serve as regional electrical authorities may be formed.

18.55.998 FORMATION OF AUTHORITIES Regional electrical authorities are created as provided in this section. When so created they may exercise all powers conferred by this chapter.

18.55.99 CREATION OF AUTHORITIES The associations authorized by AS 18.55.996 to form regional housing authorities are given the authority and power of a regional electrical authority. There is hereby created with respect to each of such associations a public body corporate and politic as a political subdivision of the State of Alaska to function in the operating areas of the individual associations.

(a) A regional electrical authority created by this chapter may not transact business or exercise powers granted to it until the governing body of the association has, by resolution, declared there is a need for the authority to function, given it the autho-

rity to function and named persons to serve as the board of commissioners of the authority. The number of members of the board of commissioners, their terms of office and the filling of vacancies in office shall be as determined by the governing body of the association by resolution.

(b) The regional electrical authority shall have jurisdiction to operate in all or part of the operating areas of the individual associations as determined by the governing body of the association by resolution, which resolution may be amended by the governing body by resolution to add to or subtract from the area served. The authority may operate within the corporate limits of a municipality only with consent, by resolution, of the governing body of the municipality except that where an authority is operating within an area which becomes part of a municipality or has a certificate of convenience and necessity from the Alaska Public Utility Commission to operate within an area which becomes part of a municipality no such consent shall be necessary.

(c) Any municipality or electrical cooperative or other provider of electrical service may transfer all or part of its electrical system including without limitation lands and rights in land, equipment and certificates or franchises required to operate in an area or areas to a regional electrical authority by resolution of the governing board upon such terms as are agreed upon with the authority providing that approval by resolution, of the board of commissioners of the authority is obtained. Except as may be provided otherwise by Federal law no other approvals to such transfers are required.

18.55.1000 TAX EXEMPTION (a) The exercise of the powers granted by this chapter will in all respects be for the benefit of the people of the state, for their well being and prosperity and for the improvement of their social and economic conditions and the authority is not required to pay a tax or assessment on any property owned by the authority.

(b) All obligations issued under this chapter are hereby declared to be issued by a body corporate and public which is a political subdivision of the state and for an essential public and governmental purpose, and the obligations, and the interest and income on and from the obligations, and all fees, charges, funds, revenues, income and other money pledged or available to pay or secure the payment of the obligations or interest are exempt from taxation except for transfer, inheritance and estate taxes.

(c) All obligations or liabilities of the regional electrical authorities shall remain their own and shall not be obligations or liabilities of the state.

18.55.1001 POWERS OF THE AUTHORITY Regional electric authorities have the following general powers.

- (1) To adopt, alter and use a corporate seal.
- (2) To prescribe, adopt, amend and repeal by-laws.
- (3) To sue and be sued in its own name.
- (4) To appoint officers, agents and employees and vest them with such powers and duties and to fix, change and pay such compensation for their services as the authority may determine.
- (5) To borrow money, make and issue bonds, notes and other evidences of indebtedness of the authority for any of its corporate purposes, and to secure payment of its bonds and of any and all other obligations by pledge of or lien on all or any of its assets, contracts, revenue and income.
- (6) To make and issue bonds for the purpose of funding, re-funding, purchasing, paying or discharging any of the outstanding bonds or obligations issued or assumed by it or any bonds or obligations the principal or interest of which is payable in whole or in part from its revenue.
- (7) To make and execute agreements, contracts and other instruments necessary or convenient in the exercise of its powers and functions, including contracts with any person, firm, corporation, government agency or other entity.

(8) To receive, administer and comply with the conditions and requirements respecting any appropriation, gift, grant or donation of property or money.

(9) To invest or reinvest any money or funds held by the authority in any obligations or other securities or investments in which banks or trust companies in the state may legally invest funds held in reserves or sinking funds or any funds not required for immediate disbursement, and in certificates of deposits or time deposits.

(10) To acquire, hold, use, lease, sell or otherwise dispose of any property of any kind, real, personal or mixed or any interest therein.

(11) To acquire, produce, develop, manufacture, use, transmit, distribute, supply, exchange, sell or otherwise dispose of electric energy and such other things, supplies and services as the authority shall determine necessary, proper, incidental or convenient in connection with its activities.

(12) To determine, fix, alter, charge and collect rates, fees, rentals and other charges for the use of the facilities of the authority or for the service, electric energy or other commodities sold, rendered, or furnished by it.

(13) To plan, design, construct, reconstruct, extend or improve any facilities necessary or convenient in connection with its activities.

(14) To enter on any lands, water or premises for the purpose of making surveys, soundings or examinations.

(15) To exercise the powers of eminent domain and declaration of taking in accordance with AS 09.55.250-09.55.460.

(16) To do all acts and things necessary, convenient or desirable to carry out the powers granted or implied in this chapter.

