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Property Tax Assm't Study

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

May 1, 1979

Lee McAnerney
Commissioner
Community & Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Lee,

I was pleased to learn that the Department of Community and Regional Affairs, through the Office of the State Assessor, is preparing to do a study of a more equitable approach to providing residents of Alaska with property tax relief--particularly those in need of relief as a result of limited incomes.

I concur that this study would indeed be a worthwhile endeavor and that the current "piece-meal" approach of providing property tax relief to certain groups of taxpayers needs revision.

As this study will presumably result in legislation which would be reviewed by the Community and Regional Affairs Committee, I would appreciate being informed of its progress. Please send any pertinent information to the following addresses.

Rep. Bill Parker
200 Denali
Anchorage, Ak. 99801

Marjorie Gorsuch
411 Coleman
Juneau, Ak. 99801

Yours truly,

Bill Parker
Chairman

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

April 16, 1979

The Honorable Bill Parker
Chairman
Community and Regional Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

RE: PROPERTY TAX ADMINISTRATION

The enclosed article was published in the April/May edition of the "Assessment Digest" and is one of the better dissertations on need for property tax reform and some current thinking on alternate approaches.

Realizing that you and your committee are very busy at this time, these are being transmitted for your review at your convenience. It does, however, appear certain that tax reform measures will continue to be one of the major issues of concern in future sessions of the legislature.

This article, which is relatively well written, points out some basic ideas and may be helpful as these items are discussed and legislative action is proposed.

Sincerely,

Lee McAnerney
Commissioner

Palmer McCarter

By: Palmer McCarter
Director

Enclosure

21-P2LH

The Only Alternative to the Property Tax—A Better Property Tax

Walter Ryback

In one sense there is no alternative to the property tax. It is unique. It performs good and necessary functions that no other tax duplicates.

Yet none of us would claim that the property tax in its present form is a model of perfection. In that sense, the best alternative to the property tax is a better property tax.

There are no practical or logical reasons that we cannot attain that better property tax. Perhaps the chief obstacles are the mental images that stand in the way of understanding. How these images hold us captive was nicely explained by Don Marquis, the light-hearted philosopher. In what he modestly dubbed "The Almost Perfect State," Marquis wrote:

> Personally, I was never able to see the remotest resemblance to anything like a human face in the moon. But when I was a child I was told that there was a face in the moon; presently, I thought I *should* see it, and began to say I saw it. And all my life I have gone on lying about it—talking and even writing about the Man in the Moon.[1]

The myths surrounding the property tax are more formidable than how the moon appears to earthlings. But if Marquis, back in the 1920s and long before moon landings could discern that there was no face on the moon, and could further conclude that the moon was not made of green cheese, we should not now despair about the public's ability to sift through the bizarre notions that momentarily obscure a clear vision of property tax issues.

Whatever the power of false images, in this year of the "Great Tax Revolt" it could be perilous to fail to stand up to those who seek to maim or abolish the property tax. For if they succeed, it would be a calamity of the first magnitude, depriving us of a tax that can be one of our keys to an independent and prosperous future.

Howard Jarvis made himself a legitimate target when he designed the amendment that erodes the California property tax and sets back assessment administration in that state by light years. We can aim our retaliatory barbs at him in the spirit of the spearthrower who said, as he took aim at his foe, "This should put some iron in his blood." Of course, Jarvis is far from the only villain in the act. In passing out responsibility, we should not overlook the long parade of economists who have gained the spotlight by kicking the property tax.[2] Nor should we forget all the politicians who have won acclaim by taking cheap shots at property taxes and assessments.[3] How long has it been since you heard public finance specialists or local politicians stand up in public to say anything favorable about the property tax?

No wonder, after continuously hearing property taxes badmouthed by their leaders, citizens consistently list the property tax as their least popular tax. And no wonder they will follow a Jarvis, or his clones that are cropping up elsewhere, giving up their birthright in good property taxation for a mess of tax relief potage.

It cannot be emphasized too much that the property tax is one of the best taxes in our fiscal kit of tools. Property values grow as the community grows, providing a kind of natural income for it. Tapping a local source of revenue, the property tax can prevent communities from becoming too dependent on distant, centralized governments. The property tax alone enables the city or county to recoup values which they create through public works and services. And the tax is one of the few that citizens can readily speed up or slow down to exercise control over their officials.

Prevalent Myths about the Property Tax

To restore this tax to the reputation it deserves requires weeding out its counterproductive features. The most notorious of these features, in my view, is the taxation of improvements.

A look at some of the false images surrounding the property tax may suggest why the *un*taxing of housing and other buildings should take high

priority in the battle to save the property tax.

FABLE NUMBER 1. *A site value tax would be a new tax.* Far from being a new tax, we already have the site value or land value tax. We have always had it. Are there any assessors who are not assessing land or any jurisdictions that are not taxing it? We do not base the tax on land exclusively, but we certainly tax land.

A pure site value tax is what remains when improvements are excluded from the tax. Such an exclusion would not be novel. In the United States, the property tax started out mostly as a land tax. Then we went through a long period of adding a wide array of things to produce an all-encompassing general property tax. More recently, as John B. Rackham has pointed out, there has been a trend to get back to basics. Among the items that many states have discarded--because of their negative impacts or the difficulty in their enforcement--have been business inventories and personal property. Clearly, after these facets of the tax had outlived their usefulness and had been eliminated, the property tax that remained was not viewed as some strange, unfamiliar creature. The site value tax has always been an integral part—and in the opinion of many, the best part—of the property tax. All the good things that may be said about the site value tax, therefore, refer at least in some degree to the property tax that is now under siege.

FABLE NUMBER 2. *The property tax is inelastic*. According to this old saw, property tax receipts fail to keep pace with economic expansion and growth of incomes. The public finance experts who used to repeat this alleged weakness were remarkably silent when Californians and others began protesting that the property tax was too elastic. These experts claimed that the tax had reached its upper limits by World War II. If so, it has certainly been reborn as a revenue producer. From 1920 through 1945, property tax collections nationwide ranged from four to five billion dollars a year. By 1955 they rose to $11 billion. By 1970 to $30 billion. And now to $65 billion. So much for inelasticity.

FABLE NUMBER 3. *The property tax is regressive*. Strong evidence to the contrary has been developed by Mason Gaffney, Henry Aaron, and others.[4] Where faulty assessment procedures favor wealthy property holders, the tax may weigh more heavily on the poor. But a tax system cannot be fairly condemned because its rules are disregarded in particular instances. The warranty for the evenhandedness of the tax assumes normal care and handling.

However, the regressive theory wins adherents to the extent taxes on rental homes and apartments are passed on to low-income tenants. Untaxing these buildings would make the property tax decidedly more progressive. And because valuable lands are highly concentrated in the hands of the rich, a site value tax would offer substantial relief to middle-income and lower-income families.

FABLE NUMBER 4. *The property tax is confiscatory*. Jarvis revived this myth during the Proposition 13 campaign. He urged citizens to save themselves from the oppressive taxation of Latin America's "dictator countries" and from what he called the "English disease." On this point, Jarvis scores high on inventiveness.

As Gaffney remarked, poor South American nations have had Proposition 13 for most of their history.[5] When I worked in Ecuador, property was barely taxed at all. Ecuadorians had a saying, "We're a rich land but a poor people." While this was mostly true, some of the people—those in the small landholding class that held rural and urban areas in their grip—were fabulously wealthy. One would have to be exceedingly naive to suppose that this ruling class shielded the property they owned from taxation out of concern for the impoverished masses. England's landed gentry, too, have managed fairly well to shelter property from taxation; it is the incomes of England's working people that are being taxed to the bone.

One of the virtues of the property tax which emerges from the pages of our history is that it can be a brake against the confiscation of land by the few from the many. The contrast between socioeconomic conditions in the nations settled by the British, which relied almost exclusively on the property tax for local revenues, and the nations settled by the Portuguese and Spanish, which did not, speaks eloquently to this point.

Until a century ago, virtually all local government revenue and the bulk of state funds in the United States were derived from property taxes; federal taxes, except for tariffs, were minute. This era when the property tax reigned supreme coincided with the nation's most dynamic growth. Upward mobility was at a maximum. The very idea of a poverty class seemed unAmerican. The property tax, far from being considered confiscatory, was widely accepted as a necessary element of a just economy.

FABLE NUMBER 5. *The property tax is inflationary*. This is half fable, half truth. The tax on buildings is inflationary, the tax on land is not. When both are linked together, their opposing impacts somewhat cancel each other out. This helps explain why the substantial property tax cut in California did not bring tenants the instant rent reductions Jarvis promised. Because Jarvis was a long-time lobbyist for apartment owners, some suspect his promise was simply a cynical ploy to win votes. It is conceivable, nevertheless, that Jarvis was really confused, along with the typical American, thanks to the failure of most economists to spell out how taxes on land and on buildings behave differently.

It is a common experience to watch taxes force prices up. We see this tax inflation at the gasoline pump, or at checkout counters where sales taxes are added to the cost of purchases. Taxes on houses and commercial structures follow this pattern. The higher the taxes, the higher the total prices.

Taxes on land, however, do not work this way. Mysterious or contrary to intuition as it may appear, the higher the tax on land, the lower its price falls, as real estate brokers know from practical experience. Because of this, I predicted that Proposition 13 may have an inflationary impact on land prices:

> Of (California's) $7 billion tax cut, at least 40 percent, or $2.8 billion, represents land values. This is likely to be capitalized in increased land prices, adding $45 billion or more on top of already staggeringly high land prices.[6]

How this capitalization effect occurs is illustrated by the following specific example.

You bought a piece of land in 1975 for $150,000; annual property taxes were $4,200. Under Proposition 13, the tax is cut to $1,500. This annual tax savings of $2,700 makes the land more attractive by the amount one would have to put in the bank to reap $2,700 a year. At 6 percent interest, this would be $45,000. Thus, the $150,000 property now sells for $195,000, a 30 percent increase.

I hope I am wrong about this prediction of escalating land prices in California. Since my example deals exclusively with a case of bare land, the effect may be mitigated somehwat by the reduction in taxes on buildings.[7] But what land economics teaches in general is this: high taxes on buildings and low taxes on land create a double-barreled inflationary effect. The maximum anti-inflationary effects can be realized by reducing or eliminating the taxes on buildings and shifting them to land values.

FABLE NUMBER 6. *Property taxes don't make much difference.* Tell it to Governor Brown and the legislators in Sacramento who disregarded citizen pleas for relief. Tell it to cities like Boston where little private commercial building occurs unless developers first win property tax abatements for twenty years or more. Tell it to communities that lure commerce and industry with property tax reductions. Tell it to the Minneapolis-St. Paul region where, to halt tax warfare among neighboring jurisdictions, a tax-base sharing system was instituted.

Tell it to all the people sitting on land ripe for development who find it more profitable to hold their parcels out of use. From their perspective, a land tax is a holding cost. If this cost is low relative to the annual increase in value of the site (actual or anticipated), owners sit patiently while gains accrue without any effort on their part. These decisions to withhold land from use are reinforced by the knowledge that any buildings they construct on the site will immediately bring forth higher taxes.

The fairy tale that property taxes make little difference to land speculation, blight, urban sprawl, housing supply, and business locations has been peddled by many academics. This is puzzling until you realize that those who state this viewpoint have neglected to differentiate between land taxes and improvement taxes. Both taxes are very potent. But they pull in opposite directions, like two locomotives on either end of a train, one chugging north and the other chugging south. An observer looking only at the way the freight cars jerk back and forth might falsely conclude the locomotives were weak.

Jarvis recognized that the property tax did make a difference. Focusing exclusively on the building tax locomotive, he struck paydirt with voters by reminding them how the tax, in effect, punished property owners who built or remodeled, even though these activities put people to work and improved city neighborhoods. The quarrel with Jarvis on this point is that he tarred and feathered the whole property tax, not just the building tax that has been causing so much individual and social pain.

Cartoonist Herblock recently pictured a renovated home and a homeowner proudly telling the wife and kids, "we had to break the piggy bank to do it, but we finally got the old house fixed up." An assessor is shown slinking around the side of the house, toting up its higher taxable value. What bothered me was the implication that the assessor was the villain. He merely carries out the laws mandating that improvements be included in the property tax base. The laws, not the assessors, impose this disincentive to housing construction and maintenance. Homeowners and other citizens who tolerate such laws are not without blame. If citizens dislike the laws, they may look to Pennsylvania and the District of Columbia for examples of enabling laws that permit taxes on improvements to be reduced or eliminated. Australia and New Zealand have undertaken wholesale abandonment of property taxes on buildings, and with good results.

FABLE NUMBER 7. *Site value reform must await assessment reform.* I confess that for years I have often gone along with this view. But it proved to be a soap bubble punctured by Proposition 13. California has been among the nation's leaders in the drive to achieve accurate, uniform, frequent assessments, yet that is where the ax fell. Was this coincidental? Apparently, the full and timely reassessments during a highly inflationary period exaggerated the defects of the property tax, making it more onerous and contributing to the taxpayer revolt. Political leaders welcomed assessment reforms and the greater revenues they produced. When taxpayers complained about escalating burdens, politicians blamed assessments, conveniently forgetting to mention that they alone had the power to raise—and lower—property tax rates.

Let me stress that my support of reforms to make assessments as uniform and fair as humanly possible is in no way diminished.[10] But these reforms should be undertaken in tandem with the move to rid the tax of its punitive impact on those who build and maintain our communities. A clock seems to be running out on the public's tolerance of the property tax in its present state. We no longer have the luxury of dealing with its problems one at a time.

FABLE NUMBER 8. *The property tax is the most burdensome tax.* This myth is so much at odds with the facts that many commentators concluded that Proposition 13 supporters simply clobbered property taxes to register their displeasure with *all* taxes. The polls do not entirely support this view; they reveal tremendous anti-property tax sentiment. Perhaps tax administrators unwittingly perpetuate this sentiment by their inattention to a small but critical detail—the method of payment.

Why not take a cue from the income tax fraternity? They collect taxes, seemingly painlessly, via paychecks. They often take out too much, using interest-free money that does not belong to them until accounts are settled each year. Instead of resenting these excess payments, most taxpayers look at the refunds as windfalls. They are so grateful they tell friends how many hundreds they get back, hardly noticing how many thousands they paid in.

In contrast, the annual lump sum payment of property taxes hits many homeowners like a ton of bricks. The cash flow problem is avoided when mortgage lenders require property taxes to be paid in advance in monthly installments, along with capital, interest, and insurance. For owners who lack this mechanism, why not devise property tax payroll deduction plans for people on wages and salaries? And for retirees and others who do not receive regular payroll checks, why not

devise automatic monthly payment plans through checking accounts, of the sort that many insurance firms utilize?

Officials who resolve this seemingly minor payments problem are likely to become heroes to their constituents. No doubt they will be widely copied, and they will do much to strengthen property tax support in the future.

Suggestions and Conclusion

If there is a move to modernize the property tax, leaving it as a tax on land values alone, some have suggested that the tax rate on land values be progressive. Jefferson, according to a letter written in 1795,[11] favored such an approach. Among nations that have levied land taxes at increasingly high rates as parcels become larger or more valuable are Australia, Brazil, Egypt, and Poland. Taiwan offers an interesting current example.

Taiwan levies a flat 1 percent land tax on small plots of urban land occupied by owners. It levies a flat 1.5 percent land tax on sites in industrial use. But it levies a progressive land tax ranging from 2 to 7 percent on large, valuable holdings. According to Shih-ko Shen, director of Taiwan's Land Bureau, this strategy prevents land speculation and facilitates land acquisition by actual users.[12] There is reason to believe that Taiwan's landlords, after seeing landlords literally wiped out by Communists on the Chinese mainland, accepted this remarkable system as their ticket to survival.

My preference is for a neutral property tax. It is now biased in the United States against land use in favor of land holding. This could be corrected by removing the tax on improvements, requiring land users to pay no more than their adjacent land bankers. I would rather see how this kind of neutral tax functions before adding a special stinger through a progressive tax rate. Yet one can imagine circumstances—for example, where landlordism of an almost feudal nature had taken hold—in which a progressive land tax might be considered necessary.

Let me conclude by stressing again that the property tax is one of the best taxes. The tax on buildings, however, strikes me as one of the least desirable taxes—a weakness that detracts from our property tax. Removing this building tax will help defuse the taxpayer revolt by combining relief with tax equity. It will do this without strangling local government finances; on the contrary, taxing site values should strengthen the local tax base. It will encourage more compact land use which is no small matter in an era of energy shortages.[13] And it will help suppress the inflation that has become one of our most critical domestic problems.

In sum, it makes sense to appreciate and hold fast to what is best in the property tax.

The views expressed are the author's and do not necessarily reflect those of the organization with which he is associated.

1. Don Marquis, *The Almost Perfect State*, (New York: Doubleday, Page & Co., 1927).

2. Some of the current generation of economists present far more balanced views of the property tax, including its merits. Notable among them are Mason Gaffney, C. Lowell Harriss, Arthur P. Becker, Dick Netzer, Donald C. Shoup, Gene Wunderlich, John Shannon, and L. L. Ecker-Racz.

3. Exceptions to this rule appear to be so rare that it might be worthwhile for IAAO to search out state and local public officials who have the integrity to speak forthrightly about property taxes, and then to give appropriate awards to such individuals.

4. Henry J. Aaron, *Who Pays the Property Tax: A New View* (Washington, D.C.: Brookings Institution, 1975); Mason Gaffney, "The Property Tax Is a Progressive Tax," *Proceedings*, National Tax Association, 1971.

5. Mason Gaffney, "Tax Limitation: Proposition 13 and Its Alternatives," mimeographed, remarks to Center for the Study of Democratic Institutions, August, 1978.

6. Rybeck, "Urban Sounding Board," *Nation's Cities*, vol. 16, no. 8, August 1978.

7. Inflationary impacts are far too complex to treat in detail in this summary. For an example of this complexity, the lower taxation of buildings tend to contribute to higher land values at the same time that it reduces building prices.

8. *Washington Post*, May 24, 1978.

9. R. W. Archer, *Site Value Taxation in Central Business District Redevelopment, Sydney, Australia* (Washington, D.C.: Urban Land Institute, 1972); Rolland O'Regan, *Rating in New Zealand* (Wainuiomata, New Zealand: Baranduin Publishers, Ltd., 1973). Both of these publications are unusually evenhanded, indicating problems as well as advantages of site value taxation.

10. IAAO's major new work on administrative streamlining, *Improving Real Property Assessment: A Reference Manual*, was published in November 1978. The author was privileged to participate in the preparation of this comprehensive and current guidebook.

11. Letter to James Madison, quoted by Aaron M. Sakolski, *Land Tenure and Land Taxation in America* (New York: Robert Schalkenbach Foundation, 1957), p. 62.

12. Archibald M. Woodruff, James R. Brown, and Sein Lin, eds., *International Seminar on Land Taxation, Land Tenure, and Land Reform in Developing Countries* (West Hartford, Conn.: John C. Lincoln Foundation, 1966), pp. 304–348.

13. Some land use implications of site value taxation are discussed in Rybeck, "Can the Property Tax Be Made to Work for Rather Than Against Urban Development?" in *Property Tax Reform* (Chicago: International Association of Assessing Officers, 1973).

Walter Rybeck is Special Assistant to the Chairman, Committee on Banking, Finance, and Urban Affairs, U.S. House of Representatives.

LAW

Supreme Court Decision Exposes Assessors to Potential Liability

On January 15, 1979 the United States Supreme Court entered a brief order which may have the profound effect of exposing local and state property tax officials, for the first time, to personal liability in certain narrowly defined situations. The Supreme Court exercised its discretion not to hear an appeal of *Cullerton* v. *Fulton Market Cold Storage Co.*, No. 78-748, letting stand the decision of the lower Court of Appeals for the Seventh Circuit, No. 77-2133, August 7, 1978.

Fulton Market claimed that, from 1958 to 1973, its property in Cook County, Illinois had systematically and intentionally been assessed at levels of up to two and one half times that at which property was generally assessed in the county in those years. In 1974, Fulton Market filed suit in the United States District Court for the Northern District of Illinois against the two Cook County assessors in

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B – JUNEAU 99811

March 14, 1979

The Honorable Bill Parker
Chairman
House Community and Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

RE: HOUSE BILL NO. 223

At the request of the members of the House Community and Regional Affairs Committee, State Assessor Terry Earley has attempted, given information available from the Federal Veterans Administration, to analyze the cost of alternatives to House Bill No. 223. The five requested alternatives are recapped on the attached summary sheet; an individual fiscal note is also attached for each alternative.

I would like to again call your attention to the position stated by the State Assessor in his testimony before your committee on March 7, 1979. The Department is strongly opposed to the "piece-meal" approach of providing property tax relief to certain groups of taxpayers in Alaska (i.e., senior citizens and farmers). House Bill No. 223 would extend this type of tax relief program to disabled veterans.

Property tax relief should be made available to those in need throughout the State of Alaska but should not be provided those residents who do not have a demonstrated need for State refunded property tax relief payments. We believe a more comprehensive program of property tax relief ought to be made available by the Legislature, preferably in the form of a reimbursement or rebate based upon income as determined through the filing of Alaska State income tax returns.

The Department, through the Office of the State Assessor, is prepared to pursue a more equitable approach to providing residents of Alaska with property tax relief - particularly those in need of relief as a result of limited incomes. Proposed legislation could be made available for consideration by the next session of the State Legislature. We would appreciate an expression from your committee as to whether or not this is a worthwhile endeavor for the Department to pursue prior to the next session.

If you have questions regarding the attached alternatives to House Bill No. 223, Mr. Earley or I will be pleased to respond.

Sincerely,

Lee McAnerney
Commissioner

By: Palmer McCarter
Director
Local Government Assistance Division

Attachments

cc: Senator Arliss Sturgulewski, Chair
Senate Community and Regional Affairs Committee

Representative Joe McKinnon (Sponsor of HB 223)

Senator Brad Bradley (Sponsor SB 154)

During the meeting of the House Committee on Community and Regional Affairs of March 7, 1979 property tax exemptions for Disabled Veterans were discussed. The following is a recap of fiscal impacts of the several proposals discussed.

	TOTAL ELIGIBLE	TOTAL COST
1. Exempting veterans over 40% disabled both homeowners and renters and leaving the $20,000 income limit.	670	$311,280
2. Exempting veterans over 40% disabled both homeowners and renters and reducing income limit to $10,000.	424	$197,948
3. Exempting veterans over 40% disabled both homeowners and renters and also including veteran's widows and reducing income limit to $10,000.	544	$253,698
4. Exempting veterans over 40% disabled both homeowners and renters and eliminating income restrictions.	681	$317,044
5. Exempting veterans over 40% disabled both homeowners and renters, also including veteran's widows and eliminating income restrictions.	876	$407,902

Prepared by:

Department of Community and Regional Affairs
Office of the State Assessor

Other Approaches & Comments

An eligible veteran shall be exempt from a portion of his local property taxes or rent equivalent based on the following chart:

Percent of Disability	Taxes Payable as a Percentage of Income
10% to 30%	5%
30% to 40%	4%
40% to 50%	3%
50% to 60%	2%
60% to 70%	1%
70% and up	0%

Examples -

A veteran who is 25% disabled and has total income of $15,000 would be required to pay the first $750 of the tax bill on his residence.

A veteran who is 55% disabled and has an income of $10,000 would be required to pay the first $200 of the tax bill on his residence.

This approach ties the exemption to both income and percent of disability.

Because of the reliance on income there is some difficulty in administration.

The simplest way to administer this approach would be as a credit on state income tax. This is, of course, a refund that requires taxpayer outlay of cash and then a refund.

This program could also be administered much in the same manner as the senior citizen renters equivalency program with the Department of Community & Regional Affairs making the refunds directly to the disabled veteran.

Yet another approach would be to make the reimbursement completely contingent on income. Something to the effect: "disabled veterans with a disability greater than _____% shall be entitled to a refund of property taxes in the amount that the annual property tax bill or rent equivalent exceeds the appropriate percentage of their income based on the following table":

Income	Percentage
Under $4,000	0%
$4,000 but under $5,000	1%
$5,000 but under $6,000	2%
$6,000 but under $7,000	3%
$7,000 but under $10,000	4%
$10,000 and up	5%

Examples -

An eligible veteran has an income of $9,000 and pays taxes of $800.
$9,000 X 4% = $360 $800 - $360 = $440 refund

An eligible veteran has an income of $4,500 and pays taxes of $1,000.
$4,500 X 1% = $45 $1,000 - $45 = $955 refund

The easiest approach to administration of this type of reimbursement is an income tax rebate, but could be handled like the senior citizen renters program, with rebates by the Department to the eligible applicant.

One of the major complaints about the property tax over the years is that it is not responsive to the earning power of the taxpayer. The two alternatives mentioned do make property taxes more responsive to the taxpayers ability to pay.

However, it should also be pointed out that every class of taxpayers exempted increases the burden on the balance of the taxpayers.

There are approximately 380,000 people living in areas of the state where property taxes are levied. There are currently 5,400 senior citizens and 200 farmers being exempted; that is a total of 5,600 or 1 1/2 percent of the total population being subsidized. Although 5,600 residents does not sound like a lot when considered independently, the addition of the more standard type of exempt properties such as governmental, churches, charitable institutions, and property of veterans organizations make properties that are currently tax exempt a very substantial part of the property tax base throughout Alaska.

THE AMERICAN LEGION

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March 5, 1979

Representative Joseph H. McKinnon
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative McKinnon:

I thank you for the opportunity to comment on House Bill No. 223. As you may recall, I had the opportunity to testify at a hearing on substantially the same bill of the Community & Regional Affairs Committee two years ago.

The proposed amendments to AS 29.53.020 were discussed and the gross income limitation and eligibility (40% service-connected disability) were adjudged fair.

The American Legion, Department of Alaska, has had many opportunities to discuss the proposed amendments. We wholeheartedly endorse the concept of exempting from taxation the real property owned and occupied by a disabled veteran.

As stated above, the conditions for exemption are reasonable and just.

Please accept this statement as giving full support to House Bill No. 223. If further testimony is desired, I will be more than happy to appear before the committee seeking information.

Sincerely,

William C. Kelm

WILLIAM C. KELM
Department Adjtant

cc: Department Officers

February 20, 1979

: Bill

Representative Joyce Munson
Pouch V
Juneau, Alaska 99811

Dear Joyce,

I received a number of bills from Juneau recently and noted that you are a co-sponsor on HB 223. I want to suggest a slight change. I would like to see the addition of (unremarried widow of the disabled veteran) without the inclusion of the adjusted gross income of (less than $20,000).

It could also read (unremarried widow and/or the principal abode of the children of the disabled veteran).

I approve the 40% disability clause vs the Senate Bill 154 which reads 50% disability of the disabled veteran.

I have rewritten sections of HB 223 so you can see what I mean.

HB 223 An Act providing for exemption of disabled veterans (or unremarried widows who maintain the principal abode of the children of the disabled veteran) from payment of real property taxes;

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over or by a disabled veteran (or unremarried widow who maintains the principal abode of the children of the disabled veteran) without regard to his age is exempt from taxation of the assessed value of the real property.

I am assuming that the bill has been written in order to provide relief to a disabled veteran and his dependents or minor children. I contend that if the veteran dies, that it is even more important to provide a home for the children of the veteran because of the stress encountered upon the absence of the (probably) major wage-earner. Therefore I feel that widows and minor children should be included.

I don't believe this addition is going to cost very much because, lets face it, how many unremarried widows with minor children of a disabled veteran do we have maintaining a home in Alaska?

Good luck in Juneau.

Cheers!!

Lois Pillifant

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 223
Title Provides for exemption from property taxes for disabled Veterans
Requested by Rep. McKinnon, Buchholdt, Meek ins & Munson Date

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizen Homeowners - State Assessor

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL		.5				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		279.0				
	TOTAL		279.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		279.5				
FEDERAL FUNDS		0				
OTHER (Specify)		0				

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

According to the Federal veteran's Administration, there are approximately 706 disabled veterans receiving compensation for 40% or greater disability. Assuming about 25% rent their homes, 530 may be presumed eligible. Assuming that another 30 would be ineligible for either exceeding the income limit or being 65 years of age and already exempt leaves approximately 500 eligible veterans.

500 (veterans) times $558 (average senior citizen tax savings) = $279,000.

IV. DATE 3-6-79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community and Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

REVISED 3-6-79

33-001 (Rev. 10/78)

AS IF AMENDED TO REDUCE INCOME LIMIT TO $10,000 AND INCLUDE RENTERS

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 223 PROPOSED SUBSTITUTE
Title Provides for exemption from property taxes for disabled Veterans
Requested by Community and Regional Affairs Committee Date

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizen Homeowners and Renters Equivalency - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		196.9				
TOTAL		197.9				

FUNDING (Thousands of Dollars)

GENERAL FUND		197.9				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

According to the Federal Veterans Administration there are 706 veterans receiving compensation for 40% disability or greater. Assuming 25% of that number to be renters, we then have 176 renters and 530 homeowners. Further assuming that 40% of these numbers are ineligible due to either exceeding income limit or being over 65 years of age and already eligible for exemption. Therefore we end up with 318 eligible homeowners and 106 eligible renters.

318 homeowners @ $558 (average senior citizens savings) = 177,444

106 renters @ $184 (average renters equivalency payment) = 19,504

424 TOTAL $196,948

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community and Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 10/78)

AS IF AMENDED TO INCLUE RENTERS IN EXISTING BILL

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 223 PROPOSED SUBSTITUTE

Title Provides for exemption from property taxes for Disabled Veterans

Requested by Community and Regional Affairs Committee Date

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Grants

Budget Request Unit(s) Affected Senior Citizens Homeowners and Renters Equivalency - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		310.3				
TOTAL		311.3				

FUNDING (Thousands of Dollars)

GENERAL FUND		311.3				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

According to the Federal Veterans Administration there are 706 Veterans receiving compensation for 40% disability or greater. Assuming 25% of that number are renters, we would have 530 homeowners and 176 renters. Further assuming 30 of the homeowners and 6 of the renters would be ineligible for either income reasons or being 65 years of age and therefore already exempt leaves 500 eligible homeowners and 170 eligible renters.

500 (Homeowners) @ $558 (average senior citizen savings) 279,000

170 (Renters) @ $184 (average renters equivalency payment) = 31,280

670 TOTAL $310,280

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor

AGENCY Department of Community and Regional Affairs

PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 10/78)

AS IF AMENDED TO INCLUDE RENTERS AND WIDOWS AND A $10,000 INCOME LIMIT

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 223 PROPOSED SUBSTITUTE
Title Provides for exemption from property tax for disabled Veterans
Requested by House Community & Regional Affairs Committee Date

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizens Homeowners and Renters Equivalency - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		252.7				
TOTAL		253.7				

FUNDING (Thousands of Dollars)

GENERAL FUND		253.7				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

According to the Federal Veterans Administration there are 706 veterans receiving compensation for 40% disability or greater. Our best estimate is that there are 200 additional unremarried widows of disabled veterans. This makes a total of 906 persons initially eligible. Assuming 25% of these people rent, we would have 226 renters and 680 homeowners. If we assume 40% of those are ineligible for exceeding the income limitation or being over 65 years of age and already eligible for exemptions, we end up with 408 homeowners and 136 renters.

408 homeowners @ $558 (average senior citizens savings) = $227,664

136 renters @ $184 (average senior citizen renter reimbursement) = 25,024

544 TOTAL $252,688

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community and Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 10/78)

AS IF AMENDED TO INCLUDE RENTERS AND EXCLUDE INCOME RESTRICTIONS

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 223 PROPOSED SUBSTITUTE
Title Provided for exemption from property taxes for disabled Veterans
Requested by Community and Regional Affairs Committee Date

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizen Homeowners and Renters Equivalency
STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		316.0				
TOTAL		317.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		317.0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
According to the Federal Veterans Administration, there are 706 veterans receiving compensation for 40% disability or greater. Assuming 25% of these are renters, we have 176 renters and 530 homeowners. Assuming 20 homeowners and 5 renters are 65 years of age and already exempt, we have 510 homeowners and 171 renters.

510 (homeowners) @ $558 (average senior citizens savings) = $284,580

171 (renters) @ $184 (average senior citizen renter reimbursement) = 31,464

681 TOTAL $316,044

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community and Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

AS IF AMENDED TO INCLUDE RENTERS AND WIDOWS AND EXCLUDE INCOME LIMITATIONS

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 223 PROPOSED SUBSTITUTE
Title Provides for exemption from property taxes for disabled Veterans
Requested by Community and Regional Affairs Committee Date

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizen Homeowners and Renters Equivalency - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		406.9				
TOTAL		407.9				

FUNDING (Thousands of Dollars)

GENERAL FUND		407.9				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

According to the Federal Veterans Administration, there are 706 veterans receiving compensation for 40% disability or greater. Our best estimate is that there are an additional 200 unremarried widows of disabled veterans. Assuming 30 of these 906 are over 65 years of age and already are eligible for exemption, leaves 876 eligible. If we assume 25% of these are renters we end up with 219 renters and 657 homeowners.

657 (homeowners) @ $558 (average senior citizens savings) = $366,606

219 (renters) @ $184 (average senior citizens renter reimbursement) = 40,296

876 TOTAL $406,902

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community and Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 10/78)

INTERN PROGRAM

SB 198

WORK ORDER REQUEST FORM

3828

KEYWORDS: APPA
Employment, state

ASSIGNED TO Humphreys

REQUEST FOR: BILL ☐ RESOLUTION ☐ RESEARCH ☒ OTHER ☐

SUBJECT Permitting Student Interns to Continue Employment

REQUESTED FOR Rep. Bill Parker BY Marg Gorsuch EXT. 3024

* DELIVER TO Rep. Bill Parker TAKEN BY Behr

INSTRUCTIONS, EXPLANATIONS

Community and Regional Affairs and other departments currently have student interns working (part-time) during the school year. The interns are considered temporary employees. The departments would like to continue hiring the students on a temporary basis during summer vacations, etc. They find that the departments cannot, due to personnel and/or APPA union policies regarding the situation. Rep. Parker would like the situation looked into and what remedies can be offered to allow these students to continue working for longer periods of time.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED ☐

AUTHORIZED TO CONFER WITH as required

RETURN

TO REQUESTER

APPROVED: ____ Director, Legal Services

GKA Director, Research

REVIEWED

IN 3/22 DUE 3/29

TYPED - Draft DATE

Final DATE

PROOFED DELIVERED

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT ☐ FINAL ☐

LA-L 10

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

March 29, 1979

MEMORANDUM

SUBJECT: Continuation of Student Intern Employment (W.O.#6944)

TO: The Honorable Bill Parker

FROM: Ken Humphreys J.K.H.
Senior Policy Analyst

In response to your request, we have investigated alternatives under which student interns may be allowed to continue working beyond the time limits set out in the Personnel Rules and the APEA agreement. There are actually three types of "student" interns: student (high school), college and graduate interns. All are classified as temporary employees.

Personnel Rule 5 05.0 provides in part that, "No temporary appointment shall exceed six months except where the Director grants an extension of a temporary appointment because of extenuating circumstances. Article 2, section 2(b)1 of the current APEA agreement limits the employment of a temporary employee in any one department to nine consecutive months in any twelve month period with no extensions. Copies of these provisions are attached.

The least expensive and, if APEA is agreeable, the most straightforward solution to the tenure problem is a letter of agreement between the state and APEA to the effect that the time limitations on temporary employment will not be applied to the interns. This solution was initially employed in a recent, very similar case involving the "Older Americans" program (see attached letter of December 13, 1978).

A second solution would be to create permanent positions for the interns. Since they would no longer be classed as temporary employees, the time limitations would not apply. Whether these permanent positions were created by request of the various departments through the Office of Budget and Management or through legislative action, it would involve additional expense for benefits. If the positions were in the classified service, there would be difficulties with recruitment and examination procedures.

A third possibility is to place the intern positions in the partially exempt service under AS 39.25.130(a). This requires action by the Commissioner of Administration and by the Personnel Board and is the

solution which was ultimately used in the recent "Older Americans" case. It avoided the ordinary recruitment and examining procedures and, since those positions were permanent, provided benefits to the "Older Americans" (see attached letter of January 16, 1979). This solution might meet with resistance from APEA on the grounds that it is an unwarranted erosion of the bargaining unit.

Finally, the legislature might act to directly place these intern positions into the partially exempt or the exempt service. Again, this would likely be opposed by APEA and there is the possibility that they still might succeed in representing those employees.

We will be happy to contact APEA or to delve further into any of these approaches or others you might care to pursue.

KH:dh
Attachments

5-6
(781)

5 06.0 Temporary Appointments

Temporary appointments shall, when practicable, be made from eligible lists. If the Director has found it impracticable to make certification because of non-availability of eligibles, he may authorize the temporary appointment of a qualified individual designated by the appointing authority. No temporary appointment shall exceed six months except where the Director grants an extension of a temporary appointment because of extenuating circumstances. The acceptance or refusal by an eligible of a temporary appointment shall not affect his standing on the eligible list. The period of temporary service shall not be counted as part of his probationary period in case of subsequent appointment to a permanent position.

5 06.1 Short Term Appointments

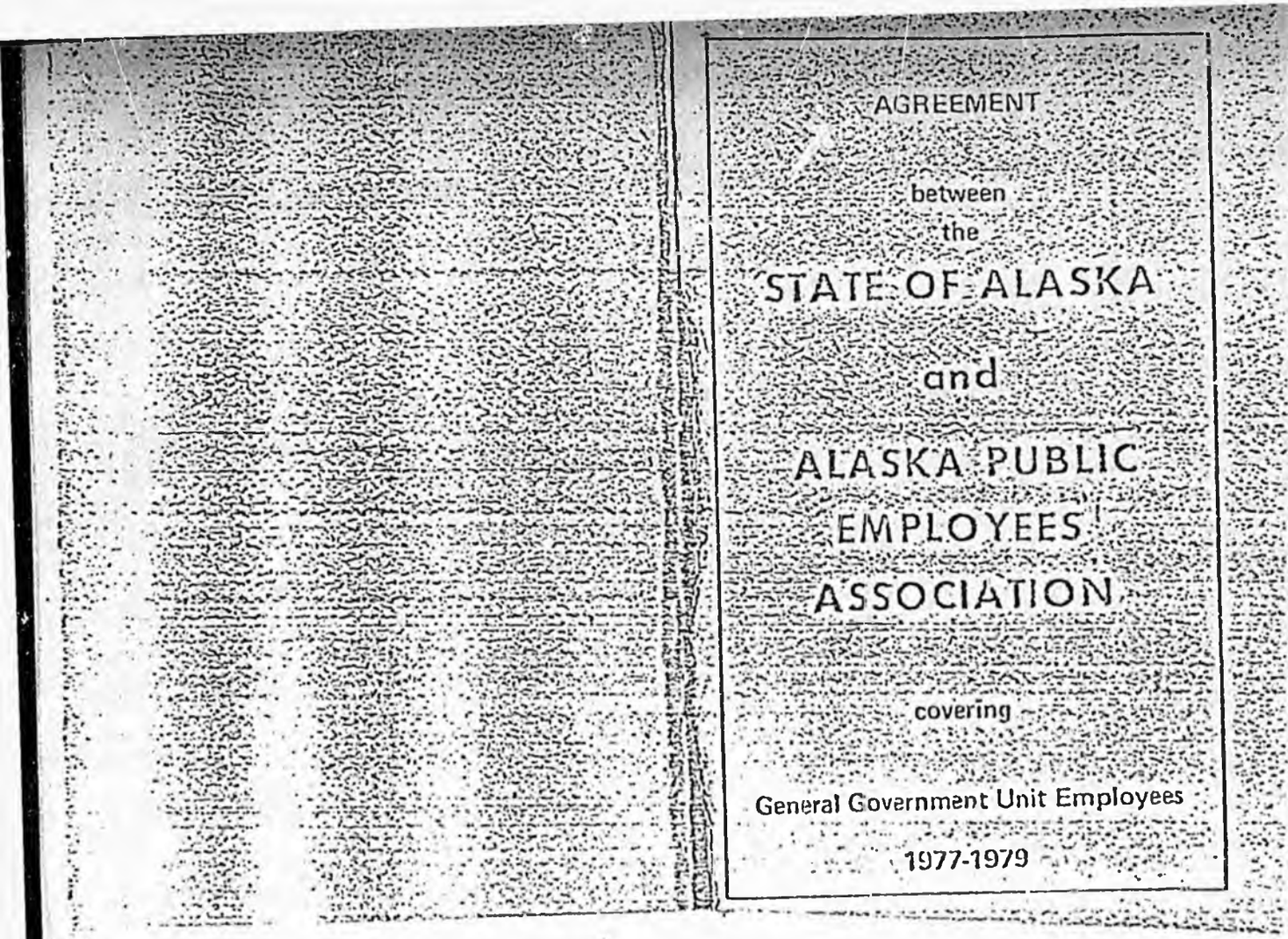
When the Director determines it is in the best interest of the State to do so, he may authorize a short-term appointment. Such appointments shall not exceed 90 days in any calendar year and shall be for specific work in remote areas only. When authorized, an appointing authority may make a selection only from among Alaskans residing in the remote area in which the short term employment exists. The minimum rate of pay in that area for the assigned salary range shall normally be the compensation for such work. However, the Director may authorize exceptions based on local economic conditions. Short term appointments may be made only on forms approved by the Director.

5 07.0 Emergency Appointments

An emergency appointment is an appointment for a period not to exceed thirty (30) calendar days, made under conditions necessitating immediate action to provide for carrying on work that must be continued in the public interest. Successive emergency appointments or more than three emergency appointments for one person within one calendar year are prohibited.

An emergency appointment shall be reported to the Director the day it is made. The report should state why the emergency appointment was made, the expected duration of the work, any other pertinent information, and what action, if any, is requested of the Director.

However, whenever circumstances require immediate need of a guard or attendant for a prisoner, patient or ward in custody of the State, the department responsible may employ a suitable person on an emergency basis, and the limit of three emergency appointments for one person within one calendar year shall not apply. The Director shall notify the Departments of classes to which emergency guard or attendant appointments are authorized and prescribe the procedures to be followed in effecting such appointments.



Bargaining Unit Member leaves and returns to his/her home if travel begins and ends outside assigned working hours.

(r) "Work Week" in this Agreement shall consist of thirty-seven and one-half (37½) hours in pay status within a maximum of five (5) consecutive days and all employees shall be guaranteed a full work week.

Article 2
RECOGNITION

Section 1 – General Recognition

The State of Alaska, hereinafter referred to as the Employer, recognizes the Alaska Public Employees Association, hereinafter referred to as APEA, as the exclusive representative of all permanent, probationary, provisional and temporary employees in the General Government Unit for collective bargaining with respect to salaries, wages, hours and other terms and conditions of employment. It is recognized that all new classifications created by the Employer shall be placed in the appropriate bargaining unit, consistent with prior Labor Relations Agency rulings on the type of work involved. Subsequent to the effective date of this Agreement, the Labor Relations Agency and APEA shall be notified of all new classifications created within ten (10) days of such action and such notification to include the specifications of the job classifications. Both parties recognize that the Labor Relations Agency shall retain its authority to make final determination of unit classification assignments. No position shall be reclassified to a class outside this bargaining unit without written notification to APEA of such action concurrent with the notification to the department. The words "employee" and "employees" as used in this Agreement shall mean only employees serving in the General Government Unit except temporaries, provided that temporaries, while not defined as employees under this Agreement, are nevertheless members of the General Government Unit.

Section 2 – Representation of Temporaries Recognized

It is recognized that the need exists to hire temporaries in positions similar in duties and requirements to permanent positions in the bargaining unit. The Employer and APEA now agree that all determinations concerning the terms and conditions of temporary employment shall be made independently by the Employer, except as provided for in this Article or as specifically provided for in subsequent Articles.

(a) All temporaries shall meet the minimum qualifications as required of individuals seeking permanent employment in the class into which they are to be hired.

(b) 1. A temporary employee may be employed by any one department for a maximum of nine (9) consecutive months in any twelve (12) month period. Such appointment may not be extended.

2. The individual would then be entitled to immediately seek further temporary employment with another department.

(c) An individual hired into a class covered by this Agreement as a temporary must perform the work of that class and may not be paid less than the entry salary step of the range assigned to the class in which he/she is to work.

(d) 1. Temporary employees are covered by the holiday provisions of this Agreement and the Personnel Regulations.

2. Temporaries who begin a shift and are then sent home during the first half of the shift shall receive four (4) hours pay or their normal hours of work, whichever is less. Temporaries who are sent home during the second half of a shift shall receive seven and one-half (7½) hours pay or their normal hours of work, whichever is less.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PERSONNEL AND LABOR RELATIONS

POUCH C
JUNEAU, ALASKA 99811

December 13, 1978

DIRECTOR'S OFFICE

DEC 18 1978

DIV. OF PERSONNEL
& LABOR RELATIONS

Mr. Patrick Murphy
Executive Director
Alaska Public Employees Association
130 Seward Street, Suite 508
Juneau, Alaska 99801

Dear Pat:

This will confirm the results of our meeting of December 8 concerning the "Older Americans" program. It is my understanding that we agreed that due to the nature of the program temporaries employed under the "Older Americans" program would be exempt from the time limitation provisions of Article 2, Section 2(b)1, Letter of Agreement #6, and Personnel Rule 5 06.0.

Please indicate your concurrence, if my recollection is consistent with yours, by signing below and returning a copy to me for my records. If what I have written is not your understanding of our agreement, please let me know at your earliest convenience.

Sincerely,

Robert L. Stewart
Deputy Director
Division of Personnel/Labor Relations

Patrick E. Murphy
Alaska Public Employees Association

RLS/mlh

07-013LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811

January 16, 1979

DIRECTOR'S OFFICE
FEB 20 1979
DIV. OF PERSONNEL & LABOR RELATIONS

RECEIVED
FEB 13 1979
Dept. of Administration
Commissioner's Office

Mr. C.R. "Steve" Hafling, Chairman
Alaska State Personnel Board
1147 "G" Street
Anchorage, Alaska 99501

Dear Mr. Hafling:

The Department of Health and Social Services has requested that the positions listed herein be placed in the partially exempt service. Under AS 39.25.130(a), the Personnel Board may extend the partially exempt service to include additional classifications, upon the recommendation of the Commissioner of Administration. Such extensions may be made only when the Board finds that the position in question meets the following criteria:

1. involves principal responsibility for the determination of policy;

2. involves principal responsibility for the way in which policy is carried out; or

3. involves responsibilities and duties of a type not susceptible to ordinary recruitment and examining procedures.

I recommend that the positions in question be placed in the partially exempt service for reason of meeting the third criteria set forth above.

The purpose of recruitment and examining procedures for the classified service is to identify and select those individuals best qualified to perform a set of established duties. The procedures are designed to disregard social, economic and other characteristics which have no bearing on expected job performance.

The positions in question are funded under Federal Title V, Senior Community Service Employment Program of the Older Americans Act as amended. The program is designed to address social and economic

/LH

needs of the participants. Their useful employment meets program goals without regard to the quality of service they may or may not provide. The federal requirements mandate eligibility based on the applicant's age and economic condition. These restrictions are not consistent with merit principles of selection nor is the concept of duties and responsibilities susceptable to ordinary recruiting and examining procedures.

The positions established for this program are:

PCN	CLASS TITLE
06-0345	Employment Security Specialist IA
06-0346	Employment Security Specialist IA
06-0347	Employment Security Specialist IA
06-0348	Employment Security Specialist IA
06-0349	Employment Security Specialist IA
06-0350	Clerical Aide
06-0351	Clerk II
06-0352	Health Aide
06-0353	Clerk I

All positions shall remain in the Department of Health and Social Services.

Very truly yours,

B.B. Allen
Commissioner

Approved C.R. Hafling Not Approved _____
Chairman
State Personnel Board

Date 2/7/79

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 4/12/79

TO; Commissioner McAnerney

FROM: Rep. Bill Parker, Chairman

RE: Intern Program

Attached for your information is the response to our request for background and options on the question of hiring of interns.

We have discussed the subject with Cherie Shelley of A.P.E.A. and she is of the opinion that the passage of CSSB198 am will solve the problem as she would classify interns as "project employees" (See Sec. 39.25.198 (5) of attached bill)

She further stated that if they were to remain classified as "temporary" employees, she would not see any difficulty in A.P.E.A. specifically exempting such interns.

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 4/12/79

TO: Commissioner McAnerney

FROM: Rep. Bill Parker, Chairman

RE: Intern Program

Attached for your information is the response to our request for background and options on the question of hiring of interns.

We have discussed the subject with Cherie Shelley of A.P.E.A. and she is of the opinion that the passage of CSSB198 am will solve the problem as she would classify interns as "project employees" (See Sec. 39.25.198 (5) of attached bill)

She further stated that if they were to remain classified as "temporary" employees, she would not see any difficulty in A.P.E.A. specifically exempting such interns.

Assm't Bd

Appts.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/21/79.

BILL NUMBER AND TITLE: Confirmations of Cooper and Miller to State Assessment Review Bd.

ORIGINAL SPONSOR :

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Carney, Parker, Parr, Branson, O'Connell, Zharoff, Metcalfe

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

The Committee was presented with the background information on the appointees and was told to review it with the final confirmation recommendation to be made on 3/23/79.

COMMITTEE ACTION:

See above.

TAPE # 5 SIDE 1 Sections 480-518

Official Business

Alaska State Legislature

House of Representatives

Office of the Speaker

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

To: Representative Bill Parker
Chairman, House Community & Regional Affairs Committee

From: Representative Terry Gardiner T.G.

Date: February 20, 1979

Re: Legislative confirmation of Governor's appointees.

The following Governor's appointments have been assigned to your committee for review. Please report back to the House by March 25, 1979.

STATE ASSESSMENT BOARD

Robert Erle Cooper, no term
Earl Miller, no term

STATE of ALASKA

MEMORANDUM

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE : May 1, 1978

FROM: Gerald D. Heier GDH
Petroleum Property Assessor
Petroleum Revenue Division

SUBJECT: State Assessment Review Board

The State Assessment Review Board established under AS 43.56.040 currently has only three members of an authorized five. I would like to submit the following two names for consideration for appointment to the Board:

Earl Cooper, Box 177, Homer, Alaska
Earl Miller, 3500 Hiland Drive, Anchorage, Alaska 99504

Earl Cooper has been in private business in Homer since 1957. He currently owns Homer Transfer, a local freight service in Homer. He served on the Homer Public Utility District for three and one-half years prior to the incorporation of Homer as an organized municipality. He has served on the Homer City Council for 12 years and as an assemblyman on the Kenai Peninsula Borough Assembly for ten years. For further reference, both Senator Clem Tillion and Representative Leo Rhode are from Homer and know Mr. Cooper. I have personally known Earl for approximately twelve years and believe that he would be a conscientious member on the State Assessment Review Board.

Attached is Earl Miller's resume. I believe that he too would be a conscientious Board member.

GDH/fm
Attachment

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Background information on Earl Miller of Anchorage as conveyed via the Governor's Office.

Earl Miller
3500 Hiland Drive
Anchorage, Ak. 99504

Resident of Alaska for thiry two years.
Attended High School in Fairbanks
Associated with Alaska Mutual Bank since 1963.
Has served as Executive Vice President of Alaska Mutual and presently is President of the Bank.
Recently elected as President of Citizens for the Management of Alaska's Lands (CMAL)
Recommended by Oil & Petroleum Staff Division

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

REPORT OF STANDING COMMITTEE

The Community and Regional Affairs Committee recommends confirmation of the appointment of Robert Erle Cooper and Earl Miller as members of the State Assessment Board. Concurring:

Alaska State Legislature

House of Representatives

Office of the Speaker

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

To: All House Committee Chairmen

From: Representative Terry Gardiner T.G.

Date: March 22, 1979

Re: Status of committee review of Governor's appointees.

On 19 February each House Committee was assigned the appropriate Governor's appointees for review. At that time, I requested that you report back to the House your recommendations by March 25, 1979.

Please advise my office of the status of this review.

House Journal.

Bill –

Confirmations –

Responsibilities for State Assessment Bd. are as in 43.56.060 –

Board consist of 5 persons appointed by Gov. to serve at his pleasure

They act as the Board of Appeals in matters related to oil & gas exploration, production & pipeline transportation property taxes.

SCR 12

See Senate letter of intent. Does the Committee want to adopt the Senate's changes?

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Received from _____

BILL NO. _____ re Legislative Confirmation of Gov's. appointees to State Assessment Board

Original Sponsor _____ Fiscal Note _____

Contacts:

Gerald D. Heier, Petroleum Property Assessor 276-1363

LAA Legal Research contact: _____

Present Board members:
Paul Hupert, Palmer
Jim Reilly, Fbks.
John Cerrutti, Valdez

New appointments for confirmation :
Robert Erle Cooper, Homer
Earl Miller, Anch.

Attempt at geographic representation even though it is not required in the statutes. (43.56.040)

Deal with oil and gas assessments. Appeals or review board. Div. of Revenue makes initial evaluation.

John Messenger has information on background of appointees.

Information from Gov's. Office

Cooper (R) In ~~business~~ Homer since 1957 --Homer (freight service) transfer ~~and freight~~. Member of City Council and Borough Assembly Homer Public Utility District. Has served on Council 12 yrs. Also on Kenai Pen. Assembly.

Miller (R) Recommended by Oil & Petroleum Staff Div.
~~Pres.~~ Ak. Mutual Bank, (Pres. - CMAL?)
Pres. July 27 '78
- Ex Pres of Bank
- April - July Ex Vice Pres.
32 yrs.
H.S. Fbks

Jan. '63 - Bank

Official Business

Alaska State Legislature

House of Representatives

Office of the Speaker

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

To: Representative Bill Parker
Chairman, House Community & Regional Affairs Committee

From: Representative Terry Gardiner T.G.

Date: February 20, 1979

Re: Legislative confirmation of Governor's appointees.

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STATE of ALASKA

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Commissioner
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DATE : May 1, 1978

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Petroleum Revenue Division

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Alaska State Legislature

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Recently elected as President of Citizens for the Management of Alaska's Lands (CMAL)
Recommended by Oil & Petroleum Staff Division

REPLY MEMO

State of Alaska

MESSAGE	REPLY
TO Marjorie Gorsuch DATE 3/13/79	TO DATE
Re: Earl Cooper & Earl Miller, members of the State Assessment Review Board	
Attached is the memo I referred to regarding Mr. Cooper. Mr. Miller's secretary (Ginger at 274-3561) will be mailing you a resume on him. Thanks!	
Jodine Reposa Jodine Reposa Petroleum Revenue Division SIGNED	SIGNED

1. KEEP YELLOW COPY. 2. SEND WHITE AND PINK COPIES WITH CARBON INTACT.

1. WRITE REPLY. 2. DETACH STUB, KEEP PINK COPY. RETURN WHITE COPY TO SENDER.

COASTAL ZONE Mgt. Dist. PROGRAM

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: COASTAL MANAGEMENT DISTRICT PROGRAMS

ORIGINAL SPONSOR: _____ OTHER SPONSORS: _____
RECEIVED FROM: _____ FURTHER REFERRALS: _____

HEARING DATE: 3/3/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Murray, Walsh, Office of Coastal Zone Management
Discussion of ALIVE opinion and the use of resolutions in regard to coastal programs.

Ted Berns, Municipality of Anchorage
Anch. program is a policy document. Recommendations will be carried out in ordinances. The Anch. Comprehensive Plan will incorporate the policies of CZM planning. Significant compromises have been worked out. "Concept" approval means no ordinances are included. Wetlands ordinance and geophysical hazard ordinance are being worked on.

Richard Splitte, Haines planner with Dept. C&RA
Haines plan has three major sections. Entire corporate limit is 2 sq. miles. Economic development specialist will be hired. City supports timber developemtna dn has jointed with the borough in a law suit on the issue. Tourist development is the main concern in the area.

Bill Elmblad, Marine Fisheries
Questions Haines city limits as planning area for CZM. Planning is needed for the McClough Flats Wetlands area. Haines needs to determine the extent of the wetlands.

Lance Bousley, Metlakatla, Project Coordinator
Management of fisheries shared with the state. Financial ability to plan has been important.

Walsh - Cooperative planning for the region. Visable planning process allows adjacent residents to know what is happening. Area is going into aquaculture. Responds to questions raised by Senate C&RA re the CZM planning process.

COMMITTEE ACTION: No Action

TAPE # 4 SIDE 1 Footage 0 - 833

STATE OF ALASKA

3 reports copies will be available for program
Rec. 1/23/80 ic
C+RA

COASTAL POLICY COUNCIL

LOCAL MEMBERS:
Donald Gilman, Lower Cook Inlet, Co-Chairman
Stanley Anderson, Bering Straits
Jon Halliwell, Northern Southeast
Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
John Nicori, Southwest
Robert Sanderson, Southern Southeast
Lidia Selkregg, Upper Cook Inlet
Betty Wallin, Kodiak-Aleutians

STATE MEMBERS:
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Robert Ward, Commissioner of Transportation & Public Facilities
Charles Webber, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

January 23, 1980

Terry Gardiner, Speaker of the House
Alaska Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

In accordance with AS 44.19.893(4), the Alaska Coastal Policy Council is pleased to present on this tenth day of the legislative session, the Municipality of Anchorage, City of Haines, and Annette Islands Indian Reserve District Coastal Management Programs as approved by the Council. These district programs:

> ...take effect upon adoption of a concurrent resolution by a majority of members of each house of the legislature or by a vote of the majority of the members of each house at the time the houses are convened in joint session to confirm executive appointments submitted by the governor. (AS 46.40.080.)

The Council requests early consideration and approval of these additions to the Alaska Coastal Management Program (ACMP).

On January 16, 1979, the Council adopted the Office of Coastal Management's (OCM) findings and conclusions (see attachments) regarding the three district programs. OCM concluded that each of the three district programs submitted for review and approval by the Council was substantially consistent with the ACMP statutes and regulations and thus recommended approval of these programs.

It should be noted that the lands of the Annette Islands Indian Reserve are held in trust by the federal government. The Indian Reserve is therefore technically excluded from Alaska's coastal zone according to federal law. In the spirit of cooperation, however, OCM and the Alaska Department of Community and Regional Affairs encouraged the development of a district program because local residents were willing to pursue coastal planning and management under their own initiative and the benefits from such an effort were expected to outweigh the shortcommings of limited State jurisdiction. Although the Annette Islands Indian Reserve District Coastal Management Program can not technically become part of the ACMP, the Council is requesting the Legislature to informally approve the program as a courtesy to the community.

A fourth district coastal management program, the North Slope Borough,

ALASKA
COASTAL MANAGEMENT PROGRAM

Mid-Beaufort Segment District Program, had initially been submitted for consideration by the Council in November 1979. OCM had recommended disapproval of the program because of certain inconsistencies with ACMP statutes and regulations. Before the Council took final action on this program, the North Slope Borough Assembly, by formal resolution, repealed an earlier resolution giving conceptual approval of the program and withdrew the program from Council consideration. The North Slope Borough fully intends to refine their program to bring it into compliance with ACMP statutes and regulations as well as expanding the program to accomodate the entire portion of the North Slope Borough Coastal Area. It is anticipated that the North Slope Borough will re-submit its coastal program for consideration by the Council in approximately one year.

Your attention is also requested for one other action taken by the Council during the preceeding year. In accordance with a Senate Letter of Intent, dated March 13, 1979, the Council adopted the following amendment to the ACMP regulations:

> 6 AAC 80.100 (a)(3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, minimize ~~prevent~~ adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats.

Again, the Council requests early consideration and approval of this amendment to the ACMP regulations.

The Council and OCM look forward to working with you during the current session and we are available at your convenience for presentations and discussion on the three district programs, the amendment to the ACMP regulations, or any other topic relevant to the ACMP. In addition, upon your request or the request of a committee chairperson, OCM will be happy to provide draft language of resolutions for legislative approval of the three programs and the amendment to the ACMP regulations. To arrange for meetings or to obtain copies of any of the materials referenced, please contact Murray Walsh at OCM (465-3540).

If we may be of any assistance whatsoever, please do not hesitate to ask.

Sincerely,

Frances A. Ulmer for
Co-Chairman

Donald Gilman for
Co-Chairman

Attachments

cc: Jay S. Hammond, Governor

SENATE JOURNAL

SENATE LETTER OF INTENT

SENATE CONCURRENT RESOLUTION NO. 12

Testimony received by the Community and Regional Affairs Committee indicated the need for a change in the Alaska Coastal Policy Council's regulations. Specifically:

(1) 6 AAC 80.100 (a)(3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats.

The testimony indicated the need:

following words "streambanks and shorelines," delete "prevent" insert "minimize"

A representative from the Alaska Coastal Policy Council and a representative from the Office of Coastal Management concurred with the need for this change.

It is the intent of this committee that the words "minimize adverse impacts" should apply to both fish resources and habitats and wildlife resources and habitats.

The Committee urges the Alaska Coastal Policy Council to consider and adopt this change at its earliest convenience.

Adopted as a Senate Letter of Intent March 13, 1979 by unanimous consent.

For your information in consideration of SCR 53

March 5, 1980

Arliss Sturgulewski

Senator Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs Committee

MARGE

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 26, 1980

SUBJECT: Legislative role in approving coastal management programs.

TO: Senator Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs Committee
Attn: Margo Waring, A.A.

FROM: Tamara Brandt Cook TBC
Legislative Counsel

AS 46.40.080 simply provides for adoption by the legislature of coastal management programs which have already been reviewed and approved by the council. Clearly under the terms of this statute the legislature may approve the program or disapprove the program. Although the statute does not provide for the situation involving legislative approval of only part of a program, there is also no clear requirement that the legislature approve or disapprove the entire program. In fact, the legislature has done just that on previous occasions, so there is some precedent for the proposition that under the terms of AS 46.40.080 the legislature may approve a program in part and disapprove it in part. SLA 1978, Legislative Resolve Number 41.

Under AS 46.40.060 all district coastal management programs are submitted to the Alaska Coastal Policy Council for review and approval. Standards for council review are itemized in AS 46.40.070. In view of these provisions, an argument could be made that the legislature should not disapprove a program or part of a program that has been adopted by the council unless it finds that the council failed to properly apply the standards set out.

Since there is no case law on point and the language of the statute does not specifically restrict the legislative role, the legislature appears to be free to approve a management program, disapprove a program, or approve it in part and disapprove it in part. Note that the recent case, State of Alaska, and Department of Revenue v. A.L.I.V.E. Voluntary, No. 2022, February 19, 1980 casts considerable doubt upon the ultimate effect of legislative resolutions.

TBC:ljb

STATE OF ALASKA

COASTAL POLICY COUNCIL

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Charles Webber, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

December 11, 1979

The Honorable Arliss Sturgulewski
Chairman, Senate Community &
Regional Affairs Committee
2957 Sheldon Jackson Street
Anchorage, Alaska 99501

Dear Senator Sturgulewski:

The attached draft amendment to the Alaska Coastal Management Act was prepared by the Coastal Policy Council staff in response to a request presented by representatives of Nunam Kitlusisti at the Council meeting in Sitka on November 1. It is anticipated that the Council will vote on the amendment at our next meeting on January 16. We would appreciate it if you would review the draft and provide us with your comments in time for that meeting.

Thank you in advance for your help.

Sincerely,

Joel Halterman for

Frances Ulmer
Co-chairman

Donald Gilman

Donald Gilman
Co-chairman

Attachment

ALASKA COASTAL MANAGEMENT PROGRAM

12/24/79 Sent to Margie Gorsuch / Gene Walsh for comment.

DRAFT AMENDMENT CT THE ALASKA COASTAL MANAGEMENT ACT

(This amendment has been proposed as a result of a request by Nunam Kitlusisti made to the Alaska Coastal Policy Council. At issue is the role of coastal resource service area planning boards after the coastal programs for the districts have been approved. As written, the Alaska Coastal Management Act does not specify what the role of such boards would be after approval of the programs, or even if they would continue to exist. The proposed amendment would provide for continued existence and a review and comment role for pending state and federal agency actions.)

The Alaska Coastal Management Act is amended by adding the following new section:

Sec. 46.40.185. COASTAL RESOURCE SERVICE AREA BOARDS AFTER APPROVAL OF DISTRICT PROGRAMS FOR THE SERVICE AREAS. (a) Coastal resource service area boards will participate in the implementation of their districts' coastal management program by reviewing and commenting on the actions and pending actions of the state agencies as those agencies carry out their responsibilities under section 46.40.090. (a) of this chapter.

(b) All state agencies shall inform the coastal resource service area boards of actions which would significantly affect the coastal resources of their respective districts and shall provide reasonable amounts of time for the boards review and recommendations on the proposed actions. When a state agency's decision differs from the recommendation of a coastal resource service board, the coastal resource service area board recommendation and the basis for the differences will be included in the decision.

(c) The coastal resource service area board may act on behalf of the coastal resource district for the purpose of implementing, enforcing or complying with the district coastal management program as provided in

sec. 46.50.100(b) of this chapter.

(d) Should the area, or a portion thereof, included in a district coastal management program developed by a resource service area board become organized to assume planning powers provided in AS 29.33.070-29.33.245 the district coastal management program may by ordinance be adopted by the organized municipality.

Box 461
Haines, Alaska 99827
February 14, 1980

Representative Bill Parker, Chairman
Committee on Community & Regional Affairs
House of Representatives
Pouch V
State Capitol
Juneau, Alaska 99811

Honorable Bill Parker:

Please accept this as written testimony for your public hearing on the Haines District Coastal Management Program, scheduled for February 27th and March 3, 1980.

The Haines plan covers a very small geographical area. For this reason future coastal plans of the area covering more territory are imminent. They will be conducted as municipal boundries are adjusted through annexation or establishment of a Borough Government with planning powers.

Therefore little time should be spent on this plan and it should be adopted as submitted.

Although the Haines Plan went through extensive public hearing and reflects the local attitude, it's preparation was truly only to comply with state and federal regulations.

Yours truly,

Marvin P. Hartshorn

I'd like to comment on 2 areas within the Haines CZM Plan

One is the proposed passage of the McClellan Flats wetlands for quote "light industrial and storage uses and mobile home parks". We feel that this is contrary to the intent of the Alaska CZM guidelines for Coastal Development (6 AAC 80.130). Also the U.S. Fish and Wildlife Coordination Act mandates our agency to determine the water dependency or water relatedness of a project when reviewing the Public Notice for a Corps of Engineers permit. The National Marine Fisheries Service discourages general industrial and storage projects and mobile home parks in wetland areas when suitable upland site are available as alternatives. Possibly the City of Haines should consider designating other areas for these uses, or request the Corps of Engineers to make a determination as to the extent of wetlands within the McClellan Flats area which falls within Section 404 jurisdiction.

Secondly, our agency encourages ~~[illegible]~~ areas of special biological significance ~~as~~ to be designated as Areas Which Merit Special Attention. Within this area we have several ~~nominations~~ recommendations. In particular, we recommend the area of the confluence of the Chilkat River with the Tsirku River which was designated as critical salmon habitat by the Alaska State Legislature. We also ~~[illegible]~~ recommend the Glory Hole of ~~[illegible]~~ Chilkoot Lake (because of its value as a sockeye salmon spawning area and the entire length of the Chilkoot Lake outlet because of its importance for salmonid migration and spawning. Development which could adversely impact the latter ~~&~~ 2 areas is conceivable because of the proximity of the Haines Highway ~~[illegible]~~ system.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

February 27, 1980

To: House CRA Committee

From: Ginny Chitwood, Executive Director

Re: Amendment to Coastal Policy Act

At the annual meeting of the Alaska Municipal League, held last fall in Sitka, the members adopted the following paragraph as part of the 1980 policy statement:

> The League supports the concept of "extra-territorial" planning by municipalities in the unorganized borough with statutory provisions to permit the Alaska Coastal Policy Council to adopt said "extra-territorial" planning as part of the Alaska Coastal Management Program until such time as a resource district plan is adopted

The enclosed bill, which is a starting point for implementing this section, and the memo from the Ketchikan Gateway Borough were endorsed by the AML Legislative Committee in December.

We believe it is very important that the concerns of adjacent areas addressed in each coastal management plan that is approved. An amendment to the act, along the lines of this proposal, will help to achieve that goal.

The enclosed material has been submitted to the Alaska Coastal Policy Council and will be considered at its next meeting scheduled for mid-March.

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

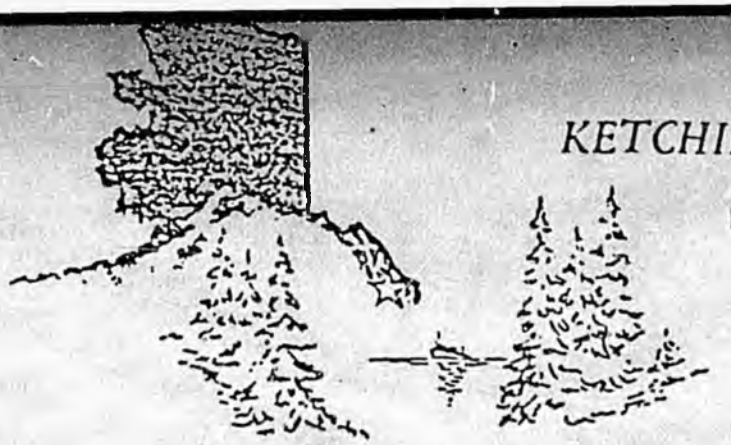
A BILL

For an Act entitled: "An Act relating to filing of notice of interest by adjoining cities or boroughs regarding proposed district coastal management plan in unorganized boroughs and providing opportunity to be heard prior to approval of district coastal management plan by Alaska Coastal Policy Council; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1: AS 46.40.180 is amended by adding new subsections thereto to read:

(e) Any organized city or borough which claims to have an interest in the manner in which resources, or the use of resources, in any unorganized borough adjacent to its boundaries are developed shall notify the Department of Community and Regional Affairs of the nature and extent of such interest. Before adoption by a coastal resource service area board, or by the Department of Community and Regional Affairs under Section 170 of this chapter, a district coastal management program shall be submitted to each organized city or borough which has filed a notice of interest with the Department of Community and Regional Affairs.



KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

TO: Legislative Committee of
Alaska Municipal League

THRU: Judith A. Slajer
Borough Manager

FROM: Marvin Yoder MY
Economic Development Specialist

SUBJECT: Extraterritorial jurisdiction in Coastal Management district

Working with our municipal attorney, Mr. Walker, we decided that the basic need of organized districts was to be able to have input into plans being compiled in adjacent resource service areas.

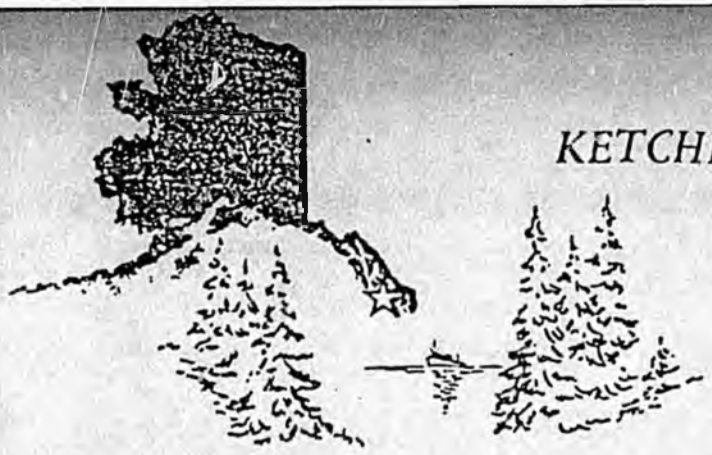
The two options available are for the organized municipalities to use its resources to physically inventory and plan for those areas that have direct influence on the municipality or to simply state that the impact exists and then request an opportunity to determine the extent of the impact when the resource service area begins to formulate its plan. After discussing these concepts with individuals involved in Coastal Management programs, we chose the latter option.

The second decision was whether the proposed new language should be added to the State statutes or to the regulations. In the statutes AS 46.40.180 describes the requirements necessary for a resource district to have its plan approved. The proposed addition stipulated that concerns expressed by adjacent districts must be addressed by public hearings and records of these hearings are to be documented in the permanent record of the district.

The second approach would be to amend the regulations. This would be done by the Alaska Coastal Policy Council with the legislative concurrence. Section 6 AAC 85.140 provides opportunities for other government agencies to coordinate and review coastal plans and specifically mentions adjacent districts.

Our recommendation is to attempt to change the statutes and assume that the regulations will be changed to conform to the intent of the act.

"H"



KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

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THRU: Judith A. Slajer
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Policy Statement p. 8 IV E(2)

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ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

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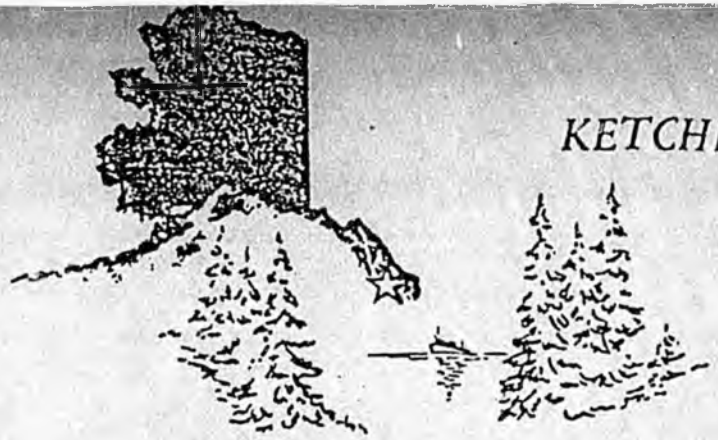
(f) The council shall not approve a district coastal management program unless it finds that each organized city or borough that has filed a notice of interest under (e) above has received notice and an opportunity to present its concerns regarding such plan at a public hearing before the coastal service area board or the Department of Community and Regional Affairs which concerns shall become part of the record regarding such plan.

* Section 2: This Act takes effect immediately in accordance with AS 01.10.070(c).

"H"



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TO: Legislative Committee of
Alaska Municipal League

THRU: Judith A. Slajer
Borough Manager

FROM: Marvin Yoder MY
Economic Development Specialist

SUBJECT: Extraterritorial jurisdiction in Coastal Management district

Policy Statement p. 8 IV E(2)

Working with our municipal attorney, Mr. Walker, we decided that the basic need of organized districts was to be able to have input into plans being compiled in adjacent resource service areas.

The two options available are for the organized municipalities to use its resources to physically inventory and plan for those areas that have direct influence on the municipality or to simply state that the impact exists and then request an opportunity to determine the extent of the impact when the resource service area begins to formulate its plan. After discussing these concepts with individuals involved in Coastal Management programs, we chose the latter option.

The second decision was whether the proposed new language should be added to the State statutes or to the regulations. In the statutes AS 46.40.180 describes the requirements necessary for a resource district to have its plan approved. The proposed addition stipulated that concerns expressed by adjacent districts must be addressed by public hearings and records of these hearings are to be documented in the permanent record of the district.

The second approach would be to amend the regulations. This would be done by the Alaska Coastal Policy Council with the legislative concurrence. Section 6 AAC 85.140 provides opportunities for other government agencies to coordinate and review coastal plans and specifically mentions adjacent districts.

Our recommendation is to attempt to change the statutes and assume that the regulations will be changed to conform to the intent of the act.

On November 30, 1979 the proposed amendment was placed before the Policy Council and received favorable comments; however no formal action was taken. It is my opinion as a member of the Council that if there is a statute change, the Policy Council will change the regulations to reflect that change.

MLY:jw

attachment

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to filing of notice of interest by adjoining boroughs or cities regarding proposed district coastal management plan in unorganized boroughs and providing opportunity to be heard prior to approval of district coastal management plan by Alaska Coastal Policy Council; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1: AS 46.40.180 is amended by adding new subsections thereto to read:

(e) Any organized borough or city which claims to have an interest in the manner in which resources, or the use of resources, in any unorganized borough adjacent to its boundaries are developed shall notify the Department of Community and Regional Affairs of the nature and extent of such interest. Before adoption by a coastal resource service area board, or by the Department of Community and Regional Affairs under Section 170 of this chapter, a district coastal management program shall be submitted to each organized borough or city which has filed a notice of interest with the Department of Community and Regional Affairs.

(f) The council shall not approve a district coastal management program unless it finds that each organized borough or city that has filed a notice of interest under (e) above has received notice and an opportunity to present its concerns regarding such plan at a public hearing before the coastal service area board or Department of Community and Regional Affairs which concerns shall become part of the record regarding such plan.

* Section 2: This Act takes effect immediately in accordance with AS 01.10.070(c).

Introduced:
Referred:

IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

SENATE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

Endorsing an action of the Alaska Coastal Policy Council.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Chapter 84, Session Laws of Alaska 1977, established the Alaska coastal management program, the Alaska Coastal Policy Council and the general obligation upon local governments to undertake coastal resource planning; and

WHEREAS the Annette Island Indian Reserve, while legally not a coastal resource district under the terms of Alaska law, and not part of Alaska's coastal zone under the terms of federal law, has nevertheless engaged in a cooperative coastal planning effort with the Alaska coastal management program; and

WHEREAS in a grant agreement between the Annette Islands Indian Reserve and the Department of Community and Regional Affairs, the Annette Islands Indian Reserve received funding with which to develop a coastal program and agreed to produce a coastal program that would be consistent with the Alaska coastal management act and the guidelines standards of the Alaska Coastal Policy Council; and

WHEREAS the Annette Islands Indian Reserve has completed and approved such a program and submitted it to the Alaska Coastal Policy

Council for review and approval, and

WHEREAS the Alaska Coastal Policy Council has conducted a regular review of the Annette Islands Indian Reserve coastal program and has approved it; and

WHEREAS the Alaska Coastal Policy Council has requested the legislature to endorse the Council's approval of the Annete Islands Indian Reserve coastal management program to acknowledge this achievement;

NOW THEREFORE BE IT RESOLVED, that in accordance with the findings and conclusions of the Alaska Coastal Policy Council. The Alaska State Legislature endorses the coastal management program of the Annette Island Indian Reserve, and offers appreciation for a job well done.

FOREST PRACTICES REGULATION CHANGE

Introduced:
Referred:

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

IN THE SENATE

SENATE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

Approving regulations adopted by the Alaska Coastal Policy Council.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Chapter 84, Session Laws of Alaska 1977, established the Alaska Coastal Policy Council and charged the Council with the responsibility of adopting regulations establishing guidelines and standards for the development of a coastal management program; and

WHEREAS the Alaska Coastal Policy Council has adopted guide lines and standards in 6 AAC 80 and 6 AAC 85 for use by state agencies in making land and water use decisions and for use by municipalities and coastal resource service areas in the preparation and development of district coastal management programs; and

WHEREAS the guidelines and standards adopted by the Council on March 31, 1978 have been approved by the legislature during the Second Session of the Tenth Legislature with selective deletions and letters of intent calling for further attention to certain matters in the guidelines and standards; and

WHEREAS the Council adopted amendments to the guidelines and standards on December 15, 1978, in response to the request of the legislature and other parties; and

WHEREAS the guidelines and standards adopted by the Council on December 15, 1978 have been approved by the legislature during

the First Session of the Eleventh Legislature with a letter of intent calling for further attention to a certain matter in 6 AAC 30 80.100 of the guidelines and standards; and

WHEREAS the Council adopted and amendment on August 1, 1979 in response to the request of the legislature which reads:

"Change the word "prevent" which appears in 6 AAC 80.100. (a)(3) to "minimize";

and,

WHEREAS this amendment to the guidelines and standards approved and adopted by the Alaska Coastal Policy Council is deemed to be consistent with the policy and objectives for the state coastal management program identified in chapter 84, SLA 1977; and

WHEREAS AS 46.40.080 requires approval of amendments to the state coastal management program either by adoption of a concurrent resolution by a majority of the members of each house of the legislature or by majority vote of the members of each house at the time of the houses are convened at a joint legislative session to confirm executive appointments submitted by the governor; and

WHEREAS, in accordance with the statute, the Alaska Coastal Policy Council has submitted its amendment to the guidelines and standards for legislative approval;

BE IT RESOLVED, that in accordance with AS 46.40.080, the Alaska State Legislature approves the amendment to 6 AAC 80.100 (a)(3) adopted by the Alaska Coastal Policy Council on August 1, 1979.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Representative Bill Parker, Chairman

2/8/80

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Notice sent to Stanford list

PUBLIC HEARING NOTICE

The House Community and Regional Affairs Committee will hold public hearings regarding legislative approval of three district coastal management programs:

Annette Islands District Management Program

Haines District Coastal Management Program

Anchorage Municipal District Coastal Management Program

on

Wednesday, February 27, 1980

Monday, March 3, 1980

8:30 A.M.

Room 112, Capitol

Your testimony on the specific programs and on the Coastal Zone Management Program in general is invited in either written or oral form.

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Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

NOTICE

The Senate Community and Regional Affairs Committee will hold a series of three meetings regarding legislative approval of three district coastal management programs--Haines District Coastal Management Program, Annette Islands District Management Program, and Anchorage Municipal District Coastal Management Program.

2/8/80 8:30-10:00 a.m. Joint House-Senate CRA Committees will hold a work session on the district programs with presenations by the Office of Coastal Management.
HCRA Committee Room, Capitol Building, Rm. 112.

2/21/80 1:00-3:00 p.m. Senate CRA Committee Public Hearing regarding district coastal programs and related policy and implementation issues. A copy of Committee concerns is attached. In advance of this session interestested parties are invited to submit written comments on policy and implemencation concerns. Public testimony is encouraged on district programs.

2/28/80 1:30 p.m. Senate CRA Additional comments, if any, on the district programs and action meeting.
SCRA Committee, Rm. 207, Capitol Building

Alaska State Legislature

SENATOR
ROBERT H. ZIEGLER, SR.
[illegible]7 BAWDEN STREET
KETCHIKAN, ALASKA 99901

POUCH V
JUNEAU, ALASKA 99811

Senate

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SENATE JUDICIARY COMMITTEE
IMMEDIATE PAST CHAIRMAN
WESTERN CONFERENCE - COUNCIL OF STATE GOVERNMENTS

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SENATE COMMITTEE ON COMMITTEES
LEGISLATIVE COUNCIL
WESTERN STATES LEGISLATIVE FORESTRY TASK FORCE

February 14, 1980

The Honorable Mayor and Council
Annette Islands Reserve
Hydaburg, Alaska 99922

Gentlemen:

Representative Bill Parker, Chairman of the House Community and Regional Affairs, has scheduled a hearing on the [illegible]ette Islands District Management Program. You can call the good Representative's Juneau office at 465-3870 and tell him on which of these two dates you'd like to testify: Wednesday, February 27 or Monday, March 3 at 8:30 a.m. in Room 112, Capital Building. If you decide that there is no need to put testimony on record, you should call Representative Parker's office and let that fact be known. In other words, either way, call Mr. Parker's office as soon as you know which route you are going.

Regards,

BH Ziegler

Robert H. Ziegler, Sr.

RHZ:lk

cc: Representative Parker

Trustees for ALASKA

CZM
3/12/78

835 "D" Street #202, Anchorage, Alaska 99501 (907) 276-4244

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Washington, D.C.

Robert B. Weeden
Professor, Wildlife Management
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Dean, Grad. School of Ed.
Harvard University
Cambridge, Massachusetts

March 10, 1979

Honorable Bill Parker
House Committee on Community & Regional Affairs
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Bill:

Enclosed is a copy of the comments our office recently submitted on the Draft Environmental Impact Statement on the Alaska Coastal Management Program. I don't know if they are relevant to your Committee's immediate agenda, but in any case I hope they will be of some use in its future deliberations on the Alaska Program.

Next time you are back in Anchorage I would very much like to have the chance to talk to you about the whole coastal management issue.

Thank you for your interest.

Sincerely yours,

Robert E. Mintz
Staff Attorney

Trustees for ALASKA

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Cambridge, Massachusetts

EXPRESS MAIL

March 5, 1979

Pacific Regional Manager
Office of Coastal Zone Management
3300 Whitehaven Street, N.W.
Washington, D.C. 20235

Dear Mr. Coffey:

We are pleased to submit our comments on the draft EIS for the Alaska coastal management program. We strongly support the concept of coastal management for Alaska. This letter, with attached comments and recommendations, constitutes our response to this document. The summation of concerns presented in this letter is based on the more detailed analysis and comment supplied in the attachment. We request that your replies to our comments address both the concerns aired in this letter and the issues identified in the attached document.

We support a strong coastal management program for Alaska. We feel that the diverse nature and relatively pristine quality of coastal Alaska warrants special management consideration. Due to the exceptional quality of the Alaskan coast, and the extensive physical, biological, and social resources which depend on the continued integrity of the coastal ecosystem, we cannot afford to follow the previous pattern of reacting to development in a piecemeal manner. An effective management scheme must provide predictable, comprehensive guidance based on sound resource management principles. It is our hope that the Alaska Coastal Management Program can provide such a management program.

The program, as currently approved by the legislature, is unacceptable, and the amendments which attempt to improve deficiencies in the program, have not yet received legislative approval. Consequently, we cannot recommend approval or disapproval of the program at this time. Other program elements, such as uses of state concern, and the manual of standards, have not yet been subjected to public review through the EIS process. We therefore reserve the right to review and comment on the program after legislative action and prior to program certification and approval by the Department of Commerce.

Other weak points in the program, addressed more fully in the attached document, are:

(1) The ACMP does not give adequate consideration to environmental values,

(2) The ACMP inadequately provides for consideration of regional and cumulative impacts,

(3) The ACMP allows overly broad exceptions to its requirements,

(4) The "Uses of State Concern" resolution has not been subjected to public review,

(5) Important provisions regarding district accomodation of Uses of State Concern are unclear,

(6) Required legislative approval of each district program is likely to cause unnecessary delay in implementation of plans,

(7) The AMSA designation process may stifle public participation,

(8) Many of the guidelines and standards need clarification, and exceptions to the guidelines and standards should be more narrowly defined, and,

(9) Some of the guidelines and standards rely on existing state programs which have not been effective in the past.

Because of the tentative nature of portions of the ACMP, the thrust of our comments and recommendations at this time is to air our concerns and seek clarification of issues from both the Office of Coastal Management and the Office of Coastal Zone Management. Once the legislature has acted, we will be more able to assess the acceptability of the program.

We thank you for this opportunity to comment on the DEIS for Alaska's coastal zone management plan, and look forward to working with you in the future.

Sincerely,

David Benton

David Benton
Nancy Cliff
Suzanne Weller
Robert E. Mintz

Submitted on behalf of:

Trustees for Alaska, an Alaskan non-profit public interest law firm with approximately 1000 members,

Friends of the Earth, an international environmental organization with offices and membership in Alaska,

Greenpeace Alaska, an arm of Greenpeace International, with over 300 members in Alaska, and

Alaska Center for the Environment, an Alaskan non-profit environmental organization with 3000 members.

Encl.
EXPRESS MAIL

I. The ACMP Does Not Give Adequate Consideration To Environmental Values

The Federal Coastal Zone Management Act ("CZMA") was passed in reaction to the widespread degradation of productive coastal habitats. * Recognizing that development in the coastal zone has always had its champions, Congress sought to protect the long-ignored natural values of our coastal areas, and expressed "the urgent need to protect and to give high priority to natural systems in the coastal zone." CZMA of 1972, Sec. 302 (g). The repeated federal stress on protection of coastal systems in a natural state has received less than wholehearted support from the state of Alaska.

Underlying most of the policies and objectives, standards, and guidelines of the ACMP is the implicit assumption that most of Alaska's coastline will be developed. These regulatory mechanisms have been proposed with an eye toward industrial, recreational and commercial uses of this vast untouched resource. Rarely do they promote the "important ecological, cultural, historic, and esthetic values in the coastal zone;" CZMA of 1972, Sec. 302 (e) nor do they suggest that substantial areas are so valuable and/or fragile that they should not be subjected to any development.

II. The ACMP Inadequately Provides for Consideration of Regional & Cumulative Impacts

We are concerned that the State Act, and the guidelines and standards, inadequately provide for consideration of regional and cumulative impacts of activities in the coastal zone. The CZMA found that "...present state and local institutional arrangements for planning and regulating land and water uses (in the coastal zone) are inadequate," CZMA of 1972, Sec. 302 (g), and encouraged states to develop unified policies and processes for dealing with land and water uses of more than local significance. Sec. 302 (h), CZMA of 1972. Alaska's mechanisms for coping with regional and

* (d) The coastal zone, and the fish, shellfish, other living marine resources, and wildlife therein, are ecologically fragile and consequently extremely vulnerable to destruction by man's alterations.

(e) Important ecological, cultural, historic, and esthetic values in the coastal zone which are essential to the well-being of all citizens are being irretrievably damaged or lost.

(f) Special natural and scenic characteristics are being damaged by ill-planned development that threatens these values.

Coastal Zone Management Act of 1972, §§ 302(d), (e), (f).

cumulative impacts in the coastal zone remain inadequate.

A. Regional planning receives little attention in Alaska's program.

The guidelines and standards attempt to provide for regional planning, 6 AAC 80.030(b) and (c):

(b) The council will initiate an interagency program of comprehensive resource management for each geographic region listed in AS 44.19.891(a)(1). Regional programs will

(1) assist the council and districts in identifying uses of state concern and developing management policies for these uses;

(2) provide resource, social, and economic information on a coordinated regional basis; and

(3) assist the council and districts in identifying, avoiding, or minimizing existing or potential conflicts.

(c) Plans and recommendations developed as part of the regional program described in (b) of this section must be transmitted to the district through the Office of Coastal Management. District planning efforts must demonstrate review and consideration of these plans and recommendations. If the final district program proposed does not agree with the regional program plans and recommendations, the differences will be resolved by the council.

However, it is unlikely that thorough regional planning will take place in time to significantly influence the district planning processes. The original regional planning team was recently disbanded because it was ineffective, and the current regional planning mechanism, described at DEIS 205-208, cannot be expected to produce results sufficiently early to affect the development of local plans. The State Agency Coastal Coordinating Team will also apparently not "provide resource, social, and economic information on a coordinated regional basis" as required by 6 AAC 80.030(b)(2).

B. The ACMP does not consider cumulative impacts of activities in the coastal zone.

Although the ACMP adequately details plans for evaluating the potential of any particular site to withstand a certain activity, there is no specific capacity for cumulative impact review, either within a district, or on a regional or statewide basis. Thus, significant actions in the coastal zone may not be recognized. Needless to say, fragile ecosystems know no superimposed political boundaries. In Alaska attention must even be paid to the international implications of local environmental disruptions. By ignoring cumulatively destructive developme , the state not only violates the federal

legislative intent, but also jeopardizes the continuing health of its economy and sociocultural structure. The ACMP should clearly outline a technique for the interaction of coastal districts, stressing the need for review of cumulative impacts of various individual activities and piecemeal permit and license decisions.

C. The ACMP inadequately provides for participation of citizens outside a district, in the district's planning and implementing process.

While the ACMP has admirably provided for the flow of information between State, Federal, and local agencies, there is only the most meager attention given to the need for affected citizens to stay informed of coastal zone activities to be undertaken in other districts. This oversight might be easily obviated by broadening the A-95 clearinghouse distribution scope or by directing the Office of Coastal Management to reinforce the notification process.

A related matter is that of conflict resolution in a district for which a management program has been approved. A citizen outside the district in question does not have standing before the Coastal Policy Council to voice a complaint about implementation of, compliance with, or enforcement of that district's program.

> (b) On petition of a coastal resource district, a citizen of the district, or a state agency, showing that a district coastal management program is not being implemented enforced or complied with, the council shall convene a public hearing to consider the matter...

AS 46.40.090(b). This may be easily rectified by conferring such standing and encouraging outside participation.

III. <u>The Alaska Coastal Management Act, and the Guidelines and Standards, allow overly broad exceptions to the requirements of the plan.</u>

The ACMA, and the guidelines and standards, contain a number of loopholes which can subvert the purposes of the CZMA. The most important of these are the broad exceptions contained in the definition of "feasible and prudent," 6 AAC 80.900(9), and in the standards governing Council approval of plans which do not comply

with the guidelines and standards, AS 46.40.070(b)(2).

A. "Feasible and prudent."

The definition of "feasible and prudent" as proposed in the amendments to the guidelines and standards, 6 AAC 80.900(9) is

(9) "feasible and prudent" means consistent with sound engineering practice and not causing environmental, social, or economic problems that outweigh the public benefit to be derived from compliance with the standard which is modified by the term "feasible and prudent";

This definition fo a phrase which modifies the proposed energy activities siting guidelines, 6 AAC 80.070(b), the habitat standards, 6 AAC 80.130(d), the proposed transportation and utility standards, 6 AAC 80.080, the coastal development standards, 6 AAc 80.040, and the proposed mining and mineral processing standards, 6 AAC 80.110, provides a loophole which might be used to bypass the already broad requirements of the guidelines and standards. Any flexibility needed can be provided by a narrow definition of feasible and prudent, plus exemptions incorporated in individual standards as appropriate.

The definition of feasible and prudent, as proposed, allows departure from a number of the guideline and standards if the "environmental, social, or economic problems (caused by compliance) outweigh the public benefit to be derived from compliance." This definition would possibly allow non-compliance with the guidelines and standards in order to protect a private interest. The public should only forego a public benefit if the costs to the public outweigh the public benefits to be gained.

The balancing process implicit in the definition gives too much unguided discretion to the districts, and should be replaced with a definition such as,

"consistent with sound engineering practice, and not causing unique problems . . ."

The definition, drawn from Citizens to Preserve Overton Park v. Volpe, 401 U. S. 402, 415-16 (1971), demonstrates a strong commitment to the guidelines and standards, while allowing exceptions in the unusual cases where the guidelines and standards are not appropriate. Since the DEIS states that the "effect of allowing exceptions to the standards will be to cause adverse impacts which the standards seek

to avoid," DEIS at 261, (referring to energy facilities siting standards), exceptions should be carefully circumscribed. An Overton Park standard will carefully limit exceptions; the 6 AAC 80.900(9) definition of "feasible and prudent" may not.

B. The Alaska Coastal Management Act allows overly broad exceptions to the guidelines and standards

AS 46.35.070(b)(2) allows Council approval or district plans which do not comply with the guidelines and standards so long as "strict adherence(to the guidelines and standards) would cause or probably cause substantial irreparable harm to another interest or value in the coastal area of the district." This provision contains the same basic flaws as the definition of feasible and prudent. It might not be read as requiring balancing of public risks versus public benefits, and provides flexibility where none is required. Needed flexibility can be incorporated in the guidelines and standards.

IV. <u>The AMSA designation process is likely to hinder public participation.</u>

The AMSA designation process as defined in the draft EIS, could effectively prevent an individual from making an AMSA recommendation, particularly if this person is from rural Alaska where much of the required information would be extremely difficult to obtain. Because of this problem we propose the following two-step process as a method of assuring adequate public participation.

Although we agree that the information required for AMSA nomination is important to the overall process and must be included in any AMSA designation, we feel that the task of researching and compiling much of the required information lies with the governmental bodies involved,

and not with the individual. It should be stressed that this is merely a change in the identification process and not in the designation process. In order to take effect, the AMSA recommendation must still be approved by the district, the Council, and the Legislature, as provided in the ACMP.

Our proposed AMSA designation process would consist of two parts. Part one, the recommendation stage, would identify a particular area as a potential AMSA. This recommendation could be made by any government agency, local government, private group, or citizen, and could be presented to either the district or the Council as provided in the Council-proposed amendments to 6 AAC 80.160(a). If the recommendation is made by a governmental body, all information required by 6 AAC 80.160 (a)(1-7) would be provided, and the process would remain as currently proposed. If the recommendation is made by a private group or citizen, only more limited information would have to be provided at the recommendation stage. Information which would be required of private parties would include:

(1) the basis or bases for designation under AS 46.40.210(1) or (b) of this section;

(2) a map showing the approximate geographical location and proposed boundaries of the AMSA;

(3) a description of the area which includes dominant physical and biological features and their significance;

(4) present and anticipated conflicts among uses and activities within or adjacent to the area, if any; and

(5) a summary or statement of policies which would be applied in managing the area, including a description of allowable and incompatible uses and activities.

Provision should be made for accepting or rejecting a recommendation based on its suitability and reasonableness. We do not want to bury either the districts or the Council with AMSA designations. However, it should be noted that AMSA's are the only truly protective provisions in the ACMP. Public participation must be insured, through the Guidelines and Standards, in this important component of the program.

Upon finding that the recommendation warrants further action, the district (or Council) would prepare a "hearing document" on the proposal.* This document would include the following information (as provided for in 6 AAC 80.160(a)):

(1) the basis or bases for designation under AS 46.40.210(1) or (b) of this section;

(2) a map showing the geographical location, surface areas, and, where appropriate, bathymetry of the area;

(3) a description of the area which includes dominant physical and biological features;

(4) the existing ownership, jurisdiction and management status of the area, including existing uses and activities;

(5) the existing ownership, jurisdiction and management status of adjacent shoreland and seas areas, including existing uses and activities;

(6) present and anticipated conflicts among uses and activities within or adjacent to the area, if any; and

(7) a proposed management scheme, consisting of the following:

(A) a description of the uses and activities which will be considered proper and the uses and activities which will be considered improper with respect to land and water within the area,

(B) a summary or statement of the policies which will be applied in managing the area, and

(C) identification of the authority which will be used to implement the proposed management scheme.

It should be noted that much of this information will be supplied in the initial recommendation. The more detailed land status and status and statutory information will be provided by the planning body involved. This would result in a more equitable distribution of effort and responsibilities in the AMSA designation process.

This "hearing document" would be widely circulated to the affected local governments, appropriate state agencies, and interested public groups or individuals for review and comment. The review period would

* The information submitted by Federal and State agencies, or local governments, under 6 AAC 80.160(a) would constitute a "hearing document" and would be subject to public review and comment.

be 60 days and at least one public hearing would be held in the local area.

Following the public review and comment period, a "designation document" would be prepared, consisting of the information contained in the hearing document, all public comment on the proposal, and either the district's or the Council's response (whichever is appropriate) to these comments. The designation document is the hearing document adjusted to respond to government and public comments and concerns. It is this document which would be used in the designation and approval process outlined in the DEIS at 113-115.

V. No clear remedy exists if districts do not submit programs within the allotted time.

The Coastal Zone Management Act of 1972 requires that adequate enforcement mechanisms be establised to ensure that state and local policies regarding use of the coastal zone are carried out. The current Alaska plan, as described in the draft EIS, needs to clarify the remedy if a district does not submit any program within the 30 month period specified.

AS 46.40.050 states that a district shall complete its plan within 30 months, and AS 46.40.060 sets forth a procedure for Council approval or disapproval of a district program, once it is submitted. However, if no district program is submitted, no obvious provision currently exists to allow the Council to force preparation of a plan, or to allow another body to prepare the plan instead of the district. We suggest that a provision similar to AS 46.40.170(b) be added at AS 46.35.055, so that an area which does not submit a district program or have one near completion can be subjected to a program prepared by the Department of Community and Regional Affairs, or another appropriate body.

VI. The requirement that all district programs be approved by the legislature is likely to lead to unnecessary delay.

Under the system set up by the ACMA, district plans are (a) approved at the district level, (b) approved by the Council, and then (c) approved or disapproved by the legislature. We believe that legislative approval is an unnecessary step which will delay, and possibly confuse the process.

The Alaska Coastal Management Act provides for district approval, Council approval, and legislative approval before a plan becomes part of the Alaska Coastal Management Program(at which point federal and state consistency provisions apply.) Alaska legislature meets approximately 5 months a year, and popular pressure is building to limit the length of the session. Since the legislature meets from approximately January through April or May, a plan which is submitted in December may not wait long for approval, but a plan approved by the Council in May must wait for 7 months before even being considered. If the legislature wants to retain power over the program, a legislative veto 'rather than an affirmative approval requirement) might be appropriate. As the DEIS stresses, Alaska has an immediate need for a coastal zone management program, and a legislative approval requirement will delay implementation of the program, without significantly contributing to the overall management scheme.

VII. Uses of State Concern

Because Coastal Policy Council Resolution 13, dealing with the subject of "uses of state concern," has not been addressed in the DEIS, it is not possible now for us to comment adequately on this subject. There is, however, some language in the state Coastal Management Act which should be considered. Section 46.40.070(c) establishes three criteria for evaluating district restrictions on uses of state concern. In principle these criteria are proper, but there may be room for misinterpretation of the second criterion, "availability of reasonable alternative sites." What this appears to mean is that districts should consider the issue of alternative sites in deciding on possible restrictions or exclusions of uses in question. However, one might conceivably read the provision as requiring that any time a particular instance of a use of state concern is proposed, the district must allow it where proposed, unless there is an alternative site available. This construction would of course go far beyond the requirements of the Federal Act, Sec. 306(c)(8) which mandates that certain types of uses be given adequate consideration, not that they ride roughshod over all competing uses and values. * It is inconceivable that, in enacting a program which so greatly encourages local decision-making in coastal management, the legislature would have intended the criterion to have the latter effect. If there is any question about the meaning of this provision, it may be desirable to clarify the subject in the final EIS.

* Some areas, regardless of development potential, and of the availability or non-availability of alternative sites, should not be developed because they are fragile, or because the naturally-functioning habitat is too valuable to be disturbed.

VIII. Comments on Specific Guideline and Standards.

A. Coastal Development-6 AAC 80.040

6 AAC 80.040. COASTAL DEVELOPMENT. *(a) In planning for and approving development in coastal areas, districts and state agencies shall give, in the following order, priority to:*

(1) Water-dependent uses and activities;

(2) Water-related uses and activities; and

(3) Uses and activities which are neither water-dependent nor water-related for which there is no feasible and prudent inland alternative to meet the public need for the use or activity.

(b) The placement of structures and the discharge of dredged or fill material into coastal water must, at a minimum, comply with (the standards contained in) Parts 320-323, Title 33, Code of Federal Regulations, (Vol. 42 of the Federal Register, pp. 37133-47) (July 19, 1977).

Pressure to develop much of Alaska's coastline can only increase over time. Indeed, much of the coast is slated for development in the not-too-distant future. It is also true that only a limited amount of the available coastal area is suitable for development. The ACMP recognizes this fact and the coastal development standard is an attempt to address this issue. The standard does set priorities for uses, giving preference to water-dependent activities over uses which do not require a coastal location.

However, the standard fails to address the issue of limiting development to suitable areas. The question here centers on the carrying capacity of a particular area to sustain development. With limited shorefront space, will a district elect to dredge and fill an area (estuary, salt marsh, etc.) to accomodate new development? The standard needs to address this issue in terms of limiting development to those areas in which it is suitable, and by promoting use of already developed areas as much as possible prior to expansion into new, less acceptable areas ("in-filling").

The standard also fails to supply a concise mechanism for resolving conflicts between two or more water-dependent uses competing for the same space. A clarification of these two issues is needed, providing:

- a clear mechanism for arbitrating the use of limited waterfront space between two or more competing water-dependent uses, and

- a statement of policy explicitly promoting in-filling within already developed areas, and declaring if, when, and under what conditions development can proceed in unacceptable areas (such as geophysical hazard

areas, wetlands, estuaries, etc.) once all other available areas suitable for development are used within a district.

Part (b) of the coastal development standard requires compliance with the standards contained in the Code of Federal Regulations, Title 33, parts 320-323. The standard fails to identify the agency responsible for administering these regulations, particularly in the Unorganized Borough. Currently, these regulations are administered by the Corps of Engineers. In the past the Corps has shown reluctance to actively regulate and manage activities taking place in these areas. We are concerned that this not remain the case. Two issues come to mind:

(1) Does the State, through its Dept. of Environmental Conservation or other agencies, have a wetlands management program? If it does, this should be clearly described in the DEIS.

(2) If, as we believe, the State does not have a wetlands management program, then the following must appear in the FEIS:

(a) a clear identification of which agency or agencies will be responsible for wetlands management under ACMP in both the districts and the Unorganized Borough,

(b) an explicit description of the regulatory powers of this agency (agencies) to administer this aspect of wetlands management and the relationship this will have to districts and state agency activities under ACMP, and

(c) a description of responsibilities among districts and agencies for monitoring enforcement and compliance with these regulations.

B. Geophysical Hazards - 6 AAC 80.050

> 6 AAC 80.050. GEOPHYSICAL HAZARD AREAS. *(a) Districts and state agencies shall identify known geophysical hazard areas and areas of high development potential in which there is a substantial possibility that geophysical hazards may occur.*
>
> *(b) Development in areas identified under (a) of this section may not be approved by the appropriate state or local authority until siting, design, and construction measures for minimizing property damage and protecting against loss of life have been provided.*

Clearly the intent of this standard is to identify hazard areas and to prevent, limit, or modify development in these areas in order to minimize damage and loss of life. Section (b) of this standard reads:

(b) Development in areas identified under (a) of this section may not be approved by the appropriate state or local authority until siting, design, and construction measures for minimizing property damage and protecting against loss of life have been provided.

It is unclear whether this means that development in areas which have been identified in (a) shall not proceed, or that development is at the discretion of the district.

C. Coastal Access - 6 AAC 80.060 (b)

(b) (Districts and state agencies shall give high priority to maintaining and, where appropriate, increasing public access to coastal waters.)

The proposed addition to 6 AAC 80.060 of subsection (b), giving high priority to maintaining public access, is of course necessary and desirable. However, there is a serious question whether the description of the "Shorefront Access and Protection Planning Process" actually refers to an effective process as distinguished from a collection of potential tools which might or might not be used in an organized fashion. Where in the ACMP is a mechanism which ensures that possible threats to access are anticipated, evaluated and managed with respect to present and future access needs and opportunities and specifically how will these issues be addressed from a statewide perspective?

D. Energy Facilities - 6 AAC 80.070

The standards provided in the Council's proposed amendments for siting of energy facilities generally appear helpful and reasonable. However, as in a number of other instances, their effectiveness is likely to be significantly impaired by the qualifier "to the extent feasible and prudent," as that phrase is defined in 6 AAC 80.900(9) (proposed amendment). Another concern is the possibility that subsection (a) of the energy facilities standard might be misinterpreted as implying that each and every district necessarily contains sites suitable for the development of major energy facilities, a proposition which may or may

not be true. Some districts may have no sites suitable for such facilities, while others have many such sites. Indeed, it is possible that there is no location in the entire state suitable for certain facilities, e.g. "uranium enrichment or nuclear fuel processing facilities." DESI, p. 63. The Federal Act, of course, does not require states to provide sites for all such facilities, but only to ensure adequate consideration of the national interest when determining if, when, and under what conditions such facilities should be sited.

More generally, the proper evaluation of optimal siting of energy facilities in Alaska requires a statewide perspective in order to take account of the differences among districts and not just the differences within each district. While the language of subjection (a) does refer to the State as well as the districts, it is unclear how such evaluation will be carried out and used.

Presumably, the "energy facility planning process" required by Section 305)b)(8) of the Federal Act should perform this coordinating function, but the DEIS's description on this score (Appendix 7) is far from reassuring. Despite an impressive array of authorities which could be used and of occasions where planning has been attempted, we question whether the state has demonstrated the existence of any coherent process "for anticipating and managing the impacts from" energy facilities. We also take specific exception to the DEIS's inclusion, on p. 397, of the Agency Advisory Committee on leasing as a coordination mechanism. While the Alaska Dept. of Natural Resources some time ago proposed pre-leasing regulations which would have officially established such a planning and advisory committee and related planning tools, including social, economic, and environmental analyses of proposed leasing actions, issuance of these regulations has been inexplicably withheld. In the meantime, it is our understanding that a previous ad hoc version of this committee (since formalized through an executive order) has ceased to function meaningfully in the current planning stages of the proposed joint Federal-State Beaufort Sea lease sale.

The energy facilities planning process, as described in the DEIS, has other important implications and limitations. Of primary concern

is the reliance on the process on the current State oil and gas leasing program. Significant problems with this programs include:

- no current provision for analysis of the social or environmental costs associated with the State's oil and gas leasing program,

- no requirment for analysis of the long-term effects and/or goals of the State's oil and gas leasing program, and

- no provision for public review and comment on the State's program. This is exemplified by the fact that comment on the recently released state five-year leasing program was solicited from the industry only. To our knowledge no other interest groups (Native, environmental, consumer advocacy groups, etc.) were contacted concerning this matter. Public participation is a key requirment in both the state and federal coastal management acts. We assume that this applies to the energy siting process and are curious how this requirement will be met by the state oil and gas leasing program.

E. Transportation and Utilities - 6 AAC 80.080

6 AAC 80.080. TRANSPORTATION AND UTILITIES. *(a) Transportation and utility routes and facilities in the coastal area must be sited, designed, and constructed so as to be compatible with local community goals and desires as expressed in district programs and local comprehensive plans.*

(b) Transportation and utility routes and facilities must be sited inland from beaches and shorelines unless the route or facility is water-dependent or no feasible and prudent inland alternative exists to meet the public need for the route or facility.

There is no mention in this standard of minimizing adverse environmental impacts when a coastal route or site is selected as provided under part (b). We recommend that language be added to this standard, providing that transportation and utility routes and facilities which are sited along the coast as provided by part (b) should be designed and sited in order to minimize impacts on wetlands, estuaries and other productive or vulnerable habitats.

F. Fish and Seafood Processing - 6 AAC 80.090

6 AAC 80.090. FISH AND SEAFOOD PROCESSING. *Districts shall identify and may designate areas of the coast suitable for the location or development of facilities related to commercial fishing and seafood processing.*

This standard needs to address the issue of seafood plant waste disposal. There are areas within coastal Alaska which presently have quite a water pollution problem arising from the dumping of wastes from seafood processing plants. The standard should, at a minimum, require plants to be sited and designed to minimize this problem.

G. Timber Harvest and Processing - 6 AAC 80.100

We are concerned that the timber harvest standards of the ACMP are to be prempted by as yet unknown regulations promulgated under the state Forest Practices Act. ("FPA") While the timber harvest and processing standards provide for special consideration of coastal values as required by the Federal CZMA of 1972, Sec. 305(2), we have no assurance that the FPA regulations will provide such treatment. We recommend that the FPA regulations be required to be consistent with the coastal zone timber harvest and processing standards. This will assure that coastal values will be given specific attention within an overall state timber harvest and processing program.

If the FPA regulations preempt the current timber harvest and processing

standards, they will amend the Alaska Coastal Zone Management Program and will require public review prior to adoption.

H. Mining and Mineral Processing - 6 AAC 80.110

6 AAC 80.110. MINING AND MINERAL PROCESSING. *(a) Mining and mineral processing in the coastal area must be permitted, (regulated) designed and conducted so as to be compatible with the standards contained in this chapter, adjacent uses and activities, regional programs, statewide and national needs, (and) district programs, and local comprehensive plans.*

(b) Sand and gravel may be extracted from coastal waters, intertidal areas, barrier islands, and spits, when there is no feasible and prudent alternative to coastal extraction which will meet the public need for the sand or gravel.

Part (b) of this standard makes explicit provision for the extraction of sand and gravel from "coastal waters, intertidal areas, barrier islands, and spits, when there is no feasible and prudent alternative to coastal extraction which will meet the public need for the sand or gravel. While there may be cases where the exception cited under (b) will be necessary to promote the public good, we do not want this to become license for indiscriminate industrial or private utilization of these fragile habitats. We feel that sand and gravel must not be allowed to be extracted from these areas unless there is no possible alternative which will meet the public good. Part (b), as now written, is unclear. It should explicitly state that this exception is to be allowed only in unusual, narrowly-defined cases.

I. Habitats - 6 AAC 80.130

In reviewing the habitat standards, several weaknesses become apparent. Some of the more important general concerns include:

(1) Several coastal habitat types are not distinguished in the standards. Thses include floodplains, coastal forests, tide-water glacier and glacial moraine areas, and the distinction between Arctic high energy coasts and subarctic high energy coasts. These latter two areas need to be separate because of the extreme differences between them as to coastal processes such as erosion and depostion.

(2) The general breadth of the standards is needed to allow a certain latitude in management decisions. To further weaken the standard with the provisions in part "d" is unnecessary. A strict interpretation of these provisions is required to insure that the protective intent of the standards is fulfilled.

(3) The approach of the habitat standards is not comprehensive enough. There are no provisions made to relate activities in one

area to impacts in another area. An example would be activities in the upland habitat area which would affect estuaries or wetlands downstream.

(4) In addition, there are no provisions for maintaining scenic quality in habitats such as rocky islands and seacliffs, high energy coasts, forested areas, etc. While this is not a direct function of habitat management, it should be included in sections which deal with areas of exceptional scenic value.

The habitat standards are central to a system of coastal resource management. By identifying and defining these major habitat types the ACMP focuses attention on their unique qualities. Through provision of broad management goals for these areas, the ACMP helps to insure the protection and continued quality of Alaska's coastal resources. The following recommendations are intended to further these goals by identifying particular deficiencies in each standard. We recognize that the legislature cannot change the present language found in the Guidelines and Standards. However, by proposing specific language we feel that the office of Coastal Zone Management and the Coastal Policy Council can best visualize what our concerns are.

Offshore - 6 AAC 80.130(1)

> *Offshore areas must be managed as a fisheries conservation zone so as to maintain or enhance the state's sport, commercial and subsistence fishery.*

The standards for local program development state that "offshore areas must be managed as a fisheries conservation zone so as to maintain or enhance the state's sport, commercial and subsistence fishery." No mention is made of the need to preserve adequate stocks of marine birds, mammals and non-commercial fish. The introduction to the standard describes the offshore area as a vital feeding area for marine mammals and fish, pelagic seabirds and invertebrate fauna. It states that offshore ice is used for hauling-out by walrus and seals, that polar bears den on stable landfast ice, and that offshore areas are used as corridors by whales, fish, and seabirds. The standard must

be amended so that the productivity of non-commercial fish and wildlife populations is protected by district policies.

We recommend that the standard be changed to read:

"Offshore areas must be managed as a living resource conservation zone so as to maintain, enhance, and protect important biological resources of this region including marine mammals, birds, commercial and non-commercial fish stocks and invertebrate fauna."

Estuaries - 6 AAC 80.130(2)

Estuaries must be managed so as to assure adequate water flow, natural circulation patterns, nutrients and oxygen levels, and avoid the discharge of toxic wastes, silts, and destruction of productive habitat.

Estuarine habitats are extremely important ecological units within the coastal environment. They are vital areas for fish, marine animals, birds, and other biota. These areas are also highly sensitive to disturbance and disruption. Conservation of these areas is necessary to protect many of the renewable and natural resources of coastal Alaska. In order to promote this protection, we would recommend that the standard be modified to read:

"Estuaries must be managed so as to minimize dredge and fill activities and to assure adequate water flow, natural circulation patterns, nutrients and oxygen levels, and avoid the discharge of toxic wastes, silts, and destruction of productive habitat."

Wetlands - 6 AAC 80.130(3)

Wetlands and tideflats must be managed so as to assure adequate water flow, nutrients, and oxygen levels and avoid adverse effects on natural drainage patterns, the destruction of important habitat, and the discharge of toxic substances.

Wetlands are vital habitat areas for waterfowl, shorebirds, moose and other mammals. They are also critical links in the overall water cycle and are an important source of nutrients for coastal waters. Our recommendation for the wetlands standard is a change to read: "Wetlands and tideflats must be managed so as to minimize dredge and fill activities and to assure adequate water flow, nutrients, and oxygen levels and avoid adverse effects on natural drainage patterns, the destruction of important habitat, and the discharge of toxic substances."

Rocky Islands and Seacliffs - 6 AAC 80.130 (4)

Rocky islands and seacliffs must be managed so as to avoid the harassment of wildlife, destruction of important habitat, and the introduction of competing or destructive species and predators.

These areas are important breeding and rearing areas for many species of seabirds, raptors, fur seals, sea lions and harbor seals. They also serve as important roosting or hauling out areas for marine birds or mammals. Many such species are highly dependent on these habitats and are extremely sensitive to disturbance while using these areas. Rocky islands and seacliffs are also some of the most majestic features of the Alaskan coasts, possessing a scenic quality of national signifiance.

Our recommendation for the Rocky Island and Seacliff standard is

"Rocky islands and seacliffs must be managed so as to avoid the harrassment of wildlife, destruction of important, habitat, the introduction of competeing or destructive species, and in such a manner as to protect the scenic quality of the area."

Barrier Islands and Lagoons - 6 AAC 80.130 (5)

Barrier islands and lagoons must be managed so as to maintain adequate flows of sediments, detritus, and water, avoid the alteration or redirection of wave energy which would lead to the filling in of lagoons or the erosion of barrier islands, and discourage activities which would decrease the use of barrier islands by coastal species, including polar bears and nesting birds.

Barrier island/lagoon systems are extremely important marine environments, particularly in the Beaufort and Chukchi Seas. They are some of the most productive areas in these regions and are highly sensitive to disruption. Of particular concern is the alteration of the characteristic water flow and/or the attendant erosion/deposition patterns. We recommend that these areas be managed as a system, and offer the following change in the standard:

"Barrier island/lagoon systems must be managed so as to maintain adequate flows of sediments, detritus, and water, avoid the alteration or redirection of wave energy which would lead to the filling in of lagoons or the erosion of barrier islands, protect the quality of important fish and wildlife habitat and discourage activities which would decrease the use of barrier islands by coastal species such as polar bears, seals, and nesting birds."

High Energy Coasts - 6 AAC 80.130 (6)

(6) high energy coasts must be managed by assuring the adequate mix and transport of sediments and nutrients and avoiding redirection of transport processes and wave energy; and

Although high energy coasts are described as "featureless" in the DEIS, it should not be assumed that such shorlines lack important values. Some of these areas are in the wildest regions of the state and provide one with a feeling of solitude and a quality of wildness hard to find along much of the nation's coastline today. We would therefore offer the following change to this standard:

High energy coasts must be managed in such a manner as to assure the adequate mix and transport of sediments and nutrients and avoiding redirection of transport processes and wave energy, and to minimize the disruption of the scenic quality of the area.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

February 27, 1980

To: House CRA Committee

From: Ginny Chitwood, Executive Director

Re: Amendment to Coastal Policy Act

At the annual meeting of the Alaska Municipal League, held last fall in Sitka, the members adopted the following paragraph as part of the 1980 policy statement:

> The League supports the concept of "extra-territorial" planning by municipalities in the unorganized borough with statutory provisions to permit the Alaska Coastal Policy Council to adopt said "extra-territorial" planning as part of the Alaska Coastal Management Program until such time as a resource district plan is adopted.

The enclosed bill, which is a starting point for implementing this section, and the memo from the Ketchikan Gateway Borough were endorsed by the AML Legislative Committee in December.

We believe it is very important that the concerns of adjacent areas be addressed in each coastal management plan that is approved. An amendment to the act, along the lines of this proposal, will help to achieve that goal.

The enclosed material has been submitted to the Alaska Coastal Policy Council and will be considered at its next meeting scheduled for mid-March.

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to filing of notice of interest by adjoining cities or boroughs regarding proposed district coastal management plan in unorganized boroughs and providing opportunity to be heard prior to approval of district coastal management plan by Alaska Coastal Policy Council; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1: AS 46.40.180 is amended by adding new subsections thereto to read:

(e) Any organized city or borough which claims to have an interest in the manner in which resources, or the use of resources, in any unorganized borough adjacent to its boundaries are developed shall notify the Department of Community and Regional Affairs of the nature and extent of such interest. Before adoption by a coastal resource service area board, or by the Department of Community and Regional Affairs under Section 170 of this chapter, a district coastal management program shall be submitted to each organized city or borough which has filed a notice of interest with the Department of Community and Regional Affairs.

(f) The council shall not approve a district coastal management program unless it finds that each organized city or borough that has filed a notice of interest under (e) above has received notice and an opportunity to present its concerns regarding such plan at a public hearing before the coastal service area board or the Department of Community and Regional Affairs which concerns shall become part of the record regarding such plan.

* Section 2: This Act takes effect immediately in accordance with AS 01.10.070(c).

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

TO: Legislative Committee of
Alaska Municipal League

THRU: Judith A. Slajer
Borough Manager

FROM: Marvin Yoder MY
Economic Development Specialist

SUBJECT: Extraterritorial jurisdiction in Coastal Management district

Working with our municipal attorney, Mr. Walker, we decided that the basic need of organized districts was to be able to have input into plans being compiled in adjacent resource service areas.

The two options available are for the organized municipalities to use its resources to physically inventory and plan for those areas that have direct influence on the municipality or to simply state that the impact exists and then request an opportunity to determine the extent of the impact when the resource service area begins to formulate its plan. After discussing these concepts with individuals involved in Coastal Management programs, we chose the latter option.

The second decision was whether the proposed new language should be added to the State statutes or to the regulations. In the statutes AS 46.40.180 describes the requirements necessary for a resource district to have its plan approved. The proposed addition stipulated that concerns expressed by adjacent districts must be addressed by public hearings and records of these hearings are to be documented in the permanent record of the district.

The second approach would be to amend the regulations. This would be done by the Alaska Coastal Policy Council with the legislative concurrence. Section 6 AAC 85.140 provides opportunities for other government agencies to coordinate and review coastal plans and specifically mentions adjacent districts.

Our recommendation is to attempt to change the statutes and assume that the regulations will be changed to conform to the intent of the act.

On November 30, 1979 the proposed amendment was placed before the Policy Council and received favorable comments; however no formal action was taken. It is my opinion as a member of the Council that if there is a statute change, the Policy Council will change the regulations to reflect that change.

MLY:jw

attachment

Get Tayeed Taylor

CZM Joint 2 (Friday) 2/8/80

Metcalfe Branson Stimson
Parr Parker Sturgulewski
O'Connell Mulcahy

Tony Burns - Anch. (Planning Director)
CZM as ongoing process
ec, nat'l resource base, environmentally
geographic segmentation - functional units
(restriction of ε) (manage resources)
Preservation, conservation, utilization
land ε suitability
Recommend. instead ordinances
Wetlands geophysical hazard areas as problem
potential impacts adjacent areas need to be considered as well

Conflicting definitions "wetlands" - Are ε developable?
Parr - why not conservation / preservation prioritization?

John Halliwell - Haines Mayor
1½ yr. effort. Recognizes local authority 15
Historic potential ε what. community 18, 20, 22 23
feels can live (25 27)
Approval cor ... City ...
Coordination of CZM Haines Shoreway land S done by State
Div. Lands

Statement re role - leg.
Get mailing lists - Murray

Walsh

State has no statutory authority - Annette Island
No state authority - Reverse re resource S.
Seeking endorsement - Council action

Mary Jo Waitt -

Annette Island voluntarily prepared plan.
Life style - economy dependent - coast.
Addressed particular issues - 3 main areas
Issues identified fisheries, forestry, land - water etc.
Goals
Policies - Objectives
Specific actions - implement policies
Info lacking - timber resources -
multiple S, sustained yield
Computer based storage - retreaval process
AMSAs
Allowable Q outlined

Discussion - concept approval - interpretation of same.

Role - leg. if modifications are made by municipality
Walsh Major amendments would - to come back to
Council. New directions would come back - Council
- Leg.
Anech. Uses existing ordinances

STATE OF ALASKA

COASTAL POLICY COUNCIL

LOCAL MEMBERS:
Donald Gilman,
Lower Cook Inlet,
Co-Chairman
Stanley Anderson,
Bering Straits
Jon Halliwell,
Northern Southeast
Eben Hopson,
Northwest
Malcolm "Pete" Isleib,
Prince William Sound
John Nicori,
Southwest
Robert Sanderson,
Southern Southeast
Lidia Selkregg,
Upper Cook Inlet
Betty Wallin,
Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer,
Director of Policy
Development &
Planning,
Co-chairman
Robert Ward,
Commissioner of
Transportation &
Public Facilities
Charles Webber,
Commissioner of
Commerce &
Economic
Development
Robert LeResche,
Commissioner of
Natural Resources
Lee McAnerney,
Commissioner of
Community &
Regional Affairs
Ernst Mueller,
Commissioner of
Environmental
Conservation
Ronald Skoog,
Commissioner of
Fish & Game

December 11, 1979

The Honorable Bill Parker
Chairman, House Community &
Regional Affiars Committee
200 Denali Street
Anchorage, Alaska 99501

Dear Representative Parker:

The attached draft amendment to the Alaska Coastal Management Act was prepared by the Coastal Policy Council staff in response to a request presented by representatives of Nunam Kitlusisti at the Council meeting in Sitka on November 1. It is anticipated that the Council will vote on the amendment at our next meeting on January 16. We would appreciate it if you would review the draft and provide us with your comments in time for that meeting.

Thank you in advance for your help.

Sincerely,

for

Frances Ulmer
Co-chairman

Donald Gilman
Donald Gilman
Co-chairman

Attachments

RECEIVED
DEC 14 1979
POLICY DEVELOPMENT
& PLANNING

ALASKA
COASTAL MANAGEMENT PROGRAM

DRAFT AMENDMENT OT THE ALASKA COASTAL MANAGEMENT ACT

(This amendment has been proposed as a result of a request by Nunam Kitlusisti made to the Alaska Coastal Policy Council. At issue is the role of coastal resource service area planning boards after the coastal programs for the districts have been approved. As written, the Alaska Coastal Management Act does not specify what the role of such boards would be after approval of the programs, or even if they would continue to exist. The proposed amendment would provide for continued existence and a review and comment role for pending state and federal agency actions.)

The Alaska Coastal Management Act is amended by adding the following new section:

Sec. 46.40.185. COASTAL RESOURCE SERVICE AREA BOARDS AFTER APPROVAL OF DISTRICT PROGRAMS FOR THE SERVICE AREAS. (a) Coastal resource service area boards will participate in the implementation of their districts' coastal management program by reviewing and commenting on the actions and pending actions of the state agencies as those agencies carry out their responsibilities under section 46.40.090. (a) of this chapter.

(b) All state agencies shall inform the coastal resource service area boards of actions which would significantly affect the coastal resources of their respective districts and shall provide reasonable amounts of time for the boards review and recommendations on the proposed actions. When a state agency's decision differs from the recommendation of a coastal resource service board, the coastal resource service area board recommendation and the basis for the differences will be included in the decision.

(c) The coastal resource service area board may act on behalf of the coastal resource district for the purpose of implementing, enforcing or complying with the district coastal management program as provided in

sec. 46.50.100(b) of this chapter.

(d) Should the area, or a portion thereof, included in a district coastal management program developed by a resource service area board become organized to assume planning powers provided in AS 29.33.070-29.33.245 the district coastal management program may by ordinance be adopted by the organized municipality.

KODIAK

ANNEX.

(NOTE BOOK)

TO: Arliss Sturgulewski
Bob Mulcahy
Terry Stimson
Tim Kelly
Pat Rodey
Bill Parker
Pat Corney
Charles Pass
Fred Zharoff
Patric O'Connell
Margaret Branson
Ray Metcalfe

FROM: City of Kodiak

SUBJECT: Information

The attached materials are presented for purposes of background information relative to the proposed annexation.

They are as follows:

1. City Finance Director's memorandum concerning the City's financial ability to handle annexation.

2. City Finance Director's affidavit concerning financial capabilities of the City.

3. Consulting report from Dick Berg concerning annexation.

4. Statement issued by Sweeney Insurance concerning fire rates.

5. Resolution 5-79 concerning issues of concern to annexation area residents.

6. Borough Assessor's estimated value of personal property tax memorandum.

7. City Building Inspector's memo concerning building permits.

8. Memorandum to joint committee on Community and Regional Affairs concerning economic analysis for annexation vs service district.

9. Presentation made at public hearing before the annexation committee by City Manager, Clair Harmony.

10. Affidavit of Richard Sims; Rolland Jones; Charles Powell; and Wilton White.

11. City testimony at Local Boundary Commission hearing.

12. Memorandum from Public Works Superintendent concerning Island Lake road system.

13. Typical assessments for water distribution system and estimates of costs.

14. State roads priority list.

15. City published brochure on annexation information.

January 23, 1979

To: City Manager - Clair W. Harmony

From: Finance Director - H. R. Hyde

Subject: Proposed annexation

You requested some information regarding the City's finances as related to the proposed annexation area.

The City has taken certain steps in anticipation of annexation being approved. We have included in the 1978/79 amendatory budget a contingency account to cover certain costs if annexation is approved. They are as follows:

1. Facilities Planning Report.
   It is estimated that this initial planning report will cost approximately $40,000.00. It would be financed by the following:

Grant from Environmental Protection Agency 75% -		$30,000.
Grant from Alaska Department of Environmental Conservation	12-1/2%	5,000.
City of Kodiak	12-1/2%	5,000.

   The City's $5,000.00 is included in the contingency account previously mentioned.

2. Design Sanitary Sewer Extension.
   In connection with the design of sewer collector lines, there is a grant available from the Alaska Department of Environment Conservation for 50% of the costs. The City would have to match these State funds.

   For the design of the interceptor lines the Environmental Protection Agency will give a Grant for 75% of the costs and the Alaska Department of Environmental Conservation will give a Grant for 12-1/2% of the costs. The City must finance the remaining 12-1/2%.

3. Design Waterline Extension.
   The Alaska Department of Environmental Conservation will give a Grant for 50% of the design costs. The City must match with its 50% of the costs. There is $48,000.00 included in the contingency account in the amendatory budget to cover its estimated share of the costs for designing the waterline extension.

The City has sufficient cash on hand to cover all "up front" costs in connection with the Facilities Planning Report and the design of the two systems before the various Grants are processed and payments received.

At this time, there has been no definite decisions made beyond the design of the water and sewer line systems. Probably the actual construction costs would be recovered by the formation of assessment districts. It may be necessary for the City to issue bonds to cover some portion of the costs of constructing these utility systems.

Based upon the best information that the Borough Assessor can furnish at this time, the City would receive approximately $23,000.00 for each Mill levied on real property in the annexation area. This would start in 1980. If the City were to retain its present 9.1 Mill rate, the real property tax revenue would be approximately $209,000.00. However, the intent is to have this area zoned for different tax rates based upon the City services each zone would received. It is my estimate that because of the different zones, the City would probably receive about $150,000.00 annually in real property taxes from the annexation area.

Since the City presently is paying the Borough Personal Property Tax for all personal property within the City; this cost must be taken into consideration. Again, based upon the best information the Borough Assessor can furnish; the payment of the Borough Personal Property Tax for the Annexation Area would cost the City approximately $25,000.00 annually.

For fiscal year 1978/79, the City is receiving $65,550.00 from the Borough for fire protection services in the area to be annexed. With annexation, the City would lose most if not all of this revenue.

Annexation of this area should increase the revenue of the water/sewer utility fund. It has been estimated that there are approximately 125 residences that would probably immediately tie in to existing sewer collector lines. At the present residential sewer rates, this would be approximately $22,500.00 additional annual revenue to the Water/Sewer Utility Fund.

The City will have additional costs for the Public Works Department to maintain the roads and remove snow. Also, there would be increased costs for police and fire protection. It is difficult to estimate the amount of these addtional costs at this time. These additional costs would include both additional personnel and equipment. It is my opinion that the City is financially able to meet these additional costs for services. Further, with annexation, I believe that there will be considerable growth in this area which should increase the City's tax base.

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK,

Plaintiff,

vs.

KODIAK ISLAND BOROUGH and BETTY WALLIN, Mayor of Kodiak Island Borough,

Defendants.

No. 3KO-78-120 Civ.

AFFIDAVIT OF HARRY R. HYDE IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

HARRY R. HYDE, being first duly sworn, upon oath, deposes and says:

1. I am the finance director for the City of Kodiak ("the City"). This affidavit is prepared and submitted in support of plaintiff's Motion for Summary Judgment.

2. I have been employed as finance director for the City since March 1, 1976. For the eleven years preceeding that date I was finance director for a water service district in California.

3. As part of my official duties, I am responsible for the preparation of the City's budget, for the payment of bonded indebtedness of the City, for preparation of cost evaluations for the municipal services, assisting in the preparation of grant applications, investment of City funds, and am obligated to be aware of and knowledgeable on the City's financial capabilities.

4. Both the administration and the City Council are in the process of amending the City's 1978/79 budget. The budget ordinance has already had first reading before the City Council. Public hearing on the second reading of the ordinance is to be held in the future.

5. In the amended budget there is allocated a total of One Hundred Thirty-Three Thousand Dollars ($133,000.00) of City funds as the City's portion of matching funds for grants that are available at the present time from the State and federal governments. Five Thousand Dollars ($5,000.00) of the above total is budgeted for the City's twelve and one half percent (12-1/2%) share of a facilities planning report, which will survey the services and facilities needed in Service District One of the Mill Bay/Monashka Service Area if that area is annexed to the City. There is Eighty Thousand Dollars ($80,000.00) in the above stated sum earmarked for the City's matching share of grants presently available for design of the sanitary sewer extension into the Service District One of the Mill Bay/Monashka Service Area if that area is annexed to the City. There is Forty-Eight Thousand Dollars ($48,000.00) earmarked in the above stated sum as the City's portion of a grant presently available for the design of water line extensions in Service District One of the Mill/Bay Monashka Service Area if that area is annexed to the City. The City has sufficient cash on hand to cover all required matching funds in connection with the facility planning report and the designs of the sanitary sewer and water line extensions before the various grants are processed and payments received by the City.

6. The City, at the present time, has access to the same sources of Federal and State funds as does the Kodiak Island Borough.

7. The City, in the past, has sold both general obligation bonds and revenue bonds and presently has a bond rating of BAA, said rate established by Moody's Bond Rating.

8. The Borough presently has a bond rating of BAA1.

9. The City's assessed valuation represents approximately eighty percent (80%) of the total assessed valuation of the Kodiak Island Borough. The Borough is presently in the process of reappraising the urban areas of the Kodiak Island Borough. At the present time, the City's assessed valuation is approximately Eighty-Six Million Dollars ($86,000,000.00) with an anticipated increase as a result of reappraisal to One Hundred Twenty-Eight Million Dollars ($128,000,000.00).

10. The assessed valuation of the area encompassed by Service District One of the Mill Bay/Monashka Service Area is approximately

Seventeen Million Dollars ($17,000,000.00).

11. If Service District One of the Mill Bay/Monashka Service Area is annexed to the City, the City has the financial capability to provide the services of sewer, water, roads and the full range of general government services such as police, fire protection, parks and recreation and libraries.

12. If the Kodiak Island Borough has to sell bonds to finance capital improvements in Service District One of the Mill Bay/Monashka Service Area and if the full faith and credit of the Kodiak Island Borough is pledged to support those bond issues, the City's bonding capacity will be reduced.

DATED this 1 day of February, 1979.

Harry R. Hyde
HARRY R. HYDE

SUBSCRIBED AND SWORN to before me this 1st day of February 1979.

Yvonne M. Boerdam
Notary Public in and for Alaska.
My commission expires: Nov. 4 1981

MINUTES OF A REGULAR MEETING OF THE COMMON COUNCIL OF THE CITY OF KODIAK, ALASKA
HELD ON NOVEMBER 12, 1970

I. MEETING CALLED TO ORDER

Mayor Resoff called the meeting to order at 7:30 p.m. Present were Council Members Berg, Craig, Dyson, Powell and Sutliff. Councilman Sims arrived at 7:45 p.m.

II. PREVIOUS MINUTES

a. Minutes of a Regular Meeting of October 29, 1970.

Councilman Berg moved for approval of the minutes as presented, seconded by Councilman Powell. Roll call was unanimously favorable.

b. Minutes of a Special Meeting of November 10, 1970.

Councilman Sutliff moved for the approval of the minutes of the special meeting, seconded by Councilman Berg. Roll call was unanimously favorable.

III. PERSONS TO BE HEARD

a. Mr. Milton White, Borough Chairman

Chairman White presented a step annexation program, proposed petitions, and map of the proposed annexation area. Spruce Cape Road and the Mill Bay side of Island Lake were the proposed areas.

The residents would pay a portion of the City tax and the Borough tax with the precentage adjusted over a period of four years until the areas could receive full City fire protection, police protection, water, and road maintenance. The increased revenues would provide the necessary money for the cost of providing the increased service over the four year period.

The Mayor asked about the representation of these areas. Chairman White replied that the step annexation gave the residents time to get representation, and it was pointed out that several Council members have holdings in these areas now.

Councilman Powell moved that the Council approve the step annexation program presented by the Borough and recommended to the Borough that the Monashka Bay side of Island Lake and Dark Lake be included with the proposed areas. It was seconded by Councilman Berg.

Councilman Sims stated that funding from Federal agencies would be more easily obtained with this annexation because the agencies are not interested in funding just the City area, but the community as a whole. He also felt that taking the Monashka Bay side of Island Lake and Dark Lake would be too much at this time. The Council was in agreement with this.

Chairman White suggested that this area become a third area to be annexed. City Manager Jones recommended that Councilman Powell's motion be amended in this way, and this was agreeable to the Council.

Roll call was unanimously favorable.

IV. OLD BUSINESS

a. Women's Bay Appraisal Report

The Council felt that the appraised rental was too high on this property. Councilman Sims proposed renting only part of this area and perhaps using Borough land near the dock to store pots. This would involve transporting the pots about one mile.

Different areas were discussed for possible pot storage.

Mr. Ole Harder said that if a boat harbor and/or dock were not combined in the same area, the purpose of leasing this land would not be accomplished.

Transporting pots to various areas, how they could be transported, and the cost involved was discussed. The Council felt that pot storage areas were available until such time that a dock and pot storage area combined could be developed.

No action was necessary by the Council. City Manager Jones will pursue negotiations.

b. Gibson Cove Appraisal Report

City Manager Jones stated that this area has been appraised and will be advertised for sale. No action from the Council was necessary.

V. NEW BUSINESS

a. Letter of Congratulation to Chief Rhines.

A letter of congratulation to Chief Rhines on his graduation from the F.B.I. Academy was read by City Manager Jones and signed by the Council.

b. Letter Concerning Lt. Henderson as Acting Chief

A letter recommending a merit pay increase for Lt. Henderson was read by City Manager Jones. Councilman Dyson moved that the Council approve the merit pay increase and asked unanimous consent. It was seconded by Councilman Sims. There were no objections and the motion was approved.

c. Resolution 70-17 - Surplusing Gibson Cove Property

Councilman Berg moved for approval of this Resolution, seconded by Councilman Dyson. Councilman Powell recommended a change on page one, paragraph three, the first sentence the word "now" be changed to "not" so that it reads "WHEREAS, ... not using said . . . .,and". This change was incorporated into the motion. Roll call was unanimously favorable.

d. Municipal League Dues

City Manager Jones said that the Municipal League is proposing to double the dues in order to put another staff member in Juneau to work on the State and Federal-aid programs.

MINUTES OF A REGULAR MEETING OF THE COMMON COUNCIL OF THE CITY OF KODIAK, ALASKA
HELD ON JANUARY 13, 1972

I. MEETING CALLED TO ORDER

The Mayor called the meeting to order at 7:30 p.m. Present were Council Members Anderson, Dyson, Lovett, Powell and Sutliff.

II. PREVIOUS MINUTES

Councilman Powell moved for approval of the Minutes of the meetings of December 9 and December 23 held on December 22, seconded by Councilman Dyson. Roll call was unanimously favorable.

III. PERSONS TO BE HEARD

a. Mr. Wally Hickerson and Mr. Richard Guzy RE: Techite Pipe

Mr. Guzy stated that his company was low bidder on supplying this pipe to the contractor on the Monashka Creek project, but Techite was taken out of the specifications. He also stated that the contractor would like to use the pipe, but without a vote from the Council this could not be done.

Mr. Hickerson then presented background information on Techite Pipe: its development, use and testing.

No action was taken at this time.

b. Mr. Beitenger RE: State Highway Route Systems

Mr. Beitenger asked that the City Council request the State Division of Highways to reclassify Rezanof as a Secondary Route rather than a primary, remove the secondary classification from Mill Bay and Spruce Cape--from the cutoff road to the Loran Station--and classify them as local state roads.

These requests were stated in Resolution 2-72 which the Mayor read by title. Councilman Dyson moved for approval, seconded by Councilman Sutliff. Roll call was unanimously favorable.

c. Mr. Fred Street RE: Cab Zones

A letter from Mr. Street was read by the Mayor. Mr. Street felt that public interest would best be served by the abolishment of cab zones within the mall parking lot. Discussion followed.

Councilman Sutliff moved that a study of cab zones be made by the Chief of Police and the City Manager to be presented at the next Council meeting, seconded by Councilman Dyson. Roll call was unanimously favorable.

d. Mr. Wilton White RE: Annexation

Mr. White and the Council discussed the recommendation of the Boundary Commission for full rather than step annexation and the inclusion of a larger area than had been requested.

Councilman Powell moved that the Council go on record as opposing the Boundary Commission's position on annexation as presented to the Council, seconded by Councilman Sutliff. Roll call was unanimously favorable.

IV. OLD BUSINESS

a. Halfway House

Councilman Sutliff moved that the City have no objection to the Kodiak Council on Alcoholism making improvements as outlined by them to meet the specifications of the Sanitarian and the Fire Chief, seconded by Councilman Lovett. Roll call was unanimously favorable.

Councilman Powell moved that the actual lease agreement between the

TO: Mayor and Council

FROM: R. G. Berg

SUBJECT: Annexation and Pillar Mt. Reports

DATE: January 23, 1979

The Council following my tenure as City Manager asked that I continue in an advisory/coordination capacity covering two subjects:
1. The Pillar Mountain potential slide, and
2. Annexation as recommended by the State Local Boundary Commission.

I agreed to follow through on the above, and with the excellent and cooperative help of the City staff believe we may properly assume at least partial success.

ANNEXATION:
The Local Boundary Commission after presentation by City of Kodiak representatives of limited areas contiguous to the City and residents of the proposed annexation area chose to recommend annexation of a larger area to the City of Kodiak as the most logical manner in which to supply necessary municipal services. This recommendation was in contradiction to the proposal of the establishment of the service district by the Kodiak Island Borough.

We proceeded to gather data from Wrangell, Petersburg and other municipalities that had faced Local Boundary Commission recommendations of a similar nature. We also met with representatives of the Department of Community and Regional Affairs in regard to the Boundary Commission recommendations in their capacity as staff representatives to the Boundary Commission. The Council caused to be prepared and passed Resolution 24-78. A committee of persons knowledgable in the area of municipal affairs who presently reside in the proposed annexation area was appointed by Mayor Stevens. These persons are Mrs. Marion Johnson, Bob Waage, Emil Norton, Pete Resoff, Bob Brooks and Nick Szabo. This committee met a number of times with the City Manager, City Engineer and the writer to determine the most basic needs of the area and in what manner they could be financed and made a reality. Under the auspices of this committee's activity, the City staff and I prepared differential tax areas, phase I for wastewater and water service as well as road construction and reconstruction, established and reserved an area for a fire substation and prepared recommendations to the City Council covering these subjects as well as visual displays for the use of the committee at a public hearing held and attended by interested residents of the area.

The public meeting was attended by approximately 30 people including staff members from the City and both our State Senator, Bob Mulcahy, and Representative Fred Zharoff. Inserts for the newspaper were prepared on two occasions outlining briefly in the first issue some annexation considerations and full coverage in the second edition as to recommendations of the committee on differential taxation and services that could be offered by the City of Kodiak. Two work files were prepared for use by your representative, Bob Hartig, in Juneau by me inclusive of all information available in City files since 1968 covering the annexation subject. A number of press interviews were granted to representatives of the two local papers covering the subject and the writer met with Mr. Hartig as well as Representative Zharoff and Senator Mulchay.

After the public meeting held by the Mayor's Annexation Committee, the Committee determined that there was no viable alternative to annexation to the City of Kodiak. All the committee members in attendance at this meeting were in agreement and made their recommendation known in writing to the City Council. Mr. Nick Szabo was not in attendance at this meeting, although, he had been invited. Recently there was a letter to the Editor in the Kodiak Mirror and Kadiak Times referring to Mr. Szabo's term on the annexation committee which contained a number of misleading statements. The writer was rather flattered that anyone who had resided in this community for any length of time could feel that the members of the Mayor's Committee could be influenced by his argumentative ability over their best judgement.

At the present time Mr. Hartig is prepared to represent you in Juneau and the City Manager has visual presentations for his use.

It appears to me that the Kodiak Island Borough is not in good shape to contend that they can supply services to the area due to their failure to obtain passage of non-areawide service powers. For your information, substantial financial support for the Anti Annexation Committee appears to be coming from the ownership of the Beachcombers which are probably concerned that restrictive police powers and/or hours might be a greater likelyhood if they were incorporated within the City than otherwise.

I belive an extremely fair attempt has been made to educate the public in regard to annexation and that the Mayor s Committee did an excellent job devoting many hours to the subject. The direct mail advertising recently received by residents and boxholders in Kodiak from the Borough Residents for Autonomy is comparable to the Szabo letter to the Editor and contains a number of rather naive attitudes such as "after annexation takes place, the City can levy any tax rate it wishes regardless of the wishes of the area residents". I suspect any tax increase that residents did not wish to take place would not be enacted by their representatives or if they were, Council membership would be changed at the next general election.

Mr. Bob Brooks has circulated petitions that will be forwarded to Mr. Hartig for his use indicating both the number of City residents and annexation area residents who support annexation to the City as the least costly and most efficient method to obtain the necessary services. Anything you can do to clarify points raised by the Borough residents for Autonomy will be helpful. There is no doubt in the writer's mind that the most economical and efficient way to solve some of our local problems in the annexation area is for the residents to agree with annexation. There is no great advantage to the City to incorporate the area from either a bonding or financial basis but the long-range effect can be most

beneficial to all concerned.

The Kodiak Island Borough Assembly obviously continues to belabor under the impression that their activities (i.e. service district) will fulfill the desire and needs of the majority as during their meeting of January 12, 1979 they enjoyed a packed house arranged by the citizens group known as the Citizens for Autonomy. After numerous impassioned pleas to support their efforts by sending Mayor Wallin and the Borough Attorney retained for the purpose, Joan Katz, to Juneau to lobby against annexation, the Assembly moved to support "commensurate with what support toward annexation the City proposes . . .". The effect of this, of course, is as usual, if the City taxpayer spends (through the Council) $10,000 to support annexation and the Kodiak Island Borough (through the Assembly) spends $10,000 to try to defeat for a total of $20,000, the City taxpayer has paid $18,000 of the total. Of course, the Borough and the Citizens for Autonomy contend they pay 50% of the City sales tax but what they don't mention is that this neither jibs with population figures or values on income as can be measured by tangible wealth (value of property). In other words, a City resident appears to own 80%+ of real estate, and pay 80% of Borough local taxes so there must be an inequity in values of that real estate since the monies spent by various residents are usually transformed into some tangible property, i.e. remodeling additions, various improvements and luxuries including boats, cars, trucks, etc.

Realism has little to do with problems of annexation and I suspect that those most vocal would be against any progress in their area except that they would enjoy as a gift at someone else's expense.

I could recommend under any normal situtation that the City simply let the residents do whatever they want to solve their own problem. However, you and I both know that those same residents and the KIB who are the most vociferous against annexation will be the first to critize the only logical deliverer of services to the areathe City. Further, I would fully expect the City to face increasing litigation over the sewage treatment plant and on the expanded use of the City water collection and distribution systems. I am sure after reviewing the many cost analysis factors and assuming that people need adequately planned and realistically engineered water and sewer service that must be connected to existing City services to avoid unnecessary duplication. The most economical way to accomplish the goal is through annexation to the City of Kodiak.

PILLAR MOUNTAIN LAND SLIDE:

Neither I nor most residents of the Kodiak community can become to excited about an actual hazard existing at any greater risk than that which most of the fishing fleet may face any day.

There are, however, inherent economic and social dangers connected with the USGS report that must bear concern. The USGS warning of potential hazard was precipitated by the KIB in that their consultant (Kramer, Chin and Mayo) on the Comprehensive Plan requested various State and Federal officials to review the potential hazard which resulted in the USGS warning notice. This level of warning, however is the least serious of the notices that can be issued by the USGS according to the Federal Register. Further, it (the report) has a number of interesting qualifiers. One of which is that a major slide of the type that could do maximum damage is an "extreme case". It is interesting to note, no other similar studies were conducted in the area even though similar surface situations exist along the State Highway System, (i.e. Old Woman's Mt., USCG support Center).

After issuance of the USGS report and the warning notice's distribution to numerous Federal and State agencies as required by the Federal Register, the following took place.

1. The L.A. Times Science Editor took notice or was advised and wrote a "scare story" on the mountain that was picked up as worthy copy by a number of large newspapers including the Miami Herald.

2. The KIB consultant, Kramer, Chin and Mayo, caused to be printed a summary document of the Comprehensive Plan that included numerous references to the Pillar Mt. hazard and implied that no further dock or port expansion could take place until the problem was resolved. Although this document was not supposedly to be distributed until it was approved by the Assembly, the KIB staff chose to furnish copies to the local press.

3. Numerous insurance carriers contacted their local agents to determine the validity of the report.

4. On July 1, 1978, the City's insurance carrier, Insurance Comapny of North America, excluded coverage related to Pillar Mt. on the General Liability Policy.

5. Much concern was expressed locally as to future availability of invesment monies, industrial financing, boat insurance, port expansion, bond sale costs, additional cannery expansion, new freight routes and foreign investment considering Kodiak favorably in the future due to the "hazard".

6. The KIB under took a planning study to explore the joint management of a port in conjunction with the City and Koniag, Inc.

As there appeared to be no further follow up from the KIB, the

City staff immediately contacted the State congressional delegation outlining the problem and seeking guidance and assistance.

Until late fall of 1978, little was accomplished except the passage of letters in the many State and Federal bodies all of which expressed concern but non of whom, including the USGS, offered any concrete aid.

The City staff and writer did, however, undertake the gathering of all available data on Pillar Mt. and related studies and incidents that were felt to be pertinent. These included contact with the previous Alaska Road Commission (territorial) Superintendent, Kodiak, Bureau of Public Roads representatiaves, consultant reports, dock engineering studies, Department of Transportation and Department of Highways reports, theoretical thesis on effects of predictions, reports of University of Pennsylvania, University of Colorado, Colorado State and others.

At our request, Senator Ted Stevens was instrumental in forcing the USGS to review the problem their prediction could create economically and socially and was helpful in forcing the establishment of the Geotechnical review committee which was initially established December 3, 1978.

The KIB on December, 7, 1978 helpfully passed a resolution covering the formation of the Geotechnical group and charged them with various responsibilities. After a six to eight month hiatus their concern was appreciated by the City staff but rather late and misdirected. Regardless, the Geotechnical Committee met and considered the problem on January 9, 10, 11, 1978 and as expected, the Committee was unable to furnish us with true probabilities of the extreme hazard outlined in the USGS report. Neither the USGS representatives nor other members of the Committee are willing to indicate whether there is a possibility of a major slide within any framework of probability or degree of chance. Therefore, it is probably important for the City to consider remedial action without a great deal of further study because such studies will be qualified and without resolution. Any activity to reduce the seriousness of the possibility of a slide in the area should be undertaken with such monies as may be made available.

The State monitoring system which was initiated at the request of the City through the State Geologist Office will merely give us an indication whether or not we have surface movement. I would liken the results to the United Nations--Much rhetoric, no action.

My recommendation to the Council follows:

1. That further studies are an exercise in futility and that even the most expensive study considered including all phases of work at $900,000 will not result in essential knowledge.

2. That the problem if it is to be solved will be solved by the City of Kodiak and that little or no help will be available elsewhere including the KIB. Although the Borough will insist on any study of the problem being a "planning function".

3. Continue close coordination with Senator Stevens office and staff all of whom have been extremely helpful.

   a. Senator Gravel has expressed some interest in helping and of course continue to keep Representative Young apprised of the situation.

4. With the aid of your own consultant without extensive studies determine remedial action that can be undertaken locally or in conjunction with other agencies.
   i.e. without triggering a slide, start removal of material next to RCA (try to get site surplused due to limited traffic) and dump at toe of slope, fill behind sheet piling, create both dock, van parking and buffer in case of slide, etc. as outlined to you previously. Tie into breakwater construction and allow commercial excavation within controlled engineering plan.

According to those geologists, soils mechanics, etc. we have talked to unofficially, not only do they doubt the possibility of a major ballistic type slide they are of the opinion that removal of the top and portion of the slope by terracing can reduce the center of gravity of a major slide and considerably reduce the potential hazard. There are, however, other ways that this might be accomplished as described to you by Mr. Frank Patton.

Your City staff will continue to evaluate the situation and inform you of possibilities to alleviate the hazard. The attached copy of a Kodiak Fish Wrapper editorial is as accurate, in my estimation, as anything written on the subject.

Council Ref

SWEENEY INSURANCE, INC.

P. O. BOX 1395 • KODIAK, ALASKA 99615 • PHONE 907 486-3101

DESIGNATE

TO George Magnuson
Fire Chief
Kodiak, Alaska

SUBJECT Fire Fighters — and I.S.O. Rating.

DATE February 22, 1978

In response to your call on the extension of the fire protection service to Island Lake and Monashka Bay areas, the City of Kodiak has at this time a rating of Class 5. With the present rate of new homes and businesses in the City and the amount of fire fighters that you now have, it is not going to be adequate to keep the Class 5 rating, as the ISO rating is based on population and full time fire fighters on duty. The City could be changed from a Class 5 to a Class 7. The cost to homeowners and businesses with the increase in rates could be as high as 24%.

You also asked about lowering the Class for Island Lake and Monashka Bay area. ISO has to approve any Class change. As you know, they would have a minimum of a 6" water line with fire hydrants. Even with an independent fire district, this would not solve anything, as you would still need the fire hydrants along the roads.

In talking to the ISO agent, you are getting close to having the inability with the present full time fire fighters to match the growth of the City of Kodiak. In response to table #5, the ISO rating is in disagreement, as you would need additional fire fighters.

REPLY

DATE

BY

SIGNED

Leo Bourbeau, Agent

CITY OF KODIAK

RESOLUTION NO. 5-79

A RESOLUTION EXPRESSING THE INTENT OF THE COUNCIL OF THE CITY OF KODIAK WITH REGARD TO TREATMENT OF ISSUES OF CONCERN TO RESIDENTS OF THE PROPOSED ANNEXATION AREA.

WHEREAS, the Boundary Commission for the State of Alaska has determined to recommend to the legislature that areas generally referred to as Mill Bay and Spruce Cape be annexed to the City of Kodiak; and

WHEREAS, a Committee of citizens concerned with the annexation has held meetings, gathered information and made recommendations to the Council of the City of Kodiak; and

WHEREAS, the Council has determined to accept recommendations from the Committee and desires to adopt these recommendations by Resolution for implementation by ordinance following legislative action on the annexation.

NOW, THEREFORE BE IS RESOLVED by the Council of the City of Kodiak, Alaska, as follows:

Section 1. During such time as full services are not available, differential taxation shall be established and utilized in the area proposed for annexation, pursuant to the tax zone map attached hereto and incorporated by reference, and taxes within those zones shall be based on the following percentages of the City of Kodiak mill rate: Zone 1 - 100%; Zone 2 - 75%; Zone 3 - 35%.

Section 2. Trailers shall be permitted outside established trailer parks in the area proposed for annexation under such terms, in such locations and for such periods of time as will be established by ordinance to be developed after public hearings utilizing comments, information and recommendations received from residents of the area to be annexed.

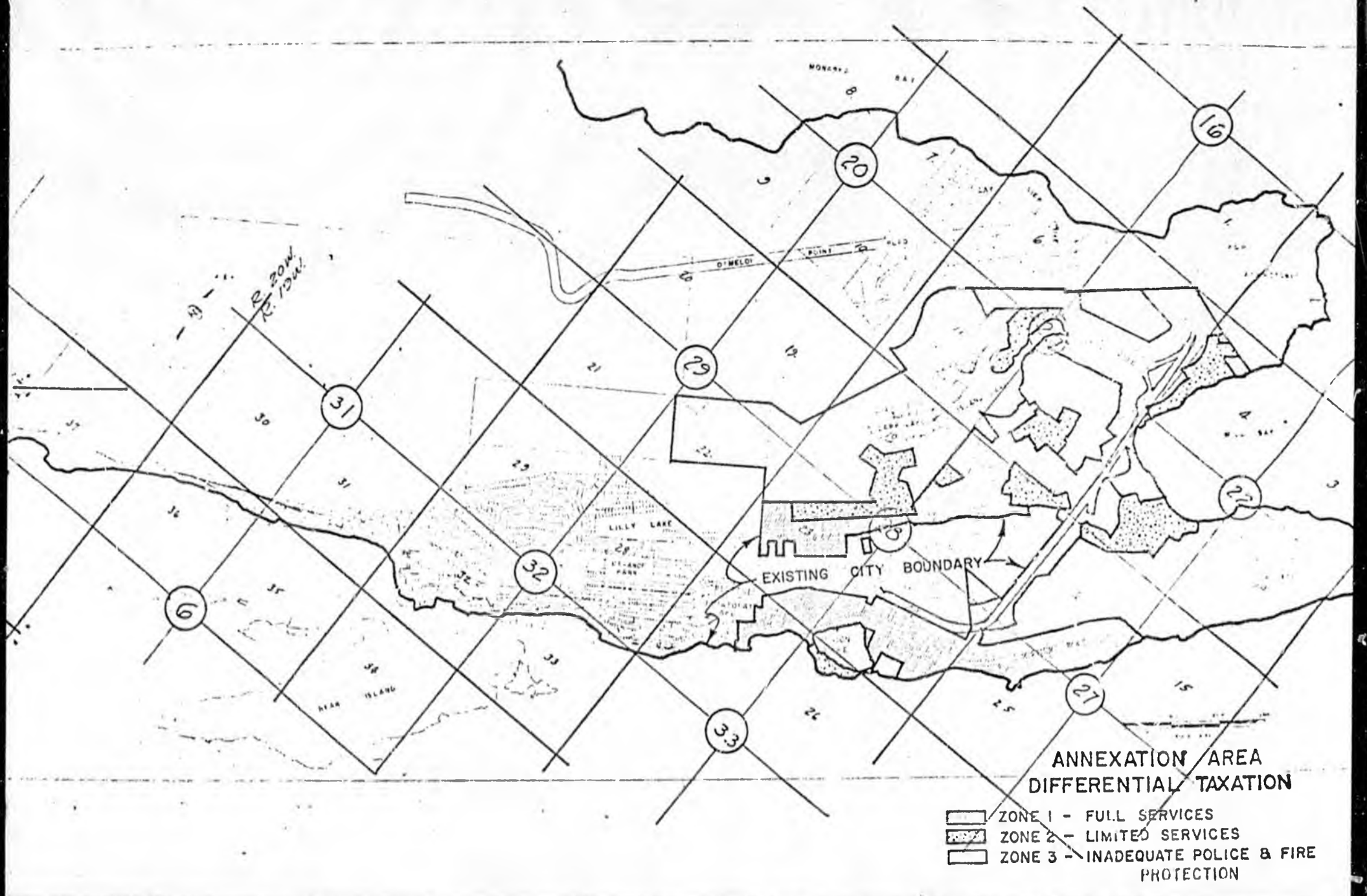
Section 3. The city staff shall continue preliminary planning and engineering efforts relating to extension of water and sewer facilities to the area to be annexed, and shall investigate the availability of grants for partial or total funding of such extensions, so that water & sewer service may be made available to the area to be annexed as expeditiously as possible.

PASSED and APPROVED this 25th day of January, 1979.

MAYOR

ATTEST:

City Clerk


EXISTING CITY BOUNDARY
ANNEXATION AREA
DIFFERENTIAL TAXATION
ZONE 1 - FULL SERVICES
ZONE 2 - LIMITED SERVICES
ZONE 3 - INADEQUATE POLICE & FIRE PROTECTION

KODIAK ISLAND BOROUGH

MEMRORANDUM:

TO: HARRY HYDE, FINANCE DIRECTOR
FROM: ED HANEY, BOROUGH ASSESSOR
DATE: DECEMBER 21, 1978

RE: ESTIMATED VALUE OF PERSONAL PROPERTY

THE ESTIMATED VALUE OF PERSONAL PROPERTY IN THE FIRE DISTRICT (TCA 8) THAT PORTION PROPOSED BY THE BOUNDARY COMMISSION TO BE ANNEXED INTO THE CITY OF KODIAK WILL TOTAL APPROXIMATELY 3,591,630.00 ±. THE 1978 MILL RATE OF 7.00 MILLS WOULD BE APPROXIMATELY $25,141.00 TAX DOLLARS.

MEMORANDUM

TO: Clair W. Harmony, City Manager

FROM: Morris L. Lee, Building Inspector

SUBJ: Borough Building Permits in the Proposed Annexation Area

DATE: December 26, 1978

The building permits issued in the subject area for the past five years are as follows:

YEAR	TOTAL VALUATION	TOTAL FEES
1974	$ 73,900.00	$ 337.00
1975	$102,400.00	$ 481.00
1976	$173,650.00	$ 818.00
1977	$866,968.00	$3,288.00
1978	$509,400.00	$1,804.00

The year 1978 was January through June only. The City relinquished the Borough Building Permit Program as of July 1, 1978.

MLL/lkg

TO: Arliss Sturgulewski
Bob Mulcahy
Terry Stimson
Tim Kelly
Pat Rodey
Bill Parker
Pat Corney
Charles Pass
Fred Zharoff
Patric O'Connell
Margaret Branson
Ray Metcalfe

FROM: Clair Harmony, City Manager

SUBJECT: Economic Analysis of Annexation vs Service District

The following analysis attempts to deal with existing costs and minimum costs that might exist. It is an attempt to evaluate, with qualifications, costs that could reasonably be expected.

ANNUAL SERVICE DISTRICT COSTS	SERVICES	ANNUAL CITY/ANNEXATION COSTS
$300	Sewer Rates	$180
$165	Water Rates	$120
$619	Fire Insurance	$306
$115	Fire Dist. Rates	-0-
$350	Borough Tax Rate	$350
-0-	City Tax Rate	$455
$1,549	(All Services)	$1,411

Plus Personal Property Tax (Real Total)

Minus Personal Property Tax (Real Total)

SEWER RATES -The current monthly sewer rate is $15 both within and those few areas served outside the City boundaries; however, a recent analysis by the Public Works Department has indicated that a self-supporting enterprise sewer rate should be upwards of $25 per month. Rather than increasing this cost to the citizens of Kodiak, the City Council transferred $104,000 from the general fund into the sewer enterprise fund. However, should the City contract for services with a service district, it would be reasonable to assume that a fair and self-supporting rate be established in that contract. The rate would be in excess of $22 per month and more probably as much as $25. This explains the higher annual figure for service districts.

WATER RATES--Current water rates in the City are $120 annually. Rates outsdie the City are $165 annually. The increased rate is a standard procedure in many cities to allow for administrative services, real overhead and initial capital investment.

FIRE INSURANCE RATES--Within the City of Kodiak, a $50,000 home would be charged $306 for fire insurance. However, most of the proposed annexation area has a fire insurance rating of 9 in comparison to the City's which is 5; therefore, the proposed annexation area residents would pay $619. The critical factor here is that the City can provide fire hydrants and water mains at an accelerated rate effecientiy and effectively because of its expertise and experience, fire services policies and goals, than can single-purpose oriented service distircts.

FIRE DISTRICT RATES--Borough residents in the annexation area currently are levied a 2.3 fire district mill rate. If annexation occurs, the residents would not have to pay this mill rate.

BOROUGH TAX RATE--The Borough mill rate of 7.0 would remain whether annexation occurred or not.

CITY TAX RATE--If annexation occurred, the current mill rate of 9.1 would be levied, thus, a $50,000 property would equal $455 annually. Of course, with the City mill rate all City services would be provided.

SUB-TOTALS--Annexation for most of the residents and area would cost $138 less than if annexation did not occur and the Borough were to provide services through a service district.

REAL TOTALS--Since the City pays the personal property tax for its residents to the Borough, there would be a further reduction for City residents and, of course, a further increase for Borough residents.

PRESENTATION MADE BEFORE THE ANNEXATION COMMITTEE
December 12, 1978
By City Manager Clair Harmony

I. Should annexation become a reality this January, we at City Hall have tried to set up a preliminary plan:
1. What will take place
2. What the 2,000 residents of the new area might expect in the way of effective delivery of services and of course, what their concerns are now.

We are here tonight to present our best estimates as to costs, taxes, location of services and to offer some options.

We are not in an advocate role, but are simply trying to do some preplanning for an action, which at this point in time, has been initiated and recommended by the Local Boundary Commission and will be going before the State Legislature in January.

The existence of the Annexation Committee and this public hearing before that body are sincere efforts to encourage expressions of public concern and input. Hopefully the committee will formulate a policy statement that can be adopted by the Kodiak City Council, which will provide for the following:
1. Early and special representation.
2. Reasonable differential property taxing zones.
3. Efficient priorities on road improvements.
4. Quality Police and Fire services.
5. Good delivery of water and sewer services.
6. Ultimate expansion of Parks/Recreation and Library services.
7. Modifications that might be invisioned by the community at large, the public here tonight and the committee through its deliberations.

1. As to early representation:
   a. Voting franchise rights would become effective immediately.
   b. In addition, a special representative would be elected from the new area, to serve in an advisory capacity with the City Council for three (3) years.

2. The differential taxation zones would attempt to provide some equity based on the delivery of services like roads, police and fire. As long as the City cannot get a fire truck into a home because of poor access routes, there should be less of a tax burden on that homeowner, and so on.

   Basically the difference between Fire Zones 1, 2 and 3 are that zone 1 would receive 100% delivery of City services, therefore the full mill rate (9.10). Zone 2 would have no effective delivery of fire service and are those areas where the roads are not maintainable, thus 75% mill rate.

   Zone 3 would pay a 50% mill rate and would have poor delivery of police, fire and road improvements. All zones would be changed over the next several years as these services are upgraded.

3. Improvements to roads would progress at a reasonable rate, funded by increased shares in State Revenue Sharing, highway funding and hopefully the committment by the State Legislature to fund greater levels of capital improvements. This could excellerate quality delivery of services to the annexation area.

4. Police and fire services can be expanded from revenue sharing funds, together with the slow phasing out of the State Troopers.

5. Water and sewer services which are funded through assessment districts, State and Federal grants could proceed in higher density areas, and be in as early as 1980 in those areas shown on the map here tonight.

6. Parks/Recreation and Library services would expand on a somewhat slower basis, I would guess, and generally would be funded by general assessments and grants.

II. Briefly, advantages of annexation would include:
1. relief to the poluted conditions of Island Lake.
2. Better fire and rescue.
3. Quality delivery of water at a lesser user rate.
4. Exemption of personal property taxes.
5. Reduction in fire insurance rates.
6. An equal voting status with your neighbors inside the present City boundaries.
7. Plus other factors which will insure for the general health and welfare of the whole area.

III. Conclusion

In conclusion, we are here tonight to answer questions about annexation, which may or may not take place. It is sort of out of our hands. We have tried to research the various possibilities without spending an exorbitant amount of time and City dollars. What is really needed are the expressions on your concerns which can help the City Council provide reasonable alternatives and effective delivery of service should annexation become a reality.

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK)
)
Plaintiff,)
)
vs)
)
KODIAK ISLAND BOROUGH and)
BETTY WALLIN, Mayor of)
Kodiak Island Borough,)
)
Defendants.)

No. 3KO-78-120 Civ.

AFFIDAVIT OF RICHARD H. SIMS IN SUPPORT
OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

1. I have been a resident of Kodiak for the past thirteen years.

2. I served on the City Council for the City of Kodiak from the fall of 1969 to the fall of 1972. I served on the Kodiak Island Borough Assembly from the fall of 1970 to the fall of 1972.

3. I have read the affidavits' of Stuart O. Denslow, Ed Naughton and Betty Wallin submitted in support of the Borough's opposition to the City's motion for summary judgment. I have read the Borough's counterclaim and affirmative defenses to the City's complaint.

4. Contray to what is stated in the affidavits, the Borough has not continuously engaged in trying to secure water and sewer service to the residents outside the City. The Borough did not have sewer or water powers and the attitude of the Borough Assembly was to let the City solve the problem of water and sewers and would refer individual applicants for water and sewer to the City.

5. Contrary to what is stated in the affidavits, the Borough Assembly was well aware of the fact that the City would require, when feasible, that individuals residing outside the City and who wanted to hook up to water or sewer to annex to the City.

6. On November 12, 1970, the Borough Chairman, Wilton White came before the City Council with a step annexation proposal that would provide for the annexation of the Spruce Cape Road area and the Mill Bay side of Island Lake. These areas were consistant with the areas that EPA was trying to force into the sewage collection system. EPA had consistantly tried to force a massive sewage project on to the Kodiak Island urban and commercial area. In revising the Comprehensive Plan, in developing the Regional Water Quality Management Plan and in the proposals of the engineering firm of Tryck, Nyman and Hayes, it was both the City's and the Borough's intent to limit the sewage systems proposed in those plans to the areas that the Borough proposed be annexed to the City.

7. The Borough did not have the financial means to pay for any sewer costs, the areas of Spruce Cape and Island Lake could not stand the assessments that would be levied to pay for extensions and it was clearly understood that the areas would go onto the sewer and water systems when the population grew enough to support assessment districts and could be annexed to the City.

8. To assert that the City has secretly harbored theories and misrepresented its position to the Borough is ridiculous. From the formation of the Kodiak Island Borough to, I believe 1974 when the Borough Assembly was reapportioned, two members of the City Council of Kodiak also served as members of the Borough Assembly. As stated before, I served both on the City Council and the Borough Assembly for two years.

9. Had there been any intent for the Borough to become involved in the business of sewer collection and water distribution, the City would have required that the Borough contribute to the costs being incurred by the City in developing the systems.

10. As for the agreements and resolutions and ordinances passed by the Borough Assembly and City Council, they were to meet the demands of EPA and the State in order that the sewer project could be built.

11. During the period I was on the Borough Assembly and the City Council, it was understood that the urban areas outside the City would be served with sewer and water when those areas annexed to the City. That was the understanding of the City government and the Borough government.

12. I was personally active as a Borough Assemblyman in trying to have step annexation of the Spruce Cape and Island Lake areas occur. It was a result of the position of the Local Boundary Commission that a larger area

than was requested and a higher level of services and taxation would be imposed that the legislative annexation attempt was rejected at the request of the City and the Borough.

13. It has never been my understanding that any agreement existed between the City and the Borough regarding the City servicing areas outside the City with sewers. See Borough Assembly minutes of June 17, 1971 and July 1, 1971 which I have attached to this affidavit.

14. In preparing this affidavit, I have reviewed both City Council and Borough Assembly minutes for the years 1970-1972.

DATED this 1st day of February, 1979.

Richard H. Sims
RICHARD H. SIMS

Subscribed and sworn to before me this 1st day of February, 1979.

Notary Public in and for Alaska
My commission expires: [illegible]

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK)
)
Plaintiff,)
)
vs.)
)
KODIAK ISLAND BOROUGH and)
BETTY WALLIN, Mayor of)
Kodiak Island Borough,)
)
Defendants.)

No. 3KO-78-120 Civ.

AFFIDAVIT OF ROLLAND JONES IN SUPPORT OF
PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

ROLLAND JONES, being first duly sworn, upon oath, deposes and says:

1. I have been a resident of Kodiak since 1964.

2. From June of 1970 to July of 1972, I was City Manager for the City of Kodiak.

3. I have reviewed an agreement dated July 2, 1970, signed by myself, between the City and the Borough. It is my recollection that the agreement simply stated that the Borough did not have sewer powers and the City did and was the only agency capable of applying for grant funds.

4. That it has been my understanding that Alaska law does not allow a service district to be formed if the services could be provided by a city and that any action taken by me as city official would have been with that premise in mind.

DATED this 1st day of February, 1979.

Rolland L Jones
ROLLAND JONES

SUBSCRIBED AND SWORN to before me this 1st day of February, 1979.

Yvonne M Bandiera
Notary Public in and for Alaska.
My commission expires: [illegible]

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK)
)
Plaintiff,)
)
vs.)
)
KODIAK ISLAND BOROUGH and)
BETTY WALLIN, Mayor of)
Kodiak Island Borough,)
)
Defendants.)

No. 3KO-78-120 Civ.

AFFIDAVIT OF CHARLES A. POWELL IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

CHARLES A. POWELL, being first duly sworn, upon oath, deposes and says:

1. I have been a resident of Kodiak since August of 1957.

2. I served on the City Council of the City of Kodiak for the fall of 1971 to the fall of 1974. I served on the Borough Assembly from the fall of 1972 to the fall of 1974 and during that period was the presiding officer of the Assembly and Deputy Mayor of the City of Kodiak. I was the first Borough Chairman for the Kodiak Island Borough, serving from 1964 to 1965. I was a member of the State Legislature in 1967-68.

3. During my service on the City Council, the Borough Assembly and as Borough Chairman there was never any doubt that the areas outside the City would be served by the City's sewer and water systems when those areas became urbanized sufficiently to be annexed to the City.

4. It has always been my understanding of municipal law in Alaska that a service area or district could not be formed next to a City, that the Constitution and State Statutes prohibited that.

5. It was understood by the City that when it came time to provide sewer services to the Spruce Cape and Island Lake areas, that they would be annexed to the City.

6. In the agreements and resolutions and ordinances concerning the City's sewer project, the only intent expressed was that the City was the only entity capable of building the sewer system and getting the grant funds and that the Borough would cooperate with the City to do that. It was assumed that when the City extended the sewer it would be to areas that were annexed to the City.

DATED this _____ day of _____, 1979.

/S/
CHARLES A. POWELL

SUBSCRIBED AND SWORN to before me this _____ day of _____, 1979.

_____
Notary Public in and for Alaska.
My commission expires:_____

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK,
Plaintiff,
vs.
KODIAK ISLAND BOROUGH and
BETTY WALLIN, Mayor of
Kodiak Island Borough,
Defendants.

No. 3KO-78-120 Civ.

AFFIDAVIT OF WILTON T. WHITE IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

WILTON T. WHITE, being first duly sworn, upon oath, deposes and says:

1. I have been a resident of Kodiak since July of 1919.

2. I was the Borough Chairman of the Kodiak Island Borough from the fall of 1965 to 1967. I was a member of the City Council of the City of Kodiak in 1968. I was the Borough Chairman of the Kodiak Island Borough again from the fall of 1969 through 1973. I was again on the City Council of the City of Kodiak in 1974 and 1975 and also sat on the Borough Assembly in 1974 and 1975. I am presently on the City Council of the City of Kodiak having been elected in the fall of 1978.

3. During my years as Borough Chairman that position was an elective office and the Chairman was the chief administrative officer of the Borough government.

4. From 1969 to at least 1975, the total staff of the Kodiak Island Borough consisted of the Borough Chairman, the Borough Clerk, one secretary, an assessor an assessor's clerk and a bookkeeper.

When the City began to apply for funding to build the sewer treatment system, the Borough government was in no position to even consider participating in the financing or construction of sewers outside the City. In 1970 or 1971, the people of the entire Borough passed a school bond issue. All of the bids for construction came in over the amount of bond monies available. Recognizing the simple facts that there was very limited financial resources and a very limited Borough staff, the efforts of the Borough government were directed at getting the schools built. During this period of time, the Kodiak Island Borough could not have created a sewer service district. It would have been impossible in terms of Borough staff and the tax base to support it. The City already had the departments, manpower, expertise and the financial capability to develop and construct the sewers and treatment system. The Borough was more than happy to let the City do it.

6. I have reviewed: an agreement dated July 2, 1970, marked as Exhibit 1 to Stuart O. Denslow's affidavit; the affidavit of Stuart O. Denslow; the affidavit of Betty Wallin; the affidavit of Ed Naughton; Kodiak Island Borough Resolution No. 73-15R; the 1971 Kodiak Metropolitan Area Interim Water Quality Management Plan and Defendant's memorandum in Opposition to Plaintiff's motion for summary judgement.

7. It is my distinct recollection that there never was any discussion with the Kodiak Island Borough government and the City of Kodiak regarding any agreement for furnishing sewer service outside the city limits of Kodiak. We all knew that there was a problem with sewage in the Island Lake and Spruce Cape area but the Borough was in no position to do anything about it. It was recognized that as the population of those areas encreased something would have to be done. We knew that the Borough did not have sewer powers and could not spend monies even if we had had funds available. The only logical solution appeared to be that as the areas outside the City became more populated that they sshould be annexed to the City.

8. The cooperation of the Kodiak Island Borough with the City of Kodiak in solving the sewer problem was to assist in having the areas in need of sewers annexed to the City. Three large scale annexations were attempted. The first two failed at the polls. The third attempt was a joint effort of the City and Borough with legislative annexation. When the recommendation of the Local Boundary Commission was made to the legislature, it was so different in terms of area and the requirements imposed for immediate services that the City and Borough jointly requested of the legislature that the annexation be disapproved.

9. There was one joint service agreement entered into between the City and the Borough during the years setforth above. That was an agreement for fire and ambulance service. I, as Borough Chairman, negotiated that agreement for the Borough with the City. If there had been any agreement between the Borough and the City regarding sewers, I would have negotiated it

also. There was no agreement.

10. In the fall of 1973, Ross Wood became Borough Chairman and I told him that now that the schools were pretty much completed that the priority facing the Borough was to try to resolve the sewage problems in the Spruce Cape and Island Lake areas. At that time, annexation appeared to be the only viable alternative and still to this day it is the only economically feasible solution.

DATED this 31st day of January, 1979.

Wilton T. White
WILTON T. WHITE

SUBSCRIBED AND SWORN to before me this 31st day of January, 1979.

Notary Public in and for Alaska
My commission expires: March 4, 1981

As you are aware, the main item on the agenda is the annexation of Mill Bay Road, from the City limits to Cut-off Road. However, there is a much bigger issue that will be discussed later on. The City's presentation tonight will be a summary of services now being provided to the residents of the City of Kodiak. I will say a few words about each service the City is currently providing and the department head who is responsible for that service will be available if you have any questions.

The City Clerk filed a petition with Community and Regional Affairs on October 19, 1977 and with the Borough on the same date. Public notice of the annexation was published on October 21, 25, 26 and 28, 1977.

In the Alaska Administrative Code, 19AAC 05.010 - 19AAC 20.010. one can find the criteria necessary for qualification for annexation.

Item 1 refers to contiquity with the City. This criteria is met as you can see by the map.

Item number three asks if the property is platted or held for sale for urban residential or commercial purposes. In this case, the land is platted and is for sale for urban residential purposes. The population does not now equal that of the City, however, it is only a matter of time until all the buildable land is utilized, either for residential or commercial purposes. Population of the territory being considered for annexation stems primarily from actual growth of the City beyond its legal boundaries. The property is valued high for prospective urban purposes.

Item number four of the regulations asks if the City can provide services more efficiently than another municipality, if the services are needed. This is certainly so since the only other municipality is the Kodiak Island Borough and with its present powers and staffing it is not in a position to offer any services similar to what the City of Kodiak is now providing its own residents. In most cases, if not all instances, the Borough would have to contract with the City or establish duplicate structures and purchase necessary equipment to provide the same services. This of course, would raise the cost for those utilizing those services. The need for additional services is there because the area is becoming increasingly urban. An ordinance passed on second reading at the last Borough Assembly meeting for service areas actually includes the property under consideration this evening. The ordinance establishing the service area excludes all territory in the City as of November 1, 1977.

Item number five discusses the future development and growth of the City and how that will be felt in the annexed area. The City is currently planning on expansion of utilities in this specific area that will be discussed a little later on.

Item number six speaks to the health or safety of City residents. In the area covered by this proposed annexation, there is a definite need for sewage facilities. The City of Kodiak is the only entity able to provide that sewage service. By annexation of this area the City would be able to alleviate the potential health problems.

Item number seven, there are many areas adjacent to the City where the City limits go back and forth across roads, etc. If a definite straightened boundary existed, the police, fire and other services would be able to serve the City residents much better. In some instances, City employees and services must cross land outside the city limits to necessarily serve residents of the City due to this boundary situation. This also causes problems serving areas inside the City because of the inability to get easements, etc. for water and sewer lines.

Number eight is one of the most important items as it asks what City services are received without tax contribution. At the present time, residents of the area outside the City are receiving limited protection from the City police department, as our officers are authorized to assist the Troopers when necessary. The parks and recreation department, boat harbor, cargo dock and municipal airfield serve everyone and the museum is an attraction to all. In addition, the ferry dock serves all residents. The City is responsible for the landfill for all the Kodiak urban area and the cemetery is also free to Borough and City residents alike. The Borough residents are also using City streets to go to and from work and shopping that are cleared of snow and paid for by the City of Kodiak taxpayers. Water and sewer is provided for the different businesses in town and those living outside the City who are working in town also benefit from that. At the present time, the Borough does pay the City for library and fire protection, however I am certain that a case could be made that whatever is contributed is not equal to the usage, i.e. major equipment expenditures in the fire department.

The present assessed valuation of personal and real property within the City of Kodiak is $127,748,101. The assessed valuation outside the City limits of Kodiak within the entire Kodiak Island Borough is $32,806,810. This is a total of $160,554,911. In percentages, the City of Kodiak has 79.57% or 80% of the assessed valuation of the Kodiak Island Borough. The Borough has 20.43% or 20%.

In terms of dollars and cents, for every dollar that the Borough collects from the taxpayers and ultimately spends, 80 cents comes from City taxpayers and 20 cents comes from Borough taxpayers outside the city limits.

The Borough does give the City $15,000 for library services. We have facts and figures that show that library usage by the Borough residents is 40% of the total, while City residents use the library 60%. If we take the 80% figure for taxes paid by residents within the city limits, $15,000 of that $12,000 comes from City taxpayers. So while the Borough keeps telling us how much they give us for library services, they are actually giving us 80% or $12,000 of City money and only $3,000 from Borough taxpayers.

It also can be said that the cargo dock, boat harbor, water and sewer departments are enterprise funds. However, a case can be made that the administrative time taken by the City Council and others is time
for by residents outside the City. It is also obvious that if it were not for the City of Kodiak taxpayers in the first place, the people outside of the City boundaries would never be able to enjoy the services they now have. It is the City of Kodiak taxpayers that make it all possible.

At this time I would like to go through the different departments of the City and explain the services that the City now provides.

PARKS AND RECREATION. Each of you has a copy of the services the City is now providing all residents, Borough and City alike, in this important function. The 1977-78 budget is $128,946 while estimated revenues for this year are $20,000. That leaves a total of $108,946 that comes out of general fund revenues which are paid for by City taxpayers. The City does receive State revenue sharing funds for parks and recreation. However, only the population of the City is allowed to be used.

I might mention that the City does utilize the Borough school facilities to provide some recreation services. We are told time and again that this is the contribution from the Borough to the parks and recreation budget. However, that does not hold much water because school facilities are here and they were paid for out of taxes paid in part by the residents of the City. Only 20% of that local support comes from the Kodiak Island Borough residents. If any of you have any questions, Ian Fulp, the City's parks and recreation director, is here to answer them for you.

PUBLIC WORKS. The next department is public works. The City now has a 12-inch water main which is extended to Lot 18 of the proposed annexation area and we are now furnishing water to Lots 1, 14, 15, 16 and 17 in the proposed area. It would be desirable to extend this main through the area and to tie into an existing 12-inch line at Cut-off Road. This would establish another loop in our system which in turn would add more volume of water to the northeast portion of the system for fire fighting purposes. This line will also provide water service to the homes in the area and fire hydrants where such protection is not now available.

The City now has a sewer main extended to the lot line of Lot 15 and has budgeted an additional amount of money to extend it to Lot 18. Should this area be annexed, it would be feasible to extend this line to Lot 23 from this direction and cover the remaining area from a sewer already installed on the northeast side.

The municipal airstrip is partially involved in this annexation. The City has interest in and owns parts of the property involved. It would be advantageous to have it inside the City as periodic maintenance on the field is performed.

Mr. Herman Boukers, the Superintendent of Public Works, is also available to answer any questions you might have.

LIBRARY The library has already been mentioned; however, I will go over that again in case there are any questions. For the first five months of a reregistration period, approximately 40% of the library borrowers were residents of the Borough while 60% were residents of the City.

These figures are for persons who come into the library regularly. The books that are sent to the villages are usually sent to the village schools and are not included in the above statistics. I have already mentioned the library budget and the contribution of the Borough. Elizabeth Carroll, our Library Director is also present tonight.

FIRE. A different situation exists in the fire department. The fire district located in the Borough is in the proposed area under discussion.

The City and Borough have an agreement whereby the City provides fire protection for areas in the Borough. This is based on the mill rate for the fire department that the residents inside the City pay for that service. The basic figures for fire calls, losses and man-hours spent on fires in the Borough is enclosed with your information. So far in 1977, the Kodiak fire department has answered 26 calls in the Borough.

The City of Kodiak also operates the ambulance service for the Kodiak urban area. Recently the Kodiak Island Borough purchased an ambulance and turned it over to the City of Kodiak for the City to operate. In other cities that I have been in, the ambulance service is operated by the hospitals. We do appreciate having an additional ambulance available to answer calls in the Kodiak urban area; however, it is important to note that with health powers, the Borough should have this responsibility. I do not want to belabor the point because of the "generosity" of the Borough in allowing the City to use its ambulance.

Getting back to fire, in the area of insurance, for a $70,000 home, the City rate at class 5 is $559. The same $70,000 home in the Borough without the adequate water and response time is $1,115 for a difference of $556. The point is that by having water and adequate fire service available, a resident taxpayer in the Borough would save approximately half the cost he is now paying for fire insurance.

It is also important to note that the City does conduct fire inspections of the residences and businesses in the annexed area.

Chief Magnusen will answer any questions you might have.

CITY ENGINEER. The City Engineer feels that the organization which operates and maintains a utility system should have the final say in how and when the system is developed. For example, in the case of the City water system, he does not believe any extension should be permitted unless it meets the following criteria: (1) The proposed extension conforms to an approved water system development plan. (2) Construction is done in accordance with City standard specifications and (3) Construction is monitored by a City inspector. In short, the City being the owner and operator of the system should control development of that system. There are only two ways in which this could be accomplished, annexation of lands prior to development or a Borough ordinance requiring all new water system to meet the above criteria. He feels it can be easily shown that annexation is the more positive method allowing all water users an equal voice in the organization which operates the system.

One example of the Borough's inability to handle their responsibility is in the area of subdivision development. At the present time, the Sarch Street sewer line is being reconstructed due in part to inadequate control of subdivision development by the Borough.

In the case of sanitary sewer facilities, there is one additional option that may be considered. That is having the Borough own and operate the waste water treatment plant and take over the responsibility of operating and maintaining the total waste water collection system. This concept is not considered practical, however, as it requires two municipal organizations to control utility systems which overlap.

In conclusion, he feels that orderly growth and development of water and sewer systems within our community is best accomplished by placing all areas served by these systems within the same municipal boundaries. Anything short of this would be a detriment to all concerned.

BOAT HARBOR. The City Council from 1965 to 1971 authorized general fund expenditures to assist the small boat harbor. These expenditures total approximately $50,000. In 1974, the City Council, in an effort to equalize taxation, placed the harbor on an enterprise system and subsequently wrote off a $50,000 deficit. From 1972 through 1975, the City expended general fund monies for capital improvements in the boat harbor which included (1) redecking work around loading dock I, (2) installing two 3,000 gallon waste oil tanks, (3) building Shelikof Street loading dock, (4) installation of electrical meters, (5) dredging sludge from drainage culverts.

The above capital improvements total approximately $53,000. Since the small boat harbor was rebuilt in 1965 to the present time, the City has expended in the neighborhood of $100,000 for the small boat harbor operations.

CARGO DOCK. The 1977/78 budget has an amount from the general fund of $149,703. This is a deficit that the City is presently incurring in the cargo terminal operation and is due to contract differences with Sea-Land. Many of the improvements at the cargo dock are paid for out of State funds. It is important to note that the City does spend general fund revenues when problems arise. George Cutrell, the Port Operations Manager is here to answer any questions you might have.

POLICE SERVICES. The Police Chief feels that the proposed annexation would benefit the citizens. When they call for emergency and routine service at the present time, it is confusing to the dispatcher whether to dispatch a police officer or State trooper. This is especially true when street addresses are nonexistent.

Due to the broken configuration of property, liability could result if a police officer mistakenly took action in an area out of the City's jurisdiction. There should be no additional cost to the City for providing this service since the police officers are utilizing Mill Bay Road at the present time to reach other areas within the City.

Probably the best document that I can present to you this evening is the petition by the registered voters of the proposed new first class city Spread Eagle. It calls for fire and road services only. These would be provided by the new city.

Duplication of road and fire services will be quite a burden on these taxpayers. If they purchase additional fire equipment, build a building and have volunteers, the fire service would not be any better than it is right now. I believe the only way to improve service would be if the new city hired fire fighters on a full time basis. This has already proven to be too costly for the existing fire district when they hired their firefighters.

Regarding the road service, it is important to note that it would probably be contracted out to a private company would be a considerable expense.

On page 5 of the brief of the petition for incorporation of Spread Eagle, there is a discussion of the aim of the proposed City which would be to maintain large lots and low density housing in order to preserve the existing forest. The manner in which this would best be accomplished would be to give the residents the power to control the development of and provide the services for the area in which they reside.

First class city incorporation will not protect lot size and density. The only way this could be accomplished would be to incorporate as a first or second class borough and have planning and zoning powers. Another city is definitely not the answer.

In conclusion, I would like to reiterate my main points.

1. The property is used for urban purposes, is platted and is an extension of the City's boundaries. The value of the land is due to the proximity to the City.

2. The City can provide services more efficiently than any other municipality.

3. Expansion of utilities is planned for the area.

4. Sewage facilities are needed to protect the health of the residents.

5. A straightened boundary of the City is definitely needed.

6. I have made the point several times regarding City services received by Borough residents without tax contribution. The most obvious problem with the Borough's thinking is they feel they are actually giving the City something. The idea is like a Federal or State grant instead of the City being part of the Borough. Just because there are two separate municipalities involved does not mean we are not the same people.

KODIAK FIRE DEPARTMENT

Office of the Fire Chief
George Magnusen

Post Office Box 1397
Kodiak, Alaska 99615
Phone 486 - 5728 – Res. 486 - 5562

December 7, 1977

Fire Calls & Losses
In the Borough

Year	Calls	Dollar Loss
1970	13	Unknown
1971	17	8,600.00
1972	20	17,800.00
1973	22	6,360.00
1974	20	33,265.10
1975	18	6,400.00
1976	22	21,600.00

This brings the total calls in the Borough in the above period to 134 calls with a dollar loss of $94,225.10. So far in 1977 the Department has answered 26 calls in the Borough and a dollar loss of $66,550.00.

Man Power & Man Hours

Year	Man power	Man Hours	Average Pre Call
1970	Unavailable		
1971	301	300.6	16.7
1972	284	445.8	15.7
1973	170	261.8	11.9
1974	244	353.5	17.6
1975	294	261.1	15.6
1976	213	278.8	12.7
1977	271	514.0	19.4

(figures for 1977 incomplete due to one more month for the year.

MEMORANDUM

TO: Dick Berg

FROM: Herman Beukers, Supt. of Public Works

SUBJ: Island Lake Roads

DATE: November 21, 1978

In accordance with your instructions, the following information is submitted:

MAINTAINABLE ROADS

Island Lake Road from Mill Bay to Lake	2,500 feet
Back Island Lake Road (Platted)	3,800 feet
Balika from Island Lake to Mill Bay Road	2,500 feet
Road from Island Lake to Mike Brechan's	750 feet
Ram Site Road	1,900 feet
2 1/5 Miles TOTAL	11,450 feet

It is estimated that the cost per mile for maintaining roads, which includes grading, drainage, snow removal and dust control will be approximately $12,000 per mile per year.

Shahafka Acres Road	1,600 feet
Melnitsa Lane	200 feet
TOTAL	1,800 feet

The above roads will be maintainable with some surfacing work and widening which can be done with City forces. The estimated cost to upgrade these two roads is $7,200. They then would be part of the maintainable system which would then consist of two and one-half miles of road.

The area is gaining access to its lots on roads that are barely trails and are not constructed in the platted right-of-ways. Eventually the proper roads will have to be constructed. Some could be built in the platted right-of-way, others, especially on the back side, would require acquisition of the right-of-way.

Because of the timber in the area and normal construction problems, it is estimated construction costs would be high, especially as we are required to follow our ordinance which states the right-of-way shall be cleared and a 30 foot gravel surface street shall be constructed. It is estimated that the cost would be $[illegible],000 per mile. This figure is based on Brechan's costs on Lake View Drive in the area with a 20% (10% a year) inflation factor.

HTB/lkg

11-21-78

TYPICAL ASSESSMENTS

WATER DISTRIBUTION SYSTEM

ESTIMATED TOTAL PROJECT COST	#1,112,460.00
LESS ADEC GRANT (50%)	556,230.00
CITY CONTRIBUTION	#556,230.00
ASSESSABLE AREA	3,000,000 s.f.

ASSESSMENT –

$\frac{\#556,230}{3,000,000 \text{ s.f.}} = \#0.185410/\text{s.f.}$

SHAHAFKA ACRES Block 1, Lot 5A 28,538 s.f.	#5,291.14
MILLER POINT 1ST ADD. Block 5, Lot 2 23,253 s.f.	#4,311.38
ISLAND LAKE SUBDIVISION Block 1, Lot 8 6765 s.f.	#1,254.30
ISLAND LAKE SUBDIVISION Block 1, Lot 5 9,000 s.f.	#1,668.69

11-21-78

TYPICAL ASSESSMENTS

WASTEWATER COLLECTION SYSTEM

I. MISSION ROAD

ESTIMATED TOTAL PROJECT COST	#343,620
LESS ADEC GRANT (50%)	171,810
CITY CONTRIBUTION	#171,810
ASSESSABLE AREA	1,147,075 s.f.

ASSESSMENT –

$\frac{\#171,810}{1,147,075 \text{ s.f.}} = \#0.149781$

U.S.S. 3100 Lot 7 18,000 s.f.	#2,696.06
U.S.S. 3100 Lot 16 24,000 s.f.	#3,594.74
U.S.S. 3101 Lot 3 25,000 s.f.	#3,819.41
U.S.S. 3101 Lot 7 13,500 s.f.	#2,022.04
U.S.S. 3101 Lot 21 A 36,000 s.f.	#5,392.11

II Island Lake - Dark Lake Area

Estimated Total Project Cost	$2,088,240
Less EPA Grant (75% of Interceptor)	536,445
Less ADEC Grant (50% of City Cost)	775,897.50
City Contribution	$775,897.50

Assessable Area 3,842,655 s.f.

Assessment —

$$\frac{\$775,897.50}{2,842,655 \text{ s.f.}} = \$0.272948$$

Shahafka Acres
Block 1, Lot 5A
~~55,~~ 28,538 s.f. — $7,789.26

Miller Point 1st Add.
Block 5, Lot 2
23,253 s.f. — $6,346.92

Island Lake Subdivision
Block 1, Lot 8
6765 s.f. — $1,846.49

Island Lake Subdivision
Block 1, Lot 5
9,000 s.f. — $2,456.53

Approved 10/20/78

STATE OF ALASKA
FFY 79
PROJECT PRIORITY LIST

Rank	Project	Score	EPA Project Number	Project Step	Target Award Date	Project Description *	Est. Eligible Cost $1,000	EPA Grant Amount $1,000	Cummulative Total $1,000	FFY 79 Cummulative Total $1,000
1	Eagle River	980	C-020061-02	3	79	STP	4,953	3,715	3,715	3,715
2	King Salmon (Bristol Bay Borough)	960	C-020081-02	2 & 3	79	INT & STP	2,762	2,072	5,787	5,787
3	Fairbanks Sludge Disposal	930	C-020083-01	1	79	Upgrade	40	30	5,817	5,817
4	Fairbanks Sludge Disposal	920	C-020088-02	2	80	Upgrade	200	150	5,967	---
5	Fairbanks Sludge Disposal	910	C-020088-03	3	80	Upgrade	2,000	1,500	7,467	---
6	Seward	884	C-020051-02	2	79	INT & STP	388	291	7,758	6,108
7	Soldotna	880	C-020076-03	3	79	STP	2,003	1,502	9,260	7,610
8	Anchorage I/I & SSES	880	C-020087-01	1	79	Rehab	1,000	750	10,010	8,360
9	Seward	874	C-020051-03	3	80	INT & STP	6,782	5,087	15,097	---
10	Ketchikan Phase II	832	C-020053-04	3	80	INT & STP	7,849	5,887	20,984	---
11	Kodiak Island Lake	830	C-020069-01	1	79	INT	40	30	21,014	8,390
12	Sitka Phase I	828	C-020052-03	3	79	STP	8,288	6,216	27,230	14,606
13	Kodiak Island Lake	820	C-020069-02	2	80	INT	325	244	27,474	---
14	Wasilla	818	C-020073-02	2	79	INT & STP	450	338	27,812	14,944
15	Nome	810	C-020062-03	3	79	STP	2,378	1,784	29,596	16,728

16	Kodiak Island Lake	810	C-020009-03	3	81	INT	4,857	3,628	33,224	---
17	Naknek (Bristol Bay Borough)	795	C-020092-02	2 & 3	80	INT & STP	2,762	2,072	35,296	---
18	Anchorage 78" W. Interceptor	790	C-020087-10	3	80	INT	8,250	6,188	41,484	---
19	Kenai	784	C-020077-02	2	79	INT & STP	180	135	41,619	16,863
20	Fairbanks Ballaine Lake	770	C-020083-02	2	79	INT	50	38	41,657	16,901
21	Fairbanks Ballaine Lake	760	C-020083-03	3	80	INT	500	380	42,037	---
22	Wasilla	758	C-020073-03	3	80	INT & STP	6,983	5,237	47,274	---
23	Homer Spit	750	C-020056-02	2 & 3	79	STP	492	369	47,643	17,270
24	Unalaska	731	C-020064-02	2	79	INT & STP	550	413	48,056	17,683
25	Sitka Phase II	730	C-020052-04	3	80	INT	6,738	5,054	53,110	---
26	Sitka Phase III	730	C-020052-05	3	81	INT	5,475	4,106	57,216	---
27	Kenai	724	C-020077-03	3	79	INT & STP	3,570	2,678	59,894	20,361
28	Unalaska	721	C-020064-03	3	80	INT & STP	8,200	6,150	66,044	---
29	Ketchikan Phase I	715	C-020053-03	3	79	INT & STP	7,231	5,423	71,467	25,784
30	Fairbanks Airport Interceptor	680	C-020084-01	1	79	INT	40	30	71,497	25,814
31	Fairbanks Airport Interceptor	670	C-020084-02	2	80	INT	700	525	72,022	---
32	Seldovia	661	C-020071-02	2	79	INT & STP	107	80	72,102	25,894
33	Fairbanks Airport Interceptor	660	C-020084-03	3	81	INT	7,420	5,565	77,667	---
34	Whittier	653	C-020080-02	2 & 3	79	INT & STP	1,850	1,388	79,055	27,282
35	Seldovia	651	C-020080-03	3	80	INT & STP	1,920	1,440	80,495	---
36	Eagle River Road Interceptor	640	C-020061-03	2	79	INT	76	57	80,552	27,339
37	Eagle River Road Interceptor	630	C-020061-06	3	79	INT	814	611	81,163	27,950

Special Supplement to the Kadiak Times and Kodiak Daily Mirror

City of Kodiak

SPECIAL REPORT

ANNEXATION

The area outlined below has been recommended for Annexation by the State of Alaska Boundary Commission. It generally encompasses the area from the existing City limits to Spruce Cape along the water — then to Abercrombie and along Lake View Drive.

ISLAND LAKE ANNEXATION HISTORY

In 1968, the first attempt at annexing Island Lake and Spruce Cape occurred. The main reason for the residents request appears to be fire protection. An election was held and the annexation question was defeated.

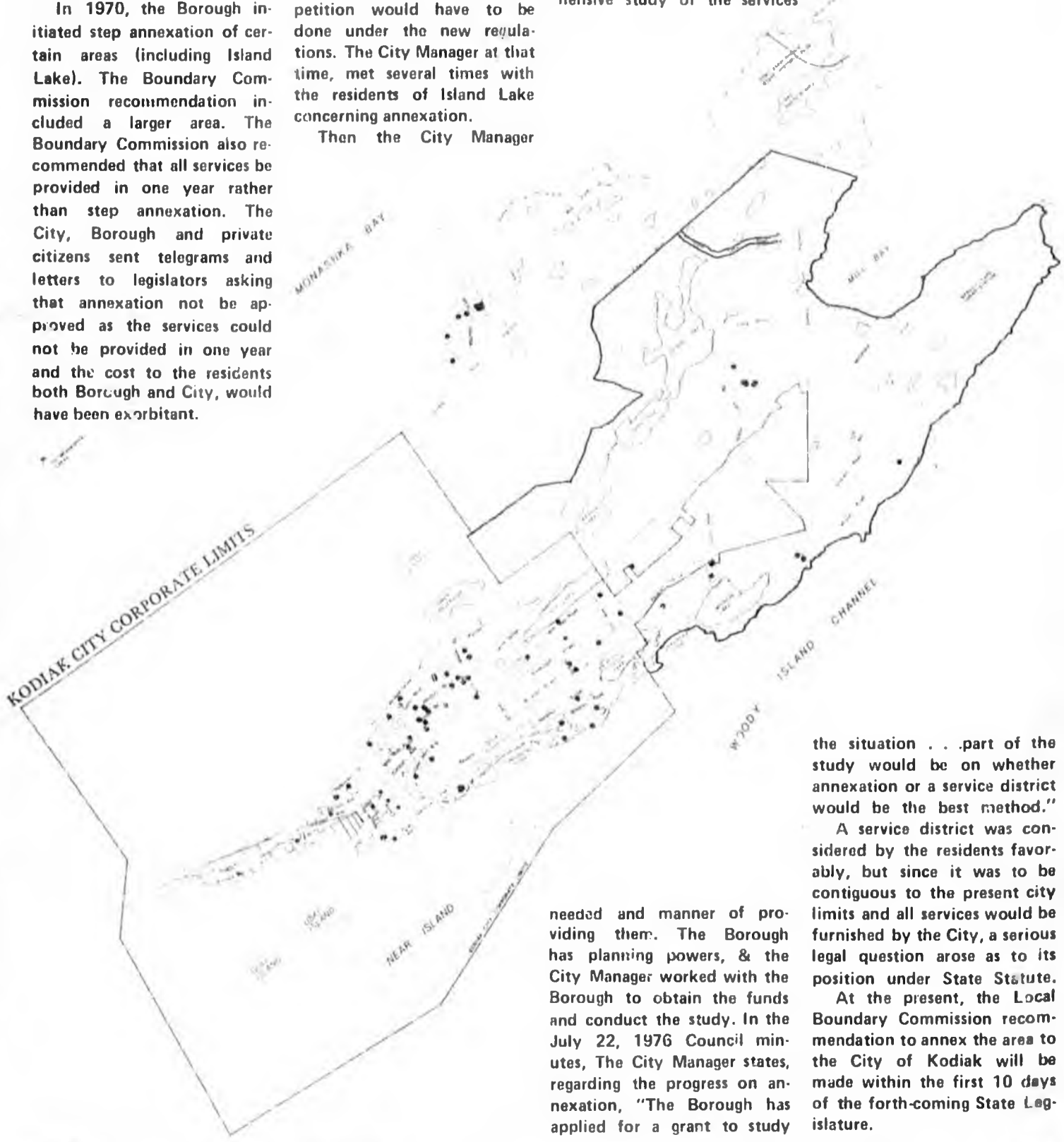
In 1970, the Borough initiated step annexation of certain areas (including Island Lake). The Boundary Commission recommendation included a larger area. The Boundary Commission also recommended that all services be provided in one year rather than step annexation. The City, Borough and private citizens sent telegrams and letters to legislators asking that annexation not be approved as the services could not be provided in one year and the cost to the residents both Borough and City, would have been exorbitant.

In 1972, petitions were received from Island Lake residents requesting annexation However, Municipal Boundary regulations were being revised by the State. After the new regulations were established, the City was told that the petition would have to be done under the new regulations. The City Manager at that time, met several times with the residents of Island Lake concerning annexation.

Then the City Manager discussed the problem with the Council and it was agreed that the City should proceed rather than asking the people to present another petition. It was then discovered that planning Grant funds would be available for a comprehensive study of the services needed and manner of providing them. The Borough has planning powers, & the City Manager worked with the Borough to obtain the funds and conduct the study. In the July 22, 1976 Council minutes, The City Manager states, regarding the progress on annexation, "The Borough has applied for a grant to study the situation . . .part of the study would be on whether annexation or a service district would be the best method."

A service district was considered by the residents favorably, but since it was to be contiguous to the present city limits and all services would be furnished by the City, a serious legal question arose as to its position under State Statute.

At the present, the Local Boundary Commission recommendation to annex the area to the City of Kodiak will be made within the first 10 days of the forth-coming State Legislature.



CITY RESIDENTS CHARGES FOR SERVICES
——BY MILL RATE——

PRESENT CITY | **ANNEXATION AREA**

	1978/79 Budget	Less;	Charges for Services Cargo			Payments From Sales Tax		%	X 9.1 Mills	X	1978/79 Real Property Assessed Valuation	
			Cargo Dock	Boat Harbor	Water/Sewer Utilities							
	$		$	$	$	$	$				$	$
Legislative & Legal	72,500						72,500	2.18	.19		17,646,115	3,353
Executive	79,660		4,672	3,983	7,966		63,039	1.90	.17			3,000
City Clerk	86,358		2,892	4,376	8,752		70,338	2.11	.19			3,353
Finance	242,799		19,604	11,541	34,708		176,946	5.32	.49			8,647
Police	873,129						873,129	26.25	2.39			42,174
Fire	351,284						351,284	10.56	.96			16,940
Public Works	771,650		31,862	4,000	359,061		376,722	11.32	1.03			18,175
Parks & Recreation	111,802						111,802	3.36	.31			5,470
Library & Museum	172,679						172,679	5.19	.47			8,294
Engineering	184,092						184,092	5.53	.50			8,823
Non-Departmental												
Borough Personal Property Tax	431,600						431,600	12.98	1.18			20,822
Captial project transfer	588,807					588,807						
Bond Payments	137,158						137,158	4.12	.38			6,705
Miscellaneous (1)	306,356						306,256	9.18	.84			14,823
Totals	$4,409,874		$59,030	$23,900	$410,487	$588,807	$3,327,650	100%	9.10	X	$17,646,115	$160,579

	$
(1) Insurance	115,000
Public utilities ,Street Lights	80,000
Council on Alcoholism	204,60
Senior Citizens of Kodiak	2,500
Miscellaneous	39,000
Contingency	44,396
	$306,356

Rates vary within Districts depending on distance of dwelling from Hydrants & Station as well as accessibility.

HOMEOWNERS FIRE INSURANCE RATING AS THE AREA IS AT THIS TIME
(example)

Town Class 5	House Valuation	Island Lake Area Class 9
$306	$50,000	$619
	WITH FIRE SUBSTATION BUT NO HYDRANT	
$306	$50,000	$536
	WITH FIRE HYDRANTS BUT NO FIRE HOUSE	
$306	$50,000	$338
	WITH STATION & HYDRANTS	
$306		$306

The area that is presently served by contract with the city pays 2.3 mills for fire service.

EXAMPLES OF MILL RATES

Borough	7.0	City	
Fire Service	2.3	All services	16.1
(Bell's Flats)	7.2		

Borough residents in the proposed annexation area now pay:

Borough	7.0
Fire Service	2.3
	9.3

Borough residents at Bell's Flats pay:

Borough	7.0
Road Service	7.2
	14.2

WHAT ABOUT PARKS/RECREATION/LIBRARY

City Recreation Program system utilized approximately / 28% Borough Residents outside the City
City Library System utilized approximately 40% Borough Residents outside the City

Expanded Library Service expected for additional Boro/City Residents as Funds allow

Suggested Park Development Priority

1. Mill Bay Ocean Park
2. Boy Scout - Island Lake
3. Russian Mill Site - Mill Bay
4. Park at Oceanside - Abercrombie (Cry of Ram) Area.

WHAT ELSE WOULD YOU

LIKE CONSIDERED ?

List of Programs

Teen Center
City League Volleyball
Badminton
Women's Exercise Program
Swimming Pool Superision & Lessons
Summer Recreation Program
Tennis Lessons & Tournaments
Softball and Baseball
Cross Country Ski Classes
Special Recreation for Handicapped
Crab Festival Games
A.A.U. Programs - Swimming

WHAT ABOUT WATER & SEWER

The City of Kodiak engineering department has been doing preliminary planning for water and sewer service to the proposed annexation area so that construction could begin as soon as possible, if annexation were approved. Previous studies have been incorporated. It is anticipated that grants will be received for 50% to 75% of the costs.

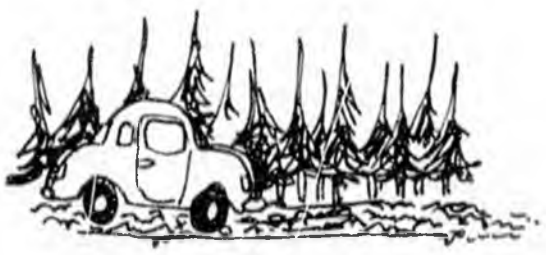
The City has to the best of its ability incorporate the previous work of the citizens and engineering firm retained by the Borough. Plans showing proposed water and sewer lines will be available at the public meeting.

One unusual concept advanced is to allow acceptable Septic Systems in low denisty hard to reach areas in order to keep cost down and to allow assessment relief for the life of the System. Detailed engineering can not be realized until annexation is a reality & appropriate Grant monies can be applied for.

WHAT ABOUT ROADS

1st Priority?

1. Unamed Road in U.S.S. 3467
2. Track A Island Lake
3. Unamed Road in U.S.S. 3219, 3103, 3464 Island Lake
4. Cliffside & Cliffside Loop
5. Seabreeze & Woodland
6. Unamed Road in U.S.S. 3099



2nd Priority? What else should be done.

Reconstruct for purpose of snow removal, road grading, fire & police coverage.

There are 2½ miles of maintainable roads in the area. Maintenance means grading, drainage, snow removal and dust control.
With a minimum of work another 2½ miles of road would be maintainable.

WHAT ABOUT POLICE

Available on maintainable road system with one year or more additional coverage of state police - dispatch available on personal, telephone, or C.B. contact. Additional policemen and vehicles will be added as necessary to cover the entire area.

DIFFERENTIAL TAXATION?

WHAT IS IT ? A method of allowing new residents a break on taxation until they receive the same type and quantity of services as other residents.

Zone No. 1

Generally that area next to Mission Road outside the present boundaries that may anjoy all City services afforded present City residents. Present Mill Rate for City purposes at 100% would apply.

Zone No. 2

Generally that area north of Mill Bay USS 2467, Shafaka Acres, Block 7 Monashka Bay subdivision that cannot receive full services. Mill Rate at 75% would apply.

Zone No. 3

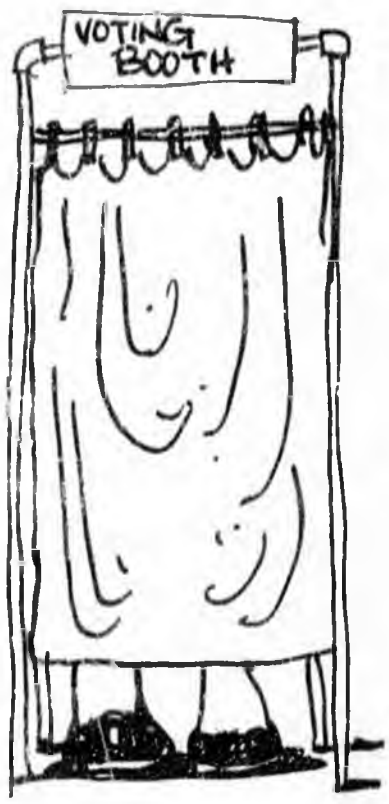
Generally that area of Woodland Acres, and back of Island Lake that the city is presently unable to reach adequately with fire & police due primarily to present road conditions. 50% of the City Mill rate.

SEE THE CITY'S MAP

EARLY & SPECIAL REPRESENTATION

Early representation is afforded by a City Charter provision which allows any resident who has lived in the newly annexed for 2 years and in Alaska for 3 years the ability to run for Mayor or Council.

Also, the City Council by special provision will ask for the election of a special representative from the annexed area to serve as an advisor with the council for 3 years. Residents of the annexed area will of course vote for all council members and mayor as their respective terms expire.



THE CITY MADE THE FOLLOWING PROMISES IN RESOLUTION NO. 24 - 78

CITY OF KODIAK

RESOLUTION NO. 24 - 78

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska as follows:

1. The City will, to the extent possible, establish and implement in the areas to be annexed, a system of differential taxation for any such areas that do not receive all services of the City supported by taxation or which receive these services at a level different from that provided in other areas of the City.

2. The City Manager is hereby directed to develop tentative plans for the provision of services to the areas proposed for annexation and to determine whether the City may be prevented by requirements for capital improvements or for other reasons from providing full services to portions of those areas for any temporary period of time. On or before October 1, 1978, the City Manager shall report to the Council and advise of the areas where provision of full services may be temporarily delayed, the level of service that will be provided and the estimated differential in cost between full services and the services to be provided.

3. The City Manager and the City Attorney shall explore existing legal requirements regarding residency requirements for voting and elective office, and the existing number of Council Members an make recommendations to the Council on or before October 1, 1978, regarding possible changes in law or policy to provide residents of newly annexed areas with representation within the City comparable to that currently available to City residents, and any recommendations regarding required changes in ordinances to implement that objective.

4. The City shall engage in an information program regarding the proposed annexation with the objective of making the public and the legislature aware of the need for and benefits of annexation, and shall employ the services of a qualified person, to the extent determined advisable, to actively support approval of the annexation by the Alaska legislature.

PASSED AND APPROVED this 24th day of August, 1978.

LET THE CITY KNOW WHAT OTHER WRITTEN PROMISES YOU WANT:

GOT A QUESTION?

Annexation Committee:	Phone Number
Bob Waage	486 - 4493
Emil Norton	486 - 5178
Marion Johnson	486 - 5171
Bob Brooks	486 - 5815
Nick Szabo	486 - 3853
Pete Resoff	486 - 4463
City Manager - Clair Harmony	486 - 3224

PUBLIC MEETING

These Ideas are proposals and the City Needs your input.

A Public meeting with the Annexation Committee will be held on December 12,1978 at 7 p.m. in the Council Assembly Chambers.

SIO STRANDBERG: LOCAL BOUNDARY COMMISSION

1962 – LEGISLATURE RESTORE COMMISSION RECOMMENDATION TO ANNEX

AUGUST 1978:

1) CITY IS COMPLIANT

2) TERRITORY MEETS [illegible] AAC

3) " " " 45.[illegible].010

QUESTION ARE ECONOMIC, [illegible]

WELL [illegible]

CITY

[illegible] [illegible] CITY [illegible]

TAXATION [illegible]

[illegible] [illegible]

NOT STRONG [illegible], BUT WITH SERVICES GO ANNEXATION.

CITY

[illegible] WOLLIN, [illegible]

400 HOUSES [illegible]

SIX ANNEXATIONS

1) [illegible]

2) [illegible]

[illegible] KATZ

[illegible]

CITY IS WEAK ON SERVICE [illegible]

STRONG [illegible] NOT [illegible]

DEC

[illegible] [illegible]

BLAND LAKE ONLY

STATE SHOULD ACT QUICKLY

CITIZENS

– LE IRWIN [illegible]

– NORMAN [illegible]

+ [illegible] BOLEN [illegible]

– ED JACK [illegible]

– [illegible] [illegible]

– MARVIN [illegible]

– LOUIS LEE ARNOT [illegible]

–	LOUIS LINDSON	SPRUCE CAPE
–	JO HOTOU	SPRUCE CAPE
+	TOM SWEENEY	BUSINESSMAN
–	[illegible] POWELL	C of C
–	T.T JACKSON	TRIKER PARK (OUTSIDE)
–	MARINA RANDOLPH	SPRUCE CAPE
–	DEWITT FIELDS	INSIDE AND OUTSIDE
–	TOM SIMPLER	MILL BAY
–	JUNE JUELSON	SPRUCE CAPE
–	DICK JUELSON	SPRUCE CAPE
+	CAROL LECHNER	CITY COUNCIL (S[illegible])
–	DAN OGG	[illegible] (MONTANA [illegible])
+	GAYNELL HATCHER	CITY COUNCIL
–	JOE [illegible]	(DIDN'T [illegible])
–	JIM [illegible]	[illegible] CAPE
–	[illegible]	SPRUCE CAPE
–	PAT SZABO	ISLAND LAKE
–	ELLEN AND BILL ROSS	ISLAND LAKE
–	PETER BAKER	ISLAND LAKE

+	PETER	RESOFF	CLIFFSIDE ROAD
−	BILL	BARRER	WOODLAND ACRES
	DICK	SIMS	CITY (FORMER COUNCILMAN & DISCHARGEMAN)
+	MORIAN	JOHNSON	
−	OKIE	CHANDLER	
+	KAY	POLAND	CITY (AND BOROUGH)
+	IAN	PULP	ISLAND LAKE
−	TOM	LOGAN	CITY
+	BOB	BROWN	SPRUCE CAPE
−	DALLAS	PAPER	SPRUCE CAPE
−		OM[illegible]	SPRUCE CAPE
−	HENRY	LE GRU	SPRUCE CAPE
−	DR. BOB	JOHNSON	
−	JIM	DUNES	SPRUCE CAPE
−	DOUG	DAWSON	ISLAND LAKE
−	JOHN	WIDEVEEN	MILLER POINT
−	DANIEL	BUSCH	CITY
−	BILL	GLAN[illegible]	CITY ([illegible])
	JOHN	PEREZ	OUTSIDE (CRESTVIEW SUBDIVISION)
+	MAYOR	GARY STEVENS	CITY
−	DUANE	FREEMAN	ISLAND LAKE
+	TOM	MEALY	CITY (+ BOND)
+	EMIL	NORTON	CLIFFSIDE
−	TONY	PEREZ	SPRUCE CAPE

Unification Vote Oct. 3, 1979

			YES		NO	
Kodiak	In City	1	95	272	137	428
		2	80		143	
		3	107		148	
Total Votes Cast			486		1003	

H C/RA 79-80

DOCUMENTS/ Basic

1. Map
2. Local Boundary Commission Recommendations re Annexation
3. HJR 10
4. SJR 12
5. 19 AAC 05.010 re Annexation Standards
6. Testimony of Jack Chenoweth to House C&RA Committee re role of State in review of Annexations
7. Memo from Jack Chenoweth re courses of action open to Legislature
8. Kramer, Chin, Mayo Kodiak Island Borough Comp. Plan

KODIAK BOROUGH/Documents

A. Statement of the Position of the Commanding Officer, U.S. Coast Guard Support Center, Kodiak, with respect to the Proposed Annexation of the U.S. Coast Guard Support Center, Kodiak
B. Respondent's Brief in Matter of Annexation of Certain Property along the Mill Bay Road (Dec. 9, 1977)
C. Respondent's Brief re Proposed Annexation of Certain Lands in Kodiak Urban Areas to the City of Kodiak (May 19, 1978) with summary statement.
D. Kodiak Island Borough Economic Analysis, by G. Hoyden Green Ph.D., and P.J. Hill, Ph.D.
E. Memorandum, May 19, 1978, to Local Boundary Commission from Kodiak Island Borough re Local Boundary Commission Report Proposing Annexation of Certain Borough Lands to the City of Kodiak

CITY OF KODIAK/Documents

I Letter from Ivan Widom, City Mgr., re Kodiak Island Borough Ordinance 77-35-0, Nov. 14, 1977
II Notice of Public Hearing re annexation of Mill Bay Road Area, Dec. 12, 1977
III Letter from Ivan Widom, City Mgr., to Sigvald Strandberg, re reply to Respondent's Brief, Dec. 16, 1977
IV Kodiak Mirror Article, March 28, 1978
V Letter from City of Kodiak re general City/Borough problems, April 24,'78
VI Letter to Sheila Gallagher, Chairman, Local Boundary Commission, from Ivan Widon, City Mgr., re City services and Proposed Annexation Budget, 5/20/78

LOCAL BOUNDARY/Documents

100 AS 44.19.250.300 re Creation of Local Boundary Commission
101 Report to Local Boundary Commission on the Proposal to Annex Certain Lands to the City of Kodiak, by Dept. of C/RA, Dec. 8, 1977
102 Report to Local Boundary Commission on Proposal to Annex Certain Lands in the Kodiak Urban Areas to the City of Kodiak, by Dept. of C&RA, May 17, 1978

CHRONOLOGY OF EVENTS
RELATED TO ANNEXATION

Oct. 19, 1977	City submits petition for annexation of the Mill Bay Road area.
Dec. 12, 1977	Mill Bay Road /Cutoff Road Annexation/ Public Hearing by Local Boundary Commission in Kodiak.
	As a result of the December hearing, the Commission elected to postpone action on the City's petition.
Spring, 1978	Borough plans election on the establishment of a service area for sewer, water and roads. The area roughly covers the same area as the existing Fire District I. (Monashka Mill Bay)
	City asks for injunction claiming the election should not be held as services should be provided by annexation. Court ruled that the election be held.
April 18, 1978	Establishment of Mill Bay Monashka Service Area (water, sewer, roads) approved by voters.
May 17, 1978	Department of Community & Regional Affairs report to the Local Boundary Commission on the Proposal to Annex Certain Lands in the Kodiak Urban Areas.
May 20, 1978	Public Hearing in Kodiak held by Local Boundary Commission to consider annexation of Spruce Cape, Mill Bay, Monashka Bay and the U.S. Coast Guard Station to the City of Kodiak.
August 16, 1978	Final decisional meeting held by Local Boundary Commission.
October 3, 1978	Voters of both the City of Kodiak and of the areas outside the City of Kodiak reject unification, of the City and Borough. (005-486/428-282
January 23, 1979	Local Boundary Commission submits recommendation for annexation of the Spruce Cape and Mill Bay areas to the City of Kodiak for legislative review.

BASIC

1

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU ALASKA 99811
907-465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM January 31, 1979

SUBJECT: Annexation to the City of Kodiak

TO: Representative Bill Parker, Chairman
House Community & Regional Affairs Committee

FROM: John B. Chenoweth, Legislative Counsel

May I take this opportunity to clarify and expand on one point of discussion and inquiry concerning yesterday's testimony.

I suggested that I thought there were four courses of action open to the Legislature with respect to the Local Boundary Commission's recommendation to annex territory to the City of Kodiak. It could, of course, adopt HJR 10, setting aside the recommendation in its entirety. It could, in the alternative, take no action, allowing the annexation to become effective sometime around March 9.

The other alternatives derive from the precedent of an annexation to the City of Seward in 1964. In that year, the Legislature provided that an extensive area to the north of that city be made a part of the municipality. In the next year, 1965, the Legislature sought to provide by direct legislation for detachment of the territory. The House adopted the measure, but the Senate substituted its own resolution, asking the Local Boundary Commission to reconsider portions of the 1964 recommendation during the following interim. The Commission did respond to the Senate's request, submitting a recommendation in 1966 by which portions of the territory which was earlier annexed by Legislative act was subsequently detached. This recommendation was reviewed by the Legislature and not annulled, thus effecting a second boundary adjustment to the City of Seward.

I would see, then, the precedent of the Seward annexation as a third possible alternative, together with its converse, the adoption of HJR 10 (annulling the Kodiak City annexation) and the adoption of a separate concurrent resolution requesting the Boundary Commission to reconsider its decision. Representative Parr's observation to the effect that the Legislature cannot "guarantee" a Local Boundary Commission is entirely correct, but I do think that this approach adds a little to the Legislature's ability to assure rational and equitable results in local boundary change matters.

JBC:nem

2665-66
2745-59
2749-60

Extended Home Rule

SECTION 10. The legislature may extend home rule to other boroughs and cities.

Home Rule Powers

SECTION 11. A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

Boundaries

SECTION 12. A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

Initiat and Refer Appli

Petitu

Agreements: Transfer of Powers

SECTION 13. Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

Local Government Agency

SECTION 14. An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities; collect and publish local government information, and perform other duties prescribed by law.

Initia Elect

Special Service Districts

SECTION 15. Special service districts existing at the time a borough is organized shall be integrated with the government of the borough as provided by law.

THE PERSONS WHO APPEAR BEFORE YOU MAY BE AS BROAD, AS IMAGINATIVE, EVEN AS UNRELATED TO THE PARTICULARS OF THE SUBJECT MATTER BEFORE YOU AS IT IS POSSIBLE FOR THEM TO BE. THERE ARE NO LIMITATIONS ON WHAT YOU MAY REQUIRE: THERE IS BUT ONE THING THAT YOU MAY DO -- THE RESOLUTION OFFERED BY MR ZHAROFF IS THE VEHICLE FOR ANNULLING THE RECOMMENDED ANNEXATION IN ITS ENTIRETY; YOU CANNOT REDRAW THE LINES. (THAT IS NOT TO SAY THAT, IN THE EVENT YOU CHOOSE TO RECOMMEND ANNULMENT, YOU CANNOT ADOPT THE RESOLUTION OF MR ZHAROFF BUT, AT THE SAME TIME, REQUIRE THE COMMISSION TO RECONSIDER SPECIFIC BOUNDARY CHANGES OF THE CITY, SPECIFYING THE AREAS OF YOUR CONCERN. ALTERNATIVELY, IF THERE ARE AREAS WHICH THE BOUNDARY COMMISSION EXCLUDED FROM ANNEXATION BUT WHICH YOU BELIEVE SHOULD BE RECONSIDERED FOR INCLUSION, YOU MAY DIRECT THAT, BY RESOLUTION, TO THE ATTENTION OF THE COMMISSION.)

NOW, I DON'T KNOW WHETHER THESE MUSINGS FULFILLED THE INTENT OF THE CHAIRMAN IN EXTENDING AN INVITATION FOR ME TO SIT IN THIS CHAIR. BUT I HOPE IT CONTRIBUTES SOMETHING TO YOUR DELIBERATIONS , AND THAT IT MAKES THIS EFFORT AT LEGISLATIVE REVIEW MORE MEANINGFUL TO YOU. I DON'T ENVY YOU THE TASK.

IF THERE ARE ANY QUESTIONS WITH RESPECT TO ANY OF THESE POINTS, I WILL TRY TO RESPOND.

THANK YOU.

MENT UNIT INVOLVED IN AN ANNEXATION, TO SEE WHETHER THE CITY (AS IN THIS INSTANCE) OR BOROUCH (IF THAT WERE THE CASE) WERE CAPABLE OF PROVIDING SERVICES THROUGHOUT AN EXPANDED AREA.

NEXT, I BELIEVE THE LEGISLATURE MAY PROPERLY INQUIRE INTO THE ANTICIPATED EFFECT OF THE BOUNDARY CHANGE OF THE PEOPLE INVOLVED, PRINCIPALLY THE RESIDENTS OF THE AREA IN QUESTION, BUT ALSO THOSE WHO ALREADY RESIDE WITHIN THE UNIT OF GOVERNMENT AND WHO MAY SEE CURRENT SERVICE LEVELS DILUTED IN AN EXTENSIVE AREAWIDE EXPANSION OR, IN THE ALTERNATIVE, AN INCREASE IN THE TAX BURDEN. TAXATION IS ALWAYS THE CENTRAL FACTOR IN ANNEXATION DECISIONS, BUT IT IS ALMOST NEVER PROPERLY FOCUSSED. THE QUESTION IS NOT ONE OF TAX INCREASE THAT NORMALLY ATTENDS THE INCLUSION OF NEW TERRITORY INTO AN EXISTING TAX-LEVYING JURISDICTION, BUT RATHER, WHETHER, FIRST, LEVELS OF TAXATION CAN BE RELATED TO LEVELS OF SERVICE TO BE OFFERED AND, SECOND, WHETHER ANNEXATION, WITH ITS ATTENDANT TAX BURDEN CHANGES, WILL CONTRIBUTE TO A BETTER SHARING OF THE BURDENS AND OPPORTUNITIES FOR LOCAL GOVERNMENT THROUGHOUT A METROPOLITAN REGION, EVEN IF, AS IN THIS INSTANCE, THE METROPOLIS IS ONLY THE SIZE OF "GREATER KODIAK."

FOURTH, I WOULD SUGGEST AS A FACTOR OR ELEMENT WARRANTING LEGISLATIVE EXAMINATION IS THE RESULTANT RELATIONSHIP OF THE ANNEXATION ON CITY/BOROUGH RELATIONS. IN TWO DECADES, IT HAS BECOME RATHER CLEAR THAT THE THEORETICAL DIFFERENCES PERCEIVED BY THE FRAMERS OF THE CONSTITUTION WHICH WARRANTED A CONCLUSION ON THEIR PART THAT THERE BE TWO TYPES OF LOCAL GOVERNMENT -- THE CITY AND THE BOROUGH -- GIVE RISE TO OTHER DIFFERENCES IN PRACTICE. CITY-BOROUGH RELATIONSHIPS THROUGH THE LAST 20 YEARS CAN ONLY BE DESCRIBED AS "STORMY."

THE CASE BOOKS AND MEETINGS OF MUNICIPAL GOVERNMENTS ARE REPLETE WITH THE RESULTS OF LITIGATION, THREATS OF LITIGATION, AND REACTIONS TO LITIGATION AS CITIES AND BOROUGHS STRIVE FOR POLITICAL ACCOMODATION, IF NOT FOR POLITICAL BALANCE. IN THREE MAJOR URBAN AREAS, ANCHORAGE, JUNEAU, AND SITKA, THE PROBLEM HAS BEEN RESOLVED BY UNIFICATION. IN OTHERS, NOTABLY FAIRBANKS AND KETCHIKAN, MINOR BOUNDARY ADJUSTMENTS HAVE SERVED TO ACHIEVE THAT BALANCE. THAT SAME PROCESS MAY NOW BE UNFOLDING IN THE KODIAK ANNEXATION. THE LEGISLATURE MAY DO WELL TO CONSIDER WHETHER FULFILLMENT OF THE ANNEXATION WILL HAVE AN EFFECT ON THE RANGE OF POLITICAL, SERVICE AND OTHER RELATIONSHIPS BETWEEN THE CITY AND THE BOROUGH AND WHETHER, IN THE SHORT-RANGE AND IN THE LONG-RUN, THOSE RELATIONSHIPS WILL GROW STRONGER.

FIFTH, LASTLY, IS THE OPPORTUNITY FOR THE LEGISLATURE TO REVIEW THE DECISION OF THE LOCAL BOUNDARY COMMISSION FOR COMPLIANCE WITH PROPER ADMINISTRATIVE PROCEDURES. WAS THE HEARING PROPERLY NOTICE? WERE THOSE IN ATTENDANCE GIVEN OPPORTUNITY TO COMMENT? DID THE COMMISSION ENTER A DECISION ON THE RECORD? DID THE COMMISSION ADHERE TO ITS OWN REQUIREMENTS? PROCEDURAL COMPLIANCE IS IMPORTANT. AT LEAST ONE ANNEXATION OF THE COMMISSION HAS BEEN SET ASIDE BY THE COURTS FOR FAILURE OF THE COMMISSION TO ATTEND TO STATUTORY REQUIREMENTS. THE LEGISLATURE COULD SAVE TIME AND LITIGATION BY REFUSING AN ANNEXATION, NO MATTER HOW MERITORIOUS, IF THERE HAS BEEN A SUBSTANTIAL FAILURE TO MEET ADMINISTRATIVE REQUIREMENTS.

THE PART OF THE LOCAL BOUNDARY CHANGE PROCESS WHICH REQUIRES OR ALLOWS LEGISLATIVE REVIEW OF A BOUNDARY COMMISSION DECISION IS VERY MUCH A POLITICAL PROCESS. THE INQUIRIES YOU DIRECT TO

(3)

Introduced: 1/24/79
Referred: Community &
Regional Affairs

IN THE HOUSE BY ZHAROFF

HOUSE JOINT RESOLUTION NO. 10

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

Relating to Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, under art. X, sec. 12 of the Constitution of the State of Alaska, the Local Boundary Commission has presented to the legislature its Recommendation I of January 23, 1979, entitled "Recommendation for annexation of territory to the City of Kodiak"; and

WHEREAS recommendations of the Local Boundary Commission presented to the legislature become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by the majority of the members of each house;

BE IT RESOLVED by the Alaska State Legislature that Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak is disapproved.

4

Introduced: 1/25/79
Referred: Community &
Regional Affairs

IN THE SENATE BY MULCAHY

SENATE JOINT RESOLUTION NO. 12

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

Relating to Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, under art. X, sec. 12 of the Constitution of the State of Alaska, the Local Boundary Commission has presented to the legislature its Recommendation I of January 23, 1979, entitled "Recommendation for annexation of territory to the City of Kodiak"; and

WHEREAS recommendations of the Local Boundary Commission presented to the legislature become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by the majority of the members of each house;

BE IT RESOLVED by the Alaska State Legislature that Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak is disapproved.

TITLE 19. DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

PART 1. LOCAL BOUNDARY COMMISSION

Chapter
05. Standards for Boundary Changes
10. Procedures for Boundary Changes
15. Boundary Changes by Local Action
20. Miscellaneous Provisions

CHAPTER 05. STANDARDS FOR BOUNDARY CHANGES

Article
1. Annexation to Cities
2. Detachment from Cities
3. Dissolution of Cities
4. Merger of Cities
5. Annexation to Organized Boroughs
6. Merger of Boroughs
7. Merger of City and Borough

ARTICLE 1. ANNEXATION TO CITIES

Section
10. Annexable territory
20. Application of standards
30. Annexation of incorporated territory

19 AAC 05.010. ANNEXABLE TERRITORY. (a) Territory which is contiguous to a city may be annexed to that city if one or more of the following standards are met:

(1) all land to which the territory is contiguous is within the city's boundaries; or

(2) all land in the territory is wholly owned by the city; or

(3) the territory is urban in character. In determining whether territory is urban in character, the commission may consider, without limitation, whether the property is platted or held for sale for urban, residential or commercial purposes, whether the population density of the territory approximates that of the annexing city, whether the population of the territory stems primarily from actual growth of the city beyond its legal boundaries, and whether the property is valuable primarily by reason of its suitability for prospective urban purposes; or

(4) the territory is presently in need of a municipal service or services which the city can provide more efficiently than another municipality; or

(5) there is a likelihood that future growth and development of the city will occur within the territory and annexation of the territory will enable the city to plan for and control that development; or

(6) the health or safety of city residents is endangered by conditions existing or developing in the territory and annexation will enable the city to remove or alleviate those conditions; or

(7) the extension into the territory of city water, sewer, street, or other facilities, or of city police, fire, health or other services is necessary to enable the city to provide adequate service to city residents; and it is impossible or impractical for the city to extend such facilities or services unless the territory is within the city's boundaries; or

(8) residents of, or owners of property in, the territory receive or may be reasonably expected to receive the benefit of city services without commensurate tax contributions whether such services are rendered or received inside or outside the territory. In determining whether this standard is met, the commission will consider alternate methods available to the city for offsetting the cost of providing services to individuals or property beyond its property taxation powers; or

(9) the annexation is otherwise necessary to accomplish a valid public purpose.

(b) Territory which is not contiguous to the city may be annexed to the city if

(1) all the land in the territory is wholly owned or leased by the city or used primarily for the performance of city functions; and

(2) annexation is necessary to enable the city to achieve adequate control, protection or management of the property.

(c) Territory which does not meet the requirements of (a) of this section may nevertheless be annexed to a city if such territory lies between the city boundary and territory which could be annexed under (a) of this section but for the requirement of contiguity. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 05.020. APPLICATION OF STANDARDS. No annexation will be approved unless the annexing city demonstrates to the satisfaction of the commission that it is capable of extending and willing to extend services to the annexed area as follows:

(1) except in the case of an annexation pursuant to 19 AAC 10.190–19 AAC 10.240, full municipal services shall be extended to the annexed area immediately except where impossible for want of necessary capital facilities. Where full municipal services may not be provided immediately, the annexing city shall satisfy the commission that it will provide those services within a reasonable time;

(2) in the case of an annexation under 19 AAC 10.190–19 AAC 10.240, annexation will be approved only if the commission is satisfied that the city's plan for gradual extension of services is reasonably correlated with the gradual extension of taxation and provides for extension of full municipal services to the annexed area within the transitional period;

(3) notwithstanding (1) and (2) of this section, annexation by a city possessing authority to establish and operate differential taxation zones may be approved if the commission is satisfied that the city is willing and able to use such authority to

(A) provide the territory with such services as may be necessary; and

(B) insure that the annexed area is not subjected to unfair taxation for services not available in the annexed area;

(4) the commission may conduct public hearings or investigations subsequent to the effective date of any annexation to determine whether the extension of services or taxation, and/or utilization of differential taxation zones, is proceeding in a reasonably expeditious and equitable manner. If the commission determines that the extension of services or taxation, and/or utilization of differential taxation zones, is not progressing in a reasonably expeditious and equitable manner, it may institute detachment proceedings under 19 AAC 05.050. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 05.030. ANNEXATION OF INCORPORATED TERRITORY. (a) In the case of any annexation of territory of another incorporated city, or of an incorporated borough which is providing services to the territory that the city will provide upon annexation, the commission will determine the method by which assets, debts, and liabilities are to be distributed between the city and the municipality formerly providing services.

(b) In determining the method of transfer of service responsibility, and the distribution of debts and assets, the commission will approve any fair and equitable agreement between the municipalities affected, but will independently review any proposed agreement.

(c) Territory which is part of an incorporated city shall not be annexed to another city unless the commission determines the annexation to be in the best interests of the annexing city, the municipality from which the annexed territory is taken, and the annexed area, all considered as a whole; and unless the commission determines that the annexation will not result in a temporary or permanent loss of service to the annexed area.

(d) No separate or additional proceedings are required for detachment of territory within an incorporated city or borough which has become annexed to another city, but the detachment is effected by and at the same time as the annexation itself. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

CHAPTER 10. PROCEDURES FOR BOUNDARY CHANGES

Article

1. Annexation, Detachment, Merger, Incorporation and Dissolution
2. Step Annexation

ARTICLE 1. ANNEXATION, DETACHMENT, MERGER, INCORPORATION AND DISSOLUTION

Section

10. Petition
20. Petitioner
30. Form and contents
40. Exhibits
50. Briefs
60. Service
70. Review of petitions
80. Notice of petition
90. Call for hearing
100. Answering brief
110. Reply brief
120. Department report
130. Hearing
140. Decisional meeting
150. Non-compliance
160. Determination of procedure
170. Certification of boundary changes
180. Public meetings

19 AAC 10.010. PETITION. A request for a local government boundary change under this chapter is initiated by filing an original and six copies of a petition and supporting brief with the commissioner of the Department of Community and Regional Affairs. (Eff. 9/26/72, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.020. PETITIONER. (a) A petition may be initiated by

(1) a municipality whose boundaries are to be changed; or

(2) an organized borough in which the territory is located; or

(3) at least 10 percent of the qualified voters residing in the territory to be annexed, detached, or in the municipality to be dissolved, or in each municipality to be merged; or

(4) the Commissioner of the Department of Community and Regional Affairs.

(b) The person or entity initiating the petition shall be designated petitioner. (Eff. 9/26/72, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260

19 AAC 10.030. FORM AND CONTENTS. (a) The petition shall be addressed to the Local Boundary Commission and shall bear a caption which clearly identifies the nature of the boundary change and the municipality or municipalities whose boundaries are to be changed.

(b) The petition shall contain the following:

(1) the name, resident address and mailing address of each petitioner;

(2) the name and mailing address of the attorney or other representative designated by the petitioner(s) to receive service, notice, and all other correspondence relating to the proceedings on behalf of the petitioner(s);

(3) a legal boundary description of the territory affected by the proposed boundary change;

(4) the quantity of land contained in the territory;

(5) the assessed or estimated value of all taxable property, giving separate totals for real and personal property in the territory;

(6) the number of residents in the territory.

(7) the rate or rates at which real and personal property are taxed in the territory;

(8) the rate or rates of any sales tax levied by and/or collected in the territory.

(9) the amount and a full explanation of any outstanding bonded indebtedness for which the territory is wholly or partially responsible. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260 (a)(2)

19 AAC 10.040. EXHIBITS. There shall be appended to the petition the following exhibits:

(1) a map or maps showing

(A) the present boundaries of the territory whose boundaries are to be changed;

(B) the maps shall be sufficiently detailed to show all streets and roadways. All copies of the maps submitted as exhibits to copies of the petition shall conform in color and other distinguishing markings, to the original exhibit;

(2) also, an affidavit of the petitioner, or his representative or attorney who prepared the petition, indicating the source from which the information contained in the petition was acquired; and stating that a census or other reliable enumeration of the territory was conducted by him, or under his direct supervision, specifying the dates when the census or enumeration was begun and completed and verifying that it was taken accurately. If an official census has been made of the territory by the federal, state or municipal government within one year of the date of the petition, a copy of that census may be appended to the petition in lieu of a census affidavit;

(3) all inter-municipal agreements regarding transitional provisions of services and distribution of assets and liabilities;

(4) a certified copy of the resolution or ordinance authorizing the municipality to file the petition if the petitioner is a municipality;

(5) the affidavit of petitioner or his representative or attorney, that service of the petition has been made in compliance with sec. 60 of this chapter. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.050. BRIEFS. The petition shall be accompanied by a written brief. The brief shall fully set forth the reasons supporting the boundary change and shall demonstrate that the boundary change meets the standards prescribed in ch. 5 of this title. The commission may require such additional information as in its view will be useful for evaluation of the petition. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.060. SERVICE. (a) The petitioner shall by certified mail, serve a copy of the petition and brief, together with accompanying exhibits, upon every municipality in or adjoining the territory. Such service shall be made at the same time that the petition is filed with the Commissioner of the Department of Community and Regional Affairs.

(b) The petitioner shall arrange that the petition, exhibits and brief will be available for inspection by the general public at a designated place in or near the territory between the hours of 9:00 a.m. and 4:30 p.m. The affidavit required under sec. 40 of this chapter shall specify the exact location where the petition is available for inspection. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.070. REVIEW OF PETITIONS. The Department of Community and Regional Affairs shall review the petition and brief and determine whether they

(1) are in substantially the proper form; and

(2) contain the factual information required by these regulations.

If the department determines that the petition or brief is deficient as to form or content, it shall return the defective petition or brief for

correction or completion. If the department determines that the petition and brief are in substantial compliance with these regulations, it shall notify the petitioner that the petition and brief have been accepted. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.080. NOTICE OF PETITION. (a) Upon receipt of notice from the department that the petition and brief have been accepted, the petitioner shall cause notice of the filing of the petition to be published in a newspaper of general circulation in the territory. Such notice shall be in the form specified by the Commisioner of the Department of Community and Regional Affairs and shall include a brief explanation of the proposed boundary change, the name of the petitioner, the name of each municipality whose boundaries are to be changed, and shall indicate the place where the petition and brief may be inspected by the public as provided in sec. 60 of this chapter.

(b) The petioner shall furnish the commissioner of the Department of Community and Regional Affairs with proof of compliance with (a) of this section. Upon receipt of such proof, the commissioner shall submit the petition and brief to the commission.

(c) No petition filed with the commissioner shall be deemed to be pending before the commission until the petition and brief have been submitted to the commissioner pursuant to this section. (Eff. 9/26/62, Reg. 7, am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44 19.260(a)(2)

19 AAC 10.090. CALL FOR HEARING. The commission shall determine the time and place of the hearing which shall be held in or near the territory. At least fifteen days prior to the date of the hearing, the commissioner shall cause notice of the hearing to be given and served by certified mail upon:

(1) all municipalities specified at sec. 60 of chapter; and

(2) any person or municipality who has filed an answering brief pursuant to sec. 100 of this chapter. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.100. ANSWERING BRIEF. (a) A person residing or owning property in the territory or municipality whose boundaries are to be changed or in the governing body of any municipality may file a brief in opposition to the proposed boundary change. The original of the brief shall be filed with the commissioner together with proof that one copy was served upon petitioner or designated representative.

(b) A person or municipality filing an answering brief shall be designated a respondent.

(c) The answering brief shall indicate any factual information thought to be incorrectly or incompletely presented in the petition or petitioner's brief and shall demonstrate the manner in which the proposed boundary change fails to satisfy the standards prescribed in ch. 5 of this title. The brief shall include a discussion of the considerations set forth in sec. 50 of this chapter.

(d) The commission shall consider the respondent to have acquiesced in facts or arguments asserted in the petition and petitioner's brief which are not challenged or controverted in the respondent's brief. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.110. REPLY BRIEF. Prior to the hearing, the petitioner may file a brief in reply to any new matter raised in an answering brief. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.120. DEPARTMENT REPORT. The Department of Community and Regional Affairs shall prepare a report on the proposed boundary change. The report shall summarize the issues raised in the petition and briefs and may comment upon those issues or any other issue which the department deems to be relevant to the proposal. The report may contain recommendations to the commission. The report shall be filed with the commission prior to the date of hearing. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.130. HEARING. (a) The petitioners shall first proceed to support the petition through exhibits, testimony and such other means as bear upon the issues raised by the petition. The presentation shall proceed in substantially the following manner:

(1) the presentation shall be conducted by the petitioner or his designated representative or attorney;

(2) the presentation shall be opened with a brief discussion of the nature of the proposed boundary change and the reasons to be advanced in its support. At the conclusion of the opening statement, petitioner shall submit an outline naming the persons who will give statements in support of the petition. Outlines shall be submitted in sextuplicate and copies shall be served upon all adverse parties;

(3) petitioner shall proceed to conduct his presentation in the manner indicated in his outline. The chairman may allow petitioner to deviate from his outlined presentation.

(b) Upon completion of the petitioner's presentation each respondent shall proceed, in the manner established by the chairman and in the same manner as prescribed for the petitioner, to present his views. Respondent's presentation shall include all information and argument which respondent wishes to advance in rebuttal of petitioner's presentation.

(c) Upon completion of the respondent's presentation, petitioner shall have an opportunity to offer rebuttal.

(d) Upon completion of petitioner's rebuttal, the commission will hear the views of all or interested persons or political subdivision, not petitioner or respondent. To obtain the floor, a person must be recognized by the chairman and must state his name, address and the nature of his interest. A person purporting to speak on behalf of a municipality shall demonstrate his authority to do so. The chairman may impose reasonable limitation of the time allotted each speaker and may curtail repetitive and irrelevant statements.

(e) Members of the commission may at any time pose questions or comment on matters raised during the hearing; however, representatives of the department with consent of the chairman may pose questions or comment on matters raised during the hearing.

(f) The chairman may temporarily suspend the order of proceedings set forth in this section to allow rebuttal, counter-rebuttal, or general public comment on a particular issue or issues. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.140. DECISIONAL MEETING. (a) The commission shall consider all aspects of the written and oral testimony before it and any other relevant and reliable data available to it concerning a boundary change proposal. A majority of the total membership of the commission may decide the issue. The commission shall prepare a written statement of its decision including an explanation of the major consideration upon which it relied in reaching its decision.

(b) Any decision of the commission shall be mailed immediately to the petitioner and to all parties who have submitted a reply brief and to any other interested parties who give written notice to the Commissioner of the Department of Community and Regional Affairs that they desire a copy of the decision. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.150. NON-COMPLIANCE. Compliance with the regulations of this chapter may be waived by the commission if substantial rights of interested parties are not prejudiced by such waiver. Any deviation from the procedures set forth in this chapter is waived by the commission unless the commission or a party objects. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.160. DETERMINATION OF PROCEDURE. Where there are alternative procedures for effecting a boundary change, the commission may select the procedures which it deems most appropriate under the circumstances. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.170. CERTIFICATION OF BOUNDARY CHANGES. Within 30 days after a boundary change becomes effective, in accordance with Art. X, Sec. 12 of the Constitution, the Department of Community and Regional Affairs shall prepare a certificate of the change. The department shall transmit duplicate originals of the certificate to the organized borough in which the boundary change has taken place and/or to the municipality whose boundaries have been changed. The department shall also record a copy of the certificate in the recording district in which the boundary change has taken place. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.180. PUBLIC MEETINGS. The commission, at its discretion and prior to consideration of any petition requesting a boundary change, may require municipalities whose boundaries are proposed to be changed to conduct meetings or hearings in the area to be annexed to acquaint residents with the purposes sought to be accomplished and the benefits which are expected to be derived by residents should the boundary change be made and to solicit public opinions on the proposed annexation. The Local Boundary Commission may require that transcripts or minutes be taken of such meetings or hearings for the commission's use and may require that the municipality certify to the commission that such meetings or hearings were conducted as directed by the commission. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(1)

ARTICLE 2. STEP ANNEXATION.

Section
190. Petition
200. Local election
210. Taxes
220. Voting
230. Ordinances
240. Borough services

19 AAC 10.190. PETITION. An annexation petition submitted to the Local Boundary Commission may request that during each of not more than five full fiscal years after the annexation takes effect, the rate of taxation for city services on the annexed properties shall be at a specified percentage of the full city tax rate. The proposal shall provide an increase from fiscal year to fiscal year until the percentage equals 100 percent of the full city tax rate. The city may not tax annexed property at a rate other than the percentage authorized for that year. Provided, however, that the municipality pursuant to AS 29.53.405 may levy taxes in the annexed area at a different percentage from that authorized for the year in question, if such difference is attributed to the cost of provision in the territory of a special service not supported by the general municipal levy. (Eff. 2/28/65, Reg. 14; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 29.53.405
AS 44.19.260(a)(2)

19 AAC 10.200. LOCAL ELECTION. The Local Boundary Commission will require the governing body of the municipality to which annexation is sought to submit the proposal to the voters in the area to be annexed. The municipality shall bear all expenses of said election and shall submit to the Department of Community and Regional Affairs or Local

Boundary Commission such information and/or reports that either may require prior to, during or subsequent to the election. No such election shall be valid unless the notices pertaining to such election, the way in which the proposal is phrased on the ballot, and the timing of the election have been approved by the Commissioner of the Department of Community and Regional Affairs. (Eff. 2/28/65, Reg. 14; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.210. TAXES. The percentage of city taxes on newly annexed properties is determined as follows:

(1) city services to be provided during each year are scheduled by the petitioners or the Local Boundary Commission in consultation with city officials;

(2) the cost of each service as a percentage of the gross general fund expenditure for the fiscal year immediately preceding the annexation is computed;

(3) newly annexed residents pay a percentage of the full city property tax rate equal to the total percentage cost of all services provided. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.220. VOTING. Residents in the newly annexed territory have the same voting privileges as other city residents. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.230. ORDINANCES. City sales tax ordinances and all other city ordinances except those applicable to city services not yet provided are immediately effective in the annexed territory. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.240. BOROUGH SERVICES. The city must accept immediate responsibility for non-areawide borough services currently provided in the newly annexed territory. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

CHAPTER 15. BOUNDARY CHANGES BY LOCAL ACTION

Article
1. Annexation to Municipalities
2. Detachment from Municipalities

ARTICLE 1. ANNEXATION TO MUNICIPALITIES

Section
10. Initiation of request for boundary change
20. Form and contents of petition
30. Exhibits
40. Annexation of territory of another municipality
50. Filing of petition
60. Sufficiency
70. Review by Local Boundary Commission
80. Election
90. Notice of election
100. Conduct of election
110. Form of ballot
120. Canvassing of election
130. Effective date of annexation
140. Annexation without election
150. Annexation of municipally-owned property
160. Timeliness

19 AAC 15.010. INITIATION OF REQUEST FOR BOUNDARY CHANGE. (a) A request for an annexation under secs. 10–160 of this chapter may be initiated by a petition signed by at least ten percent of the currently registered voters residing within the territory proposed to be annexed, or by a petition of the municipality seeking annexation.

(b) The person or entity initiating the p tition shall be designated petitioner. (Eff. 4/1/73, Reg. 45)

Authority: Art. X, Sec. 12
State Constitution
AS 29.68.010(b)
AS 44.19.260(a)(2)

19 AAC 15.020. FORM AND CONTENTS OF PETITION. (a) The petition shall be addressed to the Department of Community and Regional Affairs and shall bear a caption which clearly identifies the nature of the boundary change and the municipality whose boundary is to be changed.

(b) The petition shall contain·

(1) the name, residence address, and mailing address of each peititoner;

(2) the name and mailing address of the attorney or other representative designated by the petitioner(s) to receive service, notice and all other correspondence relating to the proceedings in behalf of the petitioner(s);

(3) a legal description of the territory affected by the proposed boundary change;

(4) the estimated number of residents within the territory proposed to be annexed;

(5) the quantity of land contained within the territory proposed to be annexed;

(6) the assessed or estimated value of all real and personal property within the territory proposed to be annexed;

(7) the rate or rates at which real and personal property are taxed within the municipality to which annexation is proposed;

(8) the rate or rates of any sales or use tax levied by and/or collected within the municipality to which annexation is proposed;

(9) the amount of and a full explanation of any outstanding bonded indebtedness for which the territory proposed to be annexed is wholly or partially responsible;

(10) the population and area of the annexing municipality. (Eff. 4/1/73, Reg. 45)

Authority: Art. X, Sec. 12
State Constitution
AS 29.68.010(b)
AS 44.19.260(a)(2)

19 AAC 15.030. EXHIBITS. There shall be appended to the petition the following exhibits;

(1) a map or maps showing the boundaries of the territory proposed for annexation; and

HOUSE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

Matter of the annexation of territory to the City of Kodiak

January 29, 1979

YOU HAVE ASKED ME HERE BRIEFLY TO PROVIDE AN OVERVIEW OF THE ROLE ENVISIONED FOR THE LEGISLATURE IN ITS REVIEW OF AN ANNEXATION WHICH HAS BEEN RECOMMENDED BY THE STATE'S LOCAL BOUNDARY COMMISSION. THAT IS NOT AN EASY TASK. AND, WHILE MY REMARKS SHOULD BE UNDERSTOOD BY YOU TO BE LESS IN THE NATURE OF "RULES" THAT MUST BE FOLLOWED THAN THEY ARE "OBSERVATIONS" OR "SUGGESTIONS" THAT MAY BE CONSIDERED, I HOPE THAT THEY WILL HELP YOU TO FOCUS ON THE MERITS OF THE ARGUMENTS THAT ARE TO BE PRESENTED ON BOTH SIDES OF THE MATTER FREE OF THE EMOTIONALISM THAT IS CHARACTERISTIC OF VIRTUALLY EVERY SIGNIFICANT BOUNDARY CHANGE.

THERE IS A PURPOSE TO THIS PROCESS. IT IS A MANDATE OF THE ALASKA CONSTITUTION THAT THE ALASKA LEGISLATURE REVIEW AND CONSIDER BOUNDARY CHANGES FAVORABLY RECOMMENDED BY THE STATE'S LOCAL BOUNDARY COMMISSION. THE SOURCE OF THAT MANDATE IS ARTICLE X, SECTION 12, PART OF THE LOCAL GOVERNMENT ARTICLE OF THE STATE CONSTITUTION:

> A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective 45 days after presentation or at the end of the session, whichever

is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

THAT RESOLUTION, HOUSE JOINT RESOLUTION 10, OFFERED BY REPRESENTATIVE ZHAROFF, IS, OF COURSE, THE MECHANISM BY WHICH THE LEGISLATURE MAY EXPRESS ITS DISAPPROVAL.

OVER THE WEEKEND, I SPENT SEVERAL HOURS RESEARCHING ANY INFORMATION THAT WOULD SHED LIGHT ON WHAT WAS INTENDED BY THIS CONSTITUTIONAL PROCEDURE. I FOUND SIGNIFICANT COMMENTARY CONCERNING THE ROLE AND RESPONSIBILITY OF A PROPOSED (FROM THE PERSPECTIVE OF 1955-56) COMMISSION OR BOARD TO CONCERN ITSELF WITH DEVELOPMENT OF A LOCAL GOVERNMENT FRAMEWORK ADAPTABLE TO MEET THE NEEDS OF DIFFERENT AREAS OF THE STATE AND THE PRINCIPAL ROLE ASSIGNED TO IT OF REVIEWING AND TAKING ACTION ON CHANGES IN BOUNDARIES OF MUNICIPALITIES. TYPICAL WERE THESE COMMENTS, COMPOSED AFTER THE CONSTITUTION HAD BEEN DRAFTED BUT BEFORE THE PROCLAMATION OF STATEHOOD WHICH WOULD GIVE LIFE TO THE PROPOSED CONSTITUTION:

> The constitutional provision regarding local boundaries contained in article X, sec. 12, was written for the purpose of unfreezing municipal boundaries and making them readily adjustable to changing needs resulting from the growth and movement of population and from changes in the demands for local services. The section of the Constitution was <u>designed to overcome roadblocks which vested local interests and prejudices in small segments of natural communities often put in the way of a proper readjustment of local boundary lines.</u> . . .

FURTHER ALONG IN THE SAME DOCUMENT, THERE APPEARS THIS ADDITIONAL OBSERVATION:

> The basic assumption in this discussion of annexation is one which is implicit in the local government article of the State Constitution. The assumption is that worthwhile local home rule depends upon the thoughtful and courageous exercise of the state's responsibility for establishing and maintaining ... responsible self-government. The State cannot discharge its responsibility for local institutions by automatically ratifying the petitions or votes of any groups of local citizens that may happen to express themselves favorably or unfavorably with respect to ... annexation. To pursue such a course would result in such a conglomeration of local jurisdictions as would make a mockery of the whole concept of local self-government.

TWO POINTS, THEN, WITH REFERENCE TO THE MATERIAL QUOTED: FIRST, THE ADAPTATION OF LOCAL GOVERNMENT TO CONTINUALLY CHANGING CONDITIONS IS A CHARACTERISTIC OF ALASKA'S LOCAL GOVERNMENT SYSTEM; SECOND, THAT DECISION MUST BE TAKEN NOT BY THOSE IMMEDIATELY AFFECTED BUT BY A STATE AGENCY (THE LOCAL BOUNDARY COMMISSION) ON THE BASIS OF INDEPENDENT EVALUATION.

NOW, WHILE THERE IS A SIGNIFICANT AMOUNT OF MATERIAL ANALYZING OR COMMENTING UPON THE NECESSITY FOR AND PROPER ROLE OF A STATE BOARD TO REVIEW AND CONSIDER LOCAL BOUNDARY CHANGES, THERE IS VIRTUALLY NOTHING TO DESCRIBE THE PURPOSE OF LEGISLATIVE OVERSIGHT. THE COMMENTARY OFFERED BY THE DRAFTSMEN OF THE STATE CONSTITUTION IS UNENLIGHTENING. OTHER SOURCES, NOTABLY EFFORTS BY THE LEGIS-

LATURE AND THE COURTS TO FILL THE GAP, ARE USEFUL AS COMMENTARY, BUT OFFER NO FIRM RULES. LET ME OFFER, THEN, SOME OF MY OWN THOUGHTS.

YOU MUST UNDERSTAND, FIRST, THAT THE CITIES AND BOROUGHS OF THE STATE OF ALASKA ARE POLITICAL SUBDIVISIONS OF THE STATE -- CREATURES OF THE STATE, SOMEONE HAS CALLED THEM, AND, AS THE ELEVENTH BIENNIAL LEGISLATURE WENDS ITS WAY INTO HISTORY, AND YOU ARE CALLED UPON TO CONSIDER TESTIMONY ON ONE OR ANOTHER BILLS BEARING ON LOCAL GOVERNMENT STRUCTURE, FUNCTION, AND FINANCES, YOU WILL BETTER UNDERSTAND THE CHOICE OF THAT WORD "CREATURES." AS POLITICAL SUBDIVISIONS, THE CITIES AND BOROUGHS WHICH HAVE BEEN INCORPORATED ARE ESTABLISHED TO PERFORM PORTIONS OF THE STATE'S RESPONSIBILITIES FOR GOVERNMENT THAT THEY ARE CAPABLE OF PERFORMING. GENERALLY, THE MORE THAT CAN BE PERFORMED AT THE INSTANCE OF LOCAL OFFICIALS, WITHOUT DETAILED ATTENTION FROM STATE OFFICIALS, HOPEFULLY, THE BETTER FOR ALL CONCERNED. BUT THE STATE CANNOT ESCAPE RESPONSIBILITY FOR THE ESSENTIAL QUALITY AND COMPETENCE OF THE UNITS OF LOCAL GOVERNMENT WHICH EXIST AND OPERATE IN ACCORDANCE WITH APPLICABLE STATE STATUTES. THUS, THE LEGISLATURE'S ROLE -- FROM THE OUTSET, EVEN WITH RESPECT TO ANNEXATIONS -- IS ONE OF OVERSIGHT.

LOCAL GOVERNMENT INVOLVES THE DISCHARGE OF LEGAL RESPONSIBILITIES, BOTH THOSE THAT MAY BE ACCEPTED BY THE VOTERS OF THE COMMUNITY AND THOSE WHICH MAY BE IMPOSED BY THE STATE. THE LEGISLATURE SHOULD UNDERSTAND, AND I THINK IT DOES GENERALLY UNDERSTAND, THAT THE CAPACITIES AND ABILITIES OF MUNICIPALITIES TO ACCEPT AND DISCHARGE THESE RESPONSIBILITIES GREATLY VARIES. THUS, THE REVIEW PROCESS OFFERS AN OPPORTUNITY TO GAUGE THE CAPACITIES OF THE LOCAL GOVERN-

MENT UNIT INVOLVED IN AN ANNEXATION, TO SEE WHETHER THE CITY (AS IN THIS INSTANCE) OR BOROUGH (IF THAT WERE THE CASE) WERE CAPABLE OF PROVIDING SERVICES THROUGHOUT AN EXPANDED AREA.

NEXT, I BELIEVE THE LEGISLATURE MAY PROPERLY INQUIRE INTO THE ANTICIPATED EFFECT OF THE BOUNDARY CHANGE OF THE PEOPLE INVOLVED, PRINCIPALLY THE RESIDENTS OF THE AREA IN QUESTION, BUT ALSO THOSE WHO ALREADY RESIDE WITHIN THE UNIT OF GOVERNMENT AND WHO MAY SEE CURRENT SERVICE LEVELS DILUTED IN AN EXTENSIVE AREAWIDE EXPANSION OR, IN THE ALTERNATIVE, AN INCREASE IN THE TAX BURDEN. TAXATION IS ALWAYS THE CENTRAL FACTOR IN ANNEXATION DECISIONS, BUT IT IS ALMOST NEVER PROPERLY FOCUSSED. THE QUESTION IS NOT ONE OF TAX INCREASE THAT NORMALLY ATTENDS THE INCLUSION OF NEW TERRITORY INTO AN EXISTING TAX-LEVYING JURISDICTION, BUT RATHER, WHETHER, FIRST, LEVELS OF TAXATION CAN BE RELATED TO LEVELS OF SERVICE TO BE OFFERED AND, SECOND, WHETHER ANNEXATION, WITH ITS ATTENDANT TAX BURDEN CHANGES, WILL CONTRIBUTE TO A BETTER SHARING OF THE BURDENS AND OPPORTUNITIES FOR LOCAL GOVERNMENT THROUGHOUT A METROPOLITAN REGION, EVEN IF, AS IN THIS INSTANCE, THE METROPOLIS IS ONLY THE SIZE OF "GREATER KODIAK."

FOURTH, I WOULD SUGGEST AS A FACTOR OR ELEMENT WARRANTING LEGISLATIVE EXAMINATION IS THE RESULTANT RELATIONSHIP OF THE ANNEXATION ON CITY/BOROUGH RELATIONS. IN TWO DECADES, IT HAS BECOME RATHER CLEAR THAT THE THEORETICAL DIFFERENCES PERCEIVED BY THE FRAMERS OF THE CONSTITUTION WHICH WARRANTED A CONCLUSION ON THEIR PART THAT THERE BE TWO TYPES OF LOCAL GOVERNMENT -- THE CITY AND THE BOROUGH -- GIVE RISE TO OTHER DIFFERENCES IN PRACTICE. CITY-BOROUGH RELATIONSHIPS THROUGH THE LAST 20 YEARS CAN ONLY BE DESCRIBED AS "STORMY."

THE CASE BOOKS AND MEETINGS OF MUNICIPAL GOVERNMENTS ARE REPLETE WITH THE RESULTS OF LITIGATION, THREATS OF LITIGATION, AND REACTIONS TO LITIGATION AS CITIES AND BOROUGHS STRIVE FOR POLITICAL ACCOMODATION, IF NOT FOR POLITICAL BALANCE. IN THREE MAJOR URBAN AREAS, ANCHORAGE, JUNEAU, AND SITKA, THE PROBLEM HAS BEEN RESOLVED BY UNIFICATION. IN OTHERS, NOTABLY FAIRBANKS AND KETCHIKAN, MINOR BOUNDARY ADJUSTMENTS HAVE SERVED TO ACHIEVE THAT BALANCE. THAT SAME PROCESS MAY NOW BE UNFOLDING IN THE KODIAK ANNEXATION. THE LEGISLATURE MAY DO WELL TO CONSIDER WHETHER FULFILLMENT OF THE ANNEXATION WILL HAVE AN EFFECT ON THE RANGE OF POLITICAL, SERVICE AND OTHER RELATIONSHIPS BETWEEN THE CITY AND THE BOROUGH AND WHETHER, IN THE SHORT-RANGE AND IN THE LONG-RUN, THOSE RELATIONSHIPS WILL GROW STRONGER.

FIFTH, LASTLY, IS THE OPPORTUNITY FOR THE LEGISLATURE TO REVIEW THE DECISION OF THE LOCAL BOUNDARY COMMISSION FOR COMPLIANCE WITH PROPER ADMINISTRATIVE PROCEDURES. WAS THE HEARING PROPERLY NOTICE? WERE THOSE IN ATTENDANCE GIVEN OPPORTUNITY TO COMMENT? DID THE COMMISSION ENTER A DECISION ON THE RECORD? DID THE COMMISSION ADHERE TO ITS OWN REQUIREMENTS? PROCEDURAL COMPLIANCE IS IMPORTANT. AT LEAST ONE ANNEXATION OF THE COMMISSION HAS BEEN SET ASIDE BY THE COURTS FOR FAILURE OF THE COMMISSION TO ATTEND TO STATUTORY REQUIREMENTS. THE LEGISLATURE COULD SAVE TIME AND LITIGATION BY REFUSING AN ANNEXATION, NO MATTER HOW MERITORIOUS, IF THERE HAS BEEN A SUBSTANTIAL FAILURE TO MEET ADMINISTRATIVE REQUIREMENTS.

THE PART OF THE LOCAL BOUNDARY CHANGE PROCESS WHICH REQUIRES OR ALLOWS LEGISLATIVE REVIEW OF A BOUNDARY COMMISSION DECISION IS VERY MUCH A POLITICAL PROCESS. THE INQUIRIES YOU DIRECT TO

THE PERSONS WHO APPEAR BEFORE YOU MAY BE AS BROAD, AS IMAGINATIVE, EVEN AS UNRELATED TO THE PARTICULARS OF THE SUBJECT MATTER BEFORE YOU AS IT IS POSSIBLE FOR THEM TO BE. THERE ARE NO LIMITATIONS ON WHAT YOU MAY REQUIRE: THERE IS BUT ONE THING THAT YOU MAY DO -- THE RESOLUTION OFFERED BY MR ZHAROFF IS THE VEHICLE FOR ANNULLING THE RECOMMENDED ANNEXATION IN ITS ENTIRETY; YOU CANNOT REDRAW THE LINES. (THAT IS NOT TO SAY THAT, IN THE EVENT YOU CHOOSE TO RECOMMEND ANNULMENT, YOU CANNOT ADOPT THE RESOLUTION OF MR ZHAROFF BUT, AT THE SAME TIME, REQUIRE THE COMMISSION TO RECONSIDER SPECIFIC BOUNDARY CHANGES OF THE CITY, SPECIFYING THE AREAS OF YOUR CONCERN. ALTERNATIVELY, IF THERE ARE AREAS WHICH THE BOUNDARY COMMISSION EXCLUDED FROM ANNEXATION BUT WHICH YOU BELIEVE SHOULD BE RECONSIDERED FOR INCLUSION, YOU MAY DIRECT THAT, BY RESOLUTION, TO THE ATTENTION OF THE COMMISSION.)

NOW, I DON'T KNOW WHETHER THESE MUSINGS FULFILLED THE INTENT OF THE CHAIRMAN IN EXTENDING AN INVITATION FOR ME TO SIT IN THIS CHAIR. BUT I HOPE IT CONTRIBUTES SOMETHING TO YOUR DELIBERATIONS , AND THAT IT MAKES THIS EFFORT AT LEGISLATIVE REVIEW MORE MEANINGFUL TO YOU. I DON'T ENVY YOU THE TASK.

IF THERE ARE ANY QUESTIONS WITH RESPECT TO ANY OF THESE POINTS, I WILL TRY TO RESPOND.

THANK YOU.

2665 - 66
2748 - 57
2749 - 60

Extended Home Rule

SECTION 10. The legislature may extend home rule to other boroughs and cities.

Home Rule Powers

SECTION 11. A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

Boundaries

SECTION 12. A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

Agreements: Transfer of Powers

SECTION 13. Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

Local Government Agency

SECTION 14. An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities; collect and publish local government information, and perform other duties prescribed by law.

Special Service Districts

SECTION 15. Special service districts existing at the time a borough is organized shall be integrated with the government of the borough as provided by law.

1

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM January 31, 1979

SUBJECT: Annexation to the City of Kodiak

TO: Representative Bill Parker, Chairman
House Community & Regional Affairs Committee

FROM: John B. Chenoweth, Legislative Counsel

May I take this opportunity to clarify and expand on one point of discussion and inquiry concerning yesterday's testimony.

I suggested that I thought there were four courses of action open to the Legislature with respect to the Local Boundary Commission's recommendation to annex territory to the City of Kodiak. It could, of course, adopt HJR 10, setting aside the recommendation in its entirety. It could, in the alternative, take no action, allowing the annexation to become effective sometime around March 9.

The other alternatives derive from the precedent of an annexation to the City of Seward in 1964. In that year, the Legislature provided that an extensive area to the north of that city be made a part of the municipality. In the next year, 1965, the Legislature sought to provide by direct legislation for detachment of the territory. The House adopted the measure, but the Senate substituted its own resolution, asking the Local Boundary Commission to reconsider portions of the 1964 recommendation during the following interim. The Commission did respond to the Senate's request, submitting a recommendation in 1966 by which portions of the territory which was earlier annexed by Legislative act was subsequently detached. This recommendation was reviewed by the Legislature and not annulled, thus effecting a second boundary adjustment to the City of Seward.

I would see, then, the precedent of the Seward annexation as a third possible alternative, together with its converse, the adoption of HJR 10 (annulling the Kodiak City annexation) and the adoption of a separate concurrent resolution requesting the Boundary Commission to reconsider its decision. Representative Parr's observation to the effect that the Legislature cannot "guarantee" a Local Boundary Commission is entirely correct, but I do think that this approach adds a little to the Legislature's ability to assure rational and equitable results in local boundary change matters.

JBC:nem

SENATE
JOURNAL SUPPLEMENT

January 24, 1979 Wednesday No. 3

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION SUBMITTED TO THE ELEVENTH STATE LEGISLATURE FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 23, 1979

RECOMMENDATIONS

. Recommendation for annexation of territory to the City of Kodiak.

. Recommendation for correcting an error in the present corporate boundary description of the Kenai Peninsula Borough.

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF KODIAK, ALASKA

SUBMITTED TO THE ELEVENTH LEGISLATURE, FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 23, 1979

RECOMMENDATION FOR ANNEXATION OF TERRITORY

to the

City of Kodiak

WHEREAS, the petitioner, the City of Kodiak, has requested that certain property in the Mill Bay area be annexed to the city, to wit: twenty five lots contiguous to and North and East of the City of Kodiak, including residential and commercial properties; and

WHEREAS, upon receipt of the petition, the Department of Community and Regional Affairs determined that the petition was sufficient; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission held a public hearing at Kodiak, Alaska, on December 12, 1977, in the Kodiak City Council Chambers; and

WHEREAS, as a result of that public hearing, the Local Boundary Commission determined other urban lands in addition to those defined in the petition might be suitable for annexation to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held an additional public hearing at Kodiak on April 26, 1978, to consider annexation of geographical areas generally described as the Spruce Cape area, the Mill Bay area, the Monashka Bay area, and the United States Coast Guard Station to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held a public meeting in Anchorage on August 16, 1978, to review the record of proceedings on the

petition; and

WHEREAS, the City of Kodiak has stated to the Local Boundary Commission that it is financially capable of providing its full range of general fund services to the area encompassed by the Local Boundary Commission decision; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(3) in that the area is generally urban in character, as evidenced by Kodiak Island Borough population estimates, property valuations, and the relatively high level of commercial activity; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(4) in that evidence gathered at the public hearings shows that the area to be annexed is in need of municipal services which can be most efficiently provided by the City of Kodiak; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(5) in that Kodiak Island Borough planning documents indicate there is likelihood that growth and development will occur in the territory and annexation will enable the city to plan for and control that development and arrange the most efficient municipal services plan to accommodate the expected growth;

NOW, THEREFORE, the Local Boundary Commission recommends that, pursuant to Article X, Section 12, of the Alaska

stitution, and Alaska Statutes 44.19.260, the petition to annex the territory generally described as the Spruce Cape area and the Mill Bay area be approved and that the boundaries of the City of Kodiak be amended to read as follows:

Beginning at Corner 3 of U.S. Survey 3945, said point being the true point of beginning; thence,

(1) S 55°21'W, 10,868.88 feet to Corner 2 of U.S. Survey 3945; thence,

(2) S 34°34'E, 4250.40 feet to Corner 1 of U.S. Survey 3945; thence,

(3) S 5°06'E, 957.66 feet to Corner 2 of U.S. Survey 2537-B, identical with Corner 15, U.S. Survey 3945; thence,

(4) S 5°05'30"E, approximately 260.74 feet, more or less, to a point intersecting with the Northerly ROW of the Abbert Highway; thence,

(5) along the said ROW in a Westerly and then Southerly direction to a point located upon the common boundary of Public Land Orders 5566 (parcel 2) and 5550, located within U.S. Survey 1673; thence,

(6) S 45°00'E, 2000 feet; thence,

(7) Southeasterly 3,280 feet, more or less, to point "A", said point "A" lying: S 15°34'E, 1,290 feet, more or less, to the center of the channel of St. Paul Harbor from the Southwest corner of Lot 6, Block 20 of U.S. Survey 2537-B; thence,

(8) N 58°06'E, 7,470 feet to a point in the channel North of the Easterly tip of Crooked Island; thence,

(9) N 0°50'W, 1,644.7 feet to a point located in the channel between Near Island and Holiday Island; thence,

(10) N 42°22'E, 5,200 feet, to Point "B", said point "B" lying: S 42°22'W, 3,037.1 feet, more or less, from a point on an

isolated rock which bears S 31°50'E, 191.95 feet from WC 6 MC, U.S. Survey 1822, said point also lying S 32°24'E, 1,162 feet, more or less, from MC 6, U.S. Survey 2873; thence,

(11) N 32°24'W, to a point in the channel which is 1,000 feet from the mean high water line of Kodiak Channel; thence,

(12) along a line, 1000 feet seaward, from the meander line of mean high water in a Northeasterly and then Northwesterly direction to a point 1,000 feet Northerly from the most Northerly tip, at mean high water, of Spruce Cape; thence,

(13) continuing along a line, 1,000 feet seaward, from the meander line of mean high water, proceeding around Mill Bay in a Southwesterly, Northwesterly, and then Northeasterly direction, to a point which is located upon the projected extension seaward of the Northern boundary of Lot 17, Block 1, Second Addition of Miller Point Subdivision, plat approved 11/29/66, said boundary being more specifically described as a line bearing S 73°01'E from the Division of Lands Witness Corner monument located 15 feet West of the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(14) N 73°01'W, 1,000 feet to the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(15) N 73°01'W, along the Northerly boundary of Lot 17, Block 1, of said subdivision, 327.41 feet, and continuing on approximately the same bearing an additional 1728.59 feet to WC 6 of Lot 3, U.S. Survey 3462; thence,

(16) S 47°56'W, 2551.56 feet to Corner 1, Lot 3, U.S. Survey 3462, identical to the East Corner of Lot 3 of Block 6, Monashka Bay Subdivision, plat approved 9/19/67; thence,

(17) S 45°42'59"W, 295.41 feet, to the South Corner of Lot 3, Block 6 of said subdivision; thence,

(18) N 44°05'04"W, approximately 115 feet, along the Southwesterly boundary of Lot 3, Block 6 of said subdivision to a point which bears N 50°13'26"E from the South Corner of

Lot 7, Block 5, of said subdivision; thence,

(19) S 50°13'26"W, across Otmeloi Way to the South boundary of Lot 7, Block 5, of said subdivision, and continuing along the Westerly ROW of Lake View Drive, 4,433.17 feet, more or less, to the Southeast Corner of Lot 7 of Block 8 of the Monashka Bay Subdivision, plat approved 9/19/67; thence,

(20) S 79°11'50"E, 569.59 feet, to Corner 5 of U.S. Survey 3467; thence,

(21) S 23°54'W, 2500.01 feet, to Corner 4 of U.S. Survey 3467, identical with Corner 4 of U.S. Survey 3468; thence,

(22) S 85°27'W, 746.33 feet, to Corner 3 of U.S. Survey 3468, identical with Corner 7 of U.S. Survey 2538-A; thence,

(23) S 55°21'W, 1893.54 feet, to Corner 4 of U.S. Survey 3945; thence,

(24) N 34°39'W, 2811.6 feet to Corner 3 of U.S. Survey 3945, the true point of beginning.

In accordance with Article X, Section 12, of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR CORRECTING AN ERROR IN THE PRESENT CORPORATE BOUNDARY DESCRIPTION OF THE KENAI PENINSULA BOROUGH

SUBMITTED TO THE ELEVENTH LEGISLATURE, FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 23, 1979

RECOMMENDATION FOR CLARIFICATION OF SOUTHEASTERLY BOUNDARY

of the

KENAI PENINSULA BOROUGH

WHEREAS, the Local Boundary Commission has requested that the boundary description of the Kenai Peninsula Borough, dated April 30, 1974, be corrected and clarified in the southeasterly part of the boundary description, in the general area of Sargent Ice Field and the Chugach National Forest Boundary; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Soldotna on Friday, January 12, 1979, to consider whether the boundary in question should be clarified and corrected; and

WHEREAS, after giving proper notice, the Local Boundary Commission held a public meeting in Yakutat on Thursday, January 18, 1979, reviewed the original boundaries, the proposed clarification, and all testimony prior to and during the January 12, 1979, public hearing; and

WHEREAS, the Kenai Peninsula Borough is in accord with the proposed clarification;

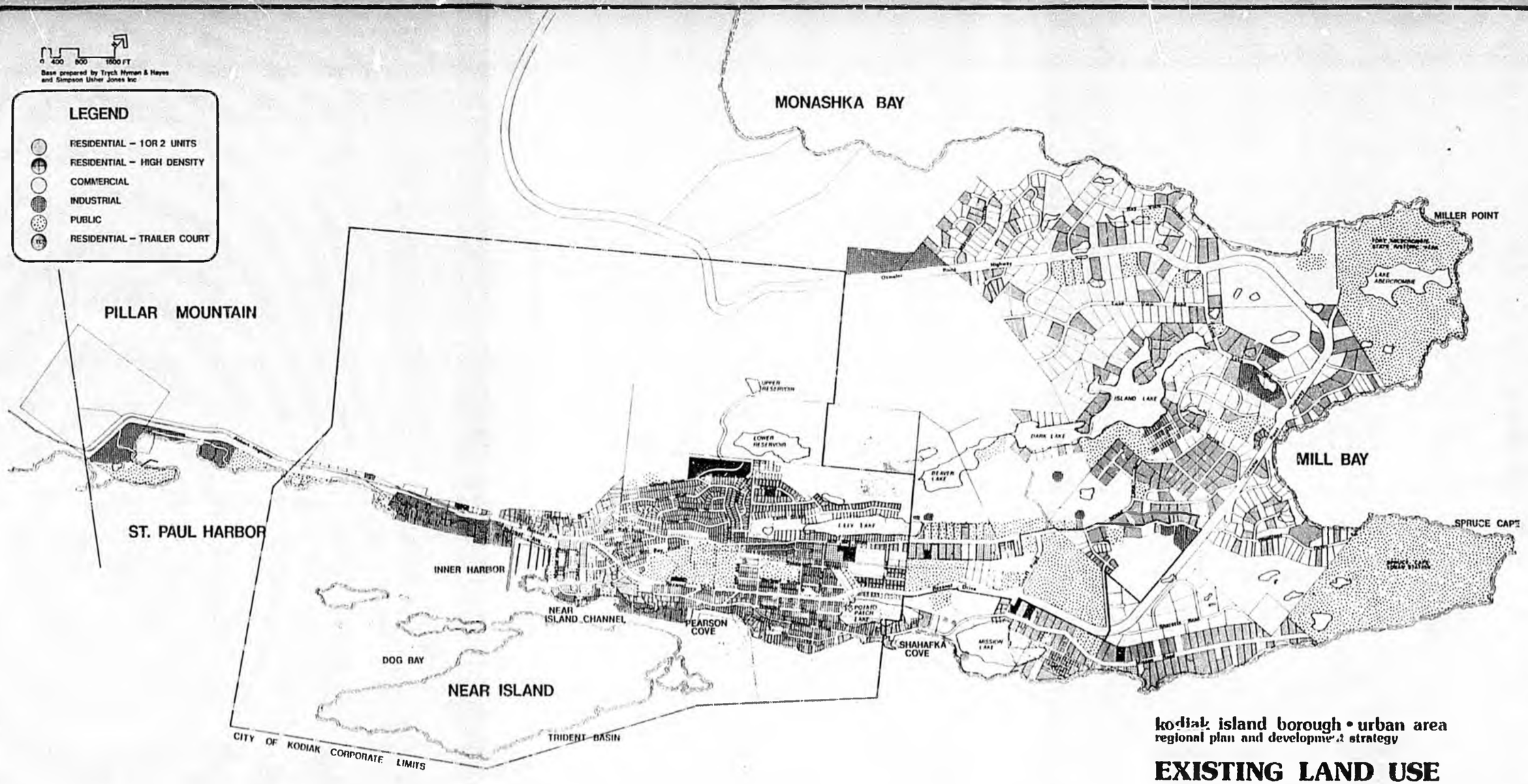
NOW, THEREFORE, the Local Boundary Commission recommends that, pursuant to Article X, Section 12, of the Alaska Constitution, and Alaska Statutes 44.19.260, the recommendation to clarify and correct the southeasterly boundary of the Kenai Peninsula Borough be approved and the following described boundary be adopted:

Beginning at Cape Douglas on the west side of Cook Inlet at the N.E. Corner of Sec. 27, T15S, R24W (projected), Seward Meridian, State of Alaska; thence West to the N.E. Corner of Sec. 29, T15S, R26W (projected); thence South to the S.E. Corner of Sec. 32, T16S, R26W (projected); thence West to the N.E. Corner of T17S, R28W (projected); thence South to the S.E. Corner of T17S, R28W (projected); thence West to the S.W. Corner of T17S, R32W (projected); thence North to the N.W. Corner of T17S, R32W (projected); thence West to the S.W. Corner of T16S, R32W (projected); thence North to the N.W. Corner of T13S, R32W (projected); thence West to the S.W. Corner of T12S, R32W (projected); thence North to the N.W. Corner of T11S, R32W (projected); thence East to the S.W. Corner of T10S, R30W (projected); thence North to the N.W. Corner of T9S, R30W (projected); thence East to the S.E. Corner of T8S, R29W (projected); thence North to the N.E. Corner of T8S, R29W (projected); thence East to the N.E. Corner of T8S, R28W (projected); thence North to the N.W. Corner of T6S, R27W (projected); thence East to the S.W. Corner of T5S, R26W (projected); thence North to the N.W. Corner of T5S, R26W (projected); thence East to the S.W. Corner of T4S, R25W (projected); thence North to the N.W. Corner of T1S, R25W (projected); thence East to the S.W. Corner of T1N, R24W (projected); thence North to the N.W. Corner of T4N, R24W (projected); thence East to the S.W. Corner of T5N, R23W (projected); thence North to the N.W. Corner of T8N, R23W (projected); thence West to the S.E. Corner of T9N, R24W (projected); thence North to the N.E. Corner of T12N, R24W (projected); thence West to the S.E. Corner of T13N, R24W (projected); thence North to the N.E. Corner of T15N, R24W (projected); thence East to the N.E. Corner of T15N, R12W (projected); thence South to the N.W. Corner of T13N, R11W (projected); thence East to the N.E. Corner of T13N, R10W (projected); thence South to the S.E. Corner of T13N, R10W (projected), said Corner being in Cook Inlet at Longitude 150°58'18"W, Latitude 61°10'00"N; thence Southeasterly to the S.E. Corner

of T12N, R9W (projected), said Corner being in Cook Inlet at Longitude 150°46'37"W, Latitude 61°04'49"N; thence Northeasterly to the N.E. Corner of T12N, R7W (projected), said Corner being in Cook Inlet at Longitude 150°26'01"W, Latitude 61°10'01"N; thence Southeasterly to the N. E. Corner of T11N, R6W (projected), said Corner being in Turnagain Arm at Longitude 150°14'40"W, Latitude 61°04'49"N; thence East to the N.E. Corner of T11N, R5W (projected), said Corner being in Turnagain Arm at Longitude 150°04'01"W, Latitude 61°04'49"N; thence Southeasterly to the N.E. Corner of Sec. 24, T10N, R2W (projected), said Corner being in Turnagain Arm at Longitude 149°32'05"W, Latitude 60°57'01"N; thence Southeasterly to the N.E. Corner of T9N, R1W (projected), said Corner being in Turnagain Arm at Longitude 149°21'26"W, Latitude 60°54'25"N; thence East to the N.E. Corner of T9N, R1E (projected), said Corner being in Turnagain Arm at Longitude 149°10'48" West, Latitude 60°54'25" North; thence Southeasterly to the N.E. Corner of Sec. 15, T9N, R2E (projected), said Corner being in Turnagain Arm at Longitude 149°03'41"W, Latitude 60°52'41"N; thence Southerly to the N.E. Corner of Sec. 26, T9N, R2E (projected), said Corner being in Turnagain Arm at Longitude 149°01'55"W, Latitude 60°50'57"N; thence South to the S.E. Corner of Section 35, T9N, R2E (projected); thence West to the N.E. Corner of Section 2, T8N, R2E (projected); thence South to the N.E. Corner of Sec. 2, T7N, R2E (projected); thence East to the N.E. Corner of T7N, R4E (projected); thence South to the S.E. Corner of T5N, R4E (projected); thence West to the N.E. Corner of T4N, R4E (projected); thence South to the N.E. Corner of Sec. 25, T4N, R4E (projected); thence East to the S.E. Corner of the S.W. 1/4 of Sec. 22, T4N, R5E (projected); thence Southerly to the S.E. Corner of the S.W. 1/4 of Sec. 34, T1N, R5E (projected); thence West to the N.E. Corner of the N.W. 1/4 of Sec. 3, T1S, R5E (projected); thence Southerly to the S.E. Corner of the N.W. 1/4 of Sec. 27, T1S, R5E (projected); thence West to the S.W. Corner of the

N.W. 1/4 of Sec. 27, T3S, R5E (projected); thence South to the N.E. Corner of Sec. 9, T3S, R5E (projected); thence Southwesterly to the S.E. Corner of Sec. 7, T3S, R5E (projected), said Corner being at or approximately at Cape Junken; thence Southwesterly to the S.E. Corner of the N.E. 1/4 of Sec. 4, T4S, R1E (projected), said Corner being at or approximately at Barwell Island; thence Southwesterly to the N.E. Corner of the S.E. 1/4 of Sec. 17, T5S, R1W (projected), said Corner being at or approximately at Pilot Rock; thence Southwesterly to the S.W. Corner of the S.E. 1/4 of Sec. 33, T7S, R2W (projected), said Corner being at or approximately at Seal Rock; thence Southwesterly to the N.W. Corner of Sec. 14, T10S, R7W (projected), said Corner being at or approximately at Pye Reef; thence Southwesterly to the S.E. Corner of the N.E. 1/4 of Sec. 23, T11S, R10W (projected), said Corner being at or approximately at Gore Point; thence Southwesterly to the S.E. Corner of the N.E. 1/4 of Sec. 27, T12S, R13W (projected), said Corner being on or approximately on the Southerly point of East Chugach Island; thence Southwesterly to the S.E. Corner of Sec. 31, T12S, R14W (projected), said Corner being at or approximately at Perl Rock; thence Southwesterly to Longitude 153°00'00"W, Latitude 59°02'00"N, in Cook Inlet; thence Southwesterly to the place of beginning at Cape Douglas, containing 25,600 sq. mi. more or less.

Together with all State waters lying within and appurtenant to the above described boundary; EXCEPT, all waters lying more than three miles Southerly of the boundary line between Perl Rock at or approximately at the S.E. Corner of Sec. 31, T12S, R14W (projected) and Longitude 153°00'00"W, Latitude 59°02'00"N, in Cook Inlet, and the N.E. Corner of Sec. 27, T15S, R25W (projected), at Cape Douglas, Southwesterly offshore jurisdiction terminates at a line beginning at the N.E. Corner of Sec. 27, T15S, R24W (projected), at Cape Douglas; and extending S62°30'00"E three miles.



kodiak island borough • urban area
regional plan and development strategy

EXISTING LAND USE

Prepared by Simpson Usher Jones Inc for Kodiak Island Borough
and the Department of Community and Regional Affairs, State of Alaska

MAP 5

BOROUGH

A

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

MAILING ADDRESS
Commanding Officer
USCG Support Center
Box 14
Kodiak, Alaska 99619

20 May 1978

Local Boundary Commission
State of Alaska

STATEMENT OF THE POSITION OF THE COMMANDING OFFICER, UNITED STATES COAST GUARD SUPPORT CENTER, KODIAK, ALASKA, WITH RESPECT TO THE PROPOSED ANNEXATION OF UNITED STATES COAST GUARD SUPPORT CENTER, KODIAK, ALASKA, TO THE CITY OF KODIAK, ALASKA.

To the Local Boundary Commission:

Having received notice of a public hearing to be held by the Local Boundary Commission on 20 May 1978, at Kodiak, Alaska, for the purpose of obtaining public testimony concerning, among other things, the annexation of USCG Support Center Kodiak to the City of Kodiak, I hereby offer to the Commission my written statement of the position of this Command as well as of the Commander, Seventeenth Coast Guard District, with respect to such annexation.

ANNEXATION OF THE ENTIRE SUPPORT CENTER

It has long been and it remains the position of the Support Center Kodiak Command to oppose the annexation of Support Center Kodiak to the City of Kodiak or to the Kodiak Island Borough for the following reasons:

The purpose and rationale behind annexation of any area to a political subdivision is to better serve the needs of the residents of the area through the provision of municipal services and through municipal supervision of the growth and development of the area. Annexation also provides the concommitant rights of the municipality to tax the residents of the annexed area to finance provided services and the right of the residents to a voice and vote in matters affecting the local municipality. The need for services within the area considered for annexation and the ability of the municipality to provide such services immediately or in the near furture are the prime requisites necessary to legitimize annexation. In the case of USCG Support Center Kodiak, neither of these requisites is met. Neither the City of Kodiak nor the Kodiak Island Borough provides a single substantial service to the residents of Support Center Kodiak or to the Coast Guard Command. Electrical power is generated by the Coast Guard power plant and shared with Kodiak Electric Association through a wheeling agreement. Water service to the Support Center and its residents and tenants is provided from Coast Guard sources. Sewage disposal and treatment is accomplished by Coast Guard facilities as is solid waste disposal. Road maintenance of all internal Support Center roads is accomplished by Support Center public works personnel. In the

words of the final report of the Department of Community and Regional Affairs dated May 17, 1978, the Coast Guard Support Center "is totally self-sufficient, containing all facilities and providing all services necessary for the well-being of Coast Guard personnel."

Although the Kodiak Island Borough provides schools for children residing on Support Center Kodiak, the Federal Government provides funding to offset the cost of educating those children.

If Support Center Kodiak in its entirety were annexed to the City of Kodiak and/or to the Kodiak Island Borough, certain residents of the Support Center would be subject to potential taxation based upon ownership of personal property. It should be noted that the bulk of otherwise taxable property held by Support Center residents would likely escape taxation because it is owned by military personnel who are protected from local taxation by the Soldiers and Sailors Civil Relief Act. It is nonetheless patently unreasonable to permit potential taxation of some Support Center residents when no services are received in return. The United States Government and its instrumentalities are exempt from local taxation. With the exception of the State-leased airport facility, there are no commercial activities or sales outlets on the Support Center which would be subject to significant local taxation.

It is obvious that Support Center residents do make limited use of City services while in the City of Kodiak. However, Support Center residents support such services through the payment of sales tax on transactions within the City.

The Department of Community and Regional Affair's preliminary report dated May 10, 1978, indicated the Department's position that the appropriate standards for annexation were satisfied only for the State airport portion of Support Center Kodiak. In its final report, dated May 17, 1978, the Department "suggests" that the entire Support Center be considered for annexation, citing as its only basis for including the entire Support Center the fact that the "territory is urban in character as evidenced by USCG's own estimate of population to be approximately 3,000 residents."

Even assuming that Support Center Kodiak is "urban in character" it is obvious that this standard is not properly applicable to a self-sufficient, self regulating, internally planned Federal Military Installation. The Department clearly failed to look behind the mere words of the Administrative Code and to consider the purpose behind the standard in light of the Commission's analysis guidelines and common sense.

Annexation of the Support Center could result in participation in local elections by a rather substantial, essentially transient, voting population. While it is not the intention of the Support Center Command to argue for or against the inclusion of these persons in the local political structure, such possible consequences should be noted by the Commission.

In summary, unless and until the City of Kodiak and/or Kodiak Island Borough can provide significant services to the Support Center and its residents, the Support Center Command will continue to oppose annexation of the entire Support Center.

ANNEXATION OF THE STATE AIRPORT

The City Manager of the City of Kodiak has indicated, both directly to the Support Center Command and to the Department of Community and Regional Affairs (as indicated in the Department's preliminary report dated May 10, 1978), that the City is seeking annexation of only that part of Support Center Kodiak encompassing the State-leased airport and perhaps such minimal unpopulated portions of the Support Center necessary to provide contiguity.

The Support Center Command does not oppose annexation of the State-leased airport portion of the Support Center provided that the annexing body is willing to undertake at the earliest possible time the provision of all or most of those services now provided to the airport facility by the Support Center.

The Support Center presently provides the airport with water, sewage, electricity for the airport runway lighting, solid waste pickup and disposal, and primary structural fire response. Support Center Kodiak can not and will not expand its provision of these services (sewage service capability being particularly strained at present) as the airport facility expands.

It should be emphasized that the non-opposition of the Support Center Command to the annexation of the State airport as compared to the opposition of the Command to total annexation is based on the following considerations:

1. Annexation of the airport only would not impact negatively on Support Center residents.

2. The Support Center generally receives no major services from the City and/or Borough justifying annexation and such services are unlikely to be available in the near future. The State airport, on the other hand, presently constitutes a drain on Support Center services which could be alleviated to a substantial degree by annexation of that facility with subsequent provision of services by the annexing municipality.

3. The State airport facility constitutes a potential source of tax revenue for the annexing municipality to offset services provided to the facility. The remainder of the Support Center represents minimal additional revenue.

GENERAL COMMENTS

The Support Center Command offers the following comments concerning the procedural aspects of the Department of Community and Regional Affair's reports and the Local Boundary Commission's Hearing.

Despite the fact that the Department's report bears the date May 17, 1978, it was not available to the Coast Guard in Juneau even as late as May 19, 1978, and was not made available to Support Center Kodiak until the day of the public hearing. Furthermore, the Support Center Command is unaware of any petition submitted by the City of Kodiak or by the Department dealing with annexation of all or any part of Support Center Kodiak. The petition mentioned in the introduction to the Commission's final report dated May 17, 1978, deals with other areas under consideration for annexation.

The Support Center Kodiak Command objects to the hurried approach taken by the Department of Community and Regional Affairs in the preparation of its report and conclusions and in the scheduling of a hearing on Support Center annexation. The Support Center Command further objects to the lack of sufficient time to examine the Department's final report, particularly in light of the major reversal of the Department's position with respect to Support Center annexation. The Support Center Command likewise objects to the Department's failure to require adherence to the Title 19 Alaska Administrative Code requirements respecting petitions for annexation.

Some or all of the material presented herein many be elaborated upon and new material may be presented by the Support Center Kodiak Command representative at the Local Boundary Commission's public hearing.

C. L. CLARK
Captain, USCG
Commanding Officer
USCG Support Center Kodiak

PHSAP

B

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

IN THE MATTER OF ANNEXATION OF CERTAIN PROPERTY LOCATED ALONG MILL BAY ROAD, KODIAK;	)
CITY OF KODIAK,	)
Petitioner,	)
vs.	)
KODIAK ISLAND BOROUGH,	)
Respondent.	)

RESPONDENT'S BRIEF

I. Introduction

On October 19, 1977, the City of Kodiak submitted a petition for annexation of certain property located along Mill Bay Road in the Kodiak Island Borough to the Department of Community and Regional Affairs. While deficient in several respects (the most glaring of which was the absence of a resolution or ordinance authorizing the City to seek annexation), the petition was accepted by the Department. The City's case, as revealed in its brief, appears to rest on two principal grounds: first, that residents and property owners of the territory are deriving benefits from the City, such that they should be made to pay a commensurate share of the City's tax burden; and second, that the City could provide services to the territory more efficiently under annexation than could otherwise be accomplished. Intruding onto the specifics of this annexation proposal is petitioner's avowed intent to annex substantial other areas of Kodiak Island. See, Memorandum from Ivan L. Widem, City Manager, to the Local Boundary Commission, dated October 17, 1977.

Contrary to the City's allegations, it is the Borough's position that the best interests of the residents and property owners of the affected territory, and of the local governments involved, would not be served by this proposed annexation. As the Borough shall demonstrate, residents and owners of the territory would gain virtually nothing besides a hefty increase in their local taxes should this petition be successful -- an increase for services for which they presently pay more than adequate y. The change in status would only serve to foster conflict, moreover, between the City of Kodiak and the Borough, and between the City and affected residents.

II. Lot Ownership and Configuration Within the Territory

At the outset, some factual clarification is required. In addition to the deficiencies in the petition mentioned above, there appear to be errors contained in the notice of hearing and attached lot descriptions provided by the Local Boundary Commission staff. First, Lots 3, 4, 5, 6, 7, 9 and 11 are identified as belonging to the City of Kodiak. Borough research indicates that those lots are currently patented by the State (patent number 50-64-0228 for lots 3-7, and 50-64-0169 for lots 9 and 11). The Borough, moreover, has filed land selections on these lots pursuant to AS 29.18.190, et seq. (Excerpt from Land Selections filed by Dale Tubbs for the K.I.B., Exhibit A.) The Borough, thus, possesses a specific interest in these particular lots, augmenting its underlying concern for the welfare of its residents in general.

In addition to this error, there appears to be an oversight in regard to Lot 27. This lot has not previously been annexed; nor is it included in the petition. It is

certainly possible that the City intentionally deleted this lot, perhaps because of known owner opposition to annexation. Such exclusion, however, would result in a continuation of the alleged misalignment of City boundaries. Since this "misalignment" is one of the grounds advanced by petitioner in support of annexation, the absence of Lot 27 is, at best, confusing. It suggests that this annexation proposal may not have been thoroughly analyzed from a thoughtful, planning perspective.

III. Standards for Annexation

Alaska Administrative Code Section 19.AAC 05.010 sets forth specific standards which provide guidelines for annexation. It is recognized that two of these standards ([1] and [3]) are met by this petition. The City raises no issues under Standards (2), (5), (6) and (9). These standards could not, in fact, be met in this case. Petitioner's case rests primarily on the purported fulfillment of Standards (4), (7) and (8). The Borough contends that there is not, in fact, compliance with these standards.

A. There is No Need in the Territory for Municipal Services that Could Not be Provided as Efficiently Without Annexation. (Standard No. 4.)

The City asserts that it can provide various services more effectively under annexation than would otherwise be possible. The City's history, however, and the facts regarding each of those services, suggest differently:

1. Sewer and Water. The City argues that sewer and water services would be extended immediately upon annexation. In fact, under a 1970 agreement between the Borough and the City, the City has long since been designated the agency responsible for implementation of water and sewer projects within the area of the road system in the Kodiak

failure to live up to the terms of this agreement accounts for the fact that services have not previously been extended to the lots within this territory. The City's track record is not one to inspire confidence.

2. Law Enforcement. The City simply describes its police force by numbers of officers and size of budget. The only argument made in this context, however, is that "Due to the nature of the boundaries in this area, certain problems can arise". (Petitioner's Brief, p. 1.) The Borough cannot envision what those problems might be. City police may certainly traverse City boundaries to get from one part of the City to another without violating any laws or ordinances. The only response possible to this broad statement is that the State Troopers provide police service to the territory. Residents and property owners have voiced no complaints about the level of service.

3. Fire Protection. The City's analysis of fire protection is, like its presentation of law enforcement, simply a descriptive one. What should be said is that there would be absolutely no change in fire protection provided the residents and property owners of the territory were the annexation to take place. Borough Fire District No. 1 presently covers this territory and is serviced through contract with the City; the contract provides fair consideration. (Exhibit C.) It might be noted, moreover, that the Borough owns one of the fire trucks utilized by the City, as well as a new ambulance similarly operated by the City and used inside and outside its boundaries.

4. Parks and Recreation. The City outlines its services in the parks and recreation area, and alleges a budget of $128,946 for this department. Apparently the intention is to suggest that Borough residents outside the

City are getting "something for nothing". In fact, the City is able to operate the pool and the gym only because the Borough has made them available. The pool and gym collectively are worth approximately $3,220,000, substantially more than the City's budgeted amount for this service. (Memorandum from Borough Assessor, Ed Haney, December 6, 1977; Exhibit D.) The joint agreement between the Borough, its School District and the City, further delineates the benefits accruing to the City through the use of these facilities. (Joint Agreement for the Use and Operation of Gymnasiums and Swimming Pool, Exhibit E.)

In addition, the Borough adopted parks and recreation powers within the last year, and has contracted for a major parks and recreation study to be completed by April of next year. City residents will undoubtedly benefit from the exercise by the Borough of its parks and recreation power.

5. Library. In describing its library with attached budgetary figures, the City again fails to make any case showing that Borough residents are taking unfair advantage. Petitioner acknowledges the Borough contribution of $15,000 to the library financing. There is no showing that this contribution is grossly disproportionate to the use by non-city residents of the library facilities. And there is also no mention of the fact that the Borough operates four libraries of its own which make interlibrary loans to the City library.

6. Cemetery. The City simply states that the cemetery, with its paid contractural employee, is available to Borough residents. There is no indication of how much this employee is paid; he may in fact be part-time. And there is no mention of the fact that the City acquired

the land for the cemetery in 1968 from the Borough for the price of $1.00. (Minutes of K.I.B. Assembly Meeting, 2/15/68, Exhibit F.) At the time, that land was worth approximately $29,600. At present, its estimated value is $300,000. (Memorandum from Ed Haney, Borough Assessor, to Stu Denslow, Borough Manager, Exhibit G.) Borough residents have more than paid their way into their ultimate resting places. Again, the level of service for the territory affected by this petition would not be increased through annexation.

7. Public Works Functions. The City's one-sentence remark in regard to public works provides little to which the Borough can helpfully respond. The fact that the Public Works Department provides street maintenance and snow removal is essentially irrelevant, since the primary road involved is Mill Bay Road, which is state maintained. Should the residents of the area decide that further local roads are necessary, they could finance them through road service districts, rather than taxing the general public for such neighborhood improvements. It might be noted, moreover, that private contractors are available to the Borough to provide competent road service, as is illustrated by the road service district in the Bells Flats-Russian Creek area. (Contract between the K.I.B. and Alagnak, Inc., Exhibit H.) House numbering, the other item mentioned in connection with public works, is a planning function and will be undertaken by the Borough as it proceeds with implementation of its comprehensive plan.

8. Cargo dock, boat harbor, ferry terminal and airport. The City alleges that these facilities are "to some extent" self-supporting, and then claims that general fund contributions have been made to maintain the facilities. Again, the City's lack of specificity renders the Borough's

attempt to be responsive difficult. Borough research uncovered only a $149,703 loan from the City's general fund to the cargo dock. (City of Kodiak, 1977/78 Budget, p. 46.) A loan hardly constitutes a "contribution". The City's presentation in this regard raises two additional questions. First, it is not at all clear that the municipal airport, as discussed further below, is an asset to Kodiak. The extreme hazardousness of this strip might merit its closure, rather than its support by taxpayers money. Second, it is not clear why general fund contributions should ever be used to make up deficits in the operating budgets of these enterprise activities. The people who use them should pay for them; those who do not use them, should not.

9. Garbage Collection. Residents of the territory would gain nothing new in the way of garbage collection should annexation take place. At present, they have the option of paying for garbage collection or transporting their own refuse to the dump. Under annexation, that option would be removed and they would pay for the service whether or not they wanted it. There has been no showing that such imposition is necessary.

A review of the above services indicates that the City has not demonstrated that it could improve the lot of territory residents through annexation. In fact, as described above, the residents and lot owners would gain virtually nothing to their advantage by way of annexation. As shown on the table below, however, these people would stand to lose a great deal. Best estimates reveal that, assuming the addition of sewer and water to all lots, the cost to lot owners should they remain outside the City limits would be 9.47 mills taxation plus $28.75 per month in water and sewer assessments; if the territory were annexed, the rate would

jump to a substantial 16.3 mills, with assessments in the neighborhood of $25.00 per month.

	City Resident	Borough Resident Outside City Limits
Borough Mill Rate	7.2	7.2
City Mill Rate	9.1	-0-
Fire Protection Mill Rate	-0-	2.27
Water	$10.00/mo.	$13.75/mo.
Sewer	$15.00	$15.00
Total	16.3 Mills $25.00/mo.	9.47 Mills $28.75/mo.

The City has simply failed to make a showing that such a rate increase is warranted or equitable for those affected.

B. Annexation Will Not Enable the City to Improve any Health or Safety Conditions in the Territory. (Standard No. 6.)

As noted previously, the City has not invoked this standard. It would be dismissed without comment were it not for the irony it brings to light. There is, in fact, a serious safety hazard located within the territory. That hazard is the municipal airport. Yet the City, which exercises complete control over this airport and even mentions it among the services provided to territory residents, has failed in its duty to alleviate the significant safety hazard that it poses. There is no reason to assume the City would perform more responsibly should other such problems arise.

C. It is Practical to Provide all Necessary Services to City Residents Without Bringing the Territory Within the City Boundaries. (Standard No. 7.)

Petitioner's brief includes broad statements to the effect that there is a "misalignment of boundaries [which] causes problems with enforcement of City ordinances and with providing certain services to those areas already annexed". That is the extent of petitioner's analysis. In light of joint Borough-City agreements covering water,

sewer, and fire, the Borough cannot envision any problems that might arise because of the existence of a few City lots within the territory. If the problems were significant, the City presumably would never have annexed those lots causing the present "misalignment".

D. The City is Receiving (or Should be Able to Devise Means of Receiving) Ample Reimbursement for the Services Provided Territory Residents and Lot Owners. (Standard No. 8.)

The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p. 2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library; the cemetery exists on a $300,000 plot of land given for $1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

In addition to the direct payments identified above, all Borough residents outside the City fund the City's services and programs, whether or not they receive any benefits from them, through a three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses, whether the service is provided within or without the City. (City Ordinance 3.08.010 et seq.) Virtually all sales of goods and services on Kodiak Island take place within the City, so all residents

of the Island are sorely affected by this tax. Sales tax receipts, moreover, have been used to pay Borough personal property tax for City residents; owners of personal property within the City have not been required to make such payments out of their own pockets. (City Ordinance 3.04.010B.) Borough residents living outside the City boundaries have thus paid personal property tax twice; first their own, and then a substantial contribution to the payment of taxes for those persons who have personal property located within the City limits. Residents and lot owners in the territory have amply compensated the City for any benefits they might receive.

IV. Procedural Factors Against Annexation

Four intertwined procedural issues are raised by the manner in which this petition has proceeded to date. First, petitioner and the Local Boundary Commission seem determined to propel this matter forward with great speed, presumably because of the approaching start of the Legislative session. Such precipitous action, however, has resulted in failure by the Commission to follow its own guidelines, and has put great strains on the Borough and any other would-be respondent to prepare adequately for the upcoming hearing. (1) Thus, the petition was apparently accepted notwithstanding the fact that no resolution from the City Council was attached (19 AAC 10.040[4]); (2) the sources of information contained in the petition were presented only in a statement, not an affidavit (19 AAC 10.040[2]); and (3) the petition was wrongly addressed to the Department rather than the Commission (19 AAC 10.030). In addition, the interest in reaching a quick determination in this case resulted in a refusal by the Staff Assistant to grant a few days postponement of the hearing. The Borough's attorney had requested such an

extension in order that a well-informed brief might be prepared and presented to the Commissioners sufficiently in advance of the hearing to enable them to receive the evidence with some foreknowledge of both sides of the case. (See, letter from Joan M. Katz to Pat Poland, Exhibit I.)

Second, as noted throughout the course of this brief, the City's presentation to the Local Boundary Commission consists primarily of broad allegations, without substantiating facts. Such material did not put the Borough in a sufficiently informed posture to respond adequately.

Third, the issue of annexation of the petitioned-for territory is clouded by the avowed intention of the City to extend its boundaries to still other areas. Mr. Poland has indicated to the Borough's attorney that the broader issues of annexation of large portions of the Kodiak Island Borough will in fact enter into the Commission's deliberations in the course of the hearing on the Mill Bay Road territory. Yet no petition has been filed on those other, very different areas; there is no way the Borough can prepare any response. Other interest groups, such as the Native population of Kodiak, may have strong feelings when confronted with the full scope of the proposed annexation. It would appear that any and all questions of annexation on the Island of Kodiak should await a proper petition adequately setting forth all the territory sought to be annexed with ample factual basis for the City's position. Absent such a rational approach, serious error might be committed as Commission deliberations are hurried forward without sufficient groundwork being laid. There is no emergency warranting such procedure.

Fourth, and finally, in connection with the intent to annex considerably more territory than is revealed in this petition, it would seem appropriate to handle this matter by

the step annexation procedure. Of critical concern to the Borough Assembly, staff and people they represent, is the fact that no opportunity has been afforded the people of this territory to vote on the issue of annexation. An election would give the Commission precise information regarding the people's views on this matter. It would also go far to reduce the anger and bewilderment experienced by Borough residents who view the non-elective process as an uncharacteristically undemocratic one for this State to be imposing upon them.

V. Conclusion

The only context in which the City's petition is comprehensible is that of a power play, a grab for land which the petitioner has no demonstrated ability to govern effectively. The evidence shows that the residents of the territory would gain nothing from annexation, but would stand to lose considerably from a financial standpoint. Abstract arguments supporting annexation are overshadowed by the reality of the cost-benefit ratio to those lot owners, by the fact that they do not support this petition, and by the realization that there is no equitable reason for increasing the City's tax base. Honest appraisal tells us that the City's track record for the delivery of services and for fair dealing with citizens on Kodiak Island is seriously deficient. There is no basis for granting the petition. There is sound basis for denying it. The Kodiak Island Borough respectfully requests that the Local Boundary Commission reject the City of Kodiak's petition for annexation.

DATED this 9th day of December, 1977.

JOAN M. KATZ, Attorney for the
Kodiak Island Borough

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

IN THE MATTER OF ANNEXATION OF CERTAIN PROPERTY LOCATED ALONG MILL BAY ROAD, KODIAK;	)
CITY OF KODIAK,	)
Petitioner,	)
vs.	)
KODIAK ISLAND BOROUGH,	)
Respondent.	)

CERTIFICATE OF SERVICE BY MAIL

STATE OF ALASKA)
) ss.
THIRD DISTRICT)

THIS IS TO CERTIFY that on this 9th day of December, 1977, a true and correct copy of RESPONDENT'S BRIEF was served on:

City of Kodiak
P. O. Box 1397
Kodiak, Alaska 99615

by placing said copy in the U. S. Post Office, at Anchorage, Alaska, in a properly addressed, postpaid envelope.

JOAN M. KATZ, Attorney for the
Kodiak Island Borough

SUBSCRIBED AND SWORN to before me this ____ day of December, 1977.