(17) To prescribe, adopt, amend and repeal such rules and regulations as may be necessary or proper for the exercise and performance of its powers and duties or to govern the rendering of service, sale or exchange of electrical energy.

18.55.1002 BONDS AND NOTES (a) The authority by resolution, may issue bonds and bond anticipation notes in order to provide funds to carry out and effectuate its purposes.

(b) The principal and interest on these bonds or notes is payable from authority funds. Bond anticipation notes may be payable from the proceeds of the sale of bonds or from the proceeds of sale of other bond anticipation notes or, in the event bond or bond anticipation note proceeds are not available, such notes may be paid from other funds or assets of the authority. Bonds or notes may be additionally secured by a pledge of a grant or contribution from the federal government, state government, or a corporation, association, institution or person, or a pledge of money, income, or revenues of the authority from any source.

(c) Bonds or bond anticipation notes may be issued in one or more series and shall be dated, bear interest at the rate or rates per year or within the maximum rate, be in the denomination, be in the form, either coupon or registered, carry the conversion or registration provisions, have the rank or priority, be executed in the manner and form, be payable from the sources in the medium of payment and place or places within or outside the state, be subject to authentication by a trustee or fiscal agent, and be subject to the terms of redemption with or without premium, as the resolution of the authority may provide. Bond anticipation notes shall mature at such time or times as may be determined by the authority. Bonds shall mature at such time, not exceeding 50 years from their date, as may be determined by the authority. Before the preparation of definitive bonds or bond anticipation notes, the authority may issue interim receipts or temporary bonds or bond anticipation notes, with or without coupons, exchangeable for bonds or bond anticipation notes when these definitive bonds or bond anticipation notes have been executed and are available for delivery.

(d) Bonds or bond anticipation notes may be sold in the manner, on the terms and at the price the authority determines.

(e) If an officer whose signature or a facsimile of whose signature appears on any bonds or notes or coupons attached to them ceases to be an officer before the delivery of the bond, note or coupon, his signature or facsimile is valid the same as if he had remained in office until delivery.

(f) In any resolution of the authority authorizing or relating to the issuance of bonds or bond anticipation notes, the authority has power by provisions in the resolution which will constitute covenants of the authority and contracts with the holders of the bonds or bond anticipation notes:

(1) to pledge to any payment or purpose all or any part of its revenues to which its right then exists or may thereafter come into existence, and the money derived from the revenues, and the proceeds of any bonds or notes;

(2) to covenant against pledging all or any part of its revenues, or against permitting or suffering a lien on the revenues or its property;

(3) to covenant as to the use and disposition of any and all payments of principal or interest received by the authority on mortgage loans, construction loans or other investments held by the authority;

(4) to covenant as to establishment of reserves or sinking funds and the making of provision for and the regulation and disposition of the reserves or sinking funds;

(5) to covenant with respect to or against limitations on a right to sell or otherwise dispose of property of any kind;

(6) to covenant as to bonds and notes to be issued, and their limitations, terms and conditions, and as to the custody, application and disposition of the proceeds of the bonds and notes;

(7) to covenant as to the issuance of additional bonds or notes, or as to limitations on the issuance of additional bonds or notes and the incurring of the other debts;

(8) to covenant as to the payment of the principal of or interest on the bonds or notes, as to the sources and methods of

respect to a lien or security, or as to the acceleration of the maturity of the bonds or notes;

(9) to provide for the replacement of lost, stolen, destroyed or mutilated bonds or notes;

(10) to covenant against extending the time for the payment of bonds or notes or interest on the bonds or notes;

(11) to covenant as to the redemption of bonds or notes and privileges of their exchange for other bonds or notes of the authority;

(12) to covenant to create or authorize the creation of special funds of money to be held in pledge or otherwise for operation expenses, payment or redemption of bonds or notes, reserves or other purposes, and as to use and disposition of the money held in the funds;

(13) to establish the procedure, if any, by which the terms of any contract or covenant with or for the benefit of the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent to amendment or abrogation, and the manner in which the consent may be given;

(14) to covenant as to the custody of any of its properties or investments, their safekeeping and insurance, and the use and disposition of insurance money;

(15) to covenant as to the time or manner of enforcement or restraint from enforcement of any rights of the corporation arising by reason of or with respect to nonpayment of any principal or interest of any mortgage loans or construction loans;

(16) to provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation, and to prescribe the events of default and the terms and conditions upon which any or all the bonds, notes or other obligations of the authority become or may be declared due and payable before maturity and the terms and conditions upon which any such declaration and its consequences may be waived;

(17) to vest in a trustee or trustees within or outside the state such property, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of any trustee appointed by the holders of any bonds or notes, and to limit or abrogate the right of the holders of any bonds or notes of the authority to appoint a trustee under this chapter or limit the rights, powers and duties of the trustee;

(18) to pay the costs or expenses incident to the enforcement of the bonds or notes or of the provisions of the resolution or of any covenant or agreement of the authority with the holders of its bonds or notes;