Notary Public in and for Alaska
My Commission Expires: _____

H13-26
ADL 200122

KODIAK & VICINITY

State Patented Lands

T27S,R19W,SM

Unclassified

USS 3465

Tract B		9.74	A

Lands Classified Reserved Use

USS 3466

Lot 11	Cl#315	1.08	A

USS 3098

Lot 3	Cl#315	1.25	A
4	Cl#315	1.25	A
5	Cl#315	1.25	A
6	Cl#315	1.25	A
7	Cl#315	1.25	A
9	Cl#315	1.25	A
11	Cl#315	1.03	A

USS 3463

Lot 1A	Cl#315	1.56	A

Unclassified

USS 3099

Lot 25		1.55	A
	Total	22.46	A

Excerpt from Land Selection Filed By Dale Tubbs
for the Kodiak Island Borough

EXHIBIT A

RECEIVED OCT 12 1977

0-J4LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

LAND AND WATER MANAGEMENT

SOUTHCENTRAL DISTRICT

3327 Fairbanks Street
Anchorage, Alaska 99503

October 4, 1977

Mr. Stuart Denslow
Borough Manager
Kodiak Island Borough
Box 1246
Kodiak, AK 99615

Dear Mr. Denslow:

This is to acknowledge receipt of Kodiak Island Borough's Municipal Selections, ADL 200122.

Further processing of the pending selections by the Southcentral District Office is not anticipated until completion of legislative action on House Bill 133 which addresses the municipal land selection problems in Title 29 of the Alaska Statutes. If, in the meantime, there are critical priority selections requiring immediate attention or questions regarding your selection status, we will be glad to respond to your needs.

Sincerely,

L. A. Dutton
District Manager

cc: Dale Tubbs
Moening-Grey and Associates

10/5

Dale— Sorry we didn't get these recorded promptly. When I gave your package of selection to Jack Wiles I evidently didn't make it clear to Jack that the selection applications were to go to Records—

There will be no filing fees this time as the fee has not been officially established.

EXHIBIT A - PAGE 2

DESIGNATING THE CITY OF KODIAK AS THE AGENCY RESPONSIBLE FOR IMPLEMENTATION OF WATER AND SEWER PROJECTS ELIGIBLE FOR FEDERAL FUNDING

THIS AGREEMENT, made and entered into this 2nd day of July, 1970, by and between the CITY OF KODIAK, a municipal corporation, hereinafter referred to as "CITY" and KODIAK ISLAND BOROUGH, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as "BOROUGH",

W I T N E S S E T H :

WHEREAS, BOROUGH is a second class borough and as such has limited authority which does not include the power to provide water or sewer service and

WHEREAS, CITY is a first class city and as such has a Public Works Department and in connection therewith provides sewer and water service to the residents residing within the corporate limits of the CITY OF KODIAK and to some residences residing outside the corporate limits of the CITY OF KODIAK, and

WHEREAS, the parties hereto desire to make application for Federal aid on local sewer and water project and one of the parties hereto must be designated an agency responsible for implementation of such projects.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto mutually agree as follows:

1. CITY is hereby designated the agency responsible for implementation of any water or sewer projects within the area of the road system in the KODIAK ISLAND BOROUGH and is hereby authorized to make application for Federal aid in connection therewith.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officials on the day and year first above written.

CITY OF KODIAK

BY: [signature]

KODIAK ISLAND BOROUGH

BY: [signature]

EXHIBIT B

CONTRACT TO FURNISH FIRE PROTECTION SERVICE

THIS CONTRACT made this 2ND day of ~~May~~ July, 1970, by and between the CITY OF KODIAK, hereinafter referred to as "City" and the KODIAK ISLAND BOROUGH, hereinafter referred to as "Borough", both being municipal corporations organized under the laws of the State of Alaska.

W I T N E S S E T H

WHEREAS, City is an Alaskan municipal corporation, being a home-roll or charter city, and as such is lawfully authorized and empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is an Alaskan municipal corporation of the second class and has under its powers formed a Fire Service District as provided by law and therefore is lawfully authorized and empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is presently without adequate fire protection in its Fire Service District and desires to have the services of City's Fire Department and to pay for such services; and

WHEREAS, City is willing to furnish fire protection to Borough's Fire Protection District provided an adequate payment is made.

NOW, THEREFORE, City and Borough agree as follows:

SERVICES TO BE RENDERED

FIRST: Subject to the conditions and qualifications hereinafter recited, the City will furnish to Borough's Fire Protection District during the period of this Agreement, the services of City's Fire Department to the same extent as if the area encompassed within the boundaries of the Borough's Fire Protection District were a part of the incorporated area of the City.

TERM OF AGREEMENT

SECOND: The term of this Agreement shall be continuous until terminated by mutual agreement of the Parties or by notice of intention to terminate given in writing not less than ninety (90) days before the intended date of termination when such notice is given and which notice may be given by either Party at any time hereafter.

PAYMENT

THIRD: Borough agrees to pay to City during the term of this Agreement an amount equal to the millage rate levied by City for fire protection service in the City, which amount shall be levied and collected on all properties within Borough's Fire Protection District at the same millage rate. City shall give to Borough, in writing, at the time it sets its millage rate, the millage levied for fire protection within the City and that same millage rate shall thereafter be applied to all properties within the Borough Fire Protection District for the ensuing year and this amount shall be paid to City.

CITY IS NOT RESPONSIBLE FOR CONDITION OF FACILITIES

FOURTH: City assumes no responsibility for the condition of the water mains, adequacy of fire hydrants, water pressure or of any of the facilities to be furnished by Borough's Fire Protection District except to render the best service possible under the conditions which exist at any given time.

RESPONSIBILITY OF FIRE CHIEF

FIFTH: In agreeing to give Borough's Fire Protection District the same type and quality of fire protection service as

that enjoyed by the City, it is understood by Borough that the ultimate decision and discretion as to the method and manner of controlling or extinguishing fires is vested in the Fire Chief of the City. Neither City or Borough shall be allowed any priority in dispatching of fire fighting equipment or personnel, but in any given case, the decision shall be in the discretion of the City's Fire Chief.

FIREMEN TO BE MADE PEACE OFFICERS

SIXTH: City does not agree to furnish any peace officers in connection with the response to any fires within the Borough Fire Protection District unless such powers are conferred upon firemen by the laws of the State of Alaska and in that event the powers and authorities shall be limited to that authority granted.

INSPECTION BY FIRE DEPARTMENT

SEVENTH: The Fire Department of City shall have the same right to make inspections of any and all structures and grounds within the Fire Protection District of Borough and to make appropriate recommendations thereon with the same force and effect as the Fire Department has within the City.

BOROUGH TO ABATE FIRE HAZARDS OR NUISANCES

EIGHTH: Borough agrees to take timely action to abate any fire hazard or nuisance when such is called to the attention of the Borough Chairman or Borough Assembly.

INDEMNITY OF FIRE DEPARTMENT

NINTH: Borough agrees that the Fire Department of the City shall have the same privileges and immunities with respect to liability as said Department has in the City.

ADJUSTMENT OR REVISIONS OF BOUNDARIES

TENTH: Borough agrees that if the present geographical boundaries of the Fire Protection District of Borough are reduced or enlarged or expanded, then and in such event City may either refuse to service such enlarged area or this Agreement shall be amended to provide an added consideration for the additional fire protection to be rendered by City or a reduction in the compensation by reducing the amount thereof by subtracting the millage from those properties withdrawn.

CITY IS INDEPENDENT CONTRACTOR

ELEVENTH: The management, regulation and control of City's Fire Department shall remain the sole obligation of City, and the relationship of City to Borough shall, upon this Agreement taking effect, be that of independent contractor.

IN WITNESS WHEREOF, the Parties hereto have executed these presents by resolution of their respective governing bodies, duly authorizing the same.

CITY OF KODIAK

BY: _____
PETE RESOFF, Mayor

ATTEST: _____
NORMA HOLLIDAY, Clerk

KODIAK ISLAND BOROUGH

BY: _____
WILTON T. WHITE, Chairman

ATTEST: _____
ROBERT GRAFE
Borough Clerk

ADDENDUM

TO CONTRACT TO FURNISH FIRE SERVICE

Whereas the parties hereto have heretofore entered into an Agreement whereby CITY agreed to furnish to BOROUGH's Fire Protecti District, the services of CITY's Fire Department to the same extent as if the area encompassed within the boundaries of the BOROUGH's Fire Protection District were a part of the incorporated area of th CITY and

Whereas BOROUGH agreed to pay to CITY during the term of said Agreement, an amount equal to the millage rate levied by the CITY for fire protection service in the CITY but no provision was made, nor account taken of the Capital Improvements of the Fire Department to date or in the future,

Now therefore, the parties hereto agree that the BOROUGH will transfer, and the CITY will accept the equity of the BOROUGH in its fire truck and equipment as the BOROUGH's contribution to the Capital Improvements of the CITY's Fire Department to date, and to make further contributions to the Capital Improvements of the Fire Department through assessment and taxation at the same time and on the same basis as may be done by CITY in the future.

IN WITNESS WHEREOF, the parties hereto have executed these presents by resolution of their respective governing bodies, duly authorizing the same.

CITY OF KODIAK

BY: Rolland A. Jones
R. A. JONES, City Manager

ATTEST: Norma Holliday
NORMA HOLLIDAY, Clerk

KODIAK ISLAND BOROUGH

BY: W. T. White
WILTON T. WHITE, Chairman

ATTEST: Robert Grafe
ROBERT GRAFE
Borough Clerk

SUMMARY STATEMENT
OF THE KODIAK ISLAND BOROUGH'S POSITION ON
THE CITY OF KODIAK'S PROPOSED ANNEXATION

At the behest of large numbers of constituents, and on the basis of its own judgment, the Kodiak Island Borough Assembly has determined to oppose the annexation of the "Mill Bay Road" and "Mission Road" areas by the City of Kodiak. The Local Boundary Commission has submitted its recommendation in favor of annexation. Kodiak lawmakers Mulcahy and Zharoff have introduced joint resolutions for disapproval of the annexation.

The matter now rests with the Legislature, its discretion to be guided, as in other policy matters, by the best interests of the citizens involved. The Legislature has until March 10, 1979 to adopt the Mulcahy/Zharoff resolutions, or the annexation will become effective. (Art. X, Sec. 12, Alaska Constitution.)

The Borough is concerned with four central issues relating to the proposed annexation. In the hope that legislators attempting to analyze this matter may find identification of these issues useful, they are presented in summary form below.

1. Lack of Democratic Process in Approving Annexation

The people of Kodiak share a sense of outrage at the manner in which this annexation has proceeded to date. While the Alaska Statutes (AS 29.68.010[b][1]) and the Local Boundary Commission regulations (19 AAC 10.200 and 15.030) authorize a vote on annexation by the residents of the affected territory, no such opportunity was ever afforded the people in this case. Although they came in droves to Commission hearings and testified in opposition to the annexation, their views were not heeded. The Local Boundary Commission chose instead to decree what was "best" for the residents of Kodiak, City and Borough alike. The Boundary Commission was within its legal rights in adopting this procedure. The theoretical "legality" however, does not alter the fact that imposing a government upon a group of citizens against their will is contrary to our fundamental concepts of majority rule, due process, and democracy.

2. The Economic Facts and Equities

One of the grounds for annexation propounded by the City is the purported unfairness of Borough residents availing themselves of City services without -- allegedly -- paying their way. In fact, the Borough makes possible many of the services for which the City takes credit through Borough donation of major facilities (e.g. swimming pool and gymnasium). The City properly charges user fees for port and dock operations. And non-City residents contribute approximately 50 percent of the City's three percent sale tax revenues which fill the municipal coffers each year. The Borough Planning Director, who currently lives outside the City limits, has calculated that fully 70 percent of his local tax dollar actually goes to the City.

In addition to supporting general City operations, these sales tax receipts are used in another, highly significant way: to pay the personal property tax for City residents and others who own personal property within City limits. Residents in the territory proposed for annexation thus pay personal property taxes twice: first their own, and then a substantial contribution to the taxes of persons living inside the City.

From the perspective of individuals living in the Mill Bay and Mission Road areas, annexation would result in an increased tax burden in the neighborhood of 6.8 mills. In light of the fact, as indicated below, that most of these residents do not want or need the "services" which would theoretically become available to them upon annexation, such onerous taxes would be completely unwarranted.

3. Forced Change in Lifestyle

Most of the people in the territory proposed for annexation chose to live in this region specifically to avoid crowded, urban conditions, unnecessary government intrusion, and burdensome tax assessments. Many invested substantial sums in individual sewer and water systems. They have no desire for additional police services. They do not want City refuse collection. They live on State-maintained roads or unpaved local roads, which are just fine with them. They have voted that, to the extent necessary, they want the Borough to provide sewer and water and road service through service districts -- at a level of service they can afford.

Should annexation of these people's land occur, many on larger rural lots will be forced to subdivide to pay their property taxes. A greater need for services will then arise. The City's ability to provide such services will be strained. And a very desirable, very Alaskan lifestyle will have been destroyed.

4. Ability and Integrity of the City

The move for annexation did not come from the people within the City. They have no more desire for annexation than do the residents in the affected territory. The annexation petition originated in City Hall alone. It is questionable whether this is a government whose jurisdiction should be extended at this time.

The City of Kodiak has attempted to coerce residents into accepting annexation by denying its ability to provide utility services outside its own boundaries. Yet the Alaska Statutes specifically confer such authority on the City, as does the City's own Charter. (See AS 29.48.040; Kodiak Charter Art. VIII, Sec. 8-1) By agreement with the Borough, moreover, pursuant to federal and state grants, the City is obliged to cooperate in the furnishing of water and sewer services to residents outside the City limits who require this assistance. The City has refused to honor this obligation. The people in the area proposed for annexation do not want to be within the power of a governmental entity which, in their view, has not dealt fairly with them.

City residents have complained moreover, that there are unmet needs within the current City limits. It would seem more appropriate for the City to focus its attention there before taking on additional problems outside its present boundaries.

In summary, the people do not want or need annexation, nor do the equities of the situation require it. To the contrary, fundamental fairness and a basic democratic approach to government mandate the defeat of this annexation proposal.

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

Re: Proposed Annexation of Certain Lands in the Kodiak Urban Area to the City of Kodiak	)

BRIEF OF THE RESPONDENT KODIAK ISLAND BOROUGH

Introduction

Annexation entails substantial financial, political and practical consequences for property owners and residents of the lands involved. To assess those consequences in connection with the Kodiak situation, three fundamental questions need to be asked: (1) whether annexation would serve any real purpose so far as the territory to be annexed is concerned; (2) whether the alleged equities on the City's part exist in fact, or have been advanced simply to justify a quest for additional revenues; and (3) whether adverse consequences would befall individuals within the territory, or without, should annexation occur. Respondent's analysis of these questions will address the relevant, specific factors set forth in 19 AAC 05.010, as well as the concerns raised in both the letter of May 1, 1978, from Sheila Gallagher to Stewart Denslow, and in the Preliminary Report from the Department of Community and Regional Affairs, dated May 10, 1978.[1] In light of the fact that this proposed annexation is a legislative one, with no opportunity for the people involved to express their opinions at the polls, abstract theories of symmetry in local government should not be afforded excessive weight. The

[1] The final report was not available at the time this Brief was being prepared.

JOAN M. KATZ
Attorney at Law
540 "L" Street, Suite 101
Anchorage, Alaska 99501
(907) 274-7634

realities of the Kodiak situation need to be examined.

I. What Needs Exist Within The Territory That Could Best Be Met By Annexation?

Annexation makes sense only if services are needed and desired by the people affected which can best be provided by the annexing government. The evidence in this case, however, is that people outside the City's current boundaries are generally content with not only their government, but also the kinds and levels of services they are presently receiving.

An attitudes survey conducted by the Anchorage Urban Observatory last year indicates that the three greatest concerns for residents outside the City are litter, roads and the high cost of goods.[2] Inside the City, residents are most concerned about the same two priority issues, although roads are placed above litter. The problems of physical isolation and "environment" tie for third place. Outside the City only one person in the sample rated utilities as a top priority; only one identified animal control as such. And not a single person identified police or fire service as the most urgent problem.

These findings are highly significant in reflecting a general, marked absence of desire on the part of people in the affected territory to change the kind, or raise the level, of services they receive - even when no price tag is attached. The only exceptions occur in connection with roads and litter.

a. Roads. Kodiak's roads are essentially State maintained, with only 13 miles of road under City jurisdiction and 15.5 miles within the Borough's authority. Annexation for the purposes of road maintenance would be nonsensical for two reasons. First, the people within the City are more dissatisfied with the condition of their roads than are the people outside the City,

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[2] For more detailed information on this survey see Kodiak Island Borough Economic Analysis, submitted by Drs. Green and Hill as part of the Borough's presentation in this proceeding.

suggesting that the City is hardly the appropriate government unit to undertake further road work. In addition to the findings of the Urban Observatory study in this regard, there is the testimony of City residents like Charles Davidson, who stated at the December 12, 1977 hearing that he was opposed to annexation in light of the City's inability to adequately pave and/or oil the roads within its current jurisdiction.

Second, Borough voters have recently elected to adopt road power within Service District I of the Mill Bay-Monashka Service area. This power will enable the Borough to offer road service to those areas in which the property owners vote to foot the bill. Such an undertaking has previously proven successful in the Bells Flat area, where private contractors provide road maintenance. (See Exhibit H to Respondent's Brief of December 9, 1977, regarding the proposed Mill Bay Road Annexation.)

Comments by the Local Boundry Commission staff concerning the absence of a Borough public works department to provide road maintenance are irrelevant to the Kodiak situation. As indicated previously, the roads at issue here do not cover hundreds of miles, but rather approximately 15.5 miles. Private contractors are not only capable of providing maintenance, grading, snow removal, etc. for this amount of road surface; such contractual arrangements would seem to be a boon to the local economy. Finally, it should be noted that in Fiscal 1978 the people of the Russian Creek and Bells Flat areas voted to spend $38,000 on road maintenance for nine miles of road while the City spent $1,110,014 for 13 miles of road maintenance and construction. The people currently living outside the City's boundaries should continue to have the right to choose to spend $38,000 vs. $1,110,01 if they are satisfied with the lower level of service. Annexation would deprive them of that right to choose.

JOAN M. KATZ
ATTORNEY AT LAW
1814 HIDDEN LANE
ANCHORAGE, ALASKA 99501
(907) 274-3904

b. Litter. Litter, the other major concern of Kodiak residents in and outside of the City, also provides no basis for annexation. The State again has responsibility for maintaining

its roadways and would be charged with litter removal in those areas. The Borough, pursuant to its planning, road and health powers would similarly be able to undertake this responsibility. To support its case for annexation, the City would seem to have the burden of showing that it could better meet this problem.

c. Sewer and Water. The only additional, significant need that the Local Boundary Commission might want to examine would be that for sewer and water. In some areas of the Borough outside the City, sanitation standards necessitate, and the people desire (although not as a top priority) sewer and water improvements. The analysis submitted by the independent consultants from the Alaska Urban Observatory indicates that there is no reason to believe the City could meet these needs at less cost than the Borough. Unlike the services of roads and police, moreover, sewer and water are public utilities, in the same category as telephones. As such, they must pay their own way. They could, theoretically, be provided by a private corporation. The expansion of sewer and water into the territories in question should, therefore, have no bearing on the issue of annexation. (See Green and Hill, Kodiak Island Borough Economic Analysis, at 7.)

A review of services needed in the affected territory thus reveals that annexation represents a theory without any practical application or rational nexus to the facts of this case. There is no cry for expanded police protection. There is no reason to deprive private contractors of the opportunity to provide road maintenance at the level the people can afford. In his letter of December 16, 1977 to Mr. Strandberg, the City Manager himself acknowledged: "I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need to annex. This is especially true in the Kodiak urban area". (Exhibit A, at 2-3) The point made by Drs. Green and Hill, of

course, is that not even sewer and water requirements create any need or justification for annexation. From the territory's standpoint, annexation is simply not needed in any way, to provide any service.

II. Is the City Entitled To Annexation For Reasons of Equity?

It is arguable, though Respondent would oppose this notion, that even without a need for annexation, such action could be required if the City is presently being placed in an inequitable position by virtue of non-City residents' use and enjoyment of City facilities and services. The City took this position in its Mill Bay Road petition brief; the information presented by Respondent in connection with that annexation is equally applicable here. Respondent's previous brief summarized the facts regarding specific services mentioned by the City in its plea for "equity" as follows:

> The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p.2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library· the cemetery exists on a $300,000 plot of land given for $1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

Also mentioned in Respondent's previous brief was the highly significant fact of the three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses. Strong concern with the "high cost of goods" as expressed in the Urban Observatory attitudes survey, indicates the substantial impact of this tax. In a memorandum prepared at the time of the previous annexation hearing in Kodiak,

the Borough Planning Director researched his own financial situation and presented figures establishing that as a non-City resident, he was paying more taxes to the City (as a result of the sales tax) than he was contributing to the Borough through personal and real property taxes. (Memorandum from Planning Director to Borough Manager, December 6, 1977, Exhibit B.)

Local Boundary Commission regulations contemplate that measures such as sales taxes can be used as alternatives, not supplements, to annexation. 19 AAC 05.010(a)(8) provides in part:

> In determining whether [property owners in the territory receive the benefit of City services without commensurate tax controls] the Commission will consider alternate methods available to the city for offsetting the cost of providing services to individuals or property beyond its property taxation powers . . . .

Through this sales tax (plus the contribution to firefighting equipment, dock user fees, etc.), non-City residents of the Borough more than pay their way They pay not only for benefits they receive, but for benefits innuring only or principally to City residents. For example, $60,000 received from sales tax revenues (to which non-City residents contribute as much per capita as City residents) has been used to finance construction of water and sewer facilities within the City in the 1977-78 fiscal year. (City of Kodiak Budget 1977-78 Fiscal year.) Even more significant perhaps, a substantial percentage of the property taxes owed by City property owners are being paid by sales tax receipts garnered from non-City residents as well as City residents. While the appraised value of City property should have netted the City 1.3 million dollars in tax receipts, in fact only $655,000 is being collected. (City of Kodiak Budget 1977-78 Fiscal year.) Where is the equity in such an arrangement? If City residents are not even paying their own property taxes at this time, what possible justification can there be for seeking to tax people currently outside the City boundaries?

It is apparent, thus, that if any group of people is being treated inequitably, it is the territory residents: they pay City bills through sales taxes while contributing directly through user fees and the like for services that they utilize. The City, in truth, simply wants to spread it's overhead a little thinner - an understandable position, but one decidedly negated by the equities of the situation.

III. Would Annexation Have Any Adverse Effects Upon Territory Residents Or Other Kodiak Citizens?

It is evident that annexation is not warranted because of any need for City services or from any equitable standpoint. It should be recognized, in addition, that annexation could be extremely harmful to territory residents - and ultimately to the Kodiak community at large.

Respondent's previous brief on Mill Bay Road attempted to illustrate the relative costs to territory residents of provisions of water and sewer services with and without annexation. On the assumption that territory property owners would pay existing City taxes to acquire such services, it was determined that the price tag for the annexed resident would be 16.3 mills plus $25.00 per month in assessments, as opposed to 9.47 mills and $28.75 per month for non-City residents. (Respondent's Brief 12-09-77 at 8.) Drs. Green and Hill have calculated potential mill rates under annexation on the alternative assumption that annexation would simply shift some of the City's cost to the new territory. In that case the mill rate for City residents would be 15.19 mills - as opposed to 9.47 for non-City residents receiving sewer and water. (See Green and Hill at 12.) The difference under either method of calculation, is clearly substantial.

There is another consideration however, which is as important as the economic detriment to be suffered through annexation.

This is the potential effect on this relatively small community of the hostility that would be engendered by the imposition of annexation on a group of people who are adamantly opposed to it. An effort at unification was initiated by the City on October 27, 1977. (Resolution 23-77, Exhibit C.) The Borough responded in good faith, and scheduled a day long workshop attended by members of the public, City and Borough officials, a representative from Community and Regional Affairs and the former attorney of the Anchorage Charter Commission. As a result of that meeting, the Borough Assembly voted unanimously to put the question of unification on the ballot this Fall. (Resolution No. 78-34-R, April 6, 1978, Exhibit D.)

Unification is an appropriate means by which to avoid duplication of government units and promote more efficient government. Most importantly, it is also a means well suited to healing political wounds and allowing citizens to work together toward common goals. If the Local Boundary Commission were to try to design a tool aimed at destroying any hope for unification in Kodiak, it could propose no better means than the contemplated annexation. As testimony at the December 12, 1977 hearing established, many citizens of the Borough outside the City limits are bitterly antagonistic towards the City as a result of actions or inactions attributable to that government. Many citizens, further, are outraged by their lack of opportunity to vote their views on the annexation question. Should City dominion now be imposed upon them, the chances of a harmonious movement towards unification would be destroyed.

Conclusion

Annexation may have a theoretical appeal along the lines of political neatness. Theory is not reality, however, and the fact is that without annexation there will be service districts,

with annexation, there will probably be differential taxation with inconsistent levels of service, and with unification, there would still -- and again -- be service districts. The diference between the present situation and annexation -- the only two options available to the Local Boundary Commission -- is in the degree of choice to be exercised in the annexed territory. And that choice of course translates into substantial impact on the pocketbooks of the property owners involved.

The Local Boundary Commission is undoubtedly cognizant of its significant power and responsibility in considering legislative annexations. Respondent urges the Commissioners to ask themselves the three questions posed in this Brief while deliberating the merits of this case. The answers, the Borough feels confident, will show no need for services that the Borough cannot provide at a cost comparable to or lower than the City; no inequity done to the City by non-City residents; and adverse effects on both territory residents and other Kodiak citizens alike should annexation be approved. In light of these realities, Respondent respectfully submits that legislative annexation in this case would be an abuse of discretion. Respondent requests that annexation be denied.

DATED this 12th day of May, 1978.

Joan M. Katz

JOAN M. KATZ
Attorney for the Kodiak
Island Borough

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

Re: Proposed Annexation of Certain Lands in the Kodiak Urban Area to the City of Kodiak	)))))

CERTIFICATE OF COUNSEL

I, Joan M. Katz, counsel for the Kodiak Island Borough, certify that a copy of the Brief of the Respondent Kodiak Island Borough was delivered to the staff of the Local Boundary Commission for service on the City of Kodiak this 19th day of May, 1978.

Joan M. Katz

JOAN M. KATZ
Attorney for the Kodiak
Island Borough

JOAN M. KATZ
Attorney at Law
540 "L" Street, Suite 101
Anchorage, Alaska 99501
(907) 274-7634

KODIAK ISLAND BOROUGH

DATE: December 6, 1977

FROM: Borough Assessor/ Ed Haney

TO: Whom It May Concern

At the time of construction in 1973 the cost of building the Kodiak High School gymnasium was One Million One Hundred Fifteen Thousand Dollars ($1,115,000). Reproduction today would be approximately One Million Six Hundred Seventy Thousand Dollars ($1,670,000).

The swimming pool complex in 1973 cost One Million Thirty Five Thousand Dollars ($1,035,000) to build and to reproduce it today would approximately cost One Million Five Hundred Fifty Thousand Dollars ($1,550,000).

Totaling the two (2) buildings together shows a cost to build in 1973 of Two Million One Hundred Fifty Thousand Dollars ($2,150,000).

The reproduction of the two (2) buildings together in 1977 would come to Three Million Two Hundred Twenty Thousand Dollars ($3,220,000).

EH/sv

cc

EXHIBIT D

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
POST OFFICE BOX 886
KODIAK, ALASKA 99615
(TELEPHONE: (907) 486-3131)

JOINT AGREEMENT FOR THE USE & OPERATION OF GYMNASIUMS & SWIMMING POOL

This agreement entered into this 15th day of November 1977, by and between the KODIAK ISLAND BOROUGH, hereinafter referred to as the *BOROUGH*, the KODIAK ISLAND BOROUGH SCHOOL DISTRICT, hereinafter referred to as the *DISTRICT*, and the CITY OF KODIAK, hereinafter referred to as the *CITY*.

WITNESSETH:

WHEREAS, the *DISTRICT* has under its jurisdiction the operation and management of three gyms and one swimming pool within *CITY* boundaries, said gyms being the Kodiak High School gym, the Main School gym, and the East Elementary gym; and,

WHEREAS, the *BOROUGH* contributes to the *CITY* recreation program by making school facilities available to the City Parks & Recreation Department for public use; this they do in lieu of providing recreational funds to the *CITY*; and,

WHEREAS, the *DISTRICT* obligated itself before the election of February, 1972 to running the pool for the public; and,

WHEREAS, it is inconvenient and costly for the *DISTRICT* to run a public recreation program; and,

WHEREAS, said swimming pool and gymnasiums are physically convenient and capable of being used by the *CITY* and its program conducted

by the Parks & Recreation Department; and,

WHEREAS, maximum use can be made of said swimming pool and gymnasium facilities by the joint use thereof of the *DISTRICT* and the *CITY*, and it is in the best interests of the parties hereto and the public that such use be made thereof.

NOW THEREFORE, in consideration of the above premises and the undertaking and convenants of each of the parties as hereinafter set forth, it is agreed by and between the parties as follows:

1. TERMS:

This *AGREEMENT* shall be effective for a term of 7½ months, commencing on November 15, 1977, and ending on August 1, 1978. The *AGREEMENT* may be terminated by either party giving 30 days written notice.

2. USE OF POOL & GYMS:

The *DISTRICT* shall have the right of exclusive use of said swimming pool and gymnasiums upon regular school days, Monday through Friday of each week during each school year, from 7:30 AM to 5:00 PM of each of the said days, except that the *CITY* reserves the right to use the pool or gymnasiums for the public if they are not being used at that time by the *DISTRICT*. The *DISTRICT* shall also, in addition to the hours specified, have the right to use the pool and gymnasium facilities for school activities and athletic purposes, but the gymnasiums and pool shall not be used by the *DISTRICT* for any program designed, or by its nature competitive with the recreation program carried on by the *CITY*. However, the *DISTRICT*

may not retain the gyms or pool for the daily practices of their athletic teams beyond the hour of 7:30 PM.

3. FACILITIES:

The *DISTRICT* facilities which are the subject of this agreement include the pool, the gyms, the locker rooms, together with a limited amount of office storage space.

4. SCHEDULING OF FACILITIES:

The *DISTRICT* shall have first priority in scheduling its activities. After the *DISTRICT* establishes its schedule, the *CITY* shall make up its recreation schedule. The *CITY* must provide the *DISTRICT* with at least one week advance notice prior to commencement or change of the *CITY* recreation time schedule. Once the *CITY* established their recreation schedule, the *DISTRICT* must give the City Parks & Recreation director at least one week advance notice before changing their *DISTRICT* schedule, and this schedule change must meet the approval of the City Parks & Recreation director and the School Superintendent. Use of *DISTRICT* facilities by groups outside the realm of the *CITY* or the *DISTRICT*, at times other than during regular school hours, will be scheduled by the *DISTRICT* Community School Coordinator with the approval of the *CITY* Parks & Recreation director.

5. DENIAL OF FACILITIES:

The *DISTRICT* reserves the right to deny the use of their facilities to groups which by their behavior may either do physical harm to the facilities or participants, or by their presence downgrade the moral

and ethical standards of the *DISTRICT*.

6. CITY OPERATIONS:

The *CITY*'s responsibility is restricted to public use of the gyms and the pool as well as daily maintenance of the pool. This means that the *CITY* will:

a. Hire, terminate, pay, and supervise all *CITY* recreation personnel.

b. Schedule all *CITY* recreation use programs and activities.

c. Do the pool vacuuming, filtration, chemical up-keep, and locker room clean-up.

d. Provide reimbursement to the *DISTRICT* for overtime custodial services incurred when *CITY* recreational activities last later than 10:30 PM, unless prior agreements are made for use of the facility past the alloted time.

e. Provide supervisory personnel for all *CITY* recreation activities and insure that *CITY* recreation participants have vacated *DISTRICT* facilities prior to the supervisor's conclusion of duties.

7. DISTRICT OBLIGATIONS:

The *DISTRICT* will at its sole cost and expense:

a. Provide heat, light, power, water, chemical supplies, and equipment necessary for both *DISTRICT* and *CITY* use.

b. The *DISTRICT* will continue to handle all major mechanical work and the annual pool overhaul.

c. Provide all necessary building maintenance for the gyms, pools, and supporting facilities.

d. Provide regular custodial services during the regular school year when facilities are vacated by *CITY* recreation participants and supervisors by 10:30 p. m.

8. FEES:

Since *CITY* expense for operating the pool must be met by gate receipts, all gate receipts collected by the *CITY* are to be the property of the *CITY*.

9. LIABILITY INSURANCE:

The *CITY* shall at all times maintain and keep in effect liability insurance covering its use of said facilities.

10. PROPERTY DAMAGE

The *DISTRICT* facilities or property thereon damaged or destroyed by reason of the negligence or acts of the *CITY* employees or persons using the *DISTRICT* facilities during the times that said facilities are subject to the exclusive use of the *CITY* shall be the responsibility of the *CITY*, and reimbursement for replacement or repair thereof shall be made by the *CITY* to the *DISTRICT*; provided, however, that nothing herein contained shall be construed to obligate the *CITY* to make repairs for damage which is due to ordinary wear and tear.

11. TERMS OF THIS AGREEMENT

The terms of the *AGREEMENT* may be renegotiated to meet the prerequisities of the Community Education Program.

CITY OF KODIAK

By _____
City Manager

ATTEST:

_____
City Clerk

KODIAK ISLAND BOROUGH

By _____
Borough Mayor

ATTEST:

_____
Borough Clerk

KODIAK ISLAND BOROUGH SCHOOL DSTRICT

By _____
School Board President

By _____
School Board Clerk

D. Resolution 68-5-R Setting Amount Owed by City for Payment on Personal Property Taxes. The resolution was read. Mrs. Hajdu inquired why the Borough was just now collecting these taxes from the City for 1967. Mr. Valkama explained that the City could make better use of these funds than the Borough, and so the delay was beneficial to them; and also that the City is just now collecting its 1967 sales tax, out of which this payment is made. Further, the Borough supplemental personal property roll has just been completed for 1967. Mrs. Springhill moved, seconded by Mr. Arndt, that the resolution be adopted. Mr. Burt and Mr. Bullock wished to review the tax returns before any action was taken. Mr. Valkama commented that if further reviews were made, it would probably turn out that the City would owe more money because in 1967 there were no teeth in the law requiring that people living inside the City file for their personal property. Motion carried by unanimous roll call vote.

E. Approval of Tax Adjustments Nos. R-67-38 and R-67-39. Both of these lots were taken by ASHA in 1966 and should have been in ASHA's name for 1967 instead of John Thevik's. Mrs. Springhill moved, seconded by Mr. Bullock, that adjustments No. R-67-38 and R-67-39 be approved. Motion carried by unanimous roll call vote.

F. Approval of November 15, 1968, as Delinquent Date for Second Half Payment of 1968 Taxes. It was explained that the ordinance sets November 1 as the delinquent date, but that enough tax bill forms are left from 1967 to use for 1968 if November 15 is again used as the delinquent date for second half payments of taxes. Mrs. Springhill moved, seconded by Mr. Arndt, that November 15, 1968, be approved as the delinquent date for second half payment of 1968 taxes. Motion carried by unanimous voice vote.

G. Conveyance of Cemetery in USS 3511 to City. Mr. Best stated that the cemetery is presently being arranged haphazardly, and suggested that it be conveyed to the City since they have the necessary staff to properly carry out proper arrangements. After discussion, Mrs. Springhill moved, seconded by Mr. Arndt, that the cemetery in USS 3511 be conveyed to the City for $1.00 with the provisions that it be properly laid out for roads and access and in accordance with the Subdivision Ordinance, insofar as practicable for a cemetery. Motion carried by unanimous roll call vote.

H. Dewitt Fields re Anton Larsen Road. Mr. Fields stated that he had been asked by Okey Chandler on behalf of the people of Anton Larsen Bay and Port Lions to meet with the Assembly concerning the restoration of this road, which is covered now at high tide for one mile. He stated that a petition concerning the road had been submitted to the Governor, and that the reply stated that $500,000 would be required to reroute the road. However, local contractors felt that the road could be sufficiently raised for only $25,000 to $30,000. Mrs. Hajdu suggested that the State be requested to use maintenance funds for this purpose, that they be informed that cost estimates for the job were less than $100,000, and that the road is needed by the families in the area and by the people from Port Lions and Ouzinkie who use it, after coming in by boat, as a means of getting to Kodiak. Mrs. Springhill moved, seconded by Mr. Bullock, that a resolution be drawn up by the attorney incorporating the ideas which were suggested in this discussion to take care of the problem of the Anton Larsen Bay Road. It was suggested that copies of the resolution be sent to the Governor and Kodiak's Representative and Senator. Motion carried by unanimous roll call vote.

X CHAIRMAN'S REPORT

A. Legislation of Interest. Mr. Best pointed out the following legislation of special interest:

HB 375
HB 376
HB 432 for school construction grants.
HB 463--appropriation bill for HB 432.
SB 175--providing for State to pay for defaults of local school bonds. This would help to give Alaska a better bond rating and may lower interest rates.
SB 298--3% education wage tax.

B. Building Inspector's Vehicle. Mr. Best suggested that since the City furnishes gas for the vehicle, the Borough furnish necessary repairs. The Assembly concurred.

EXHIBIT F

KODIAK ISLAND BOROUGH

M E M O R A N D U M

TO: Stu Denslow/Borough Manager

FROM: Ed Haney/Borough Assessor/Appraiser

SUBJ: Lot 1, Hospital Subdivision, USS 1822
Appraised Valuation

DATE: November 29, 1977

This lot (5.92 acres) was transferred from the Kodiak Island Borough to the City of Kodiak in 1968 to be used as a cemetary, recorded in Book of Deeds 21 at pages 92 and 93.

Comparable land in this area was selling for $5,000 per acre in 1968. As this is all high and well-drained land the 5.92 acres would have had a value of $29,600.00.

The 1978 value of this property were it put to it's best use (not a cemetary) would be $25,000 per acre or $148,000. If this land were subdivided into residential lots the market vlaue would total $300,000. This is possible because of adjacent water, sewer and access.

As a cemetary, it's value is almost an intangible, however to purchase land under today's market conditions would come close to the $300,000 figure.

EH/sv
cc

EXHIBIT G

CONTRACT

THIS AGREEMENT, made this 1 day of September, 1977, by and between Kodiak Island Borough, herein called "Borough", acting herein through its Presiding Officer (Title of Authorized Officia

and Alagnak, Incorporated
STRIKE OUT INAPPLICABLE TERMS (a corporation) (a partnership) (an individual doing business as _____

of Kodiak, State of Alaska

hereinafter called "Contractor".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the BOROUGH, the CONTRACTOR hereby agrees with the BOROUGH to commence and complete the construction described as follows: Road Maintenance and Snow Removal - Bells Flats/Russian Creek Service Area, hereinafter called the Project, for the amount specified in the attached bid schedule. All [illegible] in connection therewith, under the terms as stated in the General Conditions of the Contract; and at his (its or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, labor, insurance, and other accessories and services necessary to complete the said project in accordance with the conditions and prices stated in the Proposal, the plans, which include all maps, plats, blueprints and other drawings and printed or written explanatory matter thereof, the specifications and contract documents, all of which are made a part hereof and collectively evidence and constitute the contract.

The CONTRACTOR hereby agrees to commence work under this contract on or before a date to be specified in a written "Notice to Proceed" of the BOROUGH and on a timely call out basis thereafter for the duration of the contract.

The BOROUGH agrees to pay the CONTRACTOR in current funds for the performance of the contract.

IN WITNESS WHEREOF, the parties to these presents have executed this contract in three (3) counterparts, each of which shall be deemed an original, in the year and day first above mentioned.

KODIAK ISLAND BOROUGH

Margaret D. Turner
(Secretary)

BY James B. Roth
Presiding Officer
(Title)

Shirley Keller
(Witness)

ALAGNAK, INC.
(Contractor)

(Secretary)

BY Fred C. Trimble
President
(Title)

(Witness)

Box 1275 - Kodiak, Alaska 99615
(Address and Zip Code)

NOTE: Secretary of the Borough should attest. If Contractor is a corporation, Secretary should attest.

JOAN M. KATZ
ATTORNEY AT LAW
1614 HIDDEN LANE
ANCHORAGE, ALASKA 99501
(907) 274-3804

November 21, 1977

Patrick K. Poland
Staff Assistant to the
Local Boundary Commission
Department of Community
and Regional Affairs
511 West Fourth Ave.
Anchorage, Alaska

Dear Pat:

This is simply to confirm our conversation of last Friday, November 18, 1977. At that time I requested that the Kodiak hearing now scheduled for December 12, 1977 be rescheduled for later in that week to enable me to prepare the Borough's brief in sufficient time so that Commissioners would have the opportunity to review it prior to the hearing. You denied that request. The Borough is now proceeding with the case within the time frame you have set forth. Should the short time allowed appear to prejudice the Borough at a later date, the objection will be reiterated at that time.

I look forward to hearing from you later today in regard to the review of Commissio precedents we discussed.

Thanks for your consideration.

Sincerely,

Joan M. Katz

EXHIBIT I

D 15

G. Hayden Green, Ph.D, MBA

University of Alaska, Anchorage
3221 Providence Dr.
Anchorage, Alaska 99504

Betty Wallin, Mayor
Kodiak Island Borough
Kodiak, Alaska

Honorable Betty Wallin:

In accordance with your request, Dr. P.J. Hill and I conducted an analysis to determine the economic consequence with regard to the matter of annexation of portions of the Kodiak Borough by the City of Kodiak. To facilitate the study, we have thoroughly dissected the annual operating budgets of both governmental entities, that is, the Borough and City, and analyzed a substantial amount of information contained in reports produced by other consultants and government entities.

We have generally concluded that the residents in the area being considered for annexation will not derive appreciable economic benefit from the City's proposed boundary expansion. From an economic prospective, the only justifications for expanding the governmental and taxing authority of the City are; (1) if the residents outside the City are dissatisfied with the level of service they are receiving, (2) if the City can provide services more efficiently and economically than the Borough and (3) if residents inside the City are carrying a disproportional burden for service shared by area-wide residents. Relevant information suggests that none of these conditions exist; therefore, annexation is not warranted. The basis for these conclusions are summarized in numerical order throughout the remainder of this report.

Sincerely,

G. Hayden Green, Ph.D.

P.J. Hill, Ph.D.

KODIAK ISLAND BOROUGH ANNEXATION ECONOMIC ANALYSIS

1. Borough residents level of satisfaction with existing services:

Members of the Anchorage Urban Observatory research staff were commissioned to conduct a survey of attitudes of residents in the Kodiak Borough as part of an OCS impact study in 1977. As part of that study, respondents were asked questions regarding their level of satisfaction with services received. A total of 472 individuals completed the survey. To determine if the level of satisfaction with services received varies between residents within the City and those residents in the proposed annex area, some additional computer and statistical analyses were conducted of the original questionnaire responses.

Individuals living in the village who responded to the questionnaire were omitted. The balance of the respondents were separated into two groups, that is, those people within the City limits and those in the proposed annex area. One question asked was, "What do you dislike about your area?" Of the 199 respondents living within the City, 15.1% listed roads; and 13.1% listed litter as their main area of dissatisfaction. Of the 119 individuals responding to the questionnaire who live in the proposed annex area, 12.6% listed roads; while 13.4% listed litter. This was the area with which residents registered their greatest level of dissatisfaction (roads and litter). In the Table attached, it can be seen that very little difference exists between the level of dissatisfaction with services between individuals living within the City limits and those living outside. In fact it should be noted that, while 2.5% of the respondents living within the City listed police and fire protection as their number one concern, not one person living outside the City listed it as an area of dislike. (See Table 1)

In another question residents were asked to rank several factors which they considered major problems facing the Kodiak Borough. In Table 2 the percentage of individuals listing various factors as their number one concerns are shown. It should be noted that only 5 percent of the respondents living outside the City listed inadequate public facilities and services as a primary concern.

A third question queried residents about those areas they felt were the communities' most pressing needs. Again, we separated respondents within the City and those in the proposed annex area. The factors listed as being the most pressing need were housing and roads by both sectors of the areas' population. Nine percent of the City's residents listed public services, water and sewer as a pressing need; while only 4.2 percent outside the City listed it as their first concern. (See Table 3)

In a subsequent question, residents were asked to rate community facilities and service as either presently being adequate, needing upgrading at the present time or needing upgrading in the future. A perusal of Table 4 suggests that residents outside the City have equal concerns with the level of services they receive. (See Table 4)

Several important implications pertinent to the issue of annexation are gleaned from the survey data:

1. Individuals within the City limits and those persons outside the City have similar attitudes towards the level of service they receive, that is, a comparable level of satisfaction with regard to public goods in relation to their cost.

2. The services of greatest concern to both City and Borough residents are roads and litter conditions. According to state records, the City maintains 13 miles of roads; while the Borough maintains 9 miles of roads. The remaining road system is state or privately maintained. The survey results suggest that residents do not perceive the City as doing a better job maintaining their road systems than the Borough is with its roads.

3. The survey results clearly suggest that the City is not more astute at providing services to local residences than the Borough government. There is some dissatisfaction among City residents with some services provided by the City of Kodiak, i.e. law enforcement, animal control, airport, parks, and roads. Within those services provided area-wide by the Borough, there exists a relatively high level of resident satisfaction, i.e. medical service and education.

4. The survey results indicate that individuals in the outlying areas are satisfied with the level of service they are receiving. This would suggest that the initiative to expand the boundaries of the City limits originated within the City or from a minority group.

TABLE 1

KODIAK ISLAND BOROUGH COMMUNITY ATTITUDE SURVEY

WHAT RESIDENTS DISLIKE MOST ABOUT AREA

CATEGORY LABEL	RELATIVE FREQ (%) CITY	RELATIVE FREQ (%) BOROUGH
NR	3.5	1.7
Environment	6.5	6.7
Roads	15.1	12.6
Litter	13.1	13.4
Utilities	1.5	0.8
Poor Govt.	2.5	2.5
Animal Control	1.5	0.8
Pub. Transport.	0.5	0.8
Police-Fire	2.5	0
Lack Recreation	2.0	1.7
Trans. Facilities	1.5	0
Planning-zoning	1.5	4.2
Devpt.-Growth	3.0	3.4
Oil Devpt.	0.5	0
High Costs Goods	5.5	10.9
High Cost Land	2.0	0.8
High Taxes	0.5	0
Inflation	3.0	2.5
Lack Housing	5.0	5.0
Physical Isolation	6.5	6.7
Pop. Growth	4.5	7.6
Alcohol Abuse	3.5	1.7

TABLE 2

MAJOR PROBLEM FACING THE KODIAK BOROUGH

	City Residents	Outside City Residents
Inadequate Public Facilities and Services	10.6	5.0
OCS Impact	13.1	21.8
Shortage of Housing	48.2	41.2
Conflicting Land Use	13.1	15.1
Preservation of Cultural Diversity	4.5	4.2
Preservation of Natural Environment	8.5	10.9
Other	9.0	5.0

TABLE 3

COMMUNITIES' MOST PRESSING NEEDS

	RELATIVE FREQ. (%) CITY	RELATIVE FREQ. (%) BOROUGH
NR	8.5	8.4
Housing	36.7	42.9
Jobs	1.0	0.8
Roads	6.0	3.4
Road Maintenance	1.0	1.7
Road Constr.	0.5	0
Better Govt.	1.5	1.7
Open up Land	1.5	4.2
Land for Building	2.0	1.7
Boat Harbor	1.5	0.8
Env. Protection	0.5	0
Alt. Energy	0.5	0.8
Protect Fishing	0.5	0.8
Plan Slow Growth	4.5	5.0
Control Oil Devpt.	1.0	1.7
Interethnic Coop.	1.0	0.8
Enforce Zoning	1.0	0
Public Services	3.0	1.7
Water-Sewer	6.0	2.5
Pest Control	1.0	0
Alc-Drug. Rehab.	3.0	0

TABLE 4

ATTITUDE TOWARD COMMUNITY FACILITIES AND SERVICES

ATTITUDE TOWARD	PERCENT WHO RESPONDED PRESENTLY ADEQUATE		PERCENT WHO RESPONDED NEEDS UPGRADING NOW		PERCENT WHO RESPONDED WILL NEED UPGRADING	
	City	Outside	City	Outside	City	Outside
Water Utility	30.2	16.8	37.2	39.5	25.6	24.4
Sewer Utility	29.1	14.3	40.7	47.9	20.6	16.0
Electric Utility	23.1	19.3	42.2	40.3	29.1	31.1
Refuse Collection	42.7	35.3	27.6	23.5	23.6	26.1
Telephone Utility	15.6	21.8	63.3	54.6	15.1	17.6
T.V. and Radio	25.6	22.7	53.8	59.8	12.1	13.4
Highway and Roads	11.1	10.1	72.9	79.0	9.5	5.0
State Airport	30.2	42.0	41.7	36.	20.6	19.0
City Airport	18.1	26.1	44.7	47.9	13.6	9.2
Kodiak Dock	37.2	45.2	31.7	26.1	21.1	21.8
State Ferry	52.8	55.5	28.6	22.7	11.1	17.6
Law Enforcement	25.1	31.1	51.8	45.5	16.1	17.6
Fire Protection	55.8	43.7	17.8	25.2	18.1	23.5
Animal Control	29.6	21.8	48.2	51.3	10.1	10.9
Emergency Medical	45.2	52.9	24.1	26.9	20.6	15.1
Court System	30.2	35.3	44.7	45.4	16.1	10.9
Elementary School	40.7	36.1	33.2	31.9	18.6	21.8
Secondard Education	36.2	32.8	37.7	37.0	18.1	20.8
Community College	44.7	47.9	23.6	25.2	21.1	20.2
Medical Service	43.2	50.4	35.2	28.6	16.1	12.6
Sanitation	29.1	23.5	45.7	47.9	15.1	18.5
Public Assistance	26.1	25.2	52.8	50.4	6.0	9.2
Employment	46.7	42.0	28.6	28.6	11.6	17.8
Social Services	42.2	44.5	31.2	26.9	12.6	16.0
Parks	28.6	28.6	41.2	47.1	22.6	13.4
Recreation Facilities	23.6	21.8	46.2	49.6	20.1	12.6
Open Space	44.7	37.0	27.6	31.9	11.1	10.9
Museum	67.3	62.2	12.1	19.3	16.1	12.6
Library	69.3	68.9	8.0	14.3	18.1	13.4
Postal	14.6	17.6	62.8	70.6	14.6	10.1

2. Can the City provide services more efficiently and economically than the Borough?

One other area upon which the annexation decision should be predicated is the cost of providing public services. The City asserted in the original petition that it could provide services to the area in question more efficiently through annexation than otherwise.

In discussing this, several things need to be well defined. First, it is desirable to separate public goods from public utilities especially with respect to governmental finance. There are some goods that local governments provide that are, in reality, public utilities. Sewer and water systems fall under this category. Those who receive the benefits from these goods are easily identified; and these systems should, if possible, be supported by user fees. These facilities should not be financed by general taxes.

Secondly, with respect to the financing of public goods, it is possible to go the service district route efficiently. All that is required is an institutional arrangement whereby those who receive the benefits can be assessed in proportion to the costs. (The costs would include some prorata share of the fixed plant, not just thin marginal cost.) There is no loss in efficiency in doing this through service districts, and there is no economic reason for necessitating annexation. Expansion of services may produce some economies of scale (the larger the operation, the lower is the cost per unit of output); yet these can be realized without annexation. The service district would seem a more desirable route because of the ability of the residents to choose which public utilities they want.

Public goods are those types of goods which must, by necessity, be provided through taxation (police, planning, general administration, parks, etc.); yet there is no reason to believe that they require the annexation process. They could be provided on the basis of service districts and differential taxation. It should be remembered that the benefits of the service (public good) do have geographical limitations.

Further, it is doubtful than any particular government has a unique advantage in terms of production costs. Both the Borough and the City have to buy their resources in the same market, and they face the same types of technology. There is probably no economic rationale for having a service provided by one government over another.

To provide a basis for comparing the cost and operating efficiency of the two governments, we used the 1977/78 operating budgets of the two entities. (See Table 5)

It should be noted that several duplicated positions exist within the Borough and City governments. These will not be eliminated if the City boundaries are expanded.

A preferable alternative to annexation would be unification. If the two governments were unified, the positions listed in Table 6 could be eliminated. It should be noted, however, that the historical experience of unification efforts have not resulted in substantial cost savings. Where costs are saved in one area, they are often absorbed in others. The primary advantage of unification is the elimination of the conflict that often arises where two governments serve the same citizenry.

TABLE 5

BOROUGH AND CITY BUDGETS

GENERAL COST Executive & Clerk	City	Borough
1. Travel & Per Diem	6,870	8,780
2. Compensation Mayor council	2,760	4,800
3. Legal	55,000	16,500
4. Capital Expenditures Office Machines, etc.	10,100	10,000
5. Manager's salary	39,500	42,462
6. Manager's Secretary		13,687
7. Clerk/Treasurer	27,687	18,331
8. Secretary	13,810	13,687
9. Bookeeper		15,741
10. Benefits	24,319	6,103
11. Dues	6,190	4,200
12. Expenses (Mayor & Council)	4,800	2,000
13. Overtime	100	1,200
14. Supplies	5,350	8,000
15. Professional Services	7,000	5,000
16. Professional Development		5,000
17. Insurance & Bonding		2,500
18. Group Insurance		1,089
19. Communication, Adv.	4,490	6,790
20. Printing	8,000	

TABLE 5 (continued)

BOROUGH AND CITY BUDGETS

GENERAL COST Exectuive & Clerk	City	Borough
21. Repairs and Maintenance	500	2,000
22. Rentals	4,805	1,500
23. Equipment		
24. Vehicle Allowance		3,000
25. Post Audit		25,500
26. Election		7,000
27. Boards and Commissions		500
28. Termination Reserves		3,000
Expenses	221,281	241,870
		86,648.48
		328,518.48
		102,675.00
Expenses		431,193.48
Revenues		
earned	60,514	305,050
shared	36,546	750,000
taxes	124,221	51,143

TABLE 5 (continued)

CITY

Tax Collecting - Finance	Revenues	
Expenses	Earned	31,492
223,270	Shared	36,873
	Tax	154,904
Police Department		
Expenditures	Revenues	
813,379	Earned	251,230
	Shared	172,635
	Tax	389,414
Fire Department		
Expenditures	Revenues	
333,241	Earned	59,150
	Shared	55,042
	Tax	219,048
Public Works		
Expenditures	Revenues	
631,401	Earned	296,142
	Shared	144,279
	Tax	190,979
Parks & Recreation		
Expenditures	Revenues	
128,946	Earned	20,500
	Shared	21,295
	Tax	67,151
Library		
Expenditures	Revenues	
137,351	Earned	15,000
	Shared	22,935
	Tax	99,416
Museum		
Expenditures	Revenues	
18,000	Earned	0
	Shared	2,973
	Tax	15,027
Engineering		
Expenditures	Revenues	
112,159	Earned	32,100
	Shared	18,524
	Tax	61,535

TABLE 5 (continued)

Non Departmental

Expenditures	Revenues	
1,450,239	Earned	471,034
	Shared	239,518
	Tax	739,687

Taxes (including tax on city utilities)

2,081,385

Earned and Shared

1,987,882

BOROUGH

Assessing Department

Expenditures	Revenues	
102,386	Taxes & Reserves	102,386

Planning and Zoning

Expenditures	Revenues	
173,949	Earned	
	Shared	15,800
	Tax	158,149

School Support

Expenditures	Revenues	
851,498	Shared	248,033
	Tax	603,465

Health

Expenditures	Revenues	
226,850	Shared	162,000
	Tax	64,850

Building and Maintenance

Expenditures	Revenues	
191,344	Earned	
	Tax	191,344

Taxes & Surplus	1,171,337
Earned & Shared	805,883

3. Are residents inside the City carrying a disproportional burden for services?

Kodiak is particularly concerned that they (City residents) are paying for many "public goods" that are used by people who live outside the City boundaries. The charge is that these non-city residents are "free riders." It would be useful to examine sources of revenue for the City and identify revenues that are paid by City residents and by non-residents.

The population of the respective areas (City and surounding area) is computed as follows: The total population of the City (official population figures used by the State of Alaska for revenue sharing) and the Borough in 1977 is 4,960 and 7,901 respectively. The population of the five second-class cities in the Borough (these are Akhiok, Larsen Bay, Port Lions, Ouzinke and Old Harbor) totaled 940. It will be assumed that there are approximately 200 persons living in other areas (areas outside cities). Therefore, the total population living in the greater Kodiak (City) area is 7,901 less 1,140 or about 6,761. Of that total, 4,960 live in Kodiak city; and about 1,800 live in the surrounding area. Therefore, of the total resident population in the greater area, City residents account for approximately 73 percent which implies that the surrounding area holds about 27 percent of the population.

Additionally, the migratory labor force accounts for a significant portion of those people who are hit by sales taxes. Accounting for a trend, it would appear that, on average, the labor force is 13 percent higher than the permanent residents would support. This is due to the cyclic nature of employment.

Thus, there would appear to be a significant portion of the population that would be hit by the sales tax who are not permanent residents of Kodiak city. Assuming that there are not wide differences in the distribution of income between residents (of the City) and non-residents, it would not be unreasonable to assume that people would pay the same amount in sales taxes to the City, no matter where they lived either within the City, the surrounding area or were transient labor force. Conceivably, what I can account for would seem to indicate that residents of the surrounding area and transient labor force (in covered employment) would probably account for about 40 percent of the total sales taxes collected. Additionally, there are others who pay sales taxes who are not accounted for by this figure (any sales that are made to Borough residents outside the greater Kodiak city area which would include all the outlying villages and any purchases made by the U.S. coastguard personnel). Also, there are significant sales taxes paid by people who work in Kodiak in the summertime who are not in covered employment; this would include all the sales made to fishing boats from the outside. Thus, the portion of sales taxes paid by non-city residents is probably greater than 50 percent.

TABLE 6

POSSIBLE DUPLICATION ELIMINATED THROUGH UNIFICATION

	Cost	No. of Positions
Mayor	$ 600	1
Travel	2,160	6
Transportation	1,685	
Dues & Subscription, City Manager	4,500	
City Manager	39,500	1
Benefits	11,850	
Transportation, City Manager	3,650	
City Clerk	27,687	
Benefits	8,306	
Transportation for City Clerk	1,100	
Annual Audit	23,500	1
Dues for City Clerk Assoc.	1,600	
	$126,138	

(2% saving on combined budget)

One of the traditional arguments for a sales tax, at least in this instance, would seem to hold true. Sales taxes can be levied to tax people who might otherwise escape taxation, notably, tourists, transients, and non-residents of a political jurisdiction.

Other taxes of the city that are ultimately paid by non-city residents would include their portion of the property taxes that are shifted forward by commercial businesses within the City. Traditionally, across the U.S., businesses account for about 50 percent of property taxes (see Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1973-74 ed., Washington, D.C., p. 173). It is commonly believed that businesses shift large portions of the property tax on to the consumer in the form of higher prices. For example, the Port of Kodiak included $83,000 as a payment to City government in lieu of property taxes. This payment was included as part of the rate base in calculating charges for use of the terminal. This shifting is especially true in non-competitive market structures which is characteristic of the Kodiak economy. Thus if 50 percent of total retail sales which are made in Kodiak are made to non-city residents and are passed along in the form of higher prices, then it would be possible to conclude that approximately 25 percent of the property taxes paid to the city are, in fact, paid by non-city residents.

In terms of the total tax revenue Kodiak city collects, the City residents collect a significant portion of their taxes from people who do not reside in the City. Of total property taxes paid, we can attribute $163,750 to non-residents; and, of the total sales tax revenue ($1,250,000), approximately half ($625,000) can be attributed to non-residents. Thus it would seem as though non-residents pay as much as $788,000 into the purse of Kodiak city which accounts for almost 41 percent of total tax revenue. It can hardly be said that there is a significant "free rider" problem.

It is interesting to examine what would happen to property taxes in the area to be annexed if annexation were to take place and the City spread its property taxes out over a larger tax base. Currently, there are four service areas where differential taxation is imposed. These include: the City (TCA1), the fire district (TCA8), the road district (TCA9) and the villages (TCA9). The fire district and the road district property would be added to that of the City upon annexation; both of these areas hold about 12.85 percent of the total property in the Borough. The City, on the otherhand, contains 81.17 percent of total property in the Borough.

By using the mill rate and the tax base of the areas to be annexed along with the City, it is possible to examine what would happen if the property tax of the City were spread over the whole area. Currently the City is taxed at a 16.33 mill rate; the surrounding area mill rate is 7.23 with an additional assessment of 0.75 mills in the road district and 2.27 mills in the fire district. If the focus of annexation were to simply shift some of the cost to the outlying areas, the same total amount would be collected with the mill rate of the various areas being equalized. The overall mill rate would be 15.19 mills -- a decrease of 1.14 mills in the City (a decrease of $85.5 on a $75,000 home), an increase of 5.69 mills in the fire district (a $426.00 increase in property taxes on a $75,000 home), and an increase of 7.21 mills in the road district (an increase of $540.75 on a $75,000 home) for residents outside the City.

Further, it might be noted that the area to be annexed includes the U.S. Coast Guard base. Thus the retail sales on the base would be subject to the City sales tax which would add to the City revenues significantly. It is difficult to know how much this will add to the City revenues. The Office of non-appropriated fund for the Coast Guard reported that this total operation was approximately $3.5 million. While most of that was the BX and similar activity, the precise amount that would be hit by a retail sales tax would be difficult to determine. If, for example, $2.0 million were covered by the retail sales tax, the City would collect $60,000. This is about five percent of the total tax revenues for the City.

KODIAK ISLAND BOROUGH

E

M E M O R A N D U M

DATE: May 19, 1978

TO: Chairman and Membership
Alaska Local Boundary Commission

FROM: Kodiak Island Borough

SUBJ: Local Boundary Commission Report Proposing The Annexation of Certain Borough Lands to The City of Kodiak

On Friday, May 12th, Kodiak Island Borough was presented with a copy of a Preliminary Report to the Local Boundary Commission proposing to annex certain lands in the urban area of the Borough to the City of Kodiak. The Boundary Commission staff and the City of Kodiak had a number of months to prepare the analysis and recommended annexations, whereas the Borough was given a period of only seven (7) days in which to evaluate the technical and financial consequences of the staff assumptions and recommendations in the report. The Borough has exerted its best efforts to prepare for this hearing. If more detail is required by the Commission we will be glad to provide that as soon as reasonably possible.

A cursory examination of the report noted numerous areas of fact, substance and assumption which appears to reflect a bias by the staff in favor of annexation and resulting in inaccurate conclusions. Specific examples of the above were conveyed to Boundary Commission staff by phone on May 18th, 1978. If required, a more detailed comment will be provided in writing upon the conclusion of our evaluation in the weeks ahead.

Matters of Policy

Section VI of the above referenced report draws conclusions and makes recommendations based on the apparent assumption that annexation is the only viable boundary adjustment technique and that the Local Boundary Commission should review activities in the area for purposes of assuming a mediating role to resolve alleged conflicts related to municipal services and the occupancy of contiguous political and physical space.

Unfortunately, the staff fails to recognize that the City of Kodiak is part of Kodiak Island Borough, in point of fact, representing only slightly over four square miles, in the heart of the Borough urban area, located within the five thousand five hundred square mile archipelago. Within the area of the archipelago the Kodiak Island Borough has operating responsibility for the most significant area-wide public services in the form of education, health services and facilities, planning, zoning and community development, assessment and taxation and non-areawide parks and recreation (see Table 1).

On a more selected basis, Borough voters have chosen to create a series of special service districts to provide for the construction and maintenance of roads, sewer and water utilities and fire protection. No requests have been received for police service or solid waste disposal.

Through their actions voters have expressed the desire to create special service districts which enable them to identify the municipal services

TABLE 1

AREA-WIDE SERVICES

	COSTS FY '78	POPULATION SERVED
EDUCATION:		
Kodiak Island Borough School District	$6,167,727.00	10,351
HEALTH:		
Kodiak Island Hospital	1,428,137.00	10,351
Kodiak Aleutian Mental Health Center	210,798.00	10,351
PLANNING & ZONING:	176,177.00	7,901
ASSESSMENT & TAXATION:	106,921.00	7,901
PARKS & RECREATION: (Planning only - First Year)	10,783.00	7,901
TOTAL	$8,109,553.00	

SPECIAL DISTRICTS SERVICES

SERVICES:	BELLS FLATS/RUSSIAN CREEK SERVICE AREA	SERVICE DISTRICT I MILL BAY-MONASHKA SERVICE AREA	OTHER SERVICE AREAS
Roads	$38,500.00	$ 9,750.00*	
Sewer	Services Not Requested Private	$ 3,015,000.00*	
Water	Services Not Requested Private	$ 2,014,000.00*	
Fire	Borough Fire District Pending	$ 54,646.00**	Karluk Fire Service Distri $1,320.00

* Proposed F.Y. '79

** Actual F.Y. '78

they desire to receive, the level of service to be provided and the costs they are willing to bear for the maintenance of those identified levels of service. As a matter of policy the Borough Assembly has agreed to provide only those types and levels of Borough municipal services that are requested by the citizens as they are willing to vote for and, subsequently, pay for them. Through the utilization of service districts non-areawide special services can be identified by citizens to include a determination of level of service and the costs associated with same. This policy approach assures that the voter is consciously committing himself to a service burden based upon need and willingness to pay. In the context of this policy, the City of Kodiak can be looked upon as a service district wherein the voters assumedly have selected a unique combination of services and levels of support appropriate to their needs and wishes. Unfortunately, an assumption appears to have been made by the City of Kodiak and the Boundary Commission staff, that through the act of annexation a package of preselected services from the Kodiak urban service district (City) ought to, in some way, be superimposed on the voters of adjacent service areas. The research of Messers. Green and Hill show conclusively that there are no socioeconomic or political conclusions that warrant annexation actions./1

Unification On Fall Ballot

Unification of the City within the Borough provides a method of boundary adjustment which can by a vote of the people, provide a governmental organization that flexibly meets the needs of diverse interests in the

same political and physical space while giving the voting public continuous opportunity for decision making with respect to the identification of services and the determination of levels and costs for the delivery of same. Kodiak Island Borough Assembly Resolution 78-34-R will place the question of unification before the voters of the Borough at the October, 1978 election, which if acted upon affirmatively, in due course, will dissolve the one boundary line of contention.

Determining Levels Of Service

A fundamental of democracy provides that people will be given the opportunity to select both the type and level of services they are willing to vote and ultimately pay for. This condition introduces the opportunity for different levels of service within different portions of the urban area. By way of example, it can be pointed out that the provision of road service in the Bells Flats/Russian Creek Road Service District costs approximately $4,000.00 per mile per annum. The service includes grading, some ditching and culvert work and snow removal. The service is provided by a private public works contractor employed by the Borough. In contrast, in the City of Kodiak similar street maintenance activities are costing the City approximately $16,000.00 per mile as provided by the City Department of Public Works. Construction is not included in either example. We can conclude from the numerical comparisons that either City maintenance is four times as good per unit price or some other condition intervenes to justify the differences in cost per equivalent level of service. It should be obvious from the cost savings involved, however, that the Borough will continue to utilize a contractor

for a public works function to meet the level of service expectations. In another example, police service, the Borough has not received a request for service beyond that which is provided by the Alaska State Troopers. In the absence of a request for additional special police service we must conclude that there is a high level of satisfaction with the service currently rendered. Concurrently, in the City of Kodiak $813,000.00 were spent last fiscal year for police services.

The above examples serve only to point out that in a given urban area significant difference in levels of demand for services exist and the voting public must be provided with an opportunity to select the level of service and through their vote indicate their willingness to pay for the costs of same. The Borough service district mechanism provides the least obtrusive and most flexible method for meeting special public service demands.

/1 Annexation Economic Analysis - Kodiak Island Borough; Green, Hayden G. Ph.D. and Hill, P.J. Ph.D.; University of Alaska, Anchorage. May 19th, 1978.

city

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

November 14, 1977

Mr. Pat Poland
Local Government Specialist
Department of Community and
Regional Affairs
511 West Fourth Avenue
Anchorage, Alaska 99501

Dear Pat:

Enclosed is a copy of Kodiak Island Borough Ordinance 77-35-0. As you can see, it is establishing the Mill Bay-Monashka Service Area. Also enclosed is a map to give you an idea of the area this encompasses.

I am sending this to you for information purposes only as I feel that this action by the Borough is the kind of procedure we have been expecting for quite some time. In view of the fact that the City has requested the Local Boundary Commission to look into possible annexation of the very same area, I feel it is important that the Commission be made aware of this new development.

You did mention that the Commission has the power to prohibit this type of action from taking place in an area that could very well be annexed to the City. I believe the City could adequately show that this area is now being served in many ways by the City of Kodiak. I feel that if service areas are allowed there will be very little compulsion for these people to want to become residents of the City of Kodiak.

Under Section 29.63.090 (d), service areas, the following is a quote: "A new service area may not be established if, consistent with the purposes of Article X of the State Constitution, the new service can be provided by an existing service area, annexation to a city or by incorporation as a city" (emphasis added). It is obvious that if the Borough were to ask for water and sewer service areas they would have to use the City's facilities for these services. If road powers were the concern of the ordinance mentioned above, the Borough would have to contract or establish a new operation for servicing the roads in this area. At the present time the City has facilities, equipment and manpower to provide this service to the residents of the City of Kodiak. It is one thing to start from scratch or contract

with a private company or to provide a service. Since the City already has men, equipment, a shop, etc. it is obvious that this should be accomplished through annexation instead.

While it is one thing to overlook the State Statutes, I feel that if this service area is allowed it would be contradictory to the Constitution of the State of Alaska which is the supreme document in matters of this case.

I do not have any other information on what the Borough is doing; however, I am sure you have the resources to get the information you need. If I hear of anything more, I will be sure to let you know.

Thank you very much for your review of this most important matter.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom
City Manager

ILW/lp

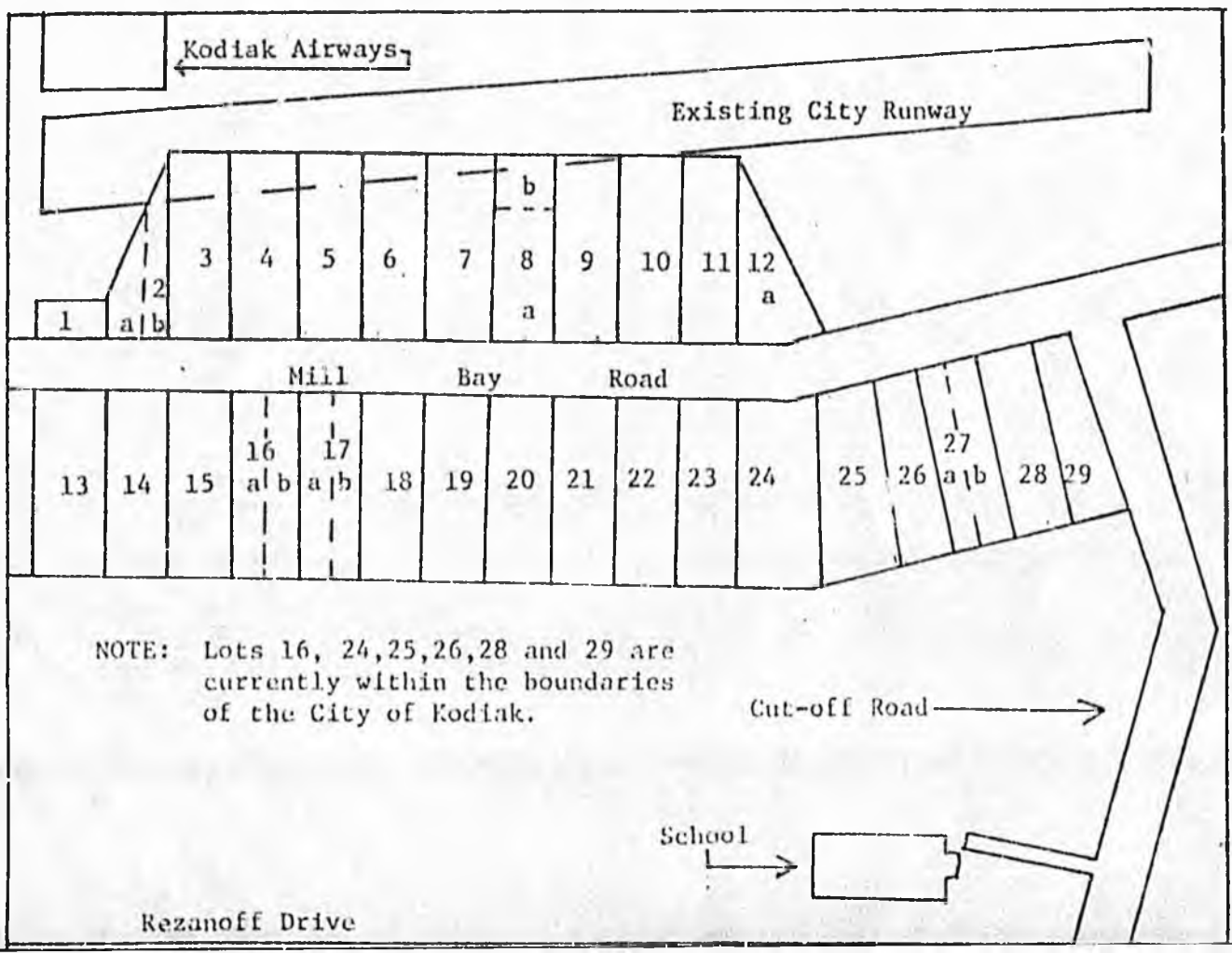
cc: Mr. Palmer McCarter

NOTICE OF PUBLIC HEARING

Pursuant to AS 44.19.290 and 19AAC 10.090 notice is hereby given that the Local Boundary Commission will conduct a public hearing on Monday, December 12, 1977, at 7:00 p.m. in the council chambers of the City of Kodiak. The purpose of the hearing is to obtain testimony of the public regarding the petition of the City of Kodiak proposing annexation of certain property located along Mill Bay Road to the City of Kodiak. The territory proposed for annexation is more specifically described as:

Lots 1,2A,2B,3,4,5,6,7,8A,8B,9,10,11,12A,13, 14,15,17A,17B,18,19,20,21,22 and 23 of United States Survey number 3098, comprising some 21.73 acres.

A map displaying the general location of the property is shown below.



Any person wishing to speak at the hearing may do so. Persons unable to attend the hearing may arrange to have someone speak in their behalf at the hearing or may present written testimony prior to the public hearing. Written comments should be mailed to:

Department of Community and Regional Affairs
Division of Local Government Assistance
511 West Fourth Avenue
Anchorage, Alaska 99501

Following the conclusion of the public hearing the Local Boundary Commission may convene a decisional meeting. Pursuant to the authority granted the Local Boundary Commission by Article X, Section 12 of the Alaska Constitution and AS 44.19.260 the Commission may enter any one of three possible decisions:

1) To accept the petition as presented; or

2) To reject the petition; or

3) To amend the boundaries of the area proposed for annexation and accept the petition. Should the Commission decide to amend the boundaries of the area proposed for annexation, it may do so by decreasing the size of the territory proposed for annexation or by adding to the territory proposed for annexation any territory adjacent to the City of Kodiak.

Pursuant to the previously stated authority the Local Boundary Commission's decision is subject to legislative review.

Should bad weather or other factors preclude the conduct of the hearing at the scheduled time and place, the hearing is rescheduled for the following day, Tuesday, December 13, 1977 at the same time and location.

Dated this 9th day of November, 1977, at Anchorage, Alaska.

Sigvald J. Strandberg
Chairman
Local Boundary Commission

III

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

December 16, 1977

Mr. Sigvald J. Strandberg
Chairman
Local Boundary Commission
Department of Community and
Regional Affairs
511 West Fourth Avenue
Anchorage, Alaska 99501

Kodiak Island Borough
KODIAK, ALASKA
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Dear Mr. Strandberg:

I do not envy the Commission's position when attempting to relate to the problems such as we have here in Kodiak. I respect your willingness to listen to many statements that are irrelevant; however, I do not believe they should bear much weight in your decision.

When I finished my initial remarks, I asked for an opportunity to reply to the Respondent's Brief. For one reason or another, you did not honor my request. I realize your desire not to prolong the hearing; however, there were many points that were made that were not true. It is too bad that you were not willing to give me an opportunity to clear them up for you and those attending the meeting.

I think it should be made known in what capacity your fellow Commission member, Ms. Gallagher, is working for the Borough. It is obvious that if her employment has anything to do with any of the issues mentioned in the annexation proceedings she should disqualify herself from any court proceedings, as well as Commission activities. Her ability to ask questions during the hearing that would bear on possible litigation would seem reason enough for her to disqualify herself. I would like to hear from you or Ms. Gallagher regarding this issue.

There are several points I would like to make that were brought out in the testimony of the citizens.

EXHIBIT A

1. The City sewage treatment plant is 100% funded by the Federal and State Governments and City of Kodiak. The City's portion is financed in part by general obligation bonds. There are no Borough funds involved in this sewage treatment plant.

2. It is obvious that the City is not going to reap any huge benefits from the annexation proposal. Half of the lots are in public ownership, there are no industries, pipelines, etc. that would constitute a windfall to the City if the annexation did occur.

3. Postponing the decision on this annexation until after the legislature begins is not fair. The merits are quite obvious. I should not have to go into any detail on this.

4. As far as I could ascertain, there was not one registered voter from the area in question who spoke against the annexation. If an election were held rather than the public hearing, none of those people would have been able to voice their opinions. I think it was incumbent upon the Commission to make this clear. One of the items I wished to make known was that no resident of the area spoke on the annexation. The only people involved were property owners and those renting or leasing for business purposes.

5. At the Borough meeting on December 1, I tried to explain that the annexation of the Mill Bay Road area was the only item to be considered at the hearing. The Borough overreacted and sent out notices to all post office box holders as well as the notices in the paper. I feel that it is this kind of activity that turns people off toward government and makes all our jobs more difficult.

6. As I understand it, there are five members of the Boundary Commission and since two can hold a public hearing but three need to make a decision, the other two members that were absent also need to concur in the decision to hold another public hearing on this annexation.

It is quite obvious that the residents of the Borough and City residents who own property in the Borough are against annexation because of the additional financial burden. As far as I am concerned, that is no reason for these people not to be annexed. From your comments, you seem to have similar feelings. I am going to ask the Council of the City of Kodiak to wait six months before meeting with the Boundary Commission again since no annexations can occur until 1979. The Borough will go ahead with their service areas and unnecessary duplication of taxing structures will automatically result. I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need

to annex. This is especially true in the Kodiak urban area.

I would like to take this opportunity to thank you for visiting with us. I really feel that you have quite a burden on your shoulders. I appreciate that fact only too well; however, I still feel that you have accepted your positions of trust and you have a responsibility to the municipalities that are depending on you for proper decisions.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom
City Manager

ILW/lp

cc: Commissioner MacAnerny
Governor Hammond
Senator Poland
Representative Snider

KODIAK ISLAND BOROUGH

CONFIDENTIAL MEMORANDUM

TO: Borough Manager

FROM: Planning Director

SUBJECT: Individual Breakdown of City and Borough Taxes

RE: Information Required by Counsel

DATE: December 6, 1977

During our discussions with Mrs. Joan Katz, she requested I prepare a breakdown of my estimated Kodiak Island Borough Real and Personal Property Tax as well as the amount of Sales Tax collected by the City for goods and services.

The following reflects the assessed valuation of the real property I lease:

Land	Building	Total	KIB Mill Rate		Amount of Tax
$8,900	$32,890	$41,790	$9.50	=	$397.00

Personal Property:

Description	Valuation		Mill Rate	Amount of Tax
1965 Dodge $\frac{1}{2}$ Ton P.U. w/Camper	$ 500			
1974 Buick 2 Dr. H.T.	2,975			
1973 Chevrolet K5 Blazer	2,900			
1969 5-HP Outboard Motor	50			
Total	$6,425	x	$9.50	$ 61.04
Total Amount of Tax Revenue Collected by K.I.B.				$440.04

The following reflects the estimated Sales Taxes I pay:

EXHIBIT B

CONFIDENTIAL MEMORANDUM

To: Borough Manager
From: Planning Director
Subject: City and Borough Taxes, Individual Breakdown
Date: December 6, 1977

Sales Taxes:

Item	Amount of Tax (Month)
Food	$ 21.00
Telephone	2.25
Electricity	2.55
Fuel Oil (Furnace)	7.50
Clothing	3.00
Automobile Gas and Oil	1.80
Tire Repair	.54
Cosmetics	1.00
Water	.42
Dry Cleaning	.60
Cable Television	.51
Entertainment (Movies)	.75
Appliances (Large & small, Replace & repair)	1.05
Cards, Gifts, Candy	1.50
Books, Magazines, Newspaper	1.00
Meals Out	6.00
Beverages	5.00

Average Amount of Sales Tax Paid to City of Kodiak, $ 56.47 per Month;

Total Yearly Amount Sales Tax Paid to City (x 12), $ 677.64

Average of Combined City and Borough Taxes for non-City Resident, $1,117.68

Percentage of Total Tax Paid to the City of Kodiak, 60.629%

Percentage of Total Tax Paid to Kodiak Island Borough, 39.370%.

Of the $440.04 paid to the Borough, 2.27 Mills or $109.44 were paid over to the City of Kodiak for fire protection, thus leaving the Borough with a net tax collected in the amount of $330.60, and the City of Kodiak with a total $787.08.

Percentage of Adjusted Total Tax Paid to the City, 70.421%,

Percentage of Adjusted Total Tax Paid to the Borough, 29.579%.

Respectfully submitted,

H Milligan

Harry Milligan

CITY OF KODIAK
RESOLUTION NUMBER 23-77

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK REGARDING THE ESTABLISHMENT OF A JOINT COMMITTEE TO STUDY UNIFICATION

WHEREAS, major changes are occurring in the entire Kodiak Island Borough, and

WHEREAS, the tax base is not sufficient to support excessive governmen and

WHEREAS, the relationships between the City of Kodiak and the Kodiak Island Borough demand close cooperation and coordination, and

WHREEAS, unification of the two governments might be in the best intere of the residents of the Kodiak Island Borough;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodi wishes to participate in a study task force along with the Borough Assembly members and private citizens to study the advantages and disadvantages of unification and to recommend whether or not unification would be in the best interest of the residents of the Kodiak Island Borough. The Council respectfully requests the Borough Assembly to participate in this task force and to meet with the Council in worksession to determine how best to implement this study group.

PASSED AND APPROVED this 27th day of October, 1977.

MAYOR

ATTEST:

CITY CLERK

EXHIBIT C

IV

April 18 election opposed

Council votes to sue

Kodiak Mirror, March 28, 1978

The Kodiak City Council voted yesterday to file suit against the Kodiak Island Borough to prevent the borough from holding a scheduled April 18 election to establish a Monashka-Mill Bay Service district.

The suit will be filed by a special attorney, Don Johnson of Anchorage, City Manager Ivan Widom told the Mirror this morning.

The council's decision to file suit was reached after city and borough council members failed to reach any agreement at a joint borough-city meeting Saturday.

The joint meeting was held to discuss who would provide sewer service to the Monashka-Mill Bay area after the city sewage treatment plan is in operation.

"The city is not trying to stop people from voting," city councilman Gary Stevens told the Mirror this morning, explaining that the city feels the special service district election would be illegal.

"We're trying to save the voters the $1,500 it would cost to hold the election," Stevens said.

"The city's point is," he explained, "that our interpretation of state law is that as long as an area is adjacent to the municipality and the city provides services, a new service district is illegal. The area should be annexed."

If the borough did establish a special service district for the Monashka-Mill Bay area, Stevens said, the borough would probably then contract with the city to provide sewer and water services.

"Hopefully the borough isn't going to start an additional water department," Stevens said.

"If the borough goes in there and builds the water district and then contracts with the city to maintain and operate it," he explained, "the city is at a disadvantage because it was not in on the planning. We will have the same problems we had on Larch Street.

"We want to be in on the planning to assure the system is compatible with ours," Stevens said. "We don't want to waste the taxpayers' money."

Further, he explained, the borough planners have determined that the urban Kodiak area will eventually extend to

(Continued on Page 2)

From page 1

the end of Spruce Cape.

"If this is true," Stevens said, "and I believe it is true...it's foolish for there to be two urban areas, one outside and one inside the city."

"I hope what is going to happen," Stevens said, "is that when people see the squabble they will demand unification." Juneau, Sitka and Anchorage went to unification, Stevens said, adding, "It's the answer for Kodiak. Unification would get rid of duplication, squabbling and lawsuits."

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

April 24, 1978

RECEIVED
MAY 3 1978
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Local Boundary Commission
Department of Community and
Regional Affairs
511 West Fourth Avenue
Anchorage, Alaska 99501

Gentlemen:

As I understand it, the Boundary Commission is holding a hearing in Kodiak to consider three items. The first is to make a decision on the Mill Bay Road annexation. This was heard by the Boundary Commission on December 12, 1977. The second item is to discuss two 100% annexations; one involving the City's airport property and the other is the Frontier Southern Baptist Church property. The third item is to discuss the boundary question in the total urban area of Kodiak.

The City of Kodiak has supplied the Boundary Commission with a great deal of information regarding the Mill Bay annexation. The Borough has gone ahead with their plans to create a service area in the Kodiak urban area adjacent to the city limits. The City of Kodiak has decided to stop this service area creation through the court system. If it turns out that the courts will not allow the service area to be created, the responsibility will be placed on the City of Kodiak to provide services to the projected service area.

There is another area that I would like to bring to your attention as well. This involves the Coast Guard Base adjacent to the City of Kodiak. At the present time, the State of Alaska leases part of the Coast Guard Base for the State airport and is currently considering expansion of that facility. The Coast Guard Base, including the airport, is not within the boundaries of the Kodiak Island Borough; therefore, we have a difficult situation.

The City of Kodiak Police Department is the security agency involved at the airport. Our police officers provide the necessary anti-hijacking protection for the State. There are areas at the airport that are leased to individuals and the property is not taxed in any way. As the airport grows and develops, increased commercial activity will be present at that facility. It is obvious that the Kodiak Island Borough

is missing out on a great deal of personal property tax at the airport. I am not certain about the real property taxes since it is Federal property.

Another issue is the fact that Koniag Native Corporation is receiving excess property from the Coast Guard. There are plans to develop this property, of course. As long as the property remains outside of the jurisdiction of the Planning and Zoning function, the area could be developed without adequate controls. I feel it is important that the Boundary Commission take a look at this situation as well.

The immediate concern is to annex the State airport. I believe that part of the Coast Guard Base could be annexed without any residents taken in. I realize this is another whole dimension to the boundary situation in the Kodiak urban area; however, I think that if you are going to be looking at the total urban area around the City of Kodiak, the Coast Guard facility and State airport should be taken into consideration.

I have done some research regarding the formation of boroughs and utilization of service areas in the context of what is happening currently in the Kodiak urban area. I must apologize that the amount of research done and the limits of my resources does not make this study a complete one; however, the basic issues as I see them are presented below.

The most adequate source of information is a publication called "The State and Local Government System" by Thomas A. Morehouse and Victor Fisher. I was only able to find the SEG interim report #23, March, 1970.

I would like to take the liberty of quoting the specific paragraphs and furnishing you with Xerox copies of specific pages of the report. By utilizing this method, I will not take things out of context and give you incomplete information. This, of course, will make this communication to you a rather lengthy one; however, I think the end result will be much more convincing.

Since the subject report was published in March of 1970, I am certain the research was done in 1969 and before. That means that at lease for the last nine years the State of Alaska has been aware of the problems existing between cities and boroughs. There are references to other publications in this study that show that the State of Alaska has been aware of the problem prior to 1969. Due to lack of resources and adequate time, I will not go into a long dissertation regarding the Constitutional Convention, creation of boroughs and other instrumentalities of local government. However, I do plan to dwell on the issues that were brought out by Mr. Morehouse and Mr. Fisher that relate to the specific problem that the Boundary Commission is concerned with in the Kodiak urban area.

On Page I-18, the situation that we now have here is presented. At the top of the page, it mentions the Boundary Commission's responsibilities and ability to affec ıte the necessary controls. The next paragraph talks about the borough form of government and I quote: "In its current stage of evolution, then, the borough possesses the form but not the substa..ce of authoritative area-wide government. It is 'general government' within which a powerful special government--the school district--has maintained and even increased its autonomy. It has 'exclusive authority' for area-wide functions, but in practice, its functions are divided and shared with independent city and school administrations. It is a 'regional government' but it competes with city government for both territory and function. It speaks of promoting 'area-wide' policy and programs but it is so structured as to facilitate the expression of local selfinterest and localized service area needs"

The next paragraph on Page I-18 and I-19 further develop this idea: "The basic problem is that in most areas two forms of local government--the city and the borough--are attempting to occupy political and physical 'space' where there is room only for one. This is so particularly where a borough centers on a single urban core served by a well established city (Anchorage, Fairbanks, Sitka, Ketchikan). The case for a single urban area-wide governmental unit for these places would seem clear. Much less clear, however, is the rational used for super-imposing the borough as a second unit for local general government on the existing muni ipal base in these more developed regions of the State. On the other hand, where the borough, as a regional government, might serve smaller areas of settlement and rural areas, as well as region-wide needs, more room could be considered avaliable for both borough and city governments (e.g. Kenai, Kodiak, Matanuska-Susitna)."

The fact that growth in the last nine years has placed the City of Kodiak in the same situation as Anchorage, Fairbanks, Sitka and Ketchikan is pointed out by your addressing the same issues as discussed in the report.

On Page I-25, at the top of the page, there is a discussion regarding cities. "City boundaries should be so located as to encompass an entire 'natural' socio-economic and political community. Since most of Alaska's urban settlements are small and relatively compact, there is no technical reason why this criterion cannot easily be met. This would minimize the need for service areas in organized boroughs to perform urban services that can be performed by a city."

On the same page there is a discussion regarding service areas. This goes on to the next page as well and is certainly germain to the discussion at hand. "While it is generally desirable that matters of government organization and functions

be determined locally, past experience of borough-city conflict over annexation and the creation and operation of service areas indicate that the State probably through the Boundary Commission should review local action and play a mediating role. The purpose would be to insure that appropriate incorporation and annexation standards are met, that a new service area is actually warranted and, if so, that it is properly constituted. Any area bordering on a city should be subject to annexation rather than permitting its establishment as a borough service area or its incorporation as a separate city. If annexation or incorporation is not feasible or desirable, expansion of an existing service area would be considered providing that a determination is made that the existing service area should not itself be annexed or incorporated. Only after each of these options is considered in order should it be permissible to establish a new service area and then only with a clear understanding that it is subject to future adjustment within the broader system of organized local government."

Further on in the study, on Page IV-37, the same kind of information is presented. "The State was to assume a continuing responsibility for the overall design and performance of the local governmental system. Specifically for this purpose two new State agencies were mandated by the Constitution: a Local Boundary Commission and a 'local government agency'. The Boundary Commission would assure that borough and city boundaries were properly aligned in the first instance and subsequently were responsive to changing needs and conditions. The Commission was thus authorized by the Constitution to 'consider any proposed local government boundary changes' and subject to legislative veto it could implement such changes."

On Pages VI-16 and VI-17 there is a discussion of city versus borough. "It was apparent from the start that a potential stalemate between cities and boroughs was built into the new local governmental system set forth in the Constitution. Boroughs and the cities within them were very likely to compete with each other for territorial jurisdiction over urbanizing areas outside city limits. To service these places the borough would need to acquire additional powers or create special service areas. If additional area-wide powers were sought, these would be at the direct expense of city authority since area-wide powers assumed by the borough are denied to the cities. If nonarea-wide (outside city) powers were sought or if service areas were created, these could constitute blocks to city expansion."

On Page VI-18, there is a discussion of annexation versus service areas. "As viewed by the Public Administration Service (PAS) in its report to the Statehood Committee in 1959, there were two contrasting approaches to local government reorganization in the more urbanized areas of the state. On the one hand, the borough could be established with a view toward eventual absorption of the city within it. On the other, the jurisdiction of the city could be expanded through annexation of the urbanizing areas around it. In most of urban Alaska, there appeared to be no need for more than one unit of local governmnent to provide urban services.

Population and economic bases were small and duplication of governmental machinery would be wasteful. 'By all odds' reported PAS, 'the most direct and least complicated line of evolution for many communities would be expansion of the central city with all of its existing plant, political structure, credit and fiscal base and political know-how'. But 'if this line of reasoning is valid, what foreseeable use is there for organized boroughs . . '?"

> PAS concluded: "It may be that the best solution for the problems of urban government in most areas will be to concentrate the full responsibility in a single level, the city, or the completely consolidated city-borough. On the other hand, it may be that the borough will provide a very useful agency in rural Alaska for the exercise of local responsibility for administration and at least partial financing of education and a growing list of local or regional services such as local roads, fire protection, uitlities (water, sewer and others), health, recreation, etc., some of which would be provided on a borough-wide basis and some in special service areas organized and governed under the authority of the borough."

"Ignoring these considerations, the State layered borough government over the cities of urban Alaska and established no borough units in rural Alaska."

On Page VI-20, this thought continues. "At the same time, the borough service area has been available as a vehicle for meeting service needs for developed enclaves outside the city. This tends to neutralize whatever attraction city annexation may have for those seeking more and higher quaility urban services. With the borough service area, residents outside the city may select the particular mix of services they wish and be assured of paying, through differential mill rates, only for those additional services directly received in their immediate area of residence. For this reason, however, service areas also fragment the borough. The separate suburban enclaves develop, a built-in resistance to unified or consolidated area tax and service structures, and service area status insulates their residents from the cost of city facilities and services that they share or benefit from, perhaps most obviously as owners of property whose value is enhanced simply because the city is accessible."

I find that the above paragraph gets to the heart of the problem and I think that to go further would just elaborate this very same thinking and belabor the point.

One of the outgrowths of the current Kodiak Borough-City conflict has been the idea of unifying the governments in the Kodiak Island Borough. Resolutions have been passed by both the City of Kodiak and the Kodiak Island Borough regarding unification. At the Borough Assembly meeting on April 7, the Borough Assembly

did adopt a Resolution to put the question on the ballot next October. Hopefully, the Boundary Commission will look at the problem in the immediate context of what is going on now rather than what might happen in the future. I am certain that you are aware of the unification procedures and the fact that the Kodiak Island Borough is fragmented with a home rule city, five second class cities and the Borough. In addition, there are many residents outside of the cities that compound the complexity of unification. While I personally see unification as the only answer and ultimately it is bound to occur, the process will probably take two to three years before unfiication becomes a reality.

The Boundary Commission is the only body that has the power, authority and responsibility to mediate the conflicts described above. I feel that the State of Alaska is certainly at fault by allowing the borough-city annexation-service area conflicts to exist in the first place. In the last nine or ten years the situation has gotten worse and it has even reached Kodiak Island which in itself is isolated from the rest of Alaska. This is certainly not the time nor the place to lay blame but to look at answers within the context of legalized solutions.

The obvious is clear. The Boundary Commission should consider steps to annex the total urban area into the City of Kodiak by using the stipulation for differential taxation as described in 19AAC 05.020 (3) and (4). Without the total picture being reviewed and the Boundary Commission taking appropriate action, I see this situation continuing for a number of years. Since the Boundary Commission decided not to act on the Mill Bay Road annexation when you were here in December because of a decision to look at the entire urban area, I think it is encumbent that the Boundary Commission act positively to stop the squabbling and hassles that have resulted because of the City-Borough conflicts.

If Kodiak were an isolated case and our problems were unique to Alaska, I would be the first one to bring that to your attention; however, it is clear that since the creation of the Kodiak Island Borough and the fact that City Council-members do not sit on the Borough Assembly and removal of the weighted voting provision, many conflicts were bound to result. Only through the good offices of the Boundary Commission will the Kodiak Island taxpayers and residents see a resolution to their problem.

Hopefully, unification is the final solution to the problems, perhaps, that is what this is all about. The Constitutional Convention was aware that unification was probably the only answer; however, they did not deem it practical to mandate that from the beginning. It seems as though the only answer is unification; however, in the meantime we must look to the political realities of that process. As mentioned above, the City is taking legal action against the Borough to stop the formation of the service district immediately outside of the city limits. The Borough plans on utilizing City water and sewer to serve the residents of these service areas. As long as the Boundary Commission refuses to take positive annexation action,

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

April 13, 1978

Eric, Here were the enclosures I spoke of. Ivan

Mr. Eric Simpson
Local Government Specialist
Community and Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Eric:

Enclosed are the copies of the letters we discussed on the phone.

As I mentioned to you, I would like to have some more information on what the Boundary Commission is going to be doing in Kodiak. My request is made in part because of the potential misunderstandings that might result due to the number of issues involved. As I see it now, there are three specific issues. One, the Mill Bay Road annexation. Two, the two one-hundred percent annexations that the City processed and three, the entire Kodiak urban area.

I would like to know if these are the issues that the Boundary Commission is going to be discussing. Does the Boundary Commission want me to present all the material on the Mill Bay Road annexation over again or is what they have previsouly received adequate?

There are many issues involved in discussions about the boundaries in the total Kodiak urban area. I am not certain that I can prepare adequately for that type of discussion in advance unless I have further information from the Boundary Commission. If at all possible, I would like to get additional information so that I can prepare an adequate report on the issues involved. I realize this is putting a burden on you; however, I do not want to get into a position where the City of Kodiak is not given a fair opportunity to present its case.

Please let me know as soon as possible what is on the agenda and the specific issues.

Very truly yours,

CITY OF KODIAK

Ivan

Ivan I. Widom
City Manager

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AND REGIONAL AFFAIRS

built into the borough structure. Another method of city representation (e.g., borough sections, at-large, or some combination of both) would not mean the elimination of conflict. Indeed, it is possible that confrontations between completely separate city and borough governments might even be more intense in the absence of assembly "screening" and internal stalemating. However, these confrontations would more likely occur in political arenas larger than the assembly structure, often forcefully presenting themselves for more definitive resolution at the state level.

Annexation Vs. Service Areas

As viewed by the Public Administration Service (PAS) in its report to the Statehood Committee in 1959, there were two contrasting approaches to local government reorganization in the more urbanized areas of the state. On the one hand, the borough could be established with a view toward eventual absorption of the city within it. On the other, the jurisdiction of the city could be expanded through annexation of the urbanizing areas around it. In most of urban Alaska, there appeared to be no need for more than one unit of local government to provide urban services. Population and economic bases were small, and duplication of governmental machinery would be wasteful. "By all odds," reported PAS, "the most direct and least complicated line of evolution for many communities would be expansion of the central city with all of its existing plant, political structure, credit and fiscal base, and political know-how." But, "if this line of reasoning is valid, what foreseeable use is there for organized boroughs . . .[?]"[21] PAS concluded:

[21] PAS, op. cit., p. 71.

would need to acquire additional powers or create special service areas. If additional areawide powers were sought, these would be at the direct expense of city authority, since areawide powers assumed by the borough are denied to the cities. If non-areawide (outside city) powers were sought, or if service areas were created, these could constitute blocks to city expansion. Moreover, borough assemblymen from outside the city could be expected to resist city annexation cutting into their constituency. And if, at the same time, this meant that assemblymen from the city would acquire the weighted vote advantage because of an increase of the city population (to a majority of the borough population), the resistance would be all the more intense.

Assembly Structure

Since the city is represented on the assembly by city council members, the ground is already prepared for city-suburban splits and polarization because of the assembly's own internal structure. This can directly channel and reinforce the internal divisions that would in any case exist because of the normal political reality of competition and conflict among the different interests that assemblymen are elected to represent.[19] Direct city representation, as required by the constitution,[20] enhances certain naturally unstable aspects of the political process that have already been

[19] Cf. Paul Ylvisaker, "Some Criteria for a 'Proper' Areal Division of Governmental Powers," Area and Power, Arthur Maass, ed. (Glencoe, Ill.: The Free Press, 1959), p. 39.

[20] Alaska, Constitution, Article X, Section 4. This, it should be noted, is the only instance in which the article prescribes a specific feature of internal organization, a practice otherwise avoided, and deliberately so, by the article's framers.

serve the city and is obligated to work with the borough planning staff. In the hopeful words of the state's Attorney General, "the system is a carefully balanced one which demands a great deal of cooperation between city and borough."[17]

Thus, although the borough presumably has "exclusive" planning and zoning authority, effective arrangements are anything but clear-cut. They are, in part, the outcome of practical, and often unstable, compromises in the writing and interpretation of statuatory provisions. Complicating the issue in this case is a concept of planning that does not account for differences in scale or level. Consequently, political and administrative accommodations must be reached at the local level in order that even routine planning tasks -- at project, neighborhood, city, and areawide levels -- can be accomplished. By denying planning authority to the city, the borough act tended to complicate rather than clarify borough-city administrative relationships -- it helped create a structure within which conflict was bound to occur, and one that has in some cases operated to eliminate city planning functions altogether. But the planning conflict only reflects larger differences between the city and borough.

City Vs. Borough

It was apparent from the start that a potential stalemate between cities and boroughs was built into the new local governmental system set forth in the constitution. Boroughs and the cities within them were very likely to compete with each other for territorial jurisdiction over urbanizing areas outside city limits.[18] To service these places, the borough

[17] Quoted in Alaska, Local Affairs Agency, Alaska Local Government, Vol. VII, No. 7, October 1964, p. 4.

[18] See PAS, op. cit., pp. 63-73.

to the long term goal of a unified local governmental system, and provisions were included in the constitution for the purpose of encouraging close cooperation between boroughs and cities within them.

Cities, then, would continue to exist within the new boroughs and, between them, they would eventually exercise all local government powers in the state. Special districts, including school districts and public utility districts, would be absorbed into these two constitutional forms of local government. While elective school boards could remain in existence, they would be under the general budgetary control of the borough assemblies.

The state was to assume a continuing responsibility for the overall design and performance of the local governmental system. Specifically for this purpose, two new state agencies were mandated by the constitution: a local boundary commission and a "local government agency." The boundary commission would assure that borough and city boundaries were properly aligned in the first instance, and subsequently were responsive to changing needs and conditions. The commission was thus authorized by the constitution to "consider any proposed local government boundary change" and, subject to legislative veto, it could implement such changes. The local government agency, on the other hand, would broadly "advise and assist local governments . . . review their activities," and perform other functions assigned by law.

Within this very open and apparently simple constitutional framework, the state legislature was to specify and elaborate essential features of local government and state-local relations. The ultimate goal, however, was not state control, but maximum local control of the internal

indicate that the state, probably through the Boundary Commission, should review local action and play a mediating role. The purpose would be to ensure that appropriate incorporation and annexation standards are met, that a new service area is actually warranted, and, if so, that it is properly constituted. Any area bordering on a city should be subject to annexation rather than permitting its establishment as a borough service area, or its incorporation as a separate city. If annexation or incorporation is not feasible or desirable, expansion of an existing service area would be considered, providing that a determination is made that the existing service area should not itself be annexed or incorporated. Only after each of these options is considered in order, should it be permissible to establish a new service area, and then only with clear understanding that it is subject to future adjustment within the broader system of organized local government.

Functions and Finances

Issues of governmental structure, functions, and finances are closely interrelated; one cannot properly be considered in isolation from the others. State policies such as the following would help create and reinforce the local government structure outlined above.

1. Financial incentives. State financial aid policies should be designed to (a) eliminate current disincentives to local incorporation or annexation, and (b) provide positive incentives for performance of urban area functions by cities and regional functions (including special service areas) by boroughs. The state should re-examine all provisions of law and fiscal relations (e.g., tax and revenue sharing) that tend

3. Cities. Cities are viewed as the basic units of local government, located both within and outside of organized boroughs. City boundaries should be so located as to encompass an entire "natural" socio-economic and political community. Since most of Alaska's urban settlements are small and relatively compact, there is no technical reason why this criterion cannot easily be met. This would minimize the need for service areas and organized boroughs to perform urban services that can be performed by a city.

The city classification scheme should parallel the borough's. That is, there should be but two classes of municipal corporation -- home rule and general law. As in the case of organized boroughs, general law cities should have the option of assuming home rule status and privileges.

4. Service Areas. Service areas in organized and unorganized boroughs would be vehicles primarily for meeting special service needs and applying differential tax rates, as at present. In unorganized borough areas, they would be directly under the jurisdiction of the state and the advisory councils. The service area should not be used as a substitute for organized borough or city status. The determination of the need to establish a service area should be based upon consideration of settlement patterns within the borough, proximity to a city or existing service area, the desire for special types and levels of service on the part of the area's residents, and their capacity to provide the additional revenues necessary to support the desired types and levels of services.

While it is generally desirable that matters of government organization and functions be determined locally, past experience of borough-city conflict over annexation and the creation and operation of service areas

"space" where there is room only for one. This is so particularly where a borough centers on a single urban core served by a well established city (Anchorage, Fairbanks, Sitka, Ketchikan). The case for a single, urban areawide governmental unit for these places would seem clear. Much less clear, however, is the rationale used for superimposing the borough, as a second unit of local general government, on the existing municipal base in these more developed regions of the state. On the other hand, where the borough, as a regional government, might serve smaller areas of settlement and rural areas, as well as region-wide needs, more room could be considered available for both borough and city governments (e.g., Kenai, Kodiak. Matanuska-Susitna).

Borough government does not exist at all in most of Alaska, for the "unorganized borough" does not function. Current developments in unorganized Alaska suggest, however, that the social and political conditions for increased local self-government are now emergent. Therefore, in considering the governmental needs for unorganized Alaska, it will be necessary to avoid outmoded notions of the "readiness" of its residents for self-government. In the absence of formal governmental institutions, Native leaders are building their own regional organizations and promoting local participation in a number of federally funded social and economic development programs. Unless these realities are taken fully into account, local government policies developed at the state level will meet with no more success in rural Alaska during the 1970's than did state policies concerning the organized borough in urban Alaska during the 1960's.

The momentum of the statehood movement has been spent, making it all the more difficult to effect basic alterations in the existing scheme.

4. The state was to control local government boundary changes that could be made objectively in response to changes in urban population and economic growth patterns. Just as the Boundary Commission was unable to substitute its authority for local determinations in the initial setting of borough boundaries, so it has since played a minor role in controlling subsequent alterations of borough and city boundaries. As in pre-statehood days, most significant boundary changes are subject to several procedural checks and to elections in the areas immediately affected. The commission has not been in a position to counter or withstand the political pressures brought to bear, particularly when proposed boundary changes are perceived as affecting values associated with local autonomy, suburban separatism, or tax and service independence.

In its current stage of evolution, then, the borough possesses the form but not the substance of authoritative areawide government. It is a "general government" within which a powerful special government -- the school district -- has maintained and even increased its autonomy. It has "exclusive authority" for areawide functions, but in practice these functions are divided and shared with independent city and school administrations. It is a "regional government," but it competes with city governments for both territory and functions. It speaks of promoting "areawide" policies and programs, but it is so structured as to facilitate the expression of local self-interest and localized service area needs.

The basic problem is that in most areas two forms of local government -- the city and the borough -- are attempting to occupy political and physical

> It may be that the best solution for the problems of urban government in most areas will be to concentrate the full responsibility in a single level, the city, or the completely consolidated city-borough. On the other hand, it may be that the borough will provide a very useful agency in rural areas for the exercise of local responsibility for administration and at least partial financing of education and a growing list of local or regional services such as local roads, fire protection, utilities (water, sewer, and others), health, recreation, etc., some of which would be provided on a borough-wide basis and some in special service areas organized and governed under the authority of the borough.[22]

Ignoring these considerations, the state layered borough governments over the cities of urban Alaska and established no borough units in rural Alaska.

As described above, the state was confronted with the problem of "integrating" all areas served by special districts. City annexation of all, or even a larger part, of these surrounding areas appeared to be politically out of the question. Even in the case of a small public utility district completely encompassed by the city of Anchorage, opposition to city annexation was intense, although the annexation was finally accomplished. In this case, the Boundary Commission exercised its constitutional prerogative of ordering the annexation, subject to legislative veto, without a vote of the residents of the district. Its action was upheld by the state Supreme Court.[23] This was a relatively simple case of a special district that was required under the constitution to be integrated into a city or borough. Completely surrounded by Anchorage, it was an obviously practicable and logical move for the city to annex it. On the other hand, the Boundary Commission had been most respectful of political realities in cases where suburban residents, often fearing that the cost in new taxes will outweigh the benefits of additional services received, object

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[22] Ibid.

[23] City of Anchorage vs. Fairview Public Utility District No. 1, Alaska Supreme Court (1962).

to city annexation. Certain groups of outside-city residents have also been extremely possessive of their identity and autonomy, much in the tradition of suburban and rural separatism, with central cities often cast in somewhat morally suspect roles.[24]

At the same time, the borough service area has been available as a vehicle for meeting service needs of developed enclaves outside the city. This tends to neutralize whatever attraction city annexation may have for those seeking more and higher quality urban services. With the borough service area, residents outside the city may select the particular mix of services they wish and be assured of paying, through differential mill rates, only for those additional services directly received in their immediate area of residence. For this reason, however, service areas also fragment the borough. The separate suburban enclaves develop a built-in resistance to unified or consolidated area tax and service structures, and service area status insulates their residents from the cost of city facilities and services that they share or benefit from, perhaps most obviously as owners of property whose value is enhanced simply because the city is accessible.

So, following the line of least relative resistance, boroughs were established in large part to solve the special district problem. Critical by-products of this action were the blocking of significant annexation activity by the cities within them and, in several cases, the fragmenting of the urban area. This outcome was foreseen by PAS in its 1959 report: "The conclusion is inescapable that it would often be more difficult to

[24] Although Alaska's "central cities" are really small and medium-sized towns by U.S. standards, such anti-city sentiments often seem to be magnified here. This is, in part, the result of Alaska's peculiar socio-economic characteristics and political "culture" as described in Chapter III above, as well as traditional American attitudes toward the "city."

VI

City of Kodiak

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May 20, 1978

Ms. Sheila Gallagher, Chairwoman
Local Boundary Commission
Dept. of Community & Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Ms. Gallagher:

In response to your letter of May 1, 1978, I would like to give you the following information.

One of the keys to the situation in the Kodiak urban area is the fact that the City of Kodiak is already providing many services to those outside the City that they are not fully paying for. The City of Kodiak is a full service city. The ongoing services now provided include library, parks and recreation, road (grading, snow removal, pavement patching, storm drainage etc.), water, sewer, sewage treatment, cargo dock (port), boat harbor, ferry dock, fire (and ambulance), police (and animal control), engineering, landfill, museum, airport and cemetery. In addition, the City financially supports the following: Kodiak Council on Alcoholism, Kodiak Senior Citizens, Chamber of Commerce, Head Start, Kodiak-Baranof Productions and similar organizations.

The first service is the library. At the present time, the City of Kodiak has the library and receives a $15,000 contribution from the Borough. The current library budget is $143,602. The Borough is contributing 9.57% of the total budget. As of December 31, 1977, there was a total of 2,363 registered borrowers in the library. 1,438 were City residents and 925 were Borough residents. That is equal to 41% of the borrowers coming from the Borough. At the end of March, 1978, there were 1,598 City and 1,066 Borough registered borrowers, for a total of 2,661. The most current figures show that 40% of the registered borrowers are Borough residents. I might also mention that 80% of the locally collected tax dollars that the Borough collects and spends, come from within the City of Kodiak. In other words, $12,000 of that $15,000 is paid for by the City of Kodiak residents.

Regarding parks and recreation, we have a similar situation where the City of Kodiak taxpayers fund a recreation program that is a benefit to all. We do not charge more for Borough residents than we do for City residents to participate. This includes the use of the High School swimming pool for public purposes before and after school, weekends and summer months. The City has a contract with the School District to operate and maintain the pool. The City also has a cross country skiing program, a summer youth recreation program, basketball for children, teen-

agers and adults and many other winter and summer recreation programs. All the parks in the Kodiak urban area are part of the City of Kodiak's parks and recreation program, other than the State Park at Fort Ambercrombie. The parks and recreation budget for the current fiscal year is $132,311. The Kodiak Island Borough contributes to this program by allowing the recreation program to utilize Borough buildings, ie. school buildings and playgrounds. As stated with the library, I feel that it is important that you note that the citizens and taxpayers of the City of Kodiak contribute 80% of the funds locally collected and spent by the Borough.

The total police department budget for the current fiscal year is $871,619. The City Police Department does provide back-up service for the State Troopers when necessary. A copy of the report on Kodiak Police Department activity outside the City is attached.

The Police Department also provides dispatching service after regular hours for the State Troopers, as well as the jail facility for those incarcerated by the Troopers--this includes Bristol Bay and the Aleutian Chain.

Also provided are alcoholism services through an agreement with the Kodiak Council on Alcoholism for the sleep off center that is located behind the police station. The alcoholism problem in Kodiak is severe and certainly does not limit itself to residents of the City. Currently the City is providing $12,120 to the Kodiak Council on Alcoholism for their services.

There is currently a fire district in the area in question. The City of Kodiak charges the fire district for service based on the dollar amount of property valuation. The current fire department budget is $357,135. The amount received from the Borough service area is $54,646. In addition to providing fire protection, the City also provides the ambulance service. Since the Borough has health powers, the Borough is not compensating the City adequately for this service. There are presently two ambulances utilized by the fire departmet, one of those was provided by the Kodiak Island Borough. However, the real cost of ambulance service is the time of the emergency medical technicians who actually work with the ambulances. At the present time, the City of Kodiak's taxpayers are subsidizing the Borough in this regard. This goes for the residents of the area in question for annexation, as well as for the entire Kodiak Island Borough including the villages. There are many times when the fire department responds to a medi-vac and takes people from the State airport to the Kodiak Island Borough Hospital.

The City of Kodiak provides the services at the Cargo Dock. Since this is an enterprise fund, the City does not contribute funds out of the general fund unless there are exceptional circumstances involved. This current year is an example. There are $73,926 going into the Cargo Terminal Fund from the general fund as a loan. The City of Kodiak provides the mechanism for cargo to come across the dock. If the City were not in the business, it would probably be private enterprise offering the same service and making a profit. This, of course, would raise the cost of freight.

depend a great deal on the area involved. Library services will not be expanded. Parks and recreation services could be extended if the City were to annex the area, because additional land would be available that we could use for parks, trails etc. The cargo dock and boat harbor would not change in any way. As the area in question grows, police services will become more of an issue. However, at the present time, the City Police are backing up the State Troopers and as the area grows and develops, there will be more of a need for police services. The City of Kodiak would be able to provide police services to the newly annexed areas as the need develops. To reflect reduced services, differential taxation could be utilized to the extent required.

The City and Borough have been discussing an additional fire station to better serve the residents of the area in question. While the people out there are already served by the Kodiak Fire Department, there is the problem of reaching a fire in an adequate amount of time. From what I understand, there is little desire for the residents in the fire service area to create their own fire department. The City would be called on to provide these services. It is obvious to me that the City should build the building, purchase the equipment and coordinate, in every way possible, with the main fire department.

The creation by the Borough of the service area for water, sewer and roads plays an important part in these annexation proceedings. As described above, the City of Kodiak now provides water and sewer service to the areas in question. New sewer and water lines are needed in the Island Lake area. Since it is the City of Kodiak that is to provide these services through its water system and sewage treatment plant, it is obvious that we can best serve the residents of these areas through annexation. At the present time, the City of Kodiak is in court with the Borough over the creation of this service area because it is in conflict with the State Constitution and Statutes.

If water and sewer lines are built and are supposed to be connected onto the City systems, then it is only proper that the City design these lines and have control over their construction. The other key point is that, as I understand it, it is the intent of the Borough and service area to contract with the City for water and sewer services. This means that the City of Kodiak's employees will actually be doing the work such as repairing lines, making connections and so forth. It is very difficult for me to understand how this can be provided by anyone else without starting up a whole new public works department. Either through the new public works department or by contracting with the City, the costs for water and sewer services would be more than if the area were annexed to the City and it became part of the City's system. No matter how the water and sewer lines are built, there will be assessments or taxes against the property for construction costs. No money will be saved by the residents through the service area for water and sewer service.

The same holds true with road powers. As I understand it, it is the intent of the Kodiak Island Brough not to start a new road department. Therefore, the people would be served by the City of Kodiak Road Department or a private contractor through contract. This, of course, is a very expensive way to go and the City would pass on administrative as well as other costs to provide these services. It is only logical that the area be annexed and that road service be provided by the City of Kodiak. It is also important to note that the fire service depends on the ability to get the fire engine to the scene of the fire. If the roads are not cleared and maintained properly, then the City's ability to service in this regard is questionable. If these were both City functions it would be much simpler to provide the necessary fire and road service through coordinated efforts.

The new Borough Comprehensive Plan describes future growth as going into the Spruce Cape, Island Lake and adjacent areas. In fact, the plan promotes growth in that direction. It is difficult for me to understand how the Borough can promote growth and development of the area and then oppose annexation at the same time. You have been given maps that show the projected increases in population and extension of water and sewer into the subject area. This is a map prepared for the Borough by their consultant.

By your letter of May 1, you requested that we address ourselves to questions relating to the services which the City feels the areas adjacent to Kodiak should receive, the level of those services and the expense and income associated with those services. It is the feeling of the City that the areas defined by the staff of the Department of Community and Regional Affairs as the Mission Road Area and the Mill Bay Road area should receive all services available from the City of Kodiak and that those services should be provided at the same level as they are provided within the existing City. Water, sewer and road service have been determined to be needed as a result of the election to create a service district to provide those services. Fire and ambulance service are currently being provided by contract between the service district and the City of Kodiak. Police service has not been requested for any service area and that service is currently provided by the Alaska State Troopers with back up from the City of Kodiak. If annexed it is probable that the State Troopers will discontinue that service.

It is also the belief of the City of Kodiak that those services should be provided at the same level as they are provided within the existing City. By contract, fire and ambulance service is provided at that level, and there is no reason to believe that water, sewer, road service or police protection will be needed at a lower level.

The estimated expenses and income related to providing all services at a level consistent with the level of such services in the City is as follows:

ANNEXATION BUDGET

Library - no change, already serving the residents at no cost. However, those annexed would help pay for services that they are already receiving.

Parks and Recreation - no change unless additional facilities are built in newly annexed area. However, those annexed would help pay for services that they already are receiving.

Police - depends on level of service provided. For full service:

3 new police officers	$75,000
1 desk officer	$20,000
Supplies	$ 5,000
Repairs & Maintenance	$ 8,000
2 vehicles	$14,000 (Sales Tax)
TOTAL	$122,000

Fire - a new fire station will have to be built in the next year or so in the subject area. If not annexed, the costs would be borne by residents of the Fire Service District. New fire engines will also be needed. This would be from a bond issue or sales tax.

New station	$210,000
New engines	$100,000
TOTAL	$310,000

Manpower depends on level of service desired. For the first few years there could be volunteers and then paid personnel. If paid personnel immediately, then costs would be very high since it would be necessary to have a least 7 firefighters on 24 hours to cover adequately.

7 firefighters, 3 shifts and 1 to cover in case of vacation, sick leave etc.	$150,000
Supplies, utilities etc.	$ 25,000
TOTAL	$175,000

The important thing to remember about fire is that the new station and employees are needed now. By annexing, the City would spread the cost to all the City taxpayers. If not annexed, it would be the responsibility of the residents of the Fire Service Area.

Cargo Dock - no change, already serving the residents.

Boat Harbor and Ferry Dock - already serving the residents.

Public Water - New water lines are needed. The residents would be assessed for any improvements. They would not have to pay the 37-1/2% surcharge they pay now. No new employees or vehicles would be needed in the near future.

Sewer - New sewer lines are needed in Island Lake now. The residents will be assessed for any improvements. There is no surcharge on sewer service at the present time. No new employees or equipment are needed in the near future until the sewer lines are constructed. The costs to provide sewer lines would be no different if the City or Borough applied for Federal and State funds because each is eligible for the same grants and loans.

Roads - The City would have to purchase new equipment and hire several new employees. However, this would have to be done anyway if it were contracted out by the service area to the City. This would be more expensive because of having to contract with the City and paying additional costs.

2 new employees	$45,000
1 new dump truck	$45,000 (Sales Tax)
1 new grader	$80,000 (Sales Tax)
Supplies etc.	$ 5,000
1 Pickup truck	$ 6,500 (Sales Tax)
TOTAL	$181,500

Solid Waste - The City's ordinance and contract would probably have to be modified to fit the needs of the new residents. All the new residents would be required to pay something towards the operation of the landfill based on actual costs. Mandatory trash pickup and payment is now part of the monthly utility billing for all City residents. Service is provided by contract and would continue at the level desired.

Cemetery - The newly annexed residents pay a proportionate share of costs.

Municipal Airport - If the area were to be annexed, the City would have more revenue to draw from.

Income to the City is another matter. Since the residents now pay sales tax on almost everything they buy in Kodiak, no change would be made there unless new businesses are started in unannexed areas. There are currently before the Planning and Zoning Commission applications for business zoning in the subject area.

The only change would be an increase in the mill levy. This is a very complicated issue. At the present time, the City of Kodiak has no personal property tax.

Our real property tax mill levy is 9.10. The Borough does have a personal property tax. Some years ago, the City of Kodiak agreed to pay the Borough personal property tax for City residents. The current Borough mill rate is 7.23 mills. Under the present situation, the City would pay the Borough personal property tax for the residents if annexed.* This would lower their tax bill for personal property tax to zero.

However, they would then have to pay an additional 9.10 mills to the City for real property. This is further confused by the fact that the residents of the area in question already pay 2.27 mills for fire service. After annexation this would be included in the 9.10.

	Borough Current	Borough If Annexed
CITY MILL LEVY (Real Property)		9.10 (Real Property)
BOROUGH MILL LEVY (Real & Personal)	7.23	7.23 (Real Property)
FIRE SERVICE AREA (Borough Residents)	2.27	None

Here is an example of what the costs will be:

$70,000 House (Real Property)
$ 5,000 Car (Personal Property)

BOROUGH RESIDENTS

7.23 (General) Real and Personal Tax
2.27 (Fire) Real and Personal Tax
9.50 TOTAL

9.50 x $70,000 = $665
9.50 x $ 5,000 = $ 48
$713

37-1/2% Water Surcharge 45
TOTAL $758

CITY RESIDENTS - Full service, police, road maintenance etc.

9.10 City Taxes
7.23 Borough Taxes
16.33 TOTAL

16.33 x $70,000 = $1143
* - 0 - x $ 5,000 = - 0 -
$1143

CITY TAXES $1143
BOROUGH TAXES w/fire service) 758
$385 Difference

*Note In December of 1977 the City Council adopted an ordinance effective December 31, 1978, which will repeal the exemption of personal property within the City from Borough taxes. If that ordinance becomes effective, the above will not apply.

The current City mill levy is 9.10 mills. The only logical way to apportion costs to new residents would be to break the 9.10 mill down according to the separate general fund departments. The Water and Sewer Fund is separate and is self-supporting except for capital improvements. These are paid for out of sales tax revenues.

If the City were to provide full service to the residents of Mission Road, Spruce Cape, Mill Bay, Island Lake and Monashka (all the area presently within the Fire Service Area (the revenues would be according to Attachment #2). The revenues

based on assessed valuation ($14,749,160) of the total area would be $134,217. State Revenue Sharing for all City provided services would add another $56,199. These revenues could increase by 50% if current State legislation is passed. Federal General Revenue Sharing and Federal Anti-Recessional Assistance would add approximately another $50,000. This would total $240,416. The operation and maintenance costs as stated above approximate $333,000. This does not include the building of a new fire station (which would come from a bond issue or sales tax) but does include 7 new fire fighters.

There would be a shortfall of revenue of approximtely $92,584 which could come from additional sales tax revenues. This is how the rest of the general fund departments are supplemented.

It would appear that the Monashka Bay area, if annexed to the City would be provided with fewer services or services at a lower level and the use of differential taxation would therefore seem appropriate. Based on the petition for the incorporation of Spread Eagle, Alaska, it seems that many people in the urbanized portion of the Monashka Bay area do not desire any additional services. They are currently in a fire service district and receive service under contract from the City of Kodiak, except to the extent prohibited by the lack of road maintenance services.

Under AS 29.18.100 (b), the Commission could reject the petition for incorporation of Spread Eagle if it determined that desired municipal services can be more practically and economically provided by the Borough or by annexation to an existing city. If the municipal boundary of the City of Kodiak is extended to annex areas adjacent to the proposed Spread Eagle it would appear that any additional services could be provided more practically and economically by that contiguous city. It may therefore be logical to annex the area to the City with provisions for the establishment of differential taxation until it receives the same services at the same level as provided in other portions of the City.

The only portion of the Coast Guard base that could reasonably require any City services at the present time is that area encompassing the airport facilities. The services would seem to be limited to police services. In view of the fact that all other services are provided by the Coast Guard and would presumably be continued by the Coast Guard. The City of Kodiak would request that annexation of all or any portion of the base, including the airport, be deleted from consideration until the City has had an adequate opportunity to consult and coordinate with the Coast Guard and determine whether additional services could or should be provided, and evaluate the revenue and expense factors of such annexation. If determined to be appropriate, a petition for annexation will be submitted in the future.

SUMMARY

The City of Kodiak feels there are areas that should be annexed to the City. The Mill Bay Road annexation originally petitioned for is just a small part of the total picture as the Boundary Commission has realized. The City has shown that many

residents outside the City area are already using City services and utilities. However, the City feels those utilizing the services should bear a fair share by becoming part of the City and having an opportunity to participate in where and how these services are provided.

Along with that, is the concept of utilizing the City utility system, ie. water and sewer, on a contract basis. This places a burden on the City to plan for areas not within its jurisdiction. Annexation of the Mill Bay - Monashka Service Area would bring our utility system into a proper position for planning and control.

The final point is that we live on an island and essentially are groups of similar people who have chosen to live here. Having a City and adjacent service areas through the Borough is not correct according to the State Constitution and Statutes. We are only talking about 8,000 people. Our similarities far outweigh our differences and the situation we are now confronting must be resolved. As mentioned in my April 24th letter, service areas seem to divide the population and cause problems such as you are considering tonight.

Thank you for your time and attention.

Sincerely,

CITY OF KODIAK

Ivan L. Widom

Ivan L. Widom
City Manager

ILW/yb

Enclosures

BOUNDARY COMM.

Editor's note. — The repealed section derived from § 7, ch. 101, SLA 1955.

Sec. 44.19.230. Rural development fund.

Repealed by § 1 ch 69 SLA 1964.

Editor's note. — The repealed section derived from § 8, ch. 101, SLA 1955.

Sec. 44.19.240. Rural and remote areas defined.

Repealed by § 1 ch 69 SLA 1964.

Editor's note. — The repealed section derived from § 3, ch. 101, SLA 1955.

Sec. 44.19.250. Local boundary commission. There is in the Department of Community and Regional Affairs a local boundary commission. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four major senatorial election districts and one from the state at large. The member appointed from the state at large is the chairman of the commission. (§ 7 ch 64 SLA 1959; am § 5 ch 200 SLA 1972)

Cross reference. — As to appointment, qualifications, and terms of office of members of departmental boards, councils, or commissions, see AS 39.05.060.

Effect of amendment. — The 1972 amendment substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the first sentence.

When constitutional provision effective. — The method for making boundary changes, contemplated by art. X, § 12, of the Alaska Constitution, was operative upon the enactment of AS 44.19.250 and 44.19.260. Fairview Pub. Util. Dist. No. 1 v. Anchorage, Sup. Ct. Op. No. 61 (File Nos. 69, 71), 368 P.2d 540 (1962), cert. denied, 371 U.S. 5, 83 S. Ct. 39, 9 L. Ed. 2d 49 (1962).

Cited in Mobil Oil Corp. v. Local Boundary Comm'n, Sup. Ct. Op. No. 989 (File No. 1947), 518 P.2d 92 (1974).

Sec. 44.19.260. Powers and duties. (a) The local boundary commission shall

(1) make studies of local government boundary problems;

(2) develop proposed standards and procedures for changing local boundary lines;

(3) consider a local government boundary change requested of it by the legislature, the commissioner of community and regional affairs, or a political subdivision of the state; and

(4) develop standards and procedures for the extension of services and ordinances of incorporated cities into contiguous areas for limited purposes upon majority approval of the voters of the contiguous area to be annexed and prepare transition schedules and prorated tax mill levies as well as standards for participation by voters of these contiguous areas in the affairs of the incorporated cities furnishing services.

(b) The local boundary commission may

(1) conduct meetings and hearings to consider local government boundary changes and other matters related to local government boundary changes, including extensions of services by incorporated cities into contiguous areas and matters related to extension of services; and

(2) present to the legislature during the first 10 days of a regular session proposed local government boundary changes, including gradual extension of services of incorporated cities into contiguous areas upon a majority approval of the voters of the contiguous area to be annexed and transition schedules providing for total assimilation of the contiguous area and its full participation in the affairs of the incorporated city within a period not to exceed five years. (§ 7 ch 64 SLA 1959: § 2 ch 45 SLA 1960; am §§ 1, 2 ch 55 SLA 1964; am §§ 1, 2 ch 161 SLA 1966; am § 6 ch 200 SLA 1972)

Cross reference. — For further statement of powers of local boundary commission, see Alaska Constitution, art. X, § 12.

Effect of amendment. — The 1972 amendment substituted "commissioner of community and regional affairs" for "director of local affairs" in paragraph (3) of subsection (a).

Editor's note. — Section 9, ch. 200, SLA 1972, provides: "Where the titles 'Local Affairs Agency' or 'Rural Development Agency' appear in the law of this state, they shall be read as the 'Department of Community and Regional Affairs.'"

Section 11, ch. 200, SLA 1972, provides: "All litigation, hearings, investigations and other proceedings pending under a law amended or repealed or functions which may be transferred by this Act, continue in effect and may be continued and completed notwithstanding a transfer or amendment or repeal provided for in this Act. Certificates, orders, rules or regulations issued or filed under authority of a law amended or repealed by this Act or functions which may be transferred by this Act, remain in effect for the term issued, until revoked, vacated, or otherwise modified under the provisions of this Act. All contracts or other obligations created by a law amended or repealed by this Act or by virtue of functions which may be transferred by this Act, and in effect on July 1, 1972, remain in effect until revoked, or modified under the provisions of this Act. Appropriations, records, equipment and other property of agencies of the state integrated with the Department of Community and Regional Affairs established under this Act are transferred to the department. Appropriations and other money available and to become available to agencies the functions, powers and duties of which have been transferred to the Department of Community and Regional Affairs established under this Act shall be available for the objects and purposes for which appropriated or otherwise made available, subject to the terms, restrictions, limitations or other requirements imposed under this section or federal law."

Legislative committee report. — For legislative committee report on ch. 161, SLA 1966, see House Journal (1966), p. 575.

Powers and duties of local boundary commission. — When grouped together, the powers and duties of the local boundary commission are as follows: (1) To consider any local government boundary change (§ 12, art. X, Alaska Constitution); (2) to present proposed changes to the legislature (§ 12, art. X, Alaska Constitution; § 7, ch. 64, SLA 1959); (3) (subject to law) to establish procedures whereby boundaries may be adjusted by local action (§ 12, art. X, Alaska Constitution); (4) to make studies of local government boundary problems (§ 7, ch. 64, SLA 1959); (5) to develop proposed standards and procedures for changing local boundary lines (§ 7, ch. 64, SLA 1959); (6) to hold hearings on proposed boundary changes (§ 7, ch. 64, SLA 1959). 1959 Ops. Att'y Gen., No. 30.

The local boundary commission has the power and authority to recommend borough boundaries to the legislature. 1959 Ops. Att'y Gen., No. 30.

By this section and AS 44.19.340 it is provided that the commission must make studies of local government boundary problems, develop proposed standards and procedures for changing boundaries, and consider boundary changes requested of it by political subdivisions. The commission may conduct hearings on boundary changes and present proposed changes to the legislature. The change becomes effective unless the legislature disapproves; legislative silence permits the change. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

When constitutional provision effective. — See same catchline in note to AS 44.19.250.

Alaska Const., art. X, § 12 established two methods by which local boundaries might be changed: (1) by direct action of the local boundary commission subject to legislative disapproval, and (2) by establishment by the commission of procedures for the adjustment of boundaries by local action. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

Step annexation allows for gradual assimilation. — As an alternative to immediate annexation, the step-annexation provision allows for gradual assimilation of contiguous areas into incorporated cities where direct annexation would be premature or impractical. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

How step annexation commenced. — Ordinarily, a step annexation will be commenced by a municipality's petition specifically requesting that alternative, although presumably the commission could require the municipality to annex by the step method. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

Section implements Alaska Const., art. X, § 12. — The legislature implemented Alaska Const., art. X, § 12 by enacting AS 44.19.260. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

The intention of Alaska Const., art. X, § 12 and this section was to provide an objective administrative body to make state-level decisions regarding local boundary changes, thus avoiding the chance that a small, self-interested group could stand in the way of boundary changes which were in the public interest. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

The duties imposed upon the commission in subsection (a) are mandatory. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

And those in subsection (b) are discretionary. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

The development of standards is a precondition to the commission's exercise of its discretion under subsection (b) of this section. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

The exercise of the commission's discretion under subsection (b) of this section is conditioned upon the development of standards and procedures for changing local boundary lines under subsection (a) (2) of this section. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Under subsection (a) of this section the legislature requires the commission to develop standards in order to recommend boundary changes. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Since mandatory terms were used, the legislature clearly intended the local boundary commission to adopt regulations concerning modification of local boundary lines. Mukluk Freight Lines v. Nabors Alas. Drilling, Inc., Sup. Ct. Op. No. 867 (File No. 1870), 516 P.2d 408 (1973).

There are three purposes underlying the statutory requirement of annexation standards. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

First, such standards expose the basic decision-making processes of the commission to public view and thus subject commission action to broad corrective legislation. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

Second, the standards guide local governments in making annexation decisions and in preparing proposals for the commission. Frustration of these purposes cannot harm the opponent of annexation. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

Third, annexation standards objectify the criteria of decision-making and delineate the battleground for a public hearing, but the supreme court cannot perceive how the absence of such delineation in any manner prevented full and fair expression of an opposing position at the hearing on an annexation. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

Continued failure to have promulgated standards made an annexation a fortiori voidable and prima facie illegal. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

Failure to promulgate standards for annexations was not an error so substantial as to result in injustice. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

The duty under subsection (a) (3) to consider requested boundary changes implies a reasonable time limitation. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Hence, not all of subsection (a) can be characterized as comprehending continuing duties and not conditions. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Alaska Const., art X, § 12, empowers the legislature to veto commission actions. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

But such section does nothing to compel the legislature to review for compliance with its own requirements. United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Alaska Const., art. X, § 12, and AS 44.19.340 do not make the decision as to whether the commission has complied with the law exclusively legislative. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Legislature handicapped in absence of known standards governing change of boundary lines. — Under Alaska's constitution, the supreme court has the duty of insuring that administrative action complies with the laws of Alaska. Absent known standards governing the changing of local boundary lines, the legislature's ability to make rational decisions as to whether to approve or disapprove proposed local boundary changes of the commission is seriously handicapped. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Existing cities with local boundary commission created boundaries remain unaffected by the holding, under the de facto municipality doctrine, in United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Doctrine of de facto municipal incorporation applied to annexations. — See Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

The doctrine of de facto municipal incorporation insulates from collateral attack annexations not impeccably effected where the annexation is attempted under a proper statute, a good faith effort is made to comply with the statute, the statute is colorably complied with, and the municipality has exercised its powers in g faith within the annexed territory. P aldez Co. v. City of Valdez, Sup. Ct. O . 1044 (File No. 1996), 522 P.2d 1147 (1974).

All annexations will have the purpose and effect, in part, of extending city services. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

The post-annexation creation of differently served and treated areas does not impugn the reasonableness of the annex tion. Port Valdez Co. v. City of Valde , Sup. Ct. Op. No. 1044 (File No. 1996', 522 P.2d 1147 (1974).

Standing to contest annexation. — An ggrieved property owner in an area to be annexed has standing to contest the annexation. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Annexations effected through local boundary commission procedures receive a full administrative hearing, followed by legislative review, before they are subjected to judicial scrutiny. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

Common challenge is to attack procedures. — The more common challenge to local boundary commission action attacks the procedures by which the substantive decisions were made. Port Valdez Co. v. City of Valdez, Sup. Ct. Op.

No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

The selection of annexation method made by the commission and approved by the legislature is controlling. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

Judicial review. — There are questions of public policy to be determined in annexation proceedings which are beyond the province of the court. Examples are the desirability of annexation, as expressed in published standards. Judicial techniques are not well adapted to resolving these questions. In that sense, these may be described as "political questions," beyond the compass of judicial review. But other annexation issues, such as whether statutory notice requirements were followed, are readily decided by traditional judicial techniques. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

The policy decision as to the mode of annexation is an exercise of lawfully vested administrative discretion which the supreme court will review only to determine if administrative, legislative or constitutional mandates were disobeyed or if the action constituted an abuse of discretion. Port Valdez Co. v. City of Valdez, Sup. Ct. Op. No. 1044 (File No. 1996), 522 P.2d 1147 (1974).

Wood River made part of city of Dillingham. — When the legislature failed to disapprove of the commission's proposal, the commission's local boundary change, which consisted of the abolition of the boundary of Wood River and the confirmation of the boundary of the city of Dillingham, had the effect of making Wood River a part of the city of Dillingham. When the boundary commission's proposal for boundary change became effective, the city of Wood River was dissolved, even though the statutory procedures for dissolution of cities were not followed. Oesau v. City of Dillingham, Sup. Ct. Op. No. 467 (File No. 856), 439 P.2d 180 (1968).

Sec. 44.19.270. Meetings and hearings. The chairman of the commission or the commissioner of community and regional affairs with the consent of the chairman may call a meeting or hearing of the local boundary commission. All meetings and hearings shall be public. (§ 3 ch 45 SLA 1960; am § 7 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment substituted "commissioner of community and regional affairs" for "director of local affairs" in the first sentence.

Sec. 44.19.280. Minutes and records. The local boundary commission shall keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes shall be made from the transcription. The minutes are a public record. All votes taken by the commission shall be entered in the minutes. (§ 3 ch 45 SLA 1960)

Sec. 44.19.290. Notice of public hearings. Public notice of a hearing of the local boundary commission shall be given in the area in which the hearing is to be held at least 15 days before the date of the hearing. The notice of the hearing shall include the time, date, place, and subject of the hearing. The director of local affairs shall give notice of the hearing at least three times in the press, through other news media, or by posting in a public place, whichever is most feasible. (§ 3 ch 45 SLA 1960)

Sec. 44.19.300. Quorum. Three members of the commission constitute a quorum for the conduct of business at a meeting. Two members constitute a quorum for the conduct of business at a hearing. (§ 3 ch 45 SLA 1960)

Sec. 44.19.310. Boundary change. A majority of the membership of the local boundary commission must vote in favor of a proposed boundary change before it may be presented to the legislature. (§ 3 ch 45 SLA 1960)

Sec. 44.19.320. Expenses. Members of the local boundary commission receive no pay but are entitled to the travel expenses and per diem authorized for members of boards and commissions. (§ 4 ch 45 SLA 1960)

Sec. 44.19.330. Hearings on boundary changes. No local government boundary change may be proposed to the legislature unless a hearing on the change has been held in or in the near vicinity of the area affected by the change. (§ 2 ch 45 SLA 1960)

Sec. 44.19.340. When boundary change takes effect. When a local government boundary change is proposed to the legislature during the first 10 days of any regular session, the change becomes effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. (§ 2 ch 45 SLA 1960)

By this section and AS 44.19.260 it is provided that the commission must make studies of local government boundary problems, develop proposed standards and procedures for changing boundaries, and consider boundary changes requested of it by political subdivisions. The commission may conduct hearings on boundary changes and present proposed changes to the legislature. The change becomes effective unless the legislature disapproves; legislative silence permits the change. United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

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Report to the Local Boundary Commission on the proposal to annex certain lands to the CITY OF KODIAK

Department of Community
and Regional Affairs
Anchorage, Alaska

December 8, 1977

I. PROCEEDINGS TO DATE

Initial consideration of the City of Kodiak's current annexation proposal by the Department of Community and Regional Affairs (DCRA) began in late September when City Manager Ivan Widom contacted DCRA and stated the city's annexation plans (attachment #1). Shortly thereafter, on October 17, City Manager Widom submitted a memorandum outlining reasons why he felt a number of areas immediately surrounding the City should be annexed to the City (attachment #2).

On October 19, the City submitted a formal petition for annexation. Initial review of the petition and supporting documents indicated that they were in substantial[1] compliance with the statutory and regulatory provisions[2] pursuant

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1. The petition was deficient in three areas addressed by the Local Boundary Commission's regulations. However, because:

   1) the deficiencies were a product of the Local Boundary Commission's regulations and not statutory law; and 2) the Commission is specifically authorized to waive deviations from the regulations (19AAC 10.150); and 3) a delay in accepting the petition would almost surely preclude consideration of the petition by a Local Boundary Commission prior to the beginning of the upcoming legislative session, it was the determination of your staff that the substantial rights of interested parties would not be prejudiced by accepting the petition.

Deficiencies of the petition and corrective action taken, if any, are set forth below.

1) Petitioners failed to attach a copy of the City Council resolution authorizing filing of the petition as required by 19AAC 10.040(4). The required resolution was received on November 25.

2) The Notice of Filing of Annexation Petition required by 19AAC 10-080 was published prior to formal acceptance of the petition. No corrective action was considered necessary as the defect was harmless.

3) The affidavit required by 19AAC 10.060 was presented in the form of a sworn statement, not notarized. As in 2), the defect was considered harmless.

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2. AS 44.19.2600340 (Local Boundary Commission)
   AS 29.68 (Alteration of boundaries)
   19AAC 10 (Procedures for Boundary Changes)
   19AAC 05.010-030 (Standards for Annexation to Cities)

to which the petition was submitted. Accordingly, a letter stating acceptance of the petition was issued on November 9 (attachment #3); that same letter also notified petitioners that the Local Boundary Commission would conduct a public hearing on the annexation proposal on December 12.

Formal notice (attachment #4) of the Local Boundary Commission's hearing was also provided to the Kodiak Island Borough and published in the Kodiak Daily Mirror (attachment #5), editions dated November 23, 25, 27 and December 2 and 9, 1977.

II. PRIOR BOUNDARY CHANGES

The following is a synopsis of prior changes to the City of Kodiak's boundaries.

Action and Date: Annexation - March, 1960
Character of Property: Undeveloped lands - no road access
Description: Near Island, Gull Island, Popoff Island, Uski Island, Holiday Island, Crooked Island

Action and Date: Annexation - March, 1960
Character of Property: City watershed
Description: U.S. Survey 3945

Action and Date: Detachment - , 1960
Character of Property: Undeveloped lands - no road access
Description: Holiday Island, Crooked Island

Action and Date: Annexation - January, 1970 - vetoed by legislature
Character of Property: Residential, industrial and commercial
Description: Entire urban area of Kodiak outside of current city boundaries

Action and Date: Annexation - March, 1973
Character of Property: Residential
Description: Lots 16A, B and C of U.S. Survey 3098

Action and Date: Annexation - March, 1973
Character of Property: Residential
Description: Lots 26A, B, C, and D. of U.S. Survey 3098

Action and Date: Annexation - June 1974
Character of Property: Residential
Description: U.S. Survey 3098 - Lot 25

Action and Date: Annexation - April, 1975
Character of Property: Highway right-of-way, gravel pit.
Description: Lots 7-16, U.S. Survey 2537-B

Action and Date: Annexation - April, 1976
Character of Property: Residential
Description: Lot 24, U.S. Survey 3098

Action and Date: Annexation - April, 1976
Character of Property: Industrial - Canneries
Description: Gibson Cove

Action and Date: Annexation - June, 1977
Character of Property: Municipal Cargo Dock
Description: Tidelands adjacent to U.S. Survey 2537-B

Action and Date: Annexation - September, 1977
Character of Property: Residential
Description: Lot 1, Block 1, U.S. Survey 3066 A and B

III. GENERAL INFORMATION

Kodiak was incorporated as a town in September, 1940 under Federal Law, was later classified as a first class city under state law and subsequently adopted a home rule charter in the Fall of 1965. The city operates under the council-manager form of government and, according to the City's budget, provides a broad range of municipal services, including:

Service	Budgeted Funds (FY 78)
General Fund Estimated Expenditures	
1. Legislative, Judicial, Legal	$ 65,020
2. Executive	78,544
3. City Clerk	77,717
4. Finance Director	223,270
5. Police Department	813,379
6. Fire Department	333,241
7. Public Works Department	631,401
8. Parks and Recreation	128,946
9. Library and Museum	155,351
10. Engineering	112,159
11. Non-Departmental	1,450,239*
Total General Fund Estimated Expenditures	$ 4,069,267

*Includes:	$ 530,000	Payment to Borough in lieu of a borough personal property tax
	125,000	Insurance
	150,000	Advance to cargo terminal fund
	130,000	City Engineering Department
	417,000	Capital Project Transfers

$ 70,000	Bond payments
50,000	Contingency
33,000	Other

General Fund Estimated Revenues

1. Taxes	$1,915,000
2. Licenses and Permits	20,570
3. Intergovernmental Revenues	392,550
4. Charges and Services	342,210
5. Miscellaneous Revenue	34,070
6. Non-Revenue Receipts	1,364,867
Total General Fund Estimated Revenue	$4,069,267

Capital Project Funds Estimated Expenditures*

1. Federal Revenue Sharing Trust	$ 261,000
2. Federal Unit-Recession Fiscal Assistance Fund	53,500
3. Street Improvement	140,000
4. Building Improvement	7,000
5. Water Source Expansion	1,305,000
6. Water/Sewer Line Construction	110,000
7. Sewage Treatment Plant	7,643,105
8. Cargo Pier Construction	873,775
9. HUD Block Grant	1,274,660
10. Major Equipment Purchases	41,000
Total Capital Project Funds Estimated Expendi ure	$11,709,040

* Revenues for capital project funds are identical.

Enterprise Funds Estimated Expenditures*

1. Cargo Terminal	$ 905,097
2. Boat Harbor	369,265
3. Water/Sewer Utilities	1,109,007
Total Enterprise Funds Estimated Expenditures	$2,383,369

*Enterprise Fund revenues equal expenditures.

TOTAL ESTIMATED REVENUE	$18,161,676
TOTAL ESTIMATED EXPENDITURES	$18,161,676

The City of Kodiak is located within the Kodiak Island Borough which is a borough of the second class. In addition to the mandatory powers of education, tax assessment and collection, and planning, platting and zoning, the borough also has the areawide power of hospitals and non-area powers of parks and recreation and building inspection. On a service area basis the borough provides fire protection to the area adjacent to the city and the village of Karluk and provides road maintenance to the Bells Flats area. The borough is currently considering the establishment of a road maintenance service area for the road systems north of the City of Kodiak.

V. PETITIONERS BRIEF

The basic thrust of petitioners arguments seem to be that the area is urban in nature (19AAC05.010 (3))[3] and requires city services - most notably sewer and water (it is the policy of the City of Kodiak not to extend sewer and water beyond the city's boundaries). In support of this argument, petitioners simply state that the property is similar to existing property inside the City of Kodiak. Petitioners have apparently concluded that the subject territory is so obviously urban in character that detailed evidence, beyond the basic information required by regulation and included in the petition, supporting that statement is not needed; our investigation substantiated that conclusion.

VI. CONCLUSIONS AND RECOMMENDATIONS

That the area proposed for annexation is identical in nature to other areas in the city - that is, urban in character - seems relatively obvious. Given that conclusion, the issue then resolves to one of determining who should provide municipal services to the area. We believe firmly that the language of Article X, Section 5[4] of the Alaska Constitution

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3. 19 AAC 05.010. ANNEXABLE TERRITORY. (a) Territory which is contiguous to the city may be annexed to that city if one or more of the following standards are met: (3) the territory is urban in character. In determining whether territory is urban in character, the commission may consider, without limitation, whether the property is platted or held for sale for urban, residential or commercial purposes, whether the population density of the territory approximates that of the annexing city, whether the population of the territory stems primarily from actual growth of the city beyond its legal boundaries, and whether the property is valuable primarily by reason of its suitability for prospective urban purposes.

4. Section 5. Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services.

encourages the provision of municipal services by cities and discourages the provision of services by boroughs on a service area basis, except when unique circumstances dictate otherwise. Accordingly, we recommend acceptance of the petition as submitted.[5]

However, it is also our conclusion that the subject petition represents only the tip of the iceberg with respect to the question of who shall provide municipal services in the Kodiak area. As this report is being finalized we have just received a petition for incorporation of a first-class city in the Monashka Bay area. Additionally, the Kodiak Island Borough has just adopted an ordinance calling for a vote on the question of establishing a road service area consisting of the Kodiak urban area exclusive of the City of Kodiak. We have also received correspondence from the City of Kodiak indicating that it feels that it should be the provider of municipal services to the Kodiak urban area. In the opinion of the Department of Community and Regional Affairs these series of events represent a mandate to the Local Boundary Commission to find an immediate answer to the question: what municipal entity shall provide municipal services to the Kodiak urban area? Accordingly, we further recommend that the Local Boundary Commission:

1) Schedule a public hearing on the above stated question and notify the public that a potential answer to the question is annexation of significant portions of the Kodiak urban area to the City of Kodiak; and

2) Order officials of the City of Kodiak and the Kodiak Island

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5. The petition actually contained two descriptions of property to be annexed. The written description omitted Lot 27 of U.S. Survey No 3098 while the map indicated that it was to be included. Subsequent corresepondence (attachment #6) from the City indicates their desire to involve it in the annexation proposal.

Borough to submit to the Commission prior to the public hearing a five year schedule of services to be provided to areas currently outside of the City of Kodiak complete with narratives describing the level of service to be provided and costs associated therewith.

REPORT TO THE LOCAL BOUNDARY COMMISSION ON THE PROPOSAL TO ANNEX CERTAIN LANDS IN THE KODIAK URBAN AREA TO THE CITY OF KODIAK

Department of Community
and Regional Affairs
Juneau, Alaska

May 17, 1978

I. INTRODUCTION

On December 12, 1977, the Local Boundary Commission conducted a public hearing to take testimony respecting a petition (attachment #1) submitted by the City of Kodiak proposing annexation of certain properties to the City. As a result of that hearing the Commission elected to postpone action on the City's petition and subsequently submitted petitions for 100% annexations until it considered the broader issue of who --the City of Kodiak or the Kodiak Island Borough-- should be the principal provider of municipal services to residents of the Kodiak ~~urban~~ area. The Commission directed the Department of Community and Regional Affairs, in its capacity as staff advisor to the Commission, to prepare a report stating specific recommendations as to which areas, if any, ought to be annexed to the City of Kodiak.

II. AUTHORITY AND NOTICE

Article X, Section 12 of the Alaska Constitution grants authority to the Local Boundary Commission to "consider any proposed local government boundary change" and to "present proposed changes to the legislature during the first ten days of any regular session". Alaska Statutes grant the Commission authority to "conduct meetings and hearings to consider local government boundary changes and other matters related to local government boundary changes, including extensions of services by incorporated cities into a contiguous area and matters related to extension of services".

In accordance with AS 44.19.290, notice of the Local Boundary Commission's forthcoming public hearing and decisional meeting was ordered published in the Kodiak Daily Mirror editions dated May 4, 8, 15, and 19. A copy of the Notice is appended as attachment #3. Notice was also sent, by certified mail, to the manager of the Kodiak Island Borough, the manager of the City of Kodiak, and the Commanding Officer of the U.S. Coast Guard Station in Kodiak. Additionally, notice of the hearing was transmitted over radio station KVOK and TV station KOTV at least three times during the period May 1 to May 19.

III. GENERAL INFORMATION

The following is a brief description of each of the four areas identified in the Notice of Public Hearing:

Mission Road Area: Generally this area consists of the territory located between the northeast boundary of the City of Kodiak and the terminus of Mission Road, located at Spruce Cape. Although the area is largely residential in character, it does contain several small service businesses. There are several mobile home courts located in the area, as well as a Baptist Mission. The only notable public facility is the Kodiak sewage treatment plant presently operated by the City. The Borough contends that the Kodiak sewage treatment plant is a regional facility which should be jointly operated by the City and the Borough.

Staff of the Kodiak Island Borough estimated the population of the area to be 790 residents as of 1977. There are at least 316 water taps in the Mission Lake, Outer Mission Road and Spruce Cape Areas. The City

indicated the population estimate of 790 residents is low. The Borough will provide the estimated value of taxable property at the public hearing. The population is projected to be 1,390 by 1985, a 76% increase over current figures.

Mill Bay Road Area: Generally includes that area extending from the northwest boundary of the City of Kodiak to the point where Mill Bay Road splits to Otmeloi Point and Fort Abercrombie, including the area around Island Lake, Beaver Lake and the relatively newly developed area of East Mill Bay.

Like the previously discussed territory, the area is primarily residential in character, although several businesses do operate in the area. The land most heavily populated is that surrounding Island Lake, while the remainder of the population is fairly evenly scattered throughout the Island Lake area. Population density is moderate to low. Borough estimates made in 1977 show a population of 400 for the Island Lake area and a total area population of 550. There are 100 water taps in the Island Lake Area and numerous wells. The City indicated the current population estimate of 400 residents is low. Estimates project a population of 900 for the Island Lake area by 1995. The only public facility of any consequence is the City of Kodiak's municipal airport. A Catholic school, teaching grades 1-8, is also located in the area. The Borough will provide an estimated value of taxable property at the public hearing.

Monashka Bay: Generally includes the area adjacent to Otmeloi Point and Fort Abercrombie roads. Much of this land is dedicated to public purposes such as the Fort Abercrombie State Park, the City of Kodiak Ram

Site -- a local outdoor theatre, a VFW site and the land fill site operated by the City on Borough land, water reservoir and transmission facilities. The remainder of the area is either undeveloped or very lightly developed. In 1978 Borough staff estimated the population of the area at 100. The current assessed value of property for Mission Road, Mill Bay and Monashka Bay areas is approximately $21 million.

All of the previously described areas receive certain services from the Kodiak Island Borough, including the areawide services of education, planning, platting and zoning, tax assessment and collection and hospitals and health facilities; the non-areawide power of parks and recreation is not provided at this time; and, on a service area basis, fire protection, road maintenance, sewer and water service. The latter three services were only approved by voters in April of this year so actual implementation of the service has yet to begin. Fire protection is, in fact, provided by the City of Kodiak through a contract with the Kodiak Island Borough.

The City is providing 440 water taps and 48 sewer taps to the Mission Road Area, Mill Bay Area, and the Monashka Bay Area.

Coast Guard Base: The reservation, which is excluded from the Kodiak Island Borough boundaries, abuts the City of Kodiak's southern boundary and is totally self-sufficient, containing all facilities and providing all services necessary for the well-being of Coast Guard personnel. The Kodiak Island Borough operates an elementary school on base, while junior high and high school students attend school in downtown Kodiak.

We are not aware of any significant private property on the reservation with the exception of the Wien Air Alaska airport facility. The current estimated population of the U.S.C.G. station is approximately 3,000. An estimate of the potential taxable property at the U.S.C.G. station is between $200,000 and $400,000.

IV. FINANCIAL INFORMATION

The City of Kodiak was incorporated as a town in September 1940, under Federal law. It was later classified as a first class city under State law and subsequently adopted a home rule charter in the fall of 1965. The City operates under the council-manager form of government and, according to the City's budget, provides a broad range of municipal services, including:

Service	Amended Budgeted Funds (FY 78)
General Fund Estimated Expenditures	
1. Legislative, Judicial, Legal	$ 76,520
2. Executive	78,469
3. City Clerk	83,567
4. Finance Director	229,011
5. Police Department	871,619
6. Fire Department	357,135
7. Public Works Department	690,604
8. Parks & Recreation	132,311
9. Library and Museum	161,602
10. Engineering	146,958
11. Non-Departmental	1,344,117*
Total General Fund Estimated Expenditures	$ 4,171,913

*Includes:

$392,948	Payment to Borough in lieu of a borough personal property tax
135,875	Insurance
73,926	Advance to cargo terminal fund
67,000	Public utility services
421,191	Capital Project Transfers

133,200	Bond payments
26,841	Contingency
93,136	Other

General Fund Estimated Revenues	
1. Taxes	$2,023,000
2. Licenses and Permits	28,870
3. Intergovernmental Revenues	434,016
4. Charges and Services	366,802
5. Miscellaneous Revenue	39,734
6. Non-Revenue Receipts	1,279,491
Total General Fund Estimated Revenues	$4,171,913

Capital Project Funds Estimated Expenditures*	
1. Federal Revenue Sharing Trust	$ 261,000
2. Federal Anti-Recession Fiscal Assistance Fund	79,516
3. Street Improvement	673,300
4. Building Improvement	153,135
5. Water Source Expansion	1,320,655
6. Water/Sewer Line Construction	381,037
7. Sewage Treatment Plant	7,643,105
8. Cargo Pier Construction	873,775
9. HUD Block Grant	1,335,007
10. Major Equipment Purchases	111,780
Total Capital Project Funds Estimated Expenditures	$12,832,310

*Revenues for capital project funds are identical.

Enterprise Funds Estimated Expenditures*	
1. Cargo Terminal	$ 919,917
2. Boat Harbor	368,876
3. Water/Sewer Utilities	1,283,501
Total Enterprise Funds Estimated Expenditures	$ 2,572,294

*Enterprise Fund revenues equal expenditures.

TOTAL ESTIMATED REVENUES	$19,576,517
TOTAL ESTIMATED EXPENDITURES	$19,576,517

The City of Kodiak is located within the Kodiak Island Borough, which is a Borough of the second class. In addition to the mandatory powers of education; tax assessment and collection; and planning, platting and zoning, the Borough also has the areawide power of hospitals and non-areawide powers of parks and recreation and building inspection. On a service area basis the Borough provides fire protection through a city contract to the area adjacent to the City and to the village of Karluk and provides road maintenance to the Bells Flats area. The Borough has very recently established the Monashka service area to provide water, sewer, and maintenance for the road systems north of the City of Kodiak. On March 23, 1978 the City filed a complaint for declaratory judgment and injuction against the establishment of the Monashka service district claiming the services of water, sewer and road maintenance can be provided by the City without any necessity for creating the service district. (Attachment #5)

V. STANDARDS FOR ANNEXATION

Title 19 of the Alaska Administrative Code, Section 05.010, Alaska Statutes 29.63.909 and Article X Section 5 of the Alaska Constitution[1] set forth specific standards and requirements which provide guidelines for annexation. Realizing that annexation may be proposed if any one of these standards are met, the Department will indicate the applicable standard and summarize any appropriate issues raised as follows:

(1) Mission Road Area. In accordance with 19 AAC 05.010, the Department suggests that the following applicable standards appear to be satisfied because the territory between Mission Lake and Spruce Cape is:

(a) contiguous to the City as evidenced by the Kodiak Island Borough map prepared by Kramer, Chin, & Mayo Inc.

(b) essentially or will be urban in character as noted in the Kodiak Island Borough map prepared by Kramer, Chin & Mayo Inc.

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[1] "Section 5. Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services."

Resident Population Estimates

(provided by Borough)

	1977	1985	1995
Mission Road	520	720	920
Mission Lake	270	470	870
Mid Cape	0	200	600
Spruce Cape	0	0	600
TOTAL	790	1,390	2,990

At least one-third of the total land area is undeveloped and the largest portion is the former U.S. Coast Guard LORAN Station whose operation of this facility will be terminated on December 31, 1979. Additionally, the former U.S.C.G. LORAN station was declared surplus and has been selected by one of the Kodiak Island Native corporations formed under the Alaska Native Claims Settlement Act. While no immediate development plans appear to exist, it is anticipated that the property will see development, primarily for residential purposes, in the future. The current borough planning estimates project a population of 600 on the former U.S.C.G. LORAN station by 1995 and 600 residents for the Mid Cape Territory. The U.S.C.G. LORAN facility currently has a population of (4) residents.

(c) presently in need of municipal services of water, roads, and fire protection which the City should be able to provide more efficiently than the Borough could by using differential tax zones.

The Department would suggest that the City and the Borough should more appropriately respond to the question of who can provide the specific services more efficiently by whatever means they desire. However, the Department would make the following observations:

Sewer and water facilities are provided to the majority of the area by the City of Kodiak. The previous sewer and water lines were constructed under the auspices of a public utility district prior to statehood and were subsequently taken over by the City of Kodiak. The majority of the water line was put in after the earthquake ruined the wells. Several private sewer lines were also built at that time. According to a 1970 agreement between the Borough and the City, the City has long been designated as the agency responsible for implementation of water and sewer projects within the area of the road system in the Kodiak Island Borough. The City recently installed a sewer interception to the treatment plant.

The territory is presently in need of local road maintenance as evidenced by the recent service area election to provide the service. However, the Department of Transportation is presently responsible for road maintenance on the Spruce Cape road. In determining which governmental agency can most efficiently provide the service for the area it is noted that the City has the only existing Public Works Department capable of providing road maintenance. The Borough has chosen to provide road maintenance through private contracts rather than through a Municipal Public Works Department.

Fire protection is provided by the Borough through a contractual arrangement with the City because the City has the only municipal fire department.

(2) Mill Bay Area. According to 19 AAC 05.010, the Department suggests that the following applicable standards appear to have been satisfied for the territory adjacent to Mill Bay Road extending from Kodiak Subdivision to the turn-off to Fort Abercrombie.

(a) The territory is contiguous to the City as evidenced by the Kodiak Island Borough map prepared by Kramer, Chin and Mayo Inc.

(b) The terrritory is essentially urban in character as noted in the Kodiak Island Borough map prepared by Kramer, Chin and Mayo Inc.

Resident Population

	1977	1985	1995
Beaver Lake	30	130	730
East Island Lake	310	510	710
West Island Lake	70	120	170
East Mill Bay	50	150	250
West Mill Bay	70	120	170
TOTAL	530	1,030	2,030

The land most heavily populated is surrounding Island Lake, while the remainder of the population is fairly evenly scattered throughout the Island Lake area.

(c) The territory is presently in need of municipal services of water and sewer, roads and fire protection, which the City should be able to provide more efficiently than the Borough could by using differential tax zones.

Here again the Department would suggest that the City and the Borough should more appropriately respond individually to this question of which municipality can provide the service more efficiently. However, the Department would make the following observations:

City water is provided to portions of the area surrounding Island Lake--the water line used is a temporary one, and water pressure is often very low. No sewage collection or treatment facilities operate in the Island Lake area. Consequently, due to the population density, water table, and lack of a collection system, a serious water pollution problem exists at Island Lake (attachment #4).

The territory is presently in need of municipal road maintenance as evidenced by the recent service area election to provide the service. The Department notes that the City has the only existing Public Works Department capable of providing road maintenance.

Fire Protection is provided by the City through a contracted arrangement with the Borough because the City has the only municipal fire department.

(3) The Monashka Bay area. In accordance with 19 AAC 05.010, the Department suggests that the following standards appear to be satisfied for the territory adjacent to Mill Bay Road and extending to the Fort Abercrombie extension to the end of Mill Bay Road, including the Pillar Creek, Virginia Creek and Monashka Creek water shed.

(a) The territory is contiguous to the western boundary of the City as shown by the Kodiak Island Borough map as prepared by Kramer, Chin and Mayo Inc.

(b) Portions of the territory should be annexed to enable the City to achieve adequate control, protection or management of the land fill site and the water shed of city water supply.

The area surrounding Monashka Bay Area #21 is not populated as shown on the Kodiak Island map. The surrounding land is primarily dedicated to public purposes such as the Fort Abercrombie State Park, the Kodiak Ram Site -- local outdoor theatre, VFW, and the land fill site operated by the City on Borough property, water reservoir and transmission facilities. If this area were annexed and included the water shed of Monashka Creek, Virginia Creek and Pillar Creek, the City would have direct jurisdiction over the territory within its boundaries (see Attachment #2).

However, according to the 1978 Kodiak Island Borough's regional plan and development strategy draft summary report, the current water storage capacity at Pillar Creek is inadequate to guarantee a supply of water to industrial users during periods of low stream flow. Potentially,

large fish production losses could occur during peak harvests and this could discourage construction of new processing plants. An Outer Continental Shelf service base would also require large amounts of fresh water to supply drill rigs. Further economic development will require increasing water storage capacity. The most readily apparent alternative is for the City to go ahead with raising the Monashka Creek Dam.

The Department notes that this project is a city function on land purportedly owned by the Borough. The City claims the Borough has said that the land will be turned over to the City. The Department would suggest clarification should be made as to whether this land will be turned over to the City, and who should ultimately provide the service.

(4) The Coast Guard Base: The Department now suggests that the entire U.S.C.G. station be considered for annexation. In accordance with 19 AAC 05.010 the Department would suggest that the following standards appear to be satisfied for the territory proposed.

(a) The territory is urban in character as evidenced by the U.S.C.G.'s own estimate of population to be approximately 3,000 residents.

(b) There is a likelihood that future growth and development will occur within the territory particularly at the State airport which is leased from the U.S.C.G.

(c) Part of the territory (i.e. airport) is presently in need of municipal services of police protection, roads, and fire protection, which the City, using differential tax zones, should be able to provide more efficiently than the Borough using the service area mechanism.

The City of Kodiak Police Department is the security agency at the airport. The City provides the anti-hijacking protection for the airport. The City contends this area is in need of police protection, including the parking lot and restaurant which is being built. As the airport grows and develops, increased commercial activity as well as private aircraft will be at the facility. The Division of Aviation has plans to develop the airport further to handle private craft, and the City has indicated an interest in closing its existing airport.

At the present time the U.S.C.G. Station provides security police services, fire protection (in conjunction with the City), and airport maintenance (in conjunction with the FAA and the Department of Transportation), water sewers and sewer treatment facilities, crash services, and garbage and solid waste collection and disposal on the base.

Another issue is the fact that Koniag Native Corporation is hoping to receive excess property at the airport for further development. However, the U.S.C.G. has no immediate plans to dispose of any excess property.

According to Article X Section 7, City annexation of the Coast Guard Base (including the State Airport) would also extend the Kodiak Island Borough boundaries as well. Should annexation occur, the Borough would acquire a tax base of the territory and could exercise all of its powers in the area. The U.S.C.G. personnel could then exercise their rights as city and borough residents.

The Department would suggest that the City determine whether there is sufficient taxable property at the U.S.C.G. station to justify police protection or any other services. However, additional State and Federal grants should be available to assist with providing these services such as State and Federal Revenue Sharing. Apparently the Kodiak Island Borough has previously negotiated with the U.S.C.G. concerning 100% annexation without success.

Recommendation

The basic problem appears to be that the City and the Borough are attempting to provide the same municipal services and occupy the same political and physical space. While it is generally desirable that matters of government organization be determined locally, conflicts have occurred over annexation with creation of the Monashka Bay Service area and the request for incorporation of a first class city in the Monashka Bay area. These conflicts would indicate that the Local Boundary Commission should review the activities and assume a mediating role to resolve these conflicts.

The Department believes firmly the language of Article X, Section 5 of the Alaska Constitution[2] encourages the provision of municipal services by cities and discourages the provision of services on a service area basis by a borough when those services can be provided by a city through annexation. Any territory bordering on a city should be encouraged to annex rather than permitting it to remain as a borough service area, providing the annexation standards are met. Ideally the boundaries should encompass an entire natural socio-economic and political area which is urban in character.

We believe that the four areas studied in this report adequately fall within the urban socio-economic and political influence of the City of Kodiak and generally meet annexation standards.

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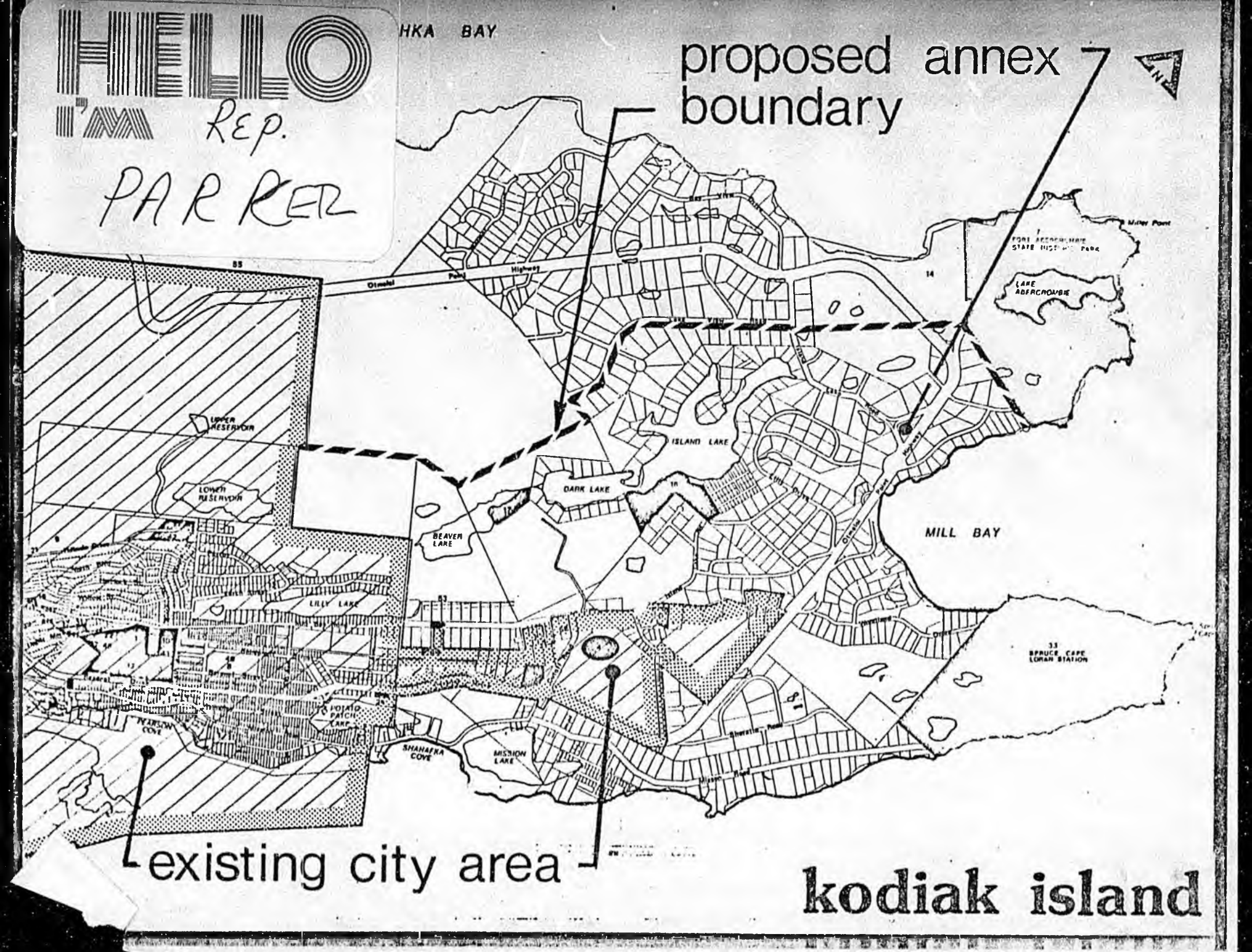
[2] Ibid.

The final solution for the problem of the Kodiak urban area may be complete unification or consolidation of the city and borough governments. Resolutions have been passed by both the City of Kodiak and the Kodiak Island Borough regarding unification. At the Borough Assembly meeting on April 7, the Borough Assembly did adopt a Resolution 78-34-R to put the question on the ballot next October. The City Manager has stated that without the total picture of annexation being reviewed and the Local Boundary Commission taking appropriate action, the City believes the present situation would prevail for a number of years. The Borough Manager stated that unification could take place as soon as mid-1979. Also, the Borough Manager contends the most economical solution to the problem would be to dissolve the City and provide municipal services on a service area or areawide basis.

The Department recommends that the Local Boundary Commission consider annexation to the City of the territories proposed based upon (1) the standards of annexation which appear to be satisfied for areas proposed; (2) the city and borough testimony in response to the standards raised and the feasibility of services which would be provided; and (3) the testimony of the residents which will be given at the public hearing.

The Bells Flats-Russian Creek Service area, located immediately adjacent to the Coast Guard Base, was not included in the Official Notice of Public Hearing as an area to be considered. The Department would also recommend that the Local Boundary Commission consider this area for future annexation to the City in view of its relative small size, the estimated borough population of 160 as of 1977, the fact that the Borough has created a service area for road maintenance, and the potential taxable property is estimated to be $3,600,000.

misc.


HELLO
I'M
REP.
PARKER
proposed annex boundary
existing city area
kodiak island
HKA BAY
MILL BAY
ISLAND LAKE
DARK LAKE
BEAVER LAKE
LILLY LAKE
UPPER RESERVOIR
LOWER RESERVOIR
POTATO PATCH LAKE
PEARSON COVE
SHAHAFKA COVE
MISSION LAKE
LAKE ABERCROMBIE
SPRUCE CAPE LORAN STATION
Otmelai Point Highway
Miller Point

PRESENTATION FOR

JOINT COMMITTEES OF COMMUNITY & REGIONAL AFFAIRS

KODIAK, ALASKA FEBRUARY 10, 1979

BY WILLIAM H. BULEN, PRESIDENT KODIAK SANITATION, INC.

HONORABLE SENATORS AND ASSEMBLYMEN
LADIES AND GENTLEMEN

My name is William Bulen. My son Richard Bulen and I own and operate Kodiak Sanitation, Inc.. We have a lot of interest in the matter before you and obviously most of it is financial. Therefore, asking us how we feel about the matter is like getting a wolf to watch the sheep.

However, there is one aspect to the present situation which we think is grossly unfair and I will confine my remarks to this problem.

We have many complaints from our commercial customers regarding the unauthorized use of dumpsters. Only this week I received a call from someone at Kodiak Community College asking what they could do to stop people from using their dumpster. I had to advise them that for all practical purposes their only recourse was to talk to the people involved. As you can understand, this would serve no purpose beyond causing the offenders to find another dumpster.

In the area you are considering today we serve 89 homes and all trailer parks. We estimate that there are 315 additional residential units in the area, which are the ones without refuse service. Some of these people take their trash to the dump but a large percentage of them take it to town and place it in a convenient dumpster. The other day I heard someone remark that they had seen someone transfering trash to the dumpster at the new Post Office while people in two other cars waited to do likewise.

I do not mean to infer that all borough residents are garbage freeloaders but I will have to admit that even some of my friends are numbered among them. For some strange reason, otherwise honest people will not hesitate to steal service.

The only practical solution to this and other garbage related problems is mandatory garbage service, which would be achieved by annexation. In this we do have a financial interest so I will say no more.

Thank you

TESTIMONY OF NORMAN D. WOOTEN

BOX 3016
KODIAK, ALASKA
99615
486-4415

Februrary 10, 1979

My greatest concern over this entire matter is the fact that we as residents had no say in a decision that has so much effect on us. If an election were to be held in the area and the people were for the annexation then I would abide with that decision.

I own and reside on a one acre lot in the Dark Lake area. This lot is covered with spruce trees and berry bushes. I and my neighbors plow and maintain our own road. I haul and dispose of my own trash. Certainly this is extra work and less convenient for me than if I were in the city and entitled to all these services as a citizen. I purposely chose this lifestyle though. I desire to live in an uncongested area such as I do for several reasons. My two small daughters have the run of a fairly large area without me having the worries of a typical "town" parent of traffic-pedestrian hazards. My dog is free to roam over this same area without the city animal restrictions. I'm able to enjoy a clear view of the lake.

What does all this have to do with annexation? Even though according to city publicity I am to be in the zone paying 35% of assessed tax rate I am uncomfortable with this promise. If and when the time arrives that I am to pay full taxation I am not at all certain I will be able to afford the tax on a one acre lot. If my property were valued at $50,000.00, my present tax at 7.0 mills would be $350.00 per year. Under the city assessment of 16.1 mills it would jump to $855.00 per year plus the assessments for any proposed improvements in services. This being the case I would have to subdivide to be able to retain a place to live that I could afford. This is an unacceptable risk to me.

TAX CONSULTANT
ACCOUNTANT
PHONE: 486-5555
BOOKKEEPER

"Jo" Hajdu
P. O. Box 627
Kodiak, Alaska 99615

February 11, 1979

Joint Committee Hearing
Senate & House Community & Regional Affairs Committees
Kodiak, Alaska

Members of the Legislature, Ladies and Gentlemen:

I am appearing before you today both as a spokesman for the Borough Residents for Autonomy and as a resident, property owner and business person in the Spruce Cape area. So I would like to speak both in general terms and also as to how annexation might affect me as an individual residing in the area proposed for annexation.

First of all, it seems to us as a group that the only instance in which the Boundary Commission should exercise its statutory right to force an annexation without an assenting vote by the people affected by their decision should be in a circumstance where it can be clearly and irrefutably documented that there is an overriding public need. This is not the case in Kodiak. Testimony at the public hearings has been conflicting and documented facts are nearly non-existent. No detailed study has been performed by any independent agency as to the true costs to the residents of the area proposed for annexation, nor to the residents of the existing City of Kodiak. No time schedule for the provision of services had been furnished the Boundary Commission at the time of its decision. At no time has there been a real dialogue between the City administration and representatives of the area proposed for annexation (who have not been hand-picked by the City) as to what services they desire, if any.

The decision of the Boundary Commission appears to have been based on several assumptions:

1. That there is a need for water and sewer services in the area proposed for annexation.

2. That the residents of the area proposed for annexation are enjoying City services without paying their share of the costs.

3. That annexing this large area into the City would reduce conflicts between City and Borough governments and provide for greater efficiency.

4. That since many of us do our shopping and find employment in the City of Kodiak, that it is only logical that we should be governed by its administration.

It is certainly true that certain areas are in dire need of water and sewer. However, by far the greater portion is very large lots, sparsely settled. Individual water and sewer systems have been installed and are functional. Also, the City has indicated that it is beyond its physical and economic capability to provide sewer to these sparsely populated tracts. The residents have voted for

for a service district so that the services can be furnished only where they are wanted and needed, and where the residents have indicated a willingness to pay for them. When the City accepted Federal funding for the sewerage treatment plant, it also committed itself to extending sewer service to this entire area regardless of the political boundaries. The costs, of course, are borne by the users and not by the general taxpayer.

Insofar as our not paying our own way, let me cite my specific example. My residence and office on Spruce Cape Road are served by City water. We pay a premium due to our location outside the City. We have our own EPA approved septic system. We are on a State road, which is very well maintained by the Highway Department, and for which the State would continue to pay if we were annexed. The State Troopers responded promptly on the one occassion in twenty-two years when they were called. Our fire protection is through the auspices of a service district. When enough of us feel that we want a higher digree of fire protection, we alone will bear the costs of a sub-station. We enjoy being out of the heavily populated area with our children and our pets. So far, my clients have been willing to drive the extra distance for the accounting services I provide them.

As I see it, I will be paying an additional 6.8 mills, or $1,300 in my particular case, for the privilege of using the City Library, which I do not use at the present time. There will be no reduction in the taxes I pay to the State when the Troopers are replaced by City Police and the costs of road maintenance will continue to be borne by the State. If and when the municipal sewer crosses my land, I will also pay my full share for this (as I would if I remained outside the City). I am an avid reader, but I can buy many books to increase my own library for $1,300.

In addressing the point of efficiency of government, although the existing City-Borough conflict is at times distressing, it is an effective system of checks and balances. I don't need to remind any member of this committee that the most efficient form of government is a dictatorship. One of the beauties of our democratic form of government is that if the people living under that government really don't like it, then we ourselves have the option to change it by opting for unification or simply by "throwing the rascals out".

The Legislature has just appropriated ~~1.172~~ 2 million dollars toward a joint effort with Governor Hammond to convince the great white fathers in Washington, D.C. that even in their infinite wisdom they might not always know just what is right for the people of Alaska. Yet the Boundary Commission has decided that they are the persons best qualified to know what is best for us in Kodiak, despite overwhelming testimony from the people involved that they were opposed to the action being considered. I ask you to consider the implications.

Finally the argument has been advanced that we should be annexed since the City of Kodiak furnishes the shopping facilities for most of us. I do in fact, do most of my buying there, putting approximately $2,000 of sales tax into the City's general fund between business and personal purchases. But please bear in mind that most of the merchandise sold in the City of Kodiak originates in the Port of Seattle. While I have seen some editorializing that Kodiak Island might consider seceeding from the State of Alaska, I haven't heard any serious discussion of the entire island being annexed to Seattle!

Thank you very much for coming so far to hear us out.

Jo Hajdu

THE KODIAK DAILY MIRR

Vol. 37, No. 252 Wednesday, December 28, 1977

from Okie Chandler

City council defers tax issue one year

The Kodiak City Council last night approved the second reading of an ordinance exempting the city from assessing a personal property tax after amending the new statute to go into effect Jan. 1, 1979.

The ordinance, which met strong opposition from fishermen and others during a public hearing, was originally written to go into effect Jan. 1, 1978. Council member Toni Eaton proposed the amendment, which was approved 4-1, after several residents urged that more time be taken to study the city's and borough's taxing methods.

The amended version of the ordinance, which in effect requires city residents to pay their own borough personal property tax in 1979 unless another taxing method is developed, was also approved by a 4-1 vote.

Councilman Dave Woodruff opposed both the amendment and the ordinance which the council initially approved Dec. 22 at their regular meeting. Council member Carol Lechner was not present at the meeting last night which attracted between 60 and 75 city and borough residents.

You have "stirred up a hornet's nest in the community we don't need," longtime Kodiak fisherman Oscar Dyson said to the council. "We'll have an uphill battle to fight," he added, and later charged the council with helping to run the fishing industry out of Kodiak.

United Fishermen's Marketing Assoc., manager Tom Casey vowed to work as hard as he could to remove members of the council should they support the ordinance. If you approve this ordinance you will be "throwing this industry (fisheries) into a crisis situation," he said.

Casey later declined to make any comments after the council passed the amended ordinance which replaces an ordinance earlier approved by the council after a referendum was passed at the October general election asking the city to hold its sales tax to 3 percent and not pay the personal property tax for city residents.

Several persons at the hearing last night discounted that referendum as not being the wishes of the people because of a low voter turnout. "The fishing fleet was out on the seas when the referendum passed," said Harold Jones, owner and skipper of the Marcy J. "We can't play politics and fish at the same time," he added.

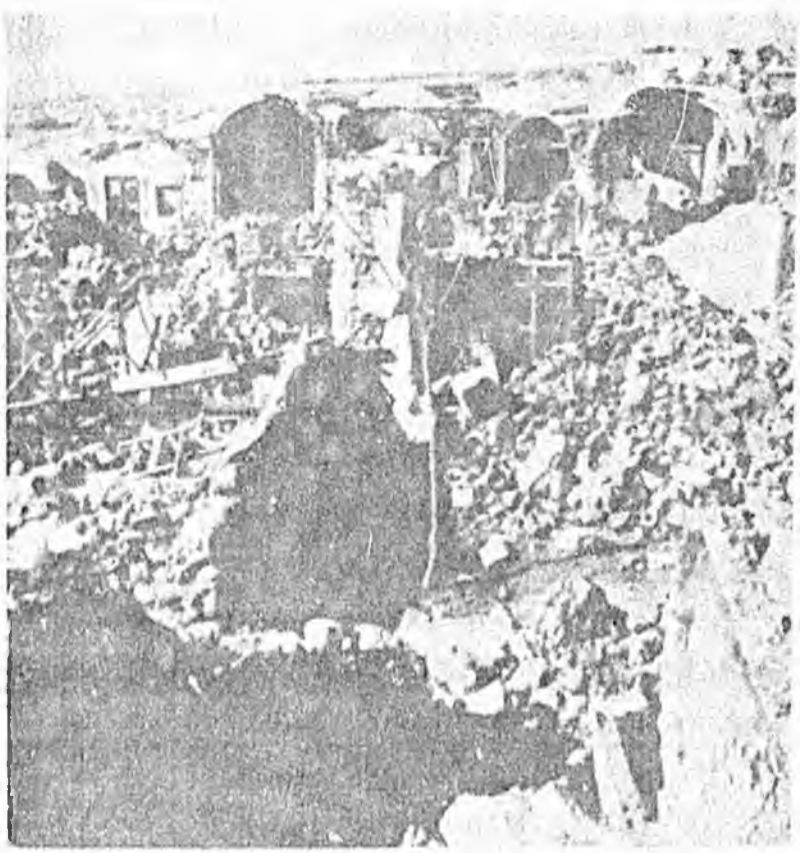
The fishermen, who have long enjoyed the city picking up the borough tax bill for their boats, claim that they could lose their vessels to taxes given one or two bad years.

"We don't want to face a $7,000 tax bill every year," Jones said.

The borough now assesses $7 for every $1,000 of a boat's value. Given a vessel valued at $1 million, the tax would be $7,000.

Borough Mayor Betty Wallin is now forming a citizen

(Continued on Page 2)



Earthquake toll mounts

Rubble fills the street of the village Sar-Asiyab, hard-hit by an earthq miles south of Tehran last week. A second earthquake has struck that to the U.S. Geological survey. Today's quake registers 6.6 on the Richt the Red Sea north of Asmara, Ethiopia.

Oil contract offer deac

JUNEAU (AP) — Competitors for Alaska's royalty share of Prudhoe Bay crude oil have been given until the end of the week to submit any final proposed contract alterations to state negotiators, Natural Resources Commissioner Robert LeResche said today.

Once the "last best offers" are submitted, LeResche said he has set aside a month for final negotiations and an inhouse decision on which of the four rival proposals should be recommended for approval by the Royalty Oil and Gas Development Advisory Board.

"We're still trying for Feb. 1 for submitting a contract to the Legislature," LeResche said.

As the time for a decision approaches, Alaska Petrochemical Co. (Alpetco) remains the apparent leader with an offer which LeResche says meets the administration's double-barreled mandate of

President pla

WASHINGTON (AP) — President Carter begins a six-nation trip to Europe, the Near East and Asia on Thursday. It is a journey that will combine symbolism and serious dialogue.

The president spent time

Committee corrects omissions

Spread Eagle petition is deficient

The Committee for the Eufemio; Pete Danelski, the state Local Boundary

struck at Hargeisa, Somalia's second largest city, while four other jets bombed the port city of Berbera, located along the Gulf of Aden.

According to the Somali radio broadcast monitored here, all casualties occurred at Hargeisa where Somali forces shot down two Ethiopian planes — Soviet-made Mig-21 jets.

Another Ethiopian plane, an American-built F-5 jet, was shot down at Berbera by Somali forces, the radio said, but additional details of the bombing incidents were not disclosed.

Hargeisa, located about 45 miles from the Ethiopian border, was reportedly attacked by Ethiopian jets earlier this month and at least nine persons were said to have died in the bombing incident.

In announcing Tuesday's bombing incidents, a regional secretary of Somalia's Socialist Party called the attacks "barbaric" and said they were

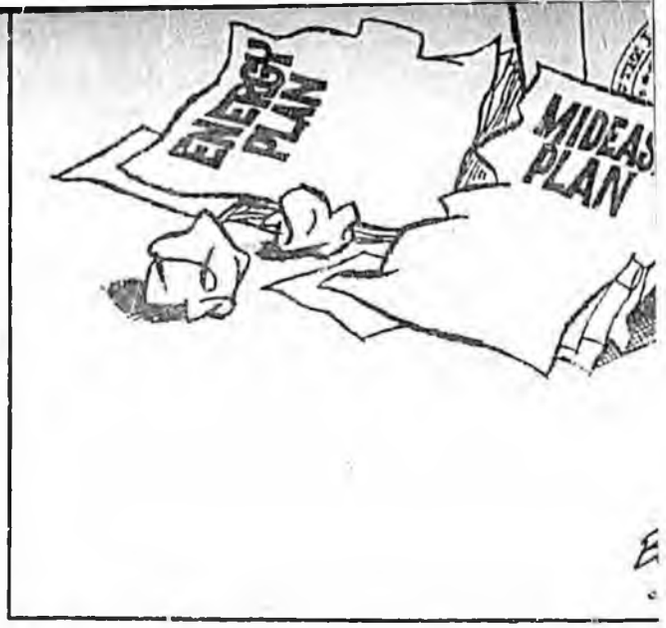
Somali tribesmen are fighting a secessionist war. Somalia provides the secessionists with material support.

Transmitter beams radio

UNALASKA (AP) — Residents of Unalaska will be able to listen to American radio again soon, courtesy of the Armed Forces Radio Network and the Alaska Public Broadcasting Commission.

For the past couple of years Unalaskans have been listening to Radio Moscow, although some U.S. stations could be picked up at night. The Aleutian Island town used to have an AFRN relay transmitter, but it was removed several years ago.

Now the Public Broadcasting Commission has sent an engineer to put up a new transmitter, which will make AFRN available again.



City council

(Continued from Page 1

committee to study the city and borough budgets and different taxing methods.

Names already suggested for the 12-member study group include Wilton White, Dick Berg, Oscar Dyson, Tom Casey, Don Egelus, Dottie Paulson and Chuck Powell. Wallin and city mayor Tommy Frost have been suggested as possible co-chairmen.

At the same time a petition was filed yesterday with the city clerk's office by the Fishermen's Wives asking the council not to support the new ordinance, said Marcy Jones, secretary for the Fishermen's Wives. She said there were 229 names on the petition.

The meeting last night went on for two hours with the council calling two, five-minute recesses.

Police investigate school

The Kodiak Police Department is investigating a break-in at the high school which was discovered this morning at 6:30 a.m. during a routine patrol.

School officials report that $12 was stolen from a cash box, and that $200 to $300 in damage was done to windows and doors in gaining entry to the cafeteria.

Police said entry was made through a side door, and that window panes were broken to get the door open. The break-in apparently occurred sometime after the building was closed following the student-alumni game at the high school last night, police said.

Police arrested Juanito Malpaya, 42, of Kodiak last night on a charge of drunken driving. He was scheduled for arraignment this morning. Malpaya was lodged in jail in lieu of bail.

Juan De Guzman, 63, Kodiak was arrested yesterd for petty larceny following citizens arrest for shoplifting De Guzman was arraigned th morning in district court here that charge and for five traff tickets.

The Kodiak Fire Departme answered two false alarm yesterday, according to a fi department news release

Calls were answered to Mi Bay Road, adjacent to the Lod and Guns shop, and to a garag fire north of the intersection Mill Bay Road and the ne Rezanof extension.

State troopers investigate two auto accidents over th Christmas weekend, accordi to a troopers news release.

Two persons received mino injuries in a Christmas Da accident on Kodiak Island High way just beyond the shipyard Reports state that Warren I Murphy, 31, of Kodiak los control of his vehicle and th 1970 Toyota landcruiser over turned and landed in Women' Bay.

Murphy and his passenger Theresa Brodie, 25, of Kodiak received minor bruises. Th vehicle was considered con plete loss, according t troopers. No citation wa issued.

On Dec. 23, a flatbed truck owned by North Pacifi Processors reportedly struck th rear of a parked vehicle owne by Barry J. DeVol, 17, o

Oil offer deadline

(Continued from Page 1)

LeResche said premiums are allowed as long as they don't exceed the government-imposed ceiling price on oil.

Alaska Petrofining Co. currently trails Alpetco in second place with a contract which is based on the shaky premise of tax exempt bonds to construct its proposed in-state refinery complex.

LeResche said he has asked Alaska Petrofining to seek an independent legal evaluation of its contention that the Internal Revenue Service would approve its tax exempt scheme, but added that the state's own New York bond attorneys continue to insist that the IRS would never sanction such a deal.

LeResche said Alaska Petrofining may come in this week with a "whole new

Meanwhile, the two remaining competitors, Alaska Petroleum Co. and Alaska Oil and Chemical Co, have yet to back away from their unacceptable proposals for further studies as prerequisites to committing themselves to processing the royalty oil in the state, LeResche said.

LeResche said Alaska Petroleum officials have called him repeatedly to object to his calling their proposal a study, but the cabinet official insists "that is what it boils down to."

"They say they would commit to building a refinery, but give them two years to spend $1 million and at that time their board would decide whether it is profitable or not," LeResche said.

"Hopefully, they will submit

now has been on that basis."

LeResche called the Alaska Oil and Chemical proposal "very sincere," but added that it, too, needed major revisions to eliminate offensive study provisions.

"They say it (in-state processing) will never pay economically, but they want to join with the state to figure out the true costs and benefits," LeResche said. "At such time we know the true costs and benefits, then the state would have the sole right to tell them whether to proceed.

"But if we do proceed, they want us to sell them the oil at a cheap enough price so that they can make between 15 and 20 per cent on their investment."

The major unanswered question, even in the two leading

Rescuers seek

(Continued from Page 1)

speculate on what caused the blast, the second explosion at an American grain elevator in five days. An explosion leveled an elevator complex in New

THE KODIAK DAILY MIRRO

Vol. 38 No. 100 Monday, May 22, 1978

esidents resist ity annexation

By JIM DOW
Staff writer of the
Kodiak Daily Mirror

esidents within areas proposed by the City Kodiak for annexation came out overimingly opposed to the petition Saturday t during a six-hour hearing held by the e Local Boundary Commission.

oicing repeated objections, resid.nts ng the stand said that annexation would k efforts to unify the borough and city ernments a' that the matter was not in r hands since no re endum or vote had held on the issue.

nly one private citizen spoke in behalf of exation before the standing room only wd estimated at 100 in the Boroug' embly Chambers. The hearing went until wee hours Sunday and finally concluded 30 a.m.

he boundary commission set no date for a sional meeting on the annexation, but said ould be more than a week before a second ting would be held.

he City of Kodiak's contention that anation means a logical extension of utility vices paid for from a fair tax base was ntered by Kodiak Island Borough official's ns the action is undemocratic and the ential cause of a political polarization ween the two groups.

reas considered for annexation include the ace Cape area, an extension of the Mill Road area and the Monashka Bay area.

commission also looked at annexation of Coast Guard Support Center, although the had not pressed for its annexation.

ity attorney Bob Mahoney said political trol is not the main issue in the dispute.

said 63 percent of the population lives ide the city limits and 79 percent of the tax e is in the city. Futhermore, he said the is experienced at providing fire, water, er and road service and is the proper up to supply those services.

Mahoney said the city planned a passive role for the Monashka Bay area without full service and differential taxation.

By Jerry D. Martini

Borough Mayor Wallin: Political power is crux of annexation issue.

City Manager Ivan Widom explained the city provides services for non-city residents such as fire and ambulance, parks systems, police backup, library, boat harbor and many other services used by all the people. But Widom said non-city residents are not paying a fair share for the services.

Widom produced a map provided by a borough consultant showing projected growth in the area headed for the areas the city wants to annex. He said there will be an increased need for services int hese areas and the city should provide services for the districts since it already has the needed maintenance department along with sewer and water service.

But Borough Mayor Betty Wallin saw the issue from a different viewpoint. She said the city is in financial trouble and needs more people for its tax base.

(Continued on Page 2)

Commission down Afogna

The state Local Boundary Commission rescinded yesterday an earlier decision approving a petition for a first class development city on Afognak Island during a special meeting here.

The commission rejected the petition filed by Afognak Native Corporation with a 2-1 vote followed with a second vote on an amended motion excluding land owned by the Ouzinkie Native Corporation within the proposed city boundaries.

That motion failed for lack of a majori

Commi Gallagh Anchora grant fi 825 squa Island n the 1972 had be others e a state decision sought.

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A q yesterd held at whethe member the peti mission who is quorum only a needed.

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After decisio groups Island Corp. a the pro objecti action.

"We Raspb Shay,

Two killed in air crash

ANCHORAGE (AP) — Two pilots scanning the spring salmon run for fishermen below died Sunday when their single-engine planes slammed into each other over Cook Inlet, about 175 miles southwest of Anchorage, federal authorities said.

Cliff Cernick, a spokesman for the Federal Aviation Administration, said the two persons were the only ones aboard the floatplanes at the time of the crash.

The Alaska State Troopers sent a helicopter to pluck the bodies from the wreckage of the planes, which had plunged into the icy waters. The bodies were taken by fishing boat to the town of Kenai where autopsies were to be performed.

apanese ship turns U.S. processor

By CHRIS BLACKBURN
Staff writer of the
Kodiak Daily Mirror

lvah Hales went to Japan t year to buy freezing ipment and stayed to buy an -foot floating processor nstructed on the hull of a panese stern trawler.

he Wakkanai, which arrived Kodiak from Japan last week, y be the first foreign-built, nerican owned processor to ter the Alaskan fishery.

However, the effect of the Jones Act has been to increase costs for the U.S. fishing industry by preventing fishermen from purchasing low-cost foreign built vessels, though it is these same low cost vessels against which the U.S. fishing industry must compete on the world markets to sell their products.

The Jones Act does not prohibit processing aboard foreign built boats. Hales said he may also be given permission

"The 200-mile limit made this possible," Brenda Hales, Alvah's wife, said Friday. She is staying aboard the Wakkanai while the final outfitting is completed in Kodiak.

Hales said when he went to Japan to buy some freezing equipment which was being taken off surplus vessels he found a whole line of vessels tied up to the dock which were being surplused by the Japanese because the 200-mile limits around the world have

Hales negotiated a price for the Wakkanai and flew to Washington, D.C., to begin the paperwork necessary to import the vessel into the U.S.

Washington, D.C., officials were "very helpful," Hales said.

He specifically menti aed Bill Hannum, Jr., in the National Oceanic and Atmospheric Administration, NOAA, policy office and James K. White in NOAA's General Council Office in Juneau.

Customs officials, the Coast

screamed curses at the pudgy former postal worker.

The girl's mother then broke down crying, and Violante sobbed into his hands.

The victim's father, Jerry Moskowitz, cried, "No Justice!" after Justice Joseph Corso of Brooklyn announced the sentencing delay.

Earlier, as guards tried to bring Berkowitz into the courtroom the first time about 10 a.m., he lunged toward a window and had to be subdued. In the struggle, he bit and kicked several of the guards and one of them was taken to a hospital, according to a police source.

The extent of the guard's injuries was not known.

Edward McCarthy, aide to Bronx District Attorney Mario Merola, said Berkowitz told court authorities he did not want to be sentenced — "at least not today."

Berkowitz faced prison terms totaling up to 175 years.

Vessel turns processor

From page 1

Guard and the Ad-measurement team which determined the Wakkanai is 887 gross tons were also helpful, Hales said.

The Wakkanai required federal and state licenses before it could operate in Alaskan waters. "It seems like we were constantly applying for licenses," Mrs. Hales said.

Eastern Seafoods was also required by the Alaska Department of Labor to put money on deposit as a performance guarantee. Hales said he deposited with the National Bank of Alaska.

The Wakkanai sleeps 35 in two and one-man rooms. There is one six bunk room in the stern for female employees, and a helicopter deck above the bunkroom.

At full capacity the vessel can process 9,700 salmon a day in a 16-hour working day, Hales said.

On a deck 100,000 pounds of salmon can be held on ice before processing and the ship's freezers will hold 300,000 pounds.

The vessel was gutted to the bulkheads during the conversion from stern trawler to processor, Hales said. Conveyor belts carry the salmon from gutting tables to glazing and packaging tables and then to the freezers.

Before going to the galley or cabins the processing crew passes through a "mud room" where they can leave their boots and coats and wash up.

The galley-recreation room is paneled in an orange-brown wood with a TV video-tape player in one corner.

The Wakkanai is steered by dial controls from the bridge. As well as two radars, public address system and telephones, and VHF radios, the Wakkanai has its own telex system which can print out weather reports as well as other communications.

Hales, who now lives in Oregon, fished crab in Alaska from 1963 to 1967 and was part owner of the vessel Diver I. He went to work for a vertically integrated" processing firm and learned sales.

He has opened processing plants in South America, Mexico and the Carribeen, and a two million pound cold storage warehouse in Brazil which Hales currently has leased out.

In the British West Indies he processed lobster and conch, a large snail which Hales called "a starch staple" in the area.

Last year he was in Kodiak buying salmon. At one point Hales said he had problems getting the salmon processed and "Chuck Jensen at Pacific Pearl really helped me out."

Hales has a contract to deliver salmon to Eastern Products in Wakkanai on the island of Hokkaido in Japan.

"I came for fish and I intend to get fish," he said. "We'll be very competitive." Hales said he intends to stay in the Kodiak area into September for the late salmon run.

Under the terms of his permits the Wakkanai is not allowed to dock at Sand Point, Dutch Harbor or Kodiak because of the overcrowding at those ports Hales said.

He has formed no definite plans for his floating processor after salmon season.

"I'm not going to do king crab," he said. Hales indicated he might stay in Alaska for tanner crab or might take the Wakkanai to the East Coast for lobster.

The Wakkanai is currently skippered by Stan Lee, who has been running the Columbia. Frank Gonzales is chief engineer and Hales is serving as first mate.

Hales has a video tape system aboard the vessel to film the processing lines in action. "I want to do time and motion studies," he said.

Sitting in Hale's office aboard the vessel is a large carved bear with a red salmon in its mouth. "It's my good luck piece," Hales said. "It was given to me in Japan.

Annexation

(Continued from Page 1)

She said the city should either raise taxes or cut back on some services and not "force annexation on the people without a vote."

Wallin claimed unification is the solution to problems between the two governments. "Unification is the only way to go. We can do it," she said.

The borough mayor continued on the unification theme, saying "If there is no annexation I will fight for unification. But if there is annexation, there will never be unification."

"I think it's time they pay their fair share. And it's time they should also have a voice in government," Stevens said.

Dr. David Greene of the University of Alaska, Anchorage, and his colleague, Dr. P. J. Hill, provided a social and economic analysis for the borough, which they presented at the hearing.

Greene said annexation should take place if the residents of the areas were dissatisfied, if the borough could not provide services and if city residents were paying an unfair share of the taxes.

A survey he took indicated the residents were not unhappy with the current services they are receiving. He also said the borough was capable of providing those services.

Hill is a tax specialist and claimed sources outside the city pay at least 40 percent of the city sales taxes.

Afognak

(Continued from Page 1)

Cities Act, said following the decision Sunday. He said he was pleased at having stopped the Afognak petition through the democratic process.

Afognak Native Corporation member Pete Olsen was uncertain whether their corporation would contest the reversed decision, and said the matter would be taken up at the next board meeting.

Afognak Native Corporation manager Richard Wamser was not at the meeting yesterday and could not be reached for comment. Earlier during public hearings held on the petition, Wamser questioned whether the commission had a right to reconsider their previous decision

Woman jailed for destruction

An 18-year-old Kodiak woman was arrested and charged with malicious destruction of private property last night after police received a report of a disturbance at the Waldo's apartments on Mill Bay Road.

Dawn E. Chatterton was arraigned this morning in District Court and remained incarcerated in city jail after her arrest in the incident. She had allegedly kicked some holes in the wall at the apartment and broke the glass out of a fire extinguisher case.

Police also reported a motorcycle was stolen yesterday afternoon from the residence of Penny Carbary in the 1800 block of North Boulevard. The value and exact make of the cycle was not reported.

Two traffic accidents were reported over the weekend.

A 1976 Ford Sedan operated by Gary J. Moore, 28, of Kodiak was struck on the right front door as he attempted to turn right onto Alder Lane from Rezanof Street Saturday afternoon. Moore's car was hit by a 1977 Ford pickup truck driven by Geoffrey M. Peterson, 16, of Kodiak.

Moore's car received $800 in damages and Peterson's $900. Peterson was issued a citation for passing on the right side.

IAK DAILY MIRROR

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Budget crisis still looms

By STACIE PETERSON
Staff Writer of the
Kodiak Daily Mirror

The City of Kodiak is now working on an amendatory budget which shows that there is a projected increase in revenues of $146,498 for the remainder of the fiscal year, according to Ivan Widom, city manager.

Widom earlier this month said at a public meeting the city needs more money to operate its government, and that unless something is done, "we're going to have to cut services."

"The problem is not with this year's budget," Widom told the Mirror in an interview yesterday, "the problem is next year when we either raise taxes or cut services because we don't have the savings to fall back on that we had this year."

Widom said yesterday that during the current shortfall in cash flow, the city used money left over from last year's budget which the city had invested.

It is the responsibility of the city's budget officer to keep as much money invested as possible so that the city can draw interest on the money.

Currently the city has $600,000 invested, Widom said. When he first started working here the city had $1,400,000 invested he reported.

Part of the invested money is obligated to Sea-Land, and to bonded indebtedness for principal and interest payments for several city projects.

The $450,000 shortfall Widom reported at the meeting called by Mayor Betty Wallin on Dec. 15, was met by drawing money from the city's investments, Widom said.

Widom reports that the projected increase in the city revenue is being absorbed by projected increases in expenditures.

Some items making up the increase in revenues include a $100,000 rise in the projection of income from the city sales tax; a $36,938 increase in income from the raw fish tax; a $15,800 refund from the state for boarding prisoners; a $34,734 increase from a projected hike in the sewer rates; and an additional $99,695 from federal revenue sharing trust funds.

Several smaller additions to the projections on last year's budget bring the total to $307,241. Money was returned to the fund balance, drawn out earlier to meet the cash flow shortfall, reducing the amount available for expenditures to $146,498.

Widom said increased expenditures include a proposed five percent cost of living increase to city employees and upgrading their benefits to be comparable to those offered in other Alaskan cities.

Other projected increases in expenditures include a $55,000 payment on the debt service on the principal of bonds for a new fire truck; an additional $18,222 for snow removal and smaller amounts in every department for raises and overtime payments.

The expenditures balance with the projected increase leaving no money to carry over until next year for emergency uses, Widom said.

The city's total estimated revenues through June 30 of this year are $4,215,765. The projection at the time the present operating budget was drawn up was $4,069,267.

Widom said the amendatory budget is being developed by the city council in work session with some of the proposed expenditures approved and others dropped.

Photo by Jerr

Postal employee Lorna Lee Arndt wo
and third class mail which has accum
The mail was moved from the downt
section of the Wien terminal for sortin

Bankruptcy faces some native groups

ANCHORAGE (AP) — An analyst says some of Alaska's 12 regional Native corporations may face bankruptcy within the next five years unless changes are made.

University of Alaska business professor Dr. Dean Olson has completed a three-year financial analysis of the corporations formed under the Alaska Native Claims Settlement Act. Olson has worked with one corporation and still advises some of the Native firms. His analysis appeared in the Alaska Native Management Report, a publication of the Alaska Native Foundation.

Olson said some the corporations need to develop rational planning and decision-making guidelines for more productive future operations. He said internal problems and external handicaps have combined to produce the shaky status of some corporations.

He said the financially-troubled corporations suffer from a lack of comprehensive planning and objective analysis, and what he calls "patrimonial" elements – employment policies influenced by family or kinship relationships.

Additional frustrations have resulted from the confusing nature of the claims act. That, "coupled with the naive expectations of the onlooking public," seems to have led to a need to "get something, anything, going in these early years," he said.

He added that the cost of implementing the claims act and setting up the companies has been high, and he estimates that at least 10 per cent of the settlement money has been used for legal expenses.

Uncertainty about what lands will finally be conveyed has slowed resource development, he said, and financial relief that may be provided by such development is "distant at best."

Olson said the companies must establish "routinely sustainable operations" by 1982 or "they will be unable to preserve the land estate intact, and share values in 1991 will be profoundly disappointing to those who own them." Shareholders in the corporations may not sell their shares until 1991 — 20 years after the act was passed.

Postal emplo clear mail ba

Kodiak postal employees are now working to clean up a backlog of second and third class mail which has piled up since last September, according to Joe Mellin, officer in charge.

Mellin reports that all second and third class mail was moved to the airport during the second week of December to make room for the Christmas rush.

A temporary postal employee is presently doing the rough sorting of the mail at the airport in the freight section. She began working on the backlog last Thursday, he said.

After the sorting, the mail is then moved to the downtown post office to be delivered to individual boxes.

Mellin said that in order to expedite mail delivery employees are not checking the names on the 2nd and 3rd class mail, but simply delivering it to the box number on the address.

Carter expected to name pension study

WASHINGTON (AP) — President Carter may announce panel's agenda will be the Civil Service retirement system for

report said.

Even in its present condition,

KODIAK DAILY MIRROR

Friday, May 12, 1978 20 cents

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By Jerry D. Martini

Onion Bay resident Dodd Shay

Besides Local Boundary Commission chairman Sheila Gallagher, who is an attorney in Anchorage, Sigvold Strandberg from Anchorage, Sid Hopson from Barrow and Charles Bettisworth from Fairbanks are expected to arrive in Kodiak today for the hearings.

Bettisworth and Hopson, however, were not on the commission when it initially approved the petition.

According to that original petition, only a dozen residents were believed to live within the affected area, which includes Raspberry and Whale Islands. Since that time the Department of Community and Regional Affairs has learned that roughly 90 people live on Afognak including 50 employees at the Danger Bay logging camp.

Outspoken critic of the Development Cities Act, Dodd Shay who owns five acres and a house on Onion Bay of Raspberry Island, has been deeply involved in trying to stop the petition.

During the Democratic Convention, held in Kodiak April 21-23, Shay was successful in obtaining a party-endorsed resolution op-

(Continued on Page 2)

City council tables sales tax increase

The Kodiak City Council voted last night to table an ordinance that would raise the city sales tax from three percent to five percent after a recommendation to that effect was made by City Manager Ivan Widom who had earlier placed the ordinance on the agenda.

When the issue came before the council, Widom began with an explanation of how an election last October indicated city residents did not want an increase in sales tax, but instead wanted to pay their own borough personal property tax.

The property tax is a major reason behind the need for a sales tax hike. The city currently pays the borough tax for all city residents, and in December the council chose to continue payment of the tax.

Widom contends the city can't afford to pay the tax without an increase of revenue.

After his comments on the election and subsequent council action, Widom immediately recommended the council study the proposed city budget for possible cuts and consideration of a one percent sales tax increase and that the council table the ordinance.

Council voted to table the ordinance 4-0 with Councilman Leroy Mayberry absent.

An ordinance related to sales taxes was defeated just before vote on the tax increase. The ordinance would have defined the word "solicitation" in the current sales tax laws as meaning solicitation by catalogues specifically. The city could then tax items purchased through catalogues.

Councilmember Toni Eaton said that the ordinance "can't be enforced and would cost more than it's worth to enforce."

In other action before the council, a first reading on a resolution to increase boat harbor rates passed 4-0. The resolution would raise exclusive moorage rates from $8 per foot yearly to $10 a foot and increase transient rates from $4 per foot to 80 percent of the exclusive rate of $10 or $8 per foot.

There was a public hearing on the matter before the vote. Four people spoke to the council and all of them said they thought the rate increase was acceptable, but they added that they hoped some of the cost increase would go to increased security for the harbor.

The council also passed a resolution that said it "recognized and appreciated" the services of former mayor Thomas Frost, Jr., who resigned two weeks ago because of health reasons.

(Continued on Page 2)

Candidate asks for oil liability

State senate candidate Ed Naughton today urged congressional members from Alaska to amend the 1920 mineral leasing act, which includes provisions affecting shipment of Prudhoe Bay crude oil, to provide full protection of the state fishery.

Naughton said this morning that he sent telegrams to Sens. Ted Stevens and Mike Gravel, and Rep Don Young, cautioning that no matter where oil is delivered, strict liability for spills and disasters must be required.

Under the current Trans-Alaska Pipeline amendment of the Mineral Leasing Act, Naughton said, liability is

arns against royalty sale

ommittee came as an ed blow to Alpetco

after the House voted to approve the contract only *if it was*

say how I feel," grumbled Alpetco lobbyist Henry Pratt.

cial color Christmas Gift Guide today!

ODIAK DAILY MIRROR

Wednesday, December 6, 1978 25 cents

By Martinl

mentary, and Kathy Wooten, a student at East, show given out Thursday at the schools. They may be at- herever they can be seen by motorists to give the ty. Extra dingles may be purchased for 50 cents.

Hearing tonight on proposed tax

By DEBORAH NELSON
Mirror Staff Writer

Borough residents will have a chance to air their views in the borough assembly chambers tonight at 6:30 regarding the elimination of the borough personal property tax, and two alternate tax proposals under consideration by the borough assembly.

The first proposal in the resolution would request voters to decide if the borough may be authorized to levy sales taxes in the manner required by law, and the alternate proposal pertains to a tax which would be levied on the sale of raw or unprocessed resouces within the borough, commonly known as the "raw fish tax."

It is the later proposal which generated the most discussion at the Nov. 2 regular borough assembly meeting, which led to the decision that the tax proposals should be aired at tonight's public hearing.

At the Nov. 2 meeting, assembly member Ed Jack spoke in favor of the tax, saying that the proposed tax on raw resources such as timber and fish would be a "value added tax." The taxation on these natural resources would raise the value of the resources with the subsequent increase in price being passed on to the consumer, Jack said. He said in Kodiak the majority of the costs would be passed on to Japanese consumers, Kodiak's primary consumer of these resources.

Borough resident Oscar Dyson spoke out at the Nov. 2 meeting against the tax proposal, stating that it was an attempt to strip the fishermen of their profits, and that the tax would make Kodiak an unpopular locale for the bottomfishing industry.

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all other regions of

the Alaska Board of revised the crab for Prince William defined legal sized six inches in width

lova and Valdez ed suit at the end arging that the new rendered 75 to 85 crabs which would gal sized under the s undersized now. hermen also sought place income lost

here

ounted. Miller and ole, the rural court

because of the new crab measuring regulations, according to the Nov. 2 Cordova Times.

The fishermen also charged they had been deprived of 75 to 85 percent of their income and had suffered a loss of good will from their patrons because they were unable to supply enough blue king crab to meet the demand, according to the Cordova Times.

Filing suit were Ray and Sandra Cesarini, Chuck Baim, Mike Lopez and Roy Alley, all of Valdez, and Nat Butcher, Chet Cheshier, Lew Cocran and Dennis Nolan, all of Cordova.

On Nov. 3 Judge Ralph Moody upheld the state's new crab measuring regulation and refused to issue a temporary restraining order against the state.

Though the state's position had been upheld, the Department of Fish and Game stipulated the Prince William Sound fishermen could continue to use the carapace length, measured from the eye notch to the rear center

(Continued on Page 2)

days of consultation with the Baranof Museum staff and to tour the facility last week. "The state is in the process of starting a statewide plan for Alaska museums," Monroe said. "It's necessary to visit museums and get some concept of their problems."

The state hopes to expand its technical, financial and informational services to local museums, Monroe said.

"Lots of improvements" on the Erskine house are planned

(Continued on Page 2)

By Jerry D. Martini, staff photographer

Alaska State Museum deputy chief curator Dan Monroe tours the Baranof Museum as part of the state's program to expand services to local museums.

area and petroleum reservoir and source-rock potential," state geologists call the oil and gas potential within three miles of Kodiak Island "poor to fair."

Both the younger Miocene rocks and the older pre-Miocene rocks around Kodiak are not porous or permeable enough to hold reservoirs of oil or allow oil to be pumped out, state geologist Ross G. Schaff said in a telephone interview today from Anchorage.

However, the Miocene rocks show a good potential for being oil sources, Schaff said, and the Petroleum geologist Bill Lyle, who headed the state part of the joint state-federal project said the test results showed "there is very little possiblity of finding oil on Kodiak Island itself."

Karluk plan puts students in Kodiak

Kodiak Island School district officials have come up with a short range solution to providing education to the children of Karluk whose village was ravaged last week during violent winds and high seas.

Seven older children from the south side of the village will be moved into town to become the youngest members of the Kodiak Area Native Association's cottage program while a temporary school facility has been set up in Karluk for the children in

(Continued on Page 2)

City attorney to rule on taxing issue

A ruling is expected this week by city attorney Robert Mahoney on the legality of a city sales tax ordinance which went into effect last summer and is being questioned by borough residents.

Mahoney was scheduled to arrive here Friday from Anchorage to confer with city finance director H. R. Hyde over the ordinance, but poor weather delayed his arrival.

Contacted today, Hyde said he has still not discussed the ordinance with Mahoney.

Last week Peter Jackson, a borough resident who lives on Mill Bay Road outside the city limits said he questions whether the city can charge him tax on a washer and dryer he received at city dock, which he believes to be outside the city limits.

"I ordered that washer and dryer direct from Seattle, paying them in full the price of the items plus shipping."

"A month later," Jackson said, "the items arrived at city dock. I noticed on the bill that the city had charged me city sales tax.

"I question whether the city can do this. I ordered it in Seattle, the city dock is outside the city limits."

Edward Nelson, a city resident, ordered some parts for a range from Sears. Nelson, who posted and received his order through the Fleet Post Office at the Coast Guard Support Center also questions that the city can legally charge the 96 cents tax he was charged on his order.

The ordinance, which states that the three percent city sales tax can be collected on an item if the "sale is made by a business located within the city, the order is received or solicited within the city, or payment is received within the city and delivery is made to a purchaser on or adjacent to the road system within the Kodiak Island Borough."

The ordinance also states that the tax can be collected if "the sale is made by a business located outside of the city as a result of solicitation inside the city" and payment or delivery occur within the city."

Hyde said Friday that the ordinance is being interpreted by the city to mean that items ordered via catalogues received through the Kodiak Post Office are valid for taxation.

"We believe that the catalogues are received "at a point within the city limits," he added.

Crowds pay tribute to Humphrey

ST. PAUL, Minn. (AP) — The powerful with whom Hubert H. Humphrey served so long, and the humble whom he served with such boundless energy, are paying final tribute to the Minnesota senator.

Vice President Walter F. Mondale, a fellow Minnesotan and a Humphrey protege, accompanied the senator's body and the Humphrey family on the return trip to Minnesota for today's funeral.

President Carter, who led the tributes at a memorial service in the U.S. Capitol on Sunday, also flew here for the funeral.

Humphrey's body lay in state in a flag-draped coffin in the rotunda of the Minnesota Capitol while, through the night, the people who elected him five times to the Senate slowly walked by. Many wept silently.

By midmorning more than 20,000 persons had filed past the coffin, including many state employees who [illegible]

Americans."

Former Presidents Gerald R. Ford and Richard M. Nixon, and Lady Bird Johnsen, widow of President Lyndon B. Johnson, were among the mourners who heard Carter say: "We and our families are here today to testify that Hubert Humphrey may well have blessed our country more than any of us."

Carter and Mondale noted that Humphrey had asked that memorials to him be celebrations rather than mourning.

Teacher, school district negotiators begin talks

Kodiak Island Borough teacher contract negotiations began last weekend with representatives from the

The two groups met both Friday evening and Saturday at the borough offices during sessions open to the public

TESTIMONY OF OKEY CHANDLER
BEFORE THE HOUSE AND SENATE
COMMITTEES ON COMMUNITY AND
REGIONAL AFFAIRS REGARDING
THE PROPOSED ANNEXATION BY
CITY OF KODIAK OF THE MILL BAY
ROAD AND MISSION ROAD AREAS

I, Okey Chandler, have been a citizen of Kodiak for 33 years. I have a tremendous personal investment in the democracy of this country, with over five years in the military, and a personal expenditure between $4,000 and $5,000 in public information efforts to keep it alive in Kodiak.

The root of our problem is that the City Council under its Home Rule Charter, has absolute powers. They can and do override referendums. At the focus of today's meeting I say to you emphatically, I resent the forced annexation effort.

The Mission Road and Spruce Cape Road area contains about 350 acres and is the resident place of 2/3 of the people who would be impacted negatively by the annexation effort. Between 75% and 80% of the people live in trailers. In the Island Lake area containing approximately 150 acres, the majority of the people live on the front side of Island Lake and in the vicinity of Naughton's Trailer Court on Mill Bay. The remaining area under consideration within the proposed annex area has very few people and some very large parcels of land with no people at all.

My personal experiences with the City have been very poor. When I lived in the Leite Addition at 1520 Mission Road, the City was engaged in building the sewer line. During the process of installation they broke the old sewer line and I of course asked

the City to hook me up. More than a year later, they completed the installation and during that time I was without sewer. When the installation was made, it didn't work. They told me the trunk line wasn't deep enough and it was necessary to install a line above ground. I asked the City to cover the line to keep it from freezing. The City Manager said "You can cover it yourself as it's on your land". The facility is still there today - above ground.

The history of real estate in the area is of considerable interest. More than thirty lots in the area have been repossessed for default of payments. These lots originally sold for prices ranging from a few hundred dollars to $2,000 or $3,000. Most of the lots beyond Mill Bay to the north are bought on the long-term installment plan. The people who live in this area are happy with what they have and most cannot afford, nor do they need, anything the City has to offer.

From the City's perspective, they continue to claim they are broke and as a result, they are incapable of taking care of the people currently living within the City, let alone those many persons in the proposed annex area. If this annexation becomes a reality, it will shatter the hopes and dreams of a lot of people. Many will lose their land and their homes as a result of tax burdens imposed by services that they neither need, nor can afford to pay for.

In 1969, it was discovered that about one half of the business establishments in the downtown area were not paying any taxes on their land. When the Borough tax assessor sent them a tax bill for 1969, they refused to pay and demanded to be excused

from the tax payment. The Borough Assembly, which at that time was dominated by City-oriented weighted voting, accommodated their request. This should be ample evidence that big business and the Chamber of Commerce completely dominated the local governments at the expense of the working people, even to the point that they have to pay City sales tax on their rent.

O. Key Chandler
2-10-79

Okey Chandler
P.O. Box 1635
Kodiak, Alaska 99615

P.S. It is an interesting fact that there are over 3,500 acres of land in the City of Kodiak. Included in this land are hundreds of prime building lots, which to date have nothing constructed on them. So why do we need annexation?

Kodiak Alaska [illegible]
10 Feb 1979

Dear Sirs:

Due to a prior commitment, my husband and I are unable to attend this meeting but want to go on record as being against this proposed annexation. We own Lots 13 + 15, Survey 3103 on the back side of Island Lake.

The city seems to conveniently forget why we have a water line in this area and more than once have been reminded at public meetings. I testified at the Boundary Commission meeting last fall that during the time Pete Devean was mayor, the city did some work at the reservoir that put blue clay into the lake system. This blue clay was plugging filters on washers, and furnaces and was only a matter of time until these appliances would be ruined beyond repair. In order to avoid a law suit, a water line was run out here by the city. We were informed we would be charged a higher rate, the xess to be used for the maintenance and repair of the line.

When Jack Isadore was city manager, he called a meeting of the Island Lake and Shahafka Acres residents and tried to stampede us into asking for annexation. This meeting was held at East

Elementary school. He pointed out the inadequacies of the water line, the need for sewers etc. The final topper however was the statement that the city could not offer anything in the way of utilities at that time - I can't remember the exact words, but that was the gist of it.

We don't feel that the city can offer us ~~anything~~ any more at this time than they could then and therefore are against this proposed action.

Thank you very much

Ellen Ross (Ellen Ross)

William Ross (William W. Ross)

Carol Lechner
Public Testimony

I keep hearing that the democratic process has not been properly executed because the area in question for annexation did not get to vote on whether they wanted or did not want annexation. What about the person who wants annexation because his neighbor's sewer is running in his front yard and the same neighbor does not want annexation because he lives at the top of the hill? Or, the people that want annexation because Island Lake can no longer be used as a true recreational site because of polution? What are these victims' rights?

The vote on service districts narrowly passed, the vote on non-area wide powers failed, this means several thing to me--either the people already have the services provided by the City, or they want to continue existing with the problems they have, or they do not want the Borough to provide the services, or they feel it will cost them too much additional money. The problems will not go away and it will cost the people no matter who provides these services.

Who is better able to provide these services? The City presently has full services, sure they have some problems but nobody is perfect. I would venture to say every city in the U.S. has their problems. The City has vested many dollars in equipment and manpower, in my opinion, to have good, well trained personnel in these departments. People that know and understand the day to day routine of working and running these departments. In my opinion, it is beyond belief that a municipality who has never been in the business of public works, streets, fire or police could have the same knowledge--in 5 years time--to efficiently and effectively operate these services more economically then an established municipality with 39 years experience.

Services are costly enough without setting up two duplicate, full-service municipalities next door to one another. The area in question does not have the population or the bonding capacity based on their assessed valuation to warrent a separate full-service municipality. I feel the legislature would be doing a disservice to the whole area to create a situation such as that.

As an example, according to a breakdown by the City Finance Department, the City resident pays out of real property tax, .96 mills for fire services; whereas, the fire service district pays 2.23 mills for this service.

I believe further information on financing has been furnished to you in your information packet.

The City has, I feel, shown good faith in attempting to pre plan should annexation take place and has also addressed the concerns of the residents of the area. More information on this has also been provided to you.

It is questionable, according to State law, whether a new service district can legally be established if the new service can be provided by annexation to a City.

Thank you.

TESTIMONY OF BETTY WALLIN,
MAYOR OF THE KODIAK ISLAND BOROUGH
BEFORE THE HOUSE AND SENATE COMMITTEES ON
COMMUNITY AND REGIONAL AFFAIRS
REGARDING THE PROPOSED ANNEXATION
BY THE CITY OF KODIAK OF
THE MILL BAY ROAD & MISSION ROAD AREAS

I am Betty Wallin, Mayor of the Kodiak Island Borough. I'd like to welcome you to Kodiak and take this opportunity to thank you for bringing your hearing here so that the people affected may speak to you directly.

The citizens living in the annexation area have very specific grievances against the City and reasons for believing that annexation would be contrary to their interests. As mayor for all the citizens of the Borough, inside and outside the City, my perspective on annexation is perhaps more broadly based. I firmly believe that annexation should not be allowed to proceed for two reason: first, it would constitute a travesty of our democratic processes; second, it would sound the death knell for unification.

It is possible that you will hear today from a few individuals claiming to support annexation. But virtually all who have contacted me -- and there have been many -- have expressed strong opposition to this proposal. They have argued over and over again against the unfairness of having this decision made without the benefit of a vote of the people concerned. (We complain about the federal government controlling our lands without understanding our needs and heeding our voice. How different will it be if the State, through its Local Boundary Commission, decides the fate of the residents of the annexation territory without appreciation for their needs and knowledge of how they might vote?)

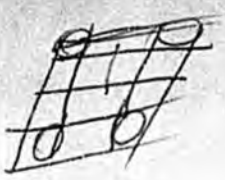
I have had no answer for the citizens who approached me with their concern. I have found myself in complete accord with their views. Were this a case where residents were clearly in support of annexation, or apathetic in their attitude, the Local Boundary Commission's omnipotent role would be more palatable. But, obviously, this is not such a case. We ask the help of you, our elected representatives in bringing democracy to the annexation process.

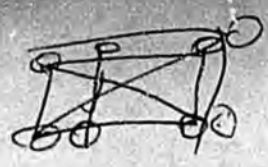
I have, as indicated, a second problem with this annexation. It derives from an aspiration I hold for Kodiak, a hope for its future which would avoid problems such as this in the days and years to come. This hope is for unification.

We held an election on unification last October, in the midst of all this controversy. The proposition was defeated. But the tallies on either side were not terribly far apart. Given a little more time to explain to the people what unification could do for Kodiak Island, I am convinced the outcome would be different. I am equally convinced that unification is the only sensible, constructive way to go for this City and this Borough. And I am just as firmly convinced that it will not come to pass if this annexation takes place.

For the sake of democracy, for the sake of all those people whose interests would be adversely affected, and for the hope for the future -- unification -- I ask that Committee members recommend passage of Senator Mulcahy's and Representative Zharoff's respective resolutions.

Thank you for your consideration.





29-53-025

(2) Providing That Home Rule at 1st class cities may pay Borough taxes for residents

Would like to see This repealed.

JACK CHENOWITH, LAA

ART X SEC 12

- LOCAL GOV'T UNIT APPLIES TO DEPARTMENT (SIGNATURE)
  1) EFFECT ON MATTERS OF STATE INTEREST
  2) ABILITY OF APPLYING UNIT TO PROVIDE SERVICES
  3) TAX EQUITY
  4) CITY-BOROUGH RELATIONS (POLITICAL) APPORTIONMENT
  5) COMMISSION COMPLIED WITH AAC STANDARDS.
- PASS RESOLUTION
- DIRECT COMMISSION TO RECONSIDER < AMEND RESOLUTION / NEW RESOLUTION
- LET IT STAND

HUGH MALONE

1) IS THE STATE'S INTEREST INVOLVED? IS IT A PRECEDENT?
2) IS IT FAIR, DOES IT MAKE SENSE?

TOMMER PICCARTER

2) SERIOUS REASONS REQUIRED
3) COURT

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
EAST ELEMENTARY SCHOOL AUDITORIUM
KODIAK, ALASKA

PURPOSE: Consideration of "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission; Senate Joint Resolution 12 and House Joint Resolution 10.

Agenda:

2:00 Call to Order

Introductory Remarks

2:15 Alaska Local Boundary Commission Presentation

2:35 City of Kodiak Presentation

2:55 Borough of Kodiak Island Presentation

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)

Adjournment

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Rep. Pat Carney, Vice Chairman
Charlie Parr
Margaret Branson
Fred Zharoff
Pat O'Connell
Ray Metcalfe

FROM: Rep. Bill Parker, Chairman

DATE: Feb. 8, 1979

Commissioner Lee McAnerney has scheduled the weekly Departmental Community and Regional Affairs staff meeting for Thursday, Feb. 15 at 8:00 A.M. It will be held in the basement Conference Room of the Community Building. All Committee members are invited to attend.

****

The C&RA Committee will hold its regular meeting on Friday, Feb. 9 at 8:30 A.M. . Scheduled for hearing are: HB 69, HB 95, and HB 97.

****

KODIAK OUTER CONT. SHELF IMPACT STUDY

VOL. I

KODIAK ISLAND BOROUGH OUTER CONTINENTAL SHELF IMPACT STUDY

VOLUME ONE

- LEVEL OF OIL ACTIVITY
- POLICY ALTERNATIVES
- SUMMARY OF IMPACT

prepared by

SIMPSON USHER JONES, INC.
ARCHITECTS / PLANNERS
ANCHORAGE ALASKA

JUNE 1977

The preparation of this report was financed in part by funds from the Alaska Coastal Management Program and the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U. S. Department of Commerce, administered by the Division of Community Planning, Alaska Department of Community and Regional Affairs

P R E F A C E

During the last five years the United States has engaged in an intensive search for new oil and natural gas sources. Spurred by the Arab oil embargo and the resultant national shortage of oil, the United States heightened its efforts to reduce dependence on foreign oil through exploration and development of resources within this country. Inevitably the quest for new oil sources led to Alaska.

Oil exploration and development are not new to Alaska, however. Over the past twenty years the oil industry has explored much of Alaska in a search for new deposits. The first Alaskan deposits of developable oil were found in the Cook Inlet Basin. Offshore platforms were located in Cook Inlet in the early 1960's. At the same time, rigs were drilling in the nearby Swanson River drainage. Refining operations were set up near Kenai to process some of the Cook Inlet oil and are still producing petroleum products.

While the Cook Inlet fields were being developed, the oil industry turned its exploration attention to other parts of Alaska. In the late 1960's large quantities of oil were discovered on the North Slope. The crude oil found there was low grade and heavily laden with sulfur, but quantities were so great that extraordinary methods were sought to bring the oil to market. The Trans-Alaska Pipeline resulted.

Now that the development stage of oil production is underway on the North Slope, the oil industry has directed its exploratory energies toward what it considers the next area of great potential for oil production - the Alaskan Outer Continental Shelf (OCS). Government and industry experts have estimated that one-fifth of the nation's undiscovered recoverable oil may lie under Alaska's OCS.

Preparation for Gulf of Alaska oil development has not happened over night. The possibilities of oil deposits in the Gulf of Alaska have been studied by private industry and the state and federal governments for over a decade. Until recently, however, there has been little effort to develop oil production in this area due to adverse cost and technical considerations.

The present need for national oil sources coupled with recent technological advances in the field of offshore production have prompted the federal government and the oil industry to agree that oil production in this area is now feasible. Firm evidence that development of the oil resources in the Gulf of Alaska will occur was evidenced by a major oil lease sale held April 13, 1976, in which 409,057 acres in the Northern Gulf of Alaska were leased to the oil industry. Offshore exploratory drilling of this land is expected to begin in the summer of 1977.

A new lease sale of up to 3.2 million acres of land located on the Kodiak Shelf, east of Kodiak Island, has been tentatively scheduled for November, 1977. The oil industry originally nominated 12.8 million acres in this area as having strong potential for developable oil deposits, and it is expected that initial exploration for oil will begin shortly following the lease sale. See Map 2 on page 33.

Offshore oil development on the Kodiak Shelf will generate substantial onshore development. During the initial exploration stage the onshore facilities will be relatively minor since the oil companies will avoid substantial capital expenditures until the existence of economically viable oil deposits is verified. However, once oil is found development of the oil fields will occur. Consequently, the onshore facilities will swell in size and their activities will intensify to the point that their presence will severely impact the surrounding area and communities. The impacts will involve both air and marine transportation activity; population increases; demands on housing, community facilities and infrastructural services as well as economic impacts and changes in the basic life style of the surrounding residents. Because of Kodiak Island's proximity to this area, it is inevitable that the Kodiak area will thus be affected.

The purpose of this study is to help determine what impact oil exploration will have on Kodiak and to provide recommendations designed to help plan for and mitigate adverse conditions that such impact might create.

For years Kodiak has been a relatively self-sufficient community. As the largest city on the island it has functioned as a regional economic and cultural center as well as a base for the fishing industry. Both the City and Island of Kodiak have experienced a steady trend of growth and anticipate a continuation of growth in the foreseeable future. Now, with the advent of oil exploration and possible production, the Kodiak area is faced with the possibility of major changes. The importance of planning for these changes is emphasized by the following quote from the Draft EIS for the OCS Lease Sale in the northern Gulf of Alaska.

> "As the development of offshore oil and gas proceeds from the initial exploratory phase through drilling, production, and transport, substantial onshore activity will be generated, from which both positive and negative impacts can be expected.
>
> "The degree to which on balance these effects are positive is related to the ability of public officals to plan for and direct the onshore development that is integral to OCS development and to

plan for the growth that onshore facilities generate throughout the region. OCS operations will result in massive development in areas where there is little or no experience in land use planning or regulatory activities. Unless this capability is quickly developed in such areas, the result could be permanent degradation of the environment and unnecessary disruption of traditional values and life styles for those living there now." (CEQ 1974)

The process of preparing the study was divided into four Phases. Phase one of the study process was a compilation of base line data assessing the current level of community services, utilities, facilities and housing. The end result is a summary profile of the community and a generalized projection of the growth trends that have been established and that could be expected to continue regardless of OCS development.

Phase two involved review and projections of expected oil industry activity in the Kodiak area. Many external factors will affect the level of this activity: the amount of recoverable oil discovered, the degree of oil industry reliance upon Kodiak as a transportation and staging area for OCS development, and Kodiak's capability to provide services and facilities necessary for oil development.

The first of these factors is a large unknown greatly affecting employment, land needs, transportation and utility requirements, and community facilities. Consequently, this report examines these associated impacts for each of three levels of oil discovery and production. These levels correspond to the U.S.G.S. high, low, and middle estimates of recoverable oil reserves.

Phase three related information in the community inventory to the various levels of expected oil industry activity. It identifies potential problems in the availability of community facilities and utilities, housing, and other vital community services. The report then reviews available means of solving those problems. It indicates alternative policies and programs for fulfilling needs generated by OCS development and, at the same time, minimize negative impacts on Kodiak. The City and Borough of Kodiak, various village governments, state and federal governments, and private industy should consider these alternatives.

Phase four of the study process considered the final outcome of OCS development in terms of impacts. In essence, the study develops through phases one, two and three, a forecast of oil activity as it will relate to the community existing today. Phase four describes the long-term impacts that will result from OCS development if it occurs.

For the purpose of publication, the study has been organized into two volumes. Volume I begins with the summary profile that resulted from the Community Inventory. It also contains phases two, three and four of the study profile. Volume II contains the complete Community Inventory developed in phase one of the study process. It is a useful reference document and should be updated frequently.

The majority of the work within this report is based on data compiled prior to the instigation of this study. The limited time frame and budget of this study have precluded research into new areas and development of totally original data. Even so, gathering and condensing existing information from the many sources available into this document has been a worthwhile effort. It provides a picture of Kodiak as it now exists and a scenario for the development of the Outer Continental Shelf in Kodiak.

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COMMUNITY PROFILE

Through the process of preparing this study, a large body of information has been assembled that is descriptive of the social and economic characteristics of the Kodiak Island Borough. That information comprises Volume II of the OCS Impact Study for Kodiak.

The study has shown us that Kodiak is a very unique and vital community, both within the metropolitan area and throughout the outlying portions of the islands. The economy in Kodiak is strong, and the future holds promise of continued prosperity and economic independence. Unlike many other isolated communities in Alaska, Kodiak's size and economic importance has resulted in the provision of the full range of community facilities, utilities, and services that are necessary for a growing self-sufficient community. Table 1 shows who provides the basic public services available in Kodiak.

The study has also shown us that Kodiak has a number of problems that may negatively affect the community's quality of life and its ability to to maintain its growth pattern in the future. These problems, if not addressed promptly, will be compounded with the advent of OCS oil activity.

The following profile briefly summarizes the information presented in Volume II which describes the community as it exists today and gives an indication of how its strengths and weaknesses will be affected by or will affect future development.

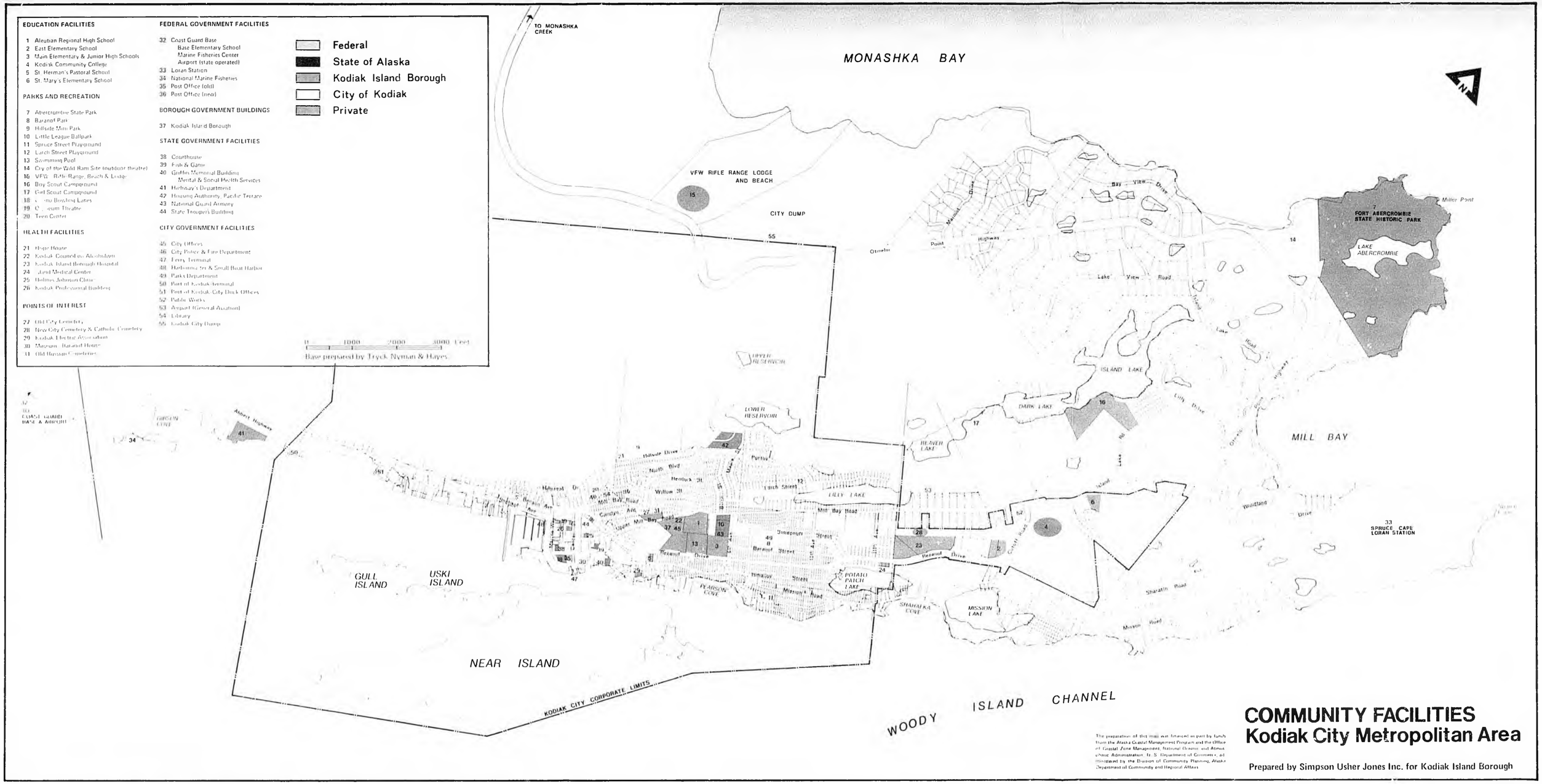
ECONOMIC OUTLOOK

With an estimated current population of 9,620 people, Kodiak is among the five largest population centers in Alaska. Currently the Kodiak Island Borough is growing at a rate of approximately three percent per year. This is a healthy growth rate and one that demonstrates the economic vitality of Kodiak. The community has the potential to continue growing as long as the basic industries continue to maintain their strength. In fact, based on historical trends and the current condition of the economy, it is estimated that the population of Kodiak will double within the next twenty years. It is especially important to note that these estimates are made without consideration of any possible OCS development impact on the population. This means that Kodiak does not need the economic boom that OCS activity would bring. The community is healthy; the population and economic base are growing; and the prospects for the future are bright.

Table 1: Summary -- Services by Provider

Service	Borough	City	State	Federal	Other
Electric					X
Telephone					X
Water		X			
Sewer		X			
Radio, TV					X
Roads		X	X		
Airports		X	X		
Marine Freight Terminal		X			
Ferry Terminal			X		
Police		X	X		
Fire		X			
Emergency		X		X	
Hospital	X				
Clinics	X		X		X
Public Health	X		X	X	
Mental Health	X		X	X	
Alcholism Treatment	X	X	X	X	X
Public Assist.			X		
Legal Assist.			X		
Education:					
Primary	X				X
Secondary	X				
Higher			X		
Recreation		X	X	X	
Parks	X	X			
Camping			X		
Open Space	X	X	X	X	
Cultural		X	X		X

Source: Simpson Usher Jones, Inc., 1976



COMMUNITY FACILITIES
Kodiak City Metropolitan Area

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough

The preparation of this map was financed in part by funds from the Alaska Coastal Management Program and the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U. S. Department of Commerce, all administered by the Division of Community Planning, Alaska Department of Community and Regional Affairs.

EXISTING FACTORS AFFECTING FUTURE TRENDS

There are several important factors that could affect the ability of Kodiak to maintain its growth rates and realize its potentials. The factors described below could have a stifling effect on the economy and could also adversely affect the living environment. Each of them is individually significant and should be addressed regardless of OCS development.

Crime

Criminal activity is normally one of the first and most serious impacts experienced as a result of a "boom" economy. Recent history in Fairbanks, Valdez and a variety of smaller communities along the Trans-Alaska Pipeline route have borne this out. In Kodiak the industrialization and rapid economic growth anticipated to accompany OCS development is already being preceded by an increase in crime. Between 1975 and 1976 total criminal activity was up and the more serious and violent crimes (Part I Offenses) increased.

This situation presents a serious threat to the quality of life in Kodiak. Immediate action by local, state and federal governments is necessary in order to prepare for and combat this problem.

The potential for further rises in criminal activity is increased due to the completion of the Trans-Alaska Pipeline in the near future. As economic activity and population growth decrease in towns and cities along the pipeline, the people who found them easy places to make an illicit living will look for new places to operate. They perceive that Kodiak offers the opportunities they seek. This, along with changes in the internal characteristics of the community, could allow crime to rival fishing as Kodiak's largest industry.

It is incumbent on the community to take action that will create an atmosphere that discourages the criminal, both resident and nonresident.

Housing

Another serious problem facing Kodiak today is a housing shortage. As indicated above, the population is currently growing at approximately three percent per year. However, over the last five years housing starts, including multifamily units, have averaged less than three percent per year. In addition, over 40 percent of the housing units in Kodiak are in fair to poor condition. Analysis of these statistics indicates that the housing market is not keeping pace with population growth. There is no surplus housing stock on the market from which a prospective home buyer or renter can choose, thus costs are high. This is evident by the small number of dwelling units for sale or for rent in Kodiak at any given time. In addition new homes built in Kodiak are normally sold and/or occupied very quickly. For example, single family homes under construction are generally sold before they are fifty percent complete.

An already inadequate housing supply coupled with an ever present desire by residents to upgrade their housing (a practice most generally achieved by moving into newer homes) creates a discouraging outlook for supplying the housing needs for Kodiak's normal population growth. Fulfilling housing needs resulting from OCS development would be impossible at the current level of housing starts.

There are several reasons why the growth in the housing market has been slow in Kodiak. First, areas available for development which have a full range of utilities are extremely limited. The areas currently served by sewer and water are developed to near capacity, and high utility installation costs discourage development of new areas.

Land availability is another problem in the Kodiak city area. Much of the land surrounding the city is owned by the government and private land available for residential development is limited both in terms of quantity and quality. Much of the available property is either too steep or too boggy to attract development.

The cost of housing is another factor which affects the housing stock in Kodiak. The average new three-bedroom house in Kodiak ranges between $60,000 and $80,000. In 1974 the average wage in Kodiak was just over $1,000 per month. Applying an average increase in salaries of twelve percent per year, this same salary would be about $1,260 per month in 1976. The purchase of a $70,000 home, however, would require a monthly mortgage payment of approximately $650 per month, much too high to be accommodated by the average wage. Therefore, for the average wage earner to purchase the average home in Kodiak, it would require that at least two persons within that household be employed. It may be concluded that housing costs are escalating faster than wages, thus creating a shortage of buyers for the Kodiak housing market. This in turn discourages speculative housing starts and drives up the value of existing homes and the cost of custom-built houses.

Commercial And Industrial Land Use

Another problem which will affect the future growth of Kodiak is a shortage of commercial and industrial property. New businesses in Kodiak have a difficult time locating on properly zoned land. This results in higher land costs thus higher consumer prices and finally a higher cost of living. In addition, a less efficient growth pattern is created within the community when businesses are forced to locate on any available commercial or unzoned property they can find rather than in places that are logical and well-suited for that particular type of business. As a point in fact, commercial services are now beginning to appear in places scattered throughout the community. Each time this happens, the potential for conflicts among land uses is increased. This can compound the shortage of prime residential land as well as inhibit the planning and evolution of efficient transportation systems.

Industrial land is also needed to accommodate growth in the fishing industry, as well as to support the nonbasic industrial activities

within the community which are a direct result of basic industry growth. There are no industrial parks in Kodiak, either planned or unplanned. Warehouse space is in short supply, and the potential for new space is limited.

These land use considerations must be addressed by the community in order to maintain the growth patterns and economic development rates that have been established. If they are ignored, they will become more serious and will have an accelerating negative impact on the economic system in Kodiak. In addressing the problems, careful planning must be considered in adopting fiscal policies which will encourage the development of additional moderately priced housing, and the provision of more commercial and industrial areas in proper locations. Considerations such as access, effect on surrounding land uses, neighborhood character, and future land use demands must be taken into account in order to effectively deal with these concerns without creating new problems.

Social Services

In addition to these land use and economic considerations affecting the future of Kodiak, social factors affecting the quality of life in the community should also be monitored. While these factors may not directly affect the employment rates, housing costs and other developmental characteristics of the community, they do have a direct effect on the living environment in terms of convenience, esthetics and the social well-being of the residents.

Social services are particularly important to a well-balanced community. While there are many such services available in Kodiak, their capabilities to cope with some of the more serious problems is currently impaired by a lack of funds and personnel support on the part of the governmental agencies involved. This is especially true of the health and social services provided by the State of Alaska in spite of recent increases in personnel and budgets. For the most part, those agencies are still underfunded and undermanned. While programs have been established to handle many serious problems such as mental health, alcoholism and public assistance, they can actually accommodate only a relatively small part of the persons currently in need of assistance.

At present there is no indication that the demand for these services will accelerate over and above normal population growth rates. However, if in the near future Kodiak is faced with an extraordinary increase in population due to OCS development, the problems already associated with the social service programs will be further compounded by a larger demand for services and the probability of more complex problems to solve. The community and the State should address these inadequate services as an immediate priority. The level of services offered must be upgraded to adequately meet the current needs of the community and plans should also be made to prepare for the impact that may occur with the advent of a population boom due to OCS development. If not resolved, the inadequacies in the social services could have one of the most serious and most deleterious OCS related impacts on the Kodiak community.

Recreation Facilities

Another community component that is currently below standard is adequate recreational facilities. Kodiak now falls short of meeting the community demand for neighborhood parks, indoor and outdoor winter recreational facilities, and weekend and vacation facilities around the island. Through provision of these facilities, Kodiak can mitigate many of the social problems which plague many other growing communities. The potential for rapid population growth due to OCS development makes the need for parks and recreational facilities even more acute.

OUTLYING VILLAGES

The various villages located around Kodiak Island have many divergent characteristics while at the same time having a number of common concerns and features. Their populations range in size from over 300 to under 100. Their locational characteristics are similar in that each is located adjacent to salt water and each is near rivers or streams that offer fresh water sources.

The degree or level of development varies between the villages. Port Lions is the most highly developed with a relatively wide range of community facilities and services including, but not limited to, lighted and maintained city streets, local police protection, modern community-wide telephone service and a comparatively high level of commercial services. The other villages have far less in the way of community facilities and government services. None of the others have maintained streets, community telephone service, or local police. Most have some degree of commercial services and all have schools operated by the Kodiak Island Borough School District. The level of community water and sewer service varies from village to village.

The relationship of the villages to OCS development also varies. Some have the potential of a high level of direct impact. Old Harbor has already been approached by oil industry personnel as a possible site of an onshore service base. The village corporation sought and recieved assistance from the Koniag Regional Native Corporation in dealing with the oil industry; as yet no facilities are definitely planned for Old Harbor.

Ouzinkie and Port Lions also have potential for direct OCS impacts; but because of their location, they are less likely candidates for service base facilities than is Old Harbor. Like Old Harbor, the rest of the village corporations on Kodiak Island will deal with the oil industry in cooperation with Koniag, Incorporated.

The probability of indirect impacts from OCS development is high in all of the villages. All offer scenic surroundings, hunting and fishing in relative abundance. This will draw tourists and sportsmen in their off-time who seek seclusion, as well as opportunities for trophies and food.

Preparation for these impacts is imperative. The villages can gain from the impacts if that is their desire. However, the implications in terms of economic change, alteration of life styles and physical modification of the villages are extreme. With the notable exception of Port Lions, none of the villages are at all prepared for what could ultimately be the largest influx of people in their histories.

CONCLUSION

The factors described above are significant and deserve special attention. The assets of the Kodiak Island Borough and its communities are uniquely valuable and should be protected and enhanced. The problems faced by the communities are not insoluble; they are the types of problems that are normally to be expected in a time of rapid growth. They are also the type that can be dealt with through community awareness, local action and proper planning and implementation.

OCS oil development has the potential for either strengthening already healthy communities or creating problems that could result in economic and social disruption for many years to come. The result of OCS impact will depend upon the level of oil industry activity which will occur in Kodiak and the methods that are used in planning for and coping with the impact.

A number of trends can be predicted for Kodiak regardless of OCS development. First, Kodiak will continue to grow. Along with that growth, the cost of living will undoubtedly rise moderately. Housing costs will increase until adequate, buildable land is available to accommodate a growing housing market. The residents of Kodiak can expect their problems with respect to crime, housing, recreational and open space facilities and social services to continue to worsen unless the government steps up its efforts to deal with these issues. Inherent in such an effort, would be the possibility of some increase in the cost of government and a resultant rise in taxes. This situation is one that is common to growing communities.

There are a number of ways in which these concerns can be addressed through proper planning and management tools. Regardless of whether OCS development occurs, these should be addressed as part of the upcoming Kodiak comprehensive plan.

The components of the community that would be most affected by an economic and population boom resulting from OCS development would be those problems which are already most serious. Without exception, the problems described above would become worse at an accelerated rate. Also, increased demands for transportation facilities would place an additional demand on the existing facilities, both internal and external.

In order to determine the proper methods of dealing with the impacts that OCS development might bring, it will be necessary to determine the level of oil industry impact, the resultant population increases to be

expected, and the demands that that economic and population growth will place on the basic community infrastructure. Volume I of this report assesses the demand that the oil industry will place on Kodiak. This assessment is used to determine the types of policy alternatives that are available to the community internally and what policies should be endorsed and encouraged in the state and federal governments in order to protect Kodiak's quality of living and economic viability in the forthcoming years.

DEVELOPMENT SCENARIO

ASSUMPTIONS: MAGNITUDE OF RESERVES

Three development scenarios, representing the U.S.G.S. high, low, and middle level of recoverable oil reserves on the Kodiak Shelf are examined in Table 2.

Table 2: Estimated Oil and Gas Reserves

	Oil Reserves	Gas Reserves
Case 1	250 million barrels	0.125 x $10^{12} ft^3$
Case 2	1200 million barrels	0.5 x $10^{12} ft^3$
Case 3	2100 million barrels	0.95 x $10^{12} ft^3$

Source: U.S.G.S. estimates in draft EIS-Western Gulf.

In Case 1, development of oil discoveries of this size would be uneconomic. Explorations are curtailed early on, and no development takes place. Case 3 represents the maximum estimate of recoverable oil and would involve a reasonable amount of development, including an offshore oil pipeline and land terminal. Case 2 is a mid-point between the two other estimates. Two methods of developing this volume of reserves are evaluated here: Case 2a using pipelines and an onshore terminal, and Case 2b using S.B.M.S., or offshore storage requiring no pipeline to shore. In each case, gas reserves are too low to warrant development. Hence no scenario involves gas pipelines or a L.N.G. (liquified natural gas) plant.

ESTIMATED TIMETABLE OF DEVELOPMENT

Table 3 indicates what offshore development is necessary to recover the range of reserves estimated above.

Table 3: Offshore Development Plans

	# Oilfields Developed	# Oil Platforms	# Gas Platforms	Peak Oil Output	Peak Gas Output
Case 1	---	---	---	---	---
Case 2	3	3	---	250,000 bpd*	---
Case 3	4	5	---	450 bpd	---

* bpd = barrels per day

Source: Niall Trimble, Department of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977.

In Case 1, results from drilling are disappointing and so exploration work ceases after four years. No further offshore work is carried out.

In Cases 2 and 3, production follows exploratory drilling. Platforms are installed offshore and, in Cases 2a and 3, oil pipelines are laid to an offshore storage terminal, presumably on Kodiak Island. These pipelines are 140 and 300 miles in length, respectively, and necessitate the lay-barge and bury-barge activity.

Probable Timetable of Development

Assumptions used in computing a timetable for development include:

1. Sale of federal leases will be in January, 1989.
2. Upon discovery of a developable oilfield, construction of a permanent drilling platform capable of delivering oil will take five years.
3. Oilfield discovery dates, platform delivery dates, and construction timetable are as outlined in Table 4.

Oil output for each year is estimated in Table 5. Oil output levels are lower than those postulated for other parts of the Gulf of Alaska, as one may expect. However, they are still considerable in terms of American offshore oil production. Case 2 and Case 3 peak production, occurring in 1993, is equivalent to 25.9% and 46.9%, respectively, of the total 1974 U.S. offshore production.

Table 4: Estimated Timetable of Development

	Case 1	Case 2	Case 3
Lease Sale	1980	1980	1980
Discovery Date			
Field #1	---	1981	1981
Field #2	---	1982	1982
Field #3	---	1984	1983
Field #4	---	---	1984
Platform Delivery Date			
Field #1	---	1986	1986,1987
Field #2	---	1987	1987
Field #3	---	1989	1988
Field #4	---	---	1989

Service Base Operations		Case 2a	Case 2b	
Base #1	---	1979-1980	1979-1980	1979-1980
Base #2	---	1982-1983	---	1981-1982
Base #3	---	---	---	1982-1983
Oil Terminal Construction		1985-1988	---	1984-1987

Peak Production (bpd)		Case 2	
Field #1	---	100,000/1986	200,000 (100,000 each in 1986,1987)
Field #2	---	100,000/1987	100,000/1987
Field #3	---	55,000/1989	100,000/1988
Field #4	---	---	55,000/1989

Source: Niall Trimble, Dept. of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977.

Table 5: Oil Output -- Western Gulf of Alaska
(in barrels per day)

Year	Case 1 Output	Case 2 Output	Case 3 Output
1987	---	5,000	5,000
1988	---	40,000	45,000
1989	---	105,000	145,000
1990	---	165,000	270,000
1991	---	215,000	380,000
1992	---	240,000	435,000
1993	---	255,000	455,000
1994	---	245,000	445,000
1995	---	226,000	416,000
1996	---	204,000	355,000

Source: Niall Trimble, Dept. of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977.

OFFSHORE DEVELOPMENT PLAN

Offshore Activity

Given the above assumptions regarding recoverable reserves, necessary development, and probably timetable of events, one can estimate the level of offshore activity over time. This information is presented in Table 6 below. Section A shows activity during the exploration phase; Section B, platform installation dates for those oilfields developed in Cases 2 and 3. In Cases 2a and 3, oil pipelines of 140 and 200 miles in length, respectively, will be laid offshore. Sections C and D give the lay-barge and bury-barge activity necessary to these operations; Section E, the number of supply boats required for each level of activity.

Offshore Employment

Total employment levels offshore on rigs, platforms, barges, and supply boats is set out in Table 7, while Table 8 breaks down this total by activity. Oil companies are expected to recruit personnel for this work exclusively from the lower 48. As such, the impact of these jobs on the Kodiak area should be fairly minimal. If offshore workers did move to Alaska, it would probably be to the Anchorage area.

Table 6: Estimated Level of Offshore Activity

Year	Case 1	Case 2	Case 3
# of Exploration Rigs Drilling:			
1980	1	1	1
1981	2	3	4
1982	3	6	6
1983	1	4	8
1984	---	3	8
1985	---	2	5
1986	---	1	3
1987	---	---	1
TOTAL	7	20	36
# Platforms Installed			
1986	---	1	1
1987	---	1	2
1988	---	-	1
1989	---	1	1
TOTAL	-0-	3	5

Year	Case 1	Case 2a	Case 2b	Case 3
# Lay-barges Working				
1984	---	1	---	1
1985	---	1	---	2
1986	---	1	---	2
1987	---	1	---	1
# Bury-barges Working				
1985 1985	--- ---	1	---	1
1986	---	1	---	2
1987	---	1	---	1
# Supply Boats Working:				
1980	2	2	2	2
1981	4	6	6	8
1982	6	12	12	12
1983	2	8	8	16
1984	---	14	6	24
1985	---	15	4	29
1986	---	20	9	35
1987	---	21	10	30
1988	---	5	5	15
1989	---	11	11	16
1990	---	7	7	11
1991	---	6	6	10
1992	---	5	5	9

Source: Niall Trimble, Dept. of Community & Regional Affairs, Div. of Comm. Planning, 1977.

Table 7: Total Offshore Employment - Western Gulf OCS Area

Year	Case 1	Case 2a	Case 2b	Case 3
1980	139	139	139	139
1981	278	417	417	556
1982	417	834	834	834
1983	139	556	556	1,112
1984	---	763	417	1,458
1985	---	760	278	1,523
1986	---	1,005	523	1,765
1987	---	1,202	720	1,725
1988	---	610	610	1,330
1989	---	932	932	1,542
1990	---	884	884	1,432
1991	---	822	822	1,370
1992	---	700	700	1,248

Source: Niall Trimble, Department of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977.

Table 8: Offshore Employment by Activity

	Rigs	Platforms	Supply Boats	Lay-Barge	Bury-Barge	Total
Case 1						
1980	115	---		---	---	139
1981	230	---	48	---	---	278
1982	345	---	72	---	---	417
1983	115	---	24	---	---	139
1984	-0-	---	-0-	---	---	-0-

Table 8: Offshore Employment by Activity, Continued

	Rigs	Platforms	Supply Boats	Lay-Barge	Bury-Barge	Total
Case 2a						
1980	115	---	24	---	---	139
1981	345	---	72	---	---	417
1982	690	---	144	---	---	834
1983	460	---	96	---	---	556
1984	345	---	168	250	---	763
1985	230	---	180	250	100	760
1986	115	300	240	250	100	1005
1987	---	600	252	250	100	1202
1988	---	550	60	---	---	610
1989	---	800	132	---	---	932
1990	---	800	84	---	---	884
1991	---	750	72	---	---	844
1992	---	640	60	---	---	700
Case 2b						
1980	115	---	24	---	---	139
1981	345	---	72	---	---	417
1982	690	---	144	---	---	834
1983	460	---	96	---	---	556
1984	345	---	72	---	---	417
1985	230	---	48	---	---	278
1986	115	300	108	---	---	523
1987	---	600	120	---	---	720
1988	---	550	60	---	---	610
1989	---	800	132	---	---	932
1990	---	800	84	---	---	884
1991	---	750	72	---	---	822
1992	---	640	60	---	---	700
Case 3						
1980	115	---	24	---	---	139
1981	460	---	96	---	---	556
1982	690	---	144	---	---	834
1983	920	---	192	---	---	1112
1984	920	---	288	250	---	1458
1985	575	---	348	500	100	1523
1986	345	300	420	500	200	1765
1987	115	900	360	250	100	1725
1988	---	1150	180	---	---	1330
1989	---	1350	192	---	---	1542
1990	---	1300	132	---	---	1432
1991	---	1250	120	---	---	1370
1992	---	1140	108	---	---	1248

Source: Niall Trimble, Dept. of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977.

ONSHORE DEVELOPMENT PLAN

Offshore oil production will require onshore facilities, notably service bases with supply boat berths and, in Cases 2a and 3, pipelines and oil terminals. The size of the find determines the number of service bases and the size of the storage facilities. Choice of method in transporting the oil, i.e. either by pipeline as in 2a or by S.B.M. offshore as in 2b, also makes a big difference in onshore facility needs. Facility construction and its associated land, employment, and other needs are discussed below.

Facility Construction

Given the January 1980 lease sale, the oil industry plans on construction onshore facilities according to the schedule outlined in Table 9.

Table 9: Onshore Construction Schedule

Case 1	Nil
Case 2a	1 base (2 berths) built 1980-1981 1 base (3 berths) built 1982-1983 1 oil terminal, capacity 250,000 bpd, built 1985-1988
Case 2b	1 base (2 berths) built 1980-1981
Case 3	1 base (2 berths) built 1980-1981 2 bases (3-4 berths) built 1981-1982; 1982-1983 1 oil terminal, capacity 450,000 bpd, built 1984-1987

Source: Simpson Usher Jones, 1977.

Service bases, with berths for supply boats, are essential to OCS development from the exploration phase through the production phase. Onshore oil storage and marine terminals are also required during the production phase of Cases 2a and 3.

The number of working supply boats determines the demand for onshore berths, and hence the necessary number of service bases. This demand is set out in Table 10.

The pattern of berth demand parallels that of the Northern Gulf: it increases rapidly over 6 or 7 years to a peak. This peak lasts but one year; then requirements fall steadily to around 2 to 3 berths -- apparently the long term demand. Communities such as Kodiak should be wary of accepting supply-boat bases if this development damages other local industries. After the first ten years or so, activity and hence employment drop to a fairly low level.

Table 10: Demand for Supply Boat Berths

Year	Case 1	Case 2a	Case 2b	Case 3
1980	1	1	1	1
1981	1	1	1	2
1982	1	2	2	2
1983	1	2	2	3
1984	0	4	1	6
1985	0	4	1	8
1986	0	5	2	9
1987	0	5	2	7
1988	0	2	2	3
1989	0	2	2	4
1990	0	2	2	3
1991	0	2	2	3
1992	0	2	2	3

Source: Niall Trimble, Dept. of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977.

In addition to supply boat berths, a service base includes other basic and supplementary facilities. These are listed below.

Basic Facilities

Berths
Staging Areas
Floodlighting
Warehousing
Open Storage
Fueling Facilities
Water (potable and drilling)
Mud and Cement Supplying Facilities
Mobile Equipment
Agency Facilities (ship chartering, freight forwarding, customs, etc.)
Office Accommodation
Communications
Refuse Removal Facilities

Spare service base facilities are now non-existent in the parts around the Western Gulf. As such, additional facilities will be needed from the start of exploration. All levels of offshore activity except Case 1 will require one small base of two berths from the beginning of exploration. No further bases are needed in Case 2b. However, Cases 2a and 3 both require one more medium base by 1984, and Case 3 would need another medium sized service facility the following year.

Land Acquisition

Land is needed for the above additional service bases and oil storage terminals noted above. In addition, land may be required near a commercial airport.

Land needs for marine service bases have been well defined through experience in the North Sea offshore oil fields. The State Department of Community and Regional Affairs recently published the study "Marine Service Bases for Offshore Oil Development" (Tom Smyth; Alaska Consultants, July, 1976). In this study, Smyth divided land requirements into two categories: 1) land immediately adjacent to the port facilities; and 2) backup land for ancillary uses. The land adjacent to the port is needed for the quay apron, silos, transportation corridors, tank storage, and warehousing. The backup lands are necessary for open storage, office facilities and other supplementary facilities. The space required to accommodate these facilities during the exploration phase of development at a North Sea service base location is shown in Table 11.

Table 11: Land Use, Space Per Offshore Rig, and Space Per Berth*
Selected Service Base Servicing Exploration Phase
Scottish Sector, North Sea

	Area	Space per Rig	Space per Berth	Space per Berth (2)
Recurring Requirements:				
Quay apron & silos	1.50	.38	.50	.50*
Warehousing	1.25	.31	.42	.62
Open storage	11.50	2.87	3.83	5.75
Offices	.50	.12	.17	.25
Non-Recurring Requirements:				
Workshops	.00	.00	.00	.00
Tank Storage	.25	.06	.08	.12
Other	.00	.00	.00	.00
TOTAL	15.00	3.75	5.00	7.25

* Space calculated in acreage
(1) Assuming two (2) berths
(2) Assuming the apron behind the third berth is unused.

Source: Alaska Consultants, Inc.

It is assumed that the North Sea average of 7.25 acres of land per berth during the exploration period will apply to the Western Gulf of Alaska. As drilling progresses at a more rapid rate during development, Smyth estimates that each berth would require approximately 8 acres at the service base.(1) Using this figure, additional land needs for service bases are outlined in Table 12.

Table 12: Land Requirements - Service Bases

Case 1	Nil
Case 2a	40 acres - (16 acres in 1979, +24 acres in 1982)
Case 2b	16 acres in 1979
Case 3	72 Acres (16 acres in 1979, +24 in 1981, +32 in 1982)

Source: Niall Trimble, Dept. of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977.

Land needs for crude oil storage and terminal depends upon the level of production. Case 2a requires an oil terminal capacity of 250,000 bpd; Case 3, a capacity of 450,000 bpd. According to the previously referenced draft Crude Oil Storage and Marine Terminals profile, the smaller terminal would require about 100 acres; the larger about 150 acres. However, if the only land available is hilly or unstable, as is common in Kodiak, storage capacity could be reduced some 60 percent. Consequently, a larger site may be necessary: some 250 acres in Case 2a, and 375 acres in Case 3.

Additional land may also be required near a commercial airport, as indicated in Table 13. According to a forecast by the Gulf of Alaska Operators' Committee, approximately half as much land is required at the airport as is required at the marine service base. Using this assumption, the following additional land would be needed near the Kodiak airport.

Table 13: Additional Land Requirements

Airport

Case 1	Nil
Case 2a	20 acres (8 in 1979 + 12 in 1982)
Case 2b	8 acres in 1979
Case 3	36 acres (8 in 1979; +12 in 1981; +32 in 1982)

Oil Terminals

	Suitable Ground	Hilly or Unstable Ground
Case 1	Nil	---
Case 2a	100 acres	250 acres
Case 2b	Nil	---
Case 3	150 acres	375 acres

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

Total estimated land requirements for each level of development are summarized in Table 14.

Table 14: Total Land Requirements

	Case 1	Case 2a	Case 2b	Case 3
Service Bases	---	40 ac.	16 ac.	72 ac.
Airport	---	20	8	36
Oil Terminals	---	100-250	---	150-375
Total Acreage Needed		160-310	24	258-513

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

Onshore Employment

Labor needs for construction, administration, and facility operations are examined here. These are then combined with offshore employment needs to get total labor requirements. Finally, using the percentage of total jobs occurring in the coastal zone, employment levels in that area are set out by year. The labor force required to build the oil terminal is outlined in Table 15.

Table 15: Oil Terminal Labor Force

	Year 1*	Year 2	Year 3	Year 4
Case 2a - 250,000 bpd	150	600	1,200	300
Case 3 - 450,000 bpd	200	1,000	1,900	600

* As mentioned in the previous section, Year 1 is 1985 in Case 2a and 1986 in Case 3.

Source: Niall Trimble, Dept. of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977.

Terminal operations employment is: Case 2a, 150 personnel; Case 3, 250 personnel.

These figures enable us to calculate onshore employment by activity. Table 16 below gives onshore employment figures for administration jobs; rig, platform, service base, and terminal associated jobs; and construction work for each case.

Table 16: Onshore Employment by Activity

Year	Administration	Service Bases	Rig Associated	Platform Associated	Terminal	Construction	Total
Case 1 - Low Find:							
1980	15	15	25	---	---	---	55
1981	30	15	50	---	---	---	95
1982	45	15	75	---	---	---	135
1983	15	15	25	---	---	---	55
Case 2a - Moderate Find (pipeline)							
1980	15	15	25	---	---	75	130
1981	45	15	75	---	---	150	285
1982	90	30	150	---	---	100	370
1983	60	30	100	---	---	200	390
1984	45	60	75	---	---	---	180
1985	30	60	50	---	---	150	290
1986	55	75	25	100	---	600	855
1987	80	75	---	200	---	1200	1555
1988	80	30	---	180	75	300	665
1987	120	30	---	260	150	---	560
1990	120	30	---	260	150	---	560
1991	120	30	---	240	150	---	540
1992	120	30	---	200	150	---	500
Case 2b - Moderate Find (S.M.B.):							
1978	15	15	25	---	---	75	130
1979	45	15	75	---	---	150	285
1980	90	30	150	---	---	---	270
1981	60	30	100	---	---	---	190
1982	45	15	75	---	---	---	135
1983	30	15	50	---	---	---	95
1984	55	30	25	100	---	---	210
1985	80	30	---	200	---	---	310
1986	80	30	---	180	---	---	290
1987	120	30	---	260	---	---	410
1988	120	30	---	260	---	---	410
1989	120	30	---	240	---	---	390
1990	120	30	---	200	---	---	350
Case 3 - High Find (Pipeline):							
1978	15	15	25	---	---	75	130
1979	60	30	100	---	---	250	440
1980	90	30	150	---	---	300	570
1981	120	45	200	---	---	200	565
1982	120	90	200	---	---	200	610
1983	75	120	125	---	---	1000	1320
1984	85	135	75	100	---	1900	2295
1985	135	105	25	300	125	600	1290
1986	160	45	---	380	250	---	835
1987	200	60	---	440	250	---	950
1988	200	45	---	420	250	---	915
1989	200	45	---	400	250	---	895
1990	200	45	---	360	250	---	855

Source: Niall Trimble, Dept. of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977.

A summary of total onshore employment levels follows (Table 17). These figures, added to the offshore employment numbers (Table 7 on page 16) produces total direct employment from OCS development, Table 18.

Table 17: Total Onshore Employment

Year	Case 1	Case 2a	Case 2b	Case 3
1980	55	130	130	130
1981	95	285	285	285
1982	135	370	270	570
1983	55	390	190	565
1984	---	180	135	610
1985	---	290	95	1320
1986	---	855	210	2295
1987	---	1555	310	1290
1988	---	665	290	835
1989	---	560	410	950
1990	---	560	410	915
1991	---	540	390	895
1992	---	500	350	855

Source: Niall Trimble, Department of Community & Regional Affairs, Div. of Community Planning, 1977.

Table 18: Total Employment - Onshore and Offshore

	Case 1			Case 2a			Case 2b			Case 3		
Year	On	Off	Total	On	Off	Total	On	Off	Total	On	Off	Total
1980	55	139	194	130	139	269	130	139	269	130	139	269
1981	95	278	373	285	417	702	285	417	702	440	556	996
1982	139	417	552	370	834	1204	270	834	1104	570	834	1404
1983	55	139	194	390	556	946	190	556	746	565	1112	1677
1984	---	---	---	180	763	943	135	417	552	610	1458	2068
1985	---	---	---	290	760	1050	95	278	373	1320	1523	2843
1986	---	---	---	855	1005	1860	210	523	733	2295	1765	4060
1987	---	---	---	1555	1202	2757	310	720	1030	1290	1725	3015
1988	---	---	---	655	610	1275	290	610	900	835	1330	2165
1989	---	---	---	560	932	1492	410	932	1342	950	1542	2492
1990	---	---	---	560	884	1444	410	884	1294	915	1432	2347
1991	---	---	---	540	822	1362	390	822	1212	895	1370	2265
1992	---	---	---	500	700	1200	350	700	1050	855	1248	2103

Source: Niall Trimble, Dept. of Community & Regional Affairs, Div. of Community Planning, State of Alaska, 1977.

SUMMARY OF EMPLOYMENT

The pattern of employment growth and decline is similar to that shown for the Northern Gulf licenses in many respects:

1. The different scenarios vary considerably in expected levels of employment. In 1986, the number of Western Gulf jobs could be 0, 1,900, 700, or 4,100 depending on whether Cases 1, 2a, 2b, or 3 came about. Obviously an accurate forecast of employment in this area is still impossible.

2. Employment rises rapidly to a peak, generally around 1986-1987, and then falls sharply. However, the number of jobs does not fluctuate so rapidly in Case 2b.

3. Choice of method of transportation, pipeline or S.B.M., once again makes a critical difference to the impact on the economy. In Case 2a the job count reaches almost 2,800 in 1987, when the count for Case 2b, the S.B.M. mode, is only 1,000 jobs.

Despite the similarities between the Northern and Western Gulf, there are two distict differences in employment:

1. The general level of activity is much smaller. The highest employment figure recorded for the top scenario, Case 3, is just over 4,000. In the Northern Gulf, equivalent figures for the two top scenarios were 6,800 and 10,600. This is partly because oil reserves are probably smaller; primarily, though, gas reserves are so limited in the waters around Kodiak Island that there is virtually no possibility of a gas pipeline or L.N.G. plant.

2. The absence of gas developments cushions the severe decline from the peak level of employment found in the Northern Gulf. There, employment by 1990 was generally around 40 percent of peak. In comparison, the proportions in the West are 43.3 percent and 51.8 percent of peak for Cases 2b and 3, respectively. Clearly the reduced level of construction will mean that employee reductions will not be quite so dramatic as they might in the Northern Gulf experience.

Employment in the Coastal Zone

Separate calculations for employment in the coastal zone have also been performed for the Western Gulf. That portion of onshore employment which occurs in the coastal zone is outlined in Table 19.

Relating the figures in Table 19 to Table 16, Onshore Employment by Activity, gives the total coastal zone employment. Results are summarized in Table 20 and Table 21.

Table 19: Onshore Employment in Coastal Zone

Activity	% of Jobs in Coastal Zone
Administration	0%
Base Operations	100%
Rig-Associated	50%
Platform-Associated	50%
Terminal Operations	100%
Construction	100%

Source: Niall Trimble, Dept. of Community and Regional Affairs, Div. of Community Planning, State of Alaska, 1977.

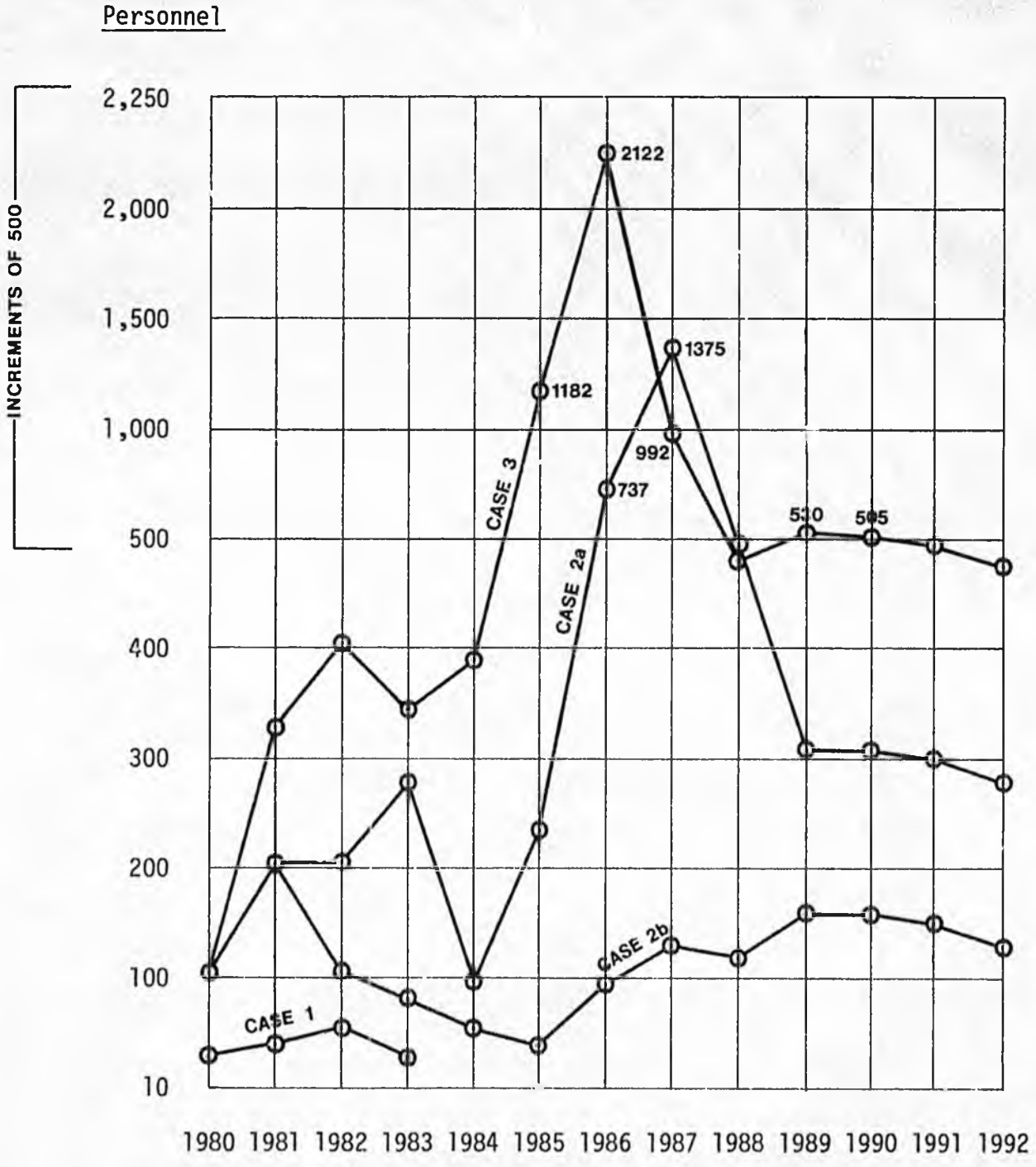
Table 20: Coastal Zone Employment - Western Gulf of Alaska OCS

Year	Case 1	Case 2a	Case 2b	Case 3
1980	27	102	102	102
1981	37	202	202	330
1982	52	205	105	405
1983	27	260	80	345
1984	---	97	52	390
1985	---	235	40	1182
1986	---	737	92	2122
1987	---	1375	130	992
1988	---	495	120	485
1989	---	310	160	530
1990	---	310	160	505
1991	---	300	150	495
1992	---	280	130	475

Source: Niall Trimble, Dept. of Community and Regional Affairs, Div. of Community Planning, 1977.

Table 21: Coastal Zone Employment

From Western Gulf of Alaska OCS Activities



Source: Niall Trimble, Depart. of Community & Regional Affairs, Division of Community Planning, State of Alaska, 1977.

For both Cases 2a and 3, employment grows moderately from 1980 to 1984, and then grows explosively for the short period 1985-1986 while construction labor forces build up. A very sharp decline follows, with employment levels falling by 80 percent. In Case 3, employment in the coastal zone falls from 2,100 in 1986 to 500 in 1988. Thereafter the labor force should remain relatively stable.

MISCELLANEOUS REQUIREMENTS: WATER, GRAVEL

OCS development will generate a variety of less significant needs. Many will not be identified until later in the development process. However, several are predictable now, including water and gravel requirements.

Fresh water is normally used in large quantities for offshore drilling: mixed with chemicals, it makes the drilling fluid or "mud" used to displace rock cuttings. According to the Materials Supply Profile published by the Department of Community and Regional Affairs, approximately 600,000 to 900,000 gallons of "drill water" is utilized for each exploratory well drilled offshore. Since production wells are normally shallower than exploration wells, we assume that 600,000 is the average water requirement for both exploratory and development wells.

According to the development scenarios, in 1989 the peak number of wells will be drilled: an estimated 21 wells in Case 2 and 39 in Case 3. This will require 12.6 million and 23.4 million gallons of water, respectively, or approximately 47,547 or 64,110 gallons per day for drilling operations alone. The Kodiak municipal water system is already used to capacity and could not, therefore, provide anywhere near this amount of water. Consequently, drill water must come from alternate sources, possibly Seward or from water wells drilled on Kodiak Island near the marine service bases. New drilling techniques utilizing salt water could also be used extensively in the Western Gulf to reduce expenses of transport and/or development of water sources. Although salt water in drilling mud is normally somewhat more expensive than fresh water, it may be more economically feasible here considering transportation and development costs.

Most drilling and other industrial supplies will not be shipped from Kodiak, for Kodiak does not have the supply houses necessary to supply materials to drilling operations on a continuing basis. Although materials may be bought in Kodiak in emergencies, this would not be the normal mode of operation.

Large amounts of gravel, primarily for concrete mixing, will be needed for marine service bases, terminals and oil storage facilities. Kodiak has no extensive sources of commercial grade gravel: blasting is the primary source of aggregate. Although it is impossible to determine how much gravel is needed, the Kodiak Island Borough will undoubtedly receive requests for quarry permits. The Borough should be prepared with policies and development standards to apply to these requests.

PROBABLE LOCATION OF ONSHORE DEVELOPMENT

In the Western Gulf, the oil industry must decide where to locate onshore facilties. This decision is affected by Northern Gulf operations as well as factors relating to mode of operation. Basically, three alternate modes of operation are possible: 1) using Seward for onshore service bases throughout both exploration and development phases; 2) using Seward during initial exploration phases with a partial or total move to Kodiak as development and production progress; or 3) using Kodiak Island for onshore facilities throughout the entire exploration, development and production phases. Many decisions must be made and information known before a final decision on one mode.

A number of interrelated factors will affect the oil industry's decisions. No one factor will solely determine which mode is uses; each will contribute to the final decision. An understanding of these factors and their relationships, explained below, is crucial in estimating potential impacts of decisions on operational modes.

Factor 1: Cost of Exploration versus Probability of Discovery

Any time a new oil field is developed, the oil industry is taking a gamble. National averages indicate that only one out of three potential oil fields contain sufficient quantities of petroleum products to economically warrant development. Consequently, oil companies normally utilize as little capital as possible in exploring new fields. Apparently this is the approach they are taking in the Gulf of Alaska.

Oil companies have already taken actions that indicate they will utilize existing facilities during the exploration phases of OCS development as much as possible. In the short run this decision may mean greater inconvenience to the industry due to lengthy transportation distances, expensive short-term land costs, and insufficient onshore facilities. However, if economical quantities of oil are not found, the oil companies will, in the long run, save themselves the expense of developing needless new facilities.

The oil industry took the "minimum investment during exploration" approach in their development of Upper Cook Inlet. As the initial exploration wells were being drilled during the late 1950's and early 1960's, the offshore rigs in Cook Inlet were supplied mainly out of Anchorage. This included the supply boats and the crew boats. This approach shifted, however, when oil deposits were discovered and production platforms went into operation in the mid-1960's. At that time the oil industry selected Kenai as a permanent center for onshore service operations due to its close proximity to the oil fields and other favorable aspects. New facilities were built, subcontractors and supply companies located their operations in Kenai and crew change and material supply operations were carried out there.

Based on the recent industry statements and their past experience both in Alaska and nationally, it is believed the oil industry will once

again depend on existing facilities during the exploration phase of development in the Northern Gulf of Alaska. Communities whose facilities are being considered to supply the exploratory efforts are believed to be Seward, Cordova and Yakutat. Of these sites, recent trends indicate that Seward is favored by some companies as the initial base of operations.

Seward is particularly attractive because it has a year-round deep water port, a railhead, highway access, available industrial land and a relatively favorable political climate. In addition, it is midway between the Northern and Western Gulf lease areas. Exxon has already gained control of 32 acres in Seward. Thirty of those acres are three miles to the north of town and have both road and rail access. The remaining two acres are located on the waterfront within the city limits of Seward. In addition it is reported that Texaco is currently looking for industrial land in the Seward area. Shell and Arco are already depending on Seward to obtain fresh water supplies necessary to support their drilling operations in the Northern Gulf of Alaska. In addition, plans have been made by Dresser Industries, a major oil field supply company, to build a barite plant in Seward. Barite is a primary component of drilling fluid (mud).

While using Seward as a water source, Shell and Arco (formerly with Mobil as the SAM group) have indicated that they intend to utilize Yakutat as a service base for their operations in the Northern Gulf. However, feelings within the oil industry indicate that the adverse political climate and the lack of required facilities in Yakutat have discouraged other OCS operators from locating there.(2)

While Shell and Arco will probably continue to use Yakutat as a base for Northern Gulf development, they will have to establish another, closer service base if they pursue development of the Kodiak Shelf. Seward and Kodiak will be the two most likely sites. If the other major oil companies choose Seward as a base for the exploration of the Kodiak Shelf, Shell and Arco will probably locate there initially. It is a frequent practice for oil companies to locate their onshore service facilities in close proximity to one another. This practice enables them to share facilities such as airports, heliports, and dock facilities. It also means subcontractors and supply companies can serve an entire oil field from one location, a situation far more preferable than establishing numerous, smaller facilities at scattered bases.

As noted above, the oil industry's interest in Seward is only a trend and is a result primarily of their activity in the Northern Gulf. At this point there is still a great deal of speculation, and it is probable that Kodiak will be given more consideration as a service base site for the exploration phase on the Kodiak Shelf in the Western Gulf. That decision will be based on the costs of building and operating facilities in Kodiak compared with the cost of operating out of Seward. The potential results of that comparison are directly related to the following factor.

Factor 2: Location of Service Bases for Northern Gulf Development

Decisions made within the next two years by the oil companies concerning their mode of operation in the Northern Gulf of Alaska could have a tremendous affect on their final decisions on how to handle operations in the Western Gulf. As indicated above, decisions have already been made to provide service bases for the Northern Gulf initially in Seward and Yakutat. As the development phase in the Northern Gulf proceeds, it may become advantageous for the oil companies to abandon the initial exploration phase service bases in Seward and locate comprehensive service bases closer to the oil fields. For the purposes of discussion, one likely site for such a remote comprehensive onshore service facility would be Icy Bay. The Chugach Native Association has land available in Icy Bay for service bases and has indicated an interest in working with the oil companies in locating such bases there. If this were to happen, then the Seward base would tend not to develop into a comprehensive service base although some activity would still originate from there. This could tend to diminish the role of Seward in the development of the Kodiak Shelf. The oil companies would then have the option of developing remote comprehensive service facilities in Kodiak or utilizing the existing although noncomprehensive facilities in Seward.

On the other hand, if the decision is made to continue to operate out of Seward throughout the exploration, development and production phases of the Northern Gulf oil fields, then it can be assumed that the same Seward service base would be appropriate for use in the exploration of the Kodiak Shelf. In that case, the oil industry would not have the necessity of developing new comprehensive service bases for the exploration phase of the Kodiak Shelf, although that alternative would not be eliminated. If oil was subsequently discovered in the Western Gulf, then the industry would have to decide whether or not the development of new service bases on Kodiak Island would be less expensive in the long run than continuing to operate out of a comprehensive service base in Seward.

In summary, if the oil industry decides to utilize Seward as a comprehensive onshore service facility for the development of the Northern Gulf, then the probability is high that they would utilize the same service base for their initial activity in the Western Gulf. If, however, the industry decides to build a remote service facility closer to the lease areas in the Northern Gulf, then it is possible that they would decide to build a similar onshore facility on Kodiak for the development of the Kodiak Shelf. Again, this decision is related to the following factor.

Factor 3: Location of Lease Sale Area in the Western Gulf

This is one of the most obvious determining factors affecting the location of service bases for the Western Gulf. As can be seen in Map 1, the lease area on the Kodiak Shelf extends in a northeasterly southwesterly direction on the eastern side of Kodiak Island from the southern tip of the island almost to the tip of the Kenai Penninsula. If oil reserves are discovered near the northern end of the lease sale area, then the feasibility of using Seward as an onshore service facility during one or

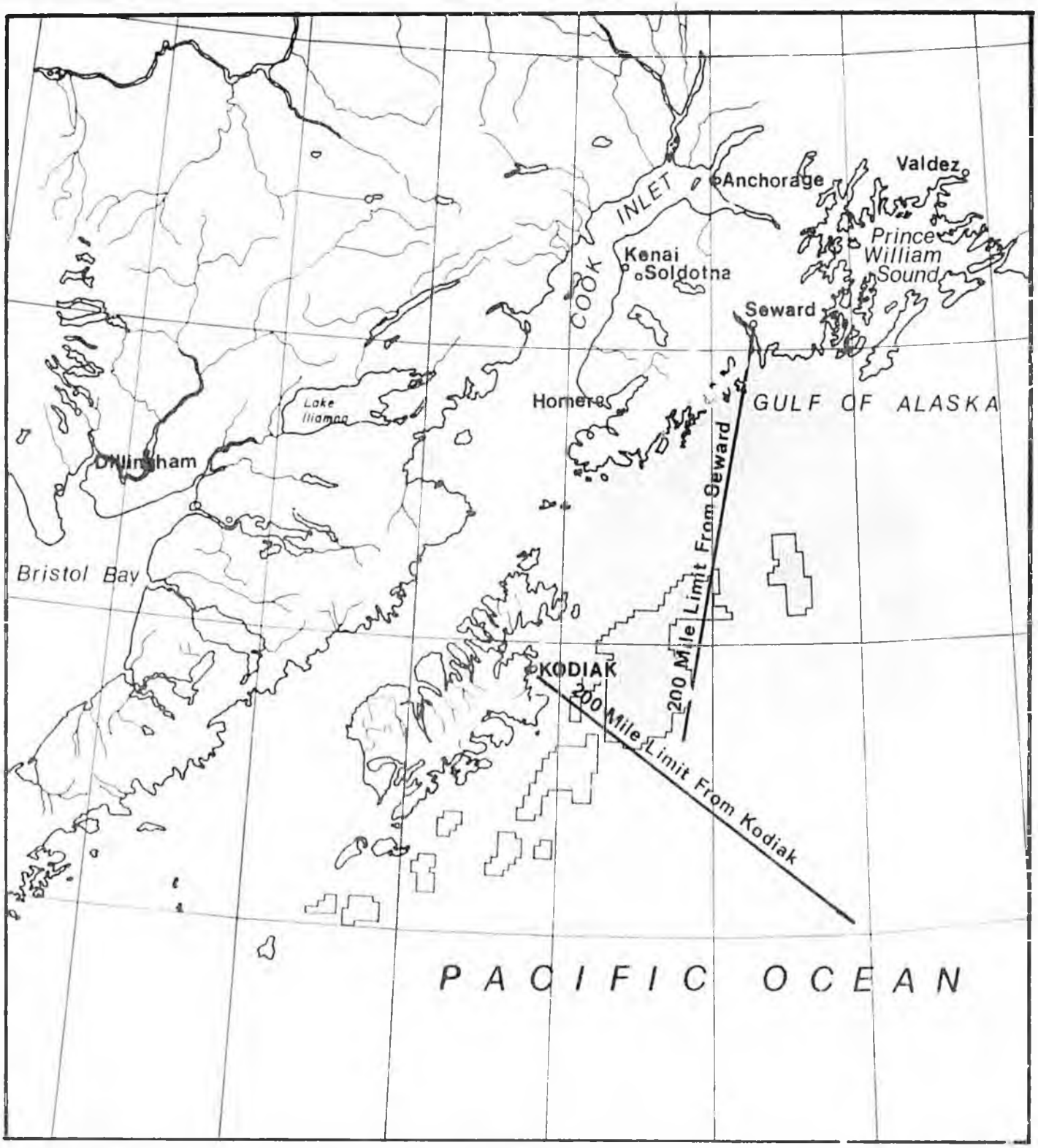
more of the phases will be greatly increased. However, if oil is discovered near the southern tip of the lease area, the utilization of Seward throughout the exploration, development and production phases could easily be infeasible. The oil industry has indicated that the service bases should be within two hundred miles of the oil development areas. Map 1 shows the extent of the two hundred mile radius from both Seward and Kodiak. This two hundred mile figure is not necessarily absolute. Depending upon transportation costs and facility development costs, decisions might be made to operate onshore service facilities further than two hundred miles from the rigs.

This question will be partially answered at the time the lease sales are held. If the industry leases land in the northern half of the lease sale area, then the probability of using Seward will be increased. However, if the majority of leases are in the southern half, then the probability of using Kodiak Island as a service base site would be higher. The final answer to the question will be known only at the time that oil is actually discovered and the delineation wells are drilled that will determine the size of the fields to be developed.

Factor 4: Air Support Facilities

An important consideration in determining the location of onshore service facilities is the capability of the various candidate sites to accommodate both commercial and noncommercial air support services. The majority of the supplies needed to operate the exploration and development rigs will be transported from the service facility via work boat regardless of whether the onshore facilities are located in Kodiak or Seward. However, certain items such as some perishables as well as equipment and personnel needed on the platform for drilling emergencies will come by air. Helicopters will be used to transport these items to the platforms. In most cases, however, the industry will attempt to utilize commercial air carriers between the nearest airport and supply centers such as Anchorage to keep helicopter flight time as low as possible. For instance, assume a particular tool was needed at a platform on the Kodiak Shelf as quickly as possible. Assuming adequate airline schedules, it would be less expensive and faster to put the tool on a commercial jet from Anchorage to Kodiak and then on a helicopter from Kodiak to the oil platform than it would be to ship the tool to Seward and then fly the tool by helicopter from Seward to the oil platform. The same is true of personnel, both in the case of emergency technical personnel as well as entire drilling crews.

Information from the oil industry to date indicates that the helicopters that will be used in the Gulf of Alaska are the Sikorski S61 and the Bell 212.(3) The larger of the two is the S61. It has a maximum range of 450 miles which will allow it to fly a maximum of approximately 200 miles to a platform with a 50 mile reserve range. Thus over half of the lease area on the Kodiak Shelf is out of range of the helicopters if they were to be flown from Seward. On the other hand, almost all of the lease area is within the 200 mile range from Kodiak. See Map 2.



WESTERN GULF OF ALASKA
OIL LEASE SALE AREAS

0 50 100 MILES

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough

OIL LEASE SALE LOCATION MAP

MAP 2

In addition to helicopter traffic, it will be necessary to utilize Hercules airplanes during the development of the Kodiak Shelf. At present the Seward airport cannot accommodate aircraft of this size. The Seward airport has two runways. Runway 12/30 has a length of 4750 feet. Runway 15/33 is 2300 feet long. The surface on both runways is a light BST with a 40,000 pound maximum load. This will not accommodate a Hercules-type airplane. In addition the Seward airport has no instrument landing system (ILS). Aircraft operating out of Seward must utilize visual flight rules (VFR). According to the State of Alaska Division of Aviation, there is little chance that the Seward airport could ever accommodate ILS equipment because of terrain problems. Kodiak, on the other hand, does have an ILS system capable of handing both helicopters and cargo aircraft traffic. The runways at Kodiak are longer, the longest being 7500 feet, and there is no practical weight limit on the runways. Consequently, from a flight operations standpoint, the Kodiak airport is ideally suited for OCS development related air support while the Seward airport is incapable of providing such air support.

In order to accommodate the air service operations, it is necessary to have a number of onshore facilities located at the airport. These include a number of onshore employees involved with expediting, aircraft maintenance, and loading and unloading aircraft. In addition warehouse space, office space, aircraft maintenance facilities, and apron area would be required. At present the Seward airport has no area available for the development of these types of facilities. The airport is adjacent to land owned by the Alaska Railroad, which is not available for development of support facilities. There is no lease space available on the apron for support facilities and little chance of expansion. Kodiak has ample area for these types of facilities. In addition to the apron that is currently being used for commercial aircraft, the Kodiak airport has at lease two separate apron areas that could be used for air support facilities. Ample land is available around the airport that could be developed with industrial facilities to support OCS development.

Another factor concerning air support services is the lack of adequate commercial air carriers in Seward. Because of the small size of the airport, the lack of facilities, the low weight capacity and the absence of ILS equipment, the Seward airport cannot accommodate commercial jet air carriers. Kodiak is currently served by both Wien Air Alaska and Western Airlines. Wien Air Alaska currently operates an average of two flights a day from Anchorage and Western operates three flights per week from Seattle to Kodiak during the spring and summer months. Therefore, platform crew change operations could easily be carried out in Kodiak but would be difficult and inconvenient to be operated through Seward.

Because of these factors and based on past experiences and indications from the oil industry, it seems logical that Kodiak will be the base of air support operations for the OCS development on the Kodiak Shelf. While there is no absolute necessity that marine support facilities be located in close proximity to the air support facilities, it is assumed that for economic, coordination and convenience purposes the oil industry would prefer to have those facilities located close to each other. This factor will have a significant influence on the industry's decision as to the location of their onshore marine service facilities.

Factor 5: The Availability of Land and Port Facilities

Sources within the oil industry have indicated concern over utilizing Kodiak for onshore marine service bases. Their concerns center around a perceived lack of available land, inadequate port and transportation facilities and inadequate supplies of water to be used in the drilling operation. At present the port facilities within the City of Kodiak are being used to their capacity (see Volume II, Transportation Facilities). In addition, land is not available near these port facilities that could be used for warehousing, office space and outdoor storage necessary for an onshore service base. Consequently, if service bases are located on Kodiak, completely new facilities will have to be built. The one exception to this is the former Chiniak tracking station that is currently controlled by the Koniag Regional Native Corporation. Chiniak does have a number of facilities that would be needed as part of an onshore service facility. These include office structures, housing quarters, repair and maintenance facilities, some warehouse space, an airstrip and an infrastructure of utilities and roads. In addition land is available for additional development of outdoor storage areas and warehousing. The Chiniak facility does not currently have any port facilities, although studies are now being conducted to determine the feasibility of developing a port facility at the site. Preliminary indications from Koniag Corporation are that port facilities to serve rig tenders and general supply boats would cost approximately 25 to 30 million dollars. The Port of Seward, however, does have adequate port facilities to handle the marine services needed to supply the materials to rigs operating during the exploration on the Kodiak Shelf. It will be necessary, if Seward is selected as a comprehensive service base site, to develop additional open storage, warehousing and office space. However, the cost of these is substantially less than the cost of developing new port facilities in Kodiak. A decision on this factor will be heavily influenced by Factor 6.

Factor 6: Transportation Costs

As indicated above, during the exploration phase the oil industry will probably try to minimize their costs by utilizing existing facilities whenever possible. This factor would point to a utilization of Seward during that exploration phase. However, if and when oil is discovered on the Kodiak Shelf, the cost of developing permanent onshore facilities in Kodiak will have to be weighed against the cost of transportation from Seward. This will in turn be affected by the location of the discovery wells in the Western Gulf and the availability of lands and facilities in Kodiak. It may be determined that in the long run the cost of developing new facilities in Kodiak would be too high to outweigh the transportation costs and inconvenience involved in utilizing Seward as a permanent service facility. In that case, the end result would probably be marine service facilities operated out of Seward and air service facilities operated out of Kodiak. However, the amount and location of oil discoveries on the Kodiak Shelf could be such that a new permanent base would be feasible on Kodiak Island.

Factor 7: Political Climate

At present the oil industry has indicated some uncertainty over the political climate in Kodiak with reference to OCS development. The residents and local governments of Kodiak have not made a strong collective statement either for or against the encouragement of oil development facilities on Kodiak Island. If the people of Kodiak were to indicate a strong desire to boost their economy through encouraging OCS development on the island, then the probability of locating permanent service base facilities in Kodiak would be strengthened. However, if the community were to take a hostile position towards oil development, the industry would be less inclined to move there.

One of the most important factors in the development of an oil field is timing. While the oil industry can accommodate and even plan for some delays caused by an unfavorable political climate, they will avoid those delays if possible. Here again, the political climate in Kodiak is not a sole determining factor. Clearly the factors affecting the final decision on service base locations make the issue quite complex. However, that complexity gives the Kodiak community increased influence over the decisions affecting the future development of the area. For instance, if it were made clear to the oil industry that Kodiak welcomed its presence politically and socially, and if the local governments adopted policies that would foster the development of the needed facilities such as ports, additional airport facilities, water supplies and industrial parks, then the oil industry would find it relatively easy to justify moving to Kodiak if other factors so indicated. On the other hand, if Kodiak made it clear that the oil industry was not welcome and if no move was made to accommodate the industry with industrial facilities, then Seward would remain the location of onshore facilities as long as it was economically feasible. Regardless of the direction Kodiak takes, economics will rule the final decision made by the oil industry. However, because of the Kodiak community's location, it has the opportunity to affect those economic considerations to a certain degree by its attitude toward oil development.

Factor 8: Facility Requirements During Production Phase

Facilitiy requirements depend not only on the amount of recoverable oil reserves, but also on the method of production. One method involves transporting oil from the production platforms to shore via pipeline, with an onshore storage terminal. In this case, the onshore pipeline terminal is located as close as possible to the oil fields, thus minimizing costs and oil spill potential. Consequently, when oil companies begin constructing permanent production platforms, Kodiak should prepare for the development of pipeline terminals, onshore crude oil storage facilities, and marine terminals.

Alternately, the single buoy mooring system (S.B.M.S.) method uses offshore marine terminals and storage faciilities. This study examines facility requirements for both methods of production.

Even the high U.S.G.S. estimate of gas reserves is very low and almost certainly insufficient to warrant development. As such, no gas pipelines or L.N.G. plants are anticipated.

Conclusion

Considering the above factors, the "most likely" operational mode for Cases 2 and 3 appears to be the second, which uses Seward as a base during the exploratory phase and transfers to Kodiak during development and production phases. In Case 1, Seward would be the base during exploration, as there is no production, then would move to Kodiak. Specifically, the oil industry would begin initial development in summer of 1980 by providing marine support services to exploratory rigs from Seward and air support services from Kodiak. At the same time it investigates a probable site for an onshore service facility on Kodiak Island should a major oil strike occur. Upon discovery and delineation of a commercially producible oilfield on the Kodiak Shelf in 1981, construction of service bases on Kodiak Island would begin. If the oil industry has agreed with Kodiak residents to locate development away from population centers, it will probably locate the base near the southern end of the existing road system, either at Chiniak or on the north side of Ugak Bay. Less probable is locating it somewhere between Chiniak and the Coast Guard Base, either in Kalsin Bay or Middle Bay. In Cases 2a and 3, an oil storage facility and a marine terminal would probably be sited within this area also, possibly near the service base for convenience.

Information presented in the preceding section should prove extremely useful to the community in determining and gauging the actual schedule of oil activity during the next ten to twenty years. Although based on estimates, it uses oil development experiences in other areas along with data on the Kodiak Island Borough. Actual development should be compared with these estimates to adjust impending impacts, so that the community is always cognizant of the level of activity and associated impacts.

ENVIRONMENTAL IMPACTS

In spite of numerous past and ongoing studies, little concrete knowledge regarding the effects of oil development exists. Kodiak Community College, the Alaska Department of Fish and Game, the Northwest Fisheries Center of the National Marine Fisheries Service, as well as a number of private and public entities are upgrading and expanding the data base. Even so, research is sometimes a slow process and results are often inconclusive. In addition, offshore oil development activities in the North Sea have just begun, and information on impacts, especially long term, is still coming in.

This difficulty in predicting impacts is demonstrated in the rough draft of the BLM/OCS Environmental Impact Statement of the Western Gulf. A tremendous quantity of information about the natural environment discusses potential impacts of OCS development, analyzing numerous species of flora and fauna in the marine and terrestial environment. However, the authors admittedly had difficulty quantifying impacts. Even so, the document is enlightening and should be "required reading" for anyone seriously concerned with short and long term effects of OCS development.

Following is a review of the potential impacts on both the physical and socio-economic environment of Kodiak Island Borough. These were identified in the BLM/OCS document or result from work done in this study.

Physical Environment - Offshore

Two basic sources of impacts could result from OCS development: 1) spills which inject crude oil or other associated substances into the natural environment, and 2) bottom disruption. Impacts of each are discussed in turn.

Oil Spills

The likelihood of spills introducing oil into the natural environment is quite high. If so, there will be impacts, and some could be extreme. However, the relative seriousness of the spill is unknown until it occurs. Pipeline accidents, oil and gas well blowouts, spills resulting from fires, tanker accidents, chronic minor spills and natural seeps, as well as a variety of accidental spills resulting form the malfunction of drilling and transportation equipment, could all cause oil spills. Some potential effects of these spills are extremely negative.

A major oil spill could contaminate or kill fish, a vital concern to the Kodiak economy. Kodiak's economy would definitely be adversely affected

if this contamination caused a loss of catch or gear. The probable frequency of oil spills and the significance of their impacts upon the natural environment has not been quantified. However, the BLM/OCS office, in their Draft Environmental Impact Statement, have estimated that over an assumed 25-year production life of the Kodiak Shelf oil fields, approximately 433,000 barrels of crude oil and other materials will be spilled based on historical data concerning other oil fields in the high find development scenario. They have also indicated that in this same case, during the years of peak activity and production up to 10,700 barrels of oil could be spilled within one year, and that throughout the production period a total of 30,000 barrels could be spilled by tankers, both within this area or along their transportation routes and at their destinations. (4) Historical data indicates that by far the great majority of the oil spilled into the natural environment will be minor in size as well as in environmental impact. It is anticipated, however, that at least a few oil spills will have a major potential impact (over 1,000 barrels) that could have lasting effects. An estimated 5,500 oil spill incidents will occur over the 25-year course of oil production in the Westarn Gulf of Alaska. Because of the distance of the lease areas from shore and the natural characteristics of crude oil including evaporation rates, dispersion characteristics and weathering, the BLM/OCS office has estimated that a spill would have to be 1,000 barrels in size to have a significant ecological impact. (5) It must be remembered that the conclusions of the Draft Environmental Impact Statement are based on averages and probabilities, and that spills much smaller than 1,000 barrels could create significant ecological impact if located in the right place at the right time.

The segments of the natural environment that could be affected by oil spills and malfunctions is extremely broad. They include: 1) modification of the food web due to contamination from petroleum hydrocarbons (PHC); 2) impacts on marine habitats; and 3) impact on primary sources of food and on various organisms. These impacts are not limited just to marine life. An offshore oil spill could easily have a serious effect on land mammals and birds in terms of bodily contact and alteration of the food web. The species most susceptible to the impacts of OCS development are brown bear, deer and elk. (6)

Bottom Disruption

Sea floor disruption can result from two sources: 1) physical disturbances of the surface of the sea floor due to placement of platforms, anchors and other mechanical paraphernalia associated with development and production; and 2) chemical and biological changes resulting from the settling of crude oil products from an oil spill.

Experiments and actual experiences related to OCS development indicate that as oil spills into salt water, certain parts evaporate, some parts dissolve into the water, and others remain relatively intact and settle on the sea floor. According to BLM/OCS, the fouling of sediments on the sea floor in significant quantities results in the lack of production of food and habitat and thus an absence of the normal sea life species. Petroleum hydrocarbons (PHC) can also mix with sand and gravel, forming

a solid material which is deposited on the bottom of the ocean and added to the food web. This obviously depends on the volume, frequency and degree of occurrence of this phenomenon. It is impossible now to determine what the environmental impacts will be due to this type of activity.

The other form of bottom disruption, physical alteration, is somewhat more predictable and its impacts are normally less significant. The area of disruption of a permanent platform is normally confined to within two acres and thus permanently removes an extremely small area from the ocean floor. Each permanent platform would remove 1 to 1.5 acres of sub-sea surface from the habitat available to marine life. The effect of pipeline construction on or below the ocean floor would be more significant, although still relatively minor considering the total area of the Kodiak Shelf. According to a recent study by the Woods Hole Oceanographic Institution, 1976, bottom disruption and removal of sea floor by offshore production platforms will normally have negligible adverse effect on the marine life production capabilities of the area.

Physical Environment - Onshore

Impacts on the natural environment that could result from OCS development would be generated by human activity: construction, operation of OCS development, and population pressures. These impacts would generally be similar to those resulting from any major industrialization effort, and could affect air quality, water quality, habitat, land forms, and the full range of animal and plant life that occupy the area.

Air Quality

The air quality of the area surrounding OCS development on land, as well as at sea, can be impacted through a number of sources. One of the most obvious sources of air pollution is particulate concentrations created by construction activity. It is anticipated that the construction of marine service bases, crude oil storage facilities and tanker terminals will involve intensive construction activity over a number of years. Depending upon soil conditions, atmospheric conditions and mitigating measures taken by construction personnel, the potential for particulate (dust) pollution is high. In addition, construction vehicles and heavy equipment, most of which utilize fossil fuels as a power source, can, if not properly maintained and equipped, pollute the air with exhaust matter. This kind of pollution will also be generated by population increases and the subsequent increase in vehicular usage. Another source of air pollution is fires, both accidental and deliberate. The occurrence of a major crude oil fire at a storage facility could have a devastating effect on air quality over a long period of time. Modern design techniques and safety equipment are thought to be adequate to prevent and/or extinguish any such fires. However, the possibility of their occurrence still exists.

The degree of cumulative impacts as a result of air quality degradation will be determined by the atmospheric conditions and the concentration

of sources. In Kodiak air current movements are strong and frequent, and the projected population concentrations are relatively low in terms of air pollution potential. Thus significant air pollution problems are not anticipated as a result of OCS development. However, it must be remembered that depending upon the magnitude of the source and the atmospheric conditions at the time any one incident could catastrophically affect air quality.

Water Quality

Potential impacts on the quality of fresh water within the Kodiak Island group will also be generated primarily by human activity. Construction projects in or near streams or lakes could result in significant degradation due to alteration of the courses and/or beds of these water bodies as well as through contamination by particulates and chemicals. Special attention must be paid to the location of construction projects and methods of operation with respect to the potential for such impacts.

In addition, construction activity could affect runoff characteristics by altering land forms. Excavation penetrating aquifers could also affect subsurface water quality. Both surface and subsurface water qualities could be adversely impacted by chronic and/or catastrophic onshore spills. Petroleum products spilled on the surface could be carried through runoff or absorption into these water sources. Depending upon the amounts, types and characteristics of these foreign substances, the effects could vary in duration.

Habitat Disruption or Destruction

As indicated in previous sections, the amount of land required for direct and indirect OCS related facilities will be relatively high in terms of other single activities currently on Kodiak Island. Whenever land is disturbed and/or developed, habitat is altered or possibly destroyed. One exception is when facilities are located in already industrialized areas within the City of Kodiak environs. BLM/OCS has estimated in their Draft Environmental Impact Statement that in the event of a high find, up to 1,100 acres of land could be utilized for support and supply facilities, production and treatment facilities, crude oil terminals and pipeline rights-of-way. (7) When compared to the total land area within the Kodiak Island Borough, this acreage is relatively insignificant. Even so, many ecosystems and habitat areas on Kodiak Island are very sensitive and specialized. Location of OCS related industrial facilities on or through relatively small specialized areas could have a significant impact on the future of life forms in the surrounding area. Facilities must be situated where the potential for disruption of significantly sensitive habitat areas is avoided or minimized.