(19) to agree with any corporate trustee which may be any trust company or bank having the powers of a trust company within or outside the state as to the pledging or assigning of revenues or funds to which or in which the authority has any rights or interest; the agreement may further provide for such other rights and remedies exercisable by the trustee as may be proper for the protection of the holders of any bonds or notes of the authority and not otherwise in violation of law and may provide for the restriction of the rights of an individual holder of bonds or notes of the authority;

(20) to appoint and provide for the duties and obligations of any paying agent or paying agents, or such other fiduciaries as the resolution may provide within or outside the state;

(21) to limit the rights of the holders of any bonds or notes to enforce any pledge or covenant securing bonds or notes;

(22) to make covenants other than and in addition to the covenants expressly authorized in this section, of like or different character, and to make such covenants to do or refrain from doing such acts and things as may be necessary, or convenient and desirable, in order to better secure bonds or notes or which, in the absolute discretion of the authority, will tend to make bonds or notes more marketable, notwithstanding that the covenants, acts or things may not be enumerated in this section.

18.55.1003 VALIDITY OF ANY PLEDGE The pledge of assets or revenues of the authority to the payment of the principal or interest of any obligations of the authority is valid and binding from the time the pledge is made and any such assets or revenues are immediately subject to the lien of the pledge without physical delivery or further act. The lien of any pledge is valid and binding against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether those parties have notice of the lien of the pledge. Nothing herein prohibits the authority from selling assets subject to any pledge, except that any sale may be restricted by the trust agreement or resolution providing for the issuance of the obligations.

18.55.1004 REMEDIES A holder of obligations or coupons attached to them issued under the provisions of this chapter, and a trustee under any trust agreement or resolution authorizing the issuance of the obligations, except as restricted by a trust agreement or resolution, either at law or in equity, may enforce all rights granted hereunder or under the trust agreement or resolution, or under any other contract executed by the authority under this chapter, and may enforce and compel the performance of all duties required by this chapter or by the trust agreement or resolution to be performed by the authority or by any officer of it.

18.55.1005 NEGOTIABLE INSTRUMENTS All obligations and interest coupons attached to them are negotiable instruments under the laws of this state, subject only to any applicable provisions for registration.

18.55.1006 OBLIGATIONS ELIGIBLE FOR INVESTMENT Obligations issued under the provisions of this chapter are securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest

funds, including capital in their control or belonging to them. These obligations may be deposited with any state or municipal officer of any agency or political subdivision of the state for any purpose for which the deposit of bonds, notes or obligations of the state is authorized by law.

18.55.1007 REFUNDING OBLIGATIONS (a) The authority may provide for the issuance of refunding obligations for the purpose of refunding any obligations then outstanding which have been issued under the provisions of this chapter, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the obligations. The issuance of the obligations, the maturities and other details of them, the rights of the holders of them, and the rights, duties and obligations of the authority in respect of them are governed by the provisions of this chapter which relate to the issuance of obligations, insofar as those provisions may be appropriate therefor.

(b) Refunding obligations may be sold or exchanged for outstanding obligations issued under this chapter and, if sold, the proceeds may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of the outstanding obligations. Pending the application of the proceeds of any such refunding obligations, with any other available funds, to the payment of the principal, accrued interest and any redemption premium on the obligations being refunded, and, if so provided or permitted in the resolution authorizing the issuance of the refunding obligations or in the trust agreement securing them, to the payment of any interest on the refunding obligations and any expenses in connection with the refunding, the proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America which mature or which will be subject to redemption, at the option of the holders of them, not later than the respective dates when the proceeds, together with the interest accruing on them, will be required for the purposes intended.

18.55.1008 CREDIT OF STATE NOT PLEDGED Obligations issued under the provisions of this chapter do not constitute a debt, liability or obligation of the state or of any political subdivision of the state or a pledge of the faith and credit of the state or any such political subdivision but are payable solely from the revenues or assets of the authority. Each obligation issued under this chapter shall contain on its face a statement that the authority is not obligated to pay it nor the interest on it except from the revenues or assets pledged for it and that neither the faith and credit nor the taxing power of the state or of any political subdivision of the state is pledged to the payment of the principal of or interest on the obligation.

~~Notes of [unclear]~~  
Comm Consideration of HB26 Jan 31

The House Commerce Comm. will be considering H.B. 26 by Duncan regarding Regional Electric Authorities on Feb 6 at 8:00 AM in the committee room. If you wish to present testimony please contact the Tim Hutchinson at 465 3824 so that time can be made available for you.

Thank you  
Bob Bradley  
Chairman

Jim Duncan  
CC Bob Koehler  
~~APUC~~  
Etc.

Jan Van Dort  
\* 201 311 Franklin St.  
Juneau AK. 99801

N.C. Banfield  
#201, 311 Franklin St.  
Juneau Alaska

Comm of Comm  
Pouch D Motley  
JUL