SOCIC-ECONOMIC IMPACTS

Local Population

Population increases in Kodiak correlate to the level of offshore development of the Western Gulf OCS. They are a function of the nature of employment, duration and type of labor requirements, and the extent to which the local community accepts and/or encourages population growth.

As indicated in the Demographic Inventory, Volume II of this study, Kodiak's population is currently growing by approximately 3.4 percent per year. Based on this growth rate, Kodiak's population should double by 1995 without OCS activity in the area. This rate represents a healthy economy and indicates the desirability of Kodiak as a residence.

Projected population increases from OCS development will further increase that population growth rate. Estimated projections are based on the following assumptions:

1. Any new onshore facilities, including service bases and oil terminals, will be located in the Kodiak Borough. Thus the bulk of direct employment required to operate those facilities will also be within the Borough.

2. Anchorage will be the headquarters and work location of the administrative and support staff, as is currently industry practice.

3. All long term onshore operations personnel (service bases, terminals) will reside on Kodiak Island. Workers tend to relocate close to their place of employment when employment is long term. Conversely, jobs of short term duration, such as construction and drilling, will discourage workers from relocating to the job site. Therefore resident population levels do not necessarily correspond to employment levels, especially in the exploration and development phases. However, variances will decrease in magnitude as oil production begins and long term employment increases.

4. Local demand for indirect labor will increase as the population growth from oil activities spawns concommitant growth in supply, transportation, service and other businesses.

These assumptions are all based on practices in the North Sea and are presented in tabular form in Table 22.

Table 22: Formula for Population Change

Employment Activity	Percent of Total Jobs in Kodiak
Onshore:	
Administration	0%
Base Operations	100%
Platform-associated	50%
Rig-associated	50%
Terminal Operations	100%
Construction	100%
Offshore:	
Rigs	0%
Lay-Barge	0%
Bury-Barge	0%
Supply Boats	40% years 1-3; then 80%
Platforms	40% years 1-3; then 80%

Source: Niall Trimble, Depart. of Community & Regional Affairs, Div. of Comm. Planning, 1977

Using the above formula in conjunction with the employment levels by activity (Tables 6 and 8 in previous section), we can determine the OCS-related population changes over time for each development scenario as shown in Table 23.

Combining the population changes resulting from OCS development with the projected population resulting form normal growth (Table 35 in Volume II) gives the projected population with development. These estimates, based on four levels of OCS impact, are presented in Table 24 for the years 1978 through 1992. Also included in Table 25 is the cumulative year-by-year percentage change in population.

As shown in Table 25, population increases will vary from year to year. The average yearly increase for the 15 year period from 1978 to 1992 ranges from 3.46 for Case 1 (no development) to 5.47 for Case 3 (high

find) -- some 61 percent higher than the "normal". The population doubles from the 1975 figure in Case 3, and progressively later for Cases 2a, 2b, and 1. Variations in population increase rates correspond to the labor needs of the oil industry and corresponding characteristics of jobs. For both Cases 2a and 3, employment grows moderately from 1980 to 1984, and then grows explosively for the short period 1985-1986 while construction labor forces build up. A very sharp decline follows, with employment levels falling by 80 percent. In Case 3, employment in the coastal zone falls from 2,100 in 1986 to 500 in 1988. Thereafter the labor force should remain relatively stable. As indicated earlier, the existing growth rate in Kodiak is about 3.4 percent per year.

Table 23: Total OCS-Related Population Changes in Kodiak

	Case #1 No Find			Case #2a Moderate Find (pipeline)			Case #2b Moderate Find (S.M.B.)			Case #3 High Find		
	On	Off	Total	On	Off	Total	On	Off	Total	On	Off	Total
1980	129	64	193	229	63	292	229	63	292	229	38	292
1981	209	126	335	488	189	677	488	189	677	898	154	1052
1982	290	190	480	713	378	1091	581	378	959	977	230	1207
1983	129	92	221	684	363	1047	420	363	783	1054	528	1582
1984	---	---	---	436	590	1026	290	272	562	1199	792	1991
1985	---	---	---	553	620	1173	209	181	390	2110	957	3067
1986	---	---	---	1437	761	2198	500	802	1302	3507	1635	5142
1987	---	---	---	2471	1729	4200	742	1290	2032	2582	2430	5012
1988	---	---	---	1315	1045	2360	677	1045	1722	2177	2335	4512
1989	---	---	---	1420	2563	3983	936	2563	3499	2419	4241	6660
1990	---	---	---	1420	2431	3851	936	2431	3367	2306	3938	6244
1991	---	---	---	1355	2261	3616	871	2261	3132	2241	3768	6009
1992	---	---	---	1226	1925	3151	742	1925	2667	2112	3432	5544

Source: Niall Trimble, Dept. of Community and Regional Affairs, Division of Community Planning, State of Alaska, 1977

Table 24: Kodiak Population - 1978-1992
Under 4 Levels of OCS Impact

Year	Case 1 No Find	Case 2a Pipeline Moderate Find	Case 2b No Pipeline Moderate Find	Case 3 High Find
1978	10,634	10,634	10,634	10,634
1979	10,996	10,996	10,996	10,996
1980	11,563	11,662	11,662	11,662
1981	12,092	12,434	12,434	12,809
1982	12,637	13,248	13,116	13,364
1983	12,791	13,617	13,353	14,152
1984	12,997	14,023	13,559	14,988
1985	13,439	14,612	13,829	16,506
1986	13,896	16,094	15,200	19,038
1987	14,368	18,568	16,090	19,380
1988	14,857	17,217	16,579	19,369
1989	15,362	19,345	18,861	22,022
1990	15,884	19,735	19,251	22,128
1991	16,424	20,040	19,556	22,433
1992	16,982	20,133	19,649	22,526

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

Table 25: Projected Population Growth Rate With OCS

Year	Case 1	Case 2a	Case 2b	Case 3
1978	3.4	3.4	3.4	3.4
1979	3.4	3.4	3.4	3.4
1980	6.0	6.1	6.1	6.1
1981	4.6	6.6	6.6	9.8
1982	4.5	6.5	6.0	4.3
1983	1.2	2.8	1.8	5.9
1984	1.6	3.0	1.5	5.9
1985	3.4	4.2	2.0	10.1
1986	3.4	10.1	9.9	15.3
1987	3.4	15.4	5.9	1.8
1988	3.4	7.2	3.0	-0-
1989	3.4	14.6	13.8	13.7
1990	3.4	2.0	2.1	0.5
1991	3.4	1.5	1.6	1.4
1992	3.4	0.4	0.5	0.4
Average	3.46	4.85	4.51	5.47

Source: Niall Trimble, Department of Regional Affairs, Div. of Community Planning, State of Alaska, 1977

The first significant population increase with OCS is in 1980, when all cases jump to a 6.0 percent growth rate. This represents the initial influx of OCS related work force. Growth rates then return to normal in Case 1. They increase again in 1981 in the other cases, and then decline through 1984 due to the short term nature of exploration jobs. Growth rates then climb abruptly in proportion to the numbers of construction workers building the service bases and terminals, hitting a peak of 15.4 percent in 1987 in Case 2a; 13.8 percent in 1989 in Case 2b; and 15.3 percent in 1986 in Case 3. All three cases have over 13 percent growth rates in 1989, which dramatically drop off to 0.5 percent or less within three years. Development is essentially completed then, and growth rates return to the normal rates established prior to OCS activity.

Population impacts from OCS development are substantial: 1992 population is 18.5 percent more under Case 2a development than with normal growth; 15.7 percent higher under Case 2b; and 32.6 percent higher under Case 3. With a large oil discovery, 1985 population approximates the 1992 population without oil related industrialization.

Obviously this growth will impact all aspects of the Kodiak community. A review of those impacts follows.

Public Services

Water, Sewer, and Road Services

Little information is now available on existing land use, gross areawide densities, and their relationships to existing community utilities and services; data will be developed in the aforementioned comprehensive plan. Ongoing and future engineering studies will determine water, sewer, and road requirements. With more detailed information, more detailed conclusions will result. All this information must be coordinated through a cohesive planning process to determine current trends of development and future development potentials. Only with a coordinated community devleopment planning effort can Kodiak Island Borough and its various communities adequately prepare for OCS development.

Enough information is available, however, to allow generalized estimates of road and public utility required necessary to serve projected population increases. The assumptions used in making these estimates include:

1. Population estimates and estimated population characteristics are based upon the development scenarios of low, medium and high finds. If those scenarios change, population estimates will change correspondingly.

2. Kodiak local governments and residents will want new residential development within the Kodiak metropolitan area to be served with basic public services (water, sewer and roads). This is assumed because rapid community development without these services could lead to serious environmental problems. This trend is evident in Kodiak in the Island Lakes area.

3. A substantial amount of land will be developed or redeveloped, including resubdivision, as a result of rapid population growth. Relatively large areas of the undeveloped land near the City of Kodiak is now subdivided. However, many of those subdivisions represent "paper plats" which do not have the basic community facilities (water, sewer and roads), Consequently, it may be desirable, subject to future decisions upon community goals, to resubdivide some land to accommodate different land uses and densities.

4. When raw land is developed or redeveloped, approximately 28 percent on a gross area basis will be dedicated to road rights-of-way. This percentage is based on extensive experience in land development and application of modern subdivision design techniques. It includes both rights-of-way internal to a subdivision, as well as collector and arterial roads.

5. The average right-of-way width in Kodiak will be 60 feet. This assumption is based on current planning procedures and practices in the Kodiak community.

6. Lineal footage of water and sewer required to serve newly developed land on a gross area basis equals the lineal feet of roads within that same area.

The assumptions described above are based on the most recently available information concerning Kodiak as well as pertinent information typical of public services in general. The relevancy of these assumptions to the level and type of activity that occurs in the future should be monitored so that any adjustments in the estimates that follow can be based upon those changes.

The methodology utilized in making public service impact estimates is not intended to make detailed financial assessments and capital improvement plans. Nor is it intended as an infrastructural design tool. Due to the lack of land use data, information is not available on the lineal footage of existing road and utilities available for development or redevelopment at the present time. This methodology can be utilized, however, as a general guide in demonstrating the magnitude of impacts that can be expected in Kodiak.

In order to determine the impacts of OCS development on public services, the amount of land that will be served by public services and the density of development that is expected to occur must be determined. In the absence of a set of community goals and objectives, estimates have been made based upon the basic residential zoning districts in the Kodiak Island Borough Zoning Ordinance. Density was determined as follows.

First, 28 percent of the land on a gross acreage basis (or 12,197 square feet per acre) was subtracted for the purposes of road rights-of-way. The remaining land, 31,363 square feet per acre, was divided by the lot sizes allowed in the zoning ordinance. Then the dwelling units allowed per lot were allocated based on the requirements of the zoning ordinance. With some simple arithmetic we can then determine the amount of land per dwelling unit. The formula is as follows:

1 Acre - 28% = Developable Land Per Acre (DLA)

DLA/Minimum Lot Size = Number of Lots Per Acre (LPA)

LPA x Maximum Allowed Dwelling Units Per Lot = Dwelling Units Per Acre (UPA)

The Kodiak Zoning Ordinance allows a minimum lot size of 7200 square feet in any residential zone. The densities within the R-1, R-2, and R-3 zones vary, depending upon the zone and the actual lot size involved. An example of the formula described above based on the R-1 zone would be as follows:

43,560 square feet (1 acre) - 12,197 (28%) = 31,363 (DLA)

31,363 sq. ft. divided by 7200 sq. ft. = 4.35 (LPA)

4.35 lots x 1 unit per lot (R-1) = 4.35 (UPA)

An example of a higher density zone is available through a review of the R-3 zone, which requires 2,000 sq. ft. per dwelling unit. If a landowner desires to build a six-unit apartment under the R-3 zone he would be required to provide a 12,000 square foot minimum lot. Thus the last two lines of the formula would read as follows:

31,360 sq. ft. divided by 12,000 sq. ft = 2.61 (LPA)

2.61 lots x 6 units = 15.7 (UPA)

Similar density figures can be developed for all of the zoning districts and any residential development proposal.

To obtain the gross land area required per dwelling unit, including rights-of-way, we divide the square footage in an acre by the number of units per acre. Thus a six-plex in the R-3 zone would result in 43,560 sq. ft. divided by 15.7 units per acre equals 2,774.5 gross square feet of land per dwelling unit.

In order to determine the length of roads, and thus water and sewer lines to serve new residential development, we now go back to the 28 percent of land on a gross acreage basis that was allocated for rights-of-way. A simple arithmatic formula is used.

Length = area divided by width

We have already established that the normal width of road rights-of-way in Kodiak are 60 feet. Therefore, the length of road required to serve developed land is estimated as follows: 12,197 sq. ft. divided by 60

feet equals 203.3 lineal feet. Based on these formulas, we can estimate that for each acre of gross land area that is devleoped for residential uses, approximately 200 feet of road will be required to provide adequate access. Based on our assumption that the length of water and sewer lines is equivalent to the length of roads on a gross area basis, it is estimated that 200 lineal feet of water line and sewer line are also required to serve each acre of developed land.

By comparison, three hypothetical cases based on different development densities are presented below. Example A represents the development of new dwelling units at the maximum density allowed by the R-1 zone in the Kodiak Zoning Ordinance (4.35 units per acre). Hypothetical Example B represents new residential development based on a density of 15.7 units per acre (six-plex development in the R-3 zone). Hypothetical Example C involves one additional factor. As discussed in the section on Housing Impacts, a substantial amount of residential development could occur outside the reasonable limits of public services (water, sewer and roads). This could occur based upon the desires of the new residents or upon the goals and objectives established by the existing residents of Kodiak. For the purposes of comparison, we assumed that 50 percent of the new housing units constructed through 1988 would be beyond the limits of public services and would be developed at a gross density of .67 units per acre (1.5 acres per dwelling unit). The remaining 50 percent of the new housing will be developed within the metropolitan area at a gross density of 4.35 units per acre (R-1) and would utilize public services.

The following figure has two basic intents. First it provides a generalized estimate of the land area and public services required to serve new residential development at varying densities. Second, it allows comparison of the results of land use decisions relative to the requirements for public services. See Table 26.

Analysis of these figures reveals that the relatively low denstiy, typical single family development indicated in Example A requires construction of 24.5 to 41.83 miles each of roadways, water, and sewer lines, depending on the development scenario used. The lower number is almost twice as much road as the City currently maintains. However, relatively high density development (Example B) will require 6.79 to 11.59 miles each of water, sewer, and roads, again depending on scenario. Hypothetical Example C calls for 12.25 to 21.12 miles of public services, about half as much as in Example A. The lower number, representing the no development scenario, is slightly below the current amount of roads now maintained by the City of Kodiak. The magnitude of the difference caused by the varying densities is further emphasized by looking at lineal feet of public services per dwelling unit. In Examples A and C, required footage is some 3.5 times more than the high density Example B.

These comparisons point out the importance of land use decisions. If the community elects to encourage high density development with a full range of community facilities and utilities, the ratio of lineal feet of public service per dwelling unit is much lower than if it decides to encourage low density development.

Table 26: Development Requirements With OCS Development

Case	# New Housing Required	Land Required	Road Required	Water & Sewer Lines Required
Example "A" @ 4.35 Units Per Acre				
Case 1	2814	646.9	129,380'	129,380'
Case 2a	3545	814.9	162,980'	162,980'
Case 2b	2955	679.3	135,860'	135,860'
Case 3	4804	1104.4	220,880'	220,880'
Example "B" @ 15.7 Units Per Acre				
Case 1	2814	179.2	35,851'	35,851'
Case 2a	3545	225.8	45,144'	45,144'
Case 2b	2955	188.2	37,646'	37,646'
Case 3	4804	305.9	61,195'	61,195'

Example "C" @ 4.35 Units per Acre (1)

Case	New Hous. (no Public Services)	Land Req. @ .67 Unit/Ac.	New Hous. w/ Public Services	Land Req. @ 4.35 Units/Ac.	Miles of Water,Sewer Road(2)	Total Land Required
Case 1	1407	2100	1407	323.4	66,000'	3432.0 Ac.
Case 2a	1773	2646	1772	408.3	81,682'	3054.3 Ac.
Case 2b	1478	2206	1477	339.5	67,901'	2545.5 Ac.
Case 3	2402	3585	2402	552.2	111,514'	4137.2 Ac.

(1) Example "C" = 50% of new housing units are beyond reasonable limits os public services -- developed at gross density of .75 units per acre (upa). Remaining housing utilizing publis services -- developed at gross density of 4.35 upa.

(2) Within Metropolitan Area

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

Total land area required in Example A ranges from 647 to 1,104 acres, depending on the development scenario; in Example B, from 179 to 306 acres; and in Example C, from 2423 to 4137 acres, half of which is inside and half outside the metorpolitan area.

Presumably, as development activity increases the majority of new structures will be on existing utilities and roads. Shortly after the initial impacts of OCS development and resultant population growth, the existing road and utility system will be utilized to capacity. New facilities must then be constructed to accommodate any additional growth. Given this basis, future costs of these public services are estimated. As that land served by existing road and utility lines is developed, it

will be necessary to extend those services or force new development outside the area of public services and, consequently, require extremely low densities.

Cost per lineal foot of these services in Kodiak is now quite high: an average $180 per lineal foot for combined water and sewer service. This average is based on trunk and lateral sewers and various soil conditions. Cost of streets and street improvements, including paving, is approximately $250 per lineal foot. However, gravel roads built to minimum standards (20 feet wide) cost approximately $60 per lineal foot. (8) Utilizing these figures, we can calculate the potential costs of the public services based on the densities indicated in the Hypothetical Examples A, B and C. It is assumed in Example C that the housing units outside the reasonable limits of public services will have privately owned and maintained roads, water and sewer systems. Table 27 shows the cumulative costs for each case.

Table 27: Cost of Public Services*

Case	Miles Public Serv.	Sewer & Water	Paved Road	Minimum Gravel Rd.
Example "A"/4.35 upa				
Case 1	24.50	$11,642,000	$32,340,000	$ 7,761,600
Case 2a	30,87	14,669,424	40,748,400	9,779,616
Case 2b	25.73	12,226,896	33,963,600	8,151,264
Case 3	41,83	19,877,616	55,215,600	13,251,744
Example "B"/15.7 upa				
Case 1	6.79	$ 3,225,608	$ 8,962,800	$ 2,151,072
Case 2a	8.55	4,062,960	11,286,000	2,708,640
Case 2b	7.13	2,288,176	9,411,600	2,258,784
Case 3	11.59	5,507,568	15,298,800	3,671,712
Example "C"/50% @ 4.35 upa; 50% @ .67 upa				
Case 1	12.25	$ 5,821,200	$16,170,000	$ 3,880,800
Case 2a	15.47	7,351,344	20,420,400	4,900,896
Case 2b	12.86	6,111,072	16,975,200	4,074,048
Case 3	21.12	10.036,224	27,878,400	6,690,816

* Sewer and water @ $90.00 per lineal foot = $475,200 per mile.
Paved Road @ $250.00 per lineal foot = $1,320,000 per mile.
Minimum Gravel Road @ $60.00 per lineal foot = $316,800 per mile.

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

Estimates assume that all new development subsequent to 1980 will require new public services, and residential development prior to 1980 will utilize existing services. In actual fact there will probably be a gradual switch from existing to new public services. The relative ratio of development within lands currently served by public services to development in newly served areas is impossible to determine on a year-to-year basis.

This information clearly shows that higher density development is more economical per dwelling unit from a direct cost standpoint. Traditionally, low density single family development does not pay for the services it requires through the taxes it generates, and medium density apartments normally pay in taxes more than their share of costs of public services. These factors should be considered when determining the mix of densities necessary to support adequate public facilities.

Housing

Anticipating housing impacts from OCS development are calculated by multiplying the projected population increases by the estimated family size, taking into account the historical trend of a decreasing number of persons per family. (See Housing Inventory and Demographic Inventory, Volume II).

Table 28 shows the housing required between 1978 and 1992 with OCS development according to the various scenarios. Family size figures are based on historical trends in Kodiak and the population projections in the Demographic Inventory in Volume II. The table shows the total number of housing units required to support the indicated population, as well as the yearly increase in housing units necessary to accommodate the yearly population increase.

As Tables 28-31 show, demand for new housing units corresponds to population increases (Table 24) and to the type of employee activity (Table 16 in first section). This demand increases as short term employment decreases.

Peak number of additional units needed in each case is 409 in Case 1 (1985); 843 in Case 2a (1987); 769 in Case 2b (1989); and 894 in Case 3 (1989). Total additional housing needs vary from 2814 units in the low find scenario to 4804 units in the high find scenario; likewise, average number needed per year from now until 1992 range from 165.5 to 283. These are only averages, and in any given year the requirements are either well below or above that figure. However, they do represent an increase in annual housing requirements from those predicted in the Housing Inventory of Volume II.

The community must make many decisions concerning the location and type of housing to meet this expected demand. Presumably a disproportionate majority of the new housing units will be in the Kodiak metropolitan area and along the road system. This is primarily because most population increases will be due to OCS development, and employment opportunities will either be within the Kodiak metropolitan area, at service base sites, or near the road system (see Map 3).

Table 28: Housing Requirements - Case 1 - Low Find

Year	Family Size	Population	# Housing Units	# New Units
1978	3.24	10,634	3,282	127
1979	3.22	10,996	3,415	133
1980	3.20	11,563	3,613	198
1981	3.18	12,092	3,803	190
1982	3.16	12,637	3,999	196
1983	3.14	12,791	4,074	75
1984	3.12	12,997	4,166	92
1985	3.10	13,439	4,335	409
1986	3.08	13,896	4,512	177
1987	3.06	14,368	4,695	183
1988	3.05	14,857	4,871	176
1989	3.04	15,362	5,053	182
1990	3.04	15,884	5,225	172
1991	3.03	16,424	5,420	195
1992	3.03	16,982	5,604	184

Total Number of Housing Units Needed	2,689
Average Number of Housing Units Needed per Year	179.2

Source: Simpson Usher Jones, Inc. (Sontag), 1977

Table 29: Housing Requirements - Case 2a - (Pipeline)

Year	Family Size	Population	# Housing Units	# New Units
1978	3.28	10,634	3,282	127
1979	3.22	10,996	3,415	133
1980	3.20	11,662	3,644	229
1981	3.18	12,434	3,910	266
1982	3.16	13,248	4,192	282
1983	3.14	13,617	4,337	145
1984	3.12	14,023	4,495	158
1985	3.10	14,612	4,714	219
1986	3,08	16,094	5,225	511
1987	3.06	18,568	6,068	843
1988	3.05	17,217	5,645	423
1989	3.04	19,345	6,363	718
1990	3.04	19,735	6,492	129
1991	3.03	20,040	6,614	122
1992	3.03	20,133	6,645	31

Total Number New Housing Units Needed	4,336
Average Number of Housing Units Needed per Year	289

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

Table 30: Housing Requirements Case 2b (S.M.B.S.)

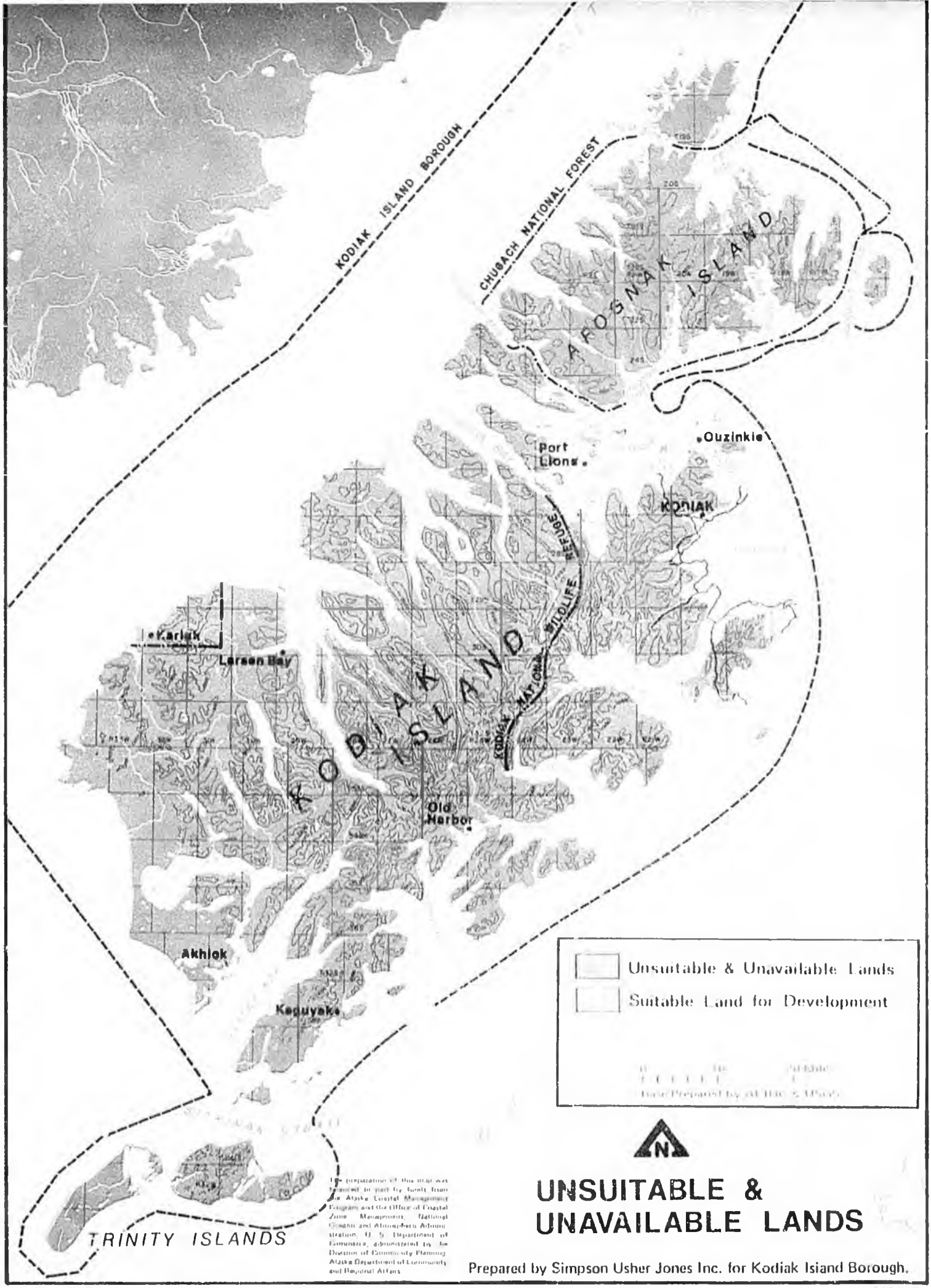
Year	Family Size	Population	# Housing Units	# New Units
1978	3.28	10,634	3,282	127
1979	3.22	10,996	3,415	133
1980	3.20	11,662	3,644	229
1981	3.18	12,434	3,910	266
1982	3.16	13,116	4,151	241
1983	3.14	13,353	4,253	202
1984	3.12	13,559	4,346	93
1985	3.10	13,829	4,461	115
1986	3.08	15,200	4,935	474
1987	3.06	16,090	5,258	323
1988	3.05	16,579	5,435	177
1989	3.04	18,861	6,204	769
1990	3.04	19,251	6,333	129
1991	3.03	19,556	6,454	121
1992	3.03	19,649	6,485	31
Total Number New Housing Units Needed				3,430
Average Number of Housing Units Needed per Year				228.8

Source: Simpson Usher Jones, Inc. (Sontag), 1977

Table 31: Housing Requirements Case 3 - High Find

Year	Family Size	Population	# Housing Units	# New Units
1978	3.28	10,634	3,282	127
1979	3.22	19,996	3,415	133
1980	3.20	11,662	3,644	229
1981	3.18	12,809	4,028	384
1982	3.16	13,364	4,229	201
1983	3.14	14,152	4,507	278
1984	3.12	14,988	4,804	297
1985	3.10	16,506	5,325	521
1986	3.08	19,038	6,181	856
1987	3.06	19,380	6,333	152
1988	3.05	19,369	6,350	17
1989	3.04	22,022	7,244	894
1990	3.04	22,128	7,279	35
1991	3.03	22,433	7,404	125
1992	3.03	22,526	7,434	430
Total Number New Housing Units Needed				4,679
Average Number of Housing Units Needed per Year				312

Source: Simpson Usher Jones, Inc. (Sontag), 1977.



UNSUITABLE & UNAVAILABLE LANDS

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough.

MAP 3

As indicated earlier, apparently the only suitable land available from directly related onshore facilities is either near or on the road system. This does not necessarily mean that all or even most housing will be in or immediately adjacent to the City of Kodiak. Depending on land use decisions made by the Kodiak Island Borough, a situation could easily arise whereby large numbers of housing units could be placed on the road system beyond the limits of public utilities and services but close to places of employment. For instance, if onshore service bases, marine terminals, and crude oil storage facilities are constructed near the end of the Chiniak Road at Chiniak or on Ugak Bay, personnel there who did decide to live in Kodiak permanently may choose to live relatively close to those facilities. Thus, a population center in that area is possible assuming developable land were made available for housing and ancillary commercial uses.

Conversely, if the Borough prefers to concentrate residential development in the metropolitan area, it could discourage and, in some cases, even prohibit residential development in other areas. This would affect the characteristics and, therefore, the impacts of growth related to OCS development.

Electrical Service

As indicated in the Community Facilities Inventory (Volume II), the Kodiak Electrical Association (KDA) has a current generating capacity of 24,918 kilowatts. At present all of KEA's generating capacity comes from diesel genrating turbines.

The current kilowatt-to-opulation ratio is 2.5 kilowatts per person utilizing the estimated 1976 population as a base. KEA feels that their current generating capacity will be satisfactory to accommodate the expected population growth through the early 1980's. This projection does not, however, take into account additional growth resulting from OCS development. Under normal growth conditions, by 1985 the population would be 13,439 people and the kilowatt-to-population ratio would be 1.8 kilowatts per person. However, with the induced population as a result of OCS development, that 13,000 plus population will be reached one to three years earlier than expected, depending on the development scenario. In addition, the population will continue to grow at an accelerated rate for about five years after that population is reached. Therefore, it is imperative that the electric utility begin to plan for additional power demands immediately. Also, if OCS facilities locate close enough to the City of Kodiak to utilize KEA power, it is likely that the current generating capacity would not be adequate past 1982.

With this obvious need for accelerated development of additional generating capacity, the question of the source of electrical power arises. As indicated in the Community Facilities Inventory (Volume II), KEA's plant is the largest diesel electrical generating plant in the state. At present the price of diesel fuel is rising at an extremely rapid rate. If diesel power is utilized to increase capacity and thus additional fuel supplies are required at the higher rates, then the cost of electrical power will rise accordingly.

This trend indicates a need for the development of alternative power sources. Hydroelectric power generation is historically the most inexpensive method of generating electicity. Consequently, the feasibility of the Terror Lake Hydroelectric project should be investigated thoroughly.

Law Enforcement Services

As indicated in the Community Profile and in Volume II (Public Safety Facilities), historically crime has not been a significant problem in Kodiak. However, in the last year there have been significant increases in criminal rates. This trend can be expected to continue throughout OCS development. The mobility of the new population and work force, the social and cultural differences, and pressures due to rapid population growth will result in increased crime rates. In order to cope with this situation, all of the law enforcement services should increase their effectiveness, primarily through increases in work force.

At present the ratios of police officers and public safety employees to population is relatively high in Kodiak, as is the number of law enforcement officers per thousand population. According to the 1975 Federal Bureau of Investigation, the average ratio of full time law enforcement employees (including civilians) per 1,000 population in cities under 10,000 in population in the Pacific states is 2.8 employees per 1,000 population in 1975. (9) In Kodiak, however, in 1976 the ratio of police department employees per 1,000 population was 5.1 per 1,000. However, the ratio of law enforcement officers per 1,000 in similar cities in 1975 was 2.2. In Kodiak the ratio is 2.5. This is based on an estimated city population in 1975 of 5,500 persons (see Volume II, Demographic Inventory). This ratio is about 13 percent higher than the average for cities of similar size and location. However, the high increase in crime rate justifies these higher ratios. In fact, to handle the work load required by the increase in crime, the department has proposed adding three officers to its force. This would bring the ratio of officers to population to 3 officers per 1,000 population.

In order to maintain the same police officer to population ratios throughout the rapid population growth period during OCS development, significant increases will have to be made in the police force. Table 32 shows an estimate of the required police force increases based on the growth of population of the entire Kodiak Island Borough. The estimated requirements for police force personnel was calculated in this manner for two reasons. First, it is impossible to determine the rate in which the City of Kodiak will grow relative to the entire population because of possible changes in city limits and unknown factors concerning the location of future residential units. Also, as the City of Kodiak is the only major city within the Kodiak Island Borough, most of that population spends some time within the city limits.

The current ratio of city police officers to total Borough population is 1.046 officers per 1,000. Based on the current estimated need for three new officers (see City Police Department - Public Safety Inventory, Volume II), the desirable rate would be slightly over 1.3 officers per

1,000 population. This figure is used in calculating the requirements for new police officers through the OCS development period.

Table 32: Police Force Requirements - City of Kodiak - With OCS

	Case 1		Case 2a		Case 2b		Case 3	
Year	Est. Pop.	Req.# Officers	Est. Pop.	Req.# Officers	Est. Pop.	Req.# Officers	Est. Pop.	Req.# Officers
1978	10,634	14	10,634	14	10,634	14	10,634	14
1979	10,996	14	10,996	14	10,996	14	10,996	14
1980	11,663	15	11,662	15	11,662	15	11,662	15
1981	12,092	16	12,434	16	12,434	16	12,809	17
1982	12,637	16	13,248	17	13,116	17	13,364	17
1983	12,791	17	13,617	18	13,353	17	14,152	18
1984	12,997	17	14,023	18	13,559	18	14,988	19
1985	13,439	17	14,612	19	13,829	18	16,506	21
1986	13,896	18	16,091	21	15,200	20	19,038	25
1987	14,368	19	18,568	24	16,090	21	19,380	25
1988	14,857	19	17,217	22	16,579	22	19,369	25
1989	15,362	20	19,345	25	18,861	25	22,022	29
1990	15,884	21	19,735	26	19,251	25	22,128	29
1991	16,424	21	20,040	26	19,556	25	22,433	29
1992	16,982	22	20,133	26	19,649	26	22,526	29

Source: Simpson Usher Jones, Inc. (Sontag), 1977

As can be seen, by 1992 the need for officers will increase in proportion to the population, rising by some 69 percent in Case 1 and some 123 percent in Case 3. These figures also apply to other public safety personnel, whose activity is directly related to police activity.

Kodiak must maintain a high level of law enforcement capabilities to maintain the quality of life. The "boom" that could occur will draw a higher proportion of cirminals that would normally come. To avoid severe criminal and social problems, police services must remain commensurate with population.

Educational Facilities

Rapid population growth will especially affect educational facilities in Kodiak. In the past public schools in Kodiak have generally shown increased enrollment figures as the population has grown. Between 1970 and 1974 the population within the five- to seventeen-year old age group grew at approximately three percent per year, comparable to the rate of growth for the total population. By 1974 that age group represented 28.2 percent of the total population on Kodiak Island. However, the continuation of that relative increase is difficult to project accurately for a number of reasons. First is the decrease in size of the average family in Kodiak, as described in the Demographic Inventory (Volume II). Second, families that move into Kodiak as a result of OCS development will tend to be younger and thus more likely to have children of school age. However, the fact that these people are more mobile and are in most cases moving to a new environment, often without prior knowledge of its characteristics, would tend to result in less children.

In estimating the future demands on educational facilities, we assumed that all these trends will stabilize the percentage of the population in the five to seventeen year old age group at approximately 30 percent. Table 33 shows the number of people in that age group that will result from the population growth associated with OCS development.

Table 33: Additional Classrooms Needed With OCS Development

	5-17 Age Group (30% of Total Population)				Classrooms Needed			
Year	Case 1	Case 2a	Case 2b	Case 3	Case 1	Case 2a	Case 2b	Case 3
1978	3190	3190	3190	3190	160	160	160	160
1979	3199	3299	3299	3299	165	165	165	165
1980	3469	3499	3499	3499	173	175	175	175
1981	3628	3730	3730	3843	181	187	187	192
1982	3791	3974	3935	4009	188	199	197	200
1983	3837	4085	4006	4246	192	204	200	212
1984	3899	4207	4068	4496	195	210	203	225
1985	4032	4383	4149	4952	202	219	207	248
1986	4169	4828	4560	5711	208	241	228	286
1987	4310	5570	4827	5814	216	279	241	291
1988	4457	5165	4974	5811	223	258	249	291
1989	4609	5804	5658	6607	230	290	283	330
1990	4765	5921	5775	6638	238	296	289	332
1991	4927	6012	5867	6730	246	301	293	337
1992	5094	6040	5895	6758	255	302	295	338

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

The table also shows the number of classrooms needed to maintain a 20 student per classroom ratio in the schools. At present the schools within the Kodiak metropolitan area are slightly above 20 students per classroom, and the village schools are in most cases well below that ratio. As most population growth associated with OCS development will probably be in the Kodiak metropolitan area and its environs, most classrooms will be needed there.

Now the urban area has 161 classrooms, according to the Kodiak Island Borough School District. This will meet the needs generated by population growth through 1978. After 1979 additional classrooms will be required as shown in Table 33.

Communication Facilities

The Glacier State Telephone Company has recently expanded its facilities in Kodiak to meet estimated demands under normal growth rates to 1980. The population expected in the Kodiak Island Borough under normal growth rates in 1980 would be 11,370 people. However, the next few years will experience the accelerated population growth generated by OCS development. Again it is imperative that the telephone company begin planning now to meet that demand as it occurs. Fortunately, according to Glacier State Telephone Company, the facilities in Kodiak are capable of expansion to meet any reasonable future demands. (See Communications Inventory - Volume II.)

The demands on commercial communication facilities (radio and television) will increase according to population increases. Since they are owned by profit-making corporations whose revenues are generated primarily by advertising, it is anticipated that the level of service will increase as revenues from advertising increase. This is a normal function of the commercial market and should represent no appreciable impact on the Kodiak community.

Recreational Facilities

Kodiak is fortunate to have a tremendous amount of park land and open space surrounding the city. The Chugach National Forest and the Kodiak Wildlife Refuge occupy the great majority of the land area of the Kodiak Island Borough. They offer good recreational facilities and opportunities. In addition Kodiak's location on the coastline near some of the best fishing areas and water recreation areas in the State further enhances the recreation opportunities available to the residents.

Neighborhood parks are another consideration, however. Currently Kodiak has less than 15 acres of neighborhood park area. According to the ratios developed in the Demographic Inventory, approximately 84 percent of the population, or 8,347 residents, currently live within the metropolitan area or on the road system. The National Park Recreation and Open Space Association recommends a minimum of 2.5 acres of neighborhood parks per 1,000 population. The ratio for Kodiak currently is 2.5 acres per 1,400

population. To bring the amount of parks into conformity with the national standards, an additional five acres is currently needed in the Kodiak metropolitan area for park lands. Based on the projected population increases due to OCS development, an additional 20 acres of neighborhood parks will be needed by 1988. See Table 34.

Table 34: Neighborhood Park Requirements - 1988 - With OCS

Case	1988 Population	Total # Acres Needed	# Additional Acres Needed
1	14,857	37	17
2a	17,217	43	23
2b	16,579	41	21
3	19,369	48	28

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

Again, according to the National Park Recreation and Open Space Association standards, neighborhood parks for a community the size of Kodiak should be between five and ten acres each. To accomplish this goal, Kodiak must begin planning the locations of these parks now.

Local Economy

Some of the largest impacts generated by rapid growth and development are felt in the economy. Many are the positive effects of economic growth: businesses flourish, job opportunities increase, and salaries rise. At the same time, however, prices and unemployment rise and those persons and families who cannot or do not partake of the higher salaries are adversely affected.

One basic cost that will probably rise as a result of an economic boom is the cost of government. As population increases, so does the demand for services provided by government. Funds to pay for those services will be generated by two sources. One is an increase in taxes. This is normally resisted by local government for a variety of reasons. The other is an actual increase in population which increases the tax base.

There is normally a lag in the services provided by government in a boom situation. Consequently, the demand for the services increases even more. In addition to this supply and demand function, increased government costs will be generated by the need for governmental provision of increased regulatory functions in a number of areas.

Rapid and increasing development demands monitoring and regulatory functions in order to preserve the health, safety and welfare of the population. These functions come in the areas of building codes, zoning, health and social services, education and police protection. All of these aspects have been discussed previously and their potential for increase has been noted.

In addition to regulatory and public service functions, additional governmental activity will be desirable in order to monitor the activities of the oil industry. Without such monitoring and the background data that it generates, the local governments cannot plan for and respond to the major phases of development.

Assigning exact numbers or percentages of increase to these factors is impossible without prior knowledge of the methods the community will utilize in approaching future growth. However, in general, increases from 10 to 15 percent per year in the cost of government would not be unexpected.

Increase in the cost of government also connotes an increase in the cost of living. The cost of living is affected not only by government but also by the increased demand and consequent costs of goods and services and housing. Housing is one of the most basic and largest cost in the cost of living index. As indicated before, demand for housing units will rise substantially during the exploration and development phases of OCS development in the event of a high find. Subsequent to those phases, the demand should return to a growth rate similar to that experienced prior to OCS development. During those periods of high demand, however, the cost of housing will be determined by the basic market function. If new development is encouraged and keeps pace with population growth, then increases in the cost of housing will be relatively normal. However, if residential development occurs at a pace slower than population growth, the cost of housing will increase.

As in the case of government services, there is a great potential lag in the provision of housing units. In the early 1980's population could jump substantially. However, most of that population growth will be based on short term employment. There could be a distinct tendency for the construction industry to avoid overbuilding during that period. Consequently, when permanent population increases do result from the longer term work in the mid-1980's, housing could be in extremely short supply.

The situation relative to basic commercial goods and services is similar to that of housing. However, the impact of OCS development should not be as direct. Most of the goods and services provided for OCS activities will be shipped from places other than Kodiak (Anchorage, Seattle, etc.). Consequently, the market function should provide basic goods and services to the population as it grows.

Impacts on basic industries could be either significant or neglible. As indicated in the Economic Inventory in Volume II, fishing is the basic industry in Kodiak. There are a number of ways in which the fishing

industry could be affected. If there is a major environmental catastrophe, the productivity of the industry could be drastically reduced. This would severely damage the economy of Kodiak despite the economic growth due to OCS development. In the absence of environmental catastrophes, the potential productivity of the fishing industry would be governed, as it is today by primarily natural instead of economic factors. The economic productivity of the industry increases due to increased local demand for fresh fish products.

The fishing industry could also be affected by a reduction in the labor force. If wages and salaries paid to workers associated with OCS development are competitive with earnings in the fishing industry, industrial activities could syphon off some of the fishing labor market. If so, the overall economic productivity of the fishing industry could be reduced. Even this impact could have beneficial qualities. If fishing productivity remains high, it is doubtful that successful fishermen would abandon their current jobs. If the fishing productivity declined because of natural factors, then the industrial activity associated with OCS development might serve as a "labor sponge" for these fishermen not able to make competitive wages. This might also reduce the intensity of fishing activity in those lean years, allowing marine resources to regenerate.

Another potential impact on the fishing industry is the increase in oil-related marine activity. As indicated, at the peak of activity as many as 12 supply boats could be making up to 300 trips per month. This would be in addition to the associated barge and tanker traffic.

Collisions are a serious result of this increased marine traffic. While the number of boats involved in oil activities will be insignificant compared to the total number of fishing boats, the frequency of supply boat trips makes collisions a hazard. This is especially true considering the frequency of weather conditions limiting visibility in the Kodiak area. A collision between a supply boat and a fishing vessel could have serious repercussions in addition to the possible loss of life and property. It could create resentment against oil-related people and a subsequent increase in social and psychological pressures. On the other hand, oil-related boats and platforms could provide navigational and emergency services.

Impacts on the fishing industry can also be caused by obstructions on the sea floor that interfere with fishing gear. Obstructions could include pipelines, production facilities, anchors associated with semi-submersible rigs, and debris. All but the latter should be marked by buoys. However, some buoys will enevitably be lost. To minimize fishing gear damage, the industry should initiate a strict bouy maintenance program. They may also establish a fund to replace of been damaged by oil-related equipment or activity.

Another adverse effect on the fishing industry results from potential competition for harbor facilities and marine services. Although Kodiak is among the top three fishing ports in the United States, the community is extremely short on harbor facilities and marine services. The small

boat harbor is hopelessly overcrowded and boats are normally parked up to four abreast at the transient docks. Competition is high for space on the grids and fuel dock. Nevertheless, through a spirit of cooperation and common purpose, the fishing boats seldom have serious conflicts. The addition of oil industry-related marine traffic could create significant problems. Harbor facilities cannot handle the 200 foot supply boats and no maintenance facilities are capable of servicing oil-related vessels. In fact, there are no dry dock facilities on Kodiak Island.

In addition, fuel supplies may not be sufficient for both oil and fishing boats. For example, in August 1976 several geophysical vessels operating on the Kodiak Shelf refueled in the harbor. In doing so they depleted the supply, and fishing boats were left without fuel. This situation can create an adverse reaction toward the oil industry as well as economically affecting the fishing industry. To avoid this competition between oil and fishing vessels, the oil industry could moor, maintain and fuel their boats at supply bases remote from the fishing ports on Kodiak Island. In addition, operators of both oil and fishing industry vessels should understand the purpose, needs and capabilities of each vessel's use.

Transportation Impacts

As with other basic community facilities and services, OCS impacts on Kodiak's transportation system would be substantial. They can be measured in terms of the expected increases in industrial activity as well as increases in population. The potential increased demand for roads and airport facilities has already been described. Impacts, especially those associated with surface transportation, will be substantial and costly.

Air Transportation

Considering the labor force directly related to oil development and production (not including construction workers), we can estimate the requirements for commercial air carrier service. This kind of shift or "hitch" work has been common in the oil fields of Alaska.

During the peak years of 1987 in Case 2a and 1986 in Case 3, 1375 and 2122 people will be employed, respectively, in the offshore/onshore support services. If a three week on, one week off crew change schedule is utilized, the 25 percent of that work force will change crews each week. Consequently, 319 or 530 people per week will leave their jobs for home, assuming most workers do not move to Kodiak.

At present Wien Air Alaska flies up to 14 flights into Kodiak per week, and Western Airlines flies three flights a week to Kodiak from Seattle for seven months of the year. During the summer, then, a total of 17 flights a week to Kodiak. The Boeing 737 aircraft that Wien uses carries 112 persons; however, Wien often has cargo on the same aircraft. Based on an average two-to-one passenger to cargo area ratio, it can

carry approximately 900 persons per week into and out of Kodiak.(10) The Western plane carries almost all passengers, giving an average capacity of 110 passengers and allowing 330 passengers in and out of Kodiak per week. This gives Kodiak a total commercial air carrier capacity of 1230 passengers per week. The addition of 319 employees, as in Case 2a, would require an extra three flights per week; 530 workers, as in Case 3, would require five extra flights.

In addition to the employees directly related to OCS development, construction crews will be moving in and out of Kodiak. It is impossible to estimate the volume and frequency of their travel. However, if the local government isolates OCS industrialization from population centers, the work force will live in construction camps at the construction site. Constractors would then probably to go to the crew change mode of operation. Added to these employees will be the increased population due to economic development and the increased in transient assuming a relatively large number of "boomers" or "camp followers" will arrive in Kodiak on a regular basis.

Along with passenger traffic increase comes an increase in cargo volume. Additional cargo capacity will be needed primarily to supply the everyday goods necessary to support an increased population, although there may be an added increase due to the OCS related supplies utilized for the construction camps, marine service bases, and offshore rigs. Again, it is difficult to estimate the increases in cargo necessary without extensive research into airline records. However, based on the information available, an additional two flights per week from Anchorage would be required for purely cargo purposes in the event of a high find.(11)

This brings the total increase in flights into the Kodiak airport to a potential five to eight per week, or a 29 to 47 percent increase in commercial air carrier activity. This would give a total of 22 to 25 flights per week, or about three flights per day, into Kodiak on a year round basis.

Marine Transportation

The impacts on marine transportation facilities will also be significant. As indicated in the Transportation Inventory (Volume II), City of Kodiak dock facilities are currently operating at their maximum capacity. In the last year, 165 vessels have utilized the city dock facilities and have moved 205,000 tons of cargo to and from Kodiak. That cargo volume represents no extraordinary industrial acitvity. We can assume that the demand for cargo tonnage will increase at least in proportion to population growth, not including increases in cargo due to OCS-related activity. Since the capacity of existing facilities is limited, thier use for OCS-related cargo should be avoided.

In 1976 the ratio of cargo tonnage at the city dock per population was approximately 21 tons per person based on the estimated population of the Borough. Table 35 gives the total tonnage through 1992 based on population growth anticipated by OCS development.

Table 35: Estimated Tonnage*- Kodiak Cargo Dock - With OCS

Year	Case 1 No Find	Case 2a Mod Find Pipeline	Case 2b Mod Find S.B.M.	Case 3 High Find
1978	223,314	223,314	223,314	223,314
1979	230,916	230,916	230,916	230,916
1980	242,823	244,902	244,902	244,902
1981	253,932	261,114	261,114	268,989
1982	265,377	278,208	275,436	280,644
1983	268,611	285,957	280,413	297,192
1984	272,937	294,483	284,739	314,748
1985	282,219	306,852	290,409	346,626
1986	291,816	337,974	319,200	399,798
1987	301,728	389,928	337,890	406,980
1988	311,997	361,557	348,159	406,749
1989	322,602	406,245	396,081	462,462
1990	333,564	414,435	404,271	464,688
1991	344,904	420,840	410,676	471,093
1992	356,622	422,793	412,629	473,046

* Estimated at 21 tons/person

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

Over the next 16 years cargo weight increases steadily by some 65 percent in Case 1 and 119% in Case 3. Since current dock facilities are operating at capacity, additional facilities will be required. It is not necessarily true that the frequency of vessel berthings will increase commensurate with the total tonnage increase. As Kodiak demands more cargo tonnage, it will become more economical for shippers (in this case, Sealand) to devote more cargo space on board each ship to Kodiak. There will undoubtedly be some increase in berthings, but the magnitude of increase is impossible to determine. Even so, under current conditions of 165 berthings per year, an average 2.2 days per berthing is available for unloading. As the frequency of berthings increases, the time available to load and unload ships decreases. As this happens, the need for storage and maneuvering space on the dock will become more critical. The City of Kodiak should expand port facilities as demand increases, and plans should be formulated now to keep abreast of community requirements.

Surface Transportation

Surface transportation between the airport and the service bases will generate additional transportation needs, as will transport of freight by barge and ship from the "Lower 48" or ports in Alaska (Seward or Anchorage) into the service base. Without knowing the size of the ships involved, it is impossible to estimate the frequency of trips needed to supply the 800,000 to 1.2 million tons of freight involved in the highest estimated level of development, Case 3. However, marine traffic is sure in increase substantially.

Industrial vehicular traffic between the service bases and the City of Kodiak will also increase if the bases are located on the highway system. This increase will be lower than that for marine traffic, as the bulk of drilling materials will be transported via ships and barges. (12) If it proves a significant increase, though, the roadbed along the Chiniak Highway must be upgraded. Bridges on the highway are relatively new and can support large semi-tractor/trailer trucks, according to the Highway Department (see Volume II - Transporation Facilities).

SUMMARY OF IMPACTS

Based upon the discussions and assumptions made in the preceding sections, it is clear that the total environment, both natural and human, will be subject to significant changes throughout the OCS development depending upon the level of oil activity. In Cases 2 and 3, the population will increase dramatically and change the social, economic and environmental characteristics of Kodiak Island. Public services will be in demand and possibly in short supply. Prices and the cost of living will increase at a rate never before experienced by the indigenous population of Kodiak. The everyday life of the resident of Kodiak will change as activity increases.

Many people are concerned that the quality of human life will be drastically and adversely affected. To some extent this is undeniable. However, in large part, the assessment of the quality of human environment is subjective. Presumably, most current residents live there becasue they like the attributes of Kodiak. From their standpoint the changes will undoubtedly degrade the quality of life. However, new residents who move there as a result of OCS development may feel that the quality of life may improve.

The potential for impacts on the natural environment are indeed frightening. In a "worst case scenario", large areas of land could be destroyed, the resources of the abundant sea could be reduced or destroyed, the quality of water, both fresh water and salt water, could be severely degraded, and the air around Kodiak could turn to a hazy brown. Conversely, if strict controls are placed on industry activities and if the oil development process is fortunate enough to be free of natural catastrophes and significant human error, the final assessment of impacts on the natural environment could be minimal. The potential for each case is there. Much depends upon the residents' level of concern, the efficiency of the

government in its regulatory functions, the responsiveness and responsibility of the oil industry, and, perhaps most important, the cooperation of nature.

ALTERNATIVE POLICIES AND PROGRAMS

There are a number of methods available to the Kodiak community and its governments that will allow preparation for and some degree of control over the impacts of OCS development. As has been indicated earlier, the actions of the oil industry have the potential of affecting all segments of the social and economic structure of Kodiak and almost all locations in the Kodiak Borough. Some of these impacts will be more significant than others; however, all of them need to be addressed by the community.

The community should be constantly aware that the most effective way to control impacts of any development, including OCS related activities, is to control the source of those impacts. This does not necessarily mean imposed or totalitarian control; cooperative control can be even more effective. In this case the source of the impacts is OCS activity. However, in the case of each individual impact there is also a subsource, i.e., marine traffic, environmental degradation due to construction, population growth, etc. In each case some form of control over those subsources would be the ideal method of mitigating the impacts. In a totalitarian government control of the impact sources would be a basic function of government and would be relatively uncomplicated in terms of the power of control. However, that situation would also give rise for opportunities for abuse of the control, both over the activities and the people affected by the impacts. In the United States, in order for a community to gain the level of control that will be effective in determining negative impacts, cohesive actions on the part of the entire community is necessary. Any OCS community has the power to control OCS related development to a certain extent. In order to do so, however, it requires a tremendous amount of human energy. Public officials and the residents of the community have to be knowledgeable of the operational modes, attitudes, and methods of the oil industry. In addition, the community must identify the factors which can give them a good bargaining position. Those that are already available should be strengthened. Any others that are possible should be developed. Alternative courses of action should be formulated with respect to dealing with the oil industry and the direct and indirect impacts that can be expected. A wide range of community input should be received prior to settling on the utilization of one of those alternatives. When that decision is made, and only after it is made, the community can begin to effectively exert a controlling influence on their future with respect to OCS development.

In a step designed to begin that decision making process, the Kodiak Island Borough has recently signed a contract with the State Department of Community and Regional Affairs that will provide funds for the preparation of a Comprehensive Plan and an economic adjustment strategy intended to allow the community to prepare for the impacts of OCS development. The funds are being made available through the Federal Economic Development Administration and the Department of Housing and Urban Development.

These studies will include a set of comprehensive goals and objectives, a land use plan, an economic base study, a community facilities study, a housing study, a transportation plan (both internal and external), an implementation plan, a capital improvements plan and a government services program. The results should provide detailed recommendations for policies and programs to be pursued in each area based on the goals and objectives. This will be Kodiak's first opportunity to express its desires and needs in relation to OCS oil development. The strategies formulated will give direction to the governments and the oil industry concerning the community's intended approach toward OCS activities and their impacts.

The program and policy areas discussed below are intended to provide the impetus for direction that those studies should take. They are discussed in terms of alternatives. Without the input and information developed in the forthcoming studies, no final decisions can be made concerning the exact policies and programs that should be implemented. However, some recommendations are made where specific problems have been identified.

LAND USE POLICIES

Almost any economic activity requires the use of land. OCS development is no exception. Land is very important to the oil industry both in terms of dollars and convenience. Land will also be required by the community as a result of the indirect impacts of OCS development. Population growth will require land for housing, commercial activities and community facilities. All of these areas should be addressed by the community as they formulate their land use policies.

Industrial Site Planning for OCS Activities

There are a number of methods available for community control and/or regulation of OCS projects. In the coming years the local governments will be faced with numerous decisions concerning OCS related development projects as well as projects resulting from population growth and community expansion. In evaluating the suitability of industrial facilities related to OCS development, the community should know what stage of OCS development activity is involved in the facility, the scale and size and duration of the project, the type of activity that will be carried out as a result of the project, complete information concerning the ownership, management and ultimate responsibility for all aspects of the project, and the need for any public services that will be required by the project. Also, prior to making a final decision, the community must determine, either through assistance from the project sponsor or assistance from other governmental agencies (the state and federal government) or through its own staff, what the environmental, economic and social implications of the project might be.(13) There are two primary methods available to gain this information.

The most direct method of control is ownership. The community can either own the land or own the facility itself. If it owns the land, it

can lease it or it can sell it. Leasing is an extremely powerful method of control. A lease can contain many stipulations. The local government has almost no restrictions on the type of requirements they can include, such as the type of facility involved, the operational methods of the projects, the scale and magnitude of the project, design review requirements, and mandatory scheduling restrictions.

If the local government elects to sell land to the sponsor of an OCS related facility, the sale can affect almost any aspect of the ensuing development. However, control through deed restrictions is not as direct nor is it as effective as the controls that can be placed on a lease document.

The community also has the option of actually building the faciltiies through a public development corporation or an independent authority. The complete facilities can then be leased to the industry operatives. Pros and cons are associated with special purpose authorities. They offer a method of obtaining financing and funds other than those utilized by local governments. They also offer the opportunity to oversee a particular development with personnel who have the specific technical and professional expertise in the related field. Authorities can unfortunately be extremely complicated and redundant in terms of the powers that they exercise. Special purpose authorities are used throughout the United States for the development and control of ports, airports, housing programs and public services and facilities.

An alternative to creating a special purpose authority would be for the local governments to build and own the required industrial facilities as public facilities. Financing for an endeavor such as this could come from the oil industry itself.

The major method of controlling or affecting the impacts of OCS development is through regulations. Local governments in Alaska are charged with the responsibility to provide guidance and regulation in a number of fields. The resultant regulations have the potential of being extremely powerful in terms of effective control over OCS related projects. The types of regulations available include zoning ordinances, building codes, comprehensive planning and associated so-called specific area planning, capital improvements scheduling and growth phasing, and specific regulations developed for the purpose of controlling OCS development.(14)

The most common and probably the most affective of these regulations in terms of their potential for control over OCS industrial projects is the zoning ordinance. Through the use of a zoning ordinance, local government has the opportunity to establish land use limitations, dimensional requirements which include height, lot coverage, building placement, noise requirements, parking regulations, access requirements, review processes and a variety of other specialized regulations and requirements. Through judicious use of zoning powers, the Borough can determine the exact location and size of a particular zone that will allow OCS development. It should be noted, however, that these tools must not be used indiscriminately. One of the most basic concepts of planning, and one that has been upheld by the courts repeatedly in recent years, is that

zoning patterns and ordinances must be based upon comprehensive planning decisions that have already been made and published by the community. Without the proper background and implementation procedures, the zoning ordinances stand a good chance of being declared unconstitutional if taken to court.

The comprehensive plan is also a good tool for the regulation of industrial activities. It should indicate the type of development that the community expects to see, and the locations within which that development should occur. Within the comprehensive planning process, the community may include neighborhood plans or specific area plans. These are normally much more detailed in their scope and recommendations concerning land use and development.

Another strong method of control and/or regulation of OCS development is the environmental review process which is available through the federal government when federal funds are utilized. However, the local government has the authority to establish environmental criteria and review procedures for specific types of development. These can be used to affect the operational modes as well as the location of OCS related facilities.

Many of the above stated direct and indirect regulatory and control processes are currently available in the Kodiak Island Borough. However, a number of them are not available and have not been considered. The following recommendations are made based on obvious needs that currently exist in Kodiak. Acceptance and implementation of the recommendations should be based on goals and objectives that are developed during the comprehensive planning process.

Recommendations

1. To the extent possible, the Kodiak Island Borough should discourage the location of OCS related industrial facilities within the Kodiak metropolitan area or in any of the other villages on Kodiak Island. The location of such facilities within those areas would be extremely disruptive to the traditional lifestyles, community structures, and social and economic characteristics. Also none of the communities provide the services and facilities required by the oil industry; consequently, an attempt to provide those facilities would result in an extreme hardship on the community for many years to come. The Borough should insist that the oil industry be self sufficient and willing to pay its own way in terms of the impacts resulting from facilities directly related to OCS development and the indirect impacts created by population growth accompanying OCS development.

2. As stated, the community is beginning a comprehensive planning process. A great deal of attention should be devoted to this on the part of the public officials as well as the residents of the community. Extraordinary measures should be taken to involve the community in the process so that an educated, cohesive and unified position can be taken by all of the residents of Kodiak Island on subjects of future growth and industrialization.

3. The Borough should completely revise its land use regulations in conjunction with the new comprehensive plan. As part of this revision process, the Borough is urged to look at new and innovative land regulation techniques such as planned unit developments, specific area plans, contract zoning, and conditional use permits.

4. The transportation portion of the comprehensive plan should include an official streets and highways plan that delineates major and minor arterials, collectors and neighborhood streets as well as standards for construction and traffic loads for those streets.

5. A complete detailed six year capital improvements program should be developed and adhered to.

In addition to these recommendations for specific programs and policies, the community should investigate the feasibility of utilizing the following methods of OCS control.

1. Special purpose authorities.

2. Financial and staff assistance from state and federal agencies.

3. The possibility of cooperative and/or joint agreements with the oil industry for development of OCS facilities.

Residential Policies

The current housing problem in Kodiak will become more severe unless action is taken now to solve the problem. The community must determine its goals and objectives and desires as well as its capabilities. The type of housing, the density and the location at which housing should be placed should be specifically identified. Also important are the obstacles present that could inhibit the development of housing in Kodiak. These could include financing, community facilities and utilities, and land. Assistance is available from both state and federal agencies as well as private consultants in solving these problems.

A number of approaches can be taken in dealing with housing problems. They must be coordinated with the comprehensive planning effort and an adopted set of goals and objectives.

One of the first tasks necessary will be to determine what lands are appropriate and available for housing development. Plans must be made for the provision of a full range of community services and facilities (water, sewer, roads, electricity) to that land. Without this action, housing development in the future will be haphazard, scattered and provision of public services in the future will be significantly more expensive.

The community should also encourage utilization by developers and public agencies of federal and state housing programs. Numerous programs are available ranging from assistance to the housing occupant to mortgage

insurance and direct assistance to contractors. It is also possible for the local governments to set up housing authorities through federal programs and thus be able to develop the housing themselves.

It will be important during certain phases of the OCS development for theIt will be important during certain phases of the OCS development for the community to have made provisions for temporary housing. During periods of high intensity, short term employment the demand for housing will be especially high. This "spill over" housing could be developed through mobile home parks with temporary water, sewer and electric facilities that could either be converted or removed when the demand for such housing decreases.

One of the most serious housing problems in Kodiak is cost. Throughout the various phases of OCS development that problem will become consistently more serious. It is important for the community to institute programs and policies that will help alleviate escalating cost trends to the extent possible. Rapid inflation of land costs can be stabilized through the passage and strict adherence to comprehensive plans.(15) If a landowner or prospective land buyer knows that the land in question has been planned and zoned for a specific use, the value of that land will not only be established and maintained, but the potential for speculative increases in land costs will be reduced.

Escalating construction costs can also be counteracted through a number of public policies. These are primarily centered around zoning and the provision of public services. As we have pointed out previously, higher densities will normally decrease public costs. They will also result in lower cost per unit to the consumer. Higher density housing does not necessarity mean that the living environment within those units is degrading. Through modern zoning and design techniques, townhouses and condominiums with adequate recreational and design amenities can be encouraged. The result can be very attractive residential projects on relatively small amounts of land. Such projects have the potential of a greater efficiency of public utilities and roads and less expensive building costs compared with the quality of the units involved.

This concept applies to almost any type of housing development. Through the use of incentives, the local governments can allow the housing developer an opportunity for a high rate of return on his investment in return for the provision of greater amounts and qualities of amenities.

Recommendations

The following recommendations are made for consideration by the local community.

1. In the capital improvements program and the comprehensive plan, the community should indicate exact areas where public utilities and facilities are to be extended. They should also specifiy the timing of the provision of those services. This will allow both public and private entities to prepare for development well in advance of its occurrence

and thus reduce escalation in land costs and result in improved physical planning. There is no question that as population grows housing units will be built, and in many cases public facilities, utilities and roads will have to be extended to them. If their location and densities are predicted in advance, the cost of providing those services could be reduced.

2. The rewrite of the zoning ordinance should include conditional use or special exception provisions in order to provide the local governments with the tools necessary to encourage innovative quality development. These will also provide the decision makers with a review and veto power over both residential and other types of development that are not in compliance with the comprehensive planning principals.

3. The community should develop and adopt a mobile home park ordinance and indicate on the comprehensive plan map, as well as the zoning map, areas in which it can be utilized. This will help to provide the spill over housing on a temporary basis and, if developed for permanent use, can allow moderate income families to own their own homes. Mobile home parks can be developed in an extremely attractive manner, assuming the inclusion of appropriate design and recreational amenities. The value of the mobile homes involved can actually appreciate over the years rather than depreciate, which has historically been the case in Kodiak.

Auxiliary Commercial and Industrial Policies

As the population in Kodiak grows as the result of normal growth trends or at an accelerated rate due to OCS development, the demand for commercial services and ancillary industrial uses will increase. There will be many development proposals placed before the community that are not directly associated with OCS activities. The community must be ready to analyze and make decisions concerning those developments with respect to the community goals. In reviewing commercial and industrial projects, information similar to that required for review of OCS related projects needs to be determined. In addition communities should analyze the market area that would be served by commercial projects. This will have an impact on the analysis of the locational characteristics of the project. In addition the communities should analyze the potential land use conflicts that could result from the location of commercial uses. In order to do so, information has to be gathered on current trends in Kodiak and their appropriateness to the communities' goals and objectives. This should be done as part of the comprehensive planning process. An important aspect of commercial and industrial projects are the traffic flows that will be created by their locations. Adequate streets that will prohibit the use of noncommercial (i.e., residential/recreational) streets for industrial or commercial oriented traffic should be provided. An official streets and highways plan would be extremely valuable in this type of analysis.

Recommendations

1. Kodiak should concentrate all major commercial development in the downtown area. The zoning ordinance could aid in doing this by providing incentives or bonuses for design amenities in this area. The incentives could be in the terms of height increments, density or intensity allowances, and a variety of other dimensional factors. Also, in order to encourage development in the downtown area, the community should consider the addition of municipal parking lots or structures in the downtown area. If the problems of vehicular conjestion continue to worsen, retail shoppers will tend to go to outlying shopping centers for their commercial services. Consequently the downtown area could actually decline in relative importance to the retail industry as the population increases.

2. While encouraging major commercial development in the downtown area, the planning authorities should allow for small neighborhood shopping facilities. These facilities should provide the commercial services that are needed to supply residential areas with their day-to-day commercial needs. It should not include commercial services that are provided on a community wide basis or other retail and heavy commercial outlets that are not necessary for the support of day-to-day needs. If these neighborhood commercial areas are kept small, they will not detract from the downtown area. This will help to reduce land use conflicts as well as traffic conflicts in and around residential areas by reducing the demand to drive downtown each time a small purchase is necessary. This balance between downtown and neighborhood commercial areas is critical and should be addressed in detail in the comprehensive plan.

3. Kodiak should consider the promotion or development of industrial/commercial parks. By concentrating industrial/commercial uses that are not necessary for day-to-day shopping needs or appropriate for the downtown area, both the community and businesses involved can benefit. This type of development will promote better use of land and public facilities, as well as enhance the esthetic qualities of commercial development. It also offers the opportunities for businesses that offer commercial services to other businesses to locate near their clients. This can be accomplished through the zoning ordinance as well as through municipal land leases and/or municipal development corporations.

TRANSPORTATION POLICIES

Transportation is Kodiak's lifeline. Its importance will increase throughout the phases of oil development, both from the standpoint of increased industrial requirements as well as because of population increases. The transportation characteristics of Kodiak are such that a significant rise in the cost of transportation can have a tremendous effect on the cost of living. The transportation system in Kodiak has three primary subcategories. They are (1) external transportation (transportation to and from the island from other points in Alaska and the Lower '48), (2) internal transportation (transportation to the

various parts of the island), and (3) local transportation within the communities. The community with the most obvious need for transportation planning and facilities is the city of Kodiak. The following will be a review of the alternatives available to the Kodiak Island Borough in preparing the transportation system for the impacts of OCS development.

External Transportation

Kodiak's external transportation system is based on the marine and airport facilities. They will have to be maintained and expanded in order to keep pace with future demands. One way to accomplish this difficult and expensive task is through a port or transportation authority. An authority can often deal with the problems of developing and maintaining the port, airports, and harbor facilities more efficiently than local government. This alternative could be accomplished solely by the City or Borough or through a joint authority with the State. At present land for the port facilities in Kodiak is limited, and efficient land use is critical. It will also be necessary in coming years to expand that facility. A significant amount of funds will be necessary for the development of port facilities to keep pace with the demands. One advantage of an authority is its ability to raise funds and obtain financing. It can provide the opportunity to improve the transportation facilities and thus attract transportation oriented businesses to locate on and around the facilities that they utilize.

As indicated in the development scenarios, there could be a large increase in air traffic into the Kodiak area. Passenger and cargo services will be necessary to accommodate the OCS development directly as well as the growing population of Kodiak. In order to accommodate this traffic, it is expected that airport facilities will be expanded. As has been indicated, the oil industry will require land, warehousing space, and maintenance facilities at the airport. The commercial air carriers will undoubtedly need additional space for their operations. Planning for this type of development in conjunction with upgrading airport facilities is not normally part of a community comprehensive plan. Funds for airport master planning are available through the Federal Aviation Administration. Without proper planning, the Kodiak airport could develop into an inefficient community facility with significant land use and safety problems.

The Borough should also encourage the State of Alaska to increase its ferry service to Kodiak. A port or transportation authority could help in this field by providing facilities and funds to upgrade that service.

Internal Transportation

As population pressures increase in Kodiak, recreational demands will also increase. There will be a demand for transportation throughout the Kodiak Island group. As population grows in the outlying villages, either as a result of OCS development or natural growth trends, access to the Kodiak metropolitan area will become more important also. Air

carrier service to the villages will increase; consequently, safety and cost problems could arise. The Borough should investigate the possibility of an Air Systems Study for the Kodiak Islands to insure that the airport facilities around Kodiak Island are adequate to handle projected demands.

In addition, there will be increases in demand for noncommercial access throughout the Borough. Facilities to meet these demands could be accomplished through a system of secondary roads leading to small docks and boat launching ramps at strategic points, at least on the northwestern part of Kodiak Island. This would allow transportation from the relatively nearby communities without the use of commercial carriers. Again this could be handled through a transportation authority or as a capital project administered by the Borough itself.

Local Transportation

Traffic, especially in the City of Kodiak, could be a major problem associated with OCS development. One of the concepts that needs to be considered in addressing these problems is the separation of commercial, industrial and normal vehicular traffic whenever possible. The Borough also needs to develop standards as part of their official streets and highways plan for the various classifications of roads. This can help to create throughways that avoid traffic impediments. The possibility of public transportation should also be addressed in the future. Funds are available through the Federal Department of Transportation and the Department of Housing and Urban Development for demonstration projects and facilities. While the present population will probably not support a public transportation system, by the end of the projected development phase of OCS activity a system may be needed. Also, as traffic increases in Kodiak, the potential for pedestrian/vehicular conflicts will increase. A trail system would help avoid this as well as provide additional recreational opportunities.

Recommendations

The following recommendations are made with respect to all of the subcategories of transportation needs on Kodiak Island.

1. The Borough and/or City should investigate the feasibility of a transportation authority. The authority should be comprehensive, with powers over the port, airports, the OCS transportation facilities, and should operate in close coordination with the Public Works Department of the City of Kodiak. This will allow for a comprehensive approach to transportation on Kodiak. It will open new avenues of funding that may make it possible to upgrade the transportation system consistent with the demands that could be placed upon it in a relatively short time.

2. The recommendation is repeated here that the Kodiak Island Borough develop, adopt and strictly implement and enforce an official streets and highways plan.

3. The State Division of Aviation should be urged to apply to the Federal Aviation Administration for funds to prepare a master plan for the Kodiak Airport in accordance with FAA Advisory Circular A/C 150/5070-6.

4. The community should address the future of the city of Kodiak's general aviation airport near the downtown area. This airport has many advantages but also has the potential for future disadvantages as population increases. FAA funds may be available to study the future growth potentials and/or land use conflicts that could result from dramatically increased air traffic operations at that airport.

COMMUNITY FACILITY, UTILITY AND PUBLIC SERVICE PROGRAMS

In previous sections the capabilities of and projected demands on community facilities, utilities and services have been identified. Also suggestions for provision of those facilities, utilities and services have been offered. Without the guidance provided by adopted goals and objectives as part of a comprehensive plan, this study can go no further. The following section will briefly summarize the problems identified and suggest principal sources of funds available to help the community in finding solutions.

Housing

As indicated above housing is and will be a major problem in Kodiak throughout the OCS development process. To meet the anticipated demand, the existing housing stock is important and must be maintained. New housing development must be encouraged in order to meet the demands that will be placed on the housing market in the future. Because of the rising demand and escalating costs, there will be an inevitable increase in the cost of housing also. In many cases this rising cost of housing will be offset by increased salaries. However, fixed and low income people and families could be severely impacted. Consequently, the maintenance and upgrading of the existing housing is especially important.

Maintenance and Upgrading of Existing Housing Stock

The community should encourage the upgrading and enhancement of neighborhood areas that are deteriorating under current conditions. Continued deterioration in certain areas (see Housing Inventory - Volume II) will remove that housing from the housing market.

Funding for housing maintenance and rehabilitation is available primarily through federal sources. The Housing Community Development Act of 1974 provides funds for neighborhood redevelopment. The City of Kodiak is an entitlement city under that Act and is currently in the process of upgrading the Aleutian Homes area with paved streets and storm drainage

in hopes that some of the poorly maintained houses within that area will be improved. The Kodiak Island Borough has obtained discretionary funds through the Act for the last two years and has been investing them in public facility improvements within the villages. This should help to maintain the housing stock in those areas.

Rehabilitation loans are also available through HUD under Section 312 of the Housing Act of 1964. These are direct federal loans to finance rehabilitation in urban renewal and code enforcement areas which are identified by the local government. By financing rehabilitation to bring the property up to applicable code requirements, the loans prevent unnecessary demolition of basically sound structures. The limit on these loans is $17,400 per dwelling unit. Any property owner in urban renewal or concentrated code enforcement areas is an eligible applicant as long as he can demonstrate that the loan can be repaid. Repayment requirements vary.

Another program through the Department of Housing and Urban Development is entitled Housing in Declining Neighborhoods. It provides mortgage insurance to purchasers to rehabilitate housing in older, declining residential areas. It is designed to provide adequate housing for low and moderate income families. HUD insures lenders against loss on mortgage loans to finance the rehabilitation of older, declining but still viable areas where conditions are such that normal requirements for mortgage insurance cannot be met. The terms of the loans vary according to the HUD/FHA programs under which the mortgage is insured. Any home owner or project owners eligible for FHA mortgage insurance is eligible for these loans.

There are many programs available to assist in the development of new housing. The majority of the federal programs available are administered through the Department of Housing and Urban Development. A review of the significant programs appropriate for Kodiak follows:

HUD Housing Programs

1. Home Mortgage Insurance Program. Through this program HUD insures commercial lenders against loss and encourages lenders to invest capital in the home mortgage market. The Federal Housing Authority insures the loans made by the private financial institutions for up to 97 percent of the property value and for terms of up to thirty years. Any applicant is eligible as long as he can make the cash downpayment and the mortgage payments.

2. Home Ownership Assistance for Low and Moderate Income Families (Revised Section 235). This program enables eligible families to afford new or rehabilitated homes that meet HUD standards. The Federal Housing Administration insures mortgages and makes monthly payments to lenders to reduce interest to as low as five percent. The homeowners must contribute 20 pecent of their adjusted income to monthly mortgage payments and must make a downpayment of 6 percent of the total cost of buying one home. There are dollar limits on the loans and sales prices. In

Alaska the limit is $29,000 ($33,000 for homes for five or more persons). The income limit for initial occupancy is 95 percent of the area median income.

3. Home Ownership for Low and Moderate Income Families. This program insures lenders against loss on mortgage loans to finance the purchase, construction, or rehabilitation of low cost one to four family housing. The maximum insurable loan for an owner-occupant is $29,000 in Kodiak. For a larger family (five or more persons) the limit is $33,000. Higher mortgage limits may apply to two to four family housing. Income level for initial occupancy is 95 percent of the area median income.

4. Condominium Housing. This program insures mortgages made by private lending institutions for the purchase of individual family units and multi-family housing projects. Sponsors may also obtain FHA insured mortgages to finance the construction or rehabilitation of housing projects which they intend to sell as individual condominium units. Any qualified sponsor may apply for a blanket mortgage covering the project, and any credit worthy person may apply for a mortgage on individual units in the project.

5. Mobile Homes (Title 1). The purpose of this program is to facilitate financing of mobile home purchases, thereby providing alternative lower cost housing. The FHA insures mobile home loans made by private lending institutions. Loans may be insured up to $12,500 in twelve years on a single modular unit and for $20,000 over fifteen years on double module units. Any person able to make the cash investment and the mortgage payments is an eligible applicant.

6. Mobile Home Courts. This program helps finance construction or rehabilitation of mobile home courts. FHA insures mortgages made by private lending institutions on the entire site. Mortgages in Kodiak would be limited to $5,850 per individual moble home space within each space. The park must be located in an area approved by FHA in which market conditions show a need for such housing. Eligible applicants include investors, builders, developers and others who meet FHA requirements.

7. Multifamily Rental Housing. Through this program, the FHA insures mortgages made by private lending institutions to finance the construction or rehabilitation of multifamily rental housing by private or public developers. The project must contain at least eight dwelling units. FHA requires that the housing financed under this program be able to accommodate families with or without children at reasonable rents. Funds under this program can be applied for by investors, builders, developers and any others who meet the FHA requirements as long as the housing project is located in an area approved by the FHA for rental housing and in which the market conditions show a need for such housing.

8. Existing Multifamily Rental Housing. Through this program FHA insures to purchase or refinance existing multifamily projects originally financed with or without federal mortgage insurance. HUD may insure mortgages on existing multifamily projects with or without requiring substantial rehabilitation. The project must contain eight or more units

and must be at least three years old. Again, investors, builders, developers and any others who meet FHA requirements may apply.

9. Multifamily Rental Housing for Low and Moderate Income Families (Section 221(d)(3) and (4)). This program is designed to help finance construction or substantial rehabilitation of multifamily rental or cooperative housing for low and moderate income or displaced families. Units financed under this program may qualify for assistance under Section 8 of the Housing and Community Development Act of 1974 if occupied by eligible low income families. Eligible applicants include public agencies; non-profit, limited-dividend or cooperative organizations; and private builders or investors who sell completed projects to such organizations. Tenant occupancy is not restricted by income limits except in the case of tenants receiving subsidies under the program.

10. Low Income Public Housing. Through this program local public housing agencies develop and operate low rent public housing projects. They finance them through the sale of bonds and notes. HUD furnishes technical and professional assistance in planning, developing and managing the projects and gives two kinds of financial assistance: preliminary loans for planning; and annual contributions to pay off the bonds and notes, assure low rents and maintain adequate services and reserve funds. Rents are based on the residents ability to pay, contribute to the cost of the managing, and operating the housing. The only eligible applicants for this type of program are public housing agencies established by local governments in accordance with State law.

11. Direct Loans for Housing for the Elderly or Handicapped (Section 202). This program makes long term direct loans to eligible private nonprofit sponsors to finance rental or cooperative housing facilities for elderly or handicapped persons. The current interest rate is based on the average rate paid on federal obligations during the preceding fiscal year. Eligible applicants include private nonprofit sponsors and eligible tenants include households with one or more persons, the head of which is at least sixty-two years old or is handicapped.

12. Indian Housing. Through this program indian housing authorities develop and operate rental and home ownership projects financing them through the sale of bonds and notes. HUD furnishes technical and professional assistance in planning, developing and managing the projects and also gives financial assistance in the form of annual contributions to pay off the bonds and notes. For rental projects the contributions also assure low rents and maintain adequate services and reserve funds. The indian housing authority is responsible for all maintenance costs on these projects. Rents that are based on the residents' ability to pay contribute to the cost of managing and operating the housing.

Water and Sewer Programs

The need for new and expanded water and sewer facilities in Kodiak as a result of OCS development has already been demonstrated in preceding sections. In order to fund the necessary construction of water

and sewer projects, it is obvious that the Kodiak community will need financial assistance. Listed below are several programs administered by both the state and federal government from which funds can be obtained for the needed facilities.

State Programs - The following is a list of state programs.

1. Water and Sewer Aid. This program is administered by the State Department of Environmental Conservation and provides financial assistance to pay the cost of capital improvements for water supply and sewage systems. The program is financed through State bonds which are sold to provide a fund from which grants of one half of the nonfederally funded portion of a project (to a maximum of 50 percent) may be paid to a municipal applicant. Any municipality within the State of Alaska is eligible to apply.

2. Village Safe Water Program. This program is also administered by the Alaska Department of Environmental Conservation. Eligible applicants include any community which has between 25 and 600 people residing within a two mile radius. The purpose of the program is to provide for safe water and hygienic sewage disposal systems and bathing and laundry facilities in remote Alaskan villages. The program is financed through State bonds which are sold to provide a fund which can be used for construction of facilities.

Federal Programs - The following is a list of federal programs.

1. Construction Grants for Waste Water Treatment Works. This program is designed to assist and serve as an incentive in the construction of municipal sewage treatment works which are required to meet the State and federal water quality standards. The program is administered by the Office of Water and Hazardous Materials of the Environmental Protection Agency. The funds can be used for the construction of municipal waste water treatment works with some limitations. Eligible applicants include any municipal, intermunicipal, state, interstate agency or indian tribe having jurisdiction over disposal of wastes.

2. Water Pollution Control - Area-wide Wastewater Treatment Management Planning Grants. This is another grant program administered by the Office of Water and Hazardous Materials of the Environmental Protection Agency. Its objective is to encourage and facilitate the development and implementation of areawide wastewater management plans. In order to apply for the funds, the applicant must be designated by the Governor and by the administrator of the Environmental Protection Agency as the official areawide waste treatment management planning agency for a given area. The applicant must also agree to develop a plan and a continuing planning process for the entire designated area.

3. Mortgage Insurance - Experimental Projects Other than Housing. This program is administered by the Housing Production and Mortgage Credit Division of FHA in the Department of Housing and Urban Development. Its objective is to provide mortgage insurance to help finance the

development of group medical facilities or subdivisions or new communities that incorporate new or untried construction concepts intended to reduce costs, raise living standards and improve neighborhood design. HUD/FHA insures lenders against loss on mortgage loans through this program. These loans may be used to finance the purchase of land and to develop building sites for subdivisions or new communities including water and sewer systems and streets where new technologies are incorporated.

4. Water and Waste Disposal Systems for Rural Communities. This program administered by the Farmers Home Administration of the Department of Agriculture is designed to provide basic human amenities, alleviate health hazards and promote orderly growth of rural areas by meeting the needs for new and improved rural water and waste disposal systems. The funds may be used for the installation, repair, improvement or expansion of a rural water system including distribution lines, wells, pump facilities and costs related thereto. The installation, repair, improvement or expansion of a rural waste disposal system including the collection and treatment of sanitary storm and solid wastes, are all eligible activities. Eligible applicants include municipalities, and in Alaska boroughs, as well as associations, cooperatives and corporations operated on a nonprofit basis and indian tribes on federal and state reservations. The facilities shall primarily serve rural residents. The service area cannot include any area in any city or town having a population in excess of 10,000 inhabitants according to the latest decennial census. Also the applicant must be unable to finance the proposed project from its own resources or through commercial credit at reasonable rates and terms, and they must have the legal authority necessary for constructing, operating and maintaining the proposed facility or service. Funds under this program come in the form of guaranteed loans or project grants.

Recreational Programs

As indicated earlier, the Kodiak Island Borough has recently assumed the areawide parks and recreation power authorized under State statutes. Also the City of Kodiak currently operates a parks and recreation program (see Recreation Facilities Inventory - Volume II). The following is a review of State and federal programs available to assist in the development of additional parks and recreation facilities in the Kodiak area.

State Programs - The following is a list of State programs.

1. Land and Water Conservation Funds (Bureau of Outdoor Recreation Grants). This program is administered by the Division of Parks of the State Department of Natural Resources. Both cities and boroughs may apply for funds under this program. The funds may be utilized to provide assistance in planning, acquisition and development of outdoor recreation areas and facilities. The program is financed utilizing federal funds from the Bureau of Outdoor Recreation on a 50/50 federal-local matching basis.

2. Trails and Footpaths. This program is also administered by the Department of Natural Resources. Its purpose is to provide for the

establishment of public ways for trails and footpaths. Any city or borough within the State can apply. Up to one percent of the total yearly State and federal matching monies combined under the Federal Aid Highways Program may be appropriated annually from the general fund of the Department of Natural Resources in order to fund this program.

Federal Programs - The following is a list of federal programs.

1. Outdoor Recreation Acquisition, Development and Planning. This program is administered by the Bureau of Outdoor Recreation, Federal Department of the Interior. Its purpose is to provide financial assistance to the states and their political subdivisions for the preparation of comprehensive statewide outdoor recreation plans and acquisition and development of outdoor recreation areas and facilities for the general public to meet current and future needs. It may be used for a wide range of outdoor recreation projects such as picnic area, intercity parks, camp grounds, tennis courts, boat launching ramps, bike trails, outdoor swimming pools, and support facilities such as roads, water supply, etc. Facilities must be open to the general public and not limited to special groups. Development of basic rather than elaborate facilities is favored. Priority consideration generally is given to projects serving urban populations and the funds are not available for the operation and maintenance of facilities. As indicated above under State Programs, all applications for these funds must be processed through the State Department of Natural Resources. Eligible applicants include any borough or city within the State of Alaska.

2. Parks and Recreation Technical Assistance. This program is administered by the National Parks Service, Department of the Interior. The objective of the program is to provide technical assistance to State and local agencies in planning, developing and managing their park and recreation areas so as to help meet the park and recreation needs of the nation. The program consists of technical and advisory services on such matters as agency organization, operation and maintenance of park systems, personnel training, historical and archeological programs, and general development planning. Eligible applicants include indian tribes, states, and local units of government.

Port and Harbor Facilities

As has been pointed out, the Kodiak small boat harbor is already overcrowded. In addition, the City of Kodiak cargo dock is currently operating at its capacity. The addition of OCS related cargo demands and vessel activity in the area will severely impact these facilities in case of moderate or large oil strick. Aid for the development of expanded or new facilities is available through the following programs:

1. Boat Harbor Aid - This program is administered by the State of Alaska, Department of Public Works. Its purpose is to aid local governments in the construction of floats, docks, grids, launching ramps and other

related small craft harbor facilities. Any city, borough, or community or interested group desiring harbor facilities may apply. Upon approval of an application, the State of Alaska will construct the public improvements requested. The program does not include direct financial grants or loans. The program is supported through the watercraft fuel tax revenue and utlizes 100 percent State money. The money is distributed project by project and is variable legislature by legislature.

2. Port Facilities Development - This program is also administered by the State Department of Public Works. Its purpose is to aid municipalities in the improvement of municipally owned and operated port facilities. Any municipality desiring port facilities or port facility improvements can apply. In Kodiak the program could pay up to 80 percent of project costs for port improvements. The State funds utilized are appropriated by the legislature and are normally the result of general obligation bond authorizations. The money is distributed project by project and it is variable from year to year.

Public Law Enforcement Programs

The crime rate in Kodiak increased over 100 percent within the last year (see Public Safety Facilities Inventory Volume II). At present public safety facilities are overtaxed. During the process of OCS development in Kodiak it will be necessary to upgrade and expand those facilities. Principle sources of funding for such facilities are described below.

1. Law Enforcement Assistance Comprehensive Planning Grants - This program is administered by the Law Enforcement Assistance Administration (LEAA) of the Department of Justice. Its objective is to provide matching grants to states for the operation of law enforcement and criminal justice planning agencies which develop and administer comprehensive statewide law enforcement and criminal justice improvement plans. States are the only eligible applicants for this program; however, their activities under this program can be of benefit to Kodiak.

2. Law Enforcement Assistance - Improving and Strenghening Law Enforcement and Criminal Justice - This is another LEAA program designed to implement the law enforcement and criminal justice programs developed under the LEAA comprehensive planning grants. Through this implementation program, states are allowed to improve and strengthen their criminal justice system through a variety of methods, including construction of new facilities. The type of assistance involved are project and formula grants depending upon the individual program.

The programs described above will help to solve the financial needs of the community generated by OCS development. There are many more State and federal programs available for various public facilities, utilities and services. In order for the community to be aware of all of the financial assistance sources available, the two following publications should be obtained: (1) The Catalog of Federal Domestic Assistance published by the Executive Office of the President, Office of Management and Budget, Washington, D.C., 20503; (2) the Alaska State Aid Catalog published jointly by the Department of Community and Regional Affairs and the Alaska Municipal League.

ESTIMATED LEVEL OF CAPITAL IMPROVEMENT REQUIREMENTS

As indicated in the Impacts Section of this report, substantial public facilities must be constructed and updated throughout the process of OCS development; these include water, sewer, roads, port facilities, educational facilities, parks and recreation facilities and police facilities. One of the most common methods of financing capital improvements by public bodies is through bonding. Both the City of Kodiak and the Kodiak Island Borough have the authority to issue bonds. The majority of the public services provided to the Kodiak metropolitan are provided by the City within the city limits; however, the Borough does have area-wide education and parks and recreation powers that will require facilities in the future.

The Constitution and laws of the State of Alaska permit local governments to issue general obligation bonds only if a bond authorization ordinance is approved by a majority of those voting on the question at a regular or special election. Prior to the election, notice of the total existing bond indebtedness must be published together with information concerning the cost of debt service on current indebtedness and total assessed valuation within the municipality. Unlike many other states, however, there is no constitutional or statutory limit on the permissible amount of general obligation indebtedness in terms of a percentage of total assessed valuation.

The Charters of the City of Kodiak and the Kodiak Island Borough do not impose any additional restrictions upon the issuance of general obligation bonds.

Assuming, therefore, that they would be able to obtain the approval of the voters for the issuance of new bonds, the principal constraint is not legal, but financial. Bonds would not be marketable unless prospective purchasers were able to be convinced that that amount of the existing general obligation indebtedness was not an unduly large proportion of the assessed valuation.

It is somewhat difficult to evaluate the present ability of Kodiak's local governments to attract investors for their general obligation bonds. The City's most recent issue was sold through the Alaska Bond Bank. The issue of the Bond Bank which provided funds to purchase the last general obligation bonds issued by the city was rated "A" by Moody's and Standard and Poors, which is a good rating. The security for the bonds was more than simply the taxing capability of the City of Kodiak, however, since state appropriations provide an additional source of payment for Bond Bank bonds. The Borough has yet to issue bonds through the Bond Bank; however should they do so, it is assumed that they would have a similar rating.(16)

Following a review of projected capital costs required during the period of OCS activity, i.e., until 1992. (See Table 36.) These costs are not intended for budgeting or detailed financial purposes. They do indicate the magnitude of fiscal impacts that OCS development will generate. Without the benefit of an approved set of goals and objectives,

only estimates of which projects will be built and the type of development is possible.

The cost figures shown for water, sewer and roads are based on Hypothetical Example "C". The educational system costs are based on 20 room schools at 20 students per room. Public Safety costs are based on the need for additional jail space and the upgrading of the headquarters building. The port facilities costs are based on the need for additional storage space as well as anticipated improvements to the dock facility itself.

Table 36: Projected Capital Projects & Costs - Kodiak Metro Area*

Case	Water/Sewer Systems(each)	Road System (1)	Public Safety (2)	Port Facil. (3)	Educational Facil. (4)	Total
Case 1	$ 5,881,200	$10,025,400	$ 1,000,000	$ 1,400,000	$25,500,000	$49,687,800
Case 2a	7,351,344	12,670,858	1,000,000	1,400,000	30,200,000	58,973,546
Case 2b	6,111,072	10,524,624	1,000,000	1,400,000	29,500,000	53,646,768
Case 3	10,036,334	17,284,608	1,000,000	1,400,000	33,800,000	72,557,856

*Based on Hypothetical Example "C"

1. Based on average cost of $155/foot.
2. Upgrade and expand City Jail facility and offices.
3. Additional storage and quay area and port upgrading - City.
4. New school facilities at $5,000 per student - KIB.

Source: Simpson Usher Jones, Inc. (Sontag), 1977.

In addition to the projects shown in Table 36 additional monies could be necessary for projects in the outlying villages. At this point, without knowledge of the intent of the community, the Kodiak Island Borough and the various communities towards their future development, it is impossible to predict the cost and timing for the purposes of capital improvements.

ECONOMIC POLICIES

As has been indicated earlier, the economic system in Kodiak will undoubtedly be severely impacted as a result of OCS development. Under normal conditions the economic fuctions of supply and demand without unreasonable government interference will allow a given local economy to maintain a relatively stable balance between cost of living and income. However,

in a "boom" economy situation, as is expected in Kodiak, the capabilities of a local economy are surpassed in terms of keeping pace with the rising demands for goods and services. Consequently, the cost of living can rise dramatically. This will be one of the most important issues facing the local governments on Kodiak Island in the years to come.

A tremendous amount of damage can be done to the base of the local economy if economic growth is not directed in to constructive areas. A basic goal of a local community during the OCS development process should be to strengthen the non-oil related segments of the economic base. In doing so the community can help to keep demand for goods and services from outstripping the capabilities of the local economy. If this can be successfully accomplished, the rate of increase in the cost of living can be controlled.

As indicated, at present the most important basic industry in Kodiak is fishing. During OCS development there will be opportunities to develop additional basic industries, including tourism and construction. The question of tourism is one that will have to be addressed by the community in their comprehensive plan. While it can help broaden the economic base of a community, it can also have adverse effects on the life styles through the addition of large numbers of non-resident people, as well as adding to the cyclical characteristics of the economy.

Tremendous increased demand for transportation facilities, public services, housing and commercial facilities could be forthcoming during OCS development. In order to meet these demands the community must help foster the development of the local businesses providing those goods and services. This can be done by promoting funding sources and improved technical capabilities within the businesses. At the same time, however, it will be necessary to transfer the cost of development, especially in the fields of public services, to the private businesses in order to keep taxes at a reasonable level.

At present, the canneries in Kodiak are the highest taxpayers. Seven of the top ten taxpayers are canneries and in 1975-76 those seven canneries had a combined valuation of over $14,000,000. However, the oil industry will become the highest taxpayer in Kodiak, given a moderate or high oil strike. Depending on the development scenario and the type of facilities developed in Kodiak, over $150,000,000 in facilities will be built during OCS activity. At a tax rate of 5.5 mills, the tax generation on value of that magnitude would be in excess of $1,000,000 per year. However, the additional $1,000,000 per year will not pay for the public services required to accommodate anticipated development. Consequently, additional capabilities and funding sources will be needed.

The community has several options in approaching this problem. It can generate additional taxes from the oil industries through franchises, fees, special taxes and various other means of municipal revenue generation. If this is the only approach, the oil industry could resent it, and lengthy court battles would be easily possible. In the meantime, revenues would not be forthcoming. Another approach is encouraging oil industry involvement in the development of the community. This can be done in

several ways. In order to encourage the growth of local businesses, loan funds could be set up at relatively low interest rates. This could help to provide the financial resources needed for new businesses to be started as well as expansion of existing businesses. This would help those businesses meet the demands for goods and services. The oil industry would be able to recover its costs through the interest rates, and at the same time help to keep the cost of living down within the community.

One effective way to foster the development of required housing is to involve the oil industry in that development process. Through wholly owned subsidiary development corporations, the oil industry could provide the housing and public facilities necessary to serve the population and at the same make a profit on the development. In order to encourage such activity, the community, especially the Borough, could joint venture with the oil industry in promoting residential development. The Borough has large areas of land to the north of Kodiak which are suitable for residential development. Through a joint venture agreement, the Borough could use the land as their investment in the development, and the oil industry could develop the land and/or buildings as the demand increased. The Borough would make a profit in return for their portion of the investment in addition to fostering the provision of the public facilities required. The tax base would also be increased. The oil industry would be aiding the community to provide facilities and housing while at the same time making a profit on the development projects. This type of arrangement also offers the oil industry a public relations advantage. By doing so it would show its responsiveness to the needs of the community at no cost to themselves.

This type of development process would not necessarily result in unfair competition with the local development businesses in the community. The Borough, through its joint venture agreements with the oil industry, could require that local subcontractors and contractors be used to the extent possible. This would serve to help strengthen the construction industry in Kodiak rather than bring in construction companies from outside the area. Consequently, the overall economic base of the community would be strengthened.

In summary, while the oil industry could have some very significant impacts in Kodiak, it can also be a major factor in helping to mitigate those impacts. Cooperation with the industry and utilization of its funds to the mutual benefit of the community and the industry will help combat inflation and provide the public services needed to serve the population growth generated by OCS development. This type of cooperation is encouraged.

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NOTES AND REFERENCES

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Kodiak

Outer Cont.

Shelf Impact

Study

Vol. 2

VOLUME TWO

▪COMMUNITY INVENTORY

prepared by

SIMPSON USHER JONES, INC.
ARCHITECTS / PLANNERS
ANCHORAGE ALASKA

JUNE 1977

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PLEASE NOTE

THE ORGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

DESCRIPTION:

THIS VOLUME CONTAINS AN INSERTED MAP. "NATURAL FEATURE MAP" MAP 11 KODIAK ISLAND BOROUGH. PREPARED BY SIMPSON USHER JONES, INC. FOR KODIAK ISLAND BOROUGH.

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INTRODUCTION

An Outer Continental Shelf lease sale of up to 3.2 million acres of land, located on the Kodiak Shelf east of Kodiak Island, has been tentatively scheduled for November, 1977 (Map 1). The oil industry originally nominated 12.8 million acres in this area as having strong potential for developable oil deposits, and it is expected that initial exploration for oil will begin shortly following the lease sale.

Offshore oil development on the Kodiak Shelf will generate substantial onshore development. During the initial exploration stage the onshore facilities will be relatively minor since the oil companies will avoid substantial capital expenditures until the existence of economically viable oil deposits is verified. However, once oil is discovered, developing the oil fields will occur. Consequently, onshore facilities will swell in size and their activities will intensify to the point that their presence will severely impact the surrounding communities. The impacts will involve both air and marine transportation activity; population increases; demands on housing, community facilities and infrastructural services as well as economic impacts and changes in the basic lifestyle of the surrounding residents. Because of Kodiak Island's proximity to this area, it is inevitable that the Kodiak area will thus be affected. The estimated level of oil industry activity and the impacts of that activity are described in Volume I of this study.

For years Kodiak has been a relatively self-sufficient community. As the largest city on the island, it has functioned as a regional economic and cultural center as well as a base for the fishing industry. Both the City and Island of Kodiak have experienced a steady trend of growth and anticipate a continuation of growth in the foreseeable future. Now, with the advent of oil exploration and possible production, the Kodiak area is faced with the possibility of major changes. The importance of planning for these changes is emphasized by the following quote from the Draft Environmental Impact Statement for the OCS Lease Sale in the northern Gulf of Alaska.

> "As the development of offshore oil and gas proceeds from the initial exploratory phase through drilling, production, and transport, substantial onshore activity will be generated, from which both positive and negative impacts can be expected.
>
> "The degree to which . . . these effects are positive is related to the ability of public officals to plan for and direct the onshore development that is integral to OCS development and to plan for the growth that onshore facilities generate throughtout the region. OCS operations will result in massive development in areas where there is little or no experience in land use planning or regulatory activities Unless this capability is quickly devleoped in such areas, the result could be permanent degradation of the environment and unnecessary disruption of traditional values and lifestyles for those living there now." (CEQ 1974)

In order to gauge the impact OCS oil will have on Kodiak, it is necessary to have an overall perspecitve of the community as it exists prior to OCS development. The following Community Inventory, compiled primarily from existing sources, provides a summary of facilities, utilities and services.

The Community Inventory consists of seven sections: Community Facilities, Utilities and Services; Village Inventory; Housing Inventory; Economic Inventory; Demographic Inventory; Land Status/Capability; and Summary Profile. Information is presented concerning which of these community components will be directly and/or indirectly impacted by potential OCS development.

In addition to providing a background for gauging the impact of OCS development, the Community Inventory may be suitable for other uses. Care has been taken to present the information in a format compatible for use by governmental agencies for comprehensive community planning, economic planning and projections. It may also serve local businesses and individual residents of the Borough.

WESTERN GULF OF ALASKA
OIL LEASE SALE AREAS

0 50 100 MILES

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough

OIL LEASE SALE LOCATION MAP

MAP 1

COMMUNITY FACILITIES, UTILITIES, AND SERVICES

The infrastructure of a community consists primarily of its basic utilities (water, sewer, electricity and telephone) as well as its basic transportation system. A community's growth and development patterns are determined to a great extent by its infrastructure. For instance, expansion of the infrastructure in a community will facilitate population growth and allow greater density in development. On the other hand, limiting the infrastructure can be used to deter population growth, restrict the density of development, and determine which areas of town will grow and which will not. Infrastructure limitations may cause serious problems however, if the population grows regardless of a restricted infrastructure.

The infrastructure is essential to a community's growth capability; therefore, it is important for policy makers to know the condition and capacity of their community facilities, utilities, and services. The following inventory is provided to assist in considering Kodiak's potential for growth. Since the impacts of OCS oil development will be more intensely felt in the largest population center; the facilities, utilities, and services that serve the urban area around the City of Kodiak and those that are provided area-wide throughout the Borough are described separately from those serving the individual outlying villages (See Village Inventory).

POWER AND UTILITY SERVICES

WATER SYSTEM

The largest public water system within the Borough is operated by the City of Kodiak. The area within which water is provided through this system is primarily the city limits of Kodiak; however, there is an eight inch transmission line that extends out to the end of Mill Bay Road. It also serves the Loran Station on Spruce Cape. Water service also goes out to the southwest of downtown Kodiak as far as Gibson Cove.

Currently the water system is being utilized to its practical capacity and any substantial population growth within the Kodiak area will require expansion of the water system facilities. According to engineering studies, expansion of the water facilities would require construction of a dam at Monashka Creek. Engineering has been completed for this project and a 24-inch transmission line has been installed. However, the Ouzinkie Village Native Corporation has claimed the Monashka Creek drainage area and until the question of property ownership can be resolved, a dam and reservoir cannot be constructed.

Assuming the land ownership problems are solved and construction can begin on the Monashka Creek dam, this first phase of the expansion would increase the storage capacity by over ten times the current amount and would make the total capacity of the water system over 500 million gallons. In addition, the dam could later be expanded to store up to seven billion gallons of water depending on the growth of the Kodiak area.

At the present time, the Kodiak water system does not have the capacity to handle additional large consumers. As demand increases, water lines are being excavated and replaced with larger lines to increase service capacity of the system, and this practice will continue until the storage capacity and supply system is increased. The downtown area is most seriously affected by the inadequate water system. This is because most of the canneries are located in the downtown area and they are all major water users. A 20-inch line from the water tank, as shown on Map 2, to the upper reservoir will eventually provide interim relief for getting water from the reservoir to the downtown area. Eventually, the City will have to provide more transmission lines in order to cope with anticipated growth at the present rate.

If growth were to occur on an accelerated basis, the present water system would be totally inadequate. OCS development and an ensuing population increase would completely over-tax the system to the point of causing some potential water shortages as well as a great deal of expense to the community in trying to upgrade an already over-taxed system.(1)

SEWER SYSTEM

The sewer system for the Kodiak urban area is also operated by the City of Kodiak. The area serviced by the sewer system is shown on Map 3. As can be seen, the sewer system is primarily within the city limits of Kodiak with the exception of a small area along Mission Road to the northeast of Potatoe Patch Lake. The capacity of the system at the present time is adequate, and a new 2.3 million gallons per day sewage treatment plant is currently nearing completion. All interceptor lines have been completed for the service area and there should be no problem in providing service to the rest of the community under the normal growth pattern.

If there is an increase in population and housing construction within the area, it will be necessary to provide additional sewer lines in order to serve those areas. It may also be necessary to increase the size of the line in some portions of the downstream end of the system.

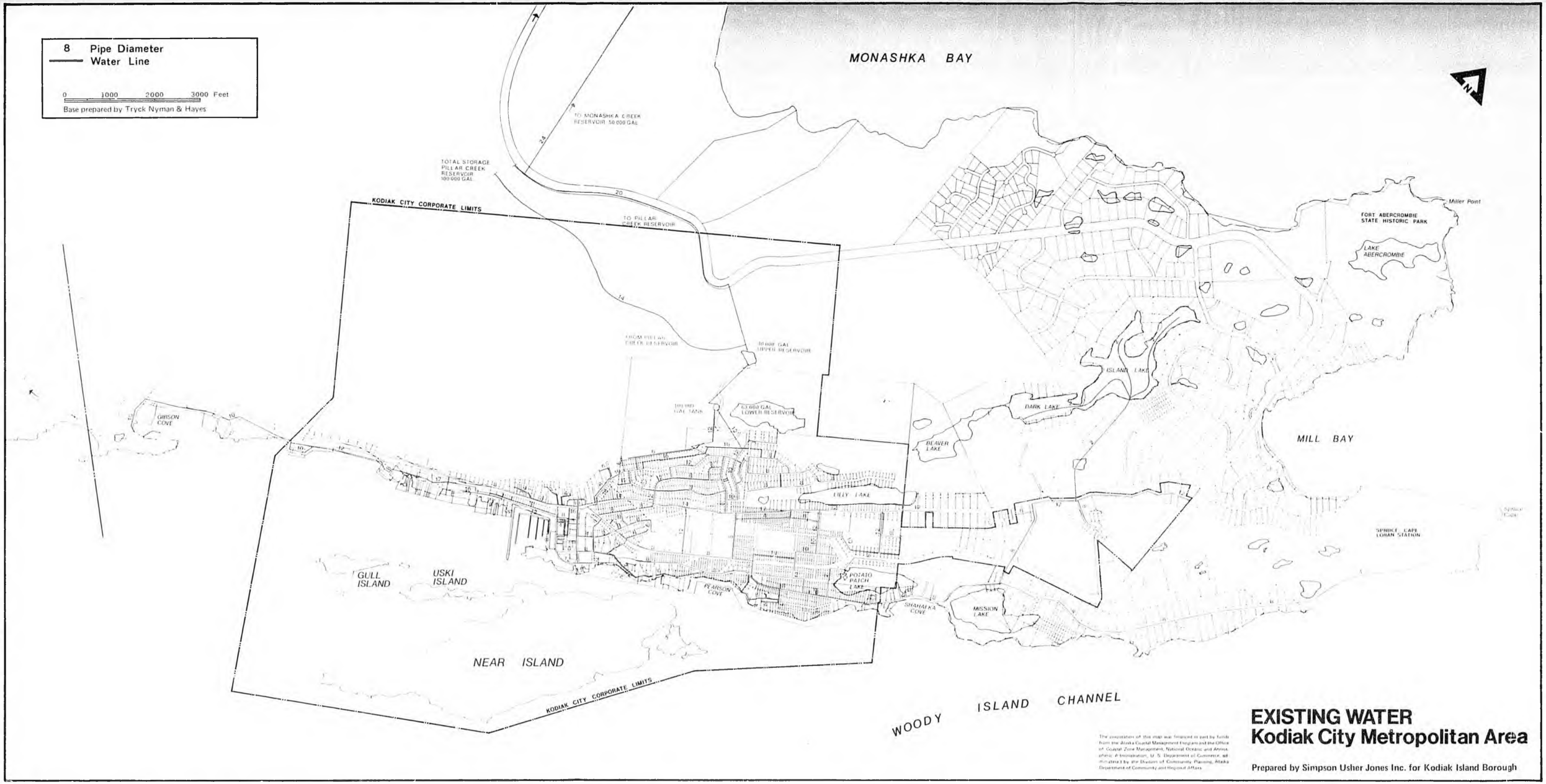
A sewage expansion feasibility study is currently being prepared for the Island Lakes area to the north and northeast of the city. This area is considered the most likely available property for residential development should a rapid expansion of the economy occur. Some low density residential development has begun in this area. Since public sewer service is not available, residents are building on-site disposal systems. As a result, some environmental problems are now occurring in the lakes. Additional building in that area has been stopped until the full extent of the environmental problems have been determined. Should additional building pressure be placed on this area, it would be necessary to serve it with public sewer.

In summary, with the exception of the Island Lakes area, the sewer system is adequate to handle the existing situation. The system has capacity for substantial expansion based on the new sewer treatment plant capabilities.(2)

ELECTRICAL SERVICE

Electrical energy is provided to the Kodiak area by the Kodiak Electrical Association. KEA is a cooperative corporation organized under the laws of the State of Alaska to provide electrical energy to a service area covering the City of Kodiak, its environs and the Port Lions area. Members of KEA receive their electrical energy needs from KEA and participate in the management of the organization through voting privileges on basic association issues and in the election of the board of directors which is nominated from the membership. KEA is a non-profit organization as defined by the Rural Electrification Association of the federal government. As of January 1, 1976, there were 2,382 members in the association.(3)

KEA's distribution facilities extend throughout the Kodiak area as well as to the outlying road system. New generating facilities have recently been completed in Kodiak which make the KEA plant the largest diesel-



The preparation of this map was financed in part by funds from the Alaska Coastal Management Program and the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U. S. Department of Commerce, administered by the Division of Community Planning, Alaska Department of Community and Regional Affairs.

EXISTING WATER
Kodiak City Metropolitan Area

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough

MAP 2

powered electrification plant in the State of Alaska. The new plant consists of two 5,270 KW diesel generators and one 2,500 KW diesel generator, which adds a total of 13,040 kilowatts of power to KEA's existing capacity of 11,878 kilowatts for a total generating capacity of 24,918 kilowatts. It is estimated that this capacity will be adequate to meet Kodiak's power requirements through the early 1980's.(4)

Further expansion of the diesel generating capacity over the designed expansion capacity now available is currently in question. Fuel costs for the diesel generators has increased dramatically in the last few years and additional increases are anticipated (in June 1973 diesel fuel cost 14.09 cents per gallon, and in 1976 it cost 35.2 cents per gallon). These increases in fuel costs have made diesel-generated power extremely expensive and have made other types of power, such as hydro-electric sources, more attractive.

KEA is currently investigating the feasibility of a hydro-electric generating facility at Terror Lake, located 25 miles southwest of Kodiak. The site was originally considered for such a facility during World War II by the Army Corps of Engineers. KEA became interested in the early 1960's. At present, the Terror Lake project is projected to produce approximately 30,000 kilowatts and 175 million kilowatt hours annually. KEA has filed permit applications with the Federal Power Commission to investigate the feasibility of developing the project. If the Terror Lake facility is approved, financed and constructed, KEA will be able to provide a relatively inexpensive power source to the entire Kodiak Island for the foreseeable future.(5)

COMMUNICATION FACILITIES

The Kodiak area is served by a relatively wide range of communication facilities in both the public and private fields. There are services available and under construction that are, for the most part, adequate to handle communication needs.

TELEPHONE SERVICE

Telephone service is provided to the City of Kodiak and surrounding metropolitan areas by the Glacier State Telephone Company. This service also extends along the road system and to Port Lions. Telephone rates for the Kodiak area are found in Figure 1.

A total of 3,804 telephone numbers are currently in use in Kodiak, excluding extensions. Of those 1,591 are residential phones and 2,213 are commercial or business phones. The telephone subscription rate has shown a steady rate of growth over the past few years. The 1976 rate for instance, is between four and five percent higher than in 1975. In order to meet demand projections for 1979/80, Glacier State Telephone is currently expanding its facilities in Kodiak. When completed, it should then have the capacity to meet the currently projected needs of the community until 1980. A dramatic increase in population growth during this period would necessitate further expansion of the Kodiak facilities.(6)

Fig. 1: Telephone Service & Costs*

Type	Monthly Rate	Installation
Residential:		
Private Line	$ 13.35	$ 30.00
Two-Party Line	10.00	30.00
Extensions	3.00/ea.	17.00
Commercial:		
Per Line	$ 30.00	$ 60.00
Extensions	4.50/ea.	27.00
Also available:	3-, 6-, and 12-line phone systems, hold buttons, intercom, PABX switchboard equipment, radio and other lease lines.	

* The above rates are charged within the City Limits of Kodiak. Outside the City Limits there is an additional monthly charge of $1.00 per 1/4 air mile for a private line; and $.80 per 1/4 air mile for a party-line. These rates are for September, 1976.

LONG DISTANCE COMMUNICIATIONS

RCA Alascom provides long distance communications to the City of Kodiak through the White Alice Communications System (WACS). The White Alice System is an extensive and elaborate system of troposcatter and microwave facilities serving the military and the public. WACS is owned by the Air Force but is leased and operated by RCA Alascom.

Long distance calls from Kodiak travel on a microwave system to Pillar Mountain directly behind the city. The White Alice System then transmits them to Diamond Ridge on the Kenai Peninsula. From there, calls travel over another microwave system into Anchorage for switching. RCA Alascom plans to replace many of the White Alice facilities with major earth stations. Kodiak is scheduled to receive a major earth station in the next few years. Long distance calls will then travel via satellite.

RCA Alascom, in cooperation with the State of Alaska, has embarked on a plan to provide rural areas with improved communications through the network of smaller earth stations. Under this project the villages involved will initially receive one telephone for normal long distance communications and one for emergency medical communications. On Kodiak Island, earth stations have been constructed in Larsen Bay, Old Harbor, Ahkiok, and Karluk. Health aides in these villages have also been supplied with special medical telephones which will be linked via satellite to the Kodiak Island Hospital in Kodiak. Health aides are able to use these special telephones 24 hours a day to obtain diagnostic assistance and to order supplies.

The bush earth stations and medical systems on Kodiak Island are expected to be operational by the end of 1976. In addition, Old Harbor and Larsen Bay have been selected to receive live color television under a television demonstration project funded by the State. Under this experimental program, television signals will travel via the RCA satellite and will be received by the village earth stations. About 42 hours of programming will be shown in the villages each week. This project is scheduled to be operational in early 1977.(7)

RADIO AND TELEVISION STATIONS

There are two private radio stations in Kodiak. KVOK, an AM station, is located at 560 on the AM dial, and broadcasts with a power of 1000 watts. They estimate their range to be between 800 and 1000 miles. An FM station, KMXT, is located at 100.1 on the FM dial, and broadcasts with the power of approximately 3000 watts. Its range is approximately 30 miles.

The only television service available to Kodiak at the present time is cable television. Provided by KOTV, Inc., this station provides two program channels to the City of Kodiak. Channel 2 operates from approximately 10 a.m. to 2 a.m., and Channel 4 operates from approximately 4 p.m. to 2 a.m. KOTV is not a network station and can choose the programs

they want to air from all three networks. In addition, KOTV, Inc. operates two advertising channels which show local advertising on printed cards. Cable TV in Kodiak costs $17 per month for cable service.

With the upgraded long distance facilities that are currently planned, Kodiak's communication system can adequately handle any increase in population resulting from OCS development as well as meet the specialized needs of the oil industry for their communication purposes. It may be necessary, if OCS development occurs rapidly, to accelerate the RCA satellite program to help provide additional long distance capabilities within the next year.

TRANSPORTATION FACILITIES

A community's transportation system is important to its vitality and livability. The fact that Kodiak is an island makes its transportation facilities doubly important. Kodiak's transportation facilities include marine services, general and commercial air carrier facilities, and state and local roads and highways. This portion of the study will briefly discuss these transportation facilities.

HIGHWAYS - STATE DEPARTMENT OF HIGHWAYS

The State Department of Highways has two maintenance facilities in the Kodiak area. The main shop facility is located near downtown Kodiak, and a small maintenance facility is at Kalsin Bay.

Personnel within the Kodiak area include two equipment operators at the Kalsin Bay facility, seven equipment operators at the Kodiak maintenance facility, one secretary and one foreman.

There is a total of 120 miles of roads under state jurisdiction in the Kodiak Borough -- 12 miles of which are paved. The roads within the Kodiak metropolitan area that are maintained by the Highway Department are shown on Map 4. The remainder of the state maintained roads are shown on Map 9. The State Department of Highways performs the general maintenance on these roads. This includes patching, snow removal, cleaning ditches and grading unpaved roads. According to the personnel at the Kodiak maintenance facility, the equipment utilized in these functions is in good working order and is adequate to handle the maintenance functions in Kodiak.

All new road construction in the Kodiak area is handled by the Southcentral office of the Department of Highways in Anchorage. This office handles the design and construction of new roads with little or no involvement of the Kodiak office.

An increase in traffic on the Kodiak highways resulting from OCS development would require some upgrading of roads. If the road to Chiniak were utilized by heavy industrial traffic, it would be necessary to widen the road to at least 28 feet and straighten the roadway in some areas. The Department of Highways does not feel it would be necessary to pave the road, but it would have to be maintained at a level consistent with the increase of traffic generated. No estimates can be given as to percent increase without detailed information on vehicular traffic increase.(8)

HIGHWAYS - CITY OF KODIAK PUBLIC WORKS DEPARTMENT

The City Public Works Department is responsible for street construction and maintenance within the city limits. (See Map 4.) At the present time, they are in the process of a major paving project in the Aleutian Homes area. This paving project is being financed through a five-year grant program of HUD entitlement funds authorized under the Housing and Community Development Act of 1974.

The majority of the streets within the City of Kodiak are unpaved, and the City maintains them as either gravel or seal-coated roadways.

In most cases, the streets maintained by the City of Kodiak are designed to carry low-volume traffic. Should there be a sudden and rapid increase in population due to OCS development, it would be extremely difficult for the City to maintain the streets adequately due to increased traffic loads.

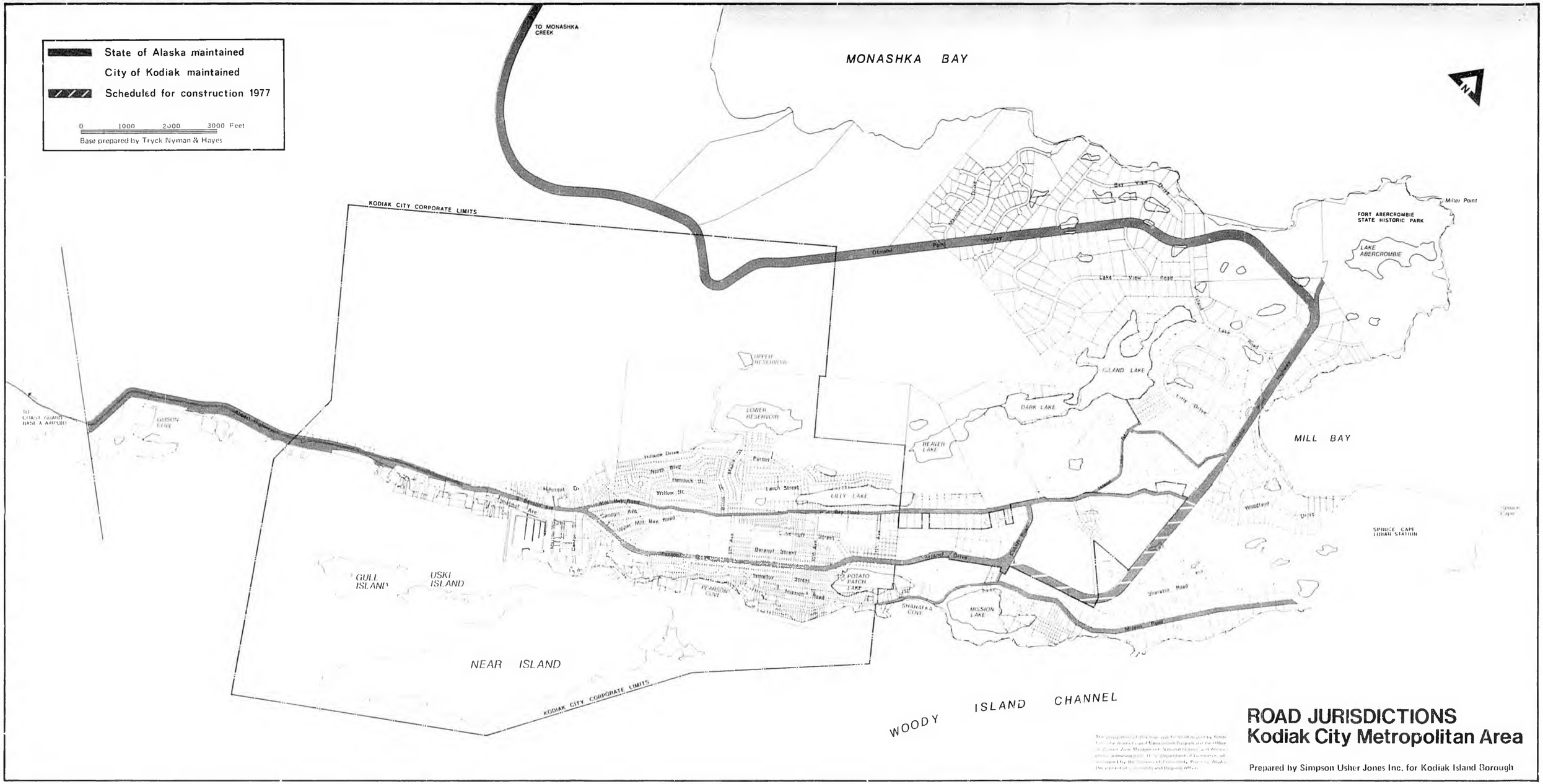
Roads within the metropolitan area that are not within the city limits and that are not part of the state road system are maintained privately. These roads have been constructed to varying standards and in many cases are designed to provide access to only a few property owners. A significant increase in traffic brought on by OCS development would seriously impact these areas. In preparing for OCS development, assessment of the local road situation is critical in order to plan for and alleviate any potential access problems that could be expected to arise.(9)

AIRPORTS AND AIR CARRIERS

Kodiak's major airport is located on the Coast Guard Base and is owned and operated by the State of Alaska, Division of Aviation. The civilian runway is 7500 feet long and paved with asphaltic compound. It is served by terminal facilities, owned by Wien Air Alaska, that include ticket counters, security waiting area, car rental agencies, indoor baggage facilities, and aircraft fueling facilities. (See Map 5.) There is no food service at the airport at the present time other than a number of vending machines; however, there is space available within the terminal facility to accommodate a snack bar or restaurant as soon as the demand warrants.(10)

The airport is used primarily by two major commercial air carriers. Wien Air Alaska operates the busiest schedule in and out of Kodiak's airport. In the winter, Wien makes two flights per day between Anchorage and Kodiak on Monday through Friday, and one flight daily on Saturday and Sunday. During the summer months (June 1, through September 15), they conduct two flights daily seven days a week between Anchorage and Kodiak. Wien generally flies Boeing 737 fan-jet aircraft between Anchorage and Kodiak, although, it also uses Fairchild F27 prop-jet aircraft on a limited basis.

Western Airlines provides jet service between Kodiak and Seattle during the summer months (April through October). During the summer of 1976,


State of Alaska maintained
City of Kodiak maintained
Scheduled for construction 1977
0 1000 2000 3000 Feet
Base prepared by Tryck Nyman & Hayes
TO MONASHKA CREEK
MONASHKA BAY
KODIAK CITY CORPORATE LIMITS
Miller Point
FORT ABERCROMBIE STATE HISTORIC PARK
LAKE ABERCROMBIE
Bay View Drive
Lake View Road
ISLAND LAKE
DARK LAKE
BEAVER LAKE
MILL BAY
UPPER RESERVOIR
LOWER RESERVOIR
LILLY LAKE
Larch Street
Hemlock St.
Willow St.
Birch St.
Spruce St.
Cedar St.
Alder St.
Lupine Ave.
Sunset Ave.
Upper Mill Bay Road
Lower Mill Bay Road
Lakeshore Drive
Bernard Street
Rezanof Drive
Mission Road
Shelikof Street
Woodland Drive
Sparks Cove
Pillar Creek Cove
POTATO PATCH LAKE
MISSION LAKE
SHAHAFKA COVE
PEARSON COVE
GIBSON COVE
Sitka Spruce Park
Sitka Spruce Park Drive
Sitka Spruce Park Road
Sitka Spruce Park Loop
Sitka Spruce Park Trail
Sitka Spruce Park Overlook
Sitka Spruce Park Picnic Area
Sitka Spruce Park Campground
Sitka Spruce Park Visitor Center
Sitka Spruce Park Museum
Sitka Spruce Park Gift Shop
Sitka Spruce Park Snack Bar
Sitka Spruce Park Restrooms
Sitka Spruce Park Parking Lot
Sitka Spruce Park Entrance
Sitka Spruce Park Exit
Sitka Spruce Park Boundary
Sitka Spruce Park Trailhead
Sitka Spruce Park Interpretive Center
Sitka Spruce Park Nature Trail
Sitka Spruce Park Wildlife Viewing Area
Sitka Spruce Park Fishing Pier
Sitka Spruce Park Boat Launch
Sitka Spruce Park Marina
Sitka Spruce Park Harbor
Sitka Spruce Park Dock
Sitka Spruce Park Pier
Sitka Spruce Park Wharf
Sitka Spruce Park Jetty
Sitka Spruce Park Breakwater
Sitka Spruce Park Seawall
Sitka Spruce Park Bulkhead
Sitka Spruce Park Revetment
Sitka Spruce Park Riprap
Sitka Spruce Park Gabion
Sitka Spruce Park Retaining Wall
Sitka Spruce Park Concrete Wall
Sitka Spruce Park Stone Wall
Sitka Spruce Park Brick Wall
Sitka Spruce Park Wood Wall
Sitka Spruce Park Fence
Sitka Spruce Park Gate
Sitka Spruce Park Sign
Sitka Spruce Park Flagpole
Sitka Spruce Park Monument
Sitka Spruce Park Statue
Sitka Spruce Park Memorial
Sitka Spruce Park Plaque
Sitka Spruce Park Bench
Sitka Spruce Park Table
Sitka Spruce Park Chair
Sitka Spruce Park Umbrella
Sitka Spruce Park Shade
Sitka Spruce Park Tree
Sitka Spruce Park Shrub
Sitka Spruce Park Flower
Sitka Spruce Park Garden
Sitka Spruce Park Lawn
Sitka Spruce Park Path
Sitka Spruce Park Walkway
Sitka Spruce Park Boardwalk
Sitka Spruce Park Bridge
Sitka Spruce Park Tunnel
Sitka Spruce Park Overpass
Sitka Spruce Park Underpass
Sitka Spruce Park Intersection
Sitka Spruce Park Roundabout
Sitka Spruce Park Traffic Light
Sitka Spruce Park Stop Sign
Sitka Spruce Park Yield Sign
Sitka Spruce Park Speed Limit Sign
Sitka Spruce Park No Parking Sign
Sitka Spruce Park One Way Sign
Sitka Spruce Park Do Not Enter Sign
Sitka Spruce Park Turn Only Sign
Sitka Spruce Park Lane Marking
Sitka Spruce Park Crosswalk
Sitka Spruce Park Pedestrian Crossing
Sitka Spruce Park Bicycle Lane
Sitka Spruce Park Bicycle Path
Sitka Spruce Park Bicycle Rack
Sitka Spruce Park Bicycle Repair Station
Sitka Spruce Park Bicycle Rental
Sitka Spruce Park Bicycle Tour
Sitka Spruce Park Bicycle Race
Sitka Spruce Park Bicycle Event
Sitka Spruce Park Bicycle Festival
Sitka Spruce Park Bicycle Parade
Sitka Spruce Park Bicycle Club
Sitka Spruce Park Bicycle Shop
Sitka Spruce Park Bicycle Store
Sitka Spruce Park Bicycle Dealer
Sitka Spruce Park Bicycle Manufacturer
Sitka Spruce Park Bicycle Wholesaler
Sitka Spruce Park Bicycle Retailer
Sitka Spruce Park Bicycle Importer
Sitka Spruce Park Bicycle Exporter
Sitka Spruce Park Bicycle Distributor
Sitka Spruce Park Bicycle Agent
Sitka Spruce Park Bicycle Broker
Sitka Spruce Park Bicycle Trader
Sitka Spruce Park Bicycle Merchant
Sitka Spruce Park Bicycle Vendor
Sitka Spruce Park Bicycle Supplier
Sitka Spruce Park Bicycle Provider
Sitka Spruce Park Bicycle Service
Sitka Spruce Park Bicycle Repair
Sitka Spruce Park Bicycle Maintenance
Sitka Spruce Park Bicycle Inspection
Sitka Spruce Park Bicycle Testing
Sitka Spruce Park Bicycle Certification
Sitka Spruce Park Bicycle Registration
Sitka Spruce Park Bicycle License
Sitka Spruce Park Bicycle Permit
Sitka Spruce Park Bicycle Insurance
Sitka Spruce Park Bicycle Warranty
Sitka Spruce Park Bicycle Guarantee
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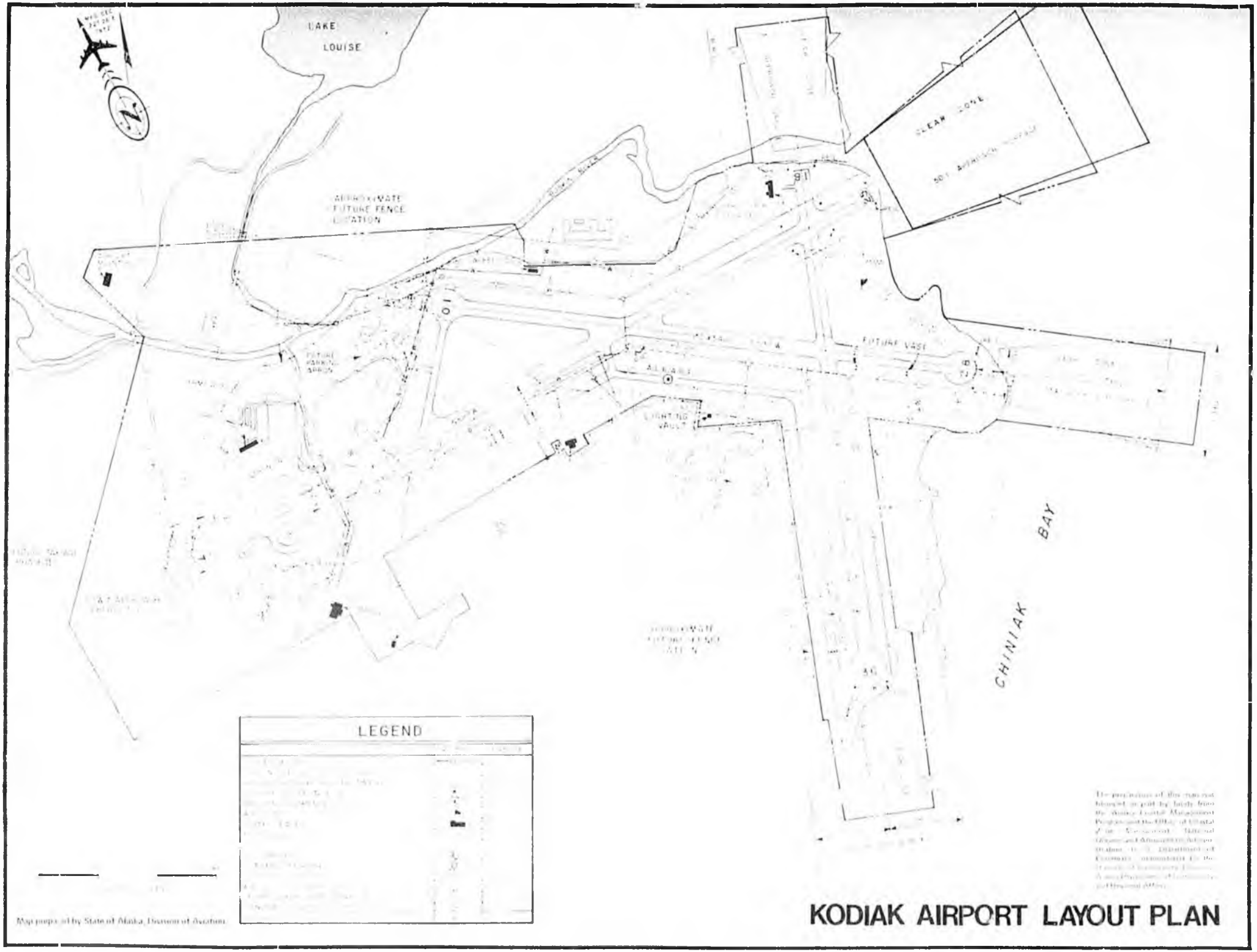


Map prepared by State of Alaska, Division of Aviation

KODIAK AIRPORT LAYOUT PLAN

MAP 5

Western offered this flight two times per week. It is anticipated that Western will provide Kodiak/Seattle service again in 1977, althougr the new schedule has not yet been determined. The Western flights utilize Boeing 720B fan-jets exclusively.

Air transportation is also available through Kodiak Western Alaska Airlines, Inc. This local flight service provides transportation to all of the nearby villages on a regularly scheduled basis from the downtown area. An example of its winter and summer schedule is shown in Figure 2.

Fig. 2: Schedule - Kodiak Western Alaska Airlines, Inc. - Winter 1976/77

Winter Schedule

Location	Mon	Tues	Weds	Thurs	Fri	Sat	Sun
Akhiok		X		X			
Alitak		X					
Amook					X		
Karluk	X		X		X		
Kitoi Bay		X					
Larsen Bay	X		X		X		
Moser Bay				X			
Old Harbor	X	X	X	X	X		
Olga Bay				X			
Ouzinkie	XX	X	XX	X	XX		
Parks	X						
Port Bailey		X					
Port Lions	XX	X	XX	X	XX		
Port Williams		X					
Sitkinak	X			X			
Terror Bay			X				
Uganik					X		
West Point			X				
Zachar Bay	X						

Summer Schedule

Mon	Tues	Weds	Thurs	Fri	Sat	Sun
	X		X		X	
	X		X		X	
X						
X		X		X		
			X		X	
X		X		X		
	X		X		X	
XX	XX	XX	XX	XX	XX	
	X					
XX	XX	XX	XX	XX	XX	
X		X		X		
X	X	X	X	X	X	
XX	XX	XX	XX	XX	XX	
			X		X	
X		X		X		
X		X		X		
X		X		X		
X						
X						

This schedule may be revised from season to season. In addition to the flights shown, Kodiak Western Alaska Airlines, Inc. also services Bristol Bay in the summer with flights coordinated with Western's jet service to and from Seattle.

In addition to these scheduled commercial airlines, Kodiak is also served by a number of smaller air charter operations. The air charter operations provide on-call transportation services to all parts of the Kodiak Island area throughout the year. These air charter services are also utilized for hunting and fishing guide services.

In spite of what is often considered a high incidence of inclement weather, the Kodiak Airport has a relatively good record of dependability. As an example, over the last three years Wien Air Alaska has completed 94.7% of its scheduled flights to and from Kodiak. The 5.3% that were not able to be flown includes both mechanical and weather cancellation. Consequently, it is assumed that closure of the airport due to weather affected less than 5% of those flights.(11)

The City of Kodiak operates a small general aviation airport within the city limits. It is located on the northwest side of Mill Bay road at

the end of Lilly Lake. The runway is oriented in a NE/SW direction and is gravel-surfaced. Its length is 2,750 feet and it is 100 feet wide. There is no formal city-maintained apron area, however several private entities have developed adjacent gravel, aircraft parking areas. The southwest end of the runway ends immediately at the northeast end of Lilly Lake, which is utilized for float planes.

There are no air or ground traffic control activities associated with this airport, however the FAA does offer an air traffic advisory service from their tower on the Coast Guard Base. No records are kept concerning the number of operations at the City Airport.

Recent population growth and residential development have taken place near the airport. This has reduced the future potential capacity of that facility, although it is impossible to quantify that reduction of capacity without historical records on operations.

MARINE TRANSPORTATION SERVICES

Marine transportation service is essential to the viability of Kodiak since it is the only mode of surface transportation from the mainland possible. The City Dock operated by the City of Kodiak is the center of shipping activity. See Map 6. Its facilities include a 21,600 square foot warehouse and two piers, one of which is 360 feet long and one which is 350 feet long. During the past year, 165 vessels utilized the City Dock facilities and 205,000 tons of freight were moved across the dock in and out of Kodiak. Reports indicate that this year's activity will greatly surpass last year's. At present there is very little dock storage space available; however, the City of Kodiak is attempting to negotiate for additional space from the Coast Guard.(12)

Sea-Land Service Company is the major freight supplier to Kodiak. The City of Kodiak provides dock faciltiies to Sea-Land under a contractual agreement. This contract, which extends another 16 years, provides that Sea-Land is allowed 104 berthings per year. Goods are delivered to the Kodiak area on container ships. Because of the lack of storage area, the vans are then loaded on trucks and delivered to the destined business location where they are left until the ship arrives on its return trip.

If OCS development were to occur, the increased demand for goods and industrial equipment likely to accompany such development would place a significant increase in demand on dock facilities. Should this situation occur it would be necessary to increase the capacity and storage spaces of these facilities significantly. This will be discussed in more detail in Phase II of this study.

STATE OF ALASKA FERRY SYSTEM

Kodiak is served on a seasonal basis by the Tustumena, a 269 foot long ferry operated by the State of Alaska Division of Marine Transportation.

The Tustumena serves Kodiak twice a week during the winter (January 10 through April 30) on a loop going from Seward to Kodiak, from Kodiak to Homer, from Homer to Kodiak, and from Kodiak to Seward. During the summer (May 1 through mid-October) the ferry makes three trips to Kodiak per week following the same route as the winter schedule, with the addition of a Valdez/Seward run on the weekends. Between October 14 and January 9 each year, the Tustumena undergoes its annual repairs in accordance with Coast Guard regulations, and during this period there is no ferry service available to Kodiak. The State Ferry Terminal is located in downtown Kodiak (see Map 6).

Costs for ferry service are as follows:

	Winter Rates	
Seward to Kodiak	$16/passenger	$54/vehicle
Kodiak to Homer	$14/passenger	$42/vehicle

Summer rates for the 1977 season have not yet been determined; however, it is anticipated that these will be 20 to 25 percent higher than the winter rates.

The Tustumena can carry 200 passengers and 45 cars (figured at 8' x 20' space per car). Vans of 40 feet maximum length can be transported on this vessel. There are 26 staterooms available, two of which are four-bed units and the others are two-bed units.

The Tustumena uses an elevator system to load vehicles. Two cars or one van at a time are lowered into the Tustumena onto a roundtable which turns to position the vehicle for placement in the ferry.(23)

As population pressures increase in Kodiak, either through normal growth or through OCS development, it may be necessary to increase the frequency and consistancy of ferry service to the Kodiak area both in winter and summer. The ferry is the only vehicular link between Kodiak Island and the mainland, and thus will be important to people who must travel between Kodiak and other areas in Alaska by vehicle.

PUBLIC SAFETY FACILITIES

This section will discuss the public safety facilities available in Kodiak. These services include law enforcement, fire protection and emergency services. In addition, the court system and Division of Corrections facilities will be described here since they relate closely to law enforcement.

DEPARTMENT OF PUBLIC SAFETY, DIVISION OF ALASKA STATE TROOPERS

Kodiak is the headquarters for the "E" Detachment of the Alaska State Troopers. The "E" Detachement covers an area including Kodiak, Dillingham, Naknek, Sand Point, Saint Paul and most of the Aleutian Chain. The Detachment employs 18 people, eight of whom are stationed in Kodiak. Kodiak personnel include five troopers, two clerks and one pilot who works for both the Division of Alaska State Troopers and the Division of Fish and Wildlife Protection.

The State Troopers are charged with enforcing the laws of the State of Alaska. This entails a variety of tasks, the most time consuming of which are criminal investigations, search and rescue functions, crash site investigations, and driver's license administration and testing. In addition, the Troopers assist the Fish and Wildlife Protection Division on an as-needed basis.

Offenses reported to the State Troopers in Kodiak increased in the early 1970's but have decreased since 1974. While available statistics summarize enforcement activities throughout the "E" Detachment jurisdiction, general trends determined by this information are directly applicable to the Kodiak area. For example, Figure 3 lists a breakdown of offenses reported within the "E" Detachment from 1969 to 1975. Troopers in the Kodiak area have carried a work load proportionate to the figures shown.

At present, the State Troopers in Kodiak have a staff level that is barely able to handle the case load. According to estimates made by "E" Detachment Headquarters, it takes a minimum of five men to provide a 24-hour shift for Kodiak Island. This does not include man-days required for travel, vacation, administration, and court duties. In order to adequately handle a 24-hour shift and all the ancillary duties assigned to the the Trooper detachment, a minimum of eight troopers and two supervisors should be provided according to the Division representative in Kodiak.

In addition, the State Troopers and the Fish and Wildlife Protection Division need another airplane. At present, the only plane available for use by both the divisions is a Grumman Goose. While the Goose is adequate for certain types of aerial work, it does not meet the full

range of needs for the two divisions. It is recommended that another, more modern aircraft be added to the divisions so that travel time can be reduced and larger areas can be covered in search and rescue functions. It is also felt that the Troopers need a boat approximately 40 feet in length to provide better coverage in search and rescue missions.(14)

If full OCS development were to occur, the case load of the Troopers would be expected to increase substantially. A rapid increase in population would be accompanied by an increase in criminal and misdemeanor offenses in a rate higher than expected. This is because boom-type economies create social pressures resulting in social and economic problems not normally found in stable communities. The State Troopers, therefore, anticipate a need for a larger work force in "E" Detachment to handle an increase in population due to OCS development.

Fig. 3: Offenses Reported - Alaska State Troopers

Offenses	1969	1970	1971	1972	1973	1974	1975
Homicide	5	4	2	2	7	4	5
Rape	1	1	--	1	6	2	--
Robbery	1	1	2	1	1	--	--
Assault with Deadly Weapon	8	6	13	25	23	22	15
Burglary	14	12	15	37	40	36	19
Larceny	8	14	19	45	83	53	27
Auto Theft	3	4	5	7	15	17	6
Assault	21	21	16	22	38	35	16
Narcotics	--	3	20	13	7	10	12
Liquor Laws	9	9	25	8	16	5	6
Drunkenness	41	34	36	15	2	2	--
Disorderly Conduct	23	27	29	10	20	8	5
Driving While Intoxicated	6	9	17	15	16	16	11
Other	20	42	53	60	143	67	11
TOTAL	160	187	252	261	417	277	133

Source: Alaska Department of Public Safety

CITY OF KODIAK POLICE DEPARTMENT

The City of Kodiak Police Department provides police services within the City Limits. The Police Department headquarters are located near downtown Kodiak on Mill Bay Road. (See Map 6.)

The Department is organized in three divisions. The Administrative Division consists of the Chief of Police and one secretary. The Patrol Division consists of one Sargent of Police and nine police officers. The Service Division consists of one sargent, five desk officers, one cook, and one humane officer. The Service Division provides support services to the Department including clerical, dispatching and record maintanence. The humane officer is responsible for animal control.

The Police Department maintains four radio-equipped patrol cars, one four-wheel drive vehicle, one pickup truck with canopy (humane truck) and one 1-1/2 ton van.

The City of Kodiak's jail facility is also located in the Police Department headquarters. At present that facility will detain 20 prisoners. It does not, however, have cells separated for the detention of women and juveniles, and the City is not allowed to detain prisoners for more than 120 days after sentencing because of the limited jail space. As indicated in the Social Services Section of this report, the Police Department is also responsible for administering the Alcoholic Sleep-Off Center which is located behind the jail.

A study of the historical crime rate in Kodiak reveals some extraordinary findings that give a relatively accurate indication of the effects that OCS development on criminal activity in Kodiak. Figure 4 shows the number of persons charged with Part I and Part II offenses from 1970 through 1976, and the percentage of increase or decrease in criminal acts that occurred during this period. The information utilized for this figure is condensed from reports sent to the Federal Bureau of Investigation by the City of Kodiak Police Department. A description of the offenses included in Part I and Part II categories is also found in Figure 4.

There has, in recent years, been a fluctuation in criminal activity in Kodiak. This is probably due to flucuations in the economy. Such economic flucuations can cause changes in the crime rate due to social tensions, economic hardships of individuals and increases in the number of transient workers.

The most significant statistic within Figure 4 is the increase in the crime rate shown between 1975 and 1976. The major portion of that increase in 1976 occurred in Part I offenses, which are considered far more serious than the Part II offenses. This is primarily because Part I offenses normally represent a criminal act that is eminently dangerous to the life and/or physical well being of the victim.

Fig. 4: Criminal Offenses City Of Kodiak

Year	Part I Offenses[1]	% ±	Part II Offenses[2]	% ±	TOTAL	TOTAL % ±
1970	4	---	501	---	505	---
1971[3]	1	---	352	---	353	---
1972	47	+ 15%	504	+ .05%	551	+ 2.0%
1973	40	- 15%	229	- 55%	269	- 39%
1974	50	+ 25%	503	+ 120%	553	+ 63%
1975	53	+ 6%	450	- 10.5%	503	- 10%
1976	91	+ 72%	551	+ 22%	642	+ 28%

1. Part I Offenses: Criminal Homicide (Murder & Nonnegligent Manslaughter) Forcible Rape, Robbery, Aggravated Assault, Burglary, Larceny, Motor Vehicle Theft.

2. Part II Offenses: Other Assaults, Arson, Forgery & Counterfeiting, Fraud, Embezzlement, Stolen Property, Vandalism, Weapons, Prostitution & Commercialized Vice, Other Sex Offenses, Narcotic Drug Laws, Gambling, Offenses Against Family and Children, Driving Under the Influence, Liquor Laws, Drunkenness, Disorderly Conduct, Vagrancy, All other Offenses (except traffic).

3. Incomplete data for 1971.

Source: City of Kodiak Police Department information reported to FBI. Simpson Usher Jones, Inc. (1976).

Often times an increase such as this is not representative of the actual increase in crimes, but rather is reflective of an increase in efficiency of reporting or an increased level of service on the part of the agency involved. However, this not the case of the Kodiak Police Department. There have been no significant changes in the reporting requirements or standards, and the level of service of the department in terms of its personnel and equipment, was not appreciably changed between 1975 and 1976. Thus there is no reason to believe that the statistics shown in the table are influenced by external factors.

The increase in Part I offenses within the last year could be explained by any one, or all, of a number of changes that are occurring in Kodiak. Most of these changes are directly or indirectly related to economics. In recent years, the processing industry has been expanding rapidly and has encountered shortages in the available work force. Consequently, there has been a high degree of reliance on imported laborers that are either

migrant and/or transient. The majority of these workers are from cultural backgrounds different than the residents of Kodiak and have no hereditary roots within the community. According to the Police Department, a relatively high percentage of the criminal offenders reported in Figure 4 come from this group. Also, Kodiak is experiencing a much higher than normal incidence of unemployed transients from other major cities within Alaska. Again, according to the Police Department, there has been a high incidence of criminal offenses by transient persons from Anchorage, Fairbanks and Valdez within the last year. This would correspond with the completion of the Trans Alaska Pipeline project and the desire of the persons who were employed on that project to either seek new employment in other towns or simply explore other parts of the state. For the most part, the people within these groups are law abiding and have no intention of becoming involved with illicit activities. However, statistically there is a higher incidence of criminal offenders in these groups than is found in the indigenous population. A relatively high percentage of offenders in Kodiak tend not to have any type of cultural or economic attachment to the community.

There is an obvious correlation between this recent increase in criminal activity and the potential effects of rapid industrialization due to OCS development. A large portion of the labor force involved in oil development in Kodiak will have to be imported because the lack of required skills that are available in Kodiak as well as the general lack of work force available. Also, as industrialization occurs, Kodiak will experience an influx of "camp followers". These people have traditionally followed economic booms in hopes of either finding high paying jobs or establishing illicit operations, such as gambling and prostitution, to "cash in" on the boom. In most cases the jobs are not available and, unfortunately, there is normally a market for the illicit operations.

In order to cope with this situation, police services within the City of Kodiak will have to be increased. In discussions with the Police Department, a number of needs were identified that would help reduce these adverse impacts. One unfortunate, however necessary, priority would be an increase in the size of the jail facility. Since the city jail is the only detention facility on Kodiak Island it is already operating at or above its capacity. A continued increase in crime will make its expansion or the construction of a new facility imperative.

An increase in criminal activity will obviously require an increase in police departmental activity. A dramatic increase will require additional personnel. An increase in personnel will require an increase in the size of the Police Department facility. Currently, the department estimates that there is a need for additional personnel in the jail to handle bookings and releases on the work-release program, as well as to administer the Sleep-Off Center. The department is also in need of a juvenile officer to work with delinquent, dependent and neglected children. It is estimated that by the addition of this officer, 75% of the children that are now sentenced could be kept out of court. In addition, the department is in need of two more positions for traffic control. An increase in the criminal rate will require a much higher percentage of

individual police officer's time to be spent in the handling of criminal cases. Consequently, traffic control would be one of the first areas of police work that would receive less attention.

The present needs of the Department, based on the increased crime rate in 1976, would require the addition of five people to the department along with appropriate equipment and vehicles. If the crime continues to increase as can be expected during OCS development, the City of Kodiak should be prepared to expand the department even further.

THE ALASKA STATE COURT SYSTEM

The court system is housed in the state court building in downtown Kodiak. (See Map 6.) In addition to the administrative offices this building includes a law library with an inventory of approximately 5,000 legal books and documents. The law library is open to the public during the normal hours of operation of the state office.

At the present time court personnel include one Superior Court judge who presides over both the Superior and District Courts; one in-court deputy clerk who also functions as the judge's secretary; one magistrate who handles the administration of the court system and the small claims and arraignment function; a clerk of the court/acting magistrate; and a recording clerk, for a total of five employees.

The court's workload in Kodiak has shown a fluctuating increase over the past few years (Figure 5). The following charts provide a summary of Kodiak Superior Court's case load indicating the number of cases filed, the number of dispositions made, and the number of cases still pending during the years 1973, 1974 and 1975. Figure 6 provides an indication of the number and types of felony and misdemeanor charges filed in Kodiak during 1975.

Fig. 5: Kodiak Superior Court Total Caseload

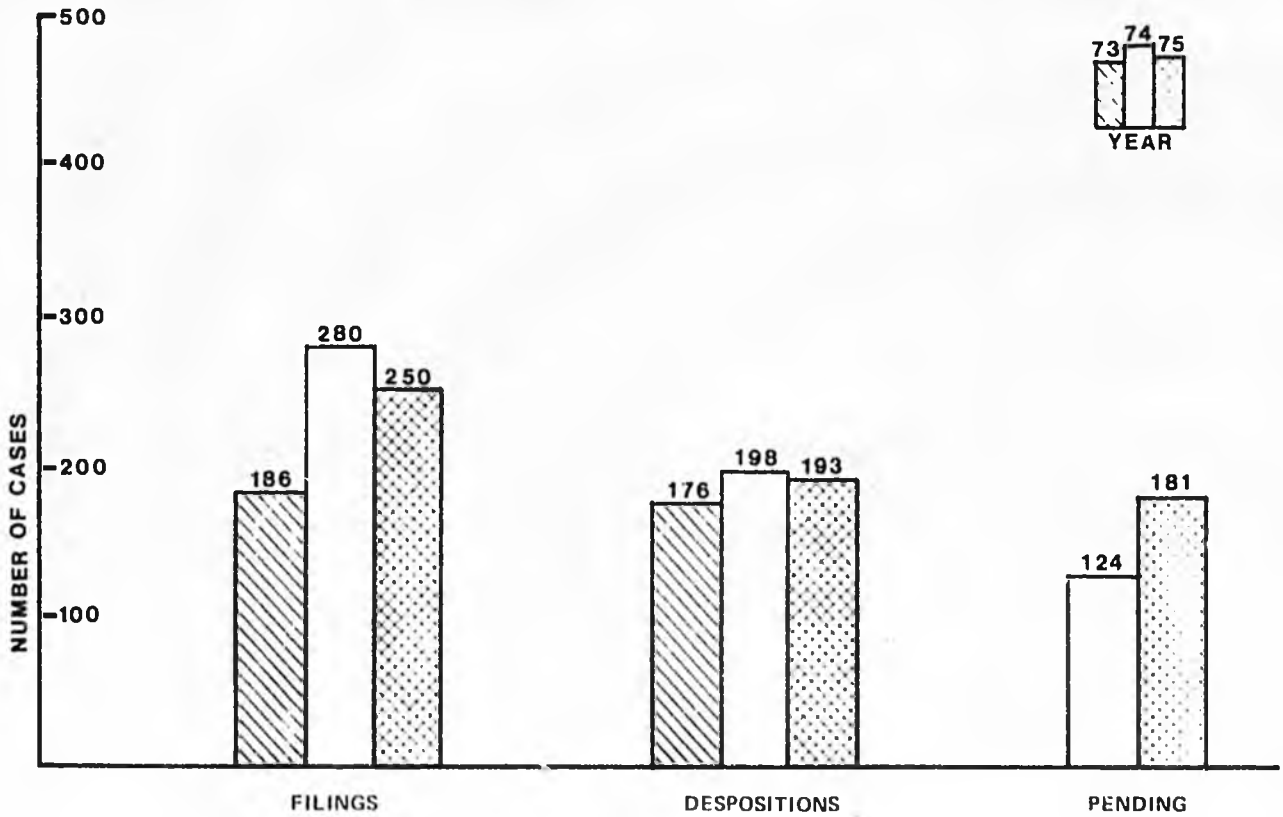


Fig. 6: 1975 Filings -- Kodiak

Felony	
Violence	41
Property	49
Travel	10
Drugs	13
Resisting the Law	0
Other	0
TOTAL	119

Misdemeanor	
Violence	66
Theft/Travel	82
Environmental	127
Nuisance	110
Alcohol/Drugs	70
Vice	3
Resisting the Law	15
Traffic	193
Other	19
TOTAL	685

Source: State of Alaska Court System

The first year Kodiak had both a Superior Court Judge and Public Defender was 1976. (See "Health and Social Services" for information regarding the Public Defender.) Consequently, the workload of the court system has increased dramatically. It is estimated that two additional personnel are needed to adequately handle the existing court administration workload. In addition, a law clerk is needed to assist the Superior Court Judge.

If full OCS development were to occur, it is anticipated that felony and misdemeanor offenses will increase significantly. Consequently, the court system's case load will also increase. Since the current staff level is overtaxed by its present workload, it is felt that the court system could not handle the additional burden brought on by OCS development without increasing its personnel.

STATE DEPARTMENT OF LAW

The District Attorney's office is the only representative of the State Department of Law in Kodiak. This office employs one attorney and one secretary. The function of the District Attorney's office is to prosecute all violations of state law within its service area which includes Kodiak, the Alaska Penninsula, the Aleutian Chain, and portions of Southwestern Alaska.

A full-time District Attorney has been employed in Kodiak since the fall of 1975. Prior to that, those functions were served by an Assistant District Attorney from the Anchorage office on a part-time basis.

In addition to the normal case load, the Kodiak District Attorney is responsible for prosecuting violations of fishing and hunting regulations for the Division of Fish and Wildlife. These cases include everything from illegal commercial fishing to complaints against sport fishermen for snagging salmon. Fish and Wildlife Protection cases account for approximately 25 percent of the District Attorney's time.

The District Attorney also handles divorce and paternity-related non-support complaints from other states through cooperative agreements. This is done on a time-available basis.

As previously mentioned, the District Attorney's office is responsible for the Kodiak area, the Aleutian Chain and the Alaska Penninsula. The greatest proportion of its time (approximately 70 to 75 percent) however, is spent on Kodiak cases. The District Attorney's office estimates that at least one additional attorney and one secretary are needed to adequately handle the present case load. The advent of OCS development would necessitate an even larger staff because of the problems anticipated to accompany population growth.(15)

DIVISION OF CORRECTIONS (Department of Social Services)

The Division of Corrections Office in Kodiak is also located in the state court building. It is staffed by two corrections officers and one secretary. The Division of Corrections is primarily in charge of correctional institutions and field services. However, since there is no state jail in the Kodiak area, the Kodiak office is totally involved in field services. The programs administered are as follows:

Juvenile Intake - Under this program the Division of Corrections reviews juvenile offenders to determine if they should be taken to court or handled in some other manner. This is a discretionary decision rendered by the corrections officer in Kodiak.

Convicted Offenders - Reports are required on convicted juvenile and adult offenders. In the case of adults, presentencing reports are prepared for the court on convicted felony offenders. These reports are reviewed by the court in the process of sentencing adult felons.

Predisposition reports are required by the court on juvenile offenders. These reports include complete background studies of the juvenile offenders. The court uses these reports to determine the disposition of the juvenile offender after sentencing.

Probation Supervision - This program directs the counseling and supervision of persons who have been convicted of crimes and placed on probation. It is the duty of the corrections officer to see that the terms and conditions of probations are met by the offenders.

Parole Supervision - This program administers probation supervision to previously convicted persons who are now on parole. Parole is also normally granted with attached conditions or terms, and it is the duty of the corrections officer to insure that those conditions are met by the parolee.

Interstate Compact - Under this program the Division of Corrections assumes courtesy supervision of parolees from other states. While it is required that correction officers must be notified by the state of origin when a parolee requests permission to move into his district, this procedure is seldom followed. Frequently parolees simply appear before the correction officer and request parole supervision.

Approximately 95 percent of the correction officer's case load in Kodiak involves probation supervision. Of that, 60 percent relates to adult offenders and 40 percent with juveniles. The remaining 5 percent of the time is spent preparing reports for both the department and the court.

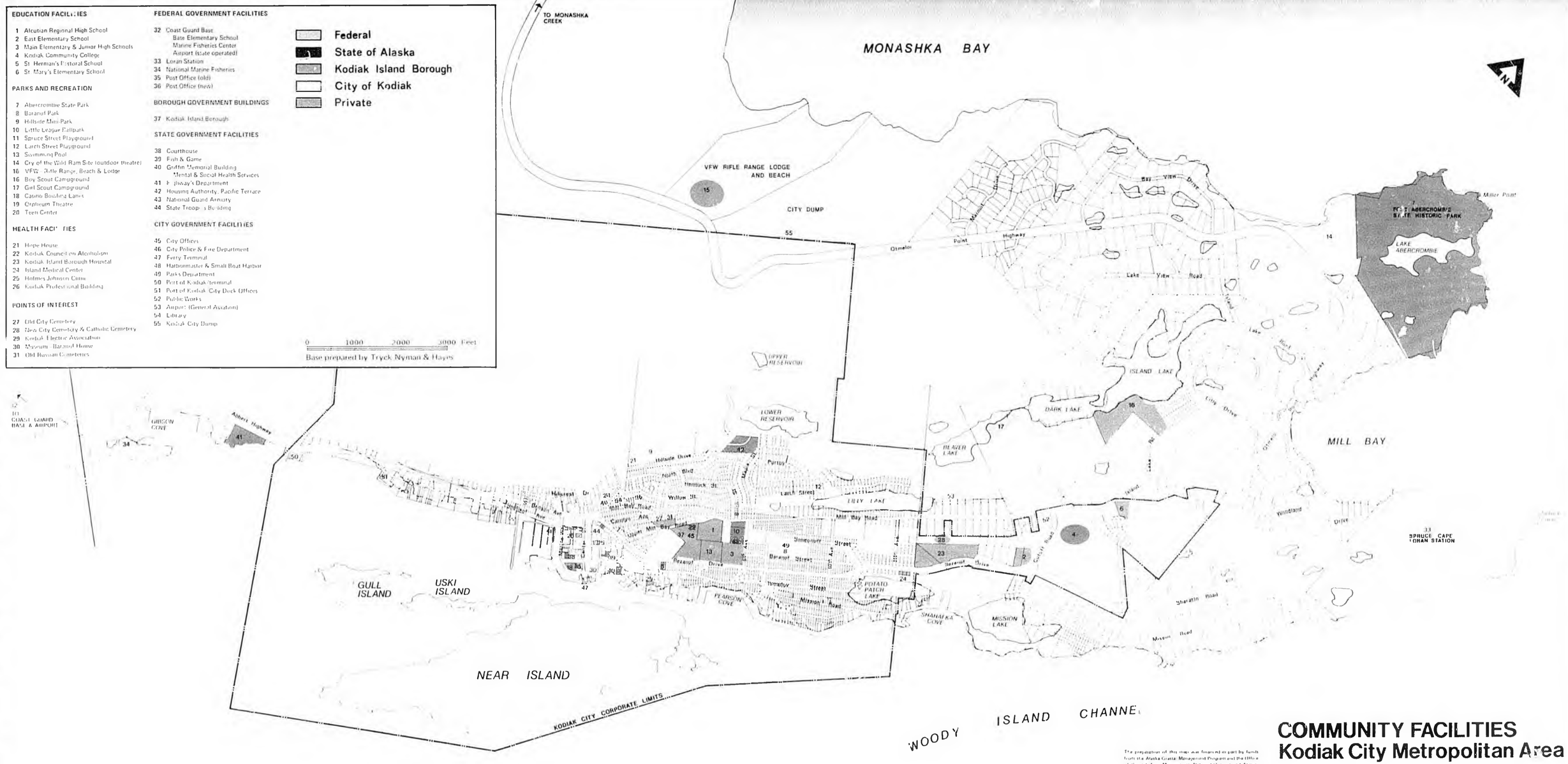
The Division of Corrections handles a heavy work load and additional personnel could currently be justified according to the Division repre-

sentative in Kodiak. If full OCS development were to occur, the case load would increase significantly, and so would the need for additional personnel and support facilities.(16)

EMERGENCY MEDICAL SERVICES

Emergency medical services in Kodiak are insufficient at the present time on a regional basis. While the City of Kodiak provides ambulance service to military personnel and their dependants at the Coast Guard Base, the remainder of the Island, including the villages, is without such service. When emergency medical help is needed, the villages receive verbal medical assistance from Kodiak physicians and nurses until the patient can be evacuated from the village. Medically, this is a very unsatisfactory system further complicated by unreliable communication and transportation difficulties due to unfavorable geographical and weather conditions.

The Coast Guard provides search and rescue service for the entire island.



COMMUNITY FACILITIES
Kodiak City Metropolitan Area

The preparation of this map was financed in part by funds from the Alaska Coastal Management Program and the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, administered by the Division of Community Planning, Alaska Department of Community and Regional Affairs.

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough

HEALTH AND SOCIAL SERVICES

The following is a review of health and social services available in the Kodiak area. More specifically, the services discussed are public assistance and welfare programs primarily directd toward persons with financial and sociological problems. Most of these services are based in the City of Kodiak or the immediately surrounding metropolitan area, although many services are provided to the outlying villages on a visitation basis. These will be noted where applicable.

The importance of health and social services within a community is often underestimated. The need for such services, however, may be particularly acute during an economic boom. Should Kodiak experience rapid population growth and industrialization due to OCS development, problems may arise such as overcrowding, cost of living increases, a rise in unemployment, housing shortages, traffic congestion, and more community health problems. Such changes may result in a significant degree social disruption since current residents of Kodiak have been accustomed to a stable, homogenous community with a steady growth rate.

Relatively speaking there have been few serious social conflicts and no serious community-wide health problems. It is possible, however, that conflicts between the life styles of the existing residents and the newcomers may occur. Resentment and other psychological pressures may build as a result of a population increase. In addition, since unemployment can be expected to rise due to an influx of job seekers who want to participate in the "boom", public assistance and welfare programs will be impacted.

To help avoid these problems or lessen their consequences, the health and social services available in Kodiak will be of valuable assistance.

HEALTH FACILITIES AND SERVICES

Kodiak Island Borough Hospital

The Kodiak Island Borough Hospital is located within the City of Kodiak and is owned by the Borough. (See Map 6.) It is operated by the Grey Nuns of Sacred Heart, Incorporated. This non-profit corporation has an operating agreement with the Borough and takes full responsibility for the day-to-day operation of the hospital.

The Kodiak Island Borough Hospital has a 44-bed capacity including a two-bed, intensive coronary care unit. Other departments within the hospital include obstetrics, surgery and emergency care. The hospital is equipped with X-ray equipment, two remote heart monitors, complete

kitchen facilities medical laboratory, EKG equipment and a variety of surgical equipment and monitoring facilities. At present the only additional equipment needed by the hospital is another stretcher for the emergency room, a backup EKG machine, microfilm equipment and additional up-dated surgical equipment.

The staff totals 55 full-time and part-time personnel, including medical and administrative positions. There are four full-time doctors on the staff and eight doctors on a courtesy staff. The yearly budget is approximately one million dollars.

Construction of a new intensive care wing is underway with occupancy expected in 1977. This 19-bed facility will require less equipment and staff personnel than the acute care facilities currently being used. In addition, it will increase the versatility and capacity of the hospital.

Full OCS development should not adversely affect the hospital. Upon completion of the current construction program, the hospital will be operating at 60 to 70 percent of full capacity. With the addition of the new wing and the purchase of equipment mentioned previously, the hospital should be able to accommodate the needs of a substantially large population.(17)

OCS development can be expected to bring a significant increase in industrial accidents. The hospital is also capable of handling that situation. The heliport at the City Airport is located near the hospital and provides fast transportation to offshore facilities. It would be necessary, however, to upgrade the roads between the hospital and heliport to allow for faster ground transport of emergency cases.

Health Care Agencies and Facilities

The following is a list of the various entities that provide health services in Kodiak in addition to the Kodiak Island Borough Hospital.

Kodiak Health Center

The Kodiak Health Center is operated by the Alaska Department of Health and Social Services, Division of Public Health. It is located in the Griffin Building (see map 6) and is open from 8:00 a.m. to 4:30 p.m., Monday through Friday. The center is staffed by three registered nurses and one clerk/receptionist. The following services are provided by the Kodiak Health Center: (18)

1. Public Health Nursing Service - Services available through the Public Health Nursing Service include physical examinations, house call visits, limited direct nursing care, follow-up on communicable diseases including tuberculosis and veneral disease, services related to mother and child care, evaluation of health problems and needs, health education, and health care consultation.

2. Clinics

Well Baby Clinic - Examinations and immunizations.

Immunization Clinics - Routine childhood and adult, international travel, exposure to a contagious disease, tuberculin skin testing.

Family Planning Clinic - Education, health exam and provision of desired birth control method.

Chest and X-ray Clinics - For tuberculosis and other respiratory problems.

Kodiak Island Borough School District

The School District provides health services through a registered school nurse whose office is located at the Kodiak High School. She provides general health screening, vision and hearing testing, health counseling and assistance to community agencies regarding child health matters.(19)

Physical Therapy - Physical therapy is provided by a traveling physical therapist who works out of the Kodiak Island Borough Hospital one or two times a month. The services provided by the physical therapist are offered to the community free of charge through the financial support of the Elks Lodge. The services offered are:

1. Teaching the patient or family to carry out an exercise program as needed.

2. Going into the home, if necessary, to help modify living arrangements to enable handicapped persons to increase their independence.

3. Evaluations of any persons with problems relating to physical therapy.

4. Specific physical therapy evaluation procedures (i.e. range of motion, muscle testing, electrical stimulation, functional evaluation).

5. School scoliosis screening. Also evaluations of children requested by the school nurse or teacher.

6. Motor development evaluations of infants and young children.

Kodiak Analytical Laboratories

Kodiak Analytical Laboratories is the only independent laboratory facility on the Island. It is located in the Kodiak Island Professional

Building (see Map 6). A full range of laboratory work can be provided upon physician's request. In addition, the laboratory will perform pregnancy and premarital blood tests for private individuals.

Private Physicians and Dentists

The City of Kodiak has several dentists and general medical practitioners. In addition there is a clinical psychologist and an optometrist. Specialists in the fields of dermatology; urology; orthopedics; opthomology; orthodontics; and ear, nose and throat; travel to Kodiak from Anchorage and Fairbanks at various frequencies throughout the year to treat patients needing special care. A family practitioner is located at Port Lions.

The current needs for professional medical services in Kodiak are being adequately met. OCS development would undoubtedly mean a greater need for medical services, especially in the area of emergency services due to the hazardous nature of the work involved in oil field development. As mentioned previously, however, the Kodiak Island Hospital should be able to accommodate these needs both in physical capacity and technical facilities. More private physicians and dentists may be needed as the population grows.

Mental Health Assistance

The Kodiak Aleutian Mental Health Center (KAMHC), established in 1970, provides most of the mental health assistance in Kodiak. The Center, which is located in the Griffin Memorial Building (Map 6), has a full range of services including 24-hour crisis intervention and emergency psychiatric hospitalization. The staff includes two social workers, one psychologist, and one native mental health worker. Local medical consultation is available at all times, and psychiatric consultation is scheduled on a monthly basis. Services are provided at the schools, the Alcoholism Council, the Kodiak Baptist Mission Program for Adolescents, and all other agencies in the community. The Center has also recently begun to provide mental health services to the surrounding native villages.

The purpose of the Kodiak Aleutian Center is to provide quality mental services to all residents of Kodiak Island regardless of income.

Its staff evaluates and treats various emotional disturbances such as behavior problems of children and adolescents, learning disabilities, school adjustment problems, and delinquent behavior, marital problems, disturbances in family living, alcohol and drug related problems, neuroses, and psychoses.

According to personnel at the Mental Health Center, many residents of Kodiak feel isolated because they live on an island. These feelings of isolation coupled with the seasonality of the fishing industry bring a variety of mental health problems.

Total state funding for the Kodiak Mental Health Center for fiscal year 1976 was $98,500. That figure will increase by $14,200 in 1977 for a total state funding of $112,700.

Four basic services are offered by the center. They are described as follows:

1. Outpatient care - This includes services for persons who require ongoing therapy, such as psychotherapy, marital counseling, family counseling, and group therapy.

2. Inpatient care - The Center utilizes the Kodiak Island Hospital for persons who require short-term psychiatric hospitalization, usually no more than ten days. Long-term hospitalization is provided by referral to Alaska Psychiatric Institute in Anchorage or other inpatient facilities outside the community.

3. Partial hospitalization - This is for patients who do not need complete hospitalization. These patients are engaged in part-time programs provided by the Center.

4. Education and consultation - This is a preventative service, intended to assist the community to better understand the problems of mental health and to offer training to staff members of other agencies.

Full OCS development would undoubtedly create a need for additional clinical staff due to social pressures generated by conflicting life styles and economic problems.(20)

Alcoholism and Alcohol Related Programs

Alcoholism is an extremely serious problem in Kodiak. It was identified in the Kodiak Island Borough Health Resources Council Report of August 1975 as Kodiak's number one health problem and a priority issue. Statistics reinforce this statement. For instance, of the total number of admissions to the Kodiak Island Hospital for 1975-76, 14 percent were alcohol related. Of the total number of ambulance responses by the Kodiak Fire Department, 22.6 percent were alcohol related. In addition, the court system reported that 33 percent of the District Court cases were alcohol related, and 44.8 percent of the Superior and District Court cases combined were alcohol related.

Most of the alcoholism programs in Kodiak are handled through the Kodiak Council on Alcoholism which is a chartered chapter of the National Council on Alcoholism - Alaska Region. Its offices are located in the Borough office building (Map 6). It is a private nonprofit corporation funded by state and local governments, and it provides three main facilities. They are Hope House, the Sleep-Off Center, and the Information and Education Center. All of these facilities are located in the City of Kodiak.

Hope House Alcoholism Treatment Center - Hope House is located at 319 Hillside Drive in Kodiak. It provides a four-week residential treatment program, extending into a 60-day half-way house program with after-care. It can accommodate nine men and two women. The clients who enter the program generally do so on a voluntary basis and are free to leave treatment at their own request. During the fiscal year 1975-76, a total of 61 persons were admitted to the Hope House and 54 were discharged.

Sleep-Off Center - The Sleep-Off Center is located at 217 Benson Avenue behind the City Police Department (Map 6). It includes beds for ten individuals, free coffee, tea and hot chocolate, shower and laundry facilities. Trained personnel are on duty to provide continual care. Referrals may be made to the Sleep-Off Center by police officers, the Kodiak Council on Alcoholism, medical clinics, ministers, and other agencies. Walk-in patients are also accepted. The desk officer at the City Police Department checks in all referrals and walk-ins before they are turned over for care at the Sleep-off Center. This does not mean the patients are incarcerated, however. They accept treatment on a voluntary basis and may leave when they wish. No fees are charged for the services rendered. During 1975-76, 244 persons utilized the Sleep-Off Center, with a total of 61 of those being referred by other agencies.

Information and Education Center - The Kodiak Council on Alcoholism Information and Education Center is located on the second floor of the Harbor Master Building (Map 6) at 403 Marine Way. The Center has a library which offers films, tapes, and literature on alcoholism. There is also a lounge area for clients and the general public which furnishes free coffee, tea and hot chocolate. Referral and consultation services with the staff and executive director of the Council are available on a scheduled and non-scheduled bases. In addition, films are shown on Monday, Wednesday and Friday at 1:30 p.m. for anyone who wishes to attend. Alcoholics Anonomous and a team on drug/alcohol use meet regularly at the center.(21)

District Sanitarian

The State Department of Health and Social Services provides the only sanitarian services in Kodiak. The Office of the District Sanitarian is located in the Griffin Memorial Building (Map 6) and is staffed by two sanitarians and one secretary. It is encharged with enforcing all state, borough and local health regulations for the Kodiak area as well as the Alaska Penninsula and the Aleutian Chain. The duties of the District Sanitarian include inspection and enforcement of the sanitation requirements for food services, seafood processors, barber shops, beauty shops, schools, grocery stores and on-site septic systems in residential areas. In addition it must investigate complaints by the public.

Due to the tremendous volume of work assigned to the District Sanitarian, the office is understaffed with three employees. It is felt that three additional sanitarians assigned to seafood processors plus two more

sanitarians and one aid to assist with the other areas of responsibility could easily be justified. In addition it is recommended that the City and Borough hire their own sanitarians to enforce local regulations.

Because of the limited staff, the District Sanitarian's Office has had to expend most of its effort attending to emergency situations. Normal day-to-day responsibilities have suffered from lack of attention and some problems are still unresolved as a consequence. As an example, the City of Kodiak has been faced with a large rat population in recent years. While it is a potentially serious problem, the District Sanitarian has been unable to devote enough time to the extermination of these animals. With proper staffing, however, this kind of problem could be handled on a continous basis.

PUBLIC ASSISTANCE PROGRAMS

The public assistance services addressed in this portion of the report will primarily include programs designed to meet the needs of persons and households requiring financial assistance, medical aid, or vocational training.

Housing Assistance

Housing is a major problem in the Kodiak area. As the Housing Inventory demonstrates, the current housing supply is short and rents are correspondingly high. This situation has created a need by many Kodiak residents for housing assistance.

Several programs are available to provide such help. One project, operated by the Alaska State Housing Authority, provides low cost housing to families in the City of Kodiak. Forty apartment units, ranging from one to four bedrooms and collectively known as Pacific Terrace (Map 6), are available to families who qualify under a formula based on the relationship between the family's size and its income. As an example, a family of three qualifies for this housing if it earns $7900 or less per year. Once they become residents, the family may increase its income without jeopardizing its tenancy. However, rent will increase in accordance with the raise in salary.

The housing provisions of Pacific Terrace require that a family must consist of either (1) two or more persons related by blood, marriage or adoption, and who live regularly together in the same dwelling unit; or (2) a single person who is disabled; or (3) a person who is 62 years of age or older.

Public demand for low cost housing at Pacific Terrace is high. It is estimated that vacancies occur only once every six months, and there is currently a two-year waiting list for qualified applicants.(23)

Another program providing housing assistance is offered by the Department of Health and Social Services, Division of Public Assistance. This

program, otherwise known as Income Maintenance, is moderately used in Kodiak. It provides rent and utility assistance as part of a general relief program. In 1975, the Division of Public Assistance expended $514,503 on 144 cases in Kodiak, an average of $3,572.94 per case.

Construction of 90 housing units in outlying villages is planned for the near future. These houses will be built by the Kodiak Area Native Housing Authority (KANA). an organization recently established by the Kodiak Area Native Association (KANA). Assistance by the Indian Health Service, and a 3.6 million dollar grant from HUD, aid this housing project.(24) All of the units will be located in villages around Kodiak Island. Old Harbor will receive 45 units. Ahkiok, Larsen Bay, and Karluk will receive 15 units each. At present, the funds for this program are held up by HUD because a new set of guidelines has been adopted for the Indian Housing Program and the cost structure of this project must be modified to meet those guidelines. There is no estimate as to when the funds will be available.

In a separate application to HUD, funds are being requested under Section 8 of the Housing and Community Development Act of 1974, for a 55-unit complex for the elderly. These funds would not cover constuction costs, but would provide housing assistance payments to qualified households. A simultaneous application for HUD mortgage insurance has been made to finance the construction of these units. Both applications are pending due to lack of funds.

The programs mentioned above can be valuable in providing housing to low and middle income people in Kodiak. In the future they will become even more important. Maintaining the funding for these programs will be vital to the success in meeting the housing needs in Kodiak.

As with other social services and public assistance programs, the housing program will be strongly impacted by full OCS development. As economic development occurs and population increases, housing will become more scarce and rents will become higher. Consequently, housing assistance will be needed by a larger percentage of the community. It follows, therefore, that funds for housing assistance programs must also increase in proportion to rising housing costs and population growth.

Social Services

The State Division of Social Services has an office in the Griffin Memorial Building in Kodiak (Map 6) to assist people in the Kodiak area, the Aleutian Islands, and the Alaska Peninsula. The staff, which consists of one full-time and one half-time employee, devote their time to counseling, child protection, regulation of daycare services, information dispersal, referrals to other agencies, and administrative functions.

There is an average of 130 cases continuously in progress. Of these about 50 are routine management jobs such as licensing, certifications, etc.; 30 are long-term assistance cases for families; and 50 are crisis cases requiring immediate, intensive attention. In addition to these

cases, about 50 families wait for social service assistance but cannot be helped until the present case load subsides.

Crisis situations demand most of the staff's time. Due to the lack of personnel, however, only the most serious of these cases can be investigated immediately. Alcohol-related incidents frequently account for the most serious problems. Unintentional child abuse is a common alcohol-related problem, although such cases generally involve neglect rather than malice.

The Division of Social Services estimates that to adequately handle its present workload it needs an additional professional plus four para-professional; two of whom should be located in outlying villages. Should OCS development occur, the anticipated social tensions would further increase the need for assistance by the Division. Quite obviously, such needs could not be met by current staff levels.(25)

Subsistance Programs

Several programs designed to increase the income of families living below subsistance level are available in Kodiak.

The Office of the State Division of Public Assistance, located in the Griffin Memorial Building (Map 6), offers grant programs to assist families with dependent children, the aged (65 and over), the blind, and the disabled. In addition, it furnishes utility, rent and medical assistance under a general relief program. Food is provided through the Food Stamp Program. The division's authority for administering assistance under these programs extends to all qualified residents of Kodiak Island.

The response to these programs has been high. As an example, there were 200 recipients of these assistance plans in August, 1976. This figure did not include applications which were denied or pending.

The most actively used plan is the Food Stamp Program, which provides subsistance aid based upon a ratio of family income to family size. In general, recipients of that program are new to the Kodiak area and are unemployed.

The next two most frequently used programs are Aid to Dependent Children and Aid to the Aged, in that order. These programs are generally used by residents of Kodiak who have lived in the community for longer periods of time.

In addition to the services mentioned above, the State Division of Assistance provides informal counseling and referral services to new applicants who are searching for employment and/or shelter.

The current staff at the Division consists of one full-time employee. The workload, however, warrants at least one additional employee to assist with the clerical tasks. If full OCS development were to occur, the staff and facility requirements would increase substantially since

economic booms historically bring large numbers of people who need welfare services while trying to find work. Such a situation could not be handled by the current staff level.(25)

The Social Security Administration's Supplemental Security Income Program provides additional subsistance income to a total of 76 households in Kodiak. On a monthly basis this income supplement ranges from $39 to $580 per month, with a mean of $145.50.

The Kodiak Area Native Association will also be providing subsistance programs in the near future. KANA is in the process of contracting with the Federal Department of Health, Education and Welfare to provide assistance funds and care to natives who do not qualify for other social service programs. These programs have been administered through the Bureau of Indian Affairs in the past, from their office in Anchorage. For additional information see the KANA Annual Report.

Employment Assistance

The State of Alaska, Department of Labor, provides the only employment assistance program in Kodiak through the Kodiak Job Service Center. This Center has three permanent and two temporary employees. As in many other state departments, the area of responsibility for the Kodiak Job Service Center includes the Alaska Peninsula and the Aleutian Chain.

The services provided by the Kodiak Job Service Center are listed below in order of the amount of time spent on each function.

1. Job placement/employment security
2. Unemployment Insurance
3. General administration
4. Selection, referral, testing, placement and follow-up for job training programs
5. Food Stamp Program (all food stamp applicants are automatically on file with ESC)
6. Promotional employer visits
7. Community speaking engagements
8. Immigration processing to ascertain if U.S. citizens are available to take jobs being sought by immigrants

The Job Service Center's most active period is approximately May 15 through July 15, when the fishing season is relatively slow. The unemployment insurance and job placement activities also increase at this time. Throughout the rest of the year, assuming the fishing season is average to good, unemployment insurance activity is lower.

Full OCS development will have an impact on the Kodiak Job Service Center similar to the effect described above on the Department of Health and Social Services, Division of Public Assistance. It can be expected that with a boom-type industrial situation, there would be an abnormal increase in unemployment insurance claims as well as requests for job placement. Until hiring policies of the industries involved are known, it is impossible to determine the exact extent of the increase in work load on the Kodiak Job Service Center.(27)

LEGAL ASSISTANCE PROGRAMS

Office of the Governor - Public Defender

The Public Defender's office is located in the State Court Building in downtown Kodiak. The primary purpose of this office is to provide legal representation in criminal matters for persons who cannot afford to retain a private attorney. Currently there is only one employee in this office and that employee is paid on a three-quarter salary basis. The office space is donated.

In addition to providing legal services to the Kodiak area, the Public Defender is also responsible for the Aleutian Chain and the Alaska Peninsula. The Public Defender's office was opened in Kodiak on February 1, 1976. By August, 1976, the Public Defender was handling 15 felony cases and 45 misdemeanor cases throughout the service district. The great majority of the cases involving the Public Defender are alcohol related, and the most common felony crimes are assault, burglary and breaking and entering.

Based on the current workload and the capability of the court system to handle cases, the Kodiak Public Defender's office estimates that one full-time attorney and one full-time legal secretary could adequately handle the work. If the case load were to increase due to OCS development and resultant social pressures, the office staff would have to be increased accordingly.(28)

Alaska Legal Services

Alaska Legal Services opened its office in Kodiak in September, 1975. Prior to that it provided services to the Kodiak area on a visitation basis.

While Alaska Legal Services will not handle criminal cases, it does provide civil representation to qualified people on Kodiak Island in matters such as divorces, contracts, native land laws, civil disputes, etc. It cannot accept cases which could result in cash settlements large enough to provide fees for private attorneys.

Staff at the Alaska Legal Services includes one attorney, one paralegal, one secretary/paralegal, one secretary/clerk, and a summer

intern. Alaska Legal Services is a private, nonprofit corporation, funded through state and federal monies. It is also supported by private foundations including KANA and CETA.

MISCELLANEOUS SOCIAL SERVICE ORGANIZATIONS

In addition to the agencies and entities already described, there are a number of special interest groups which provide various social services. They include the following organizations.(29)

American Red Cross

The Red Cross has two offices in Kodiak. One is on the Coast Guard Base where their services are primarily directed toward Coast Guard personnel. They provide two-way communications between service personnel and their families, and in emergencies they provide financial assistance for military personnel and their families. In addition, they teach health and safety to military personnel and their families, provide aid to veterans, and furnish volunteer workers for the base hospital.

The other Red Cross office in Kodiak serves the civilian population. It provides occasional volunteer services to public institutions and disaster services for the community when needed. In addition it offers classes in first aid and water safety to residents.

Kodiak Association for Retarded Citizens

The Kodiak Association for Retarded Citizes is a volunteer group dedicated to helping meet the special needs of retarded individuals. This group is affiliated with the Alaska State National Association for Retarded Children. Their services include instructional courses, counseling and information services.

Presently the association is involved with a City-sponsored six-week summer recreational program for retarded children and also with the local and state Special Olympics. To be able to handle these programs at the present level of service, the Asssociation has identified the need for funding for transportation of participants from Kodiak to the site of the Special Olympics and for daily transportation to the summer recreational sessions.

Additionally, the Association sees the need for a sheltered workshop for retarded individuals to be trained and employed in jobs fitting their abilities. The workshop would function as both trainer and employer; producing goods or services for consumption by the local community.

Additional needs include a recreational program for adults, a cottage home program to provide independent living accommodations for retarded

citizens, and an expanded public information program to improve public awareness of the retarded citizen and his or her problems.

Kodiak Island Youth Center, Incorporated

The Youth Center is open to teenagers for educational and recreational purposes. Their hours are 6 p.m. through 9 p.m., Monday through Wednesday, and 7 p.m. through 10 p.m. on Friday and Saturday. The facility may be used by any group or program on a continuing or one-time basis, depending on scheduling.

Kodiak LaLeche League

The LaLeche League is an international organization which promotes breastfeeding of babies. A series of four monthly meetings cover breastfeeding, childbirth, and infant care topics. Personal counseling is also available through telephone contacts and hospital visits.

Senior Citizens of Kodiak

The Senior Citizens of Kodiak is an active organization with a full-time director and staff. Monthly meetings are scheduled for civic and recreational activities. Senior Citizens provide a hot meal program and transportation for the elderly to the hospital, clinics, meetings, grocery stores, and to families for visits. In addition, the staff provides information and referral services regarding local, state and federal programs. A satellite program for Port Lions is also sponsored by this organization.

Koniag Incorporated

Koniag Incorporated is Kodiak's regional native corporation. Its primary objective is the implementation of the Alaska Native Claims Act. In fulfilling this function it has assisted villages in organizing their corporate structures as required by the Alaska Native Claims Settlement Act. They have also provided resource surveys for determining land values for villages and regional selections, and have furnished a variety of other assistance programs to the native community.

Child Care Services

The following organizations provide child care in the Kodiak area:

Headstart - Following pre-school structure, Headstart provides nutrition, health and education to children in families of limited income. It also provides career development for staff members and serves parents by referring them to other organizations and services for additional help. The Headstart Program operates from 9 a.m. to 4 p.m. daily.

The Kodiak Baptist Mission - The Kodiak Baptist Mission is the most extensive child care organization in Kodiak. Its primary purpose is to provide care and treatment to children whose families cannot support them. The facilities at the Kodiak Baptist Mission include two group homes which can accommodate 12 boys and girls between the ages of six and sixteen on a long-term basis. They have a third cottage which is equipped to provide temporary emergency care for a maximum of 14 children ranging in age from infancy to age 16. The maximum stay allowed at this temporary care facility is 90 days. The Mission also provide a second-hand clothing and household goods store.

Kodiak Child Daycare Center - The Daycare Center is a comprehensive facility which furnishes child care for children two to ten years old. It is open Monday through Friday from 7:30 a.m. to 5:30 p.m., and it offers a preschool program, activities, lunches and snacks.

EDUCATIONAL FACILITIES

Kodiak has a wide range of educational programs including public and private institutions, vocational schools and higher education facilities. The following is a review of these educational programs.

PUBLIC SCHOOLS - ELEMENTARY AND SECONDARY

By far the largest operator of schools in Kodiak is the Kodiak Island Borough. The Kodiak Island Borough School District provides basic education facilities to the residents of the City of Kodiak and its environs as well as the villages on Kodiak Island. For the purposes of this study, a statistical review of their facilities, enrollment, staff, and locations is most appropriate. Figures 7 and 8 indicate the enrollment by grade and location in each of the schools, and an inventory of the facilities, staff, and programs offered by each. See Map 6 for location of all schools in the Kodiak metropolitan area.

In addition to the facilities shown on Figures 7 and 8, the Kodiak Island Borough School District also offers speech and hearing therapy to grades Kindergarten (K) through 12 for all of the schools.

Fig. 7: Enrollment By Grade & School - October 28, 1975*

Grade	Total	High School	Junior High	Base	East	Main	Akhiok	Chiniak	Karluk	Larsen Bay	Old Harbor	Ouzinkie	Port Lions
K	197	N/A	N/A	63	48	56	-0-	3	3	5	13	-0-	6
1	183	"	"	54	44	58	5	1	2	-0-	9	6	4
2	175	"	"	53	51	41	4	2	4	2	10	-0-	8
3	185	"	"	53	48	60	1	1	1	4	9	3	5
4	171	"	"	39	38	60	5	2	1	2	9	7	8
5	147	"	"	36	44	45	2	-0-	2	1	5	3	9
6	180	"	"	35	56	56	3	1	2	1	12	9	5
7	175	"	146	N/A	N/A	N/A	4	1	3	5	7	2	7
8	179		157	"	"	"	3	2	2	-0-	8	3	4
9	217	194	N/A	"	"	"	N/A	N/A	N/A	N/A	8	5	10
10	145	145	"	"	"	"	"	"	"	"	N/A	N/A	N/A
11	134	134	"	"	"	"	"	"	"	"	"	"	"
12	99	99	"	"	"	"	"	"	"	"	"	"	"
TOTAL	2187	572	303	333	329	376	27	13	20	20	90	38	66

* 1976-77 Enrollment estimated to be the same except for shift from High School to Secondary Programs in villages.

Source: Kodiak Island Borough School District

Fig. 8: Kodiak Island Borough Educational Facilities Inventory

	Grades	Rooms	Year Constructed	Most Recently Renovated	Recreation Facilities	Number of Teachers	Classroom Teacher/Pupil Ratio	Career Education	Special Education	Vocational Education	Lunch	Athletic Programs
URBAN SCHOOLS												
High School	9-12	41	1973	--	Pool, Gym, Library	18.5 Classroom	20.61	Yes	Yes	Yes	Yes	Basketball Wrestling Track Cross-Country
Junior High	7-8	75	1954	1964	Gym, Library, Playground	15.0 Classroom 1.0 Counselor 1.0 Special Ed. .5 Librarian	20.13	Yes	Yes	No	Yes	Basketball Wrestling Track Cross-Country
Main Elementary (Share facilities with Junior High)	K-6	75	1954	1964	Same as Junior High	15.8 Classroom 3.0 Special Ed. .5 Librarian	23.62		Yes	No	Yes	Extra-Murals
East Elementary	K-6	20	1967	--	Multi-purpose room, Playground	12.7 Classroom 5.0 Special Ed. .5 Counselor	25.7	Yes	Yes	No.	Yes	Extra-Murals
Base Elementary	K-6	25	1954	1967	Gym, Multi-purpose Room, Library, Playground	13.7 Classroom 2.0 Special Ed.	21.8	Yes	Yes	No	Yes	Extra-Murals
VILLAGE SCHOOLS												
Akhiok	K-9	4	1968	--	Playground	2.0 Classroom	14.5	Yes	Yes	No	Yes	Extra-Murals
Chiniak	K-8	2	1970	--	Playground	1.0 Classroom	13.0	Yes	Yes	No	Yes	Extra-Murals
Karluk	K-8	2	Unknown	--	Playground	1.0 Classroom	23.0	Yes	Yes	No	Yes	Extra-Murals
Larsen Bay	K-8	2	Unknown	1968	Playground	1.0 Classroom	23.0	Yes	Yes	No	Yes	Extra-Murals
Old Harbor	K-10	4	1966	1974	Playground	6.0 Classroom	16.17	Yes	Yes	Yes	Yes	Extra-Murals
Ouzinki	K-10	4	1972	--	Playground, Multi-purpose room	3.0 Classroom	14.0	Yes	Yes	No	Yes	Extra-Murals
Port Lions	K-10	4	1964	--	Playground	4.0 Classroom	18.25	Yes	Yes	Yes	Yes	Extra-Murals

Village Schools

Currently, the school district is attempting to bring secondary education programs to the village schools along with the necessary physical facilities needed to support these programs. Possibilities for funding these programs and the associated facilities include local bonds, direct legislative action on the part of the State and Borough, and federal funds available under Public Law 815 for construction. It may also be possible to gain more State support for vocational capital improvements. The following is a review of the specific requirements for each village in order to obtain secondary education.

Old Harbor

In Old Harbor it will be necessary to provide additional facilities, probably adjacent to the existing grade school, to house high school facilities. It will also be necessary to construct housing for the extra teaching staff required to run a secondary school.

Ouzinkie

An expanded secondary program has already begun and has required the use of a previously unused old school facility. At the present time, there are three teachers sharing two apartments. Plans have been made to provide additional classroom space plus living accommodations for the teachers on a new school site in Ouzinkie.

Port Lions

In Port Lions a secondary school program has already caused a need for additional classroom space, plus recreation and career-oriented areas. These needs are currently being investigated by the School District.

Akhiok

School enrollment in Akhiok has dropped 50 percent within the last five years. The school is housed in a modular structure originally intended for 10 years of use; however, according to the School District, the building should last much longer than that if it is property cared for. A one-teacher school facility may be adequate in the future.

Karluk

Karluk has also lost enrollment in the last few years and has dropped from a two-teacher school to a single-teacher school. The only capital efforts the School District is currently investigating are: upgrading the school building to include an adequate water supply, furnishing a restroom for the main building and providing a dependable power supply.

Larsen Bay

The Borough is currently investigating alternate school sites for this community. The existing site is marshy on two sides; and thus does not allow for significant growth. It is conceivable that a new school facility could be required in Larsen Bay in the next few years due to the community's potential for growth.

Chiniak

The future of the Chiniak School is questionable. With the closing of the Chiniak Tracking Station, the future of the school looked bleak. However, enrollment is now beginning to increase gradually. The school has a new generator facility and one classroom has been remodeled into teacher housing. An additional portable classroom is currently used for storage. If the population continues to grow it may be necessary to use this classroom for teaching purposes.

Afognak

Afognak does not have a school at present; however, it is anticipated that one will be needed within the next few years because of the growth of the logging community (about 400 families). School facilities in Afognak will have to be started from scratch.

Plans for upgrading educational facilities and services in the villages are based on existing growth patterns. Should any of these villages be chosen as a site for OCS on-shore facilities, the impact on the school system would be tremendous. It would probably be necessary to greatly expand the facilities.

Kodiak Urban Area Schools

The following is a review of the status of schools in the Kodiak urban area operated by the Kodiak Island Borough, and a discussion of their deficiencies and needs as indicated in the School District's Capital Improvement Program.

Base Elementary School

During fiscal year 1975/76, an independent heating system was being completed for the school. Two new boilers, new distribution lines and fin tubes were installed in the old wing, and domestic water lines were replaced. Some construction complications still exist, but they are being remedied.

The office of Health, Education and Welfare in Seattle is currently working on bids to renovate wiring and lighting in the building.

Because of the anticipated increase in base population, due to enforcement of the 200 mile fishing limit, it is imperative that planning begin immediately for expansion of the elementary facility there.

Main Elementary School

Main Elementary needs improvements to bring it up to operating standards. These improvements include:

1. Complete renovation of all bathrooms, locker rooms, and gym facilities; including replacement of the gym floor within two years.

2. Replacement of the domestic water supply system throughout the building.

3. Complete replacement of black iron heat distribution system with copper pipes - (Junior High).

4. Continuing classroom renovation throughout the building to include: Lowered ceilings, fluorescent lighting, and carpeting.

5. Installation of a clock/intercom system.

A facility for mentally retarded children should also be incorporated in the Main School complex.

Ideally, the facility should be remodeled to simulate a home setting with complete bathroom washing facilities, clothes drying equipment, cooking appliances, etc.

Kodiak High School

Even though a major building project at the high school was recently completed, there are still some needs which have not been considered. They include:

1. A need for a home economics (cooking) facility in the high school. The present facility is located in the Junior High and is not suited to the development of a large scale program.

2. Expansion of the metals shop to give adequate space for the development of projects. This may be accomplished by reorganizing existing space.

3. Renovation of the Chem-Physics laboratory for more teaching (instructional) stations. The present laboratory can handle only 12 students per chemistry class, which is an inefficient use of teacher time. Perhaps the high school is no longer large enough to offer chemistry every year and should offer it every other year alternating with physics. This approach would require classroom facilities accommodating 25 plus student stations.

In conjuction with the high school needs, an auditorium may be necessary for community-wide use. Music instruction facilities, such as were included in the original high school construction design, should also be considered.

For purposes of crowd control, the entrance doors to the gym in the high school need to be redesigned.

Prime consideration should be given to developing the high school parking lot to serve both Main School and the high school. In formulating this project, the extensive use of these two buildings during evening hours should be considered. The ordinance prohibiting parking at any time in front of Main School cannot be realistically enforced until the Borough provides adequate off-street parking adjacent to these schools. Until such time as these improvements are made and the parking ban is enforced, a pedestrian hazard will exist.

Junior High School

There has been discussion of relocating the Junior High School to the East Elementary building. Should that occur, a plan of remodeling the elementary facilities would have to be developed.

East Elementary School

Additional room is necessary in the parking lot. Some landfill will be required to do this.

PRIVATE EDUCATIONAL INSTITUTIONS

Saint Mary's Parochial School

Saint Mary's School is located in Kodiak and offers elementary education for grades one through eight. St. Mary's uses a system of double grades, small classes, and modified individual instruction.

HIGHER EDUCATION(31)

Kodiak Community College

The Kodiak Community College is operated by the State of Alaska. It is part of the University of Alaska Community College system and is governed by the Board of Regents and the President of the University of Alaska. Administrative, technical, logistical, and certain other functions are provided by the University of Alaska system. The Community College is fully accredited by the Northwest Association of Secondary and Higher School through its relationship with the University of Alaska.

Figure 9 lists a cumulative head-count for the Kodiak Community College for the last eight years. The figures indicate the Community College has shown a steady growth in all of its educational fields.

Fig. 9: Student Head-Count - Kodiak Community College

* Year includes summer, fall and spring semesters

** The figure in parenthesis is an estimated trimester average

	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
EC	62	195	0	119	145	252	205
LD	120 (76)	151 (151)	332 (276)	273 (240)	258 (154)	493 (270)	817 (375)
UD	44	108	178	293	44	33	37
GR	1	0	66	34	14	31	65
TOTAL	227	454 + 100%	576 + 26.9%	719 + 24.8%	461 + 35.9%	809 + 75.5%	1124 + 38.9%

THIRD WEEK FIGURES

EC - Equiv. Cr.
LD - Lower Division
UD - Under Graduate
GR - Graduate

THIS INFORMATION WAS OBTAINED FROM THE
UNIVERSITY OF ALASKA, ANCHORAGE
OFFICE OF INSTITUTIONAL STUDIES

The programs offered by the Community College are as follows:

General Education Development Tests

Adults who have not completed their complete high school education and wish to earn a diploma may do so by passing the GED Test given by the Community College.

Certificate Program

A Certificate Program is offered for completion of classes in the clerical cluster. This program takes 30 weeks to complete, and is offered on a yearly basis.

Degree Programs

General Degree Program - To receive a degree from the U of A, students must satisfy (1) general university requirements; (2) Degree requirements; (3) Program (Major) requirements.

Associate Degree Programs - Associate Degree Programs are offered in the following areas: (1) Associate in Arts (Accounting, Biology, Business Administration, Humanities, Natural Science, Police Administration); and (2) Associate in Applied Science (Business, Business Administration, Commercial Fishing, Home Economics, Seafood Processing).

Bachelor Degree Programs

These programs are available with study in Kodiak, but coordinated by the Anchorage Senior College; at present, degree programs are available in Business Administration and Public Administration.

Master Degree Programs

Masters Degrees are available in Kodiak but are coordinated by the Anchorage Senior College. At present, degree programs are available in Business Administration and Public Administration.

Miscellaneous Programs

Short courses, seminars, workshops, community service courses (non-credit), and arts and crafts laboratories are available upon request and minimum, economically feasible enrollment of students. Subjects are too numerous to list.

The budget of the Community College totals approximately $1,020,000 per year. Sources of funding include local, state and federal programs. The staffing of Community College is as follows:

1. 2 administrators
2. 7 clerical and support personnel
3. 8 full-time instructors
4. 2 half-time instructors
5. 40 part-time instructors

There are a number of factors within the community that will generate a demand for expanded facilities at the Community College in the near future. They are outlined as follows:

Fishing Industry - The 200 mile limit, increased technological complexity, regulatory pressures, and foreign competition increase the need for formal education/training in this industry.

U.S. Coast Guard in the Kodiak area - Oil development, enforcement of the 200 mile limit law, increased search and rescue needs, and construction and renovation of facilities will bring more Coast Guard personnel and their dependents to Kodiak. Traditionally, Coast Guard personnel create a demand for educational opportunities in the technical and post-secondary education system.

Native Communities - The responsibilities promulgated by the Native Land Claims Act and the desire for more capabilities and opportunities have increased the need for formal education at the post-secondary school level, particularly in the area of business and corporate management.

Cultural and Artistic Awareness - Support for all forms of art is growing in Kodiak.

Need for Young Talent in Alaska - Economic expansion and natural resource development make it mandatory for leadership to have a primary interest in Alaska.

New Programs - New programs are contemplated in the following areas: theater, computer science (a computer has recently been installed and is now operational), fisheries enforcement, health sciences, carpentry.

Greater demand for the Community College's educational services is anticipated should OCS development occur. In addition, needs for transportation to and from the college, student housing close to campus, and additional college facilities may be expected. These needs are further described below:

Transportation - Transportation is needed in the following areas:

1. From the downtown City of Kodiak area to the Community College for students without cars who live beyond walking distance from the college.

2. From the Coast Guard Base for Coast Guard personnel and their dependents who desire to take courses not offered on Base.

3. Ultimately, transportation from on-shore oil development support bases, if on the road system, to serve the needs of employees and their dependents.

Student Housing - Student housing will be needed near the Community College campus in order to:

1. Meet the needs of full-time native students from the outlying villages.

2. Meet the needs of students from other coastal Alaskan communities who come to Kodiak to obtain Associate Degrees in the Fisheries Technology Programs (the University of Alaska established the Fisheries Technology Program in Kodiak because of the proximity to major fisheries, processing efforts and major law enforcement headquarters).

Theatre/Auditorium/Classroom/Library Complex - A new complex will be needed to meet the expanding needs of the College and the community.

The current library area, for instance, does not have enough student study space, a factor which discourages greater use of the library facilities. Nor is there presently enough classroom space, as evidenced by the strain on facilities under the present class schedules. In addition to more room for the existing facilities, the College should have a theater and auditorium. There are no such facilities in Kodiak at the present. Consequently, it has been very difficult to stage concerts and plays and to provide meeting areas for large workshops, seminars, etc. Private fraternal organizations have been called upon time after time to supply their meeting rooms for such purposes.

VOCATIONAL SCHOOLS

In addition to the training offered by the Community College, Kodiak residents can obtain a wide range of vocational training through the Kodiak Aleutian Vocational High School. A boarding home program is available for students from outlying areas who wish to attend the school. Students and their parents may also take advantage of the counseling services offered. School staff work closely with community agencies such as medical clinics, the Mental Health Center and the police department concerning the welfare of their students.

As with other educational facilities, it is anticipated that demands for vocational programs, both at the high school and the Community College, will be significantly increased as a result of OCS development.

PARKS, RECREATION AND OPEN SPACE FACILITIES

Opportunities for outdoor recreation play a large part in determining the quality of life within a given community. Parks and open space allow people to escape some of the pressures of everyday life and to appreciate their natural settings. These factors are especially important in Kodiak where travel is limited because the community is located on an island.

Parks, recreation and open space facilities can also contribute to the economy of a community. In Kodiak for instance, the possibilities for attracting a strong tourism market are great due to the outstanding natural beauty of the area and the abundant wildlife. Development of campgrounds and other outdoor facilities would attract tourism and spur the local economy.

The advent of OCS development will further increase the demand for recreation and open space facilities. As the population increases and social pressures become more prevalent, the role of outdoor recreation facilities will become more important.

The following is a review of the existing facilities and lands that are available for outdoor recreation and open space uses in the Kodiak area (see Map 6). Since almost all parks and outdoor recreation facilities are provided through a governmental agency, the information in this section is catagorized by governmental entity.

CITY OF KODIAK

The City of Kodiak has an active Parks and Recreation Department which provides several programs and facilities for residents of the Kodiak area.(32) This Department is funded through the City of Kodiak General Fund, and it utilitizes general fund monies and state and federal grants. The 1976-77 budget includes $97,1016 for the Parks and Recreation Department. At present, the department has three permanent employees -- the Director, the Assistant Director, and a part-time Teen Center manager. In addition, there are a number of volunteer and temporary employees including pool checkers, high school gym superintendants, swimming instructors, gymnastic instructors, excerise instructors, and park maintenance and janitorial personnel through the Neighborhood Youth Corps or CETA Programs.

An inventory of all the City's park and recreation facilities follows:

Baranof Park

This is a seven acre park which was completed in September of 1973. It includes: a football field, a baseball field, a track, a wooded picnic area, a children's playground area, four color-coated tennis courts, three volleyball courts, and a basketball court.

Teen Center

This is a building which is 40 feet wide and 60 feet long. It includes: a large dance floor, a kitchen, two bathrooms, some storage space, and a small office. It has the following equipment: a pool table, a ping pong table, a foosball table, a television, and a reel-to-reel tape recorder.

School District Facilities

The following are the school district facilities utilized by the City of Kodiak.

1. High School Gym - This facility is comprised of a large gym floor with side baskets and a middle curtain which will accommodate two full-court basketball games at one time. It also has a combination gymnastics and wrestling area as well as a weight training room.

2. Swimming Pool - This is a six-lane, aluminum pool, 25 yards long with a diving board. The swimming pool and high school gym are part of the same complex and share the same locker room facilities.

3. Junior High School Gym and Stage - For many years this was the only facility of its type in town. It includes: a stage, two locker rooms, some storage space and office space, and a gymnasium.

4. East Elementary - The facilities which are used by the City are the multi-purpose room and a class room. The multi-purpose room is a small gymnasium-type facility with a tile floor.

5. Room 106 of the Junior High School - This is a double room used by the junior high school as a wrestling room. It has enough mats to cover the entire floor.

An inventory of all the City's park and recreation programs and their level of usage follows:

Basketball Programs

City League - This takes place in the junior high school gym from November through February, three nights a week and approximately 80 players and officials participate.

Junior High Basketball - This league also runs November through February. They play two nights a week. It is composed of four girls teams and nine boys teams. About 100 kids participate. It takes place in the junior high gym.

Little Dribbler Basketball - This is a basketball league for boys and girls ages nine to twelve. The league runs two four-hour sessions a week in the high school gym from October through March. Approximately 150 children participate. There is also a lot of spectator participation by parents.

Slow Break Basketball - This is a slowed down version of basketball for older men. This league plays twice a week in the junior high gym. Approximately 40 men participate from November through March.

Volleyball

Ladies' Volleyball - They meet in the fall and spring in the junior high gym. They play one night a week and about a dozen women show up each night. In winter they play at East Elementary.

City League - This is a men's league which meets twice a week from February through May in the junior high gym. Approximately 50 men take part.

Boy's Boxing

This is supervised on a volunteer basis. It runs two to three times a week at East Elementary School. Approximately ten boys take part on a regular basis. The program runs about four months a year.

Women's Exercise

This program is divided into five four week sessions with anywhere from six to thirty women participating. It is held in room 106 of the junior high.

Swimming Programs

Open Swim - These are two hour sessions on week nights and weekend afternoons. Thirty to sixty people attend each session.

Adult and Family Swim - These are one hour sessions, three times a week. Twenty to forty people attend each session.

Lap Swim - These are one hour sessions on weekday mornings and early evenings. Six to twelve usually attend.

Lessons - The City offers lessons at the rate of six six-week sessions per year. Classes range from tiny-tot to water safety instructor. Approximately 80 students enroll each session.

Open Gym

These are three hour sessions on week nights and weekend afternoons. It is held in the high school gym in conjunction with the open swim program and approximately thirty to sixty people attend each session.

Girl's Gymnastics

This is held during "ladies' night" which is part of the open gym program. Eighty to 100 girls participate in these once a week two-hour sessions. This program ran five weeks in 1976.

Mountaineering and Backpacking

This program includes lectures and outings. It met twice a week for six weeks in 1976. Approximately twelve people took part.

Badminton

This program includes four tournaments a year and free play sessions in the junior high gym on Wednesday evenings. About a dozen people attend these sessions regularly.

Tennis

Lessons - Two sessions of lessons by the City and two sessions of lessons co-sponsored with the Community College. About thirty people take part.

Tournaments - Two or three tournaments a summer are offered with about 15 people participating in each.

Free Play - The courts receive heavy usage every day of the week. There is especially heavy usage in the evening.

Crab Festival Games

These include: youth races, tennis tournaments, a badminton tournament, illar Mountain climb, a volleyball tournament, and predicated mile race. In most of these events participation depends upon the weather. From six to thirty people take part in each event.

Softball and Baseball Programs

The City maintains and prepares fields for: five Babe Ruth teams, one American Legion team, five women's softball teams, and eight men's softball teams. A total of more than 200 are involved.

Arts and Crafts

Three and one half hour sessions a week for ages three to fourteen are held at East Elementary School in June and August.

Special Recreation

This is recreation for the mentally handicapped. The City runs one six week program per year and help with the Special Olympics program. Approximately a dozen children take part.

Day Hikes

This program is offered for ages five and up every Friday in the summer. Each hike lasts two to four hours.

Teen Center

Open Center - During these sessions the center is available for teenagers to use the equipment and facilities at their discretion. The number of teenagers who take advantage of these open sessions varies from zero to thirty.

Dances - These are either record dances or dances with a live band. Dances with live music draw between 250 and 300 teenagers. About 100 teenagers come to dances with recorded music.

Special Events - These include: the haunted house, Halloween party, Christmas party, Thanksgiving party, joint Base-Town parties, swimming parties, movies, etc. The average participation is approximately one hundred.

The programs described above are well used throughout the year. The indoor programs and ficilities are particularly important in Kodiak because inclement weather frequently precludes outdoor recreation.

The City is presently attempting to aquire three additional mini-parks within the city limits. These mini-parks, funded through the Housing and Community Development Act of 1974, are scheduled to have recreation facilities completed by the summer of 1977. An additional four-acre park in the east addition of Kodiak will be constructed next summer. Its facilities will include playground equipment and softball field.

KODIAK ISLAND BOROUGH

In the fall of 1976, the residents of the Borough elected to provide area-wide parks and recreation powers; this program is just now getting under way. Within the next year a parks program should be developed and

a set of priorities prepared to determine the types and locations of park facilities and programs to be provided by the Borough under this new area-wide power.

STATE OF ALASKA

Fort Abercrombie

The State of Alaska has only one park facility on Kodiak Island - the Fort Abercrombie Historical Site which is located on 780 acres at Miller Point, north of the City of Kodiak. This fort was built on the top of high cliffs overlooking the Pacific Ocean during World War II as a look-out point against Japanese invaders. Later it was transformed into a gun emplacement as the level of war activity in the Northern Pacific increased. Records show that it was probably actively manned in the summer of 1942 and the spring of 1944. At the peak of military activity this installation may have included up to 200 men. In the late 1940s, the gun emplacements were destroyed and the fort was abandoned. (Map 7)

Fort Abercrombie is now a tourist and recreation site. Many of the old military structures are still standing, although they are in poor condition from weathering and vandalism. Nevertheless, the site is popular for its historical interest and recreational opportunities. Swimming, fishing and camping are popular here. The State has furnished seven camp sites, five picnic sites and several restrooms. General maintenance of these facilities is poor, however, and the roads within the park are inadequately maintained.

Fort Abercrombie could play a larger role in providing recreational and tourist facilities, however, more attention and maintenance must be directed toward this site to accommodate increased use.

FEDERAL GOVERNMENT

The two park areas in the Kodiak Island Borough under the federal government's jurisdiction are the Kodiak National Wildlife Refuge and the Chugach National Forest. See Map 7.

Kodiak National Wildlife Refuge

The Kodiak National Wildlife Refuge is located on the main Kodiak Island. It consists of over 2800 square miles on both Kodiak Island and Uganik Island. On Kodiak Island alone, the National Wildlife Refuge accounts for almost 80 percent of the Island.

The refuge was established in 1941 to preserve the natural habitat of the famed Kodiak bear and other wildlife. Unlike many refuges that were

established to restore natural habitats destroyed by man, this refuge remains unchanged. Mammals that live within the Kodiak National Wildlife Refuge include the Kodiak bear, red fox, land otter, weasel, tundra voala, and the little brown bat. Whales, porpoises, seals, and sea lions frequent the estuaries along the coast of the refuge where they feed on the large quantities of marine foods. A number of mammal species have been transplanted to the refuge since the 1920s. These include the black tailed deer, snowshoe hare, beaver, muskrat, reindeer, mountain goat, mink, red squirrel, and martin. Except for the mink and martin, these introductions have been generally successful. Recently, dahl sheep and moose have also been brought in.

The Kodiak National Wildlife Refuge is rich with hunting and fishing opportunities. Kodiak bear can be hunted within the refuge under the Alaska Department of Fish and Game regulations, and an annual take of between 150 and 200 bears is permitted. This harvest borders the maximum that may be killed without threatening the population. Currently 2400 bears are estimated to inhabit the Island. Other game species may also be taken in accordance with state regulations.

Sport fishing is allowed in the Refuge, and the lakes and streams are abundant with rainbow and dolly varden trout, grayling, salmon and steelhead.

Since special permits are not required to enter the refuge, it is impossible to determine the level of usage. There are a number of bush pilots and one local airline which furnish transportation to almost any part of the refuge. In addition commercial fishing boats can be chartered for excursions around the islands. There is no road access to the refuge.

Chugach National Forest

The Chugach National Forest was established by President Benjamin Harris in 1892 when he proclaimed Afognak Island was to be set aside as a forest and fish culture reserve. Since then the reserve area has been enlarged to include 4,726,000 in Southcentral Alaska. This study, however, is only concerned with the Afognak portion of the Chugach National Forest since it is the closest to Kodiak. This unit comprises 458,000 acres of the total. (Map 7)

The Afognak reserve is, for the most part, undeveloped. Currently, only five National Forest Service cabins are on the reserve with another under construction. These cabins are available for hunters, fishermen, and campers. It is anticipated that the National Forest Service will upgrade and increase its facilities as the demand for recreational outlets grows.

Big game hunting, particularly for brown bear and elk, is the main recreational attraction on the island. Trout fishing is another favorite sport and so is hiking. There are nine miles of wilderness trails maintained by the Forest Service. Photography, fishing and hunting excursions are currently offered on Afognak Island by four commercial

outfitter/guide operations.

Lack of easy access to Afognak Island is the main deterrent to more recreational use of the island. Currently transportation is limited to float-equipped aircraft, helicopters or boats.

While the areas described above encompass a great deal of potentially useful recreation land, very little of this land has been so developed. Camping facilities, with the exception of those units available at Fort Abercrombie, are almost nonexistent. Trail systems for hiking and backpacking are also minimal. More of these areas must be developed as the population increases. It will be particularly difficult to accommodate recreational needs resulting from OCS development unless plans are formulated now to handle that contingency.

CULTURAL FACILITIES

MUSEUM

The only major museum facility in Kodiak is the Erskine House, which is the home of the Baranof Museum. The building was originally constructed between 1792 and 1799 by Alexander Baranof; it it is the oldest wooden structure in the western United States and the oldest Russian structure in Alaska. It was originally used as a warehouse. It had been designated as a "site of national and historic significance" by the National Park Service, and is one of the few places where the public can see remnants of Russian occupation of the United States. (See Map 6.)

Erskine House, now owned by the City of Kodiak, is currently being renovated. The museum contains exhibits ranging from ancient Indian artifacts and old Russian antiques to modern day items. The history of the Kodiak area is vividly reconstructed through the well-preserved artifacts and pictures displayed in the museum.

Erskine House is open Monday through Friday from 11:00 a.m. to 3:00 p.m.; Saturday and Sunday from 1:00 p.m. to 4:00 p.m. Admission is free.(33)

LIBRARY

The City of Kodiak operates the Kodiak Public Library. (See Map 6.) It is the only public library in the Kodiak urban area. There are approximately 25,000 books, 1,418 records and 402 cassettes in the library. In addition, the library subscribes to 98 periodicals. Circulation is considered very high. During the 1975/76 fiscal year, circulation totaled 40,434 books.

The library staff consists of four full-time librarians, one permanent part-time assistant, one CETA employee, and two summer employees. The building was originally built in 1968 and consists of 5,820 square feet. A 1,952 square foot addition to the building is currently under construction.

The library conducts a Story Hour twice weekly that reaches approximately 40 children. There are also voluntary reading programs for all ages in which a number of books are assigned to be read and reported on by the participants.

In addition to providing library services to the Kodiak metropolitan area, the library also provides services to village libraries. Approximately 500 books are sent out quarterly to various village libraries. These books are normally duplicates of those within the library and are surplus to local needs.(34)

CRY OF THE WILD RAM

Kodiak's most unique cultural attration is not so much a facility as it is an event. The Cry of the Wild Ram is a play written by Frank Brink that depicts the story of the first Russian settlement on Kodiak Island. Lord Alexander Baranof first arrived on Kodiak in June of 1791 and shortly thereafter established a colony at the present site of the City of Kodiak. This was also the first Russian colony in America.

The play premiered in 1966 and has been produced annually (except 1974) on the last weekend in July and the first two weekends in August. It is staged by Kodiak Baranof Productions, Incorporated. Approximately 200 people are involved annually in the production, half of whom are in the cast. All but the director of the play are volunteers.

In the past, funds to cover the cost of production have been made available through the State of Alaska, Division of Tourism, the Alaska Council on the Arts, the Alaska Bicentennial Committee and the National Endowment of the Arts.

The "Ram", as it is often called, is held in a natural outdoor amphitheater overlooking Monashka Bay (see Map 6), four miles from the center of Kodiak. The play has gained a wide reputation as a tourist attraction and draws people from many places. Approximately 2,000 spectators see it annually, many from the lower 48 states.

One of the most significant factor about the "Ram", aside from its entertainment value, is its relevance to the history and heritage of Kodiak. Many of the aspects of Russian culture that were introduced by that first settlement still exist in Kodiak today. Preserving that heritage should be important to the community. It is an intangible asset that can never be regained once lost.

GOVERNMENTAL BODIES

The following section will describe the basic organizational characteristics and functions of the governmental units existing within the boundaries of the Kodiak Island Borough. The specific governmental bodies to be discussed are the City of Kodiak, the Kodiak Island Borough, the State of Alaska, and the Federal Government. Five second-class cities -- Akhiok, Larsen Bay, Ouzinkie, Port Lions, and Old Harbor -- will be each discussed separately in the Village Inventory section of this report.

LOCAL GOVERNMENT

There are a total of seven incorporated local governments within the boundaries of the Kodiak Island Borough. These include the Borough itself, the City of Kodiak, and five second-class cities located around the Island. This inventory of local government will focus its attention on the Borough and City of Kodiak since they are the largest and most active governments within the study area. The second-class cities will be discussed in the Village Inventory.

Kodiak Island Borough(35)

The Kodiak Island Borough encompasses the entire geologic formation known as the Kodiak Archipelago. It includes all land within the Kodiak Island group from the Trinity Islands on the south to the Barren Islands on the north. The estimated size of the Kodiak Island Borough is 4,500 square miles.

The Borough was incorporated September 24, 1963. It is a second-class borough with a manager form of government. The powers assumed by the Borough include parks and recreation, assessment, taxation, education, health, and planning and zoning.

The administrative arm of the Borough is divided into three departments which include general government, assessing, and planning and zoning. The Borough administrative staff consists of 13 full-time employees. In addition, a half-time employee serves as the OCS program coordinator. Legal and engineering services are provided to the Borough through contractual agreements.

General Government

The administrative arm of the Borough includes the Borough Manager, the clerk/treasurer, the cashier and bookkeeper. In addition to the

functions performed by these officers, general government handles the publications for public hearing, repair and maintenance of machines, transportation and travel expenses, office supplies and other miscellaneous operating activities.

The Assessing Department

The Assessing Department is responsible for assessment of all real and personal property within the Borough. The present mill levy assessed by the Borough is 5.80. The Borough is currently divided into four taxing districts described as follows:

TCA 1 — The area within the city limits of the City of Kodiak

TCA 8 — The fire service district encompassing all land outside the City of Kodiak extending to Spruce Cape and the end of Monashka Bay Road

TCA 9 — Road service district including the area designated as Bell Flat Subdivision and Russian Creek Subdivision and ADL 72-11, located in the Bell Flat area approximately seven miles from the City of Kodiak

TCA 5 — That area not included in the three districts listed above -- all the surveys along the road system to Anton Larsen Bay, all the villages etc.

The Assessing Department is increasing its appraisal capabilities. Upon completion of a training program currently underway, the department will have two assessors qualified to appraise real property, leasehold property, and possessory interest property. The latter two skills will be particularly helpful in relation to native land claims, oil interests and the possible annexation of the Coast Guard Base. Through such added expertise the Borough can establish vital statistics and information to be used by the Planning and Zoning Department, property owners, and special interest groups.

Planning and Zoning Department

The Planning and Zoning Department provides advisory services to the Planning and Zoning Commission relating to land use, comprehensive planning, subdivision review, and building inspection. In addition, the Planning and Zoning Department oversees engineering services, snow removal, mapping, and planning for local service roads and trails.

The Planning Department was formally established by ordinance in February, 1976. The department is currently embarking on accomplishing its major objective -- a new Regional Development Plan.

Apart from the departmental functions discussed above, the Borough exercises health power. This is accomplished in a number of ways. The Borough owns the Kodiak Island Borough Hospital (see Community Facilities, Utilities, and Services). Financial support is also provided to the Comprehensive Health Board, the Senior Citizens, a halfway house, the Kodiak Island Health Clinic, the Kodiak Aleutian Mental Health Center, a daycare program, a drug abuse program, a detoxification center, and sanitation ordinance enforcement. The 1976-77 budget includes $160,650 for health programs. Of that figure, the Mental Health Center was budgeted $108,000. Funding for the health and sanitation budget comes mainly from State and Federal Grants.

The Borough also administers several other municipal programs for the Island. They include the following:

Local Service Roads Program - This program is funded by the State of Alaska. The Borough, at present, does not have road power; however, the Borough Mayor and the Assembly do establish priorities on road plans. Through state bond issues, money is available to each district for road construction. Once constructed, the roads are then maintained under the state highways system.

Land Fills in the Villages - Through a HUD Discretionary Grant under the Housing and Community Development Act of 1974, the Borough is providing land fill facilities in seven villages around the Island, i.e., Port Lions, Chiniak, Old Harbor, Ouzinkie, Larsen Bay, Akhiok, and Karluk.

Extended Care Unit for the Kodiak Island Borough Hospital - Construction is underway on an addition to the Kodiak Island Borough Hospital. This addition will provide 20 beds for extended or long-term care.

Water System for Old Harbor - Also under the Housing and Community Development Act of 1974, the Borough has obtained a grant for engineering of a new water system for Old Harbor. It is anticipated that when the engineering work is completed, additional grant money will become available for construction of the system.

OCS Program - An Outer Continental Shelf Advisory Council has been formed to study the possible impact of oil exploration on the Kodiak Shelf. Grant monies were obtained for this purpose, and a portion of these funds have been used for the preparation of this report. Additional uses of the funds include travel, advertising, staff services, printing, and office space.

Parks and Recreation - The Kodiak Island Borough currently exercises an area-wide parks and recreation power. This power was approved by the voters in the October, 1976 elections. The Borough is authorized to create a parks and recreation department. Funds will be utilized from various sources to develop parks and recreation facilities needed in the Borough. Such facilities will include picnic areas, camper parks, boat launching ramps, recreation areas, and open space complexes.

City of Kodiak(36)

The City of Kodiak was incorporated on September 11, 1940. It is a "home-rule" city under the laws of Alaska and has adopted a Council/Manager form of government.

The City of Kodiak is located on the northeastern end of Kodiak Island (see Map 1). Municipal services are provided from four basic city-owned facilities which include water, sewer, a deep water port, and a small boat harbor. These are described in detail under the Community Facilities, Utilities and Services portion of this report.

An organization chart of the City of Kodiak is shown in Figure 10. The City is divided into eight basic departments: Public Works, Finance, City Engineering, Parks and Recreation, the Library, the Fire Department, the Police Department, and the Cargo Dock/Boat Harbor.

The City has a total of 71 employees, not including the Mayor and City Council members. The following is a list of the number of employees per department:

City Manager	1
City Clerk	2
Finance	6
Public Works	15
Engineer	3
Police	21
Fire	8
Library	5.5
Parks & Recreation	2.5
Boat Harbor/Cargo Dock	10
TOTAL	74

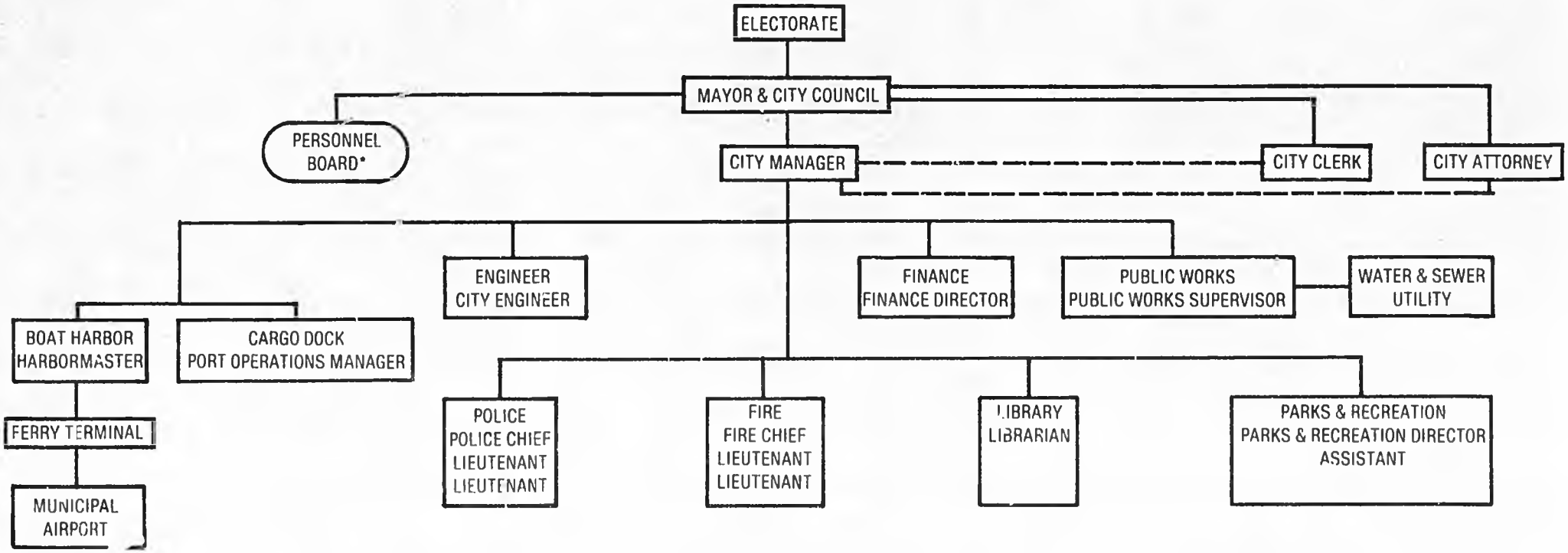
Source: City of Kodiak Budget - 1975/76

Police Department

As indicated above, the Police Department is the largest department within the City. A detailed description of that Department can be found in the Public Safety portion of the Community Facilities, Utilities and Services Inventory.

Public Works Department

Public Works Department is responsible for water, sewer, and street maintenance within the City. See the Power and Utilities portion of the Community Inventory for further description of sewer and water utilities.



*NOTE: APPOINTED BY CITY COUNCIL

Fig.10: City of Kodiak Organization Chart

The City maintains 13.65 miles of street within the City of Kodiak. A paving program for the Aleutian Homes area is currently underway and will provide residents with curbs, gutters, storm sewers and blacktop surface paving. Funds for this five-year program are being obtained from the HUD Entitlement Program authorized under the Housing and Community Development Act of 1974.

In addition to these functions mentioned above, the Public Works Department is also responsible for engineering, building inspection, and maintenance of dock facilities, city equipment, the City Dock, municipal buildings, and the Municipal Airport. It also assists with maintenance in the Parks and Recreation Department.

The remainder of the city departments and services are described under the Community Utilities, Facilities and Services Inventory.

It may be noted here that City personnel are concerned with the potential effects of OCS development, particularly as they relate to city functions. The main worry expressed in interviews was whether the City could maintain the level of its services, utilities, and facilities under the current funding methods if rapid development occurs. In all probability, no. Additional fund sources would probably be necessary to alleviate the growth-associated demands and problems.

STATE GOVERNMENT

The State governement is divided into three major sections -- the executive, legislative and judicial branches. The executive branch is further divided into 15 departments. An organizational chart outlining this state structure is shown in Figure 11. Functions and responsibilities of the various departments are listed in Figure 12. Many of these departments have branch offices in Kodiak and are designated with asterisks on Figure 11.

Most of the state offices in Kodiak have been described previously under sections relating to the services these offices provide. For the sake of brevity they will not be discussed again under this section.

State Department of Fish and Game(37)

One state department having offices in Kodiak, but not mentioned previously, is the Department of Fish and Game. It is the largest of all state departments in Kodiak and is composed primarily of the Western Region of the Commercial Fisheries Division. (See Map 6) The offices for this division are located in a new state office building in downtown Kodiak. In addition the Western Region has field offices at Chignik, Sand Point, Cold Bay and Dutch Harbor.

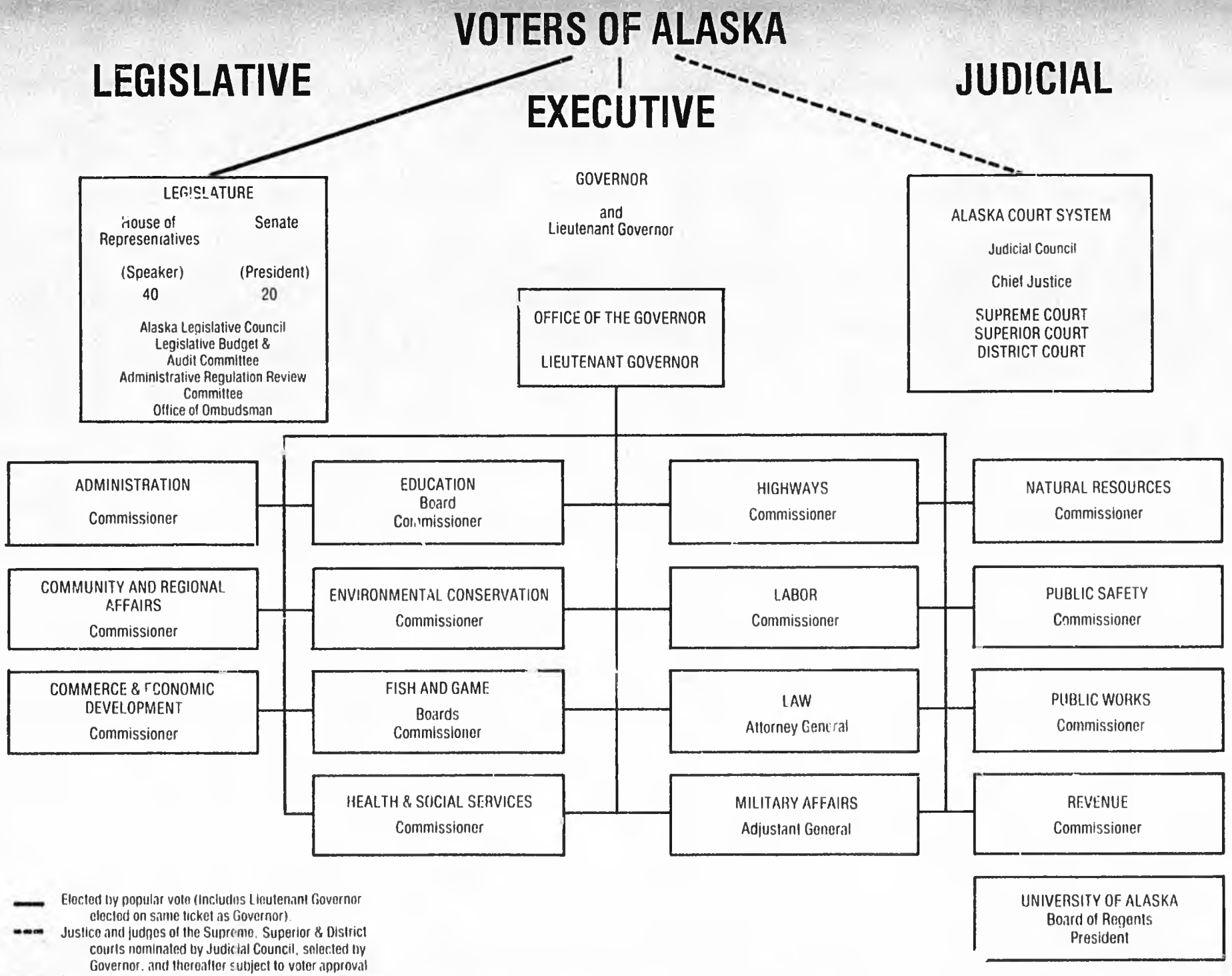


Fig. 11: State Organization Chart

The Kodiak Commercial Fisheries Regional Office is responsible for the management of Alaska's commercial fisheries in that portion of Alaska west and south of Cape Douglas and Cape Menshikof, including all shell fisheries in the Bering Sea. The total salmon and shellfish products in this area are valued at nearly 110 million dollars. Presently over 50 canneries and floating processors operate within this area. They process all five species of salmon plus herring, bottom fish, razor clams, shrimp, scallops and king, tanner and dungeness crab.

Management of these resources is divided into shellfish and salmon areas. Shellfish areas are comprized of Kodiak, Chiniak South Peninsula, Unalaska, Adak, and the Bering Sea. The salmon management areas are Kodiak Chignik, Alaska Peninsula, and the Aleutian Islands.

The Western Region Commercial Fisheries has a staff of 36 permanent employees including 26 biologists, one biometrician, a statistical technician, a boat officer, a statistical clerk, a fisheries technician, and seven clerical positions. In addition, approximately 75 temporary fishery biologists and fishery technicians are hired annually. Constant monitoring of the resources through statistical biological investigations and conservation functions is the major function of this division. To obtain necessary data to manage the salmon resource, counting towers and weirs are located on important red and pink salmon systems. A general sampling of commercial harvests plus biological data necessary to delineate age and size of composition are collected at these locations. Extensive aerial and foot surveys provide escapement data upon which chum and pink salmon management is partially achieved.

The shellfish resource is monitored through frequent field trips to fishing vessels and processing plants to determine conditions of catches and to gather biological information for proper management. Cruises aboard commercial and research vessels, as observers, are often a necessity. Extensive research programs on shrimp, razor clams, and tanner and king crab are conducted to determine their life histories, age composition, fishing mortality estimates, and allowable harvest levels. Approximately 250 vessel days are spent at sea conducting annual population studies.

The Western Region contributes over 90 percent to the state-wide commercial shellfish harvest and approximately 30 percent to the annual state-wide salmon harvest. The 1975 shellfish landings were estimated to range from 225 to 250 million. Salmon production is expected to total 13 to 15 million fish for this region in 1976.

The Commercial Fisheries Division expends approximately two million dollars annually to provide research and fishery management in the Western Region. This amounts to approximately one-third of the Department of Fish and Game's budget. In addition, funds designated as administrative support are allowed for a 32-foot gill net type vessel and a 90-foot fishing vessel for king and shrimp research.

Fig. 12: Functions of State Government

OFFICE OF THE GOVERNOR

Lieutenant Governor (Elections and other duties)

Public Defender Agency
Office of Child Advocacy
Policy Development & Planning

Other agencies and commissions

ADMINISTRATION

Centralized services: Personnel (classification, pay, retirement), accounts and disbursements; purchase and supply, distribution and mail; space allotment; executive budget preparation and execution, pioneers' homes.

COMMERCE & ECONOMIC DEVELOPMENT

Regulates banking, securities, insurance, professional licensing boards; corporations; veterans; weights/measures; Public Transportation Commission; Public Utilities Commission; Pipeline Commission; Housing Authority. Promotion for economic development of state resources including tourism, through collection, analysis, and reporting of data and advertising.

COMMUNITY AND REGIONAL AFFAIRS

State assistance to government at the community and regional level, including incorporation, organization, planning, finance, federal program participation, and management; Local Boundary Commission.

EDUCATION

State Board of Education. Administers state program for school administration, instruction and construction; state library and library services; Alaska State Museum.

ENVIRONMENTAL CONSERVATION

Responsible for coordinating and developing policies, programs and planning regarding the environment, and enforcing and setting standards for prevention and abatement of water, land and air pollution.

FISH AND GAME

Administration of state program for the conservation, development, and regulation of fish and game resources (commercial and sport); research; Fish and Game Boards.

HEALTH AND SOCIAL SERVICES

Administration of state and federal aid programs; comprehensive health planning; sanitation; vital statistics; juveniles; probation and parole; mental health; alcoholism.

HIGHWAYS

Administration of the state program for the construction, maintenance, and operation of state highways, roads, bridges, traffic signs and signals, and related facilities.

LABOR

Administration of state programs governing employer-employee relations: wages, hours, safety, workmen's compensation, unemployment compensation; statistics.

LAW

Legal services for all state agencies; opinions and instruments, legislative drafting and review; civil actions, all prosecutions of violations of state law; Commission on Uniform State Laws.

MILITARY AFFAIRS

Administers state program for the Alaska National Guard (Army and Air); and organizes state militia if the National Guard is called into federal service; Alaska Disaster Office.

NATURAL RESOURCES

Administers the state program for the conservation and development of natural resources; forests, lands, water, minerals, oil and gas, agriculture, parks, historical sites, and soil conservation.

PUBLIC SAFETY

Administers state program for law enforcement and protection of life, property and fish and wildlife; motor vehicle registration; state police, fire prevention, and watercraft safety program.

PUBLIC WORKS

Administers the state program for construction, maintenance and operation of state-owned buildings, docks, floats, and airports; operation of the state ferry system; general equipment maintenance.

REVENUE

Administration and enforcement of tax laws; collection, investment and management of state revenues; log and cattle brand registration; nonprofit gambling laws; Alcoholic Beverage Control Board.

Prepared by the LEGISLATIVE AFFAIRS AGENCY
January 1976

FEDERAL GOVERNMENT

With the exception of the U. S. Coast Guard, the federal government is probably the least conspicuous governing entity in Kodiak. Compared to state and local governments, the federal government has less direct contact with the public; it provides services to individuals; it has less enforcement activities; and, in general it is not involved in activities drawing much day-to-day public interest. Regardless of this low profile, the federal government greatly affects life in Kodiak through its policies.

While this report will not attempt to describe the total involvement of the federal government in Kodiak, it will describe the federal offices located in Kodiak and their functions. An organizational chart of the United States Government is provided in Figure 13 to assist the reader in determining how the Kodiak offices fit into the total scheme of the federal government.

United States Coast Guard

The largest and most well known federal facility in Kodiak today is the Coast Guard base, located approximately six miles to the southeast of the City of Kodiak. (See Map 9) The base was originally a naval station, but was taken over by the Coast Guard in 1972. Activities at the Kodiak Coast Guard base are carried out under two divisions. They are the Support Center Kodiak and the Air Station Kodiak. The Support Center is primarily responsible for logistical support of permanent and visiting personnel and equipment at the Coast Guard base. The Air Station provides search and rescue services, maritime law enforcement and logistical services in both the Gulf of Alaska and the Bering Sea. There is also a communications station in Kodiak which provides support for Coast Guard units in the North Pacific area.

The Kodiak Coast Guard base contains over 30,000 acres of land, making it physically the largest base in the entire Coast Guard system. It is the second largest base in terms of its personnel. There are 96 officers, 719 enlisted personnel, 185 civilian employees, and 120 exchange program employees for a total of 1,120 personnel. The salaries and expenditures generated by the base are in excess of $15 million per year.(39)

Coast Guard vessels in Kodiak include the 210-foot cutter "Confidence", the 205-foot "Storis", and the 180-foot buoy tender "Citris". The "Confidence" and the "Storis" are responsible for search and rescue, law enforcement and logistical services in the North Pacific. The "Citris" is primarily used to maintain navigational aid. The Coast Guard base also serves as a temporary facility for other Alaska Patrol (ALPAT) cutters during their missions in the North Pacific.

Aircraft currently stationed at the Kodiak Support Center include four C130 aircraft, four H3 helicopters, and three H52 helicopters. Coast Guard aircraft use a base runway which is part of a three-runway complex once belonging to a Naval Air Station. One runway is now operated by

THE GOVERNMENT OF THE UNITED STATES

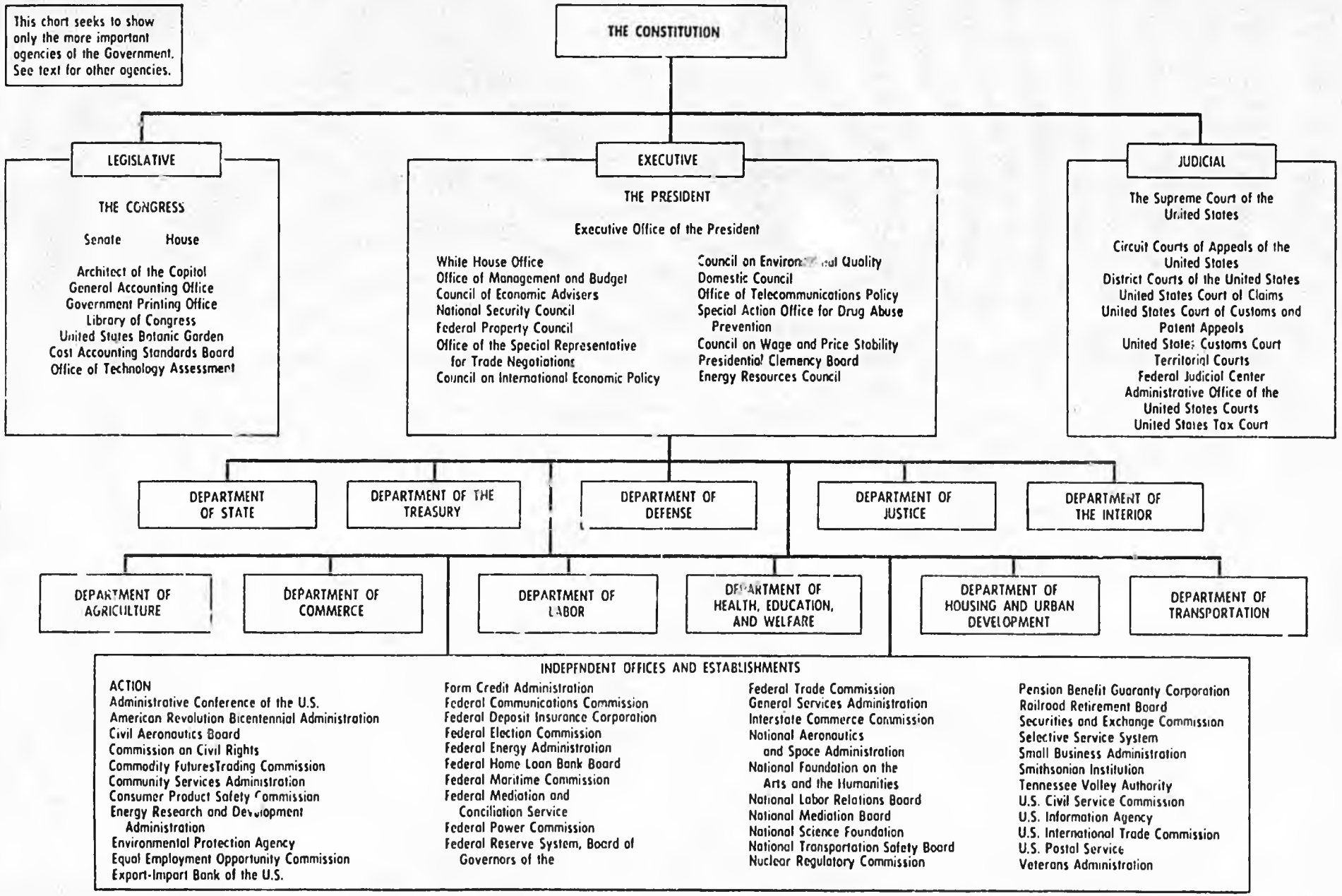


Fig. 13: Organization of U.S. Government

the State of Alaska as a commercial and general airport. That runway is approximately 3,000 feet long and is oriented in an east/west direction. The Coast Guard still utilizes the 5,000 foot north/south runway for its operations. The third runway is seldom used.

The Coast Guard base has a full range of community services and facilities including schools, library, recreational facilities, commercial services, housing, and utilities. At present there are approximately 2,500 personnel on base living in 557 family housing units and 250 single living units in barracks.

There are two major changes occurring at the Coast Guard base which will affect the Kodiak community. First, a recent Coast Guard policy requires civilian families who have lived on the Coast Guard base for more than two years to move off the base and find housing within the surrounding community. Consequently, 62 families will be moving from the base within the next year and a half. Because Coast Guard civilian salaries are relatively low, these families will be looking for moderately priced housing. This will severely impact Kodiak's housing supply.(39)

The second factor that will affect the Kodiak community will be the implementation and enforcement of the two hundred mile fishing limit. It is anticipated that the Coast Guard will need 125 additional personnel to carry out the work load generated by this new law. Such an increase in personnel would probably result in an overall gain in population for Kodiak of between four and five hundred people.

As a result of the new housing rule and the two hundred mile fishing limit, many Coast Guard personnel and their families will be seeking housing in the Kodiak area during the next two years. Should OCS development take place, it will likewise exert pressure on the community for housing needs during this same period.

The impact of the Coast Guard base in Kodiak is for the most part beneficial. Its local spending has helped to stabilize what historically has been a seasonally fluctuating economy. In addition it has provided a number of invaluable services to the fishing industry such as search and rescue and navigational aids. It is important, however, that the local governments and the Coast Guard work together to assure that the impact of OCS development is not aggravated by the impact of changes in Coast Guard base policies and Coast Guard growth in the area. The relationship between the local community and the Coast Guard base to date has been a healthy, mutually beneficial one. This spirit of cooperation should continue in the future to assure that both the local community and the Coast Guard base are not adversely affected by OCS development.

National Oceanic and Atmospheric Administration (Department of Commerce)

With the exception of the Coast Guard, the National Oceanic and Atmospheric Administration (NOAA) is the largest federal agency in Kodiak. NOAA was created on October 3, 1970, through a reorganization of various other federal agencies and departments. NOAA has a wide variety of functions

including responsibility for the National Weather Service, the National Ocean Survey, and the National Marine Fisheries Service. In addition, NOAA is in charge of executing portions of the Coastal Zone Management Act of 1972, the Marine Mammals Protection Act of 1972, the Marine Protection Research and Sanctuary Act of 1972, the Water Modification Reporting Act of 1972, the Endangered Species Act of 1973, and the Offshore Shrimp Fisheries Act of 1973.

The following excerpt from the United States Government Manual is a brief description of the primary duties of the NOAA.

> "The mission of NOAA is to explore, map, and chart the global ocean and its living resources, to manage, use and conserve those resources and to describe, monitor, and predict conditions in the atmosphere, ocean, sun, and space environment, issue warnings against impending destructive natural events, develop beneficial methods of environmental modification, and assess the consequences of inadvertent environmental modification over several scales of time."(40)

To simplify administration of these tasks, NOAA is divided into a number of smaller agencies. Those agencies having offices in Kodiak are listed and discussed below.

National Marine Fisheries Service (NMFS)

The National Marine Fisheries Service has three offices in Kodiak. These offices carry out extensive operations in the fields of ocean research, fish product utilizations, and enforcement and surveillance.

The Enforcement and Surveillance Section of NMFS is located in Gibson Cove near the City of Kodiak. Their facilities include offices, a warehouse for NOAA equipment, a darkroom facility and a conference room. This section is staffed by eight enforcement agents and one clerical employee.

Enforcement of oceanographic and fisheries treaties and agreements between the United States and foreign countries is the primary function of NMFS. In carrying out this enforcement role, NMFS service personnel work closely with the Coast Guard and utilize Coast Guard craft. NMFS enforcement agents have the power of arrest, search and seizure.

Their most time-consuming functions in Kodiak include the enforcement of the Marine Mammals Act and dockside halibut fishing regulation and enforcement. They must also review permits for construction work in tidal waters issued by the Corps of Engineers, and they have the authority to attach and enforce restrictions upon such work. Enforcement agents spend one-third of their time on field work or approximately 85 days per year at sea in Coast Guard cutters and 52 days per year in Coast Guard aircraft on patrol flights. The heaviest field season is between mid-April to October.

In addition to performing normal enforcement duties, NMFS serves as the landlord for the federal government over a 12-unit mobile home park on

the Coast Guard Base in Kodiak. This park provides trailer space for NMFS and other government employees; however, residents must provide their own mobile homes.

According to staff personnel in Kodiak, the effect of OCS development on the Enforcement and Surveillance Section of NMFS would be felt primarily in the enforcement of the National Marine Mammals Act. Large populations of marine mammals could be threatened by oil spills and the proposed development of the Cape Chiniak area. In addition to OCS impact, NMFS officials must plan for the enforcement of the 200 mile fisheries limit. If both of these developments take place, the staff believes the number of its enforcement agents in Kodiak will have to double to accommodate the additional workload.

The research section of NMFS operates the Fisheries Utilization Research Lab (FURL) which is located on the Coast Guard Base in Kodiak. This lab is the only research lab in the seafood utilization field in Alaska, and is one of only five under this program in the United States. Originally established in Ketchikan in 1940, FURL was moved to Kodiak in 1971 because of the expanding fishing industry in this area. The primary purpose of FURL is to find methods of utilizing both new and already available seafood products.

The lab is currently staffed with three chemists and one clerical employee. The information generated from research carried out at the lab is disseminated through informal contacts with local fishing industry personnel and through articles published in scientific and trade journals in the fisheries field.

The effect of OCS development on the research lab should be negligible. Likewise, the lab's research results should have no bearing on the operations of the oil companies in this area.

The third office of the National Marine Fisheries Service is the Northwest Fisheries Center (NWFC). NWFC is a research organization which gathers and analyzes data concerning stocks of fish (primarily shellfish) and formulates management plans for these species. At present, the bulk of the work carried out by NWFC is in the Bering Sea. However, NWFC will be more active in the Kodiak area as OCS development occurs.

There are a total of 15 people assigned to NWFC in Kodiak. Eight of the staff are professional biologists and mathematicians and the others are support personnel. Research projects frequently necessitate the use of the "Oregon", a 100-foot vessel owned by NWFC and based in Kodiak. In some cases however, NWFC uses up to four vessels at one time for research. The other vessels are based in Seattle and are operated under contract to the Bureau of Land Management.

The NWFC also send observers to Japanese fishing ships as provided under the terms of a treaty between the United States and Japan. While the Japanese fish in the North Pacific, the observers live aboard the ships and verify reported catches. They also collect biological information which is later added to the information collected by NWFC programs aboard its own ships.

The NWFC has also assigned three full-time people to Outer Continental Shelf research in Kodiak. Another seven people work in that field but are stationed in Seattle. Several bottom fish surveys have been carried out on the Kodiak Shelf through the NWFC in Seattle. Their findings will be helpful in monitoring the effects of OCS oil development on these species. Kodiak's research programs are mainly concerned with shrimp and crab. The objective of the shrimp studies is to "promote the maximum utilization of conservation of Alaska shrimp stocks by providing shrimp abundance, distribution, condition of stocks, and more effective harvesting techniques to industry and resource management agencies." With reference to crab, NWFC wants to "promote the effective use and conservation of king and tanner crab stocks in the eastern Bering Sea by providing a technical base of information to negotiating and managing agencies."

NWFC research will provide invaluable information on the fisheries and shellfish populations of the Outer Continental Shelf. This data, taken as a baseline, will enable scientists to monitor and evaluate the effects of oil development on marine life. It is essential, therefore, that such research be continued and stepped up if necessary, in order to provide the most up-to-date, comprehensive data possible before oil development takes place. It is unknown at the present whether more staff will be necessary to fulfill the NWFC's functions should OCS development occur.

National Weather Service (NWS)

The National Weather Service is the principle weather reporting agency for the United States and its possessions. It issues weather forecasts to the general public; provides warnings of destructive natural events such as hurricanes, floods, and tsunamis; and furnishes special services in support of aviation, marine activities, agriculture, forestry, urban air quality control and other weather sensitive activities.

In Kodiak the NWS is located on the Coast Guard Base in conjunction with the FAA facilities. It is primarily an observation station and data gathering center. The personnel include five meteorlogical tecnnicians and one electrical technician. There are no clerical positions.

The primary duties of the NWS in Kodiak are to make service observations each hour, to make tsunamic observations each six hours, and to launch weather balloons twice a day. The balloons report information back to the weather stations from altitudes in excess of 100,000 feet. These upper air soundings provide the basis for weather forecasting. The Kodiak station also provides public service weather reporting to the local community through the mass media, including tapes on the telephone, television, radio, newspapers and shortwave broadcasting.

It is not anticipated that a population increase caused by OCS development would effect the operations of the National Weather Service in Kodiak. Their function as a weather forecasting station would probably gain importance as marine traffic associated with OCS development increased;

however, it is not anticipated that this would cause a need for increased personnel or facilities.

Federal Aviation Administration (Department of Transportation)

The Federal Aviation Administration (FAA) is responsible for regulating air commerce to insure aviation safety. Its primary functions include safety regulation, registration and recording of aircraft and aircraft components; research and development of safe and efficient air navigation systems and air traffic control procedures, air navigation facilities, air space and traffic management; and airport planning and development programs.

In Kodiak the FAA facility is located on the Coast Guard Base. It provides traffic control for the Kodiak Airport and advisory service to the downtown airstrip. At the present time the FAA is upgrading its equipment to upgrade the airport to a Catagory "I" rating. This will include installation of new instrument landing system equipment, an aircraft localizer, glide slope equipment, and various other technical devices designed to allow instrument landings in adverse weather.

At present, the FAA handles a total of 17,000 to 18,000 operations per year, which is one of the lowest levels of activity handled by any FAA tower in the United States. Half of those operations are military; the rest are commercial and general aviation.

The personnel assigned to the FAA in Kodiak include one manager, seven air traffic controllers, ten electrical technicians plus one supervisory technician, and one clerical position.

According to the manager of the FAA in Kodiak, an increase in aircraft activity due to OCS development will not over-burden the FAA facilities because they now have the capability to handle up to three times the current level of operation.(42)

United States Forest Service (Department of Agriculture)

The Forest Service is responsible for providing nationwide direction in the field of forestry. It manages all national forests and provides research programs in forest technology.

The prime responsibility of the Forest Service in Kodiak is to manage the national forest lands on the Island. It reviews and regulates land use and special use permits within the national forests; it maintains the national forest cabins; it maintains fish ladders in cooperation with the Alaska Department of Fish and Game; and monitors wildlife activity in the national forests. At present, there are six full-time personnel with the Forest Service in Kodiak. Five of those personnel spend 50 to 80 percent of their time in the field. The sixth is a clerical position.

One of the major concerns of the Forest Service is harvestable timber. It recently conducted the Perenosa timber sale on Afognak Island. It is estimated that there are 332 million board feet of lumber within that sale, an anticipated 36 to 40 million board feet to be harvested per year. The Forest Service is responsible for administration of that timber area to assure that the terms of the sale are complied with on a continuing basis.

Oil development of the Kodiak OCS could impact the Forest Service operations in two ways. One would be an increase in recreational demands placed on the national forests. At present, the Forest Service maintains five cabins within that national forest. They indicate that they would be able to increase the number of cabins commensurate with the increase in demand that might be placed on them. Another effect of OCS development might be a request by the oil industry to build on-shore service facilities on Afognak Island. Such a request would require a special use permit from the Forest Service, including a full environmental impact statement of the project. It is not anticipated that these events would increase the need for additional Forest Service personnel or facilities in Kodiak.

United States Postal Service

The Kodiak Post Office (see Map 6) is the distribution center for incoming and outgoing mail for all of the Kodiak Islands. Mail delivery is provided through 17,050 post office boxes and a general delivery box which can accommodate an additional 500 customers. The present facilities cannot accommodate all the requests for post office boxes - approximately 500 people are wait-listed for these boxes.

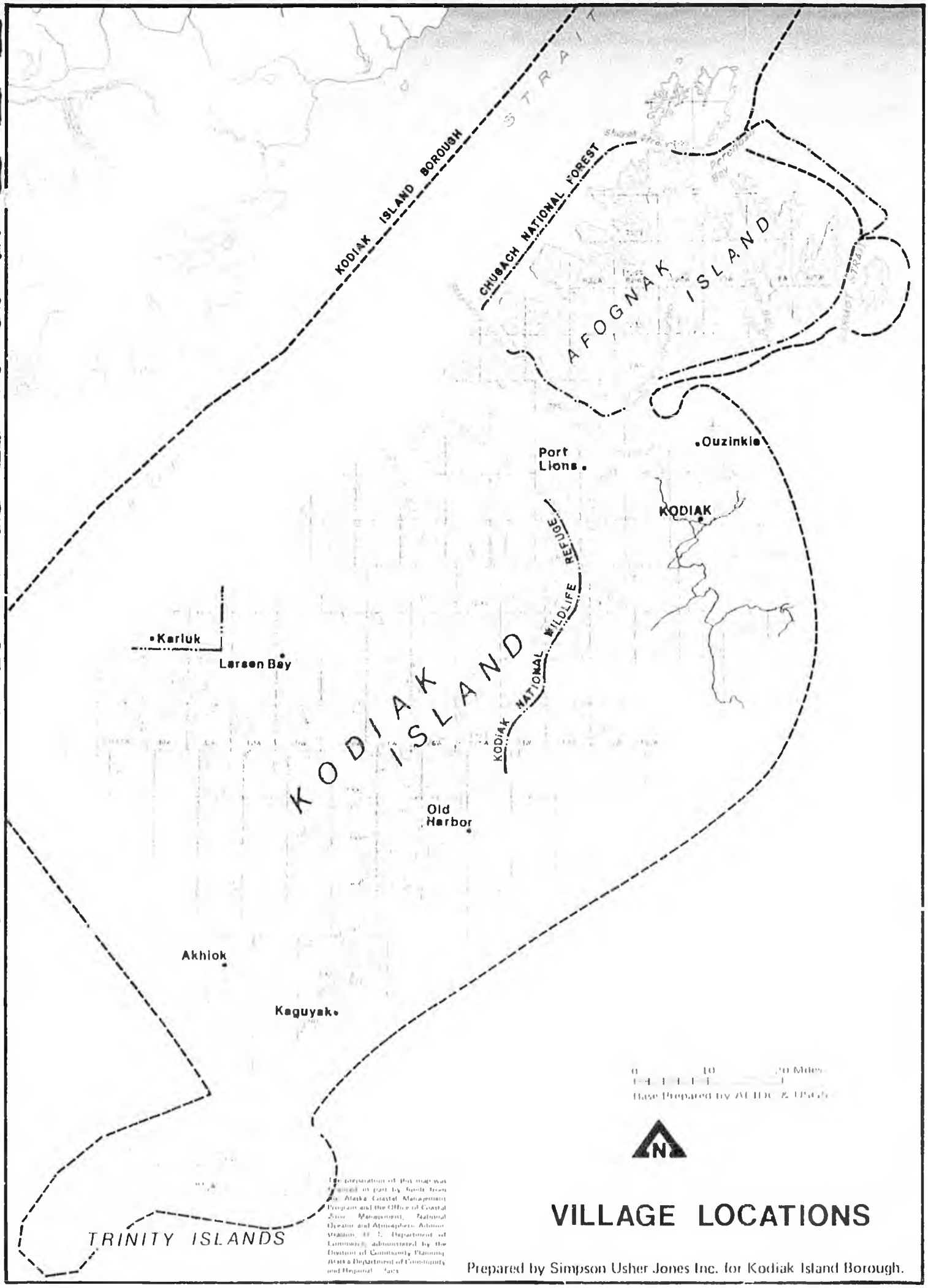
A new post office is scheduled for construction in 1977 and should be open in January, 1978. The new facility will be approximately three times the size of the existing facility with up to twice as many post office boxes.

Significant population increases generated by OCS development would severely impact post office operations. Based upon current growth patterns alone, it is estimated that nearly all of the post office boxes in the new post office will be assigned as soon as the facility is opened. A further increase in population due to OCS development would overburden the new facilities, in effect, bringing on another long wait-list situation for boxes and a heavy use of the general delivery service.

VILLAGE INVENTORY

A number of the various community services and facilities described in the preceding sections are available in the larger outlying villages around Kodiak Island. In some cases the villages have their own utility systems. In order to get a more concise picture of the status of facilities, utilities and services in these communities, the following will review the information available for those villages with local governments. All but one (Karluk) of the villages discussed are second-class cities; all of them are generally the more significant settlements on Kodiak Island other than the City of Kodiak and its environs.

In most cases, the only existing information available is printed in the Community Profiles that are prepared by the State Department of Commerce and Economic Development. Every effort has been made to update that information. In the case of Port Lions and Old Harbor, specific reports and studies were available that allowed a more in-depth treatment of the communities. For the location of the villages on Kodiak Island see Map 7.



VILLAGE LOCATIONS

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough.

MAP 7

AKHIOK

The village of Akhiok is located on Akhiok Bay west of Alitak Bay at the south end of Kodiak Island. It was incorporated as a second-class city in 1972. Akhiok is primarily a native community and its economy and employment are based entirely upon commercial fishing and cannery work. There is one telephone in Akhiok. It is located in the Community Hall and is operated by the City of Akhiok. Additional phone service is not considered feasible at this time. All other communications are through shortwave radio.

Akhiok is supplied with water through a water supply dam with a gravity feed distribution system. A 20,000 gallon water storage tank is located in the townsite but is currently unused. The Akhiok School has a well. Sewage disposal is through individual beach seepage pits with all homes being equipped with flush toilets and plumbing. Garbage disposal is currently handled through tide outflow. A sanitary landfill was built in Akhiok by the KIB with HUD grant funds in early 1977. The fill is not being used currently due to the lack of a vehicle to transport garbage to the fill site. The fill is located 1800 feet from the center of the village site. Electrical power is supplied to the homes within Akhiok by the school during its operation months. The rest of the year there is no power available. Some homes have individual generation. Until the late 1960's there was a central electrical system in Akhiok. However, in 1969 the generator broke down and has not been repaired.

There are no roads from Akhiok to other parts of the Island and none of the rural roads are maintained. There is a 1,600 foot gravel airstrip; however, it is not maintained. Kodiak Western Airlines serves Akhiok three times per week. Other transportation to the village is by air, via seaplanes, or by boat.

Akhiok has no police force and law enforcement services are provided by the State Troopers from Kodiak. The Fire Department consists of ten volunteer firemen although there is no firefighting equipment within the village. Mail service is provided through the post office in Akhiok and there are 25 subscribers.

The Akhiok Elementary School accommodates grades Kindergarten through nine and is operated by the Borough. There are two teachers and 29 students.

Health facilities are limited to one health aid. The Public Health Service provides a nurse from Kodiak on a visitation basis.

There is a total of 20 housing units within Akhiok, with one community hall, one church, a post office, and a library. An additional 15 houses are planned for construction this year through a BIA/HUD Indian Housing Program.

Like Karluk, Akhiok will probably not feel any direct affects as a result of OCS development. While it is closer to the lease sale area, Akhiok is almost totally void of the facilities necessary for an on-shore service facility. If the oil industry decides to build new service base facilities in a remote location, it seems likely that they will choose a site more convenient to the entire development area than Akhiok. However, the residents and city government in the community must be prepared for some indirect impacts. Again, similar to Karluk, Akhiok might find their community and its environs in demand for recreation uses and tourism. Preparation for those impacts should involve cohesive community goals and subsequent implementation policies through the City of Akhiok and the Kodiak Island Borough.

KARLUK

The village of Karluk is located on the Karluk River, on the east coast of Kodiak Island. It is primarily a commercial fishing village, offering seasonal employment. The Karluk village is physically split in half by the Karluk Lagoon. Transportation between the two sides is either via skiff or by foot over a mile lone sand and gravel spit that encloses the front of the lagoon. A foot bridge crosses the Karluk River at its outlet allowing access to the spit and the village store.

The water supply is provided mainly from surface water, and individual wells. There is a small dam that distributes water to 11 homes. Sewage disposal is through private septic tanks and privies. A city dump is used for solid waste disposal. Karluk has no central source of electricity; although many of the homes have individual generators. There is one telephone in Karluk located in the Community Hall.

There are no highway links to other parts of Alaska and no locally maintained roads. The state operates a 1,400 foot gravel airfield. Kodiak Western Airlines services the community with three flights a week with amphibious aircraft. The only other modes of transportation available are charter and private planes or boats. Transportation within the village is primarily via boardwalks. Many of the boardwalks are badly deteriorated and need replacing.

Karluk has no local police force; the State Troopers from Kodiak provide law enforcement. There are five volunteer firemen; and no firefighting equipment in the village other than fire extinguishers.

Karluk Elementary School accommodates Kindergarten through 8th grade, and is operated by the Kodiak Island Borough. There are two teachers and a student enrollment of 28. The school is currently in need of renovation including some structural repair.

Health needs are currently met by a clinic, staffed with one health aide. A public health nurse services Karluk on a visitation basis. Within the village is also a community hall, post office and a church.

Because of Karluk's location on the western side of Kodiak Island and its lack of community facilities, it is unlikely that it would be the site of any facilities directly related to OCS development. It could feel an impact in terms of increased tourism, hunting and fishing as a result of dramatic increases in population elsewhere in Kodiak Island Borough. Decisions need to be made concerning the degree to which these impacts are to be encouraged or discouraged. Implementation of land use regulations by the Kodiak Island Borough could have a significant effect on the availability of facilities to accommodate travelers and tourists. The involvement of the area residents is essential to this decision process. However, delays could result in unplanned and unwanted impacts.

LARSEN BAY

The City of Larsen Bay is located 62 miles west-southwest of Kodiak near the mouth of Larsen Bay. It is situated on the west shore of Uyak Bay on the west coast of Kodiak Island. Larsen Bay was formally founded in 1911 when a cannery was constructed there, and Larsen Bay was incorporated as a second-class city in 1974. Prior to that, the area was inhabited for at least 2,000 years.

The economy of Larson Bay is primarily based on fishing and cannery work, although there is potential for recreation and tourist-oriented employment relating to fishing and hunting.

There are no local police in Larsen Bay, and law enforcement services are provided by the State Troopers from Kodiak. The volunteer fire department consists of 22 volunteers although there is no firefighting equipment other than fire extinguishers.

There are no roads to any other part of Kodiak Island from Larson Bay and none of the local roads are maintained. Several miles of new road is currently being built in Larsen Bay by the BIA. The roads are not being constructed to State Highway Department standards, consequently they will not be maintained by the state. This presents a problem since the City of Larsen Bay does not have street maintainence capability. Transportation to and from the village is provided by Kodiak Western Airlines as well as private aircraft, boat, and charters. A new 4000 foot gravel runway has recently been completed. It is operated by the State Division of Aviation and is developed to standards that should be adequate for twin engine aircraft. There is also a 10,000 foot seaplane landing area in Larsen Bay.

Water is provided on an individual basis from wells and springs within the community. Sewage disposal is again provided on an individual basis. There are 24 privies and 12 septic tanks, all operated by individual owners. Electricity is provided by the individual home owner; solid waste is disposed by either burning it or piling it on the beach to be taken away by the tide.

Health facilities include a small clinic and one health aid. The services of a public health nurse from Kodiak are provided on a visitation basis. The school at Larsen Bay handles grades kindergarten through eight and is operated by the Borough. There is an enrollment of 18 students handled by one teacher. The community also has a community hall, two churches, and a post office.

There are a total of 31 housing units at Larsen Bay. Twenty-nine of those are single units, and there is one duplex.

As with other villages located on the western side of Kodiak Island, it is unlikely that Larsen Bay will be directly impacted by industrialization due to OCS development. However, the potential for secondary or indirect impact is quite high. Larsen Bay is an especially scenic community and already has a reputation as a popular hunting and fishing spot among residents of Kodiak, as well as the mainland. A dramatic population increase in Kodiak would undoubtedly bring a corresponding increase in tourism pressure in Larsen Bay. At present, the community does not have facilities such as hotels, restaurants, or camping grounds to handle a significant increase in tourist trade. A decision should be made by the community in the near future whether or not such an increase is desirable, and implementation of that decision should begin as soon as possible.

This is especially important in Larsen Bay since there are numerous archeological sites in the villages and the surrounding area. Well preserved artifacts are common. Their presence could easily attract amateur archeologists and artifact hunters. The result could be disasterous in terms of the loss of historical information and heritage as well as a severe impact on the lifestyles of the community if it is unprepared.

OLD HARBOR

Old Harbor is situated on a rocky shelf on the west shore of Sitkalidak Strait, 56 miles southwest of Kodiak on Kodiak Island. The village fronts onto a long, narrow, sand and gravel beach. It was originally established in 1884. The City of Old Harbor was incorporated as a second class city in 1966. It has a population of approximately 315 people.

The economy of Old Harbor is based entirely upon commercial fishing and processing; although at the present time, the processing industry is closed down due to the lack of a usable industrial water supply. The Kodiak Island Borough has recently begun a project to provide a water supply through HUD grants made available under the Housing and Community Development Act of 1974.

Seafood around Old Harbor is plentiful including commercial quantities of king crab, tanner crab, shirmp and salmon. In fact, one of the best shrimp grounds in the Kodiak Island Group is located near Old Harbor. Also, the community is located near Alitak Bank which is consistantly one of the highest producing king crab grounds in the islands. Other seafood species, such as scallops and clams, are available in potentially commercial quanties.

In March of 1975, the processing plant on the floating freezer ship "Sonya" burned. Due to the lack of an industrial water supply, no new processing facilities have been built. This has dealt a severe economic blow to the community since the work force of approximately 70 people, as well as 30 fishing vessels, have been idle. However, through the use of the available HUD funds, it is anticipated that the new water system will be completed within a year, thus allowing the processing industry to get reestablished.

Old Harbor has a barge dock which accommodates private boats and a 2,000 foot gravel runway and commercial air services are provided by Kodiak Western Airlines on a scheduled six flights per week basis. At this time Old Harbor has no road connections with other parts of Alaska and the roads within the community are maintained by the city. Old Harbor was served by the state ferry system at one time, however service was stopped when the Sonya was permanently moored at the dock. Now that the Sonya is gone, the dock is available and plans are being made for its expansion. This should provide adequate facilities to re-establish ferry service to the village.

Because of its location and physical confinement, Old Harbor has extremely limited potential of expansion of housing and community facilities. The 1968 the Kodiak Island Borough Comprehensive Development Plan indicated plans to build a bridge between two spits across a saltwater lagoon to

the northeast. That bridge is now completed and a road extends across the bridge to that area. This allows the development of new housing on the northeast side of the lagoon about one mile from the existing village. Topography is relatively gentle in this area, thus community expansion will be less difficult than is the case at the existing village site. Forty-five units of HUD/BIA housing will be constructed in this area during the summer and fall of 1977.

Water for the residents is currently provided through a dam and holding tank with a gravity system to the homes. Sewage disposal is provided through a public health service sewer system that operates on a community septic tank. Electrical power is provided to 58 consumers through diesel generation. The entire village is served with a phone system that was installed recently. It provides both local and long distance telephone capabilities to individual homes.

Fire protection is provided to the village by the City of Old Harbor. They have a volunteer fire department with a part-time firechief and one fire truck. The truck does need some repairs.

The community has a Russian Orthodox Church, a community building, a post office, library, theater, and two stores. The school in Old Harbor is operated by the Borough and serves grades Kindergarten through ten There are 97 students enrolled and 6 teachers.

Old Harbor's location on the southeastern portion of Kodiak Island and the fact that is is protected form the open seas of the Gulf of Alaska make it a potential site for development of onshore facilities to serve OCS development. This potential is confirmed by the fact that the village corporation has already been approached by representatives of the oil industry in an attempt to buy property in the area.

The utilization of a site in or near Old Harbor for OCS related on-shore services facilities would result in major changes and/or disruptions of the current economy, life style and physical characteristics of the community. At present, Old Harbor does not have the necessary facilities that would be required for a service base facility. These include adequate water supply, port facilities, an adequate airport, housing and other utilities. The cost of providing these facilities would be extremely high and is beyond the fiscal capacity of the city. If a decision is made by the oil industry to attempt to develop a service base in Old Harbor, it should be reviewed with respect to the community goals, economic implementation and environmental impacts. The Borough, the City of Old Harbor, and the Regional and Village Native Corporations have the combined resources to negate such a decision or, if OCS facilities are deemed appropriate in Old Harbor, to control their development. This subject should receive immediate attention by all parties concerned.

OUZINKIE

The City of Ouzinkie is located on the west coast of Spruce Island northeast of Kodiak Island. Spruce Island is separated from Kodiak Island by Narrow Strait. The City of Ouzinkie was incorporated as a second-class city in 1967. The economic base is primarily commercial fishing.

As with the other villages there is no local police in Ouzinkie. Law enforcement services are provided by the State Troopers from Kodiak. There are a total of 24 volunteer firefighters with no firefighting equipment other than individual fire extinguishers.

Ouzinkie has no highway link with other parts of Kodiak, and none of the local roads are maintained. There is no airstrip in Ouzinkie; although the State Division of Aviation has indicated plans to build a new airstrip on the north side of the village. The community is served on a scheduled basis by Kodiak Western Airlines from the City of Kodiak. There are six scheduled flights per week; in addition, charter flights are available to the village.

The City of Ouzinkie supplies water to the community through a central distribution system. Water is obtained from a small creek and piped into a 100,000 gallon storage tank. The system has deteriorated in recent years and is currently being upgraded by the Public Health Service. Sewage disposal is handled by two methods: either individual septic tanks or a number of small sewage disposal systems that accommodate from 2 to 6 houses. Electrical power is provided to the residents by the City of Ouzinkie. The distribution system is deteriorating and needs to be upgraded. Some electrical distribution lines are laying on the ground year round. This causes a "leakage" of power from the system. There are five large electrical generators in the village. They include a 50 KW plant, a 65 KW plant (in use), a 75 KW plant, an 85 KW plant and a 150 KW plant. Only the 65KW plant is currently operatable, although it is believed that all of the rest are repairable. The 65 KW plant is not adequate to serve the electrical power demand of the village.

Solid waste is disposed of either at the new landfill site built by the Kodiak Island Borough or through the traditional method of depositing garbage on the beach. The landfill is located approximately 1/2 mile from the village site and is used only by residents who have a means of hauling waste.

As in the previously described villages, health services are provided through a small clinic with one public health aide. Public health nursing services are provided on a visitation basis from Kodiak. The school in Ouzinkie is operated by the Borough and includes grades one through eight. There are three teachers who handle an enrollment of 42 students.

This community has a Community Center, two churches, and a post office Total number of housing units in Ouzinkie is 41, including one duplex.

Ouzinkie is located near several OCS lease tracts that have been identified by the oil industry as areas of high interest. Consequently, there is a possibility that Ouzinkie could be affected by OCS development. If any oil related facilities or personnel were to be located there, a significant disruption of the community could result. While there is currently no seafood transportation to Ouzinkie other than fishing boats, road and ferry access is possible.

According to the Kodiak Island Borough Comprehensive Plan (Tryck Nyman and Hayes, 1968, p.135) there are long range plans to upgrade an existing trail to a road from Monashka Bay near Kodiak to Neve Cove opposite Ouzinkie. From there, either a vehicular or passenger ferry could be operated to the town site. Pressure and/or financing from the oil industry could conceivably make this a reality in the foreseeable future. Since Ouzinkie has a partially protected natural harbor, the construction of improved year-round surface transportation links could make it a prime candidate for on-shore service facilities related to OCS development. As in the case of other outlying villages on Kodiak Island, this eventuality should be given considerable attention, and plans should be made both by the City and the Kodiak Island Borough to either discourage or control any oil related activities.

Ouzinkie also has significant tourism and historical potential. Elk and deer hunting. as well as fishing, are good in the area. There is also a Russian Orthodox Mission Chapel located at the southern end of Spruce Island that has been almost continuously occupied since 1790. These attractions will bring tourists and sportsmen to the area in increasing numbers as OCS development occurs. Community goals and preparation are essential if these impacts are to be successfully dealt with.

PORT LIONS

The City of Port Lions is located on Settler Cove near the mouth of Kizhuyak Bay, on the north coast of Kodiak Island. In comparison with the other communities around Kodiak Island, Port Lions is a relatively recent community. However its residents have been inhabitants of the Kodiak Islands for many years. Port Lions was located and built in Settler Cove in 1964 after the March 27th earthquake. The original people of Port Lions had formally been residents of the village of Afognak. They were forced to find a new townsite after the tidal waves and subsequent tidal action inundated Afognek with water. The site of the village had subsided five feet as a result of the earthquake. A complete new town was built in Settler Cove with the help of the U. S. Public Health Service, the Bureau of Indian Affairs, the Lions Club and various other public and private organizations. Initially 44 homes, one school, and a Community Hall were built and provided with water and sewer service. Since that time, Port Lions has become one of the fastest growing communities on Kodiak Island. It was incorporated as a second-class city in 1966.

The economy and employment in Port Lions is based primarily upon commercial fishing and seafood processing. A large Wakefield Processing Plant in Port Lions burned down in 1975 and has been replaced by a smaller floating processor. The cannery is located across Settler Cove from Port Lions on Peregebni Point. It is connected to the town via a gravel road around the cove. There is a small sawmill in Port Lions; however, it is not currently operating. Other commercial establishments in Port Lions include a cafe, a hotel or lodge, and a general store.

Port Lions is the only outlying village on Kodiak Island that has provided a local police force. At present, the city has budgeted for one paid police officer. Additional law enforcement services are provided by the Kodiak Headquarters of the State Troopers, 19 air-miles away. Fire protection is provided by 17 volunteer firemen and one fire truck.

Additional community facilities include the administrative offices of the City and Port Lions Native Corporation which are located in the Community Hall. It also serves as a public meeting hall and City Council chambers. Port Lions also has a public library which is operated through joint agreements with the Kodiak Public Library in the City of Kodiak.

The Port Lions telephone system is unique with respect to other outlying villages on Kodiak Island in that it serves the entire community, as well as providing direct dialing capabilities throughout the state and nation. There are currently 68 subscribers to the telephone service.

Cable television is also available to the residents of Port Lions. The television service costs $30 per month and installation charge is $75. Health facilities include a clinic with one doctor and one public health aide; a public health nurse is also dispatched from Kodiak on a visitation basis. Port Lions also has a post office with daily airmail service, although, like the City of Kodiak, there is no house-to-house delivery.

Utilities in Port Lions include a community water supply and distribution system that has recently been improved (1976) to provide adequate service to the existing community as well as the potential for future expansion. There is currently a 13.1 thousand gallon community sewer system that serves a large portion of the community; however, many of the residents still rely on individual septic systems. The community is in need of an adequate treatment plant in compliance with federal and state regulations. Electrical power is provided through the Kodiak Electrical Association. The offices of KEA are located in the City of Kodiak, however the generating plant is located in Port Lions.

Transportation facilities to and from Port Lions and within the community are also better than is found in other outlying villages on Kodiak Island. The community has a gravel-surfaced street system, slightly over one mile of which is maintained by the City. In addition, there is 4.2 miles of state roads in the area. Port Lions street system is the only village system in the Kodiak Islands that has street lights.

External transportation services are available through both air and marine carriers. Kodiak Western Airlines provides six flights per week to Port Lions. In addition, Klondike Airways utilizes a city-operated 2,600 foot gravel airstrip to the northeast of the community and provides flights on Monday, Wednesday and Friday between Anchorage and Port Lions. This service was begun in 1976.

Port Lions is also served by the Alaska Marine Highways System. The ferry "Tustumena" visits Port Lions weekly except for three months during the winter, at which time it undergoes yearly maintenance and repairs. Additional transportation services are provided to Port Lions from Kodiak via charter aircraft, as well as privately owned aircraft and boats.

Port Lions does not currently have a small boat harbor but an investigation of possible alternative sites has been done. It is conceivable, with cooperation between all levels of government, that a facility could be constructed in Settler Cove by the early 1980's.

The school in Port Lions is operated by the Kodiak Island Borough and handles Kindergarten through grade 10. The school was built in 1964 by the Bureau of Indian Affairs at the time the community was moved to its present location. The school includes four classrooms and four teachers. At present the additional classroom space as well as recreation and career facilities are being investigated by the school district. There are in excess of 70 students in the school at present. Housing in Port Lions consists of 67 single family units.

As is the case with most other villages or Kodiak Island, Port Lions offers excellent recreation opportunities that will undoubtedly draw the attention of increasing numbers of tourists as the population increases in Kodiak. Snowmobiling has become an active sport and the local snowmobile club has established a winter trail between Kodiak and Port Lions. Hunting and fishing are both good in the surrounding areas and the presence of both a lodge and restaurant make the potential for related tourism extremely high. This potential is heightened by the commercial transportation services as well as the fact that the community is only seven miles by water from Anton Larsen Bay where a boat launching ramp is located on the road system that leads to the City of Kodiak.

If Port Lions is to develop its recreational potential, action will have to be taken by the City, as well as the Kodiak Island Borough, to mai tain and possibly expand tourist accommodations, encourage the expansion of marine highway service, and possibly engage in a public relations campaign to publize the recreational and scenic assets of the community. Tourism offers a high potential for expanding and diversifying the Port Lions economy and can probably be developed on a continuing basis throughout the foreseeable future. However, this development should be encouraged only after the best interest of the community and the city are considered.

Like Ouzinkie, Port Lions is relatively close to OCS lease sale areas. While Settler Cove offers a semi-protected harbor and the community does have a number of the needed facilities and utilities, its situation is similar to that of Akhiok in that it is less than ideally suited from a locational standpoint for the site of onshore service facilities. Since much of the lease sale area is to the southeast of Kodiak Island, the distances traveled from Port Lions would be relatively high when compared with other sites that could be utlitized for OCS service facilities. However, if oil discoveries were made primarily in the north end of the lease sale, Port Lions could potentially be impacted.

Port Lions is probably the best equipped of the outlying villages on Kodiak Island to handle such industrialization, due to its relatively high level of community facilities and utlities; however, the degree of impact created by such industrialization, if it were to occur in or near the City, would completely change the physical and socio-economic characteristics that currently exist. The possibility of this eventuality should be monitored closely and the community attitudes towards such industrialization should be determined. This would allow for the preparation of plans and implementation policies to either discourage or to direct the growth of OCS related oil facilities that might be proposed for Port Lions.

HOUSING INVENTORY

The ability of the Kodiak community to keep pace with the demands for housing that will be generated by OCS development will determine to a significant degree what the impact that development will have. The following section of the report will describe the housing situation as it exists in Kodiak today.

The basis of the Housing Inventory is an actual count of housing conducted in Kodiak during the Summer and Fall of 1976. A "windshield" survey was carried out in August which involved driving all of the streets and roads on the road system from Monashka Bay to Chiniak, including all the streets within the urban area. Both base maps and aerial photos were used to augment the windshield survey. In addition to counting the number of units, the survey also noted the condition of each residential building within the area of road system. The condition catagories were broken down as follows:

Good All new housing; housing in obvious excellent or above average and average condition; no major structural defects or deficiencies from an outward appearance.

Fair - Basically structurally sound from an outward appearance; no obvious wall or roof structural defects; possibly in need of minor repairs such as window or door frame repair or replacement, or roof repair or replacement; obviously livable and safe for habitation.

Poor - Structural integrity of the building is questionable as evidenced by sagging walls or roof or foundation defects or other problems that indicate that the dwelling is in need of major renovation.

Additional information was gathered concerning vacancies, rents, construction costs, and construction activity in Kodiak. Aerial photos were also sent to each of the remote villages and population centers. Each building on the photos was identified and residential buildings were noted by the number of units they contained. Where information was not available, estimates were made based on the 1970 census information. The housing information presented for villages does not include the condition of units. It does include the information gathered concerning total numbers of units. Since the great majority of population growth and economic activity generated by OCS development is expected to be within the area serviced by the road system, the scope of this study did not include detailed on-site surveys in each of the villages. However, the information gathered does provide data on total numbers of residential units, both in the urban area and the villages. Figure 14 shows the estimated total housing count for the Kodiak Island Borough.

Fig. 14 - Estimated Total Housing Count*

Area	# Residential Units
Road System Area	1,973
Coast Guard	557
Old Harbor	66
Port Lions	60
Ouzinkie	40
Larsen Bay	31
Ahkiok	25
Karluk	25
Remainder of KIB	20
TOTAL	2,791

*Does not count group quarters associated with Canneries or Coast Guard Barracks.

Source: Simpson Usher Jones, Inc., 1976.

HOUSING SURVEY

The Housing Survey of the area serviced by the road system revealed several significant characteristics of the housing stock in Kodiak. One of the most interesting and encouraging facts is that the great majority of residential structures in that area are in fair to good condition. As can be seen by Figure 15, almost 75% of all the housing units are in fair to good condition. The number of units in poor condition (9.7%) is quite low and should not be considered a serious problem. Trailers were identified separately in the housing survey; however, there was no attempt to classify them as good, fair or poor since most have metal skins and it is difficult to determine their condition from an outward appearance.

Fig. 15: Housing By Condition Including Trailers

Condition	Number	Percent
Good	839	42.5%
Fair	625	31.7%
Poor	192	9.7%
Trailers	317	16.1%
TOTALS	1973	100.0%

Source: Simpson Usher Jones, Inc., 1976

The distribution of residential structures by number units per building is also significant. This is shown in Figure 16. As can be seen by that table, almost 69% of all housing units are in single family dwellings. An extremely small percentage of units are in the medium sized apartments. A higher than expected number, almost 16%, are in the larger apartment buildings (nine units and up). Many of these larger apartment buildings have been built in recent years in response to the growing housing needs. The same characteristics are evident in Figure

Fig. 16: Standard Housing By Number Of Units Per Building

Units Per Building	Number of Units	Percentage
1	1141	68.9%
2 - 3	180	10.9%
4 - 8	88	5.3%
9 -	247	14.9%
TOTALS	1656	100.0%

Source: Simpson Usher Jones, Inc., 1976

The same characteristics are evident in Figure 17 which shows the housing by density, type and condition. 87.9% of those units in buildings containing nine or more units are considered in good condition with only 12.1% in fair condition and none in poor condition. Also, almost half of all apartment units are in the larger buildings. This shows a definite trend toward more intensive use of residential land, which can be attributed to a relative scarcity of such land and subsequent higher cost.

Fig. 17: Standard Housing Type & Condition

Units per Building	Good		Fair		Poor		Total	
	#	%	#	%	#	%	#	%
1	479	42.0	487	42.0	175	15.3	1141	100
2 - 3	107	59.5	65	36.1	8	4.4	180	100
4 - 8	36	40.9	43	48.9	9	10.2	88	100
9 -	217	87.9	30	12.1	0	0	247	100
TOTALS	839	50.7%	625	37.7%	192	11.6%	1656	100%

Source: Simpson Usher Jones, Inc., 1976

The middle density apartment units fared substantially worse from a condition standpoint. Almost 49% were considered in fair condition with less than 41% in good condition and 10% in poor condition. The group with the highest number of poor units was the single family homes with 15.3% of the units in poor condition. The good and fair units split almost evenly at approximately 42% each.

In general, the condition of standard housing in Kodiak is quite good with 50.7% of the units (not including mobile homes) considered good and 37.7% considered fair with only 11.6% in poor condition. It must be remembered that these condition ratings consider only the outward appearance and apparent structural integrity. They do not consider such amenities as landscaping, trim paint, interiors, etc.

When the housing conditions and density are examined on a neighborhood basis some very definite characteristics begin to appear. For the purposes of this study the area with contiguous roads was divided into 12 different homogeneous neighborhoods. All the housing information was tabulated according to these areas. (See map 8 and 9.) The tables on that map show housing by condition for each of the 12 areas. A review of that information shows that the Baranof Heights area has by far the highest percentage of dwelling units in good shape. There are several reasons why this would be true. First of all it is a relatively new area with portions of it still being developed. Also because the property has both sewer and water as well as a view, the land within the Baranof Heights area is of relatively high value. Consequently, due to financing requirements, the value of the residential units tend to be higher.

DOWNTOWN AREA

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	76	25	25	26	0	76
2-3 UNITS	15	17	13	0	–	30
4-8 UNITS	3	12	6	0	–	18
9 OVER	4	109	30	–	–	139
TOTAL		163	74	26	0	263

MISSION ROAD AREA WITHIN CITY

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	224	73	92	59	3	227
2-3 UNITS	36	38	32	2	–	72
4-8 UNITS	3	4	4	5	–	13
9 OVER	0	0	0	0	–	0
TOTAL		115	128	66	3	312

KADIAK SUBDIVISION AREA

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	22	16	4	2	2	24
2-3 UNITS	3	4	2	0	–	6
4-8 UNITS	0	0	0	0	–	0
9 OVER	0	0	0	0	–	0
TOTAL		20	6	2	2	30

ALEUTIAN HOMES AREA

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	304	73	229	2	0	304
2-3 UNITS	2	2	2	0	–	4
4-8 UNITS	0	0	0	0	–	0
9 OVER	4	40	0	0	–	40
TOTAL		115	231	2	0	348

MONASHKA BAY AREA

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	18	14	1	3	14	32
2-3 UNITS	0	0	0	0	–	0
4-8 UNITS	0	0	0	0	–	0
9 OVER	0	0	0	0	–	0
TOTAL		14	1	3	14	32

MISSION ROAD AREA OUTSIDE CITY

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	85	29	33	23	161	246
2-3 UNITS	3	2	4	0	–	6
4-8 UNITS	1	0	4	0	–	4
9 OVER	0	0	0	0	–	0
TOTAL		31	41	25	161	256

ERSKINE SUBDIVISION AREA

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	57	15	22	0	0	37
2-3 UNITS	9	16	2	0		18
4-8 UNITS	3	12	13	0		25
9 OVER	0	0	0	0		0
TOTAL		43	37	0	0	100

ISLAND LAKE AREA

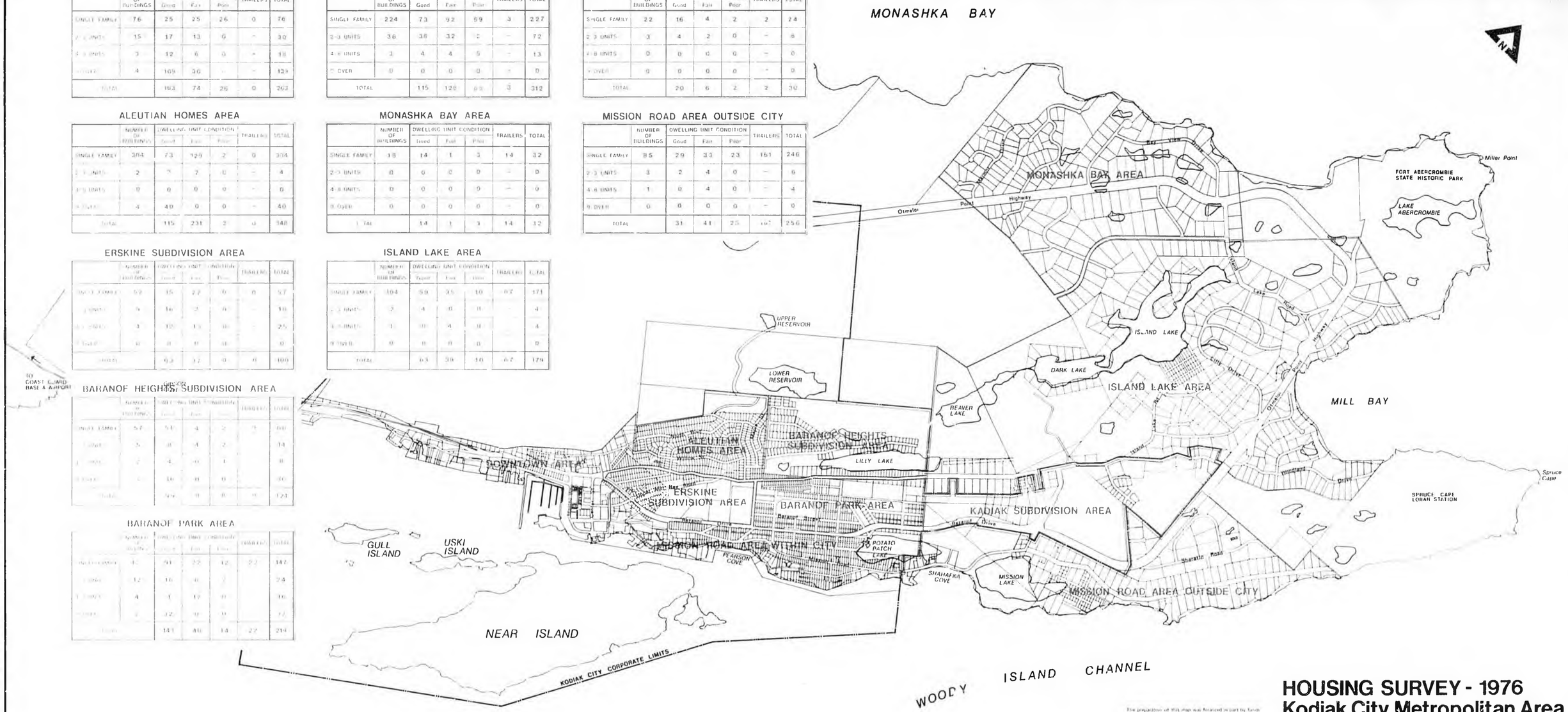
	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	104	59	35	10	67	171
2-3 UNITS	3	4	0	0		4
4-8 UNITS	1	0	4	0		4
9 OVER	0	0	0	0		0
TOTAL		63	39	10	67	179

BARANOF HEIGHTS SUBDIVISION AREA

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	57	51	4	2	3	60
2-3 UNITS	5	8	4	2		14
4-8 UNITS	2	4	0	1		8
9 OVER	0	16	0	0		16
TOTAL		79	8	5	3	123

BARANOF PARK AREA

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	97	71	22	12	22	127
2-3 UNITS	12	16	0	2		18
4-8 UNITS	4	1	12	0		13
9 OVER	2	32	0	0		32
TOTAL		141	46	14	22	214

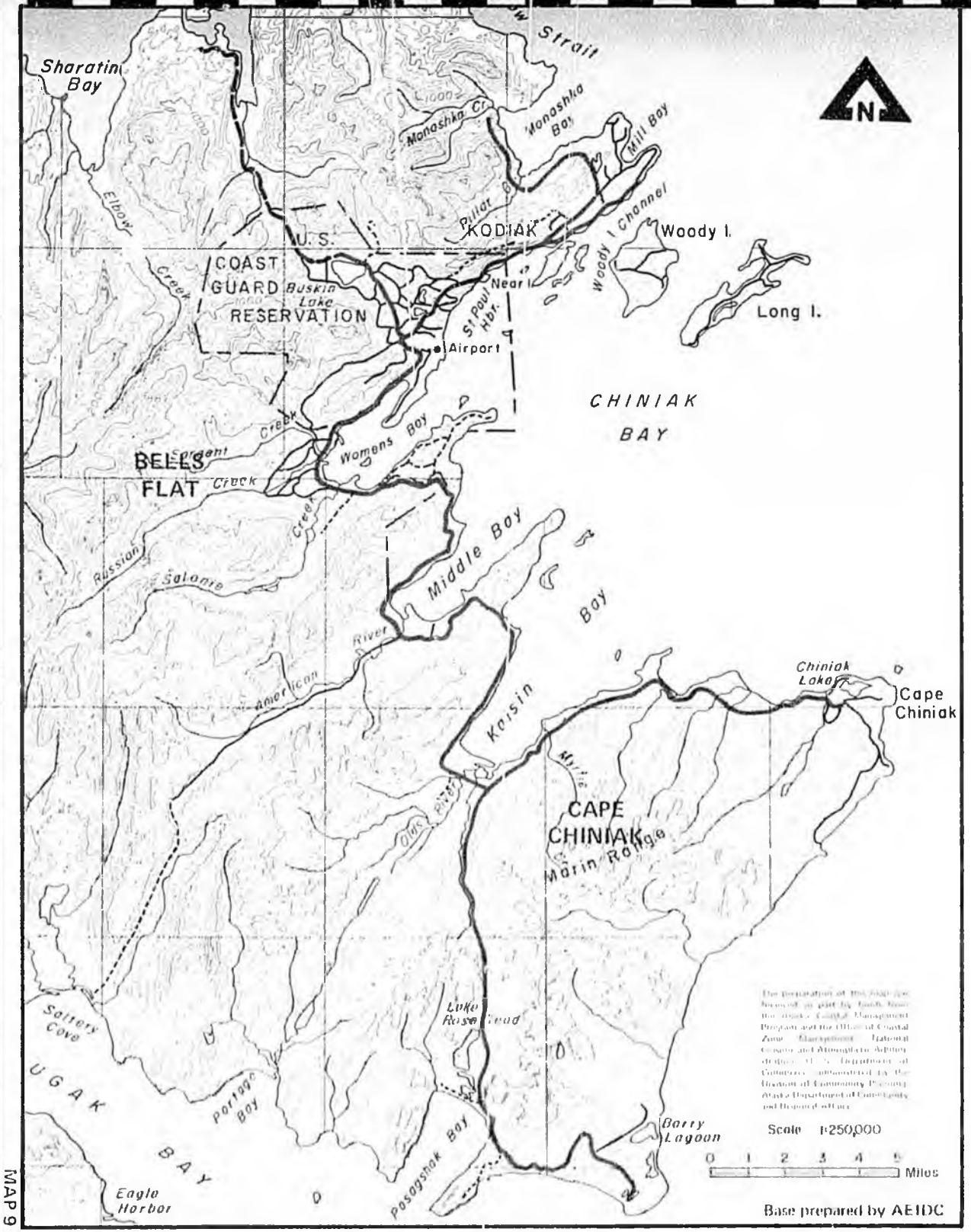


HOUSING SURVEY - 1976
Kodiak City Metropolitan Area

The preparation of this map was financed in part by funds from the Alaska Coastal Management Program and the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, as monitored by the Division of Community Planning, Alaska Department of Community and Regional Affairs.

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough

MAP 8



	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	53	8	4	23	18	53
2-3 UNITS	-	-	-	-	-	-
4-8 UNITS	-	-	-	-	-	-
9-OVER	-	-	-	-	-	-
TOTAL		8	4	23	18	53

	NUMBER OF BUILDINGS	DWELLING UNIT CONDITION			TRAILERS	TOTAL
		Good	Fair	Poor		
SINGLE FAMILY	60	10	16	13	21	60
2-3 UNITS	1	-	-	2	-	2
4-8 UNITS	-	-	-	-	-	-
9-OVER	-	-	-	-	-	-
TOTAL		10	16	15	21	62

State Maintained Roads

Summer Maintenance Only

NORTHEAST PORTION KODIAK ISLAND HOUSING SURVEY/STATE ROADS

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough.

MAP 9

The area that has the highest concentration of poor units is Bell Flat. There were only 53 dwelling units within Bell Flat housing at the time of the survey. The majority of them are World War II structures that are substantially substandard in terms of building code requirements. Many of these buildings are Quonset huts which have been converted into dwellings.

The area that has the highest concentration of fair units is the Aleutian Homes. This is one of the densest areas in Kodiak, and while most of the units within the Aleutian Homes area are structurally sound and safe for habitation, many of them are in need of relatively major maintenance. It is expected that this type of maintenance will be encouraged with the completion of the paving and drainage project that is currently underway in that area.

Another area which has a high concentration of fair units and a higher than normal concentration of poor units is the Mission Road area within the city limits. There are several reasons for this. First, this is one of the older neighborhoods in Kodiak and many of the houses are quite old and in need of repair. They are also interspersed with commercial and industrial uses along the waterfront. This situation is not conducive to residential land uses; consequently, houses are not maintained in as good condition as they would be in a location more suited to residential uses.

The area that has the highest concentration of trailers is the Mission Road area outside the city. This area has traditionally had a high number of mobile homes, both in courts and on individual lots. The majority of mobile homes are in trailer courts within that area. The Monashka Bay area also has a high percentage of mobile homes, although the majority of these are on individual lots and are owner occupied. It is anticipated that many of those are placed there as temporary dwellings until permanent homes can be constructed. The majority of standard construction homes in this area are relatively new, but their size and character vary greatly.

Characteristics of housing density also differ between various areas indicated on Map 8. Figure 18, on the following page, shows the number of residential units per building by neighborhood. As should be expected, the area with the highest concentration of larger apartment buildings (nine units per building and up) is the downtown area. 52.9% of the dwelling units within that area are within the larger buildings. The second highest concentration of larger apartment units (31.3%) is in the Baranof Heights area. The number of single family units in these two districts correspond to the number of larger apartments, with 28.9% in downtown being single family homes and 49.6% in Baranof Heights being single family homes.

The Erskine Subdivision area, which is adjacent to downtown, has a high percentage of small and medium size apartments. Forty-three percent of the dwelling units in this area consist of two to eight unit apartment buildings and the remainder of the dwelling units are single family homes.

Fig. 18: Number Of Units Per Building By Area

Area	Single Family		2-3 Units		4-8 Units		9+ Units		TOTAL
	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total	
Downtown	76	28.9%	30	11.4%	18	6.8%	139	52.9%	263
Aleutian Homes	304	87.4%	4	1.1%	0	0	40	11.5%	348
Baranof Heights	57	49.6%	14	12.2%	8	6.9%	36	31.3%	115
Baranof Park	125	63.5%	24	12.2%	16	8.1%	32	16.2%	197
Erskine Subdivision	57	57.0%	18	18.0%	25	25.0%	0	0	100
Mission Road within City	224	72.5%	72	23.3%	13	4.2%	0	0	309
Mission Road outside City	85	89.5%	6	6.3%	4	4.2%	0	0	95
Kodiak Subdivision	22	78.6%	6	21.4%	0	0	0	0	28
Island Lake	104	98.0%	4	3.5%	4	3.5%	0	0	112
Monashka Bay	18	100.0%	0	0	0	0	0	0	18
Bell Flat	35	100.0%	0	0	0	0	0	0	35
Chiniak	34	94.4%	2	5.6%	0	0	0	0	36
TOTALS	1,141	68.9%	180	10.9%	88	5.3%	247	19.9%	1,656

Source: Simpson Usher Jones, 1976

The remainder of the area surveyed has a high percentage of single family homes. In fact, the lowest percentage of single family homes in neighborhoods other than those described above is Baranof Park which is 63.5% single family. The remaining neighborhoods have a higher ratio than that.

The pattern of residential development that has occurred in Kodiak is common for growing communities. The highest concentration of high density residential development has been in or near the city center. Also in that area there is a relatively high percentage of fair and poor buildings. The residential areas immediately adjacent to the city center have a high percentage of units in fair to good condition. As you move out of town, especially towards Chiniak, the percentage of poor housing increases. This type of residential development is reflective of historical development trends. It indicates a formerly small, more rural community has begun to consolidate near the urban center. It is also reflected in the land values, which are generally higher near the city center, causing residential structures to be more expensive and better maintained. However, as the commercial core grows and land values increase further, the desirability of land in and immediately adjacent to the core for residential use decreases from a living environment as well as an investment standpoint.

This trend could become more pronounced and more significant in the future. If it continues as it is currently progressing, the desirability for residential uses in or near downtown will probably deteriorate. This is due to a combination of the lack of residential amenities, and the possible desire on the part of property owners to develop higher value commercial structures. The result could be a downtown area that offers little opportunity for quality residential units within walking distance. The long range ramifications that this would have on the economic viability of people-oriented retail establishments in the downtown is significant. This subject should be addressed in the Kodiak Island Borough's planning program before rapid development begins in response to OCS related demands.

Overall, the housing stock is in good condition. Unfortunately, the supply of housing is short. This problem will also have to be dealt with as economic development occurs more rapidly. The impact of OCS development on housing will be severe; consequently, programs and policies must now be developed to prepare for that impact and to assure that Kodiak can maintain its relatively high-quality housing stock.

CONSTRUCTION ACTIVITY

Residential construction activity has been increasing in recent years although the degree of increase has been somewhat erratic, as shown in Figure 19. In 1975 there was a dramatic increase in the number of units built over previous years.(43) This is primarily due to two large multi-family projects that were begun during that year. The number of single family units in 1975 actually decreased over 1974. In general,

housing construction peaked in 1974 and 1975 and has now begun a slight decline. It is anticipated that housing construction will increase again in 1977, well above previous levels of the early 70's.(44)

Fig. 19: Historical Construction Activity*

Year	Single-Family Units	Multi-Family Units	Group Quarters	Total
1971	12	4	*	16
1972	18	50	*	68
1973	14	12	*	26
1974	26	0	*	26
1975	26	107	*	133
1976	69	10	55	134
TOTAL	165	183	55	403

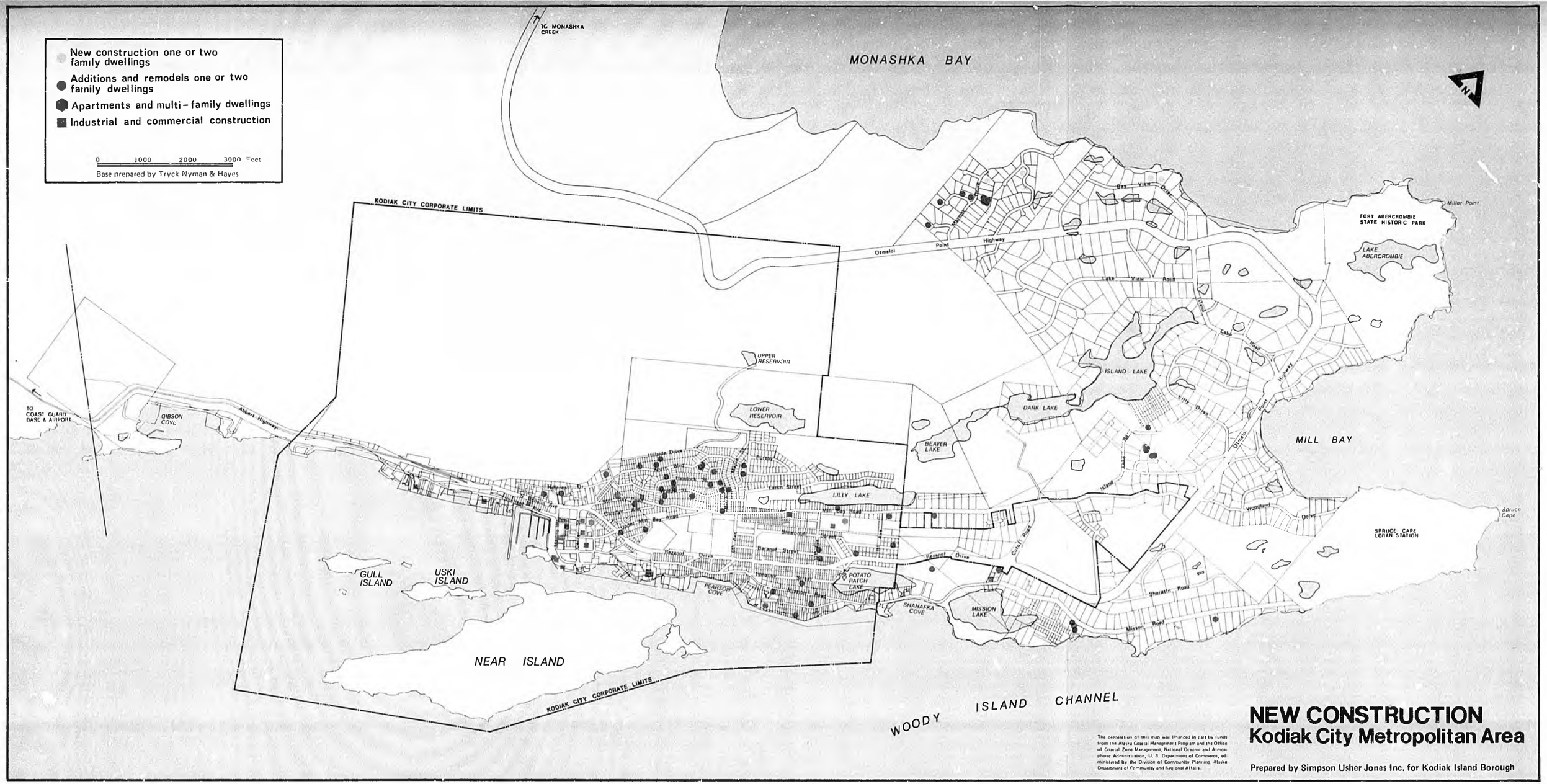
* Prior to 1975, construction reports are not available outside the city limits of Kodiak. Consequently, 1971 through 1974 figures do not include those areas.

Source: Kodiak Island Borough
Simpson Usher Jones, Inc. 1976

Map 10 shows the type and location of residential structure that has been occuring in the Kodiak area this year. It is interesting to note that the highest concentration of new construction is immediately adjacent to the area with the highest concentration of remodels and alterations. This denotes upgrading of the Aleutian Homes area as was predicted to occur as streets were improved. There is a substantial amount of additional land available in the Russel Estates area to the north and northwest of Baranof Heights Subdivision. This area will probably continue to be the center of substantial new construction in the next few years. The area is served with both water and sewer utilities, and as such, is very attractive for new home construction.

CONSTRUCTION COSTS

Constuction costs in Kodiak for residential units generally range from $35 to $40 per square foot for the average home.(45) This makes it possible to build a basic three-bedroom house with a garage for approximately $60,000 to $80,000 depending upon the size of the building, the amenities involved, and other variables. Assuming it costs $70,000 to



NEW CONSTRUCTION
Kodiak City Metropolitan Area

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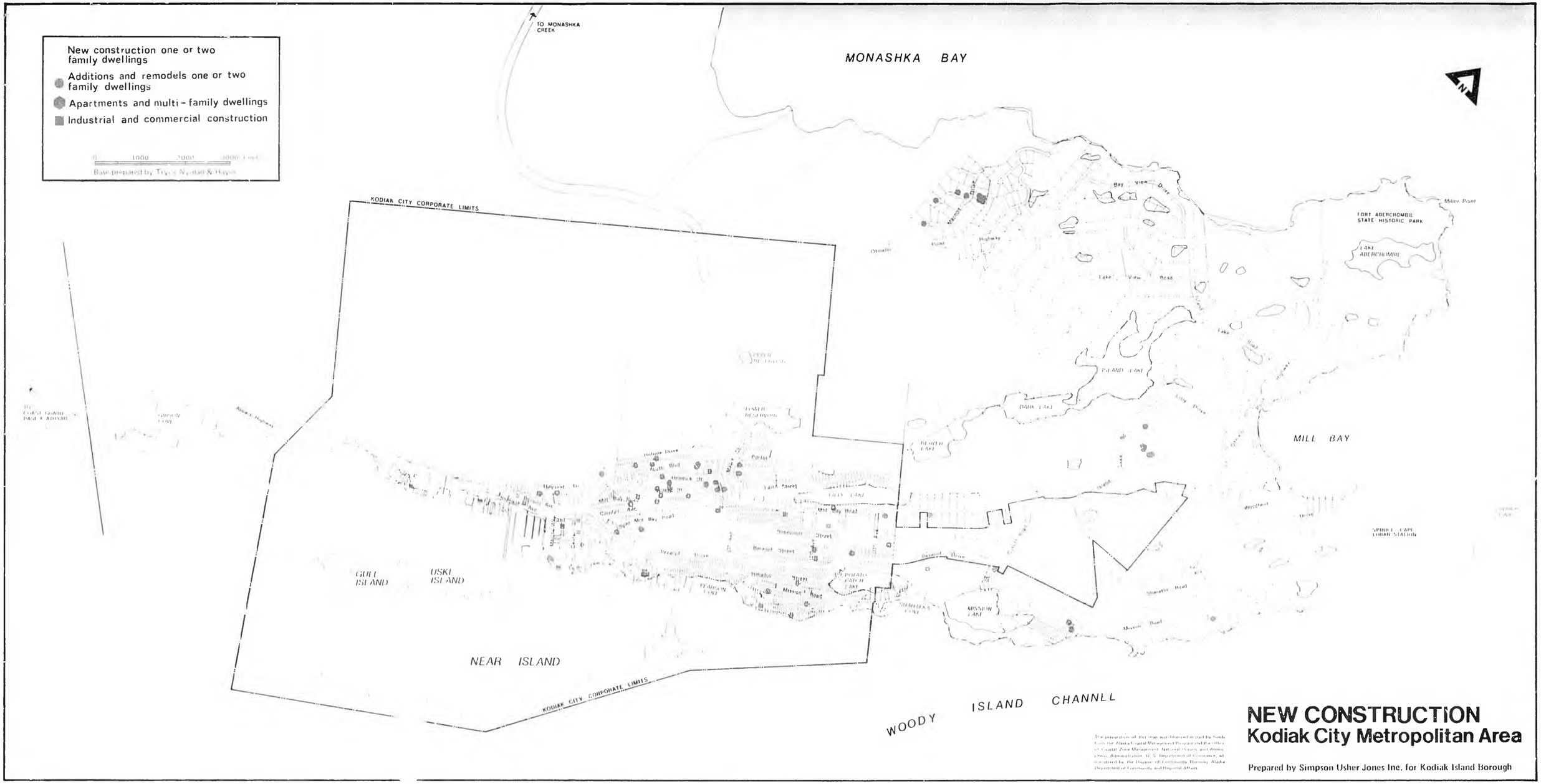
Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough

MAP 10



NEW CONSTRUCTION
Kodiak City Metropolitan Area

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough

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MAP 10

purchase an average new home in Kodiak, under conventional financing the mortgage payments on that house would be approximately $650 to $700 per month. According to a formula preferred by financial institutions, it would take a family with an income in excess of $30,000 to afford such a house.

These costs put the purchase of a new home out of reach for many residents in the Kodiak area. It has become increasing difficult to build houses in the $50,000 range throughout Alaska, including Kodiak. This is due to rising construction costs, land costs, financing costs, and labor costs. One way to avoid this is to allow and encourage construction of higher density residential units of a townhouse or condominium type. Such construction should result in a more efficient use of land, lower utility and street costs, and lower overall per unit construction cost. This can allow the development of owner occupied residential units in a price range affordable by a majority of the public.

RENTS

Rental costs are also relatively high in Kodiak. Average apartment rents range from $350 to $500 for a two-bedroom unit without covered parking. Although there are no definitive records available, all information indicates that apartment rents have been going up in the last few months in anticipation of the demands that will be created by the potential OCS development. According to apartment owners, vacancy rates are currently at zero, and even at normal growth rates they are not expected to be much above zero in the near future.

FUTURE HOUSING NEEDS WITHOUT OCS DEVELOPMENT

Impending development of the Outer Continental Shelf will obviously generate increased demand for housing in Kodiak. As indicated, existing housing is already in short supply. To judge the impact of that increased demand, one must predict future new housing needs without OCS development.

As explained in the Demographic Inventory of this report, future housing needs are estimated by comparing population projections with average family size. Utilizing this method, Figure 20 gives Kodiak's housing demands through 1995. The rate of housing demand increase is slightly higher than population increases due to the history of diminishing family size, both nationally and in Kodiak.

Estimated housing requirements indicate a need for constructing an average 188 units per year for the next 20 years. This construction will not occur evenly, but will come in sporadic bursts in response to economic conditions and population pressures.

Clearly a long-term increase in residential construction is necessary. The average rate of increase required would be 40 percent higher than the level of construction indicated in 1975 and 1976.

Fig. 20: Estimated Housing Required Without OCS Development

Year	Estimated Population	Estimated Family Size[1]	Estimated Housing Need
1975	9,620	3.30	2,665[2]
1980	11,370	3.20	3,553
1985	13,439	3.10	4,335
1990	15,884	3.04	5,225
1995	18,773	2.92	6,429

1. It is assumed that family size will continue to drop as it has in the past (See the Demographic Inventory for explanation.)

2. Unlike Figure 14, this figure includes 250 Coast Guard Base Barrack units since the people occupying those units are included in the total population.

Source: Simpson Usher Jones, 1976 (Ann Sontag)

CONCLUSION

Housing has the potential for being the most serious problem facing Kodiak within the next five years. The dilemma facing the community is how to meet short term demands for increased OCS related housing without over building permanent units in the long run. Such over-building far in advance of the demands shown in Figure 20 would have serious effects on the community, including a reduction in the value of existing homes, the potential vacancy rates far above what is economically acceptable, a subsequent reduction in rent and associated lack of maintenance and upkeep of apartment buildings, wasteful use of land, and reduced tax base. In order to avoid these problems, the community must find a way to provide the housing necessary to accommodate OCS development on a temporary basis without creating a situtaiton that is either aesthetically or socially unacceptable. At the same time the housing industry must be encouraged to maintain a relatively high level of activity in Kodiak during the next 20 years in order to keep abreast of demands caused by normal growth trends. These concerns must be addressed as soon as possible.

ECONOMIC INVENTORY

An area's economy is an important determinant of what happens in the community. The economy both constrains and provides opportunities for the community. An expanding economy provides jobs for the residents of the community and also attracts migrants to the community. Expansion of the economy is an important determinant of population growth. This population growth effects the community by increasing the demand for public services, but it also increases the community tax base which often means an expansion of opportunities. In the following section we will examine the changes in the Kodiak economy which have occurred in the recent past. Estimates will also be made of what the economy will do in the near future without the additional impact of OCS development.

The analysis in this section will be based on the Economic Base Theory of regional growth. This theory assumes that the economy can be divided into basic and nonbasic sectors. The basic sector consists of those industries which sell their goods and services outside the region. The fishing industry is the best example of a basic industry in Kodiak. State and Federal government employment are also examples of basic industries, since the funds that pay for these services come from outside the island. Industries in the nonbasic sector are those which exist primarily to serve the population generated by the basic sector. An example of a nonbasic industry is retail trade. Economic base theory states that the only reason for growth in the economy is the growth in the basic sector. Growth in this sector has a multiple effect on the economy because it also generates growth in the nonbasic sector to serve the population increase in the basic sector. What follows is an analysis of the important sectors of the Kodiak economy, and a projection of the future growth.

ECONOMY: PAST AND PRESENT

The most important industry to the Kodiak economy has traditionally been the fishing industry. It includes not only the fishing fleet which Kodiak services as a main port, but also the processing industry. The fishing industry also impacts the economy through the docking and re-supplying of ships not registered in Kodiak during fishing season. Kodiak serves as home port for the biggest fishing fleet in Alaska and this has been the major determinant of economic activity.

The second major sector of the economy is government, primarily Federal government. The Coast Guard base on Kodiak is the most important part of the Federal government sector. State government has also shown a recent strong growth in Kodiak. Government employment has the same effect in Kodiak as it has throughout the remainder of the State; it serves as a stabilizing force which counteracts any cyclical shifts in seasonal industries. Fishing and government are the two most important sectors of Kodiak's economic base.

Fig. 21: Proportion Of Total Employment By Industry

	1970	1974
Self Employed & Miscellaneous	21.4%	15.0%
Mining	---	---
Construction	1.5%	5.2%
Manufacturing	23.9%	32.4%
Transportation, Communications & Public Utilities	7.0%	6.6%
Trade	11.1%	10.8%
Finance, Insurance, Real Estate	---	2%
Service	6.1%	7.7%
Federal Government	12.4%	6.1%
State & Local Government	14.5%	14.2%

Source: Alaska Department of Labor, Statistical Quarterly, 1970 and 1974.

By examining the proportion of total employment in each industry (Figure 21), it can be seen that the most important industry is the fishing industry. The fishing industry accounts for the majority of employment

in the miscellaneous self-employed and manufacturing sectors (food processing accounts for almost 100% of the total manufacturing employment). The most important change in the ranking of industries was the drop in Federal Government from the fourth to the eighth most important employer. The combined effect of Federal, State, and Local Government makes the government sector the second most important industry, employing about 20% of the labor force in 1974. The addition of military employment would increase the importance of the governmental sector.

The same relationships can be seen in wages and salaries paid. Figure 22 shows the breakdown of wages and salaries by industry in 1973 and 1974. The fishing, which includes almost all of the workers in agriculture, foresting, and fisheries categories, as well as the manufacturing category, is the most important employer, paying almost 46% of total wages and salaries in 1974. Government is the second most important employer, paying about 24% of civilian wages and salaries. This underestimates fishing incomes by leaving out the incomes of of the self employed fishermen and those that are based out of locations other than Kodiak. The distribution of labor in the fishing industry, between fishing and manufacturing, is reversed in wages and salaries. The average monthly wage in fisheries in 1974 is $2013. This is more than twice that of $851 per month in manufacturing.

Fig. 22: Percent Of Total Civilian Wage/Salary Payments By Industry

	1973	1974
Agriculture, fisheries, forestry	17.8%	15.7%
Construction	6.4%	8.9%
Manufacturing	30.4%	30.0%
Transportation	6.4%	7.1%
Trade	8.3%	8.2%
Finance	1.5%	1.7%
Services	4.8%	4.8%
Federal Government	9.8%	8.7%
State & Local Government	14.7%	14.9%

Source: Alaska Department of Labor, Statistical Quarterly, 1973, 1974.

Figures 23 and 24 illustrate the recent changes in civilian employment and its sectoral makeup. Between 1970 and 1974 civilian employment increased by approximately 26%. Three industries increased faster than the rate of civilian employment growth; they were construction, which more than tripled in the time period, manufacturing, and service. Even the industries below the average growth rate grew at acceptable rates, between 20% and 25%. Only Federal government civilian employment decreased

during this time period by 37%. Federal government civilian employment has experienced a continual decrease since 1970 even though the military stationed on Kodiak has grown.

Fig. 23: Kodiak Employment - Annual Average

	1970	1971	1972	1973	1974
Total Civilian Employment	3329	3023	3090	3844	4210
Mining	----	----	----	----	----
Construction	46	----	125	131	206
Transportation, Communication, Public Utility	217	266	228	223	263
Trade	346	343	355	394	429
Finance, Insur. Real Estate	----	64	----	----	78
Service	190	241	232	268	302
Miscellaneous	219	219	190	252	282
Government	837	851	821	823	807
Federal	387	351	272	263	244
State & Local	667	500	549	560	589

Source: Alaska Department of Labor, Labor Force Estimates, by Industry and Area, 1970-1974.

An examination of employment shows that Kodiak has experienced a healthy growth rate since 1970. Employment has increased by 26% and the economy seems to be diversifying with a larger proportion of employment in the non-basic sector. Wages seem to be following this trend, with the average monthly salary increasing by 12% from $900 to $1,004 between 1973 and 1974. One problem is that even though the economy seems to be diversifying by increasing the size of its nonbasic sector, its concentration is increasing in the basic sector. Government employment, while still important, has decreased since 1970. If this trend would continue it would leave the Kodiak basic sector entirely dependent on the fishing industries and its cycles. This problem is lessened somewhat by the diversity of the fishing industry. Kodiak has become a year-round fishing port with salmon, crab, shrimp and halibut seasons overlapping, permitting year-round fishing. This has reduced the seasonality and dependence on one species; but diversity of the economic base is still a problem which needs attention.

Fig. 24: Growth Rates - 1970-1974

	1970 - 1974
Total Civilian Employment	26.3%
Mining	---
Construction	347.8%
Manufacturing	71.5%
Transportation, Communications & Public Utilities	21.2%
Trade	24.0%
Finance, Insurance & Real Estate	---
Service	58.9%
Miscellaneous	28.8%
Government	
Federal	-37.0%
State & Local	24.8%

Source: Alaska Department of Labor, Labor Force Estimates by Industry and Area, 1970-1974.

Three measures of regional economic well-being will be examined to describe the effect of the past economic growth. Two measures deal with employment while the third provides an overall indication of the growth of the economy. Unemployment and the unemployment rate are indicators of regional well-being. If the unemployment rate increases even with an increase in employment, economic well-being is decreased since the unemployment rate measures the probability of any one who wishes to work being out of a job.

Fig. 25: Kodiak Annual Average Unemployment Rates 1970-74

	1970	1971	1972	1973	1974
Unemployment Rate	7.8%	7.8%	9.0%	6.5%	9.5%

Source: Alaska Department of Labor, Labor Force Estimates by Industry and Area, 1970-1974.

Figure 25 shows the increase in the unemployment rate by 1.7% between 1970 and 1974. Because of this increase, we cannot claim an unambiguous increase in economic welfare since 1970.

The second measure of regional economic welfare concerns another type of unemployment, seasonal unemployment. The seasonal employment problem is common to most economies based on natural resource production. The problem arises because peak employment comes only in a few seasons leaving workers unemployed in the other seasons. Figure 26 analyzes the seasonality of employment in various industries. This table displays seasonality indexes for each industry. The seasonality index is the average winter quarter employment, divided by the average summer quarter employment. The extent of seasonality in an industry is measured by the extent this index is below one. If the number is below one it means employment was reduced in the winter quarter and seasonal employment existed.

Fig. 26: Kodiak Seasonality Index

	1974
Total Employment	.88
Construction	.78
Manufacturing	.83
Transportation, Communications, & Utilities	.80
Trade	.96
Finance, Insurance, Real Estate	1.16
Service	1.16
Miscellaneous	.60
Federal Government	1.06
State & Local Government	1.00

Source: Alaska Economic Research, Simpson Usher Jones, Inc., 1976.

The Kodiak economy can be easily divided into two sectors -- one where seasonality is of little importance, such as in Trade, Finance, Services, and Government, and another where seasonality is of primary importance. This illustrates the stabilizing effect of government employment, since it counteracts the seasonality in the fishing industry. The seasonality in the fishing industry can be seen by examining total employment, miscellaneous, and manufacturing -- all of these sectors are highly seasonal with employment as great as 40% less in the winter season.

One problem in regional economic studies is the lack of any data except civilian employment data for describing the economy. Employment data does not tell the whole story. To get a better overall picture of the performance of the Kodiak economy, a Kodiak Economic Index was developed.

(See Figure 27.) This index serves as a summary of the various important economic factors. The index is described as follows:

$$K.E.I. = \frac{3 \times \text{total civilian employment}}{10{,}000} - \frac{2 \times \text{total unemployment}}{10{,}000} + \frac{4 \times \text{gross earnings of Kodiak fishermen}}{100{,}000{,}000} + \frac{1 \times \text{Military Stationed}}{10{,}000}$$

Fig. 27: Kodiak Economic Index

	Employment[1]	Unemployment[2]	Gross Earnings[3]	Military[4]	K.E.I.
1970	2866	244	$ 11,614,077	1491	1.426
1971	3023	255	9,002,554	1301	1.344
1972	3090	306	11,764,112	659	1.403
1973	3844	266	21,242,365	690	2.015
1974	3928	414	23,576,533	733	2.114

Sources:
1. Alaska Department of Labor, Labor Force Estimated by Industry and Area, 1970-1974.
2. Ibid.
3. Alaska Commercial Fisheries Commission, 1976.
4. Alaska Dept. of Labor, Current Population Estimates, 1970-74.

This index includes many factors that employment figures alone would not account for. For example, in the fishing industry, both the size of the catch and the amount paid are important determinants of the available income. These variables do not depend directly on employment of fishermen. Use of gross earnings of fishermen in Kodiak serves to account for variability of the catch and prices paid. This index shows an increase in economic activity of 48% since 1970. The growth described by the index is greater than the 26% increase shown in the same time period by employment data. This illustrates a basically healthy and expanding economy.

THE FUTURE OF THE KODIAK ECONOMY

The future of the Kodiak economy without OCS development will depend on its two most important basic industries, the fishing industry and the Government. Growth in the economy is dependent on growth in the basic sector; the nonbasic sector serves the basic industries and grows as a result of its growth.

FISHING INDUSTRY

The future of the fishing industry on Kodiak will be effected by three external factors -- the effectiveness of the 200 mile fishing limit, the impact of limited entry, and the success of scientific management of Alaska's fishing resources. The 200 mile limit and its enforcement should increase the productivity of the Kodiak fishing industry by increasing the supply of fish available to the Kodiak fishing industry. Limiting foreign fleet hauls within 200 miles will make more fish available to be caught in the present and will also allow better management, which should increase the supply of fish available in the future.

Scientific managment of the fisheries should be more effective if the renewable resource fund which the state is trying to establish is approved. This fund may provide capital for proprietary fish hatcheries run by fishermen's associations which will then increase salmon runs. The importance of the increase in salmon supply to Kodiak depends on the effect of the State's limited entry program. The limited entry program was established to effect four goals: 1) Prevent the addition of more gear to overcrowded fisheries; 2) Encourage the use of underdeveloped fisheries; 3) Stabilize the amount of gear in each fishery at levels which allow fair dollar returns, effective fisheries management, and upgrading of gear and vessels; and 4) promote professional and diversified commercial fisheries.(46)

This program will have the effect of reducing the number of fishermen, but will increase the return to those remaining. The overall economic impact of this program on Kodiak will depend on whether the total return to the remaining fishermen on Kodiak is greater than the loss from the reduced number of fishermen.

Increasing the supply available to the Kodiak fishing industry and increasing the productivity of fishermen are only two ways of increasing the Kodiak fishing industry. Diversifying the types of fish caught is another way of expanding the fishery. Since 1969, the ratio of shellfish to salmon catch has changed from 1:9 in 1969, to about 2:1 in 1973. This diversification was important to the Kodiak fishing industry, reducing its seasonality and the impact of low runs in particular species.(47) Bottomfish offer an important future source of expansion.

Current limited production of such species as perch, cod, pollock and flounder is a result of unsatisfactory market conditions. The production of bottomfish should be helped by the 200 mile fishing zone and the reduction in foreign fishing vessels activity in Alaskan waters.(48)

GOVERNMENT

The most important segment of government activity on Kodiak is the Federal Government. Employment on the Kodiak Coast Guard Station is the largest sector of Federal employment. The Kodiak Support Center currently employs 1,120 people. Of these, 185 are civilians which is approximately 75% of all civilian federal employees on Kodiak. The Center currently spends about 15 million dollars a year on Kodiak in salaries, operating expenses, and capital improvements. An increase in Coast Guard activity on Kodiak will result because of the requirement to enforce the 200 mile fishing zone. Current plans for expansion call for increasing the military force by about 130. If existing ratios hold, this could lead to an increase of 28 in civilian employment and $200,000 in additional salaries and operating expenses. Future personnel expansion will also be necessary. Coast Guard expansion will also have an impact because of required construction. Current recommendations call for about $21,000,000 of construction in the next few years.(49)

OTHER BASIC INDUSTRIES

A recent study by Bradford Tuck on the Kodiak economy describes the future of the other portion of the Kodiak basic sector. We will summarize his findings below. Besides fishing and government, Tuck includes agriculture, mining, logging, and construction in the Kodiak basic sector. (50)

Agriculture is unlikely to produce a change in the near future. Problems of cost and scale will prevent any major increase in this sector. Tuck lists these problems with the beef industry in Alaska:

1. Lack of Alaska feed lots and infrastructure
2. Distance from markets and supply areas
3. High relative cost of Alaska beef

Mining has been only minimal, but this trend could change with OCS development in the Western Gulf. Without this development mining should continue to have only minimal impact.

Contruction should see an upward trend in the future. Demand for construction will come from plant construction and improvement in the fishing industry, state public works, and federal government construction at the Coast Guard Station. Demand will also increase for residential construction.

Logging and lumbering activity has potential for expansion. Future expansion will depend on the solution to environmental problems brought out in current timber sales.

CONCLUSIONS

Tuck concluded that without OCS development the Kodiak economy would experience a modest growth similar to the rate experienced during the last 10 years. He projected a total military and civilian employment of 6,292 in 1980. Of this, the basic employment would consist of 3,071 in the civilian base and 863 in the military. This projection shows a 43 percent increase in the total employment between 1970 and 1980.(51) With this same growth rate in the following decade Kodiak would have a total employment of about 9,000 by 1980. The impact of OCS development in the Western Gulf of Alaska on the Kodiak economy can be judged against these non-OCS development projections.

DEMOGRAPHIC INVENTORY

This section of the OCS Study discusses the population characteristics and growth trends of the Kodiak Island Borough. In examining the growth of the population, particular attention has been paid to the various factors that generated the growth and forecasts of future population growth have been made. By studying the characteristics of the population with respect to age and locational distributions, trends and areas of stability have been identified.

Knowledge of both the present and future population is helpful for impact planning. The numerical level of population growth and its demographic makeup both determines and indicates the amount of activity in the public and private sector. The activity in the support sector of the local economy is significantly affected by the amount and type of population. More importantly, the services demanded of the local government are directly related to the population.

A good example of the effect that demographic components can have on the public sector is the effect that a particular population characteristic can have on a school budget. The size of the school budget fluctuates in proportion to the number of school age children in a given population area. This characteristic would be indentified through age ratios. A given increase in population caused by OCS development will have varying impacts on Kodiak depending on its demographic characteristics.

Information utilized in this report about the demographic makeup of Kodiak's population was obtained from the 1960 and 1970 census. Information on the population growth has been gathered from both the census and the annual state population reports produced by the Alaska Department of Labor.

POPULATION GROWTH: 1970 - 1975

The population growth on Kodiak between 1970 and 1975 has been sporadic. There have been a number of major increases and decreases. The yearly rate of growth ranged from a low of -10.5% to a high of 4.2%. During this time period, Kodiak experienced an average annual rate of growth of 0.4%. This is less than one-fifth the average yearly growth rate found in the 1960's. This information, as well as the components of population growth is shown in Figures 28, 29, and 30. As a comparison, in the period between 1970 and 1975 the State of Alaska grew at a yearly rate of 6.8% which is about 17 times the rate of growth of Kodiak.

Fig. 28: Kodiak Population

Year	Total	Civilian	Military
1960	7174[1]	5367[2]	1807[2]
1970	9409[1]	7918[2]	1491[2]
1971	9723[2]	8422[2]	1301[2]
1972	8703[2]	8044[2]	659[2]
1973	8868[2]	8178[2]	690[2]
1974	9232[2]	8499[2]	733[2]
1975	9620[3]	8720[3]	900[2]

1. 1960 and 1970 U.S. Census
2. Current population estimates 1971 - 1975, Alaska Dept of Labor
3. Estimate made assuming rate of growth was the same as rate of growth of school enrollment

An important cause of the sporadic population growth was the change in the military population on Kodiak. The major population decrease in this time period occurred in 1972 when the Coast Guard took over the Kodiak base from the Navy. The military population was reduced by 49% from 1301 to 659 between 1972 and 1973. This military decrease was accompanied by a drop in the civilian population of approximately 400 people as a result of a reduction in military families and the loss of some support jobs.

Since 1972 both the civilian and military populations have experienced healthy growth. The population has grown at approximately 3.4% each year since 1972. The military has grown, since it reached its low of only 659 military stationed on Kodiak in 1972, to 900 stationed in 1975. This is a yearly average growth of 12% and brings the military to within 600 of the number stationed on Kodiak in 1970. This smaller

number of military may, because of the changing complexion of the military since Vietnam, have a greater population impact. Since the end of the Vietnam war, the Coast Guard may include more career-oriented personnel with families.

Fig. 29: Yearly Growth Rates

Years	Total	Military	Civilian
1960 - 1970*	3.1%	- 1.7%	4.8%
1970 - 1975*	.4%	- 7.9%	2.0%
1970 - 1971	3.3%	-12.7%	6.4%
1971 - 1972	-10.5%	-49.3%	-4.5%
1972 - 1973	1.9%	4.7%	1.7%
1973 - 1974	4.1%	6.2%	3.9%
1974 - 1975	4.2%	22.8%	2.6%

* Annual average

Source: Alaska Economic Research, Simpson Usher Jones, 1976

Fig. 30: Components Of Growth

Year	Population	Military	Births	Deaths	Migration
1971	314	-190	283	52	83
1972	-1020	-642	212	37	-1195
1973	165	31	196	43	12
1974	364	43	191	63	236
1975	388	167	199	53	242

Source: Alaska Department of Labor Current Population Report, 1971-1975.

The civilian population has grown by 10% since 1970. The increased civilian population has counterbalanced the reductions in military personnel during its major reductions. Increases in civilian population can be best explained in terms of the increased importance of other sectors of the economy and are discussed in the Economic Inventory of this report.

POPULATION ESTIMATES

The population estimates for the years 1970 to 1974 were made by the Alaska Department of Labor, however the state's 1975 estimate was not consistent with other indicators of population growth. The state population estimate showed a decrease in Kodiak population of 431; this was a 4.6% decrease. Other indicators grew during this time period. Figure 31 compares the state's estimated growth rate and the growth of other indicators.

Yearly estimates of the population can be made in many ways which vary in accuracy and cost. Most accurate and costly would be to conduct a yearly census. Without a census, population estimates must be based on hard data which is produced yearly and is related to population growth. A housing count is an accurate method, if a measure of vacancy can be made. Two other types of data which reflect population are available - labor force data and school enrollment data. If a stable relationship can be found between either of these types of data and population, they can be used to estimate population growth. Of this data, school enrollment is the only data available for timely estimates.

Fig. 31: Growth Rates

State's Population Estimate	-4.6%
Military	22.8%
School Enrollment	4.2%
Gross Sales Receipts	11.7%

Source: Alaska Economic Research, Simpson Usher Jones, 1976.

By examining the relation between school enrollment and population, we found that the ratio of population to school enrollment varied by only 0.3 from 1972 to 1974 and by only 0.4 since 1970. Because of this stable relationship it was assumed that population grew at a rate equal to the school population. Assuming a rate of population growth equal to the 4.2% growth of school enrollment, a 1975 population of 9,620 is estimated, which is an increase of 388.

POPULATION GROWTH AND THE COMPONENTS OF CHANGE

One of the goals of this study is to forecast what Kodiak will be like in the future, both with and without outer continental shelf oil development. An obvious conclusion is that without OCS development, growth will continue much as it has in the past. This means that those forces determining population growth in the past will continue to operate and

grow at the same rate that they have in the past. The following projections of the future course of population growth will utilize the technique known as the Component Method.

The Component Method examines the growth in total population by forecasting the three major components of population change -- births, deaths, and migration. By examining these components in the recent past, we can estimate rates of change in each. Using these rates of change, population growth can be projected through 1995.

Figure 32 shows the components of population change since 1970. Traditionally, the Component Method develops growth rates for a five year time period. The change in military personnel in 1972 prevents the use of growth between 1970 and 1975 to determine the rates. We will develop five year growth rates based on the yearly averages found since 1972.

Fig. 32: Components Of Population Change

Year	Population	Population	Births	Deaths	Migration
1971	9723	314	283	52	83
1972	8703	-1020	212	37	-1195
1973	8868	165	196	43	12
1974	9232	364	191	63	236
1975	9620	388	199	53	242

Source: Alaska Department of Labor, Current Population Reports, 1971-1975

Figure 33 shows the birth, death, and migration rates found since 1972. This figure also shows the average yearly rate for each component;

Fig. 33: Birth, Death and Migration

Year	Populaion Growth Rate	Birth Rate	Death Rate	Migration Rate
1972-73	.019	.022	.005	.001
1973-74	.041	.022	.007	.027
1974-75	.042	.022	.006	.026
Average	.034	.022	.006	.018

Source: Alaska Economic Research, Simpson Usher Jones, 1976

Using these average rates, the five year growth rates shown in Figure 34 were developed.

Fig. 34: Five Year Growth Rates

Population	Births	Deaths	Migration
.182	.115	.030	.093

Source: Alaska Economic Research, Simpson Usher Jones, Inc., 1976

Using the average rate increase of 3.4% per year, population projections for Kodiak through 1995 are shown in Figure 35.

Fig. 35: Population Projections Without OCS Development - 1975-1995

Year	Population	Year	Population
1976	9,947	1986	13,896
1977	10,285	1987	14,368
1978	10,635	1988	14,857
1979	10,996	1989	15,362
1980	11,370	1990	15,884
1981	11,757	1991	16,424
1982	12,157	1992	16,982
1983	12,570	1993	17,559
1984	12,997	1994	18,156
1985	13,439	1995	18,773

Source: Alaska Economic Research, Simpson Usher Jones, Inc. (Sontag)

According to these projections, population doubles by 1995. Any major change such as OCS development will affect population levels since this forecast is based on continuation of past trends.

POPULATION CHARACTERISTICS

As we mentioned previously, knowledge of the demographic makeup of the population is as important to decision makers as is knowledge about the total number of people. The distribution of certain population characteristics will determine the demands placed on the public and private sectors. Stability is an important characteristic to look for in the Kodiak population. If it has been stable in the past, there is reason to predict the same stability in the future. A change in the distribution

of population characteristics associated with OCS development will mean a disproportional impact on Kodiak's future population.

The main population chacteristics of interest to public decision makers are age distribution, locational distribution, and the family composition. These have an impact on housing, schools, and public services. The following analysis shows considerable stability in these characteristics. The population may seem less than stable, particularly when its migration pattern is examined. According to the 1970 Census, 49% of the population over five years old lived outside of Kodiak in 1965. This does not seem to describe a stable population, but this high proportion of migrants can be accounted for by the high proportion of military in the population. Of the 2,676 people over five years old on the military base in 1970, 77% had moved to Kodiak since 1965. Subtracting the military migrants reduces the number of new residents to 36%. This figure compares with 41.1% for the state as a whole, 44.9% for Anchorage, and 52.4% for Kenai. A relatively high rate state-wide is not unexpected since the state is growing faster than what would be considered a normal rate of increase. Migration is an important component of that growth.

Figure 36 through 38 describe the age distribution of Kodiak as indicated in the 1960 and 1970 Federal Census and a 1974 Census conducted by the Kodiak Borough. Comparing the percentage distribution in 1960 and 1970 shows a remarkable similarity.

Fig. 36: Age Distribution

Age	1960	1970
5	963	1073
5 - 9	754	1153
10 - 14	639	931
15 - 19	722	801
20 - 24	984	1380
25 - 29	631	900
30 - 34	620	735
35 - 39	560	570
40 - 44	406	502
45 - 49	277	404
50 - 54	199	356
55 - 59	168	243
60 - 64	110	151
65 -	141	210

Source: 1960 Census; 1970 Census.

Fig. 37: Percentage Age Distribution

Age	1960	1970
5	.134	.114
5 - 19	.295	.307
20 - 29	.225	.242
30 - 39	.164	.139
40 - 49	.095	.096
50 - 59	.052	.064
60 -	.035	.038

Source: 1960 Census; 1970 Census

The importance of any age group is measured by its proportion of the total population. The largest change was in the 30-39 age group which showed a decrease of 2.5% over the 10-year period. Both with the 0 through 29 year olds increasing by 4.9% of the total population, and the population above 50 increasing by 1.6%. Despite the small changes, the age distribution can be considered the same in 1960 and 1970. This stability of the age distribution continues through to the present.

Figure 38 compares the civilian populations in 1970 and 1974. A greater change can be seen since 1970; the 5-17 age group, which is the school age portion, has increased by more than 10%. Even with this increase, the age distribution does not seem to have experienced any major change since 1970.

Fig. 38: Civilian Age Distribution

	1970		1974	
Age	Number	Percent	Number	Percent
5	698	.110	555	.087
5 - 17	1043	.164	1805	.282
18 - 55	3979	.626	3554	.554
55 -	637	.100	490	.077

Source: Kodiak Island Borough Special Census, 1974.

The locational distribution of population has also remained fairly stable. Figure 39 compares the locational distribution of the population in 1970

and 1974. Some distortion in these distributions may result from definitions of areas, since 1970 areas are defined by the census and 1974 areas are precinct boundaries. Even so, the two distributions are extremely similar. The biggest change was a decrease in the City of Kodiak by 1.9% and an increase in the proportion of population outside of the city and village boundaries by 1.7%. The change in population between 1970 and 1974 have been fairly evenly spread throughout the island.

Fig. 39: Civilian Locational Distribution

	1970		1974	
	Number	Percent	Number	Percent
Kodiak	3798	.597	3700	.578
Ouzinkie	160	.025	180	.028
Port Lions	227	.036	243	.038
Akhiok	115	.018	102	.016
Karluk	98	.015	94	.015
Larsen Bay	109	.017	98	.015
Old Harbor	290	.046	304	.047
Remainder	1560	.246	1683	.263

Source: U.S. Census, 1970
Kodiak Island Borough Census, 1974.

Family composition can be measured by average family size. This statistic is important since a projection of the future population can determine the overall demand for housing. The required housing stock equals the total population divided by the average family size. A reduction in the average family size would mean a larger housing stock would be required to house a given population. The average family size decreased between 1960 and 1970 by .09 people per household (from 3.63 to 3.54). This decrease can be explained by the national trend toward smaller families. A census taken in 1974 showed an even larger decrease in population per household to 3.30. This statistic shows the greatest change of the population characteristics we have examined, but still it can be explained by the trend to smaller families seen throughout the country. As long as this general trend can be predicted, the change should not disturb the ability to make predictions of the future demographic characteristics of the population.

LAND STATUS/CAPABILITY

Throughout the process of planning and preparation for the impacts of OCS development in Kodiak, questions concerning the demand for land and its use, capabilities, and availabilities will be brought before the community by both public and private entities. If the decision making bodies in Kodiak cannot respond to those questions promptly, then the development of residential, commercial and industrial facilities will occur in an unplanned, uncontrolled and haphazard atmosphere.

OCS development will create both direct and indirect demands for land throughout the exploration, development and production phases. Uses that will create a demand for land directely related to OCS development will include onshore marine service bases, oil storage facilities tanker terminals, industrial parks and transportation facilities such as roads, freight terminals and air support bases.

Indirect demands for land will be created by population growth and the resultant need for residential and commercial facilities to serve the population and local industrial facilities designed to meet the needs of a growing population. There will also be an increased demand for recreation lands and open space as well as the need for new facilities devoted to tourism and public facilities.

All of the decision makers concerned with Kodiak, including the private sector, the Kodiak Island Borough, the City of Kodiak, the State of Alaska, and the federal government will be involved in planning for the use and disposition of lands within the Borough. Decisions will have to be made in response to immediate requests for use permits, zoning, subdivisions and other types of applications relating to development projects. Decisions will also have to be directed toward long term land

uses so that land in the proper amounts and locations can be reserved for future requirements. In order to make these decisions, it will be necessary to determine what land is available for use and suitable for development within the Kodiak Island Borough as well as what the future needs will be. Information will also have to be available that will allow decisions directed toward minimizing the impact of OCS development on the natural environment, creating and maintaining a high quality of human environment, and protecting the significant historical and cultural assets of the area. At the same time and also to help minimize the overall long term impacts, it will be necessary to make land use decisions directed toward providing the type of land that will suit the proposed uses associated with OCS development from an economic and functional standpoint.

As stated above, information is required to make rational decisions. In order to function efficiently, the decision makers will need several types of information relating to land and its use. First they will need base line data concerning the physical attributes of the land within their various jurisdictions. Information will be required relating to soils, topography, slopes, hydrology (including water tables, aquifers and flood plains), environmental sensitivity both on a micro and macro scale, and seismic characteristics. The information should be in a form adaptable to application to specific sites as well as large ecosystems.

Second, information will be needed concerning the socio-economic attributes of land. This will include ownership, natural resources, land use demand requirements, and land values.

Third, it will be important to know the various special features associated with the land involved. This will include archeological sites, the importance to the various cultures involved, and any unique and scenic attributes that specific sites might possess.

This separation and delineation of various types of information is easily done in a report such as this; however, in actual fact the various facits of the land characteristics are inexorably intertwined to the point that it is almost impossible to consider one without the other. This portion of the OCS study will report on the information that is available concerning land in Kodiak and will make recommendations relative to the types of information needed for use evaluation that has yet to be developed and/or refined to the point of usefulness to local decision makers.

AVAILABLE INFORMATION

Information concerning land in Kodiak is generally limited. Most of the information that is available is on a very broad scale. Much of the needed information mentioned above is not available at all. This is an extremely unfortunate situation considering Kodiak is now facing rapid industrialization. However, it is not a predicament that was entirely unexpected. To date Kodiak has not been the site of rapid population growth or industrialization. There has not been a great deal of interest in the land and its detailed qualities and characteristics. In fact, the history of Kodiak is built on the basis of the opportunities and demands that come from the surrounding oceans instead of the lands.

The gathering, analysis, refinement and publication of information concerning land and its uses is an extremely complicated and time consuming process. Rarely has the demand for such data been recognized in a given area far enough in advance to have it ready for use when required. Kodiak is no exception. For instance, one of the basic tools of land analysis are aerial photos. However, the only photos available of Kodiak are extremely high level, generalized photos that do not allow analysis of detailed topography, vegetation and land features. There is soils information concerning the entire island; however, it is very generalized. It only provides data concerning soils and materials within six inches of the surface. There is extremely generalized seismic information and little or no specific information on the environmental sensitivity of the flora and fauna that inhabit the island. In that regard there is some raw data that has been compiled by the Alaska Department of Fish and Game on specific species and habitats. However, this data needs to be translated and consolidated into a form that can be applied to land use analysis.

A number of known archeological sites have been identified, but very few of those have been evaluated as to their historical and cultural importance. Many of these sites are extremely old, reaching back into prehistory. However, their significance in terms of potential future land use is not known.

There are large areas of public lands, wildlife reserves, and national forests within the Kodiak Borough. However, there is no data on the past use, the capabilities, and the future demands on those lands.

Ownership is one of the most complicated and frustrating problems relating to land status within the Kodiak Island Borough. Again, on a very broad scale, some ownership information is available. However, in attempting to determine exact ownership patterns, information was found to be either totally lacking or hopelessly complex. For instance, in trying to determine the ownership patterns in areas that were considered likely locations for onshore facilities related to OCS development, we found that most of the land was overlayed with several ownership claims, in some cases up to four. For instance, confusion arises when land that was originally owned by the federal government has been tentatively transferred to state ownership, whereupon private homesteading claims have been made and subsequently the same lands have been claimed by one of the various native corporations.

A good specific example that illustrates the problem of determining ownership in Kodiak is Near Island, which is located immediately adjacent to the waterfront in the City of Kodiak. According to the State of Alaska's land status plats, Near Island is owned by the federal government and has been tentatively approved (TA) for transfer to the State of Alaska. Prior to the passage of the Alaska Native Land Claims Settlement Act, a TA from the federal government was considered as an assurance that the ownership of the land would be transferred. However, the passage of ANCSA has reduced the amount of surety involved in a TA. To complicate this problem, in the early 1960's apparently with the feeling that the TA would be followed by a transfer of title, the State of Alaska granted a patent to the City of Kodiak for Near Island. Consequently, the current ownership of Near Island could be questioned. According to the State Division of Lands, if a question does arise concerning that ownership, it would have to be answered through the legal process. It must be remembered that the situation with regard to Near Island is not an unusual occurrence. It is common throughout Kodiak Island, and in some cases is compounded even further with homestead claims and ANCSA claims.

Because of these typical complications, it is imperative that public and private agencies in Kodiak verify land ownership prior to making decisions concerning land use or land disposition whether it relates to OCS development or not. This is especially true in the case of lands outside the Kodiak metropolitan area.

Even with these complications, there is sufficient information available about general land status on a broad scale to draw conclusions relative to areas available for OCS onshore development. Utilizing the information that is available for Kodiak Island, Map 11 was compiled to show the basic soils, topography and special features that are known to affect land in Kodiak. It can be determined from that map that the great majority of lands within the Kodiak Island Borough and in the Kodiak Island group are unsuitable and/or unavailable for active, permanent uses. There are a number of reasons for this and a description of these factors follows. (Map 11 is in back envelope.)

Soils

As indicated on the map, a large portion of Kodiak Island is unbuildable from a soils standpoint. In making this determination factors were taken into account which included drainage, flood plains. bearing capacities, steepness, the presence of year-round ice, and soil composition. Some of the information for this portion of the study was obtained through the joint Federal/State Land Use Planning Commission.(52) Other information utilized was obtained from the Soil Conservation Service and is generally related to agricultural potential.(53) However, a rough translation of the information can be made that allows its application to developmental potential.(54)

The area of poor soils shown on Map 11 is considered usable only for recreational, hunting and fishing, scenic, open space and possible some agricultural uses. The reasons from a soils standpoint that these lands were eliminated from potential development areas vary. Throughout the

center of the island the land forms are constituted primarily by mountainous areas. There are outcropping of rocks, ice fields, steep mountainsides with talus slopes and slide areas. Because of these influences the land would not support permanent development.

Near the southwestern end of the island, the mountainous areas are replaced by low lying swamp areas which contain soils with high silt contents. The water tables are high, and there are what appear to be large flood plain areas. Along the northwestern side of the island between Uyak Bay and Afognak Island there are additional mountainous areas that, from a soils standpoint, are unsuitable for development.

The majority of the good soils located within the Kodiak Island Borough are on the southwestern portion of the island between Cape Ikolik and the entrance to Uyak Bay. The village of Karluk is located about midway in this area. The soils in this area appear to be alluvial plains with fair developmental potential.

Additional good soils are found to the northeast of there, still on the western side of the mountains. Most of these areas are situated at the heads of the various bays including Zachar Bay, Spiridon Bay, Uganik Bay, Terror Bay, Viekoda Bay and Kizhuyak Bay, on which Port Lions is located. It would appear that the reason for the better soils in these areas is that slopes are gentler and the drainage areas are not as confined by steep topography. Consequently, sedimentary deposits have been able to accumulate. This allows for more stable and usable soil conditions from a development standpoint.

On the southeastern side of Kodiak Island adjacent to the lease sale area, the proportion of usable soils is much smaller. In fact, according to the information available, there are only two areas to the south of Ugak Bay that are at all usable for development purposes from a soils standpoint. Those areas include a small area around Old Harbor and a slightly larger area between Ahkiok and Olga Bay. The great majority of the remaining lands on this part of the island are mountainous and contain very few level areas where soils can accumulate. This is also true of Sitkalidak Island immediately adjacent to the Old Harbor area.

On the northeastern portion of the island from the north side of Ugak Bay to Narrow Strait, some relatively good soils can be found. Again in these areas, especially along the coastline, the slopes are generally less steep and the drainage systems have allowed sedimentation. Throughout the area localized soil conditions vary greatly from extremely wet lowlands to rock outcroppings. However, in general, as demonstrated on Map 11, usable land can be found throughout the area. The one exception to this is the Marin Mountains located to the southwest of Cape Chiniak and north of Ugak Bay.

Continuing north, Spruce Island on which Ouzinkie is located is generally composed of usable soils. Also, much of Afognak Island, especially in the northeastern portions, is buildable. Again, this is primarily due to the absence of extremely steep slopes and the greater depth of soil as opposed to rock outcroppings. Localized soil conditions can vary greatly, however, and specific sites may or may not be usable for development purposes.

Slopes

Slopes also constitute a major problem from a development standpoint in Kodiak. As indicated above, many of the soils problems are related to the steepness of the land. Map 11 also shows the generalized areas that contain slopes of greater than 25 percent. This is considered by most experts in the field as the reasonable limit of developable slopes. Even a 25 percent slope is quite steep. It is generally considered that anything above 10 to 15 percent is usable for special purposes only. Uses on slopes of this steepness are normally low in intensity and primarily confined to residential and recreational uses. Larger industrial type development almost always requires slopes that are less than 10 percent. The information available does not allow the accurate identification of slopes less than 25 percent.(55)

As indicated, steep slopes are common throughout the island. In the southwestern portion of the island around Karluk where soils are generally good, a large percentage of the land can be eliminated from the developable category because of the steepness of the hills in that area. This is also true in the area around Akhiok. Localized steep slopes are found throughout the entire western portion of the island where soils are in many cases considered usable. This also occurs in the northeastern portion of the island in the area served by the road system. This area ranges from gently rolling hills to larger mountains. The steepness of the land varies greatly within relatively small areas.

The physical characteristics of the land shown on Map 11 indicate that an extremely small percentage of Kodiak Island and its adjacent islands are suitable for development purposes. As pointed out above, it is primarily located on the northeast portion of the island in close proximity to the road system and existing developed areas. It is near the areas involved in the upcoming OCS lease sale. When detailed information is developed concerning these areas, even more land will be eliminated from the developable category and a clearer picture will emerge. With this information, assuming it is specific and detailed enough, specific sites can be evaluated.

Land Ownership

As indicated earlier, detailed information concerning land ownership on Kodiak Island is extremely complicated.(56) However, a review of the information that is available in usable form shows that large portions of Kodiak Island are in federal ownership in the form of the Kodiak National Wildlife Refuge and the Chugach National Forest. For the purposes of this study, it is assumed that federally owned lands within those reserves are not available for industrialization.

All of Afognak Island is within the Chugach National Forest and almost two-thirds of Kodiak Island is within the Kodiak National Wildlife Refuge. Afognak Island is a popular recreation area that is utilized by sportsmen and outdoor enthusiasts for hunting, fishing, camping, and various other outdoor activities. There are a number of Forest Service cabins available for recreational use on the island which are used by

residents of Kodiak as well as people from other parts of the state and nation. In addition there are logging operations being carried out on the northern side of the island to a limited extent.

The Kodiak National Wildlife Refuge covers the majority of Kodiak Island. It has been used for a number of experimental programs involving transplants of various animal species to the area. Most of the lands in the refuge are subject to poor soils and/or steep slopes, but some areas have physical characteristics that would allow development. Again, it is assumed that they will not be available for industrial or any other long term uses.

With the exclusion of these two federal reserves, the lands available for OCS industrialization are relatively limited. (See Map 12.) They have been narrowed down to the northeastern portion of Kodiak Island generally from Whale Passage to Kiliuda Bay. In addition it might be possible for the oil industry to utilize lands in or immediately surrounding the village of Old Harbor.

One factor that futher complicates the question of land ownership in many areas is the Native selections made under the Alaska Native Claims Settlement Act (ANCSA). There are 19 village corporations, in addition to the Koniag Regional Native Corporation, on Kodiak Island. Together they have selected 1,566,720 acres of land (see Map 13). The lands selected are not necessarily unavailable for use by virture of their selection. In fact, Koniag, Incorporated has indicated a willingness to talk with the oil industry concerning on-shore facilities. However, some of the lands are not suitable for OCS related uses due to their inclusion in other categories discussed here (natural features, federal reserves, etc.).

In the Kodiak urban area, specific information is available. As can be seen from Map 14, there are relatively large areas of local government ownership including both the Kodiak Island Borough and the City of Kodiak. Much of that land, especially that owned by the Borough, is available for future community expansion, and much of it is ideally located for residential uses although most of the lands outside the city limits are not served by municipal services. It is also important to note that the majority of the land within the existing developed portion of the Kodiak area that is shown in local government ownership is the site of various community facilities and therefore is not available for development.

It should be pointed out that the majority of the City's land shown on Map 14 to the west of the City center is extremely steep and unsuitable for development. Near Island is shown on the ownership map as the property of the City of Kodiak in spite of the previously mentioned complications with the title. It is interesting to note that both the federal and state governments own very little land in the developed portion with the exception of Ambercrombie State Park and the Spruce Cape Loran Station.

The lands on Map 14 that are not shown in governmental ownership are all privately owned although much of the land to the northeast of the city

center remains undeveloped. Most of the land is platted at the present time; however, the majority of these are "paper plats" and are unimproved. While this does indicate large areas available for growth of the community, such growth will require the provision of roads and public utlities prior to development in most cases.

Special Features

One of the most important special features associated with land in Kodiak is its archeological sites. According to the information available, there are presently 170 sites that have been identified as having archeological significance (see Map 11). (Federal/State Land Use Planning Commission) They range from prehistoric remains to early human settlements up to 2,000 years old. As is the case with current development on Kodiak Island, the archeological sites are located primarily along the seashore and within bays and inlets that provide protected water. It is extremely important that these sites be evaluated and cataloged according to their archeological, historical and cultural significance so that proper measures can be taken to protect them from encroachment or destruction as a result of future community growth and industrialization.

Another feature that is important with respect to future development is the seismic characteristics of the island. As shown on Map 11, there are several known faults on both sides of Kodiak Island. Although there is no record of recent significant seismic activity in these areas, it will be important in the future to develop basic geologic information sources and monitoring systems if the affected areas are considered for development.

CONCLUSION

In spite of the generality of the information available on Kodiak relative to land status, it is relatively easy to eliminate large areas of Kodiak Island as potential sites for development.

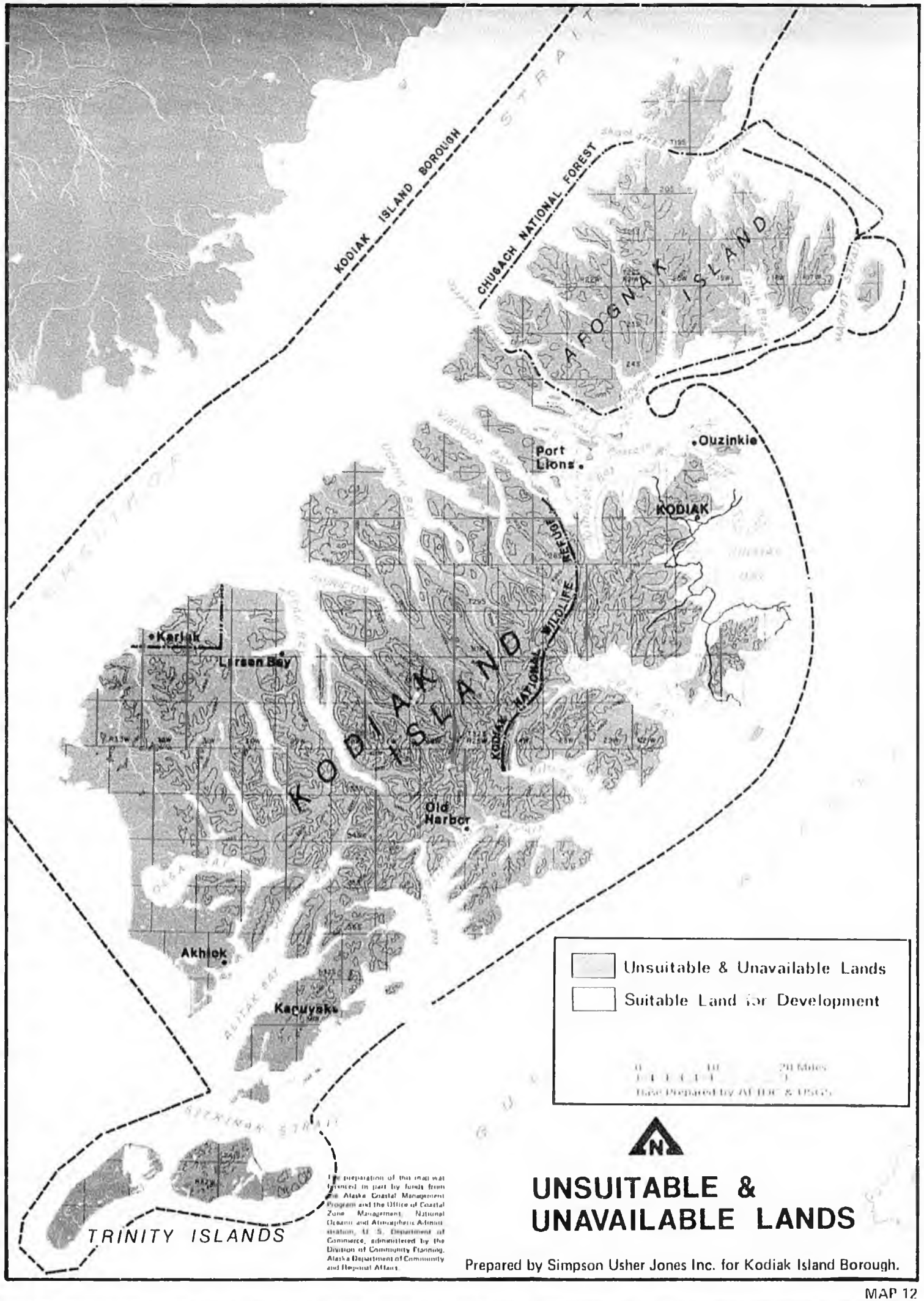
On the western and northwestern portions of the island, there is ample area with physical attributes necessary for development. However, this area is not located in close enough proximity to be utilized for onshore service base facilities related to OCS development and it is not near major areas that will generate population growth pressures. There are two major villages within the area (Karluk and Port Lions) that will undoubtedly continue to grow and will consequently affect the lands surrounding them. Detailed information should be gathered concerning those lands.

On the east and southeast portions of the island usable land is limited. However, based on the information available, land is available with suitable physical and socio-economic characteristics that could be used for community growth and industrialization. Prime candidates for such growth are, of course, the lands around the City of Kodiak and the lands

served by the road system in the area. The north side of Ugak Bay has several sites that could be utilized for OCS related industrialization. As indicated earlier, both Old Harbor and Ouzinkie appear to have the land characteristics and capabilities suitable for additional growth and potential industrialization.

Special attention should be paid to the archeological and seismic considerations on this entire side of the island as well as the natural environmental features of the area. In the Kodiak area where the lands are served by the road system, special attention needs to be paid to the impact that future growth and industrialization could have on the human environment.

Finally, more detailed information needs to be gathered and analyzed concerning land in the Kodiak Island Borough. Ideally this should be done for the entire borough; however, at the very least, specific studies should be done on lands that appear to be suitable for development in terms of population growth and OCS related industrialization. Detailed information needs to be gathered in the form of aerial photos, more complete soils information, topographic information (at a contour interval of no greater than ten feet), archeological evaluation, seismic considerations, and last but not least, ownership patterns. With this information, the decision makers in Kodiak and throughout the State of Alaska and in the Lower 48, including the various levels of goverment and private enterprise, can make rational decisions relative to land use and disposition.

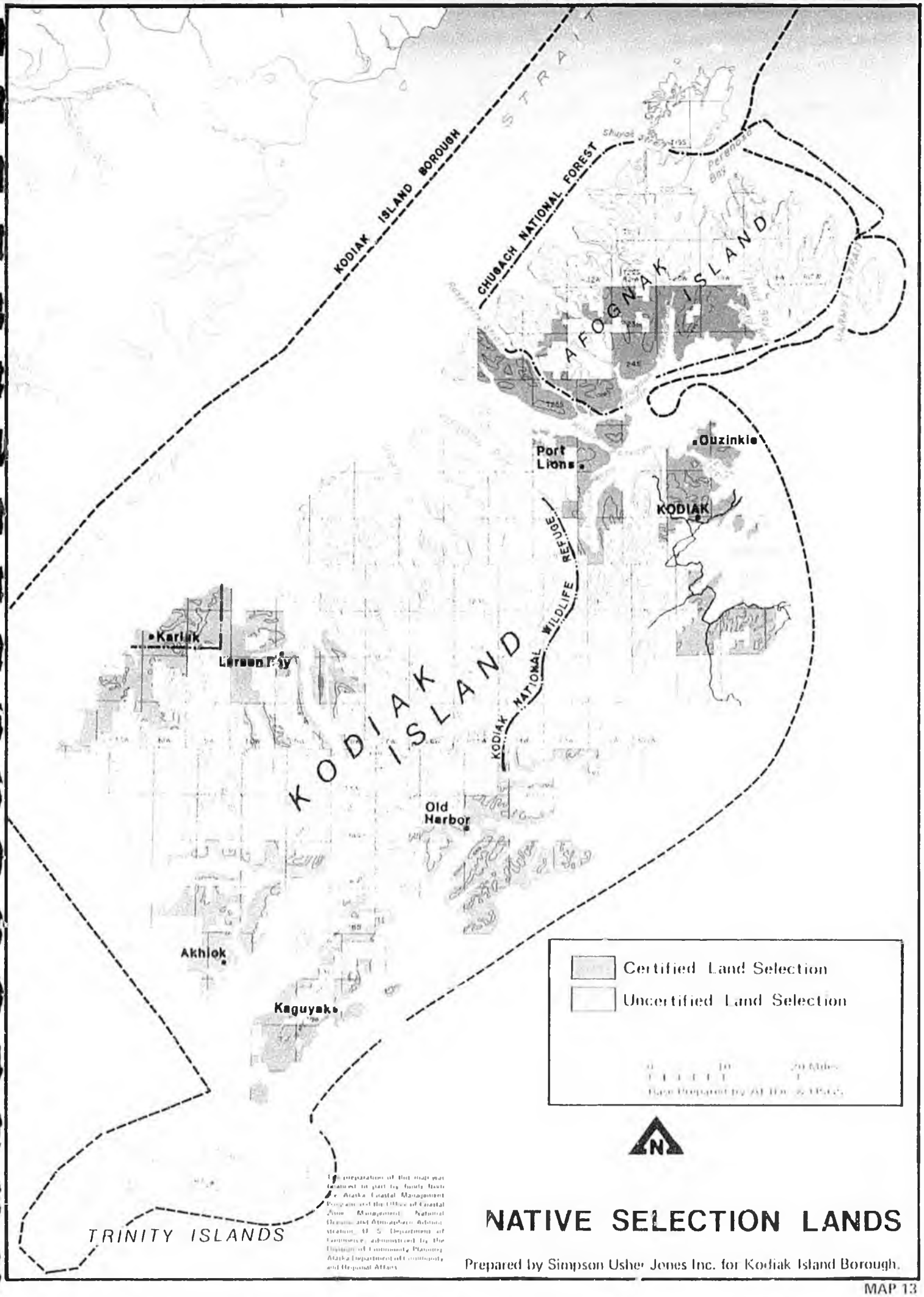


The preparation of this map was financed in part by funds from the Alaska Coastal Management Program and the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, administered by the Division of Community Planning, Alaska Department of Community and Regional Affairs.

UNSUITABLE & UNAVAILABLE LANDS

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough.

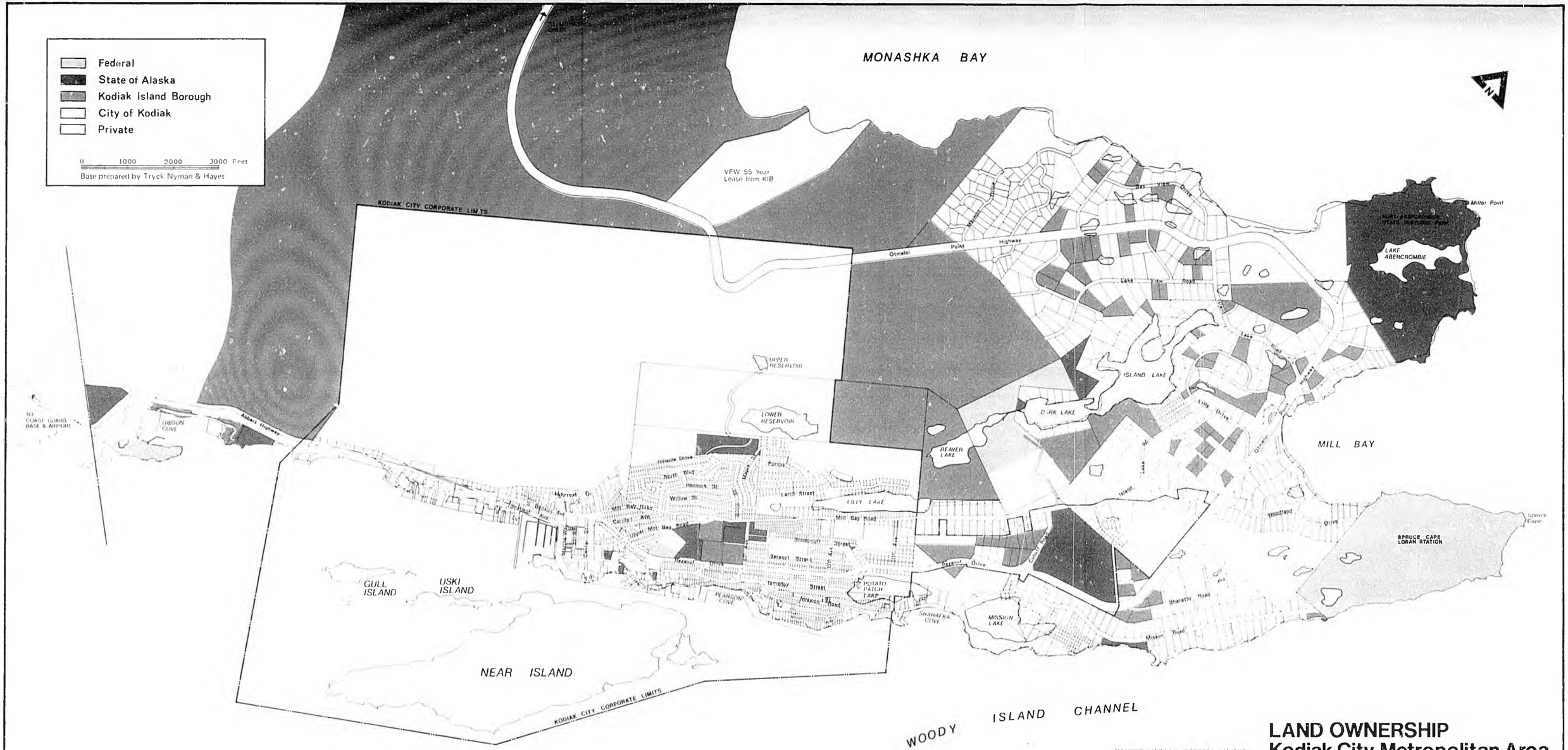
MAP 12



NATIVE SELECTION LANDS

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough.

MAP 13



LAND OWNERSHIP
Kodiak City Metropolitan Area

Prepared by Simpson Usher Jones Inc. for Kodiak Island Borough

The preparation of this map was financed in part by funds from the Alaska Coastal Management Program and the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, all administered by the Division of Community Planning, Alaska Department of Community and Regional Affairs.

SUMMARY PROFILE

Through the process of preparing the community inventory for Kodiak, a large body of information has been assembled that is descriptive of the social and economic characteristics of the Kodiak Island Borough. That information comprises Volume II of the OCS Impact Study for Kodiak.

The majority of the information presented is self-explanatory; however, there are portions which were analyzed and explained in some detail. The majority of Volume II consists of information presently available through a variety of sources but that had not been compiled, analyzed or presented in one document. This consolidation of information should be extremely valuable as a planning and management tool for the decision makers in Kodiak as they grapple with the problems that will face the community in the near future. The information should provide a method of predicting and understanding the problems facing Kodiak and the various routes available to solve those problems.

The Community Inventory has shown us that Kodiak is a very unique and vital community, both within the metropolitan area and throughout the outlying portions of the islands. The economy in Kodiak is strong, and the future holds promise of continued prosperity and economic independence. Unlike many other isolated communities in Alaska, Kodiak's size and economic importance has resulted in the provision of the full range of community facilities, utilities and services that are necessary for a growing self-sufficient community. Figure 40 shows who provides the basic public services available in Kodiak.

The study has also shown us that Kodiak has a number of problems that may negatively affect the community's quality of life and its ability to maintain its growth pattern in the future. These problems, if not addressed promptly, will be compounded with the advent of OCS oil activity.

The following profile briefly summarizes the information presented in Volume I which describes the community as it exists today and gives an indication of how its strengths and weaknesses will be affected by or will affect future development.

Fig. 41: Public Service By Provider

Service	Borough	City	State	Federal	Other
Electric					X
Telephone					X
Water		X			
Sewer		X			
Radio, TV					X
Roads		X	X		
Airports		X	X		
Marine Freight Terminal		X			
Ferry Terminal			X		
Police		X	X		
Fire		X			
Emergency		X		X	
Hospital	X				
Clinics	X		X		X
Public Health	X		X	X	
Mental Health	X		X	X	
Alcholism Treatment	X	X	X	X	X
Public Assist.			X		
Legal Assist.			X		
Education:					
Primary	X				X
Secondary	X				
Higher			X		
Recreation		X	X	X	
Parks	X	X			
Camping			X		
Open Space	X	X	X	X	
Cultural		X	X		X

ECONOMIC OUTLOOK

With an estimated current population of 9,620 people, Kodiak is among the five largest population centers in Alaska. Currently the Kodiak Island Borough is growing at a rate of approximately three percent per year. This is a healthy growth rate and one that demonstrates the economic viability of Kodiak. The community has the potential to continue growing as long as the basic industries continue to maintain their strength. In fact, based on historical trends and the current condition of the economy, it is estimated that the population of Kodiak will double within the next twenty years. It is especially important to note that these estimates are made without consideration of any possible OCS development impact on the population. This means that Kodiak does not need the economic boom that OCS activity would bring. The community is healthy; the population and economic base are growing; and the prospects for the future are bright.

EXISTING FACTORS AFFECTING FUTURE TRENDS

There are several important factors that could affect the ability of Kodiak to maintain its growth rates and realize its potentials. The factors described below could have a stifling effect on the economy and could also adversely affect the living environment. Each of them is individually significant and should be addressed regardless of OCS development.

Crime

Criminal activity is normally one of the first and most serious impacts experienced as a result of a "boom" economy. Recent history in Fairbanks, Valdez and a variety of smaller communities along the Trans-Alaska Pipeline route have borne this out. In Kodiak, the industrialization and rapid economic growth anticipated to accompany OCS development is already being proceded by an increase in crime. As indicated in the Law Enforcement Section of the Community Inventory, between 1975 and 1976 total criminal activity was up and the more serious and violent crimes (Part I Offenses) increased.

This situation presents the most serious threat to the quality of life in Kodiak that the community has ever faced. Immediate action by local, state and federal governments is necessary in order to prepare for and combat this problem.

The potential for further rises in criminal activity is increased due to the completion of the Trans Alaska Pipeline in the near future. As economic activity and population growth decreases in towns and cities along the Pipeline, the people who found them easy places to make an illicit living will look for new places to operate. Kodiak offers the opportunities they seek. This, along with changes in the internal characteristics of the community, could allow crime to rival fishing as Kodiak's largest industry.

It is incumbent on the community to take action that will create an atmosphere that discourages the criminal, both resident and non-resident.

Housing

Another serious problem facing Kodiak today is a housing shortage. As indicated above, the population is currently growing at approximately three percent per year. However, over the last five years housing starts, including multi-family units, have averaged less than three percent per year. In addition, over 40% of the housing units in Kodiak are in fair to poor condition. Analysis of these statistics indicates that the housing market is barely keeping pace with population growth. There is no surplus housing stock on the market from which a prospective home buyer or renter can choose, thus costs are high. This is evident by the small number of dwelling units for sale or for rent in Kodiak at any given time. In addition, new homes built in Kodiak are normally sold and/or occupied very quickly. For example, single family homes under construction are generally sold before they are fifty percent complete.

An already inadequate housing supply coupled with an ever present desire by residents to upgrade their housing (a practice most generally achieved by moving into newer homes), creates a discouraging outlook for supplying the housing needs for Kodiak's normal population growth. Fulfilling housing needs resulting from OCS development would be impossible at the current level of housing starts.

There are several reasons why the growth in the housing market has been slow in Kodiak. First, areas available for development which have a full range of utilities are extremely limited. The areas currently served by sewer and water are developed to near capacity, and high utility installation costs discourage development of new areas.

Land availability is another problem in the Kodiak city area. Much of the land surrounding the city is owned by the government or the native corporations, and private land available for residential development is limited both in terms of quantity and quality. Much of the available property is either too steep or too boggy to attract development.

The cost of housing is another factor which affects the housing stock in Kodiak. As indicated in the housing inventory, the average new three-bedroom house in Kodiak ranges between $60,000 and $80,000. We have also noted in the economic inventory that in 1974 the average wage in Kodiak was just over $1,000 per month. Applying an average increase in salaries of twelve percent per year, this same salary would be about $1,260 per month in 1976. The purchase of a $70,000 home, however, would require a monthly mortgage payment of approximately $650 per month, much too high to be accommodated by the average wage. Therefore, for the average wage earner to purchase the average home in Kodiak, it would require that at least two persons within that household be employed. It may be concluded that housing costs are escalating faster than wages, thus creating a shortage of buyers for the Kodiak housing market. This in turn discourages speculative housing starts and drives up the value of existing homes and the cost of custom-built houses.

Commercial And Industrial Land Use

Another problem which will affect the future growth of Kodiak is a shortage of commercial and industrial property. New businesses in Kodiak have a difficult time locating on properly zoned land. This results in higher land costs thus higher consumer prices and finally a higher cost of living. In addition, a less efficient growth pattern is created within the community when businesses are forced to locate on any available commercial or unzoned property they can find rather than in places that are logical and well-suited from a community growth standpoint. As a point in fact, commercial services are now beginning to show up in places scattered throughout the community. Each time this happens, the potential for conflicts among land uses is increased. This can compound the shortage of prime residential land as well as inhibit the planning and evolution of efficient transportation systems.

Industrial land is also needed to accommodate growth in the fishing industry, as well as to support the non-basic industrial activities within the community that are a direct result of basic industry growth. There are no industrial parks in Kodiak, either planned or unplanned. Warehouse space is in short supply and the potential for new space is limited.

These land use considerations must be addressed by the community in order to maintain the growth patterns and economic development rates that have been established. If they are ignored, they will become more serious and will have an accelerating negative impact on the economic system in Kodiak. In addressing the problems, careful planning must be considered in adopting fiscal policies which will encourage the development of additional moderately-priced housing, and the provision of more commercial and industrial areas. Considerations such as access, effect on surrounding land uses, neighborhood character, and future land use demands must be taken into account in order to affectively deal with these concerns without creating new problems.

Social Services

In addition to these land use and economic considerations affecting the future of Kodiak, social factors affecting the quality of life in the community should also be monitored. While these factors may not directly affect the employment rates, housing costs and other developmental characteristics of the community, they do have a direct effect on the living environment in terms of the convenience, esthetics and social well-being of the residents.

Social services are particularly important to a well-balanced community. While there are many social services available in Kodiak, their capabilities to cope with some of the more serious problems is currently impaired by a lack of funds and personnel support on the part of the governmental agencies involved. This is especially true of the health and social services, provided by the State of Alaska, in spite of recent increases in personnel and budgets. For the most part, those agencies are still underfunded and undermanned. While programs have been established to

handle many serious problems such as mental health, alcoholism and public assistance, they can actually accommodate only a relatively small part of the persons currently in need of assistance.

At present there is no indication that the demand for these services will accelerate over and above normal population growth rates. However, if in the near future Kodiak is faced with an extraordinary increase in population due to OCS development, the problems already associated with the social service programs will be further compounded by a larger demand for services and the probability of more complex problems to solve. The community and the State should address these inadequate services as an immediate priority. The level of services offered must be upgraded to adequately meet the current needs of the community and plans should also be made to prepare for the impact that may occur with the advent of a population boom due to OCS development. If not resolved, the inadequacies in the social services will probably have one of the most serious and most deleterious OCS related impacts on the Kodiak community.

Recreation Facilities

Another community component that is currently below standard is adequate recreational facilities. Kodiak now falls short of meeting the community demand for neighborhood parks, indoor and outdoor winter recreational facilities, and weekend and vacation facilities around the island. Through provision of these facilities Kodiak can mitigate many of the social problems which plague many other growing communities. The potential for rapid population growth due to OCS development makes the need for parks and recreational facilities even more acute.

OUTLYING VILLAGES

The various villages located around Kodiak Island have many divergent characteristics while at the same time having a number of common concerns and features. Their populations range in size from over 300 to under 100. Their locational characteristics are similar in that each is located adjacent to salt water and each is near rivers or streams that offer fresh water sources.

The degree or level of development varies between the villages. Port Lions is the most highly developed, with a relatively wide range of community facilities and services including, but not limited to, lighted and maintained city streets, local police protection, modern community-wide telephone service and a comparatively high level of commercial services. The other villages have far less in the way of community facilities and government services. None of the others have maintained streets, community telephone service, or local police. Most have some degree of commercial services and all have schools operated by the Kodiak Island Borough School District. The level of community water and sewer service varies from village to village.

The relationship of the villages to OCS development also varies. Some have the potential of a high level of direct impact. Old Harbor has already been approached by oil industry personnel and is considered a possible site of an on-shore service base. The village corporation sought and recieved assistance from the Koniag Regional Native Corporation in dealing with the oil industry; as yet no facilities are definitely planned for Old Harbor.

Ouzinkie and Port Lions also have potential for direct OCS impacts; although because of their location, they are less likely candidates for service base facilities than is Old Harbor. Like Old Harbor, the rest of the village corporations on Kodiak Island will deal with the oil industry in cooperation with Koniag, Incorporated.

The probability of indirect impacts from OCS development is high in all of the villages. All offer scenic surroundings, hunting and fishing in relative abundance. This will draw tourists and sportsmen in their off-time who seek seclusion, as well as opportunities for trophies and food.

Preparation for these impacts are imperative. The villages can gain from the impacts if that is their desire. However, the implications in terms of economic change, alteration of life styles and physical modification of the villages are extreme. With the notable exception of Port Lions, none of the villages are at all prepared for what could ultimately be the largest influx of people in their histories.

CONCLUSION

The factors described above are significant and deserve special attention. The assets of the Kodiak Island Borough and its communities are uniquely valuable and should be protected and enhanced. The problems faced by the communities are not insoluble; they are the types of problems that are normally to be expected in a time of rapid growth. They are also the type that can be dealt with through community awareness, local action and proper planning and implementation.

OCS oil development has the potential for either strengthening already healthy communities or creating problems that could result in economic and social disruption for many years to come. The result of OCS impact will depend upon the level of oil industry activity which will occur in Kodiak and the methods that are used in planning for and coping with the impact.

There are a number of trends that can be predicted for Kodiak regardless of OCS development. First, Kodiak will continue to grow. Along with that growth, the cost of living will undoubtedly rise moderately. Housing costs will increase until adequate, buildable land is available to accommodate a growing housing market. The residents of Kodiak can expect their problems with respect to crime, housing, recreational and open space facilities and social services to continue to worsen unless

the government steps up its efforts to deal with these issues. Inherent in such an effort, would be the possibility of some increase in the cost of government and a resultant rise in taxes. This situation is one that is common with a growing community.

There are a number of ways in which these concerns can be addressed through proper planning and management tools. Regardless of whether OCS development occurs, these should be addressed as part of the upcoming Kodiak comprehensive plan.

The components of the community that would be most affected by an economic and population boom resulting from OCS development would be those problems which are already most serious. Without exception, the problems described above would become worse at an accelerated rate. Also, increased demands for transportation facilities would place an additional demand on the existing facilities, both internal and external.

In order to determine the proper methods of dealing with the impacts that OCS development might bring, it will be necessary to determine the level of oil industry impact, the resultant population increases to be expected, and the demands that that economic and population growth will place on the basic community infrastructure. Volume I of this report assesses the demand that the oil industry will place on Kodiak. This assessment is used to determine the types of policy alternatives that are available to the community internally and what policies should be endorsed and encouraged in the state and federal governments in order to protect Kodiak's quality of living and economic viability in the forthcoming years.

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NOTES AND REFERENCES

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film —
Place on fiche 292A
file original in correct box
send fiche to Vicky

A 3% ~ 1st 300
B 5% 700
C 6% 1500
D 8% > 2,500

AGO 513804

"An Act relating to the oil and gas properties production tax; and providing for an effective date."

COMMITTEE REPORT

3/20/75 HOUSE FINANCE

Mr. Speaker: Date 4-14-76

The Committee on RESOURCES has had HB 346 under consideration. A Majority of the members of the Committee

(X) recommends it DO PASS

( ) recommends it DO NOT PASS

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

(X) recommends it BE REPLACED WITH CS FOR HB 346 AND THAT CS FOR HB 346 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AGO 513805

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S—JUNEAU 99801

April 28, 1975

The Honorable Nels Anderson
Chairman
House Resources Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Mr. Anderson:

re House Bill No. 346

House Bill No. 346, an Act relating to the oil and gas properties production tax was introduced in the House on April 26, 1975 and was referred to the House Resources and Finance Committees.

For the consideration of the House Resources Committee, I am enclosing a copy of a memorandum dated April 24, 1975 from O. K. Gilbreth, Jr., Director, Oil and Gas Division, Department of Natural Resources, Anchorage, Alaska concerning effect on Treasury, administrative problems and indicating that there would be no additional costs of administration.

Very truly yours,

R. D. Stevenson
Special Assistant

Enclosure

cc: The Honorable Hugh Malone
Chairman
House Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska

Mr. O. K. Gilbreth, Jr.
Director, Oil and Gas Division
Department of Natural Resources
3001 Porcupine Drive
Anchorage, Alaska 99504
(Phone: 279-1433)

AGO 513806

MEMORANDUM State of Alaska

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

TO: R. D. Stevenson
Special Assistant
Dept. of Revenue

DATE: April 24, 1975

FILE NO:

TELEPHONE NO:

FROM: O. K. Gilbreth, Jr.
Director

SUBJECT: HB #346

We have examined the subject bill and have discussed in detail some of the ramifications of the bill with Mr. John Messenger, Tom Williams and Will Condon of the Attorney General's office. We pointed out to these attorneys that the proposed bill provides that the tax will be levied on "the gross value at the point of production of the gas and liquids produced each month". The present tax is levied on oil and gas sold during the month and this volume is considerably different from the volume produced each month. The oil and gas conservation regulations require reporting of the volume produced. All production may not be sold and some may be retained in storage at the end of the month. When a sale is made the quality of the oil and gas is determined and run tickets are prepared and values paid on the basis of the quality of the oil sold. If the proposed change in the law could be interpreted to be levied on oil produced there is no way to determine the value of the oil produced. The attorneys, however, have advised me that for purposes of this particular law, "the gross value at the point of production" is in reality the point of sale and even though the law says oil produced it really means oil sold. All three attorneys have advised that this is the case and such being the case I see no objections to it. I should point out, however, that common usage in oil field terminology throughout the remainder of the United States provides that oil and gas produced means just that and oil and gas sold means that. Our law, I think, will be confusing if the proposed wording is adopted.

As you know, the tax is levied on the basis of individual wells and the amount of oil sold. Only on the oil sold can we determine the quality. I have talked with John Messenger and suggested that the law be changed to permit the value to be determined on a lease basis and alotted back to the individual wells based on routine well tests. This as a practical matter, is being done now, because there is no way to audit production records and production values according to the present law. If the proposal were changed to permit determining value on the basis of the lease runs then we would have a law that provides a legal means for auditing. John Messenger advised me that this could be done and he would so recommend it to Representative Cowper. I certainly recommend the change in order to comply with the law.

From the standpoint of fiscal effects of the bill, most oil being sold in the state at the present time has a value such that the cents per barrel tax applies. Hence HB #346 would have no effect on income of the state since the cents per barrel law is effective. However, should crude oil prices increase and the Department of Labor

cost index increase at a lower rate to the extent that the tax would be collected on percent of value, then there would be an increase in wellhead value of approximately 5 cents per barrel on each barrel of oil produced in the Cook Inlet area. As a maximum on one hundred ninety thousand barrels per day of production, this would amount to additional taxes of one hundred ninety two thousand dollars per year. Thus this law could have a fiscal effect of increasing tax receipts anywhere from zero to one hundred ninety two thousand dollars per year depending on the method of calculating the taxes.

I see no additional administrative costs associated with changing the law as the additional auditing burden would be minimal.

cc: Guy R. Martin, Commissioner

Bristol Bay Native Corporation
445 E. 5TH STREET / ANCHORAGE / ALASKA 99501 / PH. (907) 277-9511

April 9, 1976

The Honorable Nels A. Anderson, Jr., Chairman
House Resource Committee
Pouch "V"
Juneau, AK 99801

Dear Mr. Anderson:

I respectfully request this letter be made part of the record when your committee holds hearings on HB 346 next week.

In the past Bristol Bay Native Corporation representatives have testified and have written several letters for the record explaining that we will be a producing oil company once commercial production is established on our lands.

The amendments in HB 346 are penalties to the producer who historically has used oil or gas on the lease or property to clean and treat the oil or gas to pipeline quality and shipment. This is a provision in both State and Federal lease forms, however taxing that portion of the royalty oil or gas is not a part of the lease forms. There are many variables and it is difficult to determine the amount of revenue this might produce, although it would be minor. Regardless, this bill would require additional metering, records, accounting and reporting which is punitive and would be costly to our Corporation. Therefore BBNC is opposed to the provisions of the entire bill.

Very truly yours,

BRISTOL BAY NATIVE CORPORATION

W. C. Bishop

W.C. Bishop
Petroleum Consultant

cc: Directors
Regions
AFN

AGO 513809

recd 4/12

Bristol Bay Native Corporation 445 E. 5TH STREET / ANCHORAGE / ALASKA 99501 / PH. (907) 277-9511

April 9, 1976

The Honorable Nels A. Anderson, Jr., Chairman
House Resource Committee
Pouch "V"
Juneau, AK 99801

Dear Mr. Anderson:

I respectfully request this letter be made a part of the record when your committee holds hearings on the Second SS for HB 803 next week.

Bristol Bay Native Corporation is an Alaska Corporation subject to normal corporate income taxes, however this bill, if passed, will require seperate accounting and would appear to be an accounting department nightmare.

Without a final copy of the bill, BBNC's objections will be limited general statements and not specific paragraphs as follows:

1) General administrative costs should not be tied to a cents per barrel.
2) No deductions paid for services used or provided outside Alaska could and probably would be an exceptionally high burden on our Corporation.
3) Limiting deductions of exploration costs incurred in any calendar year to 20% could be prohibitive and contrary to normal accounting procedures.
4) By not allowing engineering or design costs incurred outside Alaska as a deduction, would again be an excessive burden on our Corporation. For example, with established production, BBNC will build and own 100% of a topping plant to supply fuel for our joint operations. The engineering and major construction would be performed outside Alaska.
5) Limiting interest to 9% per annum on funds used during construction of facilities used and useful in the production of a field may be capitalized, certainly ignores the financial facts that interests rates vary over a rather wide range. It may also be considered as an attempt to regulate similar to utility regulations.

Overall this bill would penalize our Corporation by requiring additional accounting, limiting normal deductions, reduce our income and thusly increasing

our Corporate taxes over the present corporate income taxes. Therefore BBNC is opposed to this bill in its entirety. We expect to be good corporate citizens and pay our fair share of taxes without being penalized as an Alaskan corporation.

Very truly yours,

BRISTOL BAY NATIVE CORPORATION

W. C. Bishop

W.C. Bishop
Petroleum Consultant

cc: Directors
Regions
AFN

AREAS OF CONTINUING CONCERN

Wellhead value litigation was first instituted in March of 1970. No judgment has been issued and the Petroleum Revenue Auditor is still unable to verify or take issue with wellhead values used by oil and gas producers to determine royalty and tax obligations.

Recently the Deputy Attorney General received permission from the present Administration to pursue individual settlements with as many of the 13 oil producers involved as possible.

Because of the extensive time already taken to approach an acceptable resolution we support individual settlements as long as there is no legal precedent being set to effect North Slope production.

There should be a joint effort by the Departments of Law and Natural Resources to insure that full guidelines and regulations are in force when North Slope production begins.

Legislative efforts are also being proposed to address this same problem. There is a current effort to change the point of taxation from a per well basis to the point of transfer to a common carrier. This approach would solve problems of per well production allocation as well as fluctuating transportation deductions effecting wellhead value. For this reason, we encourage any constructive activity in this area.

The Federal Department of the Interior continues to make semi-annual payments to the State for 90% of the royalty revenue received from oil and gas produced on federal lands within Alaska. This revenue continues to be inadequately supported and as yet the Petroleum Revenue Auditor has been unable to verify the reasonableness of any of the payments.

Only recently has the Petroleum Revenue Auditor established a line of communication with United States Geological Survey personnel in an effort to independently compute the semi-annual receivables. As yet, it is too early to determine if this effort will be fruitful. For this reason we continue to recommend that the State require oil and gas producers to file a copy of their federal royalty return along with the State production tax return. The oil produced on federally-owned land is subject to production tax and the federal royalty is a deduction on the State tax return.

AGO 513812

3. Analyze calculated taxes and royalty vs. actual receipts.

4. Analyze actual receipts vs. forecast fees."

We encourage further development of the automated system for auditing Production Tax and Royalty returns. The automated audit procedures should include cross checking returns to valid supporting documents and comparing information reported in tax and royalty returns to production information required to be submitted directly to the Division of Oil and Gas by the producers.

5. There is a need for guidelines in determining "wellhead value" of oil for royalty and tax purposes.

On July 3, 1969, a directive was issued by the Commissioner of the Department of Natural Resources which was intended to define the value of State royalty oil.

A suit was filed against the State and the State filed suit in connection with the question of the value of the oil. Since the matter was referred to the courts, the Petroleum Revenue Auditor has been unable to verify the reasonableness of "wellhead value" used by oil and gas producers to determine royalty and tax due.

When the definition of wellhead value for royalty and tax purposes is legally determined:

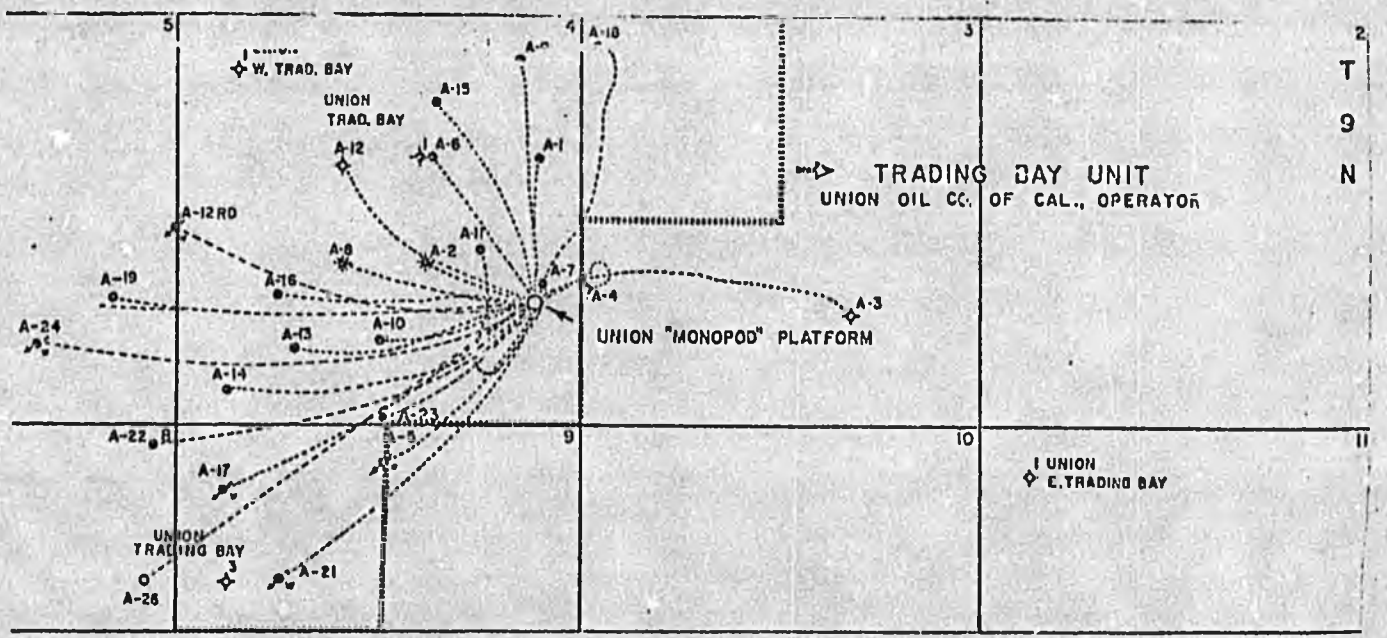
A. The State should assess all deficiencies due;
B. Specific guidelines for any deductible items should be established by regulation (if such guidelines are not established by the court) and added to the oil lease form; and
C. Periodic audits of oil company records should be conducted to determine that deductions being taken are proper.

AGO 513813

6. There is a need for more definitive and complete "per well" production figures for off-shore facilities.

Production tax calculations are based on average daily production for each well. However, it is standard practice in the oil industry not to meter the production of each well at offshore facilities. Instead, the production of each well is tested periodically to determine what portion of total production of the facility is represented by that well. Actual daily production of the facility for the month is allocated to each well based on the results of the periodic tests.

There are several of these offshore facilities in the Cook Inlet from which more than one well was drilled. A typical example is the Trading Bay Unit as illustrated in the below drawing taken from a statistical report issued by the Division of Oil and Gas.



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
ANCHORAGE, ALASKA

TRADING BAY FIELD

SCALE: 1320' 0 1320' 2640' 3960'

May 1, 1972

The Division of Oil and Gas determines whether production on a "per well" basis appears reasonable by comparing current production to past history. In addition to the reasonableness test, periodic well tests conducted by oil producers are occasionally observed by Oil and Gas personnel. The well tests, however, are affected by many variable factors and average daily per well production cannot be certified by the Division of Oil and Gas as a result of observation of the tests.

The problem of pinpointing individual well production is a technical one. We have not addressed ourselves to this problem because of its technical nature. The Division of Oil and Gas should be encouraged to develop ideas regarding more effective observation and auditing tests or changing reporting requirements to obtain more definitive "per well" production figures.

7. Documents received in support of Production Tax and Royalty returns should be improved.

Oil is transported from offshore platforms in the Cook Inlet to onshore treating facilities and storage tanks by the producers. Pipeline companies such as Cook Inlet Pipeline Company and Kenai Pipeline Company receive the oil after it runs through a custody meter which measures the quantity. The only source document that the State receives in support of tax and royalty returns are meter tickets which report the amount of oil that passed through the custody meters during the month.

The meter tickets are supposed to be prepared and witnessed by a representative of the pipeline company and a representative of the oil producer. Employees of the State Division of Oil and Gas sign the meter ticket as a third witness when they are present to observe preparation of the ticket.

Out of 400 meter run tickets received in support of 1972 royalty returns, approximately 70 were printed by an automatic printing device at the meter station. The printing on about half of the above mentioned 70 tickets was illegible and hand written over. All other tickets were hand written. Only six of the 400 meter tickets were witnessed by a State employee.

2d SSHB 803 –
Smith Moved that the bill be passed out of Committee – Motion failed on Voice Vote.

(HB 346)

pg 1 Line 18½ old language

Tom Williams - Dire of Petroleum Revenue, Dept of Rev.
Question of where the valuation pt. of oil + gas should be.
After removal of water globules and dissolved gasses oil is metered Now - In other states production tax has been derived from the oil after clensing.
Bill attemps to place value of oil at the metering pt.
State docsn't believe it should absorb the gathering costs - Cleaning + dehydration (Heater Treater) costs.

---

pg 1 line 18

CSSB 295: Average daily per well production. X out for each well for the calendar Month in barrels,

pg 2 line 2 daily per well production - delete ["for each well for the calendar Month"]

pg 4. (15) "Average daily per well production" means arithmetic average of all wells Contributing to a Meter point or $ADP \frac{P_T}{W \times D}$ when P_T = total production in barrels at the production point for a Calender Month. W = Number of wells feeding the production point, and D = Number of days each well produces in a Calender Month.

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present rates This bill would lower states income somewhat.

KODIAK PLAN + DEVELOPMENT STRATEGY

SUMMARY REPORT

kodiak island borough
regional plan and development strategy

summary report

july 1978

The preliminary findings presented here are part of a technical study being performed by professional consultants under contract with the Kodiak Island Borough and the Division of Community Planning, Department of Community and Regional Affairs of the State of Alaska. The study has been financed in part through an Economic Development Administration Technical Assistance Grant. Statements, findings, conclusions, recommendations, and other data in this report are solely those of the contractor and do not necessarily reflect the view of the Kodiak Island Borough, State of Alaska, or the Economic Development Administration.

Title IX Development Grant

No. 07-09-01739

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PREFACE

The purpose in preparing the Regional Plan and Development Strategy was two-fold:

- To assist officials of the Kodiak Island Borough to plan for the full range of government, economic, and social impacts expected to occur during the oil exploration and development programs off Kodiak Island.

- To develop or bring up to date all necessary elements of a Borough Comprehensive Plan and to schedule needed capital and governmental services improvements to coincide with anticipated offshore events.

This Summary Report reflects the required dual purpose. To this end, this report: 1) embodies the U.S. Economic Development Administration's requirements for planning and economic adjustment strategy and 2) provides the conceptual basis for a comprehensive plan for the Kodiak Island Borough.

A conclusion of the economic adjustment strategy which should be stated at the outset is that since OCS-related development is several years distant, there will be no occasion for the Kodiak Island local governments to seek Title IX implementation grant funding from the U.S. Economic Development Administration in the immediate future. Key issues and recommendations concerning the economic adjustment strategy are outlined under Section I., Introduction and Summary, of this report.

As a component of the comprehensive plan, this Summary Report along with other planning tools including draft zoning and subdivision regulations and a proposed capital improvements program have been submitted to the Kodiak Island Borough Planning and Zoning Commission and Borough Assembly for review.

Following action by the Borough Assembly, the revised and adopted version of the Regional Plan will be a part of the official comprehensive plan for the Kodiak Island Borough. When adopted, the comprehensive plan may differ from some of the provisions of this report. The preliminary character of this report should therefore be recognized, and it should not be interpreted as official Kodiak Island Borough policy.

The Regional Plan has been developed as a series of working papers on distinct study elements. The study elements dealt with such areas as transportation, the borough economy and population, and community services, all of which were intended to assist local government officials in minimizing any impact that might occur. The Summary Report incorporates the substance of these elements in their final recommended form, except for the text of three ordinances which are necessary to implement the comprehensive plan and which were printed separately in final draft form. As noted above, each of these measures will be reviewed, revised and adopted as individual ordinances by the Borough Assembly.

It is therefore expected that after final adoption the Borough will print and distribute the following ordinances:

1. Zoning Ordinance.
2. Subdivision Regulations.
3. Capital Improvements Programming Manual.

A fourth supporting study for the Regional Plan was printed separately in final draft form. This is the Environmental Impact Analysis (EIA) required under the regulations of the U.S. Economic Development Administration. The EIA will not require adoption by the Borough Assembly.

It will be apparent in reading the Summary Report that the focus of the Regional Plan has been on the Kodiak urban area. The reason is that plans for the Kodiak villages have been developed separately for the individual villages, with the aid of the Borough staff. As adopted by the Borough Assembly, the village plans will also constitute an important portion of the final comprehensive plan.

ABSTRACT

This report summarizes the findings and recommendations of the Kodiak Island Borough Regional Plan and Development Strategy.

In broad outline, the major findings and recommendations that have emerged from the study are:

- The economy of the Kodiak urban area, based upon the fishing industry and the Coast Guard Support Center, is strong and growing. Coast Guard employment is stable for the foreseeable future. The Alaskan fishing industry appears to be on the verge of significant expansion, and Kodiak could attract many of the jobs involved if it can provide the space and services necessary to the industry.

- At present, however, certain Kodiak utilities and community facilities are seriously strained. Housing for workers is expensive and in short supply. Until these constraints are removed, industrial growth will be slowed.

- These shortages in services and housing also have adverse social and environmental effects. Among them are surface water pollution, dust, periodic water and power shortages, high prices, overcrowded housing, and development in hazardous areas.

- Significant effort and expense will be required to correct these environmental effects and their causes. To minimize this effort and expense as well as to slow the rate of housing cost inflation, concentration of services in the existing Kodiak urban area is recommended.

- Consideration of natural hazards should also be incorporated into land-use decisions. A principal example is the potential instability of Pillar Mountain. A detailed geotechnical study of the mountain must be carried out before any expansion of the existing City dock and cargo facilities can be undertaken. The degree of tsunami hazard should also be investigated and integrated into future land-use planning decisions.

- On-shore employment associated with Outer Continental Shelf (OCS) oil exploration and development could seriously aggravate existing socio-economic problems in the urban area. A sudden population boom would require expansion in services that the boom would be too short-lived to finance. The boom would also drive prices and wages up, which could well force the fish-processing industry to move out of Kodiak. The result could easily be a post-boom depression.

- If oil is found, the Kodiak Island Borough will probably have to allow an oil terminal to be built somewhere in the Kodiak Archipelago. Siting of the facility can be crucial in determining impacts. From a socio-economic viewpoint, oil terminal development should be sited well away from both the urban area and the villages. Planning permission for a specific proposal should follow only after a complete environmental review. It should also be conditioned on the developers' assumption of responsibility for all utilities, services and community facilities for temporary and permanent work forces.

- Depending on the outcome of the geotechnical study of Pillar Mountain, it may be in the Kodiak community's interest to encourage development of a marine service base in conjunction with new community docking facilities. To be prepared to evaluate or even to initiate this type of proposal, the community will need to pursue a detailed examination of the economic and operational feasibility of alternative dock facility locations.

KODIAK ISLAND BOROUGH
REGIONAL PLAN AND DEVELOPMENT STRATEGY

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I. INTRODUCTION AND SUMMARY

The direct impetus behind this study has been the need to plan for the social, economic and governmental impacts expected to occur during the Outer Continental Shelf (OCS) oil exploration and development program off Kodiak Island. The OCS program has been mandated by the federal government because of the vital importance of oil to the nation's economy. At the same time, both the federal and state governments have acknowledged the need for community planning to deal with the local effects of OCS activity and have given financial and technical support to this planning effort.

Because the national interest is involved, the Kodiak community is unlikely to persuade the federal government to cancel the OCS lease sale for the Western Gulf of Alaska, now scheduled for 1980. However, the community can play a very significant role in deciding how the OCS program is carried out in Kodiak. In particular, the Kodiak Island Borough can exert a powerful influence over on-shore development by exercising the area-wide planning powers granted to it by the Alaska Statutes.

The Regional Plan and Development Strategy is intended to help the Borough to exercise these area-wide powers by bringing all necessary elements of the Borough comprehensive plan up to date. The core of the comprehensive plan is a set of long-range policies for the physical development of the Kodiak community. In developing these policies, a number of issues have emerged; OCS activity is important among these, but is by no means the only major issue. Other significant issues include the potential for expansion of the bottom fish industry and the stability of Pillar Mountain. These and other issues have all helped to shape this plan.

Kodiak Planning Program

The present study is the third step in a four-step Kodiak Island Borough planning effort dealing with long-range policy issues and OCS development:

1. OCS Impact Study
2. Marine Facilities Study
3. Regional Plan and Development Strategy
4. Management Study

A brief review of the Borough planning program will help to provide the context for this study.

1. OCS Impact Study. The Kodiak Island Borough Outer Continental Shelf Impact Study was completed by Simpson Usher Jones, Inc., in September, 1977. Its purpose was to provide working estimates of the probable levels of oil industry activity, both off-shore and on-shore, and a baseline inventory of community utilities, services and facilities in the Kodiak Island Borough.

As an extension of this study, Simpson Usher & Jones also prepared Village Sketch Plans for Akhiok, Karluk, Larsen Bay, Old Harbor, Ouzinkie and Port Lions, as well as the unincorporated community of Bells Flat. These plans

are in the process of being revised, amended and adopted by the villages, with help from Borough staff. It is recommended that these be incorporated with the plans for the urban area in one publication when all the plans are adopted.

Another separately reported element of the OCS Impact Study was a set of Draft Goals and Objectives for the Kodiak Island Borough based on a community attitude survey. This document is also being reviewed and amended prior to official adoption by the Borough Assembly. Finally, Simpson Usher & Jones also compiled a map of existing land use in the Kodiak urban area and prepared a sketch plan for future land use as a starting point for discussion of land-use alternatives in the urban area. These two maps are reproduced in the present report.

2. Marine Facilities Study. The Borough commissioned Woodward-Clyde Consultants to evaluate and rank possible sites for OCS-related marine facilities. This study was also completed in September, 1977, and its final title is Oil Terminal and Marine Service Base Sites in the Kodiak Island Borough. The four elements covered in the study are 1) potential demand for such facilities, 2) potential site locations, 3) geotechnical and environmental evaluations of these sites, and 4) site rankings and examination of interest group preferences.

As the final title indicates, the study concluded that marine service bases and oil terminals are the only OCS marine facilities likely to be built in the Kodiak Island Borough. Sites for these two types of facilities were ranked for biological impacts, socio-economic impacts and development costs. Various weighted combinations of these rankings were examined to see how sensitive overall site ranking is to the viewpoint of the group doing the ranking. The conclusions of the study indicate that several of the sites with low biological and socio-economic impacts - relative to other Kodiak sites - appear also to be feasible from a cost standpoint. In short, it appears that there is a range of feasible sites for both types of facility and that the Kodiak Island Borough will be able to influence OCS siting decisions. The most feasible sites, combining cost and impact considerations, are indicated on Map 2.

3. Regional Plan and Development Strategy. This is the present study. The degree to which control of any type of development is successful (and even legal) is in large part dependent on the clarity of community policy towards overall physical development. Therefore, the desire to control on-shore OCS development in the best interests of Kodiak has led to the necessity and opportunity of updating the comprehensive plan as the framework for control of all physical development in the Kodiak Island Borough. For this reason, the Regional Plan and Development Strategy has gone beyond OCS activity to examine a broad range of issues that affect the future of Kodiak.

4. Management Study. Following the completion of the Regional Plan and Development Strategy, the Kodiak Island Borough intends to undertake a fourth and final OCS-related planning study in cooperation with other local governments and groups such as Koniag. It will identify interests, roles and responsibilities among these groups, related specifically to OCS development. The intent will be to develop a unified working approach in the Kodiak community toward on-shore OCS facilities and related development.

Summary

The major findings of the Regional Plan and Development Strategy regarding present conditions in the Kodiak urban area are that the economy of the Kodiak urban area, based upon the fishing industry and the Coast Guard Support Center, is strong and growing. At present, however, housing is expensive and in short supply and certain Kodiak utilities and community facilities are seriously strained. These shortages in services and housing have adverse social and environmental effects, including surface water pollution, dust, periodic water and power shortages, high prices, overcrowded housing, and development in hazard areas. This study recommends that the Borough and other local governments work toward reducing these shortages in housing and community services. Significant expense and effort will be required to do this, but both the effort and the expense can be reduced if services are concentrated in the existing Kodiak urban area.

Looking beyond present conditions, there are three major areas of uncertainty that complicate planning for the future of the Kodiak community. These are OCS activity, the bottomfish industry, and the Pillar Mountain landslide.

The OCS lease sale for the Western Gulf of Alaska was to have occurred in 1978. It has been postponed to 1980 or possibly even later. When the lease sale occurs, petroleum exploration activity will commence, but development and production activities will still be uncertain. The findings of this study are that on-shore employment associated with OCS oil exploration and development could seriously aggravate existing socio-economic problems in the urban area, particularly if an oil terminal were constructed near the urban area. Construction of a terminal could cause a short-term influx of construction workers into the community. A sudden population boom would require expansion in services that the boom would be too short-lived to finance. The boom would also drive prices and wages up, which could well force the fish-processing industry to move out of Kodiak. The result could easily be a post-boom depression. Yet if oil is found, the Kodiak Island Borough will probably have to allow an oil terminal to be built somewhere in the Kodiak Archipelago. Siting of the facility can be crucial in determining impacts.

From a socio-economic viewpoint, oil terminal development should be sited well away from both the urban area and the villages. Permission for a specific proposal should be subject to the conditional use procedures developed in the revised draft of the Borough zoning code and development should be directed to sites identified in the Management Study. Permission should also follow only after a complete environmental review and should be conditioned on the developers' assumption of responsibility for all utilities, services and community facilities for temporary and permanent work forces.

As opposed to OCS development, the bottomfish industry holds out the promise of significant development in keeping with Kodiak's present economy and community preferences. Development of this fishery would help to reduce seasonal unemployment in the community and it appears that Kodiak could attract many of the jobs involved--if it can provide the space and services necessary to the industry.

A very recent report to the Alaska Legislature by the Interim Committee on Resource Matters, titled The Potential for Expanding Into an Alaskan Bottomfish Industry (January 1, 1978) notes that the stated purpose of the federal 200 mile limit extension is "to encourage the development of fisheries which are currently underutilized or not utilized by United States fisheries, including bottomfish off Alaska" (p. 3, emphasis added). The potential benefits to communities such as Kodiak would be increased if shore-based processing is generally adopted (NEFCO has installed an experimental processing line at Gibson Cove). The report identifies some of the community "infrastructure" requirements associated with on-shore bottomfish processing plants (pages 85 and 86) also mentioned in this study and observes that Kodiak is a "prime immediate location" for such plants. However, many economic aspects of the prospective American bottomfish industry are still unresolved. The report ends with proposed study legislation designed to provide some of the issuing information. In the meantime, Kodiak would be well advised to try to resolve issues such as water supply, expanded harbor facilities and space for waterfront industry in order to be able to continue to attract fishery development as it occurs.

The third area of uncertainty in the future of the Kodiak urban area is unfortunately also connected with the expansion of waterfront industry in the Inner Harbor area. This is the Pillar Mountain Landslide. The potential instability of this area above the City of Kodiak dock and cargo terminal facilities is described in this study. It is more thoroughly detailed in U.S. Geological Survey open file report number 78-217, Pillar Mountain Landslide, Kodiak, Alaska (1978) by Reuben Kachadoorian and Willard Slater. The open file report makes it clear that the landslide "is a potential hazard to the City of Kodiak and its environs and merits a thorough investigation and evaluation."

According to the report, the degree and extent of the hazard cannot be identified without a more detailed investigation. That investigation is absolutely necessary for informed and responsible decisions on development in the Inner Harbor area. Lives, property, and the future economic well-being of the Kodiak community are at stake. Furthermore, the open file report has been released, federal and state agencies are aware of the problem, and support for projects in the Inner Harbor area is likely to be conditioned on performance of the detailed investigation. Certainly, a detailed geotechnical study of the mountain must be carried out before any expansion of the existing City dock and cargo facilities can be undertaken. Depending on the outcome of the geotechnical study of Pillar Mountain, it may be in the Kodiak community's interest to encourage development of an OCS marine service base in conjunction with new community docking facilities. To be prepared to evaluate or even to initiate this type of proposal, the community will need to pursue a detailed examination of the economic and operational feasibility of alternative dock facility locations.

In conclusion, this study identifies a number of actions which the community can and should take to plan the orderly future development of Kodiak. In addition, the community can also deal with the three major areas

of uncertainty by 1) preparing to control the course of OCS development, if it occurs, 2) preparing to grasp the opportunity of assisting in the development of the bottom fishery, and 3) beginning the resolution of the Pillar Mountain issue by obtaining the geotechnical information which is a precondition to informed action.

II. ECONOMY AND POPULATION

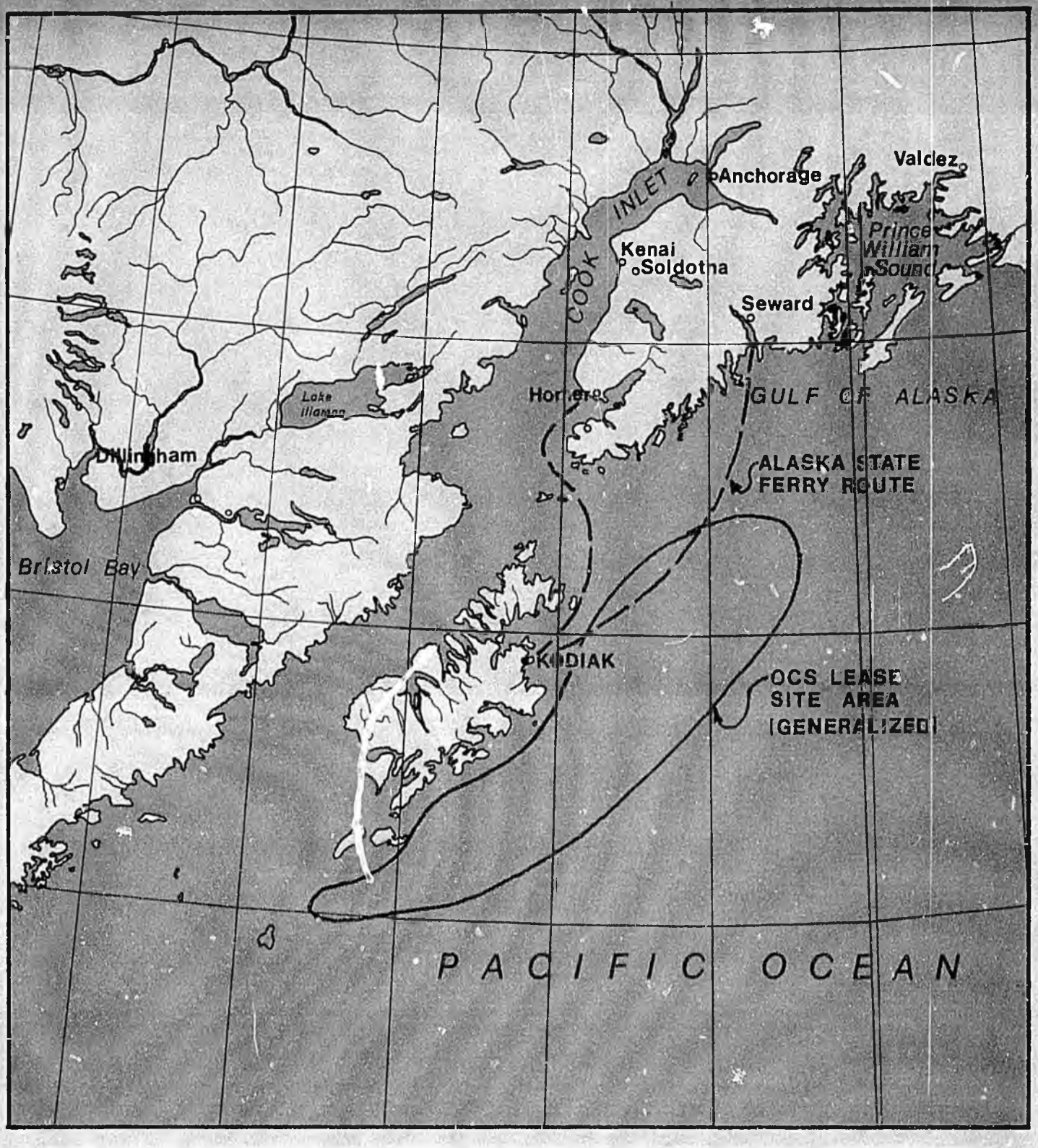
The first step in planning for the future development of the Kodiak Island Borough is to examine existing economic and community patterns in the Borough. This step has been carried out in the Kodiak Island Borough Outer Continental Shelf Impact Study described in the previous chapter. That study, in two volumes, is the inventory upon which the regional planning effort has been based. As such, the OCS Impact Study is a companion document to this report and will not be duplicated here. A brief review of the regional setting and of Kodiak communities will help to put this planning effort into perspective, however.

The Kodiak Island Borough is the overall governmental unit for the Kodiak Archipelago. Map 1 illustrates the regional location of the Archipelago. The Kodiak urban area serves as a subregional center and transshipment point for the western third of Alaska's Southcentral Region, including the Aleutian chain. Kodiak's marine orientation is evident on this map, which also indicates the general area of the proposed Western Gulf OCS lease sale.

Map 2 indicates the established communities present in the Borough. In addition to the City of Kodiak, there are six smaller, incorporated jurisdictions: Akhiok, Karluk, Larsen Bay, Old Harbor, Ouzinkie and Port Lions. These are the "villages." The map also indicates the most feasible sites for OCS on-shore facilities identified in the report, Oil Terminal and Marine Service Base Sites in the Kodiak Island Borough, by Woodward-Clyde Consultants. That report is also a companion volume to this study.

In addition to the villages, two unincorporated rural settlements presently exist on the road system south and east of the urban area: Bells Flat and Chiniak. These are indicated on Map 3, along with the urban area and the Coast Guard Support Center.

A fourth map has been provided to display the spatial relationship between the Support Center, the City of Kodiak, and the balance of the urban area. Several facilities and sites of particular importance to the Kodiak urban area are also indicated, for later discussion.



REGIONAL LOCATION

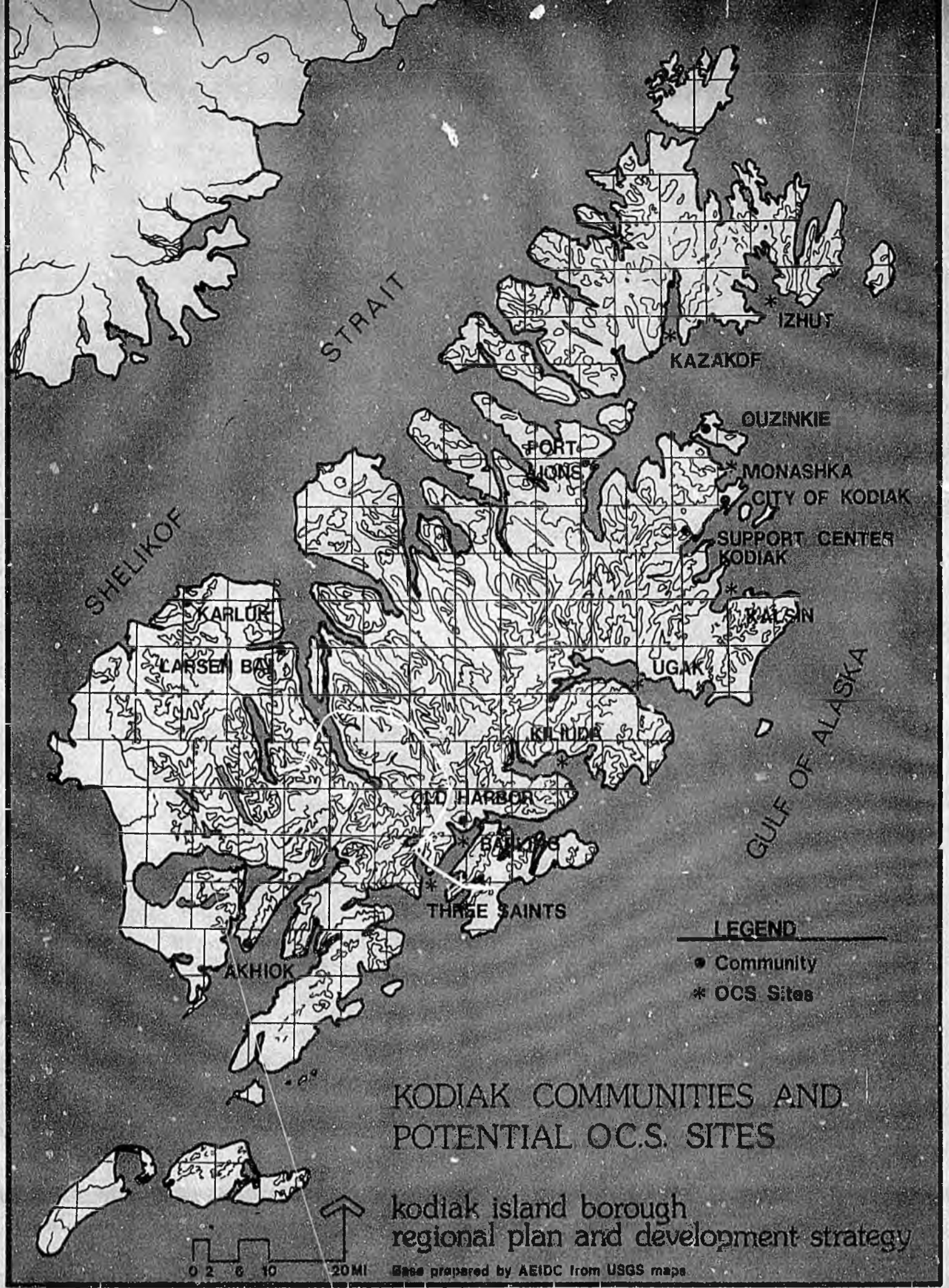
NORTH

0 25 125 225 MI

Base prepared by Simpson, Usher, Jones, Inc.

kodiak island borough
regional plan and development strategy

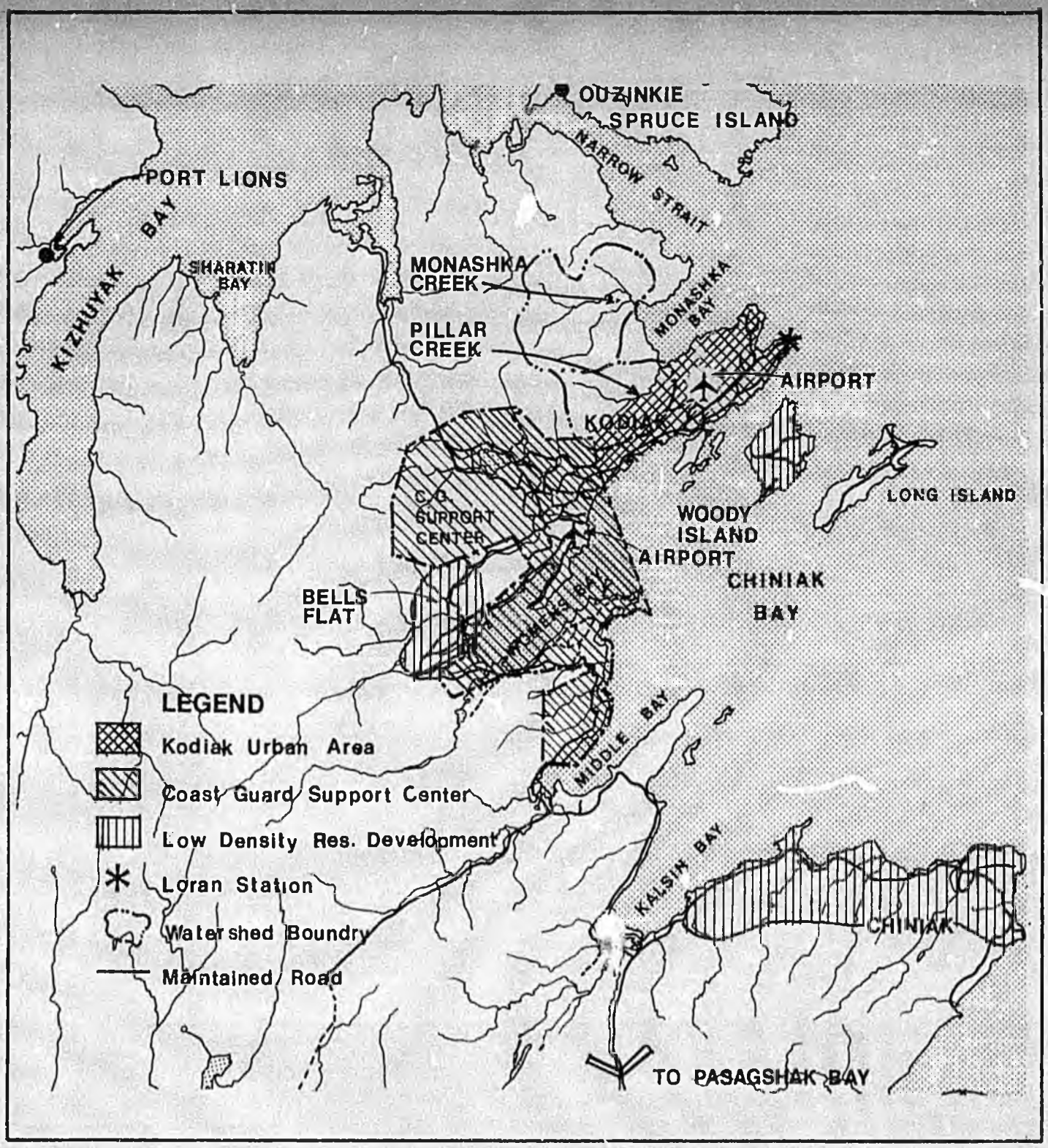
MAP 1



KODIAK COMMUNITIES AND POTENTIAL O.C.S. SITES

kodiak island borough regional plan and development strategy

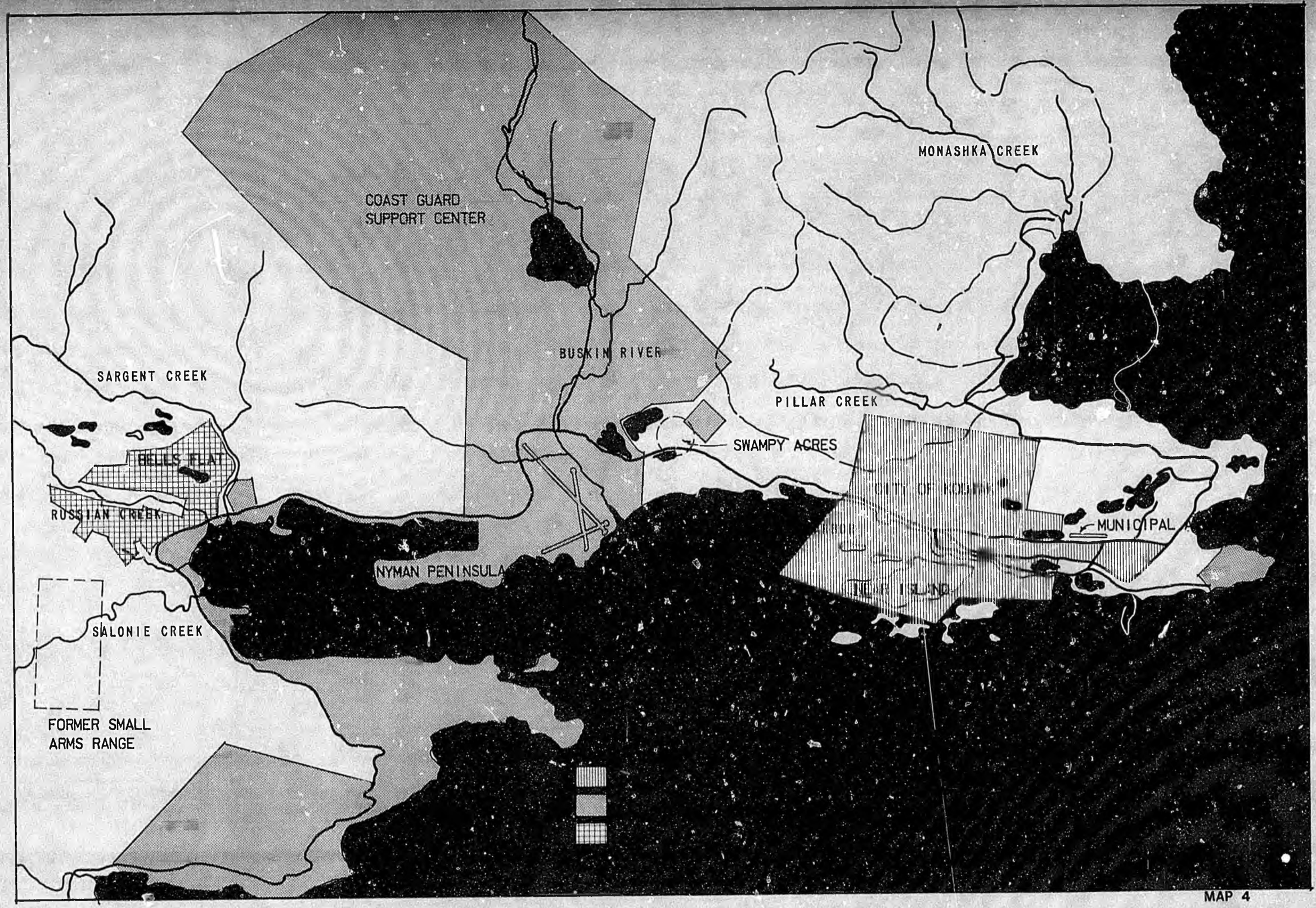
MAP 2



KODIAK ISLAND ROAD NETWORK

kodiak island borough
regional plan and development strategy

MAP 3


COAST GUARD
SUPPORT CENTER
BUSKIN RIVER
MONASHKA CREEK
PILLAR CREEK
SARGENT CREEK
SWAMPY ACRES
BELLS FLAT
RUSSIAN CREEK
NYMAN PENINSULA
SALONIE CREEK
FORMER SMALL
ARMS RANGE
MUNICIPAL

MAP 4

Historical Perspective

After examining existing conditions, the next planning step is to identify the future trends and development patterns that would be likely if no actions were taken to shape them to community desires and needs. Examination of historical trends is a good starting point for doing this.

Between 1960 and 1975, the total population of the Kodiak Island Borough grew from approximately 7,200 to approximately 8,700 persons. That represented an average annual compound growth rate of 1.3% for the 15-year period. When we look at these population figures more closely, however, we find that it is important to distinguish between the military and civilian components of the total population. The official figures are somewhat deceptive because "military population" represents manning levels at the Coast Guard Support Center (formerly the Navy Base). The civilian population figures exclude military personnel, but do include military dependents. Even using these definitions, civilian population increased by an average annual compound growth rate of +2.6% between 1960 and 1975, while military population during the same 15-year period declined at -4.9% (see Table 1).

Over the entire 15-year period, civilian population grew steadily throughout the 1960's and remained relatively stable between 1970 and 1975. Military population, on the other hand, declined steadily throughout the 1960's and on until 1972, as a result of the gradual phase-out of the Kodiak Naval Base. In 1972, the Coast Guard took over the Kodiak base from the Navy, and the military stopped declining and began to show a slow increase. Note that there is some disagreement over the population estimate for 1975.

TABLE 1

Kodiak Island Borough
Population (1960-1975)

Year	Civilian Population (1)	Military Population (2)	Total Population
1960	5,367	1,807	7,174
1967	7,652	1,693	9,345
1968	8,020	1,500	9,520
1969	8,200	1,670	9,870
1970	7,918	1,491	9,409
1971	8,422	1,301	9,723
1972	8,044	659	8,703
1973	8,178	690	8,868
1974	8,499	733	9,232
1975	7,901	847	8,748(3)
Average Annual Compound Rate of Growth			
1960-75	2.6%	-4.9%	1.3%
1960-70	4.0%	-1.9%	2.8%
1970-75	0.1%	-10.0%	-1.6%

Source: Alaska Department of Labor, Current Population Estimates

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(1) Includes military dependents.

(2) Manning levels; dependents not included, Coast Guard personnel replaced Navy personnel in 1972.

(3) Simpson Usher Jones estimate = 9,620, based on actual school enrollment for 1975.

The age distribution of the Kodiak population has been reasonably stable over this period.(1) In a special census taken of the civilian population in 1974 - not including military dependents living on the Support Center - the distribution was this:

TABLE 2

1974 Civilian Age Distribution

Age	Number	Percent
1-5	555	9%
5-17	1805	28%
18-55	3554	55%
55+	490	8%

Note the large percentage of school-age children.

The locational distribution of population has also remained quite stable. That is, village population has remained stable and growth has occurred in the Kodiak urban area. The 1974 special census counts are summarized here, with all residents of the Support Center again excluded. The "remainder" category includes the Mission Road area (outside City limits) and the Chiniak and Uganik census tracts.

TABLE 3

1974 Civilian Population by Location

Census Tract	Number	Percent
Kodiak	3700	57.8%
Ouzinkie	180	2.8%
Port Lions	243	3.8%
Akhiok	102	1.6%
Karluk	94	1.5%
Larsen Bay	98	1.5%
Old Harbor	304	4.7%
Remainder	1683	26.3%

(1) pp. 141-142, Vol. 2, Simpson Usher Jones, Inc., Kodiak Island Borough Outer Continental Shelf Impact Study, 1977.

Future Sources of Economic Growth

Evidence of population growth is ready at hand in the Kodiak urban area: high rents, low vacancy rates, and strained community services. The key factor pushing Borough population up is growth in the existing Kodiak economic base. Before projecting future population levels, with or without OCS development, it is important to briefly examine key sectors of the Kodiak economy to see if future growth in these sectors is likely to occur. The primary and most likely sources of growth fall into the following categories: (1) fisheries development, (2) military, (3) tourism, (4) forestry, and (5) OCS exploration and development.

At the present time, fisheries activity in Kodiak centers around king crab, tanner crab, shrimp and salmon. The traditional basis for fisheries activity in Kodiak has been the salmon harvest. During the early 1970s, the salmon harvest fell off significantly; but, since 1974, it has started to stabilize. In the future, the salmon fishery is expected to be stable or even show some limited growth. The king crab fishery has been relatively depressed for the last several years, partially as a result of over-harvesting during the 1967 through 1969 period. The king crab growing cycle is approximately eight years. Consequently, the stock should begin to show recovery in 1978 and support a stable fishery on a sustained yield basis. Tanner crab harvests are already on a sustained yield basis and should also be relatively stable in the future. The shrimp fishery is relatively new to Kodiak and has been growing steadily. The worldwide market demand for shrimp is strong and is projected to remain so throughout the future. Consequently, this part of the Kodiak fisheries industry will probably continue to show moderate growth, if overfishing is avoided.

A major potential source of growth in the fisheries industry is the harvesting and processing of bottom fish. The bottom fishery requires year-round fisheries activities and could act to deseasonalize employment fluctuations in the industry. As a result of the 200-mile limit extension in both the Soviet Union and the United States, there is little open area left for foreign fishing in the Bering Sea. Although specialized gear is required for this fishery, the shrimp fleet operating out of Kodiak probably can be modified to engage in this activity. Experimental fishing and processing activities are now testing the economic feasibility of American utilization of this fishery.

The expectation of most industry representatives is that the bottom fishery will become a major source of growth in the Kodiak area. Detailed study of the economic prospects of alternative means for developing this fishery are beyond the scope of this study. Nevertheless, it should be noted that one of the major objectives behind the 200-mile limit extension was to provide economic stimulus to the American fishing industry. It is therefore reasonable to expect that implementation of the limit and associated fisheries management measures will be in part carried out to enhance the industry's prospects. It is also assumed that if Kodiak decides to make the effort, it can capture a significant portion of this fishery.

The growth of civilian economic activity in the Kodiak Island Borough has been offset by the decline in military activity resulting from the closure

of the Kodiak Naval Base. Since the Coast Guard took over the base, military employment has increased moderately. On the basis of current plans, future employment at the Kodiak Coast Guard Base will be stable or increase very slightly. Consequently, the military impact on Kodiak's economy should be either neutral or slightly positive - contrasted with the negative impact of Navy withdrawal, which occurred from 1960 to 1972.

It appears that Kodiak has some potential for the growth of tourism. The Kodiak Chamber of Commerce has created a "visitors and convention bureau" (with a budget of approximately $50,000) for the purpose of seeking conventions and the development of pre-convention tours in conjunction with the City of Anchorage. Tour ships have begun to visit the urban area, and by 1980 it is possible that there will be as many as 15 or 20 tour ships visits each year. Over the next ten years, it appears feasible that tourism could grow to the point of generating 1.0-1.5 million dollars in gross revenues annually. If this type of development is pursued successfully, it can be expected that retail trade and services will expand more rapidly than they have in the past. However, tourism tends to be a low-wage, seasonal industry. Extensive development of this industry could exaggerate the undesirable seasonality of the existing Kodiak economy.

In the past, the lumber and wood products industry has not been a significant contributor to either the employment or income base of the Kodiak economy. The Afognak Lumber Company has begun harvesting timber on Afognak Island, and it appears that forestry activity could grow moderately. The Kodiak Native Association is working to establish a Native-owned and operated forest products industry for both harvesting and processing of lumber. The primary intended market would be the local construction industry. Given the current shortage of housing and assuming growth in general employment and population, it seems quite possible that a small scale integrated lumber and wood products industry could develop in the Borough and begin contributing jobs and income to the area's economic base.

Considering all four economic sectors just discussed, the Kodiak Island economy can be expected to show a stronger period of growth during the last half of the 70s than was evident during the first half. This would be true even without the introduction of OCS oil exploration and development activity.

Should OCS oil exploration and development occur, it could produce substantial increases in employment and income. However, Kodiak's economy is different than most other areas of Alaska where OCS impacts are anticipated. In most Alaskan communities, the trade-off is between environmental quality and economic (OCS-related) growth. In Kodiak, the physical limitations of inadequate housing, water supply, power generation, roads and shortages of certain types of land could prevent economic growth which might otherwise be expected to occur. If OCS development occurs, it will put additional strains on all these systems. Consequently, the trade-offs between OCS development involve not only environmental quality but also the continuation of the Borough's civilian, non-OCS-related economic growth.

A major existing sector of the Kodiak economy may be particularly vulnerable to OCS impacts - the food processing industry. The most critical factors for the food processing industry in Kodiak are: (1) the availability of labor, (2) the cost of labor, (3) housing supply available for seasonal

labor, and (4) the availability of electric and water utility services. If major on-shore OCS development occurs in the urban area, all of these factors will be affected. Since the community probably does not have the ability to prevent on-shore development on Kodiak, the challenge is to minimize the adverse impacts of OCS development by careful siting and management.

Future Population Forecasts

Working estimates of future population levels in the Borough are necessary to identify future requirements for community facilities, choose desirable land use patterns, and devise an appropriate strategy for dealing with OCS development. The critical period will be the years immediately ahead. Serious oil exploration efforts are likely to begin in 1980; if oil is found, peak development activity will probably occur around 1985. This is also the most useful period for planning local capital expenditures. Forecasts beyond this period are provided for the long-term view; by 1995, OCS activity is likely to dwindle to relatively small production crew operations.

Several methods are available to forecast future population growth in the Borough. One of these is the "component" method, by which birth rates, death rates, and migration rates are estimated from past records. These are then applied to a base year population and extrapolated into the future. This technique was used in the OCS Impact Study.

An alternative means of forecasting population, used here for comparison, assumes that over time, population adjusts to the availability of employment opportunities and the number of persons in the population who are actively seeking employment. In other words, in a small area such as the Kodiak Island Borough, the primary determinant of population change is the demand for workers. If the demand for workers consistently exceeds the ability of the local population to meet the demand, people will migrate into the area. Conversely, local residents will migrate out of the area rather than tolerate prolonged periods of unemployment. Therefore, the "labor force participation" method projects future population from labor force and employment trends.

The primary difference between the two projections is the assumption in the OCS Impact Study that future migration will continue at a rate approximating that of the past five years. On the other hand, the reasoning of the second method is that economic growth (reflected in employment and labor force) will be more rapid than it was in the past, now that the decline in military population has been arrested. As a consequence, it is believed that the rate of in-migration to the Borough will be significantly greater in the future than it was in the immediate past. Both forecasts represent baseline forecasts of population and do not include potential OCS population impacts.

Both forecasts have been used in this study to define the range of likely future population.[1] The "component" method is used as the low end of this range, and the "labor force participation" method provides a forecast of maximum likely population growth without OCS development (Table 4).

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(1) Detailed descriptions of the two methods used are provided in "Working Paper B, Study Element 1: Economy, Population, Community Services," prepared for this study.

TABLE 4

Projected Total Population of Kodiak Island Borough
Without OCS Development

Year	Low	High
1974(1)	9,232	9,232
1980	11,370	12,920
1985	13,440	17,180
1990	15,880	21,600
1995	18,770	26,100

(1) Actual population, 1974 special census.

It should be noted that this population growth will not simply happen of its own accord. Both analyses predict levels of population likely if the preconditions of population growth are met. These preconditions involve several factors which are currently in short supply in Kodiak, including housing and industrial waterfront land. An active program of economic development will be needed to overcome these shortages if the Kodiak community decides it wants to continue growing. Should it do so, the likely locational distribution of population is indicated in Table 5. Population at the Coast Guard Support Center is now near its likely maximum and will grow very slowly in the future. Village population has been projected simply from present birth and death rates, assuming net migration to be zero. In this table, the Kodiak Urban Area figures also include Bells Flat and Chiniak.

TABLE 5

Locational Distribution of Projected Population
Without OCS Activity

Year	Villages	Support Center	Kodiak Urban Area--Low	Kodiak Urban Area--High
1974(1)	1,021	2,828	5,355	5,355
1980	1,130	3,400	6,840	8,390
1985	1,220	3,550	8,670	12,410
1990	1,330	3,710	10,840	16,560
1995	1,440	3,860	13,470	20,800

(1) Actual population, 1974 special census.

Estimates of direct employment likely to result in the coastal zone from OCS activity were developed in the OCS Impact Study. These estimates were developed around four cases or possible outcomes of OCS activity. Case 1 represents oil discoveries of approximately 250 million barrels. This size of development is uneconomical; consequently, after four years of exploratory drilling, no development takes place. Case 2 assumes that 1,200 million barrels of recoverable oil reserves are found. Two methods of developing this volume are evaluated. The first method involves using pipelines to

an on-shore terminal (Case 2a). The second method involves using off-shore terminals (SBM's) requiring no on-shore storage (Case 2b). Case 3 represents development of maximum likely reserves (2,000 million barrels), involving an off-shore oil pipeline and a land terminal.

These employment estimates were used to predict labor force impacts by estimating the number of OCS workers likely to reside in Kodiak. These workers would have a "multiplier" effect on service industries. Adding this to the direct employment figures resulted in total employment estimates. By including persons seeking employment, labor force impacts were identified. Total population impacts were then predicted by accounting for the families of persons in the labor force.(1) These are presented in Table 6.

TABLE 6

Projected OCS-Related Population

Year	Case 1	Case 2a	Case 2b	Case 3
1980	60	170	170	170
1981	80	320	320	530
1982	100	350	200	640
1983	60	460	170	570
1984		240	100	720
1985		440	80	1,910
1986		1,220	210	3,340
1987		2,180	210	1,920
1988		950	280	1,310
1989		830	360	1,420
1990		830	360	1,350
1991		810	340	1,320
1992-1995		770	300	1,280

The location of these population impacts will largely depend upon where OCS activity is located. Clearly, the Borough wants to have a voice in that locational decision. Case 2b is probably representative of the population impacts on the urban area if a service base alone were built within the urban area. Cases 2a and 3 indicate the level of population impacts possible if a terminal were located near the urban area. The peak population impacts in both these cases are due to the large construction crews necessary to build an on-shore oil terminal. It has already been pointed out that OCS development and attendant population growth could seriously conflict with the existing economic base of Kodiak, because of competition for limited labor, housing, goods, and services. This conflict would be greatly reduced if OCS development were self-sufficient and occurred at a distance from existing Kodiak communities.

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(1) Again, the methods used are discussed in detail in "Working Paper B, Study Element 1: Economy, Population, Community Srvices," prepared for this study.

Recommendations

- Acknowledge that the fishing industry and the Coast Guard are the long-term base of Kodiak's economy and that the economy is growing. Encourage and maintain the community's existing economic base. Attempt to further stabilize year-round employment in the fishing industry by pursuing development of a Kodiak-based bottom fishery.

- Do not actively pursue economic development that would result in increased seasonal employment and corresponding unemployment in the off-season.

- Discourage short-term economic development that would threaten the long-term economic base. Minimize the negative effects of such development when it is necessary to allow it to occur.

- Pursue diversification of the economic base where not in conflict with the above recommendations.

- Job growth causes population growth. If the community wishes to continue economic growth, it should commit to accommodating the population growth that results from economic development, or else it should pace economic development to the community's ability to accommodate population increases.

III. COMMUNITY GOALS AND OBJECTIVES

In the previous chapter we summarized likely future trends in Kodiak's economy and population. We also addressed some basic community service requirements related directly to population size. The next step is to identify desired patterns for the future development of Kodiak. This is done by establishing community goals and objectives. This step is under way; Simpson Usher Jones, Inc. have prepared draft goals and objectives based on the 1977 Borough Community Attitude Survey.

As the draft states, "Without goals planning is aimless; it can accomplish very little other than bring to light problems and needs but cannot arrive at solutions." The draft goes on to note that "It is important for the decision making bodies to be aware of public desires and the degree to which they conflict with factual data so that the finally adopted goals and objectives can accommodate to the greatest extent possible the perceived needs of the public as well as the actual situations as they exist." A number of the draft goals and objectives also appear to conflict within themselves. This is to be expected. For example, Kodiak residents desire housing development to be both inexpensive and on large lots. These two desires are held in common with most Americans. The desires conflict, but this can be translated into looking for the best available buy, with low density as one of the "best buy" criteria.

The draft goals and objectives are now being reviewed and revised by the Borough Assembly, with the help of the Borough commissions. The final adopted goals and objectives will be incorporated into the final Kodiak comprehensive plan. In the meantime, the draft goals and objectives have been used in the development of planning recommendations and are reproduced here for reference. They have been put in the order they are dealt with in this report. Other than this, they have been reproduced exactly as they appear in the Simpson Usher Jones draft.

Primary Goal: To maintain the desirable aspects of the current living environment in Kodiak including the rural atmosphere, the freedom of life styles, and the recreation opportunities. To upgrade and maintain a full range of community facilities, utilities and services that are available in Kodiak. Further, to avoid the adverse effects of rapid population growth including over-taxed utilities, transportation systems and increased costs of living.

Governmental Goal: To provide a full range of governmental services to the residents of the Kodiak Island Borough including utilities, social services, policy direction and administrative services in the most efficient and effective manner possible.

Objective: Upgrade the existing governmental services within the current tax structure.

Objective: Avoid duplication between governmental departments and various levels of governments (borough, city, state and federal) by close cooperation and understanding of the functions and limitations of each.

Objective: Increase the number of services and utilities and facilities provided by the governments on Kodiak Island.

Objective: To use to the maximum extent possible state and federal financial assistance in providing new services and upgrading existing services within the borough.

Overall Village Goals: To establish and improve communication channels between the villages on Kodiak Island and the Kodiak Island Borough in order to allow for better knowledge and understanding of the problems, needs and potentials of those villages. Further, to help provide the services and facilities needed to upgrade the living environment within the villages without destroying the traditional life styles of the residents.

Objectives: To establish the position of village coordinator within the Kodiak Island Borough to assist in liaison between the borough government and the villages and their governments and to help in the administration of the city governments in the outlying villages.

Objectives: To establish a policy of annual visits to all villages by the serior staff of the borough, the borough assembly and the borough planning commission.

Objective: To prepare a detailed study of transportation needs both within as well as to and from the outlying villages and move to resolve the deficiencies at the earliest possible date.

Objective: To improve the level of law enforcement and fire protection within the villages by a realistic education process and assistance in providing and maintaining safety facilities within the villages.

Economic Goal: To encourage the development of a broader economic base for Kodiak that will provide year around employment and economic opportunities to the existing residents without encouraging an economy that induces a rapid increase in the number of permanent or transient residents.

Objective: To foster the development and growth of the fishing industry in and around Kodiak.

Objective: To encourage growth in the tourist industry in Kodiak.

Objective: To encourage the growth and expansion of the construction industry in order to providecompetition in the housing construction industry as well as employment opportunities.

Objective: To avoid the encouragement of growth in the timber and OCS related industries.

Objective: To continually update and implement the overall economic development plan for the Kodiak Island Borough.

Community Services and Facilities Goal: To update the full range of public services in order to provide more consistently efficient utilities, facilities and services to residents of Kodiak Island and further, to plan the expansion of those utilities, facilities and services in order to accommodate future anticipated growth.

Objective: To increase the public water supply in order to provide water services to expanding processing industry as well as to general community growth.

Objective: To upgrade and expand the sewer system to serve a larger area.

Objective: To encourage the development of the Terror Lakes Hydr-Hydroelectric Project in order to meet the growing demands for electrical power without drastic increases in costs that will be incurred if the electrical power is increased through diesel facilities.

Objective: Encourage proper maintenance and adequate upgrading of the telephone system in order to accommodate the existing population as well as future growth.

Objective: Plan for more effective law enforcement services to cope with the increase in criminal activity that is expected as a result of population growth and economic boom conditions.

Objective: To maintain a high level of fire protection services in the urban area and to increase the fire prevention and fire fighting capabilities of th villages.

Objective: To provide a higher level of animal control through increased facilities and code enforcement.

Objective: Increase the amount of public assistance available to resident of Kodiak who are in need

Objective: To encourage and assist in the development of additional public and private radio and television services for the residents of Kodiak.

Educational Goal: To continue to provide and upgrade the quality educational facilities within the Kodiak area and plan for expansion for the educational system in order to accommodate expected population growth levels.

Objective: Establish a boroughwide school site selection policy and move to acquire any needed size, space needed upon estimated population growth figures.

Objective: To establish firm standards for school site size and locational criteria.

Objective: To investigate the possibility of joint recreation/school facilities and sites.

Objective: To standardize the criteria for school facilities both within the Kodiak urban area and the village areas.

Objective: To pay increased attention to the educational needs of students from outlying villages.

Transportation Goal: To provide a more efficient internal island-wide transportation system; to improve the transportation facilities within the Kodiak urban area; and to encourage more effective and wider range of transportation alternatives to and from Kodiak Island.

Objective: Develop road maintenance functions throughout the Kodiak urban area.

Objective: Upgrade existing roads to accommodate the growth of the urban area that has taken place to date and plan for additional upgrading to accommodate anticipated future growth.

Objective: Investigate the feasibility of alternative transportation modes within the urban area including public transportation, bike paths and trail systems.

Objective: Investigate the feasibility of the continued operation of the city airport at Lilly Lake and the need to upgrade that airport, if it is determined that should remain in operation. Upgrading of that airport should consider the need to avoid land use conflicts around the airport and safety hazards that could arise.

Objective: To study alternative modes of island-wide transportation, including the development of a network of outlying dock and mooring facilities that will allow increased reliance by the outlying residents of the island on private boats.

Objective: Encourage the State of Alaska, Division of Aviation to prepare a master plan for the state airport at Kodiak in accordance with FAA guidelines so that facilities in need of improvement can be identified and upgraded and plans can be made for expansion in order to accommodate future demands.

Objective: Increase the efficiency of the city dock by providing additional quay area and storage space.

Objective: Investigate the possibility of expansion of State of Alaska ferry system service to Kodiak including a study of the necessity for improved docking facilities.

Land Use Goal: To work towards eliminating existing conflicts in the land use patterns within the Kodiak Island Borough and to plan for low intensity development that preserves the land use integrity of residential areas and concentrates commercial and industrial development in strategic locations.

Objective: Develop a capability for stronger, more effective zoning enforcement.

Objective: Assure in establishing zoning patterns that land use category separations are located along natural and man made boundaries that effectively buffer potentially conflicting land use districts from each other.

Objective: To assure the provision of adequate residential areas to help increase the housing stock at a relatively low density and cost.

Objective: To concentrate commercial development in the downtown area and other strategic locations without encroachment into residential areas.

Objective: To encourage the development of industrial uses in industrial parks.

Housing Goals: To actively work towards alleviating the current housing shortage in Kodiak by fostering the development of residential land and structures and to help the community maintain the existing housing stock in good condition.

Objective: To provide ample residential land so a broad range of residential locations are available to the home buyer and developer.

Objective: To provide, where possible, a full range of utilities to residential properties in order to simplify the process of residential development.

Objective: Encourage the use of state and federal funds to establish housing programs designed to help upgrade and maintain the existing housing stock.

Objective: To encourage the development of new residential areas, the purpose of providing housing to low and moderate income families.

Objective: To investigate the legal and social ramifications of establishing a rent review process in order to avoid artificially escalating housing costs due to an economic boom.

Objective: To discourage the use of mobile homes in the Kodiak area.

Objective: To avoid the development of new residential uses within the downtown area of Kodiak.

Objective: To encourage the development of new housing in existing residential areas.

Recreational and Cultural Goal: To develop a high level of active recreational facilities utilizing existing parks and open space lands.

Objective: To increase emphasis on development and utilization of recreational lands and decrease the emphasis on recreation land acquisition.

Objective: To attempt to provide a wide range of indoor recreational facilities to allow for leisure activities in winter months and in times of inclement weather.

Objective: To continue to maintain the museums and library within the Kodiak area at a high level of effectiveness in order to offer cultural opportunities to residents of the area.

Objective: To prepare a detailed parks and recreation and open space plan including standards for development of park lands and generalized designation of parks and recreation facility criteria.

OCS Development Goal: To discourage the development of OCS related facilities in and around the population centers on Kodiak Island and, if OCS facilities are located any where on the island, to require that they be concentrated in a limited number of locations as well as be self-sustained at their remote sites.

Objective: To prepare land use regulations that can effectively control the location of OCS related facilities including indirect and ancillary uses.

Objective: To prepare and adopt detailed OCS facility location policies and a physical planning process.

Objective: To encourage the oil industry to participate in funding efforts to mitigate the adverse impacts of their activities on the Kodiak shelf.

Objective: To establish borough-wide environmental impact review and control procedures applicable to OCS related facilities in order to assure that the natural environment is preserved and enhanced throughout any future period of OCS development.

Objective: To investigate the feasibility of local government development and ownership of onshore OCS related facilities to be leased the oil industry.

IV. CAPACITY CONSTRAINTS ON DEVELOPMENT

This chapter will identify some key factors which should constrain planning for development in the urban area. These constraints will affect the types and location of land uses as well as the amount of development that can take place without requiring major public investment in new utility systems or other facilities. In order for growth not to have overwhelmingly adverse effects on Kodiak residents, reasonable and realistic limits on the extent and pattern of future development must be identified.

A major question this planning effort is attempting to answer is whether OCS development should be encouraged or even allowed to take place within the urban area (where it could utilize existing services and utility systems) or whether the Borough should pursue a "remote site" strategy and require the oil industry to develop all necessary services and facilities on a completely separate basis. Information such as the amount of developable land within the urban area will help the Borough to decide which strategy is most appropriate. Three types of constraints will be examined: a) natural constraints, which help determine the land areas most suitable for development; b) man-made systems, which represent existing public investments and which may have capacity limits; and c) financial resources, which may limit local government's ability to provide the services necessary to sustain growth, and which also limit the individual resident's ability to obtain suitable housing in Kodiak, however great the employment opportunities.

Natural Constraints

A number of natural factors affect the suitability of land for development. Three have been selected as being particularly significant in the Kodiak urban area: steep slopes (Map 6), water and wetlands (Map 7) and natural hazards (Map 8). By subtracting lands that are already developed, we can map developable lands (Map 9). The already developed lands are indicated on Map 5, existing land use. This mapped inventory was prepared as part of the OCS Impact Study. It was not printed in that report, however, so it is reproduced here.

The degree of slope affects the suitability of land for development in two ways. First, building cost goes up as excavation and earthwork increases; this is a cost borne by the developer. Second, public costs for roads and utilities increase significantly as slopes steepen. Map 6 indicates four classes of slope. Land less than 5% can be considered "flat" for development purposes; site preparation costs are minimized, as are utility costs. This slope class is particularly well-suited for industry, commerce, institutions and the parking areas associated with these uses. Land between 5 and 10% slope is classed as "accessible". Roads and utilities costs, as well as building costs, are moderate. Kodiak winter icing conditions make 10% a reasonable maximum for road gradients. Slopes between 10% and 25% are classed as "buildable", but not readily accessible. This slope class can furnish dramatic homesites, although foundation costs exact a premium. Utility costs are excessive if any extensive area of this slope class must be traversed. Roads require expensive cut and fill; this also tends to cause erosion problems with Kodiak soils, leading to sedimentation in streams and lakes. Lands over 25% slope are classed as "very steep". Road and utility costs are prohibitive and building suitability is questionable due to potential slope instability.

The pattern of tones on Map 6 indicates that the majority of "flat" and/or "accessible" lands occur on the east side of the Pillar Mountain ridge. Slopes flatten out progressively toward Spruce Cape. The very mixed pattern on Near Island is a result of the hummocky bedrock topography there.

The water bodies and wetlands indicated on Map 7 are also important considerations in locating future development. The watershed boundaries define drainage basins that are important for planning wastewater and stormwater drainage systems. The Island Lake drainage basin is the largest in the urban area. Water quality in Island Lake is below state standards for drinking and even for swimming. In order to improve the water quality, sewers must be provided to the homesites in the drainage basin.

Lakes and ponds are important community assets and enhance property values if water quality is maintained. They can also be water sources, along with streams. Streams are also nature's storm drains. If they can be maintained in natural condition, they will provide amenity and recreation as well as utility. Wetlands are part of the natural storm drainage system. They regulate water flow by retaining peak discharges. They also function as natural settling basins in maintaining water quality. For these reasons any proposals to fill more wetlands in the urban area should be examined very carefully. As a general rule, such proposals should not be approved.

Map 8 indicates potential hazard areas due to flooding, tsunami or landslide. The most likely trigger of these events is a major earthquake. Earthquakes are common in Southcentral Alaska, although it is difficult to predict their frequency of occurrence and magnitude. The indicated floodplain area is the area that the Corps of Engineers has identified as likely to be inundated if the dam for the City's Lower Reservoir were to fail catastrophically. Most probably, this would be due to an earthquake. Future residential development should not be permitted in this floodplain. Several houses have already been built in the floodplain along Larch Street, next to Lilly Lake. The new townhouses near the Lower Reservoir were sited to avoid the floodplain. However, a sewer was installed that crosses it. An extension of Selief Avenue in the same area has been discussed. If and when Selief is extended, the feasibility of designing the roadbed to divert all the flow of potential floodwaters to Beaver Lake should be considered.

The tsunami inundation area indicated on the map is a tentative identification, based on the 1964 tsunami(1). The topographic mapping available for this study was based on the USGS datum before the earthquake. Adding together approximately 5-feet for 1964 subsidence, 9-feet for the highest expected tide (above "mean sea level", not "mean lower low water"), 12-feet for the 1964 tsunami crest and 6-feet for wave runup, we might expect a recurrence of the 1964 tsunami to inundate areas up to 32 feet in elevation, measured against the pre-1964 datum. For convenience, the 30-foot contour was followed

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(1)Kachadoorian and Plafker, Effects of the Earthquake of March 27, 1964 Communities of Kodiak and Nearby Islands, Professional Paper 542-F, U.S. Geological Survey, 1967.

to establish the tsunami hazard areas indicated on the map. The location and elevation of probable tsunami hazard areas should be confirmed with the U.S. Geological Survey, however. Because land use controls are indicated for hazardous areas, it is also important to have the degree of hazard confirmed. In this connection, the Coast Guard has taken the tsunami potential into account in its recent planning and construction at the Support Center. Residential uses are not located in the hazard zone, a tsunami warning system is in operation, and evacuation plans are posted in all buildings.

The third natural hazard area is a possible slide zone on the east face of Pillar Mountain, between the City dock and the City cargo terminal. A surficial slide occurred here during the construction of the City dock in the early 70's, destroying the state highway. The area has been examined by representatives of the U.S. Geological Survey and the Alaska Department of Transportation and Public Facilities and some degree of movement or slippage detected. On this basis, potential instability has been identified, but the degree and extent of instability cannot be determined without further study. This information is necessary to plan for the future of the Inner Harbor area. The nature and extent of corrective actions - if any are necessary - cannot be identified without this information. In particular, it could affect decisions on the City dock and the cargo terminal, which are essential facilities in the urban area.

As noted, precise identification of two of the three hazard areas is hampered by lack of information at this time. A major geotechnical study of Pillar Mountain should be carried out, with assistance from the federal and state governments. One potential cause of a slide would be a major earthquake, so the likelihood and magnitude of future earthquakes will probably be an element of the study. Since this relates directly to possible future tsunamis, the study should also include an identification of the degree of tsunami hazard and the appropriate topographic elevation for a hazard zone within which land use controls would apply.

The types of restrictions that should be considered have been identified in the regional atlas prepared for Kodiak by the Arctic Environmental Information and Data Center: Kadyak, A Background for Living (p. 137). These controls would also be appropriate to a final slide hazard zone, if any, and to the Lower Reservoir floodplain area:

1. Restriction of land uses to those that are essential, such as docks and warehouses, with owners, builders, and occupants being cautioned on the hazard. Prohibition of siting of high-occupancy and critical structures, for example, schools, hospitals, police, and fire stations.

2. Placement of potential inundation areas under floodplain zoning, prohibiting all new construction and designating existing occupancies as nonconforming.

3. Orientation of structures with their long dimension parallel to the anticipated direction of wave movement.

4. Utilization of natural features such as peninsulas, islands, shoals, or large rock protrusions to act as breakwaters in siting communities or structures.

5. Where economically feasible and without encouraging a false sense of security, construction of restraining or diversion structures to minimize potential inundation.

6. Institution of appropriate systems to warn of impending danger. It is important to note here that tsunami warnings and watch bulletins issued by the Alaska Reigonal Tsunami Warning System are usually based upon seismic data, as valuable time would be lost if bulletins were issued only after a tsunami registered on tide gages. Consequently, bulletins will at times be issued in cases where a tsunami does not develop.

7. Adoption and implementation of evacuation plans.

8. Elimination of potentially hazardous dams or reservoirs.

In addition, construction activities or resource extraction activities which would tend to increase the likelihood of slope failure should cease in potential slide areas and not be permitted in the future. Rock quarrying on the side of Pillar Mountain, for example, steepens the slope further and could lead to future slides such as the one that destroyed the state highway.

The pattern of developable lands in the urban area has been displayed on Map 9. The purpose of this map is to identify how much developable land there is in the urban area, and where this land is located. This map was produced by combining the maps of existing land use, steep slopes, and water and wetlands. Natural hazards were not included because of the degree of uncertainty on two of the hazards mentioned above. They would have been included if adequate information were available.

Areas considered generally physically unsuitable for development include steep slopes, lakes, ponds, and wetlands. Already developed areas have been indicated with a gray tone (except for street rights-of-way, which have been left blank to display the street pattern). Undeveloped areas that are dry and in the "flat" or "accessible" slope classes are considered highly suitable for development and were also left blank; these can be differentiated from the street pattern by referring to the plat lines superimposed on the map. These undeveloped areas in the "buildable" slope class were considered to be limited in suitability. Several areas which are presently used at low intensity were classed as "transitional" in order to assess their suitability for redevelopment to higher intensity uses. Initially, these were the municipal airport and adjacent lands, including the concrete plant; the spruce cape loran station; the Cry of the Wild Ram site; the existing City landfill; and the VFW site. Of these,the municipal airport and Spruce Cape areas proved to contain significant amounts of land highly suitable for redevelopment from a physical standpoint.

The overall pattern of developable lands is very significant to decisions about the future pattern of development in the urban area. Large amounts of highly suitable land are present. Two major areas stand out: the municipal airport and adjacent lands; and the Rezanof Extension - Spruce Cape area.

Manmade Systems

The manmade systems which constrain the development pattern include certain utilities which are often called "infrastructure" because they are the framework upon which the community is structured. Four systems should be particularly prominent in current Kodiak planning. These are water supply, wastewater treatment, solid waste disposal and electricity.

The existing water system is presented on Map 10. The system has three primary functions. It supplies water for drinking and other residential uses, water for industrial purposes (the current primary user is the fish-processing industry), and water for fire-fighting. All are critical, but the latter is very important in determining the size and location of lines in residential areas. Fire-fighting equipment draws great volumes of water, stressing water mains to the point that line collapse is a very real possibility. To help prevent this and to assure a continued supply of water, mains should be looped to allow two routes of flow to any point. Possible system extensions to accomplish this in present developed areas are indicated on the map. The City Fire Department currently provides fire protection service to the already developed Island Lake and Mission Road areas, but the water supply is not adequate to serve these areas properly. System extension for these areas could easily serve new development along the Rezanof Extension and at Spruce Cape. Looping is also indicated around the airport area to serve existing development.

In addition to affecting the pattern of development, the water supply system affects the amount of development that can be serviced. Current water usage varies from 3.0 - 3.5 million gallons per day (MGD) when the major seafood processors are not operating, to 10 - 12 MGD when the processing plants are in operation (1). Current system storage capacity is inadequate to guarantee supply to industrial users during periods of low stream flow. Potentially, large fish product losses could occur during peak harvests and this could discourage construction of new processing plants. An OCS service base would also require large amounts of fresh water for supply to drill rigs (2). Further economic development will require increasing storage capacity; the most readily apparent alternative is to go ahead with

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(1) Personal communication with Herman Beukers, Public Works Supervisor, City of Kodiak.

(2) Alaska Consultants, Inc., Marine Service Bases for Offshore Development, State of Alaska, 1976, p. 35.

raising the Monashka Creek Dam. This is a City facility on disputed land; exercise of the Borough planning powers may help to speed negotiations between the parties.

Currently all domestic wastewater in the urban area is either collected and discharged to saltwater without treatment, or is handled by septic tanks or privies. The City is in the process of constructing a secondary treatment plant which is due to be completed in the summer of 1978. The treatment plant was designed and located to eventually serve the entire urban area. However, the initial service area is defined by the existing wastewater collection system. This is entirely within the City limits, except for a small area along Shahafka Cove and Mission Lake.

The treatment plant is based upon a projected service population of 9500 persons for a design year of 1995. The average design flow for the new treatment plant is 2.13 million gallons per day (MGD). This includes 0.85 MGD of infiltration and inflow and approximately 0.25 MGD of wastage.[1] If these two components can be reduced, it is possible that the new treatment plant could serve a population somewhat greater than 9500.

The existing wastewater collection system is presented in Map 11. Since present City population is around 4000, considerable expansion of the service population is possible. The Island Lake drainage basin is experiencing water quality problems and is one of the first areas to which service should be extended. Wastewater trunks would logically follow the drainage pattern (see Map 7) with a lift station at Mill Bay. Provision of the interceptor shown in this area would also make wastewater service possible for the undeveloped Spruce Cape and Rezanof Extension areas. The scheme shown here is very similar to one alternative recently proposed to Island Lake residents.

A second logical area for service extension is the municipal airport area. Because of the natural drainage pattern, it could be partially served by the Island Lake extension. A new sewer (shown as a dashed line) has been started to the townhouse development near the Lower Reservoir. This could be extended to pick up the Beaver Lake portion of the airport area. A collector up the Cutoff Road would pick up the remainder of the airport lands.

Solid waste disposal is another public utility which constrains development. It does not usually affect the overall development pattern, but the site of the sanitary landfill itself is critical and may be hard to locate. This appears to be the case in the urban area; suitable soils and drainage conditions seem to occur in very few places. The present City landfill site, for example, is presently inadequate because the scarcity of soil requires rock to be ripped for cover material. This coarse material allows rainwater to percolate into the buried waste, and to leach out pollutants. Drainage is also uncontrolled, so the polluted leachate works back out to surface water courses. The site will be totally inadequate for the disposal

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[1] Tryck, Nyman and Hayes, Wastewater Treatment Process Selection (undated).

of sludge from the new treatment plant. It is therefore important that a proper site be located in the next six months, before the plant begins operation.

The Coast Guard landfill at the Support Center is in the same situation. To try to resolve the situation, the City of Kodiak and the Coast Guard recently agreed to consider joint utilization of a single landfill operation and cooperated in a study of potential sites. The site recommended was suitability (refer back to Map 4). Perhaps because it was assumed the Coast Guard had jurisdiction over these sites, the study did not develop comparative cost data for alternative sites. It also did not consider solid waste collection and disposal requirements for the urban area beyond the City limits. Swampy Acres, however, had been excessed and claimed by a Native corporation. It also appears that the site has considerable potential for industrial development. The new owners are likely to insist that any landfill operation provide them a financial return equivalent to industrial use.

At this point, an apparent impasse has been reached. One major difficulty in deciding a course of action is that the site study does not provide information for a fallback position. The study needs to be updated — or a new study done -- to fully compare alternative sites, including hauling costs and potential lease rates based on "highest and best use," in order to support decisions and to provide the background for negotiations.

Solid waste disposal is a regional problem in the Kodiak urban area and it is clearly in the interests of all jurisdictions and parties to cooperate. The Borough should take the lead in an immediate study update, involving both the City of Kodiak and the Coast Guard. The Borough is probably also in the best position to negotiate terms of a lease, since it has the zoning and platting powers. If the Swampy Acres site should prove to be the only suitable site, public health considerations would direct that it not be used for another purpose. This must be clearly demonstrated, however. In the interim, planning permission to develop the site for other purposes should not be granted.

Electrical power costs and generation capacity are additional factors that constrain community growth, although they do not have much effect on the spatial pattern of development. Kodiak Electric Association presently relies on expensive diesel generation, to supply the urban area and Bells Flat. It has a "nameplate" capacity of 25,000 KW, compared to a September 1976 peak demand of 9500 KW.[1] However, the nominal capacity is deceptive, because much of KEA's equipment is old and subject to mechanical problems. The fish-processing industry is a major user of power and expansion will require an adequate, reliable, and affordable supply system. KEA will install a new 7000 KW generator in 1979, but the long-range solution appears to be a hydroelectric project at Terror Lake. The Terror Lake project was

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(1) Personal communication with L.H. Johnson, former Manager, Kodiak Electric Association.

delayed because of unfavorable economics when fuel costs were low. With increasing fuel costs, it now appears feasible and KEA is proceeding with planning. Completion could come as early as 1983. The Borough should give KEA any support it can to move the project along.

Financial Resources

By reference to Alaska Taxable, 1976, it is apparent that the City and Borough impose somewhat lower taxes than other Alaskan communities of comparable size. Therefore, if the community desires, it can finance some additional programs and improvements by moderate tax increases. The tax base itself will be increased by economic development, particularly OCS development. Eventually, the tax burden on individual property owners can drop significantly. However, the costs of community facilities for construction workers usually precede the tax base expansion by several years, so there is often an interim period of higher taxes.

The current percentage of indebtedness to valuation in the Borough and City is 6.85%. This is well below the commonly accepted rule-of-thumb maximum of 10%, but is above the state average of 4.42%. It probably reflects a relatively small industrial tax base and relatively high proportion of employment in government. The City's debt service will slightly increase and then remain stable over the next several years. The Borough's bonded indebtedness is primarily for schools and will drop sharply when the state takes over responsibility for school indebtedness in June.

In summation, all these factors appear to indicate that the urban area could probably raise up to five or six million dollars for new capital projects in the immediate future without excessive tax increases. This figure will provide a rough measure of the ability of the community to finance key projects. Most of this sum would probably be available to the Borough rather than the City because of the forgiveness of school debt. If the community were to raise these funds, they would go to projects benefiting the entire tax area, such as parks and schools. Improvement district assessments will have to support much of the cost of needed utility and road improvements, for example.

The financial resources of Kodiak residents should also be considered in planning the pattern of community development. The current shortage of affordable housing emerged as a major concern in the Community Attitude Survey. The reason for concern is apparent when household income distribution figures from the 1970 census are updated for inflation. Approximately 8% of Kodiak households have total incomes of $30,000 or more; 41% receive between $17,000 and $30,000; 51% receive less than $17,000 annually. The break points are significant. Using an income multiplier of 2.5, a family would need at least $30,000 income to be able to purchase a home for $75,000; this is a conservative minimum for new home prices in the urban area. A family would need at least $17,000 income to purchase a $42,500 home. This is a conservative minimum estimated price for an older house in the Aleutian Homes area or for a newer mobile home on a private lot.

The $17,000 household income level is probably also a measure of ability to rent a family-sized apartment unit.

This appears to tell us that only some 10% of Kodiak households can afford large-lot, single-family housing. Another 40% can afford older housing on smaller lots, mobile homes, or apartment rentals. A full 50% of households would appear to have difficulty finding housing on the private market.

How do Kodiak residents cope? Some build their own housing, some have been in their homes for a long time, some are in a limited number of public housing units. But for too many, overcrowding and bad housing conditions appear to be the result. Although statistical evidence of this is hard to produce, it is repeatedly confirmed in discussions with public officials and members of the community. Therefore, while low density residential development may be a desired pattern, sufficient space should be set aside for higher density, affordable housing, such as apartments and mobile homes. An adequate supply of smaller lots with services could also help to bring the cost of homesites down, or at least prevent further speculative inflation.

Priority Development Areas

To more specifically identify portions of the urban area in which higher intensity development can logically take place, 23 neighborhoods were identified in the urban area, plus three more on the road system, using the housing inventory developed in the OCS Impact Study as a starting point. The amounts of developable land in each category were inventoried for each neighborhood. In total, there appear to be some 650 acres of undeveloped, highly suitable lands in the immediate urban area, with an additional 340 acres of transitional, highly suitable lands. There are approximately 320 acres of undeveloped, limited suitability lands and another 180 acres of transitional, limited suitability lands. These areas appear adequate to accommodate even the maximum projected 1995 population entirely within the present urban area, if emphasis is placed on low-rise apartment housing and single-family housing on 7200 square-foot lots.

To provide a graphic illustration of where development might reasonably proceed first, the 23 urban area neighborhoods were prioritized (Map 12) on these criteria:

- Undeveloped land;
  - high = more than 50 acres undeveloped
  - moderate = 20-50 acres undeveloped, or more than 50 acres transitional
  - low = less than 20 acres developed, or less than 50 acres transitional

- Available services;
  - high = existing
  - moderate = near-term future
  - low = long-term future

- Suitable land;
  - high = more than 75% highly suitable
  - moderate = 50-75% highly suitable
  - low = less than 50% highly suitable

The areas that emerge as having the greatest potential for immediate development are Baranof Heights, Beaver Lake, Kadiak Subdivision, Outer Mission Road and Mid-Cape.

To verify that projected population increases could be accommodated in the urban area, the lower population projection was distributed by neighborhood (the higher projection also "fit in", however). This area distribution of population is displayed on Map 13. Existing population was estimated from the OCS IMpact Study housing count. Future estimates were based on the amount of developable land and preliminary assumptions about housing density. It is assumed, for example, that apartment construction will replace some existing structures in the Downtown and Aleutian Homes neighborhoods, though there is relatively little undeveloped land there.

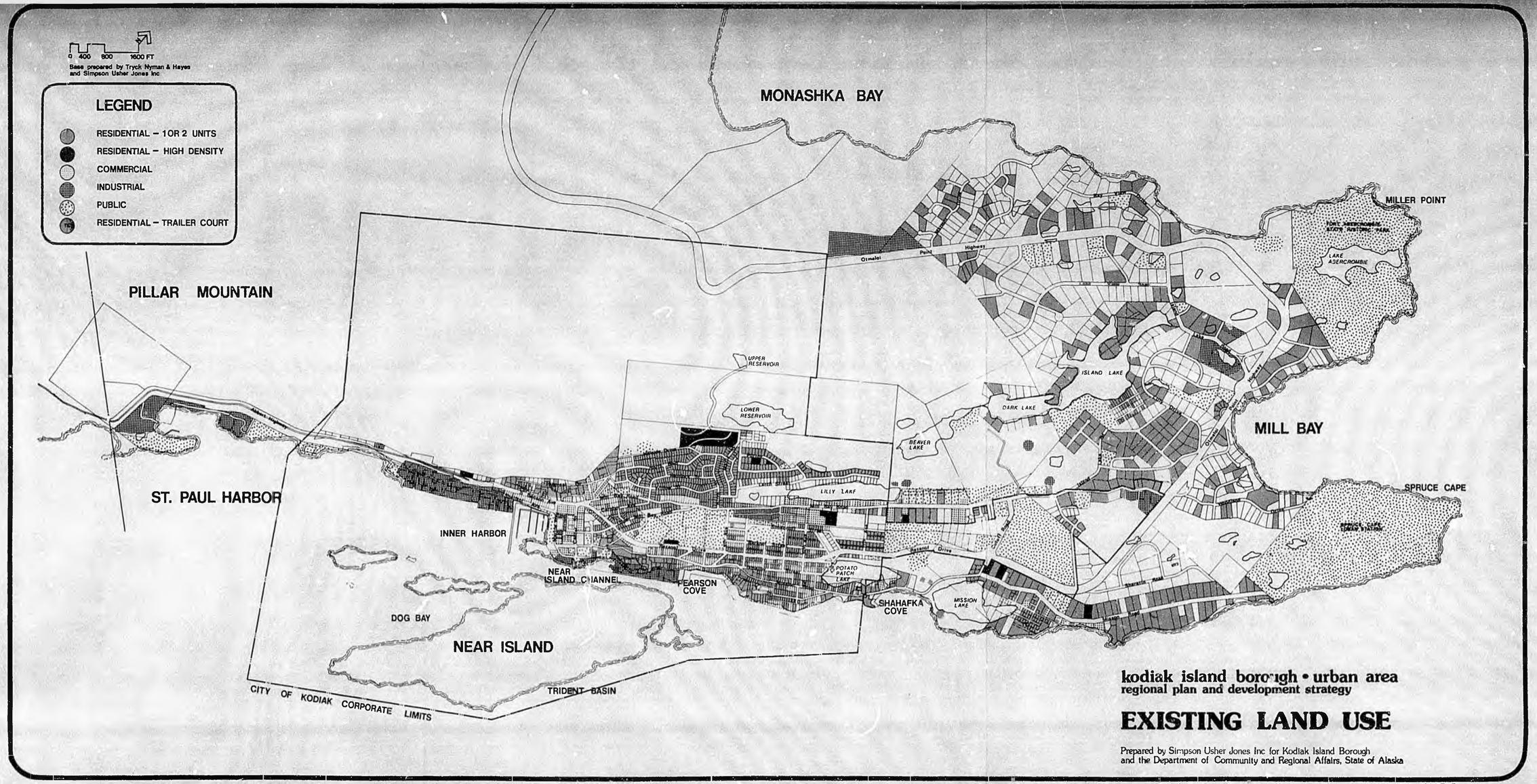
Recommendations

Recommendations bearing upon specific land uses will be found in Chapter VII. Recommendations related to natural constraints are:

- Request that the federal and state governments conduct a full geotechnical investigation of the stability of Pillar Mountain The study should identify the degree of potential hazard and the extent of the hazard area, if any. Preventive and corrective actions should also be identified, if applicable, along with the costs of such actions.

- Request that the geotechnical study also include a determination of the degree of tsunami hazard and the extent of the hazard zone (a maximum elevation may be sufficient).

- Enact land-use controls for designated natural hazard areas.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RESIDENTIAL – TRAILER COURT
MONASHKA BAY
PILLAR MOUNTAIN
ST. PAUL HARBOR
MILLER POINT
LAKE ABERCROMBIE
MILL BAY
SPRUCE CAPE
UPPER RESERVOIR
LOWER RESERVOIR
ISLAND LAKE
DARK LAKE
BEAVER LAKE
LILLY LAKE
INNER HARBOR
NEAR ISLAND CHANNEL
PEARSON COVE
POTATO PATCH LAKE
SHAHAFKA COVE
MISSION LAKE
DOG BAY
NEAR ISLAND
TRIDENT BASIN
CITY OF KODIAK CORPORATE LIMITS
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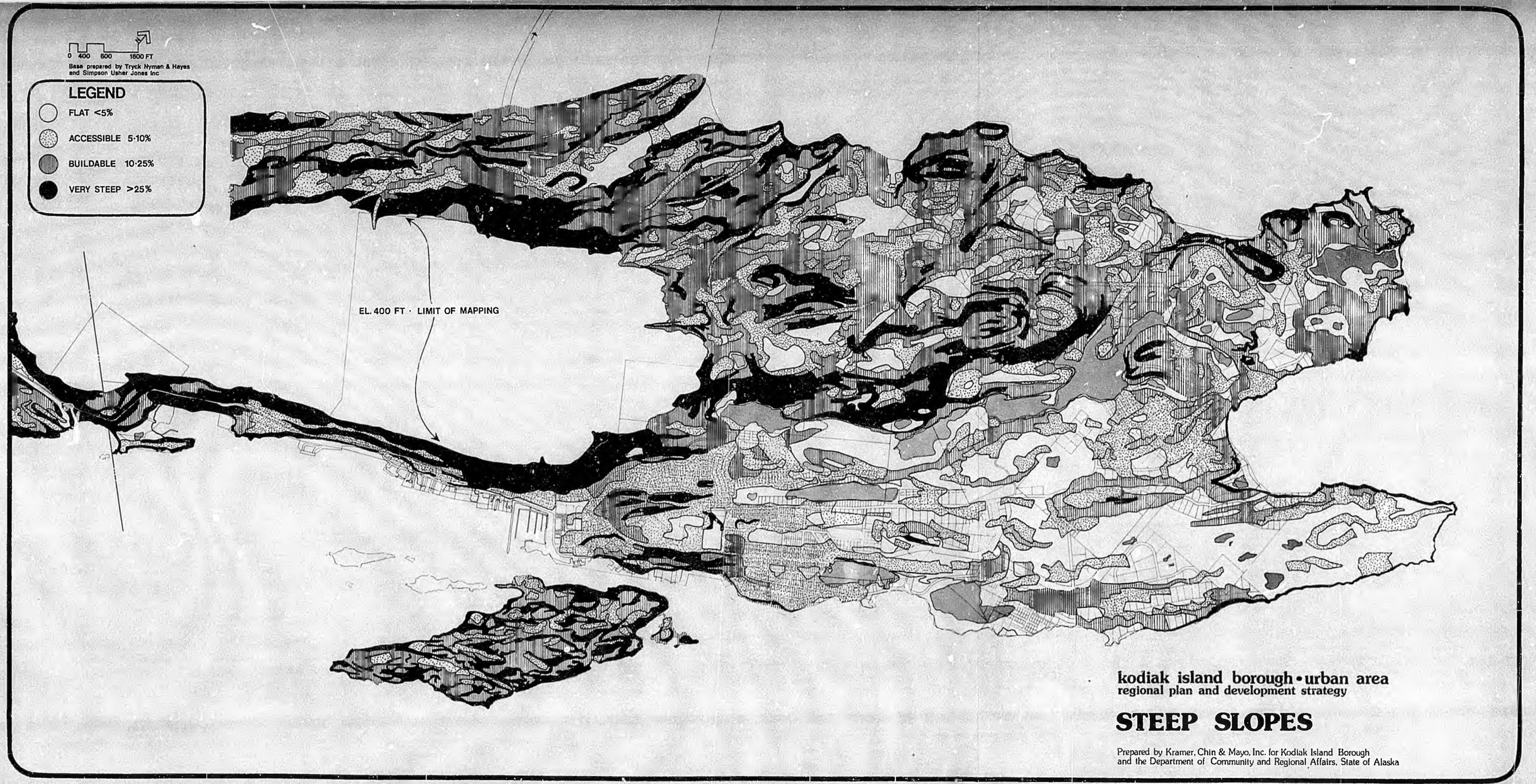
EXISTING LAND USE
Prepared by Simpson Usher Jones Inc for Kodiak Island Borough and the Department of Community and Regional Affairs, State of Alaska

MAP 5



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STEEP SLOPES

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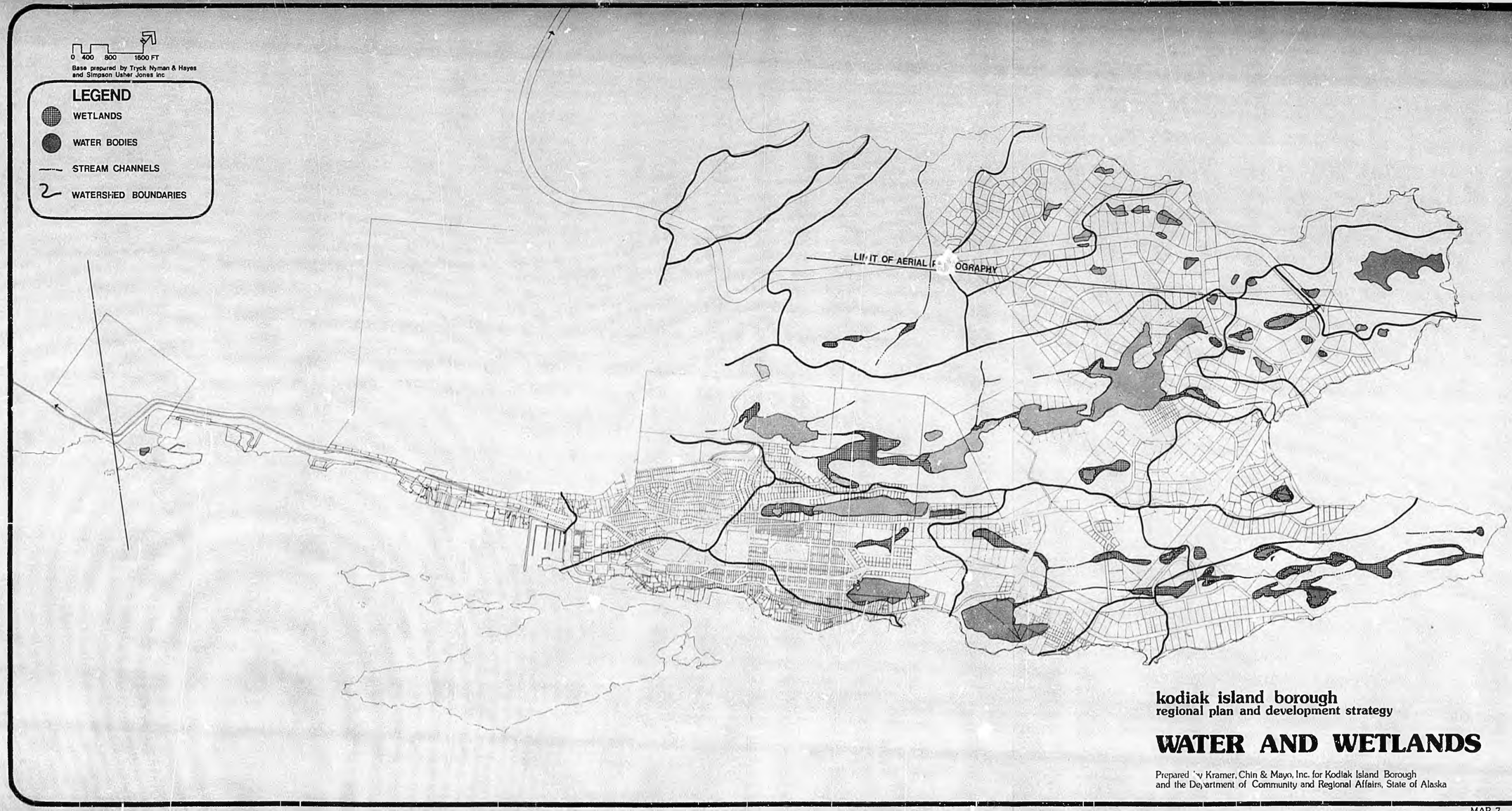

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WATER AND WETLANDS

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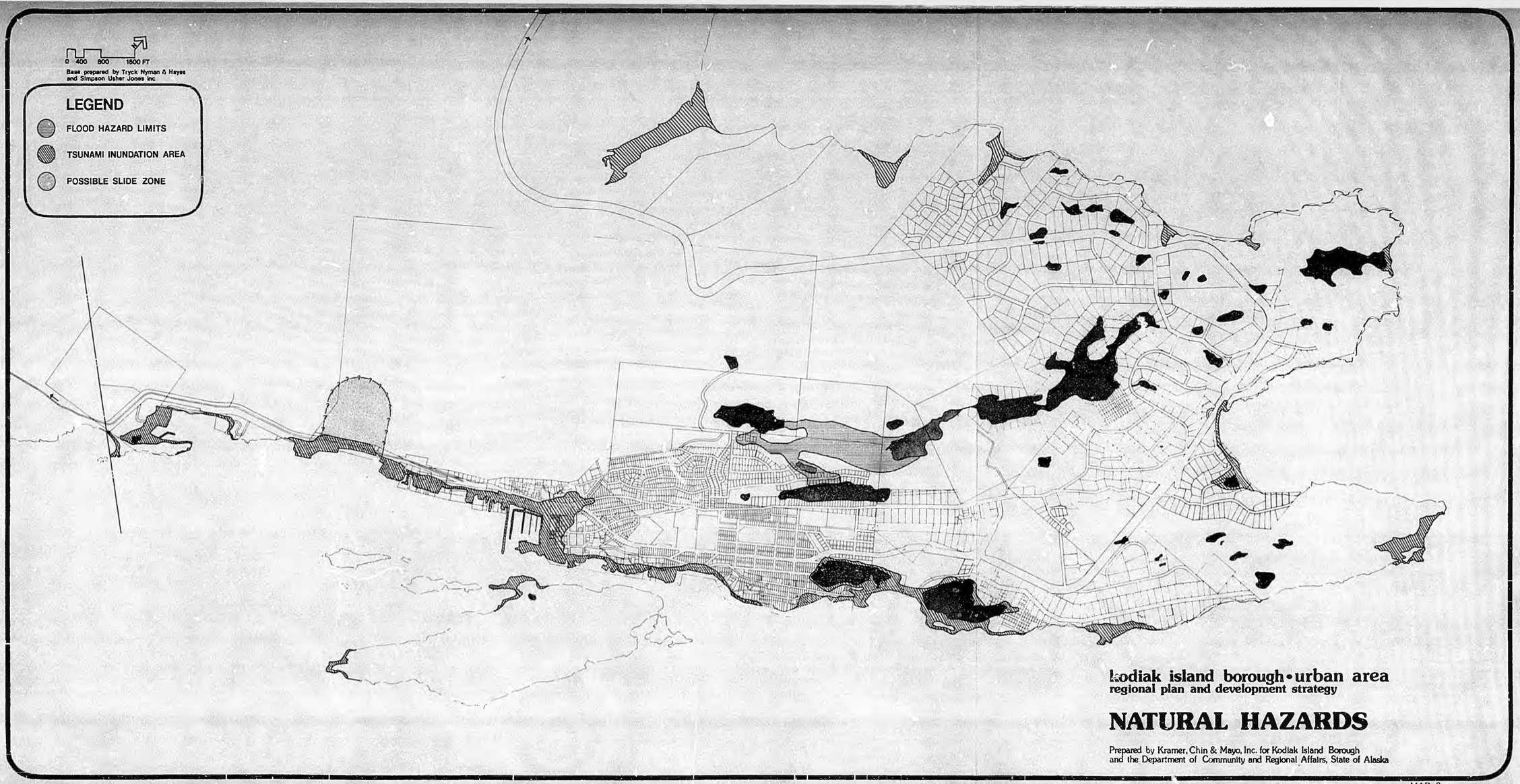

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NATURAL HAZARDS

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DEVELOPABLE LANDS

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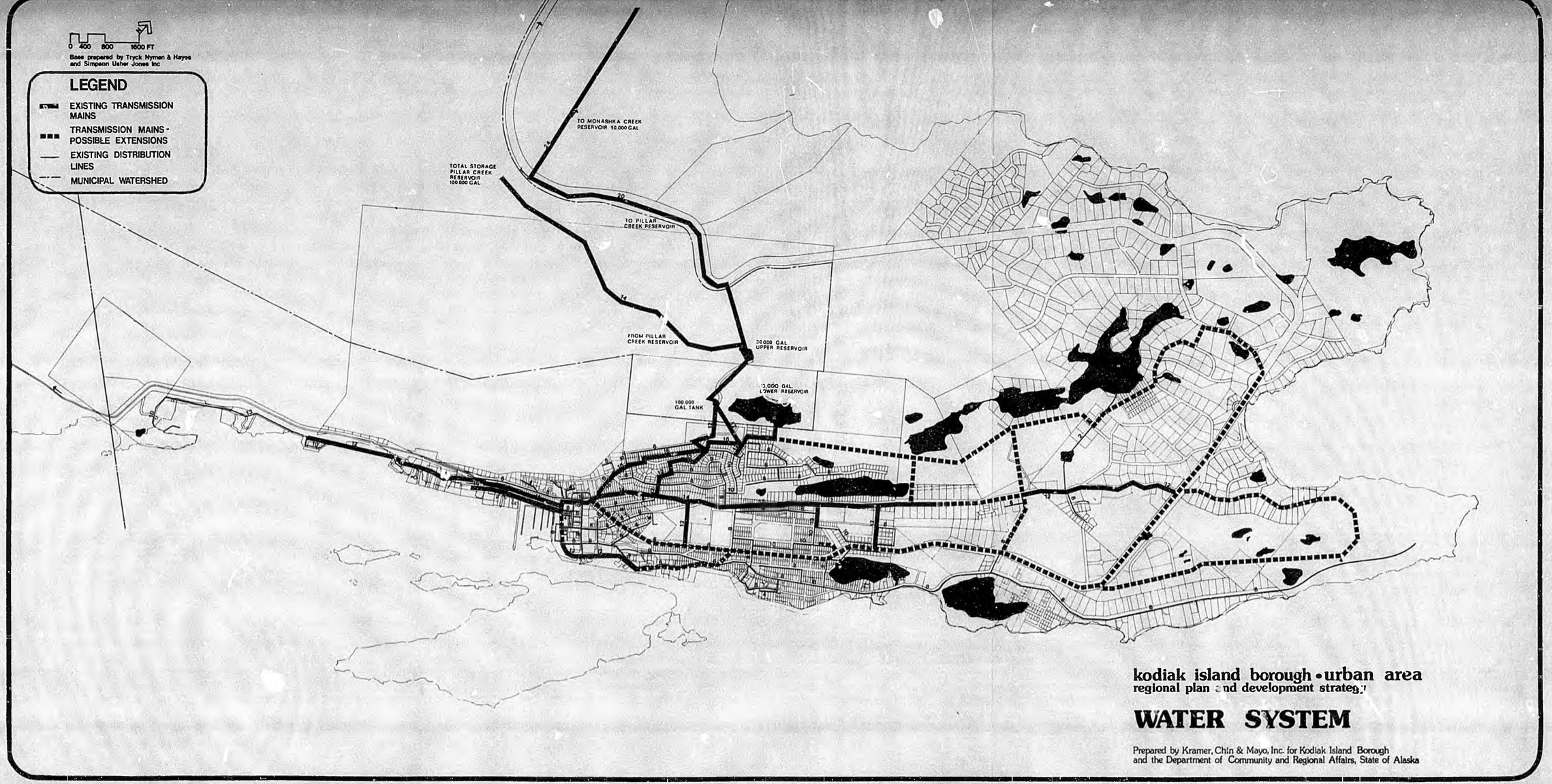

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WATER SYSTEM

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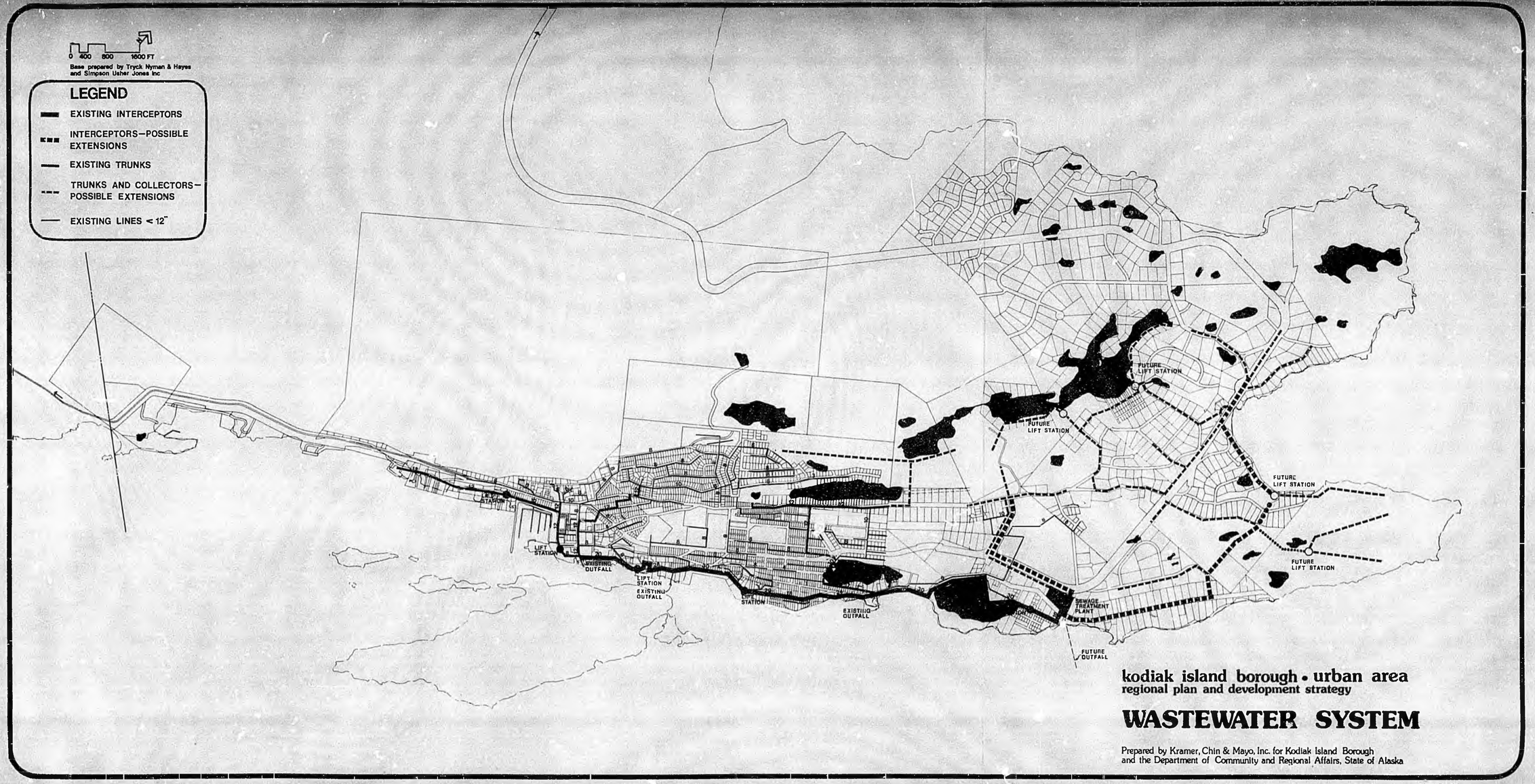
and the Department of Community and Regional Affairs, State of Alaska

MAP 10



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WASTEWATER SYSTEM

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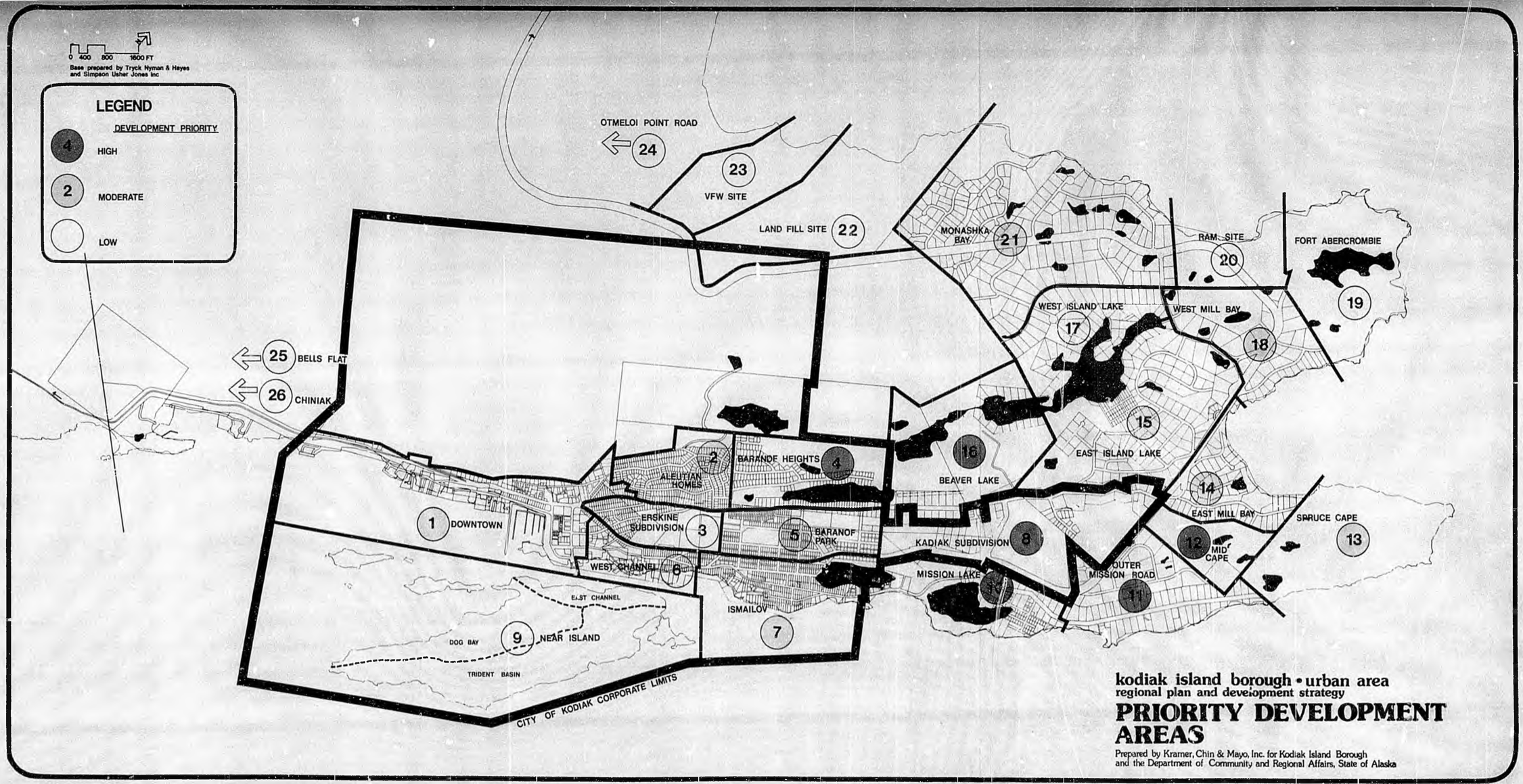

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PRIORITY DEVELOPMENT AREAS

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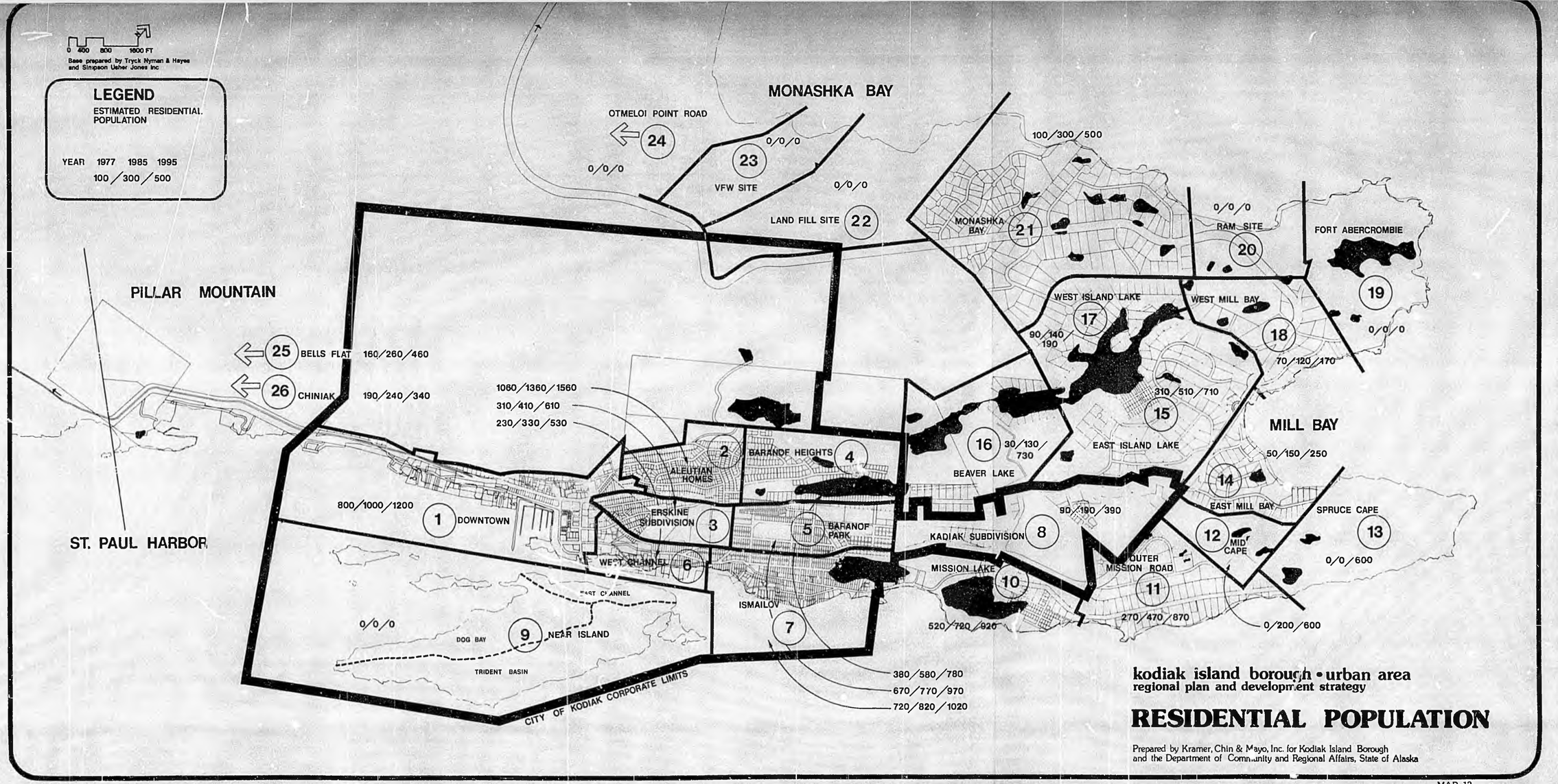

0 400 800 1600 FT
Base prepared by Tryck Nyman & Hayes and Simpson Usher Jones Inc
LEGEND
ESTIMATED RESIDENTIAL POPULATION
YEAR 1977 1985 1995
100 / 300 / 500
MONASHKA BAY
OTMELOI POINT ROAD
24
23
0/0/0
VFW SITE
LAND FILL SITE
22
PILLAR MOUNTAIN
25 BELLS FLAT 160/260/460
26 CHINIAK 190/240/340
1060/1360/1560
310/410/610
230/330/530
800/1000/1200
1 DOWNTOWN
2 ALEUTIAN HOMES
3 ERSKINE SUBDIVISION
4 BARANOF HEIGHTS
5 BARANOF PARK
6 WEST CHANNEL
7 ISMAILOV
8 KADIAK SUBDIVISION
9 NEAR ISLAND
DOG BAY
TRIDENT BASIN
EAST CHANNEL
ST. PAUL HARBOR
CITY OF KODIAK CORPORATE LIMITS
380/580/780
670/770/970
720/820/1020
MONASHKA BAY
21
100/300/500
RAM SITE
20
FORT ABERCROMBIE
19
WEST ISLAND LAKE
17
90/140/190
WEST MILL BAY
18
70/120/170
15
310/510/710
MILL BAY
16
30/130/730
BEAVER LAKE
EAST ISLAND LAKE
50/150/250
14
EAST MILL BAY
90/190/390
SPRUCE CAPE
13
12
MID CAPE
0/0/600
MISSION LAKE
10
OUTER MISSION ROAD
11
270/470/870
520/720/920
0/200/600
kodiak island borough • urban area
regional plan and development strategy
RESIDENTIAL POPULATION
Prepared by Kramer, Chin & Mayo, Inc. for Kodiak Island Borough
and the Department of Community and Regional Affairs, State of Alaska

V COMMUNITY FACILITIES

From the material developed in the previous chapters, it is now possible to identify key future community service and facility requirements and make some recommendations about meeting these requirements. Two types of requirements will be examined. The first is what is sometimes called the community infrastructure; this includes the utility systems discussed in the previous chapter, which constrain the future pattern and amount of development. The second type is the community facility: buildings and other physical improvements which are necessary for "people" services such as police, schools, etc. These facilities are generally located in response to development rather than in advance of it. Requirements for these facilities are directly related to population size and will be identified from the population projections developed in Chapter II.

Infrastructure

The water supply system was discussed in Chapter IV and illustrated on Map 10. It was pointed out that the system is already at design capacity as far as storage is concerned. To allow significant industrial expansion, storage would have to be increased. The City's Monashka Creek Dam plans would provide adequate capacity for many years. The distribution system should also be extended to provide safe drinking water; wells in Kodiak are potentially subject to contamination from septic tank wastes due to poor soils, high water table and shallow bedrock. The water distribution system should also be extended to guarantee adequate water supply for fire-fighting equipment. Areas for possible extensions were indicated on Map 10. Immediate priority should go to areas already partly developed. These would include Island Lake and the loop between Lilly Lake and the Lower Reservoir.

The wastewater collection system should also be extended to correct existing water quality problems, with first priority to Island Lake. This would more fully utilize the treatment plant, which is sized for 9500 people. If the low population projection proves correct, the plant itself should be adequate to at least 1990. If the high projected level of growth takes place, the plant may require expansion between 1985 and 1990. Extending the wastewater collection system will also make it possible to service significant amounts of undeveloped land that is highly suited to urban development. Because the cost of laterals will be borne by adjoining property owners, a beneficial side effect should be re-subdivision and sale for home construction of land held for speculation.

In both areas, the limited amount of public bonding capacity available requires that maximum benefit be extracted from each expenditure. Therefore, the pattern of future development should be controlled so that concentrations of population ultimately requiring public services do not emerge beyond the present area. This would cause expensive duplication of facilities, as well as altering the rural character of outlying areas on the road system.

To this end, retention of "conservation" zoning for outlying areas, with a minimum lot area of 5 acres is recommended. Relaxation of this minimum to 1 acre might be considered if the developer will provide approved public water supply and/or waste treatment, as environmental review determines.

The previous chapter also commented on streamways as storm drainage channels. These should be retained in natural condition. A drainage management study should also be undertaken in the next several years to determine what measures are necessary to prevent upland land uses from adversely affecting surface water courses and water bodies in the urban area.

The solid waste problem was also addressed in the previous chapter. The Borough was suggested as the appropriate body to deal with this regional issue in the immediate future.

Finally, the Terror Lake Hydroelectric Project appears desirable from the standpoint of an assured supply of lower-cost power adequate to serve both the urban area and the Support Center. It would save non-renewable fossil fuel and would apparently have few adverse impacts. KEA is actively pursuing the project but whatever assistance can be given should be given.

Projected Community Facility Requirements

The major community service requirements and facilities, other than utilities, associated with additional population are projected here. These include police services, fire protection, education, health services, recreation, and library services. Unlike the utilities discussed earlier, these do not direct the pattern of population growth. They respond to it.

A similar format is used for each facility requirement. First, requirements due to population growth based upon the existing economy are presented as a range, corresponding to the low and high projections of future population in Chapter II. Second, additional requirements likely to result from OCS activity are set out. In planning future facilities, the "low" population forecast will define minimum requirements. Actual growth in the economy, labor force, and population should be watched carefully to see if the higher set of requirements must be provided for. The 1980 census will be a good checkpoint for the population estimates. Additional requirements due to OCS-related population growth must be added in as soon as it is apparent which of the four cases is actually taking place.

Law enforcement in the City of Kodiak is the responsibility of the City Police Department. Outside the City limits, the Alaska State Troopers provide this service. The Borough itself does not provide law enforcement services. Should the City limits change as a result of annexation, the responsibility for law enforcement would shift from the State to the City of Kodiak. Unification would probably also entail additional law enforcement responsibilities for local government.

At the present time, the City of Kodiak's police station and jail (they are in the same building) are operating at full capacity, and the jail will probably have to be expanded within the next year or two. An indication of the degree of expansion is the number of additional officers required for the future (Table 7).

TABLE 7

Projected Police Staff Requirements,
City of Kodiak, Without OCS Activity

Year	Staff Levels	Staff Required
1976	22	
1980	29-30	7-8
1985	35-40	13-18
1990	40-50	18-28
1995	50-65	28-43

The impact of OCS activity on the police force will be strongly influenced by the location of oil company facilities. However, even if these facilities were located in or near the urban area, the impact on the Police Department would be relatively small, assuming that current police protection staff and jail facilities are expanded to maintain per capita protection in the face of normal population growth. The number of additional officers required on the police force as a result of the OCS-induced population growth is given in Table 8.

TABLE 8

Projected OCS-Related Police Staff Requirements

Year	Case 1	Case 2a	Case 2b	Case 3
1980	0	0	0	0
1985	0	1	0	5
1990	0	2	1	3
1995	0	0	0	0
Peak Impact Year[1]	0	5	1	8

(1) See Table 6 for peak impact years.

Fire protection within the Kodiak urban area is also a service provided by the City of Kodiak. Further extension of fire protection services outside the City limits is an issue that requires examination. Services could be extended under contract with the City, or independent fire districts could be formed. The following analysis assumes that the great bulk of future population increases will occur in the present urban area and will be served by the City Fire Department.

At present, the Fire Department is placing high priority on the reduction of the use of volunteer workers. With the use of paid staff, the department would be able to respond to emergency calls in the Island Lake and Spruce Cape areas within approximately four minutes - the maximum period of time allowable without serious loss of life or property. Table 9 shows the staff levels and additional staffing requirements for the Department.

TABLE 9

Projected Fire Department Staff Requirements
City of Kodiak, Without OCS Activity

Year	Staff Levels	Additional Staff Required	Additional Staff Required By Future Growth
1976	6	4	
1980	13-14	7-8	3-4
1985	15-18	9-12	5-8
1990	18-23	12-17	8-13
1995	21-29	15-23	11-19

As in the case of police protection, the impact on the fire-fighting force will be influenced by the location and type of facilities developed by the oil companies. Table 10 sets out the staffing requirements, assuming location in or near the Kodiak urban area. If this occurs, it will probably be necessary to establish a substation to reduce the travel time from the station to any potential fire in the urban area. This would cover residential and secondary industrial areas, but probably exclude oil terminal facilities (the oil companies would provide fire protection for these). At the present time, the department has the equipment to operate a substation but lacks the facility and staff. The substation should probably be located in the

Island Lake or Spruce Cape areas. If OCS development occurs in the Chiniak area, another substation would be needed. Jurisdictional responsibility in this case would have to be assigned. If the primary on-shore facilities under Case 2a and Case 3 are located off the road system in a self-contained site, no additional officers will be required for the fire protection staff over and above those for non-OCS population growth.

TABLE 10

Projected OCS-Related Fire Department Staff Requirements

Year	Case 1	Case 2a	Case 2b	Case 3
1980	0	0	0	0
1985	0	1	0	2
1990	0	1	0	2
1995	0	0	0	0
Peak Impact Year(1)	0	2	0	4

(1) See Table 6 for peak impact years.

The Borough is responsible for the provision of primary and secondary education throughout its boundaries and maintains a complete range of educational facilities. Assuming that the current ratios of students per classroom are maintained, Table 11 presents the numbers of classrooms required in the urban area through 1995.

The high school in Kodiak is new and was built with the potential for enlargement. Additional classroom space could be provided through the movement of partitions and it is estimated that the current high school could double its enrollment without excessive overcrowding. The elementary schools, however, are older and do not have the same flexibility. In addition, they are already operating at or near their capacity. In the near-term, 2 new elementary schools appear required by 1980, at 20 classrooms each. Another elementary school plus a 40-room junior high school may be required by 1985. Due to the lead time required for design and construction - approximately 2 years - planning for one elementary school should begin immediately.

TABLE 11

Projected Urban Area School Requirements
Kodiak Island Borough, Without OCS Activity

Year	Number of Elementary & Jr. High School Classrooms	Number of High School Classrooms	Additional Elementary & Jr. High Classrooms Required	Additional High School Classrooms Required
1976	195	41		
1980	235-248	49-52	40-63	8-11
1985	276-335	58-71	81-140	17-30
1990	326-425	69-90	131-230	90-189
1995	383-517	81-109	188-322	147-241

OCS population impacts - if they occur in the urban area - would generate needs for additional classroom space over and above those shown in Table 11. Table 12 sets these out for elementary and junior high school classrooms;

Table 13 does the same for high school needs. Cases 1 and 2b would have minimal impacts, but Cases 2a and 3 would add significant requirements - approximately one new elementary school for 2a and two new elementary schools plus half a junior high school for 3. In addition to these longer-term requirements, there would be peak impacts of a year or two in duration for Cases 2a and 3 in which the capacity of an entire additional elementary school would be required. This would probably lead to an expedient, such as double-shifting. High school classroom requirements under all four cases could probably be met within the existing facility.

TABLE 12

Projected OCS-Related School Requirements
Elementary and Junior High School Classrooms

Year	Case 1	Case 2a	Case 2b	Case 3
1980	1	4	4	4
1985	0	9	2	40
1990	0	17	8	28
1995	0	0	0	0
Peak Impact Year(1)	1	45	8	69

(1)See Table 3 for peak impact years.

TABLE 13

Projected OCS-Related School Requirements,
High School Classrooms

Year	Case 1	Case 2a	Case 2b	Case 3
1980	0	1	1	1
1985	0	2	0	8
1990	0	4	2	6
1995	0	0	0	0
Peak Impact Year(1)	0	10	2	15

(1) See Table 3 for peak impact years.

The Kodiak Island Borough owns the major health facility in the urban area, the Borough Hospital. With this hospital and privately provided clinics, the Borough currently has ample health facilities and services to provide for the foreseeable future population. The hospital currently has 25 beds for acute care which are averaging only 40% occupancy. A new wing has been added for the provision of long-term care. Rather than facilities, the major potential problem regarding delivery of health services at the hospital is staffing, - particularly professional nursing and laboratory technicians.

At present, the greatest demand for hospital services is OB/GYN care. The second highest demand for services (measured by admissions) is the detoxification treatment of alcoholics. The two major future health needs to be anticipated in Kodiak are (1) alcoholism and alcohol-related care and needs, and (2) family practice physicians, should population growth continue.

The Borough currently has ample health facilities and services to provide for OCS-related population and services to provide for OCS-related population growth. In addition, the oil companies would probably provide temporary medical care at construction camps. Further minimizing the need for additional Borough facilities.

Current staffed recreation programs in the urban area are extensive. These are organized and run by the City of Kodiak and involve use of both City and Borough facilities. Despite (and because of) these extensive recreation programs, recreation facilities are at or over capacity and will require expansion. Current facilities cannot be used to service any further growth of population without a noticeable deterioration of quality. Since existing facilities are inadequate to accommodate the future non-OCS growth of population, OCS-related growth will lead to a further deterioration in the quality of recreation services if recreation facilities are not expanded. The Borough is currently preparing a comprehensive parks and recreation plan to address these issues.

The Kodiak City Library is supported both by the City and the Borough. The building was constructed in 1968 and was expanded in 1977. The library's primary need is additional staff positions. With its new wing, the building should be adequate to provide services to the community for the next decade. After that, it will probably be necessary to expand the library through the provision of additional facilities and the increased acquisition of books and cassettes. This expansion of library services and facilities should also be adequate to provide for additional needs due to OCS-related population growth.

Recommendations

. Utilities ("infrastructure")

- Extend public sewers to the Island Lake area to correct existing water pollution problems. Design these sewers to serve medium density infill development, as well as future development in the Spruce Cape area.

- Extend the City water system to serve the Island Lake area on the same basis, for fire-fighting as well as drinking water supply.

- Derive maximum benefit from utility expenditures; i.e., concentrate on servicing developable areas adjacent to existing and future serviced areas.

- Increase the storage capacity of the City water system by raising the Monashka Creek Dam.

- For storm drainage, retain the existing stream drainage system in as near-natural condition as possible for flood-water storage, water quality and open space. Conduct a drainage management study of the unincorporated portion of the urban area to determine the degree of upland management necessary.

- Minimize the likelihood of future water quality problems in unplatted rural areas by maintaining the minimum lot area for homes serviced by septic tanks in presently unplatted areas to 5 acres with well water and to 1 acre with public water supply.

- Update and extend the City/Coast Guard solid waste study to identify capacities and operating costs of alternative solid waste disposal sites suitable for disposal of sewage sludge.

- Encourage development of the Terror Lake hydroelectric project.

. Facilities

- Construct new schools to keep pace with population growth. In the near-term (by 1980), build two new elementary schools; in the mid-term (by 1985), plan to build one elementary and one junior high school.

- Reserve school sites in developing areas for future population growth.

- Construct a fire station to serve the partially developed Island Lake area, with capability for future expansion.

- Construct additional police and jail facilities to keep pace with population growth to 1985.

VI. TRANSPORTATION

Transportation provides the access that allows lands and resources to be utilized for human purposes. Historically Alaskan development has been hindered by difficult and/or expensive access, despite the presence of many resources of high intrinsic value. Adequate transportation is critical to Kodiak's future development. Indeed, several existing transportation facilities help to anchor the urban area economically: the City dock, the state airport, the state ferry service, the Inner Harbor, crowded as it is. Transportation or development: it is arguable which is the cause and which the effect, but it is clear that the two must keep pace.

Urban Area Transportation

Streets and highways are the primary elements in the urban area transportation system, which is predominently oriented for travel by automobile. Adequate facilities for pedestrian and bicycle travel are virtually non-existent throughout most of the area. As the urban area develops, facilities for all three types of travel will need to be provided and upgraded. It will be important to relate land-use planning closely to existing or planned transportation facilities. In general, the principle to follow is the higher the intensity of use, the greater the transportation need. Just as paths and roads only make sense if they connect destinations, major destinations such as shopping areas, apartment complexes and schools should be located on major paths and roads. This will protect public safety (by providing access for firefighting, police, emergency vehicles) as well as improve traffic flow. In doing this, direct access may have to be controlled, or congested "strip development" may result. But the principle is still important: major uses on major roads.

Outside the City of Kodiak, 32-foot-wide gravel roadways are the standard for state highways. Within the City of Kodiak, most of the major streets are paved, and many have curbs, gutters and sidewalks along one or both sides. Map 14 illustrates the extent of paved roads in the Kodiak urban area. Roads which are maintained by either the Alaska Department of Transportation (DOT) or the City Public Works Department are generally in good condition; the paved roads indicated in Map 14 are particularly well maintained. Since the Borough currently has no road maintenance capability, roads outside the City which are not on the State system are not maintained on a regular basis; therefore, many of the local gravel access roads in the subdivisions just outside the City are in very poor condition.

State Route F-11 (Benson and Rezanof Drive) through Kodiak is the City's principal arterial street and is the only approach to the Kodiak urban area from the south. To the north, Mill Bay and Mission Roads supplement Rezanof Drive as secondary arterials connecting the residential areas of Kodiak with the Central Business District (CBD) and harbor. The recent completion of the Rezanof Drive extension will shift a significant portion of the through trips on Mill Bay Road to Rezanof Drive.

Map 15 illustrates the current daily traffic volumes on principal streets in the urban area. The heaviest concentration of vehicles occurs on the downtown streets which serve the principal commercial activity of Kodiak, the seafood processing plants and the adjacent small boat harbor. On Benson Avenue (SR F-11) between Marine Way and Center Street, the area's highest daily traffic volume of 8,950 vehicles per day was recorded. The intersection of Benson, Center, Mill Bay and Rezanof carries a total of 11,600 entering vehicles daily and is Kodiak's most heavily congested intersection. Map 15 also displays general traffic flows to and from the Kodiak CBD. The location of most work and shipping activities in the downtown focuses traffic on the limited number of through streets serving the downtown area. If the pattern of concentrating employment and retail growth in the downtown continues and is coupled with low density residential development to the north, the result will be increasing pressure for widening and upgrading Mill Bay, Rezanof and Mission Roads.

The City of Kodiak has undertaken a program of paving streets in densely settled residential areas. Recent reconstruction of Birch Street in the Aleutian Homes Subdivision and the paving of 6th, 10th and 12th Streets are examples of this program. The Aleutian Homes paving project was jointly financed by a HUD block grant allocation, City sales tax proceeds and abutting property owners. Another recent project is the extension of Rezanof Drive to Mill Bay Road by the Alaska DOT. Road construction costs on Kodiak Island are quite high compared to typical costs in the "Lower 48." The City's Aleutian Homes paving project, which consisted of excavating the existing gravel road and constructing a 33-foot-wide asphalt street wtih curbs, gutters, and sidewalks, cost $956,000--an equivalent of $1.03 million per mile. The State's extension of Rezanof Drive as a 32-foot-wide gravel road (with 40-foot sub-base) cost $1.7 million for 1.9 miles of road, or $0.88 million per mile.

Traffic control devices include all signs, signals and pavement markings placed on streets and highways by public authorities and which regulate, warn or otherwise guide traffic. Field review of Kodiak's traffic control

devices revealed a lack of pavement markings on paved City streets. The absence of lane lines contributes greatly to driver confusion at complex intersections, such as the one at Rezanof and Center, leading to congestion, delays and potential traffic conflicts among turning vehicles. There are no traffic signals presently operating in Kodiak, and signs are in general conformance with the provisions of the US Department of Transportation Manual on Uniform Traffic Control Devices. Several black-on-yellow "Yield Right of Way" signs of the pre-1971 design were observed, however. These should be replaced with the standard red-on-white "Yield" sign established by the MUTCD.

The TRANSPO Group conducted an inventory of parking facilities in downtown Kodiak. There are approximately 850 total vehicle spaces in the downtown area. The majority (75%) are located in City-owned parking lots serving the adjacent retail businesses. During the fishing season, severe parking shortages were reported in the downtown area, attributed to crewmen leaving vehicles in downtown parking lots while they are at sea. The lot adjacent to the boat harbor can accommodate only a small portion of this long-term parking demand. Weekday occupancy rates of 40-60 percent during the off-season were observed indicating a potential deficiency during peak parking demand periods.

Public transportation in the urban area now consists solely of privately owned and operated taxis. The existing taxi service, a form of paratransit, appears adequate to meet the current level of demand for public transportation services and, with modifications may be able to accommodate the demands for such services.

Facilities for pedestrians in the urban area are limited to sidewalks in the downtown and part of the Aleutian Homes area. There are also sidewalks along the paved portion of Rezanof Drive. Concern has been expressed over the lackof sidewalks and established trails, citing safety, dust, noise and general discomfort. No facilities have been provided or designated for bicycles either, and the same concerns have been expressed.

A principal source of problems in the present urban area road system is the design and construction of local roads by developers. Streets built by private developers as part of a subdivision are subject to public review at two points. The first point is during the subdivision permit application process. The Borough's Subdivision Regulations, in conjunction with an Official Streets and Highways Plan, should set overall design criteria for roads and streets within new developments. The second point is when such streets are dedicated to a public agency for operation and maintenance. The City of Kodiak is the appropriate agency within its corporate limits. As of this date, the Borough has not been accepting dedications because it has had no maintenance capabilities. Dedicated streets should be constructed to standard agency specifications to ensure that the public is not saddled with excessive repair and maintenance costs. In the past, the City of Kodiak has found that gravel roadways with inadequate subbase and substandard construction have proven to be difficult to maintain for normal use by residents. For this reason, the City is now in the process of developing standard specifications for dedicated improvements.

Forecasts of future traffic demand for the Kodiak urban area were prepared using the small-area population projections presented in Map 13. Growth factors for observed traffic patterns in established residential areas were developed from predicted population growth in these areas. Traffic forecasts for the developing residential neighborhoods outside the City were obtained by applying current trip generation rates (daily vehicle trips per person) to the future population estimates for these areas. The projections for 1985 are included on Map 15. Two alternative projections are shown on Map 16.

The results showed that the capacity of the existing CBD parking areas would be insufficient to accommodate the increased demand. Analysis of land use and developable land area revealed a similar lack of space in the downtown area for commercial and retail land use growth to serve the forecasted 1995 population of the Kodiak urban area. A sketch land use plan was developed to meet the future needs of the Kodiak urban area in accordance with the development goals and objectives of the Borough. A reassignment of future travel demands in accordance with this land use plan was then accomplished. Both projections are presented for comparison.

1985 forecasts assume modest expansion of retail and commercial floor area in the CBD, some new convenience shopping stores (food, drugs and housewares) in northeast Kodiak and concentration of new employment in existing locations near downtown. By 1995, it is anticipated that a new major retail shopping center will have opened in northeast Kodiak to serve the rapidly growing residential districts in that area.

A comparison of future traffic flows across selected screenlines bisecting the principal highway facilities in Kodiak is presented on Map 17. The map demonstrates that travel demand to CBD employment, commercial and retail activities could nearly double over the next twenty years, even with the proposed commercial and retail development in northeast Kodiak.

Using existing traffic conditions and projected land development patterns as a guide, a recommended Official Streets and Highways Plan was developed for the Kodiak urban area. As shown in Map 17, this plan delineates a system of major and minor arterials and collector streets to serve the growing traffic needs of the City of Kodiak and adjacent residential areas in the Borough. Existing streets are classified as to traffic function, and approximate locations for future collector streets in developing areas are suggested. The adoption of this plan by the Borough, with the concurrence of the City of Kodiak, as part of the comprehensive Borough Regional Plan and Development Strategy is strongly recommended. It will provide a comprehensive framework for future street planning in connection with zoning and land development review functions.

The recommended plan designates Rezanof Drive as the major arterial street, connecting the Kodiak CBD with residential developments and activity centers such as the Coast Guard Station lying outside City limits. Within the City, Rezanof is supplemented by Mill Bay Road and Mission Road as parallel minor arterial streets. East-west connectors at appropriate points are also indicated. The primary function of the arterial street system is to provide a high level of mobility for through trips and, where appropriate, limited access to commercial and residential land uses. Collector and local streets complete the recommended plan by providing access to the City's residential areas from the arterial street system.

Table 14 presents a summary of important characteristics of each type of street classification shown in the Official Streets and Highways Plan. While paved residential streets are a desirable goal in any community, the high cost of paving construction and low traffic volumes in Kodiak indicate that paving of local streets, and even some collectors, should be a low priority for the Borough and City. Properly constructed and maintained gravel roads appear adequate to serve the access needs of many of the area's residents. For new roads, however, strong consideration should be given toward paved streets in commercial areas, and even in residential districts within the urban area. The Borough should also adopt design standards based upon an Official Streets and Highways Plan before the next construction season. Concurrently, the Borough and the City should adopt detailed standard specifications for roadway construction. In developing areas, the question of paved versus gravel surface roads should be resolved by a policy decision either to provide paved streets throughout all residential areas or only to pave the major streets identified in the Official Streets and Highways Plan.

Although the need for maintenance of local roads outside the City is evident, the economics of scale indicate that the Borough should not attempt to develop yet a third road maintenance agency in Kodiak. It is therefore recommended that the City and the Borough jointly establish and fund a unified department for maintenance of all local roadways in the Kodiak urban area, with possible extensions to other portions of the Borough as economics dictate--the Bells Flat area, for example.

At least two general approaches to the establishment of a unified roadway maintenance department are possible. In the first concept, termed the "Urban Service District," the City of Kodiak would contract to extend service to areas beyond the City limits. Fire protection services are now provided to the Island Lake area on this basis. The "Metro" concept is a second approach in which the City and the Borough would set up a third, independent agency charged with specific, limited function--in this case, road maintenance. Whatever the jurisdictional approach, the existing City of Kodiak Public Works Department (KPWD) could logically furnish the core for a unified roadway maintenance department. When this unified department has been set up, the City and Borough should begin a five-year road improvement program to bring designated arterials and collectors up to the design standards proposed in Table 14.

Analysis of existing traffic conditions in Kodiak has led to the identification of several deficiencies in the transportation system which can be alleviated by immediate low-cost street improvements. The following projects are recommended for implementation by September 1979:

- Install pavement markings and traffic signs at appropriate locations throughout the Kodiak urban area. This program would be eligible for federal funding (up to 100%) through the Alaska Highway Safety Planning Agency in Juneau.

- Signalize and channelize the intersection of Benson, Center, Mill Bay, and Rezanof. Based upon hourly approach volumes, the intersection exceeds the Minimum Vehicular Volume Warrant (Warrant I) of the Manual on Uniform Traffic Control Devices for cities

TABLE 14 PRINCIPAL DESIGN CHARACTERISTICS FOR STREETS AND HIGHWAYS IN THE KODIAK URBAN AREA

STREET CLASS	TRAFFIC FUNCTION	ACCESS TO ABUTTING PROPERTY	TYPICAL STREET WIDTH (feet)[4]	ROW WIDTH (feet)	GENERAL ROADWAY TYPE	ADT RANGE
Major Arterial	Mobility for longer trips, serve through traffic	Highly Restricted	48 - 60	80	Paved, curb, gutter, and sidewalks[1]	5,000+
Minor Arterial	Mobility for short trips, serve commercial land uses	Some Restrictions	44 - 48	70	Paved, curb, gutter, and sidewalks[1]	3,000 to 5,000
Collector	Connect arterials and local streets, serve both residential and commercial uses	No Restriction	36 - 48	20	Paved, gravel shoulder[2]	1,000 to 3,000
Local	Land access, serve residential land uses	No Restriction	30 - 36	60	Gravel, Sealcoated[3]	less than 1,000

[1] Gravel shoulders outside developed areas

[2] Curb, gutter and sidewalk optional

[3] Paving optional; sealcoated gravel road may be sufficient

[4] In developed areas; street width includes parking lanes

of 10,000 persons or less. Physical modifications should also be made to the intersection approaches to improve traffic flows.

- Pave Upper Mill Bay Road between Mill Bay and Rezanof and improve the intersection of Mill Bay Road and Upper Mill Bay Road. This street should be paved to provide better access to government offices for area residents and to provide a secondary entrance to downtown Kodiak from the Aleutian Homes residential area. The intersection of Mill Bay and Upper Mill Bay should be improved to provide left turn lanes and generally channelize traffic movements with paints stripes and buttons.

- Monitor traffic volumes and install traffic signals at the following intersections when warranted:

  Upper Mill Bay Road and Rezanof Drive
  Upper Mill Bay Road and Mill Bay Road
  Mill Bay Road, and Birch Street and 6th Street
  Benson Street and Marine Way

The following recommendations are directed toward accommodation of long-term growth in the Kodiak urban area and may take considerable time to evolve into a series of specific implementation projects. Work on developing these programs and projects should begin as soon as possible, however, in order to ensure their timely implementation when the need arises:

- Adopt a comprehensive parking program for downtown Kodiak which addresses the needs of both the retail stores and the fishing fleet. It is recommended that the City of Kodiak control long-term parking in downtown Kodiak through adoption of a parking ordinance and police enforcement. Concurrently, the City should establish a peripheral lot for long-term parking adjacent to downtown with a low cost or free taxi shuttle service between the harbor and the parking lot.

- Develop a mass transit service which initially serves Kodiak Airport, downtown Kodiak, and the community college. Taxis or vans could operate on a regularly scheduled route from the Kodiak Airport (State Airport) through the downtown area and along Upper Mill Bay and Mill Bay Roads to the Community College. A license would be granted specifically for this route, and the operator would charge passengers a flat fare to or from downtown Kodiak. During the summer, the route could be extended to Fort Abercrombie.

- Improve pedestrain facilities along Mill Bay Road. The Mill Bay Road/Upper Mill Bay Road corridor is a logical location for pedestrian travel emphasis. Redevelopment of the roadway is necessary and sidewalks should be included when the roadway is upgraded. Bicycle facilities could also be provided in this corridor.

- Facilities for recreational walking and cycling should also be considered in the Borough's recreation planning. The location and design of these facilities will respond more to local preferences and specific siting opportunities than to functional transportation criteria.

Island-wide and External Transportation

The highway network in the Borough is limited to the Kodiak urban area and its environs. None of the villages are linked by overland routes. They are widely separated by difficult topography, making the extension of road connections extremely expensive in relation to the number of people served. More importantly, perhaps, road connections could have drastic cultural implications for the villages. Thus, air and water modes provide the principal means of both intra-Borough and external transportation for people and goods and are likely to continue to do so.

Kodiak Island Borough is generally well served by local and regional air carriers as well as on-call charter operations. Two major carriers, Wien Air Alaska and Western Airlines, provide service at the Island's major airport located on the U.S. Coast Guard Support Center south of the Kodiak urban area. Although air travel to and from Kodiak has grown rapidly in recent years (increasing approximately 20% each year since 1973), both major carriers have sufficient capacity on existing flight schedules to accommodate projected growth with an average load factor of less than 70% by 1985. On the other hand, passenger terminal facilities are barely adequate for the present.

Local air transportation to the villages of the Borough is provided by Kodiak Western Alaska Airlines. The majority of the village flights utilize amphibian or float planes which take off and land on Kodiak Harbor in the downtown area. Service frequencies vary from once or twice per week for smaller villages up to twice daily in summer for the largest villages (Old Harbor, Ouzinkie and Port Lions). Discussions with Kodiak Western Alaska Airlines management indicated a reserve capacity adequate to accommodate increased air passenger travel demand at several times the existing level.

The City of Kodiak owns a small, general aviation airstrip just outside the City limits on the northwest side of Mill Bay Road. The gravel-surfaced runway is in poor condition and has severe vertical alignment and sight distance problems. Fortunately, the present volume of use at the Kodiak Municipal Airport is low. Any significant increase in aircraft operations at this airstrip would require an extensive reconstruction program to bring the airfield up to acceptable standards.

Fresh water float planes utilize Lilly Lake, adjacent to the municipal airstrip. A significant percentage of this use is by Kodiak Western, which maintains hangar facilities at the municipal airport. Lilly Lake and the municipal airport are located in a prime area for expansion of the Kodiak urban area. There is an existing land-use conflict between aircraft operations and residential uses, which will continue to grow worse.

The state airport has far more than adequate capacity to handle all foreseeable commercial, general and Coast Guard air traffic. Therefore, all air transportation could probably be consolidated at the state airport. As a point of information, Kodiak Western has reportedly expressed interest in moving its entire operations to the state airport, proposing to operate its amphibians out of the existing crash boat harbor.

However, consolidation would mean a strain on the existing air passenger facilities at the state airport. While airside capacity is sufficient to accommodate a tripling of annual aircraft operations, landside capacity for commercial air passengers is barely adequate to meet today's needs. Failure to expand passenger facilities could result in very long ground times for aircraft between flights by 1985. Consolidation and expansion of general aviation, particularly in the face of possible OCS-related traffic, will also require additional facilities. Tie-down facilities, hangar space, warehousing, and fueling will require special attention.

It is recommended that the Borough initiate an Airport Master Plan study, enlisting the active cooperation of the City of Kodiak and the Coast Guard. This study should be a detailed examination of the alternatives for meeting the future needs of air travel to and from Kodiak including commercial airlines, Coast Guard operations, general aviation and float plane operations. Consolidation of operations at the state airport appears both possible and desirable. Terminal improvements might be financed initially by the Borough or a newly-instituted "Port of Kodiak," and the costs recovered over time from the carriers. General aviation facilities could also be self-supporting through user charges; space might also be made available to general aviation operators for construction of their own support facilities. Not only would this study provide an adequate basis for planning the future of Kodiak air transportation, it would be the necessary first step toward making the existing municipal airport available for redevelopment into productive residential, commercial and recreational land uses.

The Kodiak fishing fleet is one of the principal expressions of the Borough's economy, and the expansion of the fishing industry into the bottom fishery is one of the major sources of potential economic growth in Kodiak. It has been known for years that the present harbor is woefully inadequate, even for the needs of the existing fleet. The Army Corps of Engineers currently has in hand an approved plan to build a small boat harbor in Dog Bay. To provide access to this new harbor, the Port of Kodiak could commission, design and operate a passenger shuttle ferry to connect the harbor with downtown Kodiak. Funds to operate this service and to repay the initial cost of the ferry could come from docking fees charged to harbor users. However, aside from the economic problems of financing such a facility, the uncertainties related to the stability of Pillar Mountain pose a major threat to any development in the Inner Harbor and Dog Bay area: thus before a commitment to the building of a new boat harbor in this area can be made, a positive resolution to the Pillar Mountain issue must be achieved.

A previous planning study for Near Island proposed a development alternative in which a high-level highway bridge would provide access to the new harbor. Residential, commercial and institutional development would be added to the basic harbor development under this proposal. It is apparent that sufficient developable and easily serviced land exists in the Kodiak urban area to accommodate expansion without relying on Near Island. A rough estimate of what the bridge might currently cost is 4 million dollars ($100 per square foot, for a bridge 30 feet wide and one-quarter mile in length). This would absorb almost all the available local bonding capacity if financed locally. Pursuit of state or federal financing might actually jeopardize harbor development since the success of these efforts would be questionable,

and the Corps has made provision of access a first condition for their construction of the Dog Bay boat harbor. For these environmental, economic and land-use reasons, it is not recommended that the provision of a vehicular bridge to Near Island be pursued at this time. However, very little space for waterfront fishing-related industry is available around the Inner Harbor; this situation is aggravated by the Pillar Mountain Landslide. Should future harbor facility location studies identify Near Island as a logical priority area for industrial expansion despite the foregoing reasoning, the need for a vehicular bridge should be reconsidered.

Congestion has been reported at the City Dock, operated by the City of Kodiak. This appears to be due more to problems with ship scheduling and shoreside freight handling and storage, rather than to lack of berthing and unloading capacity. It is recommended that the Harbormaster assist the shipping lines in scheduling their vessel deliveries so that two or more vessels do not arrive in Kodiak simultaneously. At present, the average number of freighter arrivals is significantly less than one per day, so scheduling might well increase system capacity without requiring the very expensive provision of new dock space. Of course expanding the City dock would be unwise until the Pillar Mountain geotechnical study is completed. A similar approach to shoreside container handling and storage may also reduce the need for more backup area. Presently, ferry service to Kodiak is provided by the M.V. Tustumena. Capacity is adequate for present demand, except during the peak (summer) season and the period when the vessel is completely withdrawn from service for annual repairs. With population growth, demand can be expected to increase proportionately. The addition of a new vessel to the run would make it possible to maintain year-round ferry service to Kodiak during the winter and would add peak capacity during the summer season. It is therefore recommended that the Borough and City officially request that the State of Alaska take steps toward adding a vessel to the Kodiak service. At the same time, the Borough and Port Lions may wish to press for the addition of regular service to that community.

Small boats have historically been a principal means of travel in the Kodiak Archipelago. Well constructed launching facilities on Anton Larsen Bay and Monashka Bay would help to make travel to the Kodiak urban area safer from Port Lions and Ouzinkie by making it possible to reach intermediate destinations on the road network without rounding Miller Point and Spruce Cape in bad weather. The Anton Larsen Bay ramp would be an improvement and expansion of existing facilities, while the Monashka Bay ramp would provide good facilities where informal launching and beaching have taken place. Temporary moorage facilities should also be considered, though weather and water problems may ultimately make them unfeasible.

Recommendations

- Adopt an Official Streets and Highways Plan for the Kodiak urban area.

- Adopt design standards and construction standards for streets and highways.

- Establish and fund a unified road maintenance department for the urban area.

- Redevelop Mill Bay Road to consolidate access points, provide pedestrian facilities, and allow paratransit service.

- Implement immediate action projects to improve existing traffic conditions.

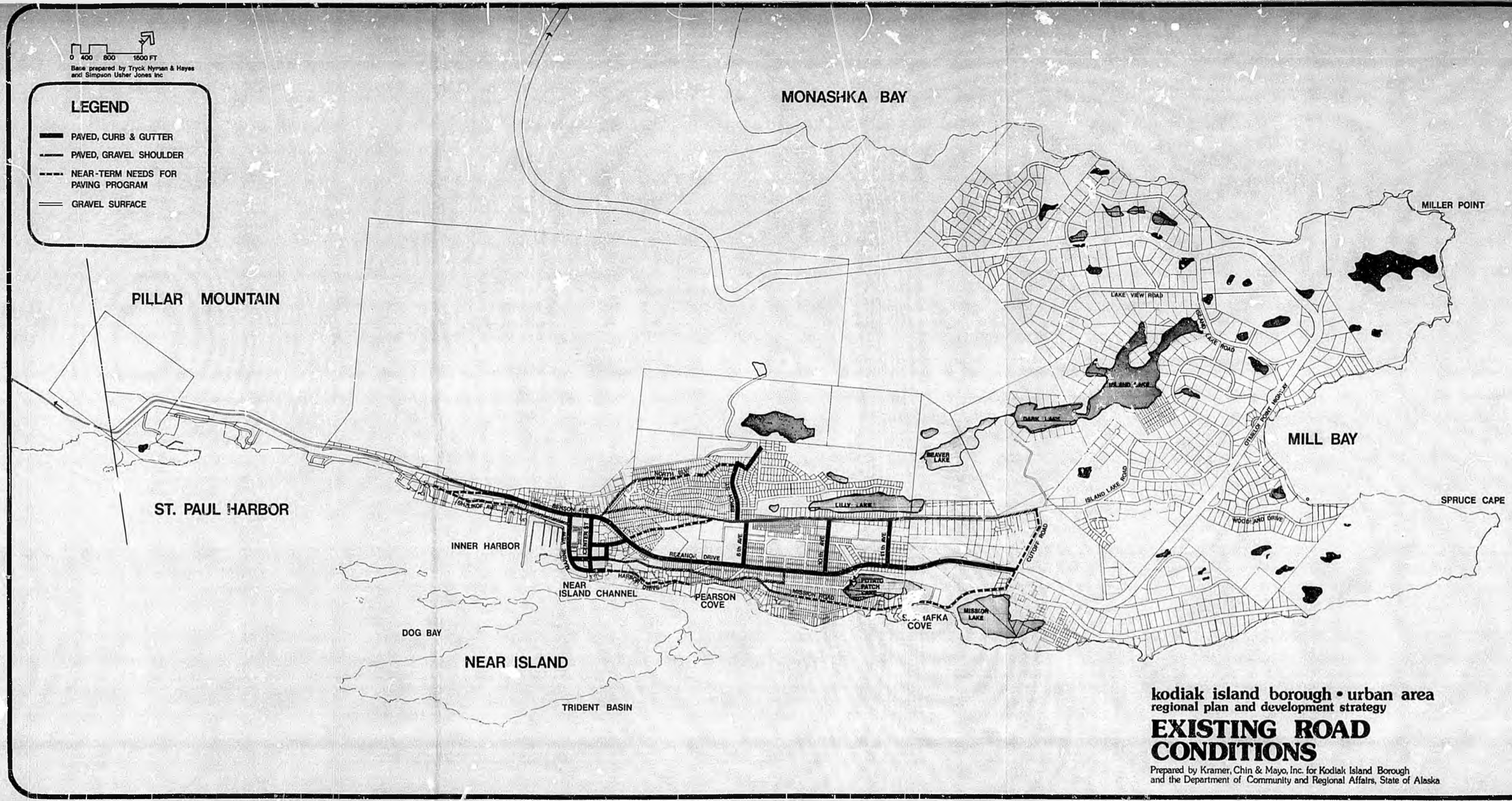
- Adopt a comprehensive parking program for downtown Kodiak to reduce conflict between long-term fishing fleet parking and retail store parking.

- Initiate airport master plan to improve, expand and consolidate air facilities at state airport.

- Provided a positive resolution to the Pillar Mountain problem is achieved, continue to encourage and participate in development of Dog Bay Small Boat Harbor.

- Assist in scheduling cargo berthings to improve cargo-handling and pursue provision of year-round ferry service.

- Provide small-boat launching and temporary moorage facilities in Monashka Bay and Anton Larsen Bay.



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EXISTING ROAD CONDITIONS

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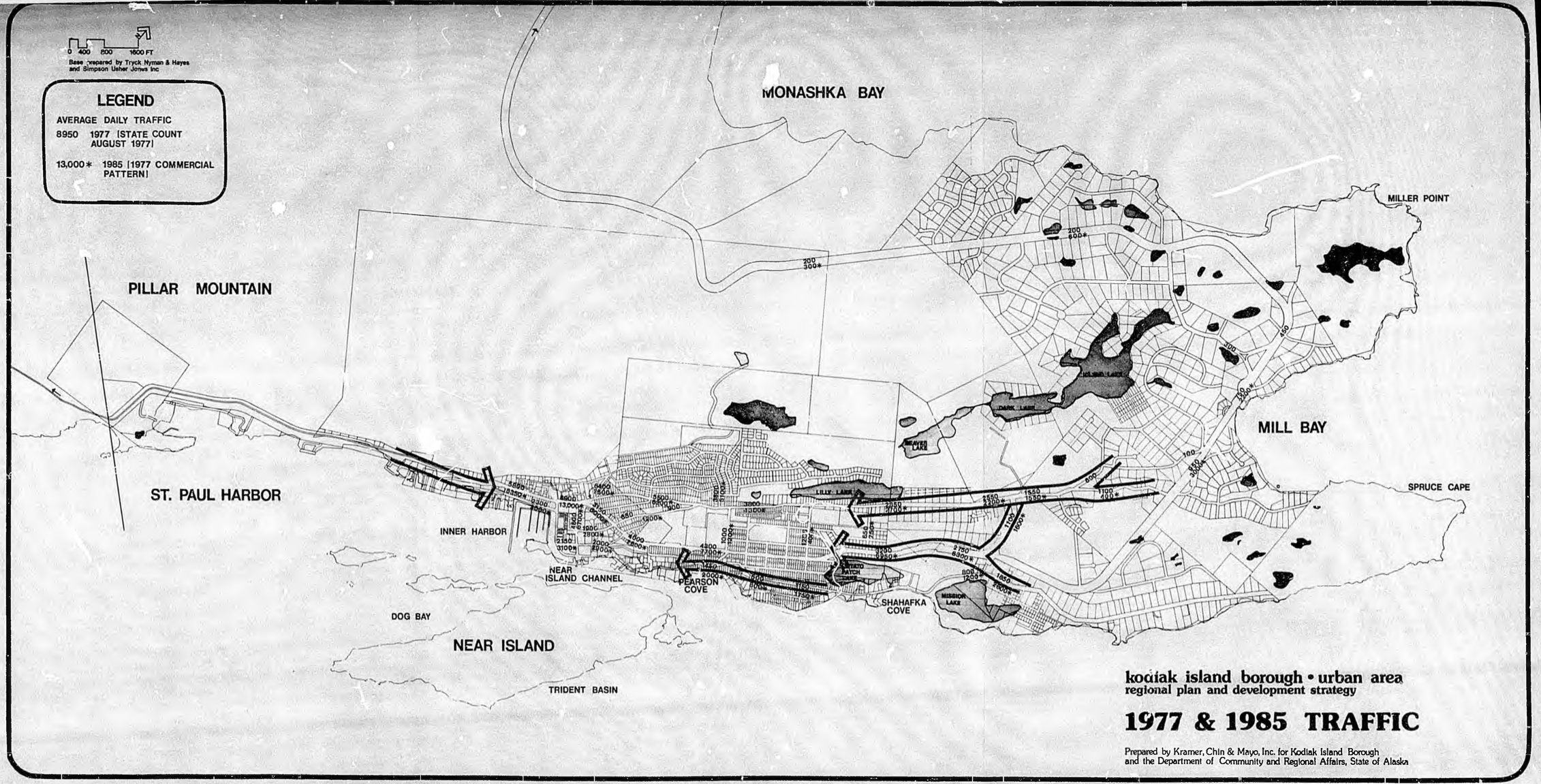
0 400 800 1600 FT
Base prepared by Tryck Nyman & Hayes and Simpson Usher Jones Inc
LEGEND
AVERAGE DAILY TRAFFIC
8950 1977 (STATE COUNT AUGUST 1977)
13,000* 1985 (1977 COMMERCIAL PATTERN)
MONASHKA BAY
MILLER POINT
PILLAR MOUNTAIN
MILL BAY
SPRUCE CAPE
ST. PAUL HARBOR
INNER HARBOR
NEAR ISLAND CHANNEL
PEARSON COVE
SHAHAFKA COVE
DOG BAY
NEAR ISLAND
TRIDENT BASIN
LILLY LAKE
SILVER LAKE
DARK LAKE
MISSION LAKE
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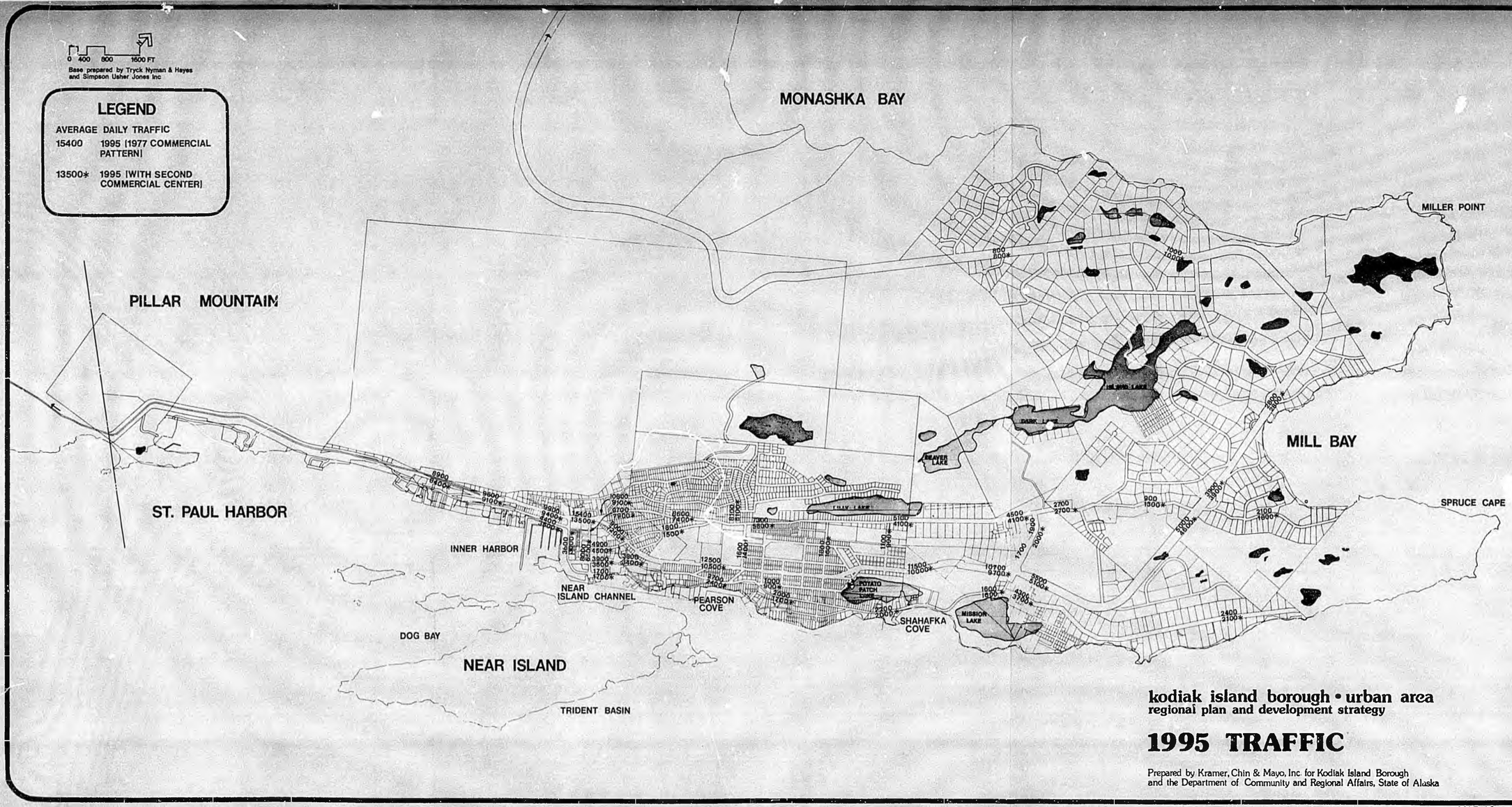
1977 & 1985 TRAFFIC
Prepared by Kramer, Chin & Mayo, Inc. for Kodiak Island Borough
and the Department of Community and Regional Affairs, State of Alaska

MAP 15



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1995 TRAFFIC

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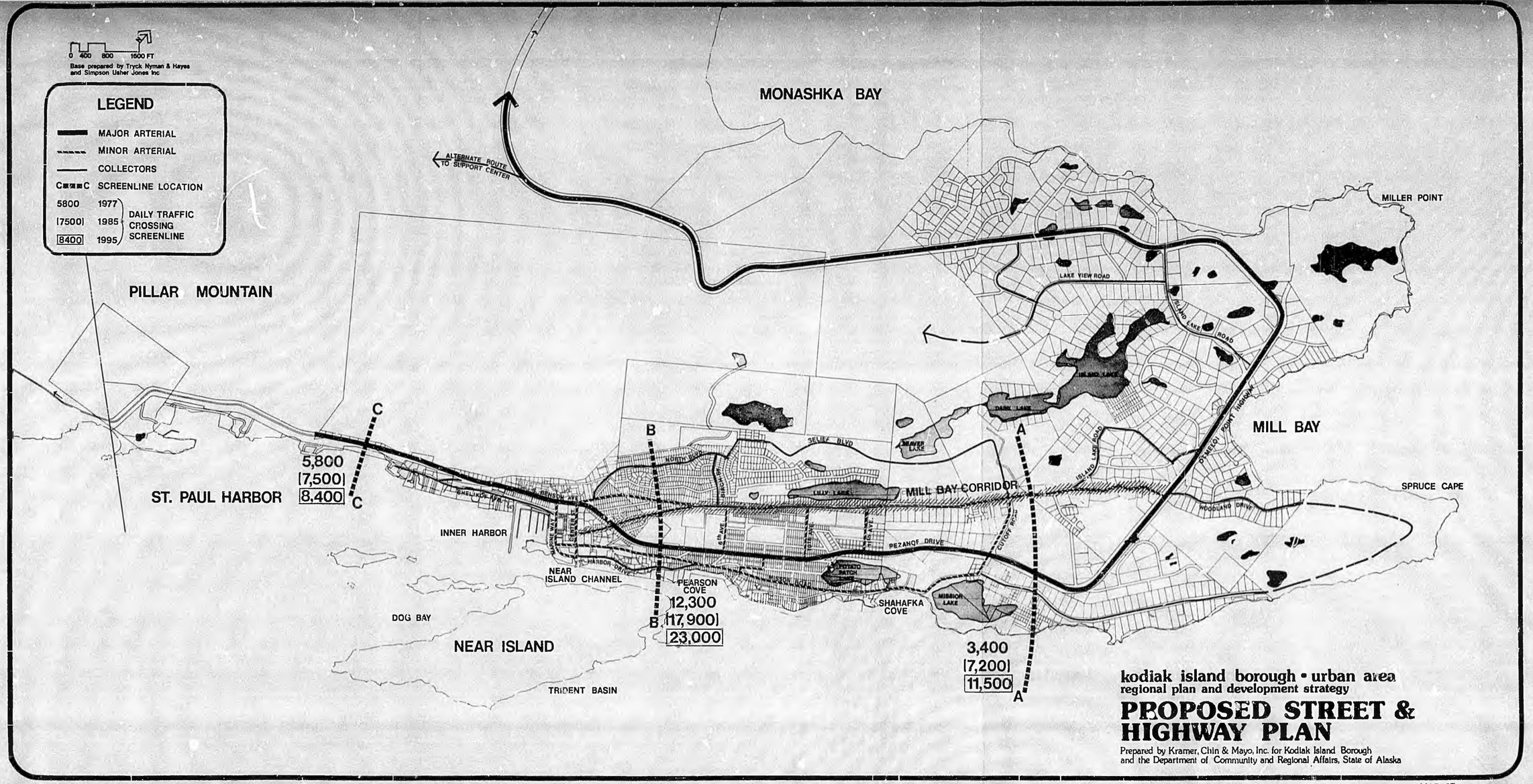

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PROPOSED STREET & HIGHWAY PLAN

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MAP 17

VII. LAND USE (Without OCS Development)

Sketch Plan

Another result of the OCS Impact Study was a sketch land use plan for the urban area, reproduced on Map 18. This map was produced to display one preliminary interpretation of the Borough Community Attitude Survey, and was not checked against projected population, utility requirements, etc. It has served as a good point of departure for the development of the recommended land use plan shown on Map 19.

Comparison of these maps displays some important decisions the community and its officials will have to make. Both plans are generalized policy proposals for a target year of 1995; neither would ever be fully realized. Rather, the purpose of the adopted long-range plan would be to guide short-range decisions on zoning, variances, subdivision approvals, street extensions, school siting and the like.

The sketch plan is essentially a continuation of present development and past plans. Significant points to note are the large amount of land in low density residential use (one acre lots), retention of most commercial growth in the downtown area, extensive development of Near Island, strip commerce along Mill Bay Road and an industrial park at the municipal airport. No specific use is identified for Spruce Cape.

Recommended Land Use Plan

By contrast, the recommended plan proposes much larger areas for medium (7200 square foot lots) and high density residential development (apartments), in areas served by sanitary sewers and public water. This is to offset the impact of rising land prices on housing costs. The plan also would allow trailer parks or mobile home subdivisions in selected medium density areas, again to offset rising housing costs. Specifically, the plan proposes expansion of residential use in the Island Lake-Spruce Cape area rather than Near Island or Bells Flat, both of which have previously been suggested as expansion areas. Apartments would be concentrated along Mill Bay Road, which should be redeveloped as a high density residential corridor with major roadway and traffic improvements, as well as pedestrian and bicycle facilities. The idea is to concentrate daily destinations for walkers in one area to gain the most benefit from transportation improvements. The Monashka Bay area would remain low density and unserviced.

New industrial development is suggested at Swampy Acres (off the map) and on land presently occupied by the City's Municipal Airport. The former recommendation is dependent upon identifying a suitable sanitary landfill site, and the latter recommendation is dependent upon the feasibility of relocating general aviation from the City airport to the State airport. Aesthetic impacts at both sites can be minimized by requiring landscaping and buffering. The plan proposes limited industrial development on Near Isalnd to support the Dog Bay Boat Harbor. Again, the plan's limitations on use of Near Island are contrary to a previous proposal.

Industrial area for the fish-processing industry is extremely limited in the existing Inner Harbor area. Judging by typical industrial space requirements, approximately 20 acres every 5 years would be required to allow the fisheries-related development that would generate the low-range projected population. Again, it is for the community to decide if it wants to pursue further economic development at all. If it wishes to do so, infill development along the existing "cannery row" is possible for the next five years or so. Beyond that, suitable land is not readily identifiable due to the uncertainty over Pillar Mountain, potential environmental problems (at locations such as Trident Basin), and marine engineering and weather issues. The Pillar Mountain situation also carries the potential that relocation of the City Dock may prove necessary. If so, it conceivably could prove beneficial for the community to seek cooperative development of new cargo and dock facilities with an OCS marine service base. The timing of the geotechnical study may be uncomfortably close to the OCS lease sale. The Borough and City may therefore wish to pursue a study of alternative sites, associated costs, and the location relationships between cargo facilities, backup facilities and the seafood processing industry. Pursuing the study now would provide the necessary information upon which to make a reasoned decision at the time of the lease sale or shortly after.

Only limited growth is suggested in the existing commercial core because it is located in a seismic wave hazard area. Expansion of commercial space is proposed in two neighborhood concentrations along Mill Bay Road and a second major center near Spruce Cape, timed as population develops in the Island Lake - Spruce Cape area. The intent is to control strip commercial development along Mill Bay, with eventual physical redevelopment of the roadway itself. The major characteristic of commercial strips is uncontrolled access, leading to safety problems and congestion, as well as visual blight.

Open space recommendations are tied to natural hazard and drainageway recommendations made earlier, and retention of public lands until they are evaluated for other purposes. A number of private parcels along shorelines are indicated as "green belt"; these are undeveloped properties in the tentative tsunami hazard zone. It is not intended that they be taken for public use, but that new residential use be prevented in this area. The greenbelts in the Spruce Cape Area are intended to indicate the potential application of planned unit development and recreation land dedication provisions in the zoning and subdivision ordinances.

Map 20 summarizes urban area projects that are suggested for action in the near future. These have all been touched upon earlier, but several may require further elaboration. The traffic signals indicated were discussed in Chapter VI. The Benson/Mill Bay intersection is already justified and eligible for funding assistance. The others will require more detailed traffic counts to verify needs. The police station expansion is a high priority, but should be delayed until the results of the current state-sponsored, state-wide study of Alaska State Trooper and holding facilities is known. It may be that at least part of the requirements for jail expansion can be met in a state-financed facility. The fire substation is proposed near the northern intersection of Mill Bay and Rezanof, to better serve already developed residential areas at the northern end of the urban area.

This location is also proposed for the first new elementary school. Children from the Island Lake and Outer Mission Road areas would be within easy walking distance of a school here, and it would be well-sited to pick up population from the Mid-Cape and Spruce Cape neighborhoods as they develop. A site size of 5-10 acres is recommended to accommodate playfields, parking and retention of natural areas for buffering and informal play. Unfortunately, there is no adequate publicly owned site in the area now. Purchase may be necessary, or dedication as part of a planned unit development may be possible, depending on the size of parcel ownership in the area. A second school site for the near future is identified at the south end of the municipal airport, on Borough land. This site would be dependent on the results of the airport study; it might still be feasible even if float plant operations were retained at Lilly Lake. Again, 5-10 acres is recommended; the site would be within one-half mile walking distance from the developing Baranof Heights, Beaver Lake and Kodiak Subdivision neighborhoods. A third priority site (shown on Map 19) would be at the south end of Lilly Lake, again depending on the airport study. The population of the Aleutian Homes area is probably greater than that suggested strictly by a count of housing units, and this neighborhood already appears able to fill half of a new elementary school by itself.

Suggestions have been made that the new school sites be at Bells Flat and Monashka Bay. Referring back to Maps 12 and 13, the recommended sites are at either end of the group of neighborhoods with high priority for development. These are the areas that are generating the major increase in school population. Map 13 displays the estimated 1977 populations of Chiniak, Bells Flat and Monashka Bay. Taking the elementary school population at roughly 20% of the total, the Bells Flat/Chiniak area probably generates 70 children while a new school would hold some 400-450 children. Since the Coast Guard Support Center is not growing significantly, it appears most reasonable to continue to accommodate these children at Peterson Elementary School. Monashka Bay appears to generate some 20 school children. Eventually a site is recommended at West Mill Bay, but in the meantime it is recommended that schools be centered where the school-age population is growing most rapidly. These are also the areas already or soon to be provided with sewers, water and fire protection. Again, the underlying recommendation is to concentrate public expenditures for the most benefit.

Major Non-OCS Alternatives

The recommended long-range plan for the urban area is a proposal made to the Kodiak community. The community will decide what its future is to be. The three basic alternatives before the community, setting OCS activity aside for the moment, are:

1. Continue present de facto policies and development trends. This might be termed the "No Action" alternative. It would look something like the sketch plan, except that the development of Near Island is believed to be unlikely.

2. Take steps to correct existing shortfalls in community facilities, infrastructure and housing. Develop necessary infrastructure and provide space to allow projected industrial growth and associated

population increases. This would amount to "planned growth." It would eventually look like the recommended plan, except that the final location of industrial expansion land cannot be determined at this time.

3. Take steps to correct existing shortfalls in community facilities, infrastructure and housing, but do not accommodate additional growth in employment. This would amount to a "growth freeze." This would resemble much of the recommended plan, but less area would be in medium and high density residential housing; the second commercial center would not develop; and Mill Bay would not develop fully into a high density, pedestrian-oriented corridor.

The recommendation made here is that the community choose alternative 2 or 3. To help in making the decision, this summary of the existing situation is offered:

- The economy of the Kodiak urban area is based upon the fishing industry and the Coast Guard.

- Coast Guard employment is stable for the foreseeable future. The Alaskan fishing industry appears to be on the verge of significant expansion, and Kodiak could attract many of the jobs involved if it can provide the space and infrastructure necessary to the industry--including both the fishing fleet and the canneries.

- At present, however, Kodiak's infrastructure is seriously strained, and housing for workers is in short supply. Until these constraints are removed, significant industrial growth is unlikely.

- The shortfall in services and housing also has adverse environmental effects. In particular, these include surface water pollution, dust, periodic water and power shortages, high prices, overcrowded housing, and development in hazard areas.

- Significant effort and expense will be required to correct these shortfalls and their effects.

- To minimize this effort and expense, as well as to slow the rate of housing cost inflation, concentration of service expenditures is recommended.

- Accommodating significant industrial growth and associated population growth will require additional expenditures in advance of that growth.

- Because of the uncertain stability of Pillar Mountain, large-scale expansion in the existing "cannery row" area is not advisable, and the existing city docking facilities should not be expanded at this point. Significant population growth may be delayed until industrial growth resumes.

Recommendations

Housing

- Slow homesite cost inflation by allowing resubdivision and development on 7,200 square foot lots in areas to be provided with services (Island Lake and Spruce Cape).

- Provide opportunity to reduce home construction costs by allowing townhouses and planned unit developments.

- Provide opportunity for affordable moderate income housing by zoning areas for mobile home subdivisions and trailer parks; allow mobile homes in other single-family areas only during construction of conventional homes (two-year limit).

- Provide additional areas for multi-family rental housing in West Channel area and along redeveloped Mill Bay Corridor.

- Encourage canneries to provide dormitory housing for seasonal workers (above tsunami hazard zone). Enforce existing zoning to eliminate overcrowding and de facto dormitory use of housing in single-family districts.

- Form local housing authority to provide housing for residents unable to afford private rentals or purchases.

Industry

- Pursue development of Dog Bay Small Boat Harbor for fishing fleet and interim development of transit docks at Shannon Point.

- Provide ferry to Near Island for access to Dog Bay moorage; allow limited area for fleet-related industrial development on Near Island, with care to protect Trident Basin.

- Pending outcome of Pillar Mountain geotechnical study, do not commit to expansion of City Dock or Cargo Terminal; pursue parallel study of: a) dock and ancillary facility requirements and b) alternative sites, related costs and operational characteristics.

- Pending above studies, expansion by canneries along "cannery row" should be with realization that City dock may be relocated.

- Encourage light industry to relocate from redeveloped Mill Bay Road to industrial park in municipal airport area.

- Restrict industrial activity in Bells Flat to accord with Coast Guard restrictions for Holiday Beach Receiver Station.

- If suitable alternative solid waste sites can be identified, allow transportation-related industrial development at "Swampy Acres."

Commerce

- Maintain existing downtown commercial core, with limited expansion, pending determination of probable tsunami recurrence and height. Commitment to expand should be with realization of potential tsunami hazard.

- Designate subsidiary neighborhood commercial centers to serve immediately adjacent residential areas.

- For the long-term, reserve area for a second commercial center to serve population in Spruce Cape and Island Lake areas, near intersection of Mill Bay Road and Rezanof Drive. Reserve sufficient area to relocate downtown core pending tsunami hazard identification.

VIII. OCS-Related Industry

The preceding chapters have been intended to bring Borough long-range planning to the point that reasoned decisions can also be made about Borough policy toward location and management of OCS onshore facilities and related industries. The two principal choices the community has are:

1. Try to capitalize on OCS onshore development as a stimulus to the Kodiak economy; allow it to site in or near the urban area.

2. Keep OCS development at arm's length; minimize its effect on the urban area.

A brief summary of the on-shore effects of OCS-related development includes these points:

- It probably cannot be kept out of the Borough.
- There is potential for short-term economic gain and a longer-term increase in the tax base.
- OCS-related employment could seriously aggravate existing socio-economic problems in the urban area. A sudden population boom, especially likely during the construction period for an oil terminal, would require expansion in services that the boom would be too short-lived to finance.
- A boom would also drive prices, and therefore wages, up; this could well force the fish-processing industry to move out of Kodiak. The result could be loss of a major share of the urban area's long-term economic base.
- Enough feasible and environmentally acceptable sites appear to be available (see Map 2) that the Borough can greatly influence the choice of site.

Therefore, a general arm's-length policy is recommended toward onshore OCS-related development. It should be kept out of the urban area and villages. If possible, one of the Native corporations should receive some of the benefits associated with provision of onshore facilities. However, the door should be left open for possible joint development of a service base near the urban area in view of the problem posed by the Pillar Mountain landslide and its proximity to the Inner Harbor.

Significant onshore OCS-related development is likely to occur only if and when an oil discovery is made. The oil companies are reported by Simpson Usher Jones, Inc. as not likely to establish a marine service base in the Kodiak Island Borough during the initial exploration period. During the development period, a base might be established, possibly beginning in 1982. This base would be a trans-shipment point for materials required by the offshore drill and production rigs and could therefore generate considerable vehicular traffic if located on the road system. It would also require a large supply of fresh water, which would strain the capacity of the City of Kodiak water system in its present configuration, if an attempt were made to link the service base to the City system. These would be the major impacts; the numbers of construction and operation personnel would probably not pose insurmountable problems for the urban area (see Case 2B, Table 6).

An oil terminal, the other likely type of onshore facility, would only be built if commercially exploitable amounts of oil were found. Construction would probably start in 1985 or 1986, and large numbers of construction workers would be required (Cases 2a and 3, Table 6). This influx of workers would definitely cause severe community dislocations unless mitigating measures were imposed.

The recommended strategy for dealing with OCS-related facilities revolves around two major points: 1) the Borough, in cooperation with other local jurisdictions and groups such as Koniag, can and should designate the feasible sites (Map 2) most appropriate for development; 2) the zoning ordinance should be amended to encourage development only on these sites and, in any case, under carefully designed conditional use procedures. In detail, the recommended approach would be as follows:

1. Specify OCS support facilities as prohibited uses in all zoning districts other than the General Industry district, where they would be permitted as a conditional use.

2. Adopt tight conditional use provisions for OCS support facilities, as proposed in the final draft version of the zoning code (Section 17.05.040).

3. Well before the lease sale, amend the zoning maps to designate these sites General Industry (12). Use the "amendment with special limitations" procedure (Section 17.08.090) to restrict the allowed uses beyond those generally permitted in the General Industry district (Section 17.03.130 of the draft zoning code). This would prevent other industrial uses such as canneries from pre-empting these prime sites. However, enough allowed uses have to be specified to avoid "spot zoning." Suggested uses include the following:

    a) Permitted principal uses and structures:

        i. Boat moorages;
        ii. Boat repair;
        iii. Open space for informal recreation.

    b) Permitted accessory uses and structures:

        i. Accessory buildings;
        ii. Watchman's dwellings and owner-operator's dwellings.

    c) Conditional uses:

        i. Petroleum exploration and development, marine service bases and oil terminals on tracts of not less than 5 acres.

d) Conditional accessory uses:

i. Fuel storage;
ii. Airports;
iii. Natural resource extraction operations;
iv. Dormitories.

As a result of this strategy, OCS support facilities would only be allowed in the Borough as conditional uses in the General Industry district. The only areas in this district would be the Borough's designated OCS sites and the Inner Harbor (OCS development here would be precluded by the terms of the conditional use section). Attempted OCS development in any other area would require Borough Assembly approval of a rezone (not granted easily), followed by compliance with all the conditional use provisions. In other words, two sets of public hearings rather than one. Since time is likely to be critical to the oil companies, this should further encourage them to look closely at the Borough's designated sites.

If these recommendations are followed, the planning mechanisms would be in place to deal with an actual OCS development proposal. An applicant would approach the Borough planning department as provided in the conditional use chapter (17.05) of the zoning code. Permission to develop would be subject to all the specific conditions set out there for OCS facilities. The planning commission would also impose additional conditions of approval to meet particular situations or needs. Conditions would focus on the mitigation of both the environmental and socio-economic impacts of OCS facility development.

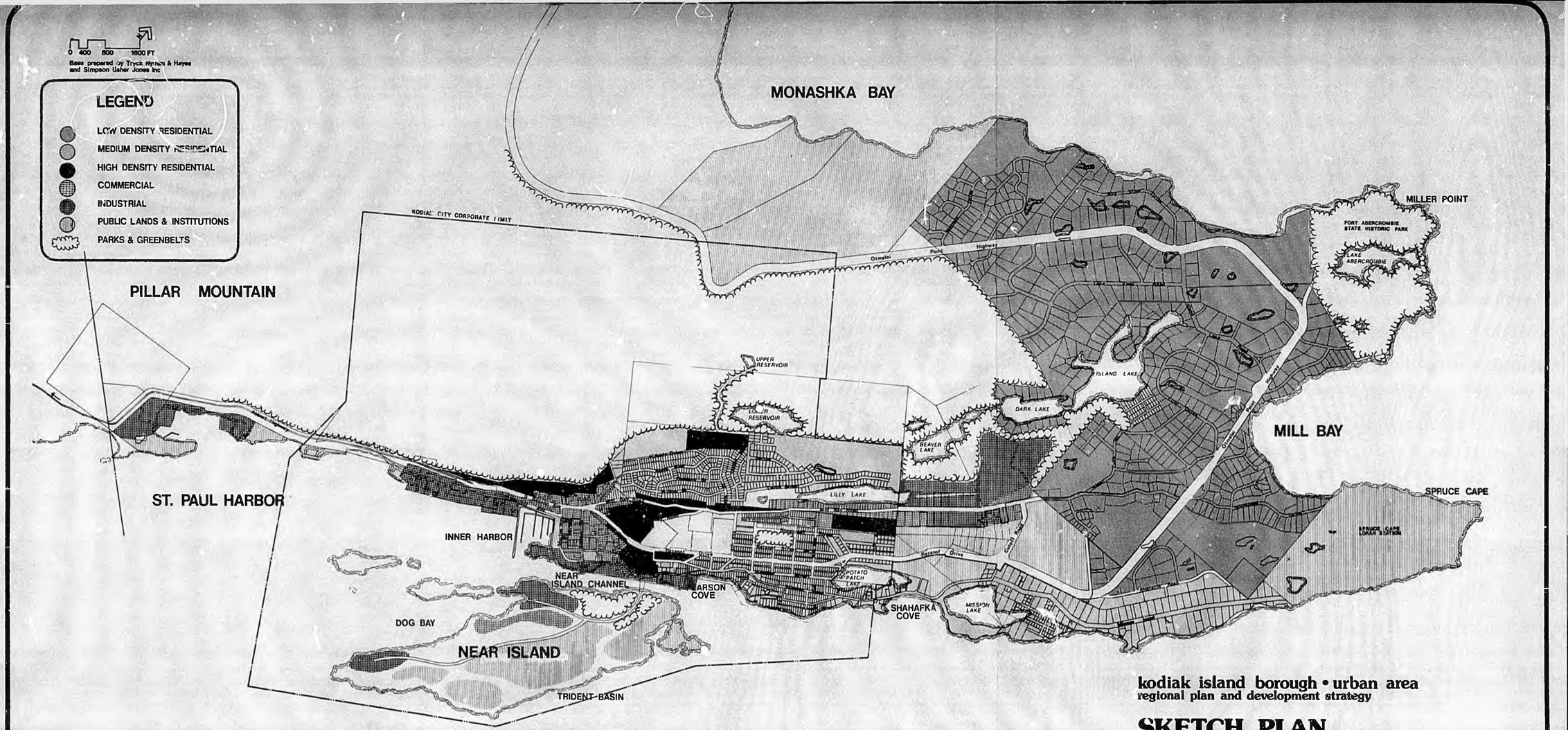
Recommendations

- To avoid adverse impacts during construction period, do not allow oil terminal development immediately adjacent to urban area or villages. The only allowable sites on road network are to be at or beyond Kalsin Bay. Designate preferred sites and zone appropriately.

- Marine service base sites should meet the same conditions, unless City Dock relocation is warranted by results of Pillar Mountain study. If so, consider joint development of service base and City Dock.

- Retain "conservation" zoning in presently undeveloped areas. Planning permission for OCS development should be dependent upon complete environmental review and conditional use approval. Conditions to be imposed during construction.

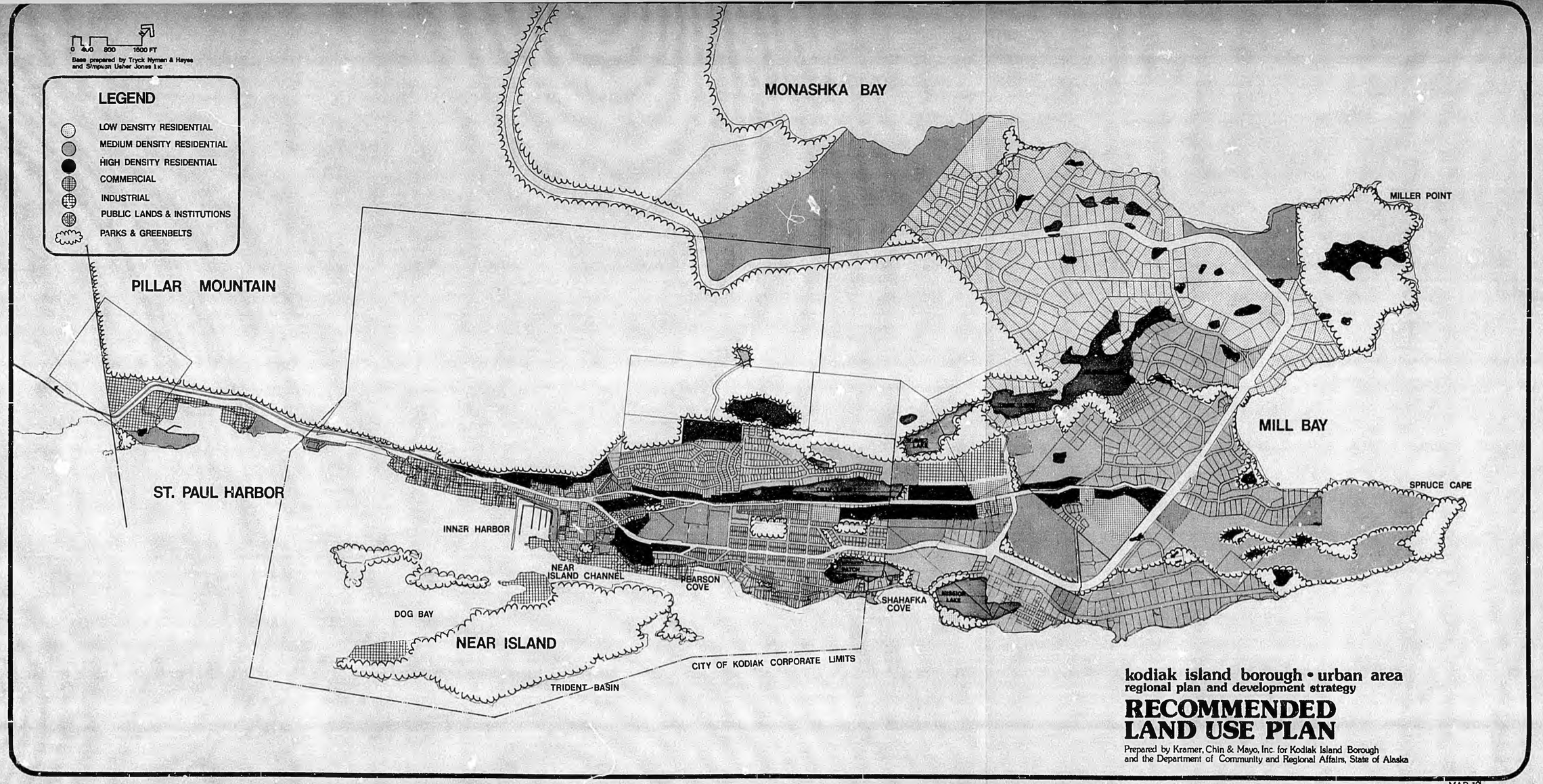
  - Off-Island hiring halls.
  - Operators to furnish all utilities, services, housing and community facilities.
  - Limit need and opportunity for personnel visits to urban areas.
  - Limit need and opportunity for short-term secondary economic development.



kodiak island borough • urban area
regional plan and development strategy

SKETCH PLAN

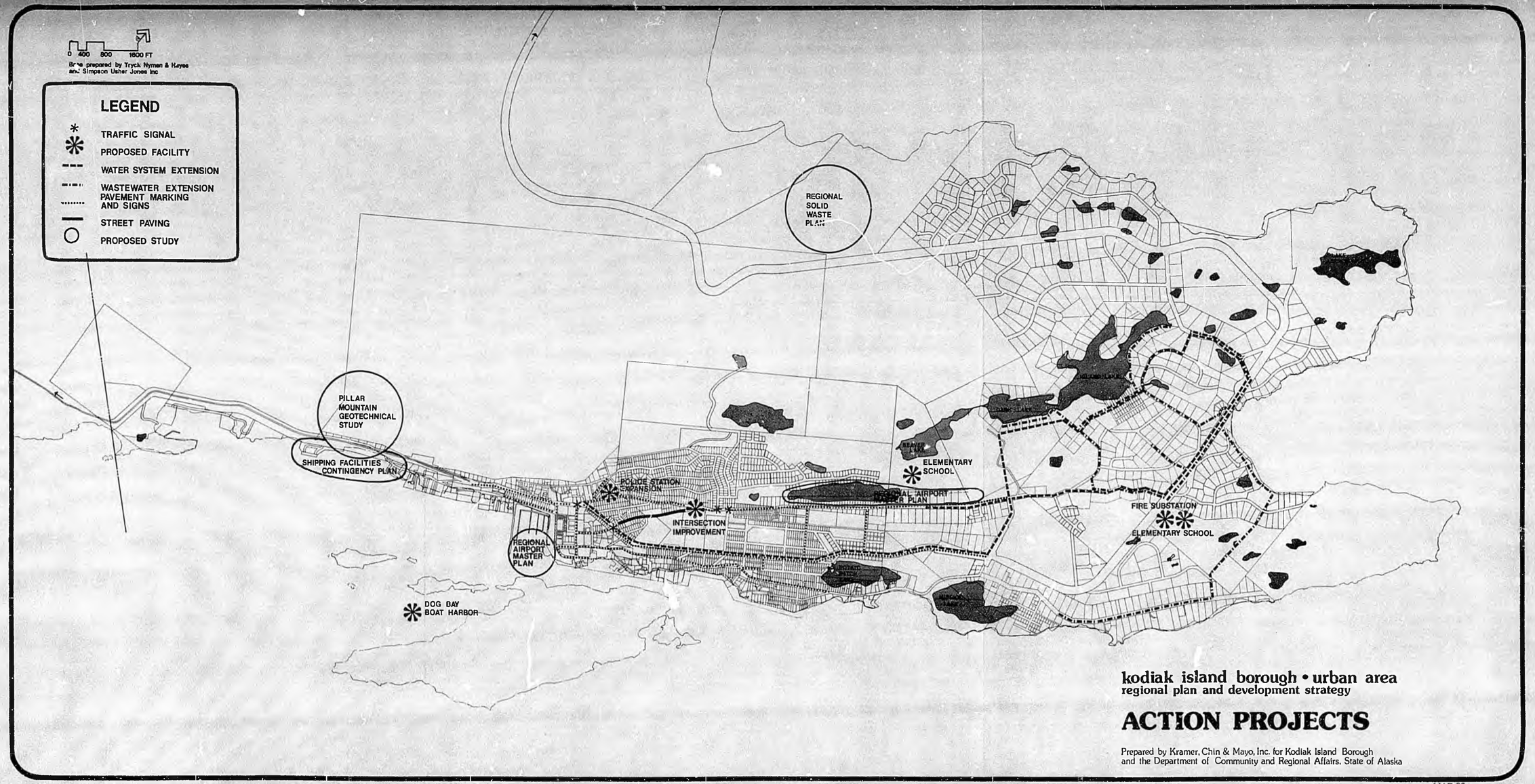
Prepared by Simpson Usher Jones Inc for Kodiak Island Borough
and the Department of Community and Regional Affairs, State of Alaska



kodiak island borough • urban area
regional plan and development strategy

RECOMMENDED LAND USE PLAN

Prepared by Kramer, Chin & Mayo, Inc. for Kodiak Island Borough
and the Department of Community and Regional Affairs, State of Alaska



kodiak island borough • urban area
regional plan and development strategy

ACTION PROJECTS

Prepared by Kramer, Chin & Mayo, Inc. for Kodiak Island Borough
and the Department of Community and Regional Affairs, State of Alaska

MAP 20

IX. SHORT-TERM PLANNING TOOLS

This is the point in a planning study at which there is often a discussion of "implementing the plan." A more appropriate phrase would be "using the plan". A comprehensive plan is never fully achieved. It is a road map toward the community's future, and like road maps, it should be updated at frequent intervals. It represents long-range policy decisions about the community's future. These should be used to guide short-term planning decisions such as where to place mobile home parks, utility extensions, new school locations, and so on. Without the comprehensive overview, these short-term decisions can be seriously mistaken and successfully challenged in court.

Therefore, in one sense, this chapter will be written by the community's Planning and Zoning Commission. Draft revisions of the zoning ordinance, and subdivision regulations have been submitted and discussed. A Capital Improvement Programming (C.I.P.) process for the Borough has been proposed. An Official Streets and Highways Plan has also been put forward to guide future transportation projects and for reference when development proposals are made. The final drafts of these documents (they will not be completely final until adopted by the Borough Assembly) will be bound separately as appendices to the final version of this summary report.

X. ENVIRONMENTAL IMPACT ANALYSIS

An environmental impact analysis has been prepared for the Regional Plan and Development Strategy. The thrust of this analysis, like that of the plan, is directed toward the recommendations for the Kodiak urban area. The analysis is summarized here. It is fully reported in a separately printed working paper: "Study Element 7: Environmental Impact Analysis".

The proposed plan and development strategy consists of many recommendations which affect employment, population, land use and the physical character of the urban area. The basic employment recommendations are to encourage growth within the fishing industry and to discourage use of the local labor force for OCS-related employment. Diversifying the Borough's industry is a desirable goal, but development of seasonal industries such as tourism should not be actively pursued because growth in such industries could add on-season congestion and off-season unemployment. These are already causes of concern because of the seasonal aspects of the fishing industry.

The plan is based upon significant economic and population growth over the next 20 years. With active development and extension of the existing Kodiak economy, the population of the urban area could double or even triple within this period. Providing housing and services for this population will require considerable community effort and expense. Short-term OCS population growth would compound the difficulty. Therefore, it is recommended that OCS development and infrastructure (housing and services) be kept as separate as possible from the existing urban area. Obviously, if an oil service base and/or terminal develops on Kodiak Island connected to the existing road network, it will be extremely difficult to maintain total separation. However, by maximizing separation, the population growth in the urban area should be limited primarily to gains resulting from growth in the fishing industry and stabilization of Coast Guard manning levels.

An alternative "no growth" strategy would require a community decision not to pursue further economic development. Kodiak would then need less new housing and services, but there would still be serious problems with existing housing, services and degradation of the environment. Solving these existing problems and accommodating future population increases are important aspects of the proposed plan. Assuming that there is to be growth in the Kodiak urban area, it could also be approached in an unplanned manner. However, this would result in urban sprawl and aggravated environmental problems.

The proposal calls for planned development and concentration of housing and services within the present urban area. The result will be higher living densities for many neighborhoods. These densities will range from 6 units per net developed acre in single-family home areas, to 15 units per acre in multi-family apartment areas. Many Kodiak residents have expressed a desire to live at lower residential densities. However, less dense development usually causes more destruction of the natural environment and greater use of energy than that caused by concentrated development. It is also far easier and more economical to provide basic services to a concentrated area. Concentrated development will therefore help to keep housing costs down; these costs are also an expressed concern of Kodiak

residents. Finally, several transportation recommendations have been developed to reduce potential traffic congestion resulting from future development.

Parameters such as soils, slopes, drainage, and tsunami hazard areas have been considered in developing the plan recommendations. No extraordinary amount of grading or fill is anticipated, although minor amounts may be required for certain elements of the plan. The major probable adverse impact on the physical or natural environment will be the loss of trees, particularly with residential development of Spruce Cape. This impact can be mitigated by utilizing a Planned Unit Development approach to preserve open space and vegetation, particularly along drainageways. The plan recommends conserving most of Near Island as a natural area for limited recreational use. Under an earlier plan, Near Island would have been connected to the City with a bridge and almost fully developed. The current plan recommends a ferry, limited industrial development to support the Dog Bay small boat harbor, retention of the remainder of Near Island in its natural state, and protection of water quality in Trident Basin.

As previously noted, the plan proposes higher residential densities. Apartment districts are proposed near the CBD, as well as higher residential densities along both Mill Bay Road and Rezanof Drive. Once in-filling has been substantially completed in existing neighborhoods, expansion of residential land use is proposed toward Spruce Cape (and toward Monashka Bay in the long-term). While the private market can probably provide sufficient medium- to high-cost housing, special planning is required for low-cost housing. Higher densities will help offset some housing costs, particularly for land. The plan also recommends mobile homes as one means of providing low-cost single family housing. Mobile home subdivisions and trailer parks would be kept separate and well buffered from other housing in order to avoid potential advertisements on land values. Establishment of a local housing authority and help from the fish canneries in the form of dormitories for seasonal employees are also recommended to meet the needs for more low-cost housing.

Commercial use is to remain centered in downtown Kodiak for the mid-term. However, only a restricted area is available for expansion outside of the zone flooded by the 1964 tsunami. As population growth occurs in the Spruce Cape - Mill Bay - Island Lake areas, establishment of a second business district is recommended near the intersection of Mill Bay Road and Rezanof Drive. This proposal may cause some concern within the existing business community because it will mean only limited future growth for the present CBD. Limiting such growth is recommended because the present CBD was rebuilt in a hazard zone. By distributing commercial development, with new development on higher ground, the plan attempts to protect the urban area against another total loss of its business district. It also minimizes the potential for congestion and parking problems and would make shopping more convenient for future residents of the northeastern half of the urban area.

Neighborhood shopping is also proposed for several locations along Mill Bay Road. At present, Mill Bay is developing into a commercial strip, with uncontrolled access. This will lead to inefficient use of prime land along a major arterial, traffic congestion and safety problems. Redevelopment of Mill Bay to full arterial standards is recommended. As part of this redevelopment, Mill Bay Road is to become a major focus of neighborhood commercial and higher density residential development. The commercial development would not be dispersed, but would be concentrated in several distinct locations to serve adjoining residential areas.

Public facilities will also have to be expanded to meet existing needs and the needs of future growth. In particular, schools and fire protection must be expanded to reflect the growing population in the northeast urban area. Likewise, existing police staffing and facilities must be expanded to meet growing crime problems. Parks and recreation programs also need attention and these will be addressed in a future study.

There are several unknowns which will affect the future of the urban area. The plan recommends the maintenance of the industrial area in its present form and location. Space for expansion will be very limited in this location until the degree and extent of slide hazard from Pillar Mountain is determined. Also, the present City landfill for solid waste is nearing capacity and is located on land being transferred to a Native corporation. Since economic data on alternative locations is not complete, more study is required to determine a new landfill site. Finally, known historical and archeological sites are recommended to be preserved in the plan. Unfortunately, there is much that is not known about such sites, and further inventories should be undertaken soon prior to potential loss from new development.

In addition to these unknowns, other governmental agencies and private companies can have significant impacts in the future. These include the Coast Guard, with respect to its base and operations; the Corps of Engineers, with respect to Dog Bay and other harbor projects; the Department of Interior, with respect to its land holdings; the Native corporations, with respect to their land holdings and developments; and the course of OCS development which is addressed, but by no means resolved in the plan.

Overall, the plan should improve and protect conditions the physical or natural environment. The main objections to the plan will probably be based upon its recommendations for the human environment, particularly where those recommendations depart from previously stated goals, preivously developed plans and/or previously held convictions of business and the general public.

CORRES.
RE: KODIAK
ANNEX.

KODIAK - NOTIFIED

EMIL NORTON
BOX 1002
KODIAK 99615

Peter B. Jackson
PO Box 2683
99615

Don & Mary Mack
PO Box 2105

PATRICK ANDERSON
PO Box 1673

~~MR & MRS GLENDICK~~
MR & MRS GLEN DICK
BOX 1673

E. E. ERVIN
BOX 1747

Tennie RILEY
PO BOX 1114
Kodiak

THESE PEOPLE HAVE BEEN NOTIFIED OF THE PUBLIC HEARING

John Morton
P. O. Box 44
Kodiak, Ak. 99615

"Jo" Hajdu
P.O. Box 627
Kodia', Ak. 99615

Ukey Chandler
P.O. Box 1635

Kodiak, Ak. 99615

Mrs. June Juelson
Box 286
Kodiak, Ak. 99615
LornaLee Arndt
Box 2069
Kodiak, Ak. 99615

Dick Juelson, chairman
Borough Residents for Autonomy
Box 286
Kodiak, Ak. 99615

Melissa D. Newton
Box 773
Kodiak, Ak. 99615

Ron Matsuoka
Box 2078
Kodiak, Ak. 99615

Randolph Pavelko
Kim Steven
Box 3166
Kodiak, Ak. 99615

Catherine Olsen
Steven Olsen
P. O. Box 1574
Kodiak, Ak. 99615

Mr. D. R. Pistorese
Mrs. C. M. Pistorese
P.O. Box 37
Kodiak, Ak. 99615

~~Norman D. Wooten~~
Box 3016
Kodiak, Ak. 99615

D. R. JEFFS
B. E. NAKNAWEIK
E. NESETH
TEMAE BERESTOFF
JANET WENTE
LAUREL C. BOLDEN
MRS DIANE NAIGH
BEVERLY LOUISE HORN
BOB BRODKS
MRS LOUIS LINDSEY

April 4, 1979
Kodiak, Alaska

House of Representatives
Pouch V, Juneau, Ak. 99811

Dear Representative Parker,

I would like to thank you, and commend you for taking the time to look into, and vote accordingly, on the recent annexation issue here in Kodiak. My wife and I and the other residents and members of The Borough Residents for Autonomy have had our faith in the Alaskan style of Government greatly restored.

Thank you again and keep up the good work!

Sincerely,

Dick

Dick Juelson
Chairman
Borough Residents for Autonomy

DJ/jj

Thanks Bill!
June

Borough looks for options to annexation

The borough assembly last night voted to set machinery in motion for the Kodiak borough and city to work out their differences in the wake of defeated unification and annexation efforts.

The vote followed the defeat last fall at the polls of a move to have a commission draw up a charter for a unified government, and the defeat this week in the state legislature of a recommendation to annex some borough lands into the City of Kodiak.

When the Senate and House voted to reject the Local Boundary Commission's recommendation for annexation, they also passed bills directing the Department of Community and Regional Affairs to study alternatives to annexation. The department is to report back to the legislature on its findings.

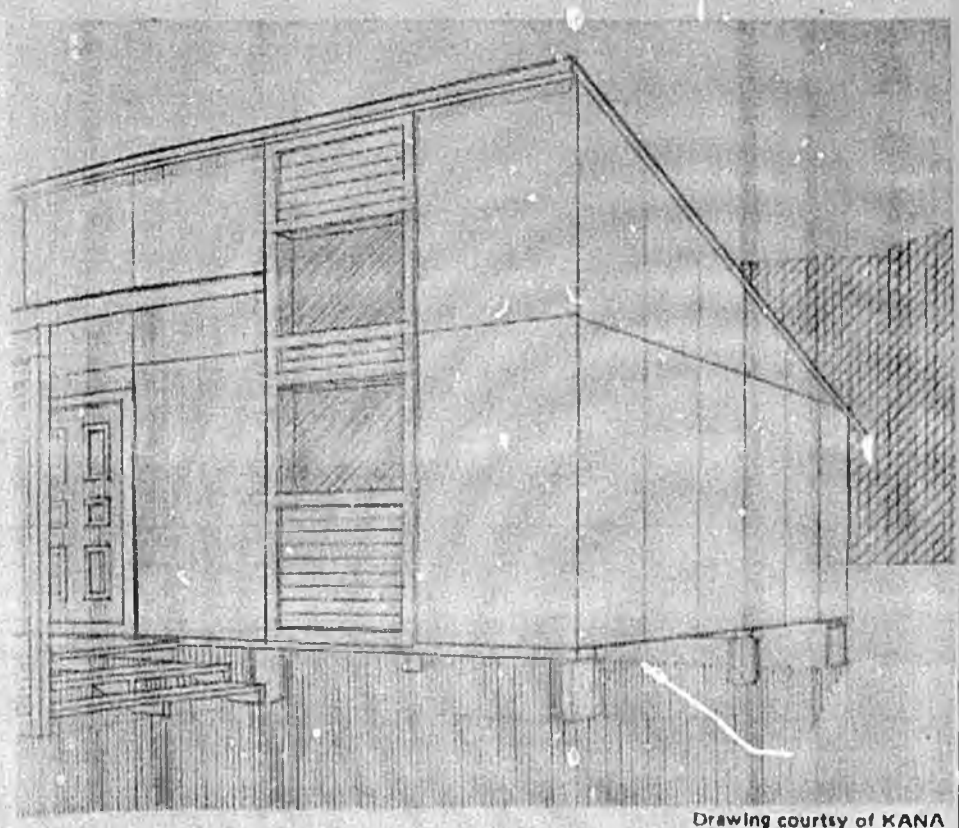
Rather than wait around for the state to tell it what to do, the borough voted to have borough, city and borough and city representatives and residents from the proposed annex areas get together to discuss what to do to meet the intentions of annexation, such as providing increased services.

In other actions, the borough assembly made appointments to the Outer Continental Shelf and Overall Economic Development Plan boards, added a backup generator for Akhiok to its list of priorities and received a petition from parents in Chiniak regarding elementary school education.

(Continued on Page 2)

DIAK DAILY MIF

Friday, March 2, 1979



Drawing courtsy of KANA

inted Nick Pestrikoff supervisor of its upcoming health clinic.
ıe assembly officially accepted a $38,000 RDA grant for the
r Port Lions which will include a fire hall for that city.

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nd hatcheries.

Interest rates for all but the veterans home loan program would be tied to the conventional home mortgage rates, now about 11 percent, in a second measure the panel approved.

The veterans home loan fund would gain the most out of the measure by receiving all the interest and principal payments made on the roughly $30.) million now outstanding in veterans home loans. That money currently goes to the general fund.

In addition, Bradley said the 7½ percent interest rate could continue.

Gov. Jay Hammond has proposed that the veterans home loan program be absorbed by the Alaska Housing Finance Corp., which now makes loans to middle-and low-income persons. Veterans would pay about 8¾ percent interest under that arrangement.

"The vets do not want to go to AHFC and they'll raise hell to make sure they won't," Bradley said. He also said AHFC, which plans hearings March 19 in Fairbanks, Anchorage and Juneau on the proposal, "doesn't want them either."

Bradley said his bill would reopen veterans home loans — now shut down — until a longrange plan setting up something like a separate veterans housing finance corporation is reached. He also said veterans might be willing to limit their loans to just single-family dwellings or owner-occupied duplexes.

ıade

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laska Monday
Leslie Pem-

JOINT C/RA COMMITTEES PUBLIC HEARING/ Kodiak Boundary as recommended by the Local Boundary Commission, February 10, 1979, in Kodiak.

Meeting Called to Order 2:05 / Adjourned 6:35 P.M.

Those who testified:

Alaska Local Boundary Commission Presentation (20 Minutes)
Sig Strandberg, member of Commission

99615

Zip

City of Kodiak Presentation (20 Minutes)
Clair Harmony, City Manager
Wilton White, City Council Member

Borough of Kodiak Island Presentation (20 Minutes)
Betty Wallin, Mayor
Joan Katz, Attorney

Public:
Kyle Cherry, Dept. Envir. Cons.
E.E. Erwin, Box 1247
Norman D. Wooten, Box 3016
William Bulen, Box 442, (Kodiak Sanitation)
Ed Jack, Box 1494
Neil Sargent, Box 121
Marvie Heine, Box 1232
Lorna-Lee Arndt, Box 2069 (Island Lake Group)
Louis (Burnie) Lindsey, Box 951
Jo Hajdu, Box 627 (Borough Residents for Autonomy)
Tom Sweeney, Box 1395
Chuck Powell, Box 605 (Chamber of Commerce)
T.T. Jackson, Box 1215
Martha D. Randolph, Box 414
Dewitt Fields, Box 25
Tom Simpler, Box 465
June Juelson, Box 286
Dick Juelson, Box 286
Carol Lechner, Box 1616 (City Council)
David Hall, Box 1122 (Did not appear)
Danforth Ogg (self- (Assemblyman)) [5 minutes]
Box 2754 R. Dan Ogg Box 1246
Gaynell Hatcher, Box 57 (City Council)
Jack McBride, Box 2007 (Relinquished Time)
Jim Poulos, Box 2702
Dorothy Poulos, Box 2702 (Relinquished Time)
Pat Szabo, Box 1633 (Also read letter from Mr./Mrs. Wm. Ross)
Peter Bailey, Box 3
William Barker, Box 2135
Richard Sims, Box 2705
MARIAN Johnson ~~Gerold Sudenak~~, Box 2942 (Did not appear)
Okey Chandler, Box 1635 (self & Don Mack)
Kay Poland, Box 45
Ian Fulp, Box 2306 (Read into record)
Tom Logan, Box 1483
Bob Brooks, Box 232 (self [& wife]) Wife doesn't want to be represented with spouse per Lorna-Lee Arndt.
Dallas Paden, Box 2674
~~Obel Onlid~~, Box 545 (self & Sid Onlid)
OLAF OMLid

35

Henry Lefrew, Box 547
Dr. Bob Johnson, Box 1727
James Duros, Box 867 (Spruce Cape)
Douglas Dawson, Box 997
Daniel Busch, Box 1162
William J. Glynn, Jr., Box 2615
John A. Parker, Box 191
Gary Stevens, Box 201 (City Mayor)
Duane Freeman, Box 902
Tom Healey, Box 1676
Tony Perez, Box 6
Emil Norton, Box 1002 - Appt'd by City Mgr.

John Whitaby

John Witteveen

(Beaty)

KODIAK PUBLIC HEARING
BY HOUSE/SENATE C/RA COMMITTEES

TESTIFY SHEETS:

(Kodiak, Ak. 99615)

PLEASE PRINT NAME	MAILING ADDRESS	IF REPRESENTING A GROUP OR ORGANIZATION, PLEASE PRINT NAME
~~[illegible]~~ Mill Bay Area		
E. E. Enoch ERWIN	Bx 1247	
Dark Lake Area		
NORMAN D. WOOTEN	BOX 3016	
WILLIAM BULEN	Box 442	KODIAK SANITATION
Spruce Cape		
Ed Jack Jack	Box 1494	
Neil Sargent	Box 121	
Marvin Heino	Box 1232	
Lorna Lee Arndt	Box 2069	Island Lake Group
Louis (Bernie) Lindsey	Box 951	
Jo Hajdu	Bx 627	Borough Residents for Autonomy
Tom Sweeney	Box 1395	
Chuck [illegible]	Box 605	Chamber of Commerce
Dell D. Jackson	Box 1215	Self
Martha [illegible] Randolph	Box 414	Self
[illegible]	Box 25	
Tom Simpler	Box 465	self
[illegible]	Box 286	Self
DICK JULLSON	Box 256	Self
CAROL LECHNER	Box 1616	
David Hall	Box 172	Self - didn't testify
R. DAN OGG	BOX 1246	BORO ASSEMBLY
DANFORTH OGG	BOX 2754	
Bay Nash Hatcher	Box 57	City Council
Joel McBride	Box 2007	Shahatka Acres Sch
[illegible]	Box 2702	Spruce Cap
Dorothy Poulos	Bx 2702	Spruce Cape

KODIAK PUBLIC HEARING
BY HOUSE/SENATE C/RA COMMITTEES

TESTIFY SHEETS:

(Kodiak, Ak. 99615)

PLEASE PRINT NAME	MAILING ADDRESS	IF REPRESENTING A GROUP OR ORGANIZATION, PLEASE PRINT NAME
PAT SZARO	Box 1633	Also reading letter for Mr & Mrs Wm. Ross
PETER BAILEY	Box 3	
William Barker	Box 2135	
RICHARD SIMS	Box 2705	
(Gerald T Sullivan	Box 2942 → didn't testify)	
MARIAN JOHNSON	BOX 1727	
Okay Chandler		
Sen Kay Poland		
~~Tom~~ TOM Logan		
Bob Brooks		
Patty Baton		
De Grue?		
Dr Johnson		
Jim ~~Puros~~ Puros		
Douglas Dawson		
John Whitaby		
Daniel Bush		
Bill Guinn (Glen?)		
John Parker		
Mayor Stevens		
Dwayne Freeman		
Tom Beally		
Emil Norton		
Tony Perez		

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 13, 1979

On behalf of the House Committee on Community and Regional Affairs, I would like to express our appreciation for your testimony given on February 10 in the matter of HJR10, "Kodiak Annexation." This public forum was very helpful to us in clearing up our thinking about this matter. I hope the dialogue was as instructive for its participants as it was for the members of the Committee.

Again, thank you very much for your participation.

Sincerely,

Bill Parker
Chairman

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

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State Capitol
Juneau, Alaska 99811

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Again, thank you very much for your participation.

Sincerely,

Bill Parker
Chairman

#

TELEGRAM

02003 NL TDA KODIAK AK 50 2-13 1145P AST

RCA ALASKA COMMUNICATIONS, INC.
1979 FEB 14 AM 3 22 [illegible]
[illegible], ALASKA [illegible]

PMS REP PARKER

JUN

PROGRESS WILL OCCUR AT ITS OWN PACE. IT DOESNT NEED TO BE PUSHED. PLEASE JUSTIFY OUR BELIEF THAT ALASKANS STILL HAVE THE RIGHT TO DECIDE THEIR OWN FUTURE BY VOTING TO REVERSE THE BOUNDRY COMMISSIONS DECISION.

WE ENJOYED HAVING YOU HERE FOR THE HEARING.

DICK AND JUNE JUELSON

BOX 286

KODIAK AK 99615(

2/12/79

Joint CRA Committee
Pouch V
Juneau, Ak.

Chairman and members:

Thanks you for coming to Kodiak to hold a hearing concerning the recent annexation decision of the Boundry Commision. It is interesting to note that when the Boundary Commission came to Kodiak for a public hearing, only three members were present yet the decision was made by the entire commision. Listening to tapes is not the same as being at a hearing. If only the three members attending voted, the annexation would have been defeated as Mr. Strandberg voted against it. In later conversation with one of your committee members I believe Mr. Bettisworth said he was not in favor but went along with the majority. Mr. Bettisworth attended. This leaves only the chairman, Ms

Gallagher, of the members attending actively in favor of this annexation.

Mr. Strandberg's concerns about the time frame for providing services is well founded. Annexation of any size made in the past by the City of Kodiak have provided a poor track record of providing services in a timely manner. In one case, seven years to provide sewer and sidewalks are still to be provided more than 12 years later. This proposed annexation virtually doubles the size of the residential & business land mass of the City of Kodiak.

I make about $26,000/yr which is marginal in Kodiak. I own lot 12 USS 3101 near the end of Spruce Cape Rd. The size of this lot is 1.13 acres. I have a duplex on this property. Spruce Cape Rd is a state road, and whether annexed or not will still be state maintained. I have city water provided by a line

installed by the U.S. Army Corp of Engineers. In order to put this line in it was necessary to blast 3/4 miles through bed rock. The cost of a sewer line in this area is prohibitive and the priority by the city very low as we have no pollution problem. It will be at least ten years before the city of Kodiak will get around to us. They haven't even a tentative time frame. Yet they propose that we be in a 100% tax zone. Even if I were willing to change my life style, I could not. I have as much housing as is allowed with the services available. I couldn't subdivide and sell a portion. The average lot inside the city is 7200 square feet. The taxes are two and 1/2 times the tax outside. I will be paying taxes on 44,000 square feet with no way to reduce this size. To this fact? I haven't even had a say in this.

The voting district proposed for annexation voted 501 out of a

possible 850. This represents about 60%. The entire borough voted only 32.9%. I think this shows we are concerned and responsible citizens, more so than any other area in the borough. We resent not having a say in our destiny especially when city voters seem to care so little what happens to them.

The City of Kodiak is a Home Rule City. It gives their City Council tremendous power without concern for the will of the people (especially apathetic people). Their history of keeping their word is not good. For example, the proposal to put the sewer plant on Spruce Cape Rd included a sewer line for that road. The residents didn't object, feeling that we would benefit. The first thing cut because of cost was the sewer line for Spruce Cape Rd, but the sewer plant was put there. The proposal voted on by the people included this sewer line yet we

didnt get it.

Please reverse the Boundary Commissions decision, or rather recommend reversal.

Thanks you for your consideration

Sincerely

Ed Jack
Sprucecape Rd resident

ED JACK
BOX 1494
KODIAK 99615

TELEGRAM

RCA ALASKA COMMUNICATIONS INC
1979 FEB 14 AM 3 22
ANCHORAGE, ALASKA

#

02003 NL TDA KODIAK AK 50 2-13 1145P AST

PMS REP PARKER

JUN

PROGRESS WILL OCCUR AT ITS OWN PACE. IT DOESNT NEED TO BE PUSHED. PLEASE JUSTIFY OUR BELIEF THAT ALASKANS STILL HAVE THE RIGHT TO DECIDE THEIR OWN FUTURE BY VOTING TO REVERSE THE BOUNDRY COMMISSIONS DECISION.

WE ENJOYED HAVING YOU HERE FOR THE HEARING.

DICK AND JUNE JUELSON

BOX 286

KODIAK AK 99615(

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Rep. Pat Carney, Vice Chairman
Charlie Parr
Margaret Branson
Fred Zharoff
Pat O'Connell
Ray Metcalfe

FROM: Rep. Bill Parker, Chairman

RE: KODIAK ANNEXATION

Attached please find copies of letters re annexation received from Kodiak residents by the Committee.

26 January 1979
Kodiak, Alaska

The Honorable Bill Parker
Alaska State House of Representatives
Juneau, Alaska 99811

Dear Representative Parker:

Please place the names of: Dick Juelson, Okey Chandler, Lorna Arndt, and Nick Szabo as persons to be heard for testimony at any hearing held to investigate and/or gather information about the opposed forced annexation here in Kodiak.

Respectfully,

Dick Juelson

Dick Juelson, Chairman
Borough Residents for Autonomy
Box 286
Kodiak, Alaska 99615

Copy to: Arliss Sturgulewski, Chairman CRA
Alaska State Senate

January 22, 1979

Honorable Jay Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

I am circulating a petition that opposes forced annexation. I have several hundred signatures from the proposed annexation area. Ninety-five percent of those contacted signed the petition. The remaining five percent did not sign for religious reasons and other affiliations.

About eighty-five percent of City residents contacted have signed the petition opposing annexation.

We solicit your assistance in defeating this issue.

Sincerely,

Okey Chandler

Okey Chandler
P.O. Box 1635
Kodiak, Alaska 99615

cc: Hon. Arliss Sturgulewski
Hon. Tim Kelly
Hon. Bob Mulcahy
Hon. Patrick Rodey
Hon. Terry Stimson

AX CONSULTANT
ACCOUNTANT
PHONE: 486-5359
BOOKKEEPER

"Jo" Hajdu
P. O. Box 627
Kodiak, Alaska 99615

January 25, 979

Dear Representative Parker:

I am greatly concerned about claims made by the City of Kodiak in the past several months concerning the underlying "necessity" for its annexation efforts. The City has alleged that annexation is required if it is to provide utility services sought by residents outside the municipal limits.

In fact, the City has every right to provide these services right now, without any annexation. Under Title 29 of the Alaska Statutes, municipalities owning or operating utilities are specifically authorized to extend their services outside the municipal limits. The City's own charter grants the identical power.

In addition, it is the Borough's position, currently being pursued in the courts, that the City not only has the "right" to provide these residents with water and sewer services, but is actually under an obligation to do so in light of agreements negotiated previously with the Borough and conditions attached to sewer and water funds provided the City under Federal and State grants.

Since utility funds are self-supporting, with the full costs paid by the users, there would be no cost to the residents of the City. I think it could be documented that the surcharge on the present water users outside the City results in a profit to the City. Further, until such time as sewer service is provided outside the City boundaries, the entire costs of the very expensive new sewerage treatment plant are being borne by the residents of the City, so it would be to the benefit of the users inside the City to expand the user base.

It is hard to believe that a municipal government such as the City of Kodiak would deliberately mislead the people of this area. Yet it is my opinion that such deliberate misrepresentation is precisely what has taken place. It is hoped that the municipal body which would seek to achieve annexation through such means will not be afforded the opportunity to govern those citizens it has attempted to deceive. Perhaps this is one of the reasons that the majority of the people living outside the City have elected to form service districts to take care of their needs as they perceive them.

Sincerely,

Jo

JO HAJDU

January 26, 1979

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Attn: Bill Parker, Chairman
House Community & Regional Affairs Committee

Hon. Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs Committee

Re: Opposition to City of Kodiak Annexation Attempt

Dear Governor Hammond:

In 1965, I lived in the La Lande Addition, adjacent to the City of Kodiak. The lots were 50 X 100 feet and there was a trailer court in our vicinity. We petitioned the City of Kodiak to be annexed that year because of the need for sewer services. We were annexed in 1966.

We have a City water system that was installed with antique fittings. So poor is the City's public works capabilities that the Fitzgerald Welding Shop had a fire and was gutted because the fire department did not have the tools available to open the hydrants. It was only after the disastrous fire that modern hydrants were installed by the City. I continued to live in the same location until 1969, and the requested utilities had still not been installed. During the period of residence the only thing that I ever received were several tax increases from the City. The records of the City Public Works Department will show that the sewer was not installed until fall of 1973. The City of Kodiak's total lack of public works capability is not only well known, but easily documentable.

The City says they are broke and that they need the taxpaying participation of citizens outside the City to help underwrite the cost of services being rendered to City residents. The only thing that I can see that I will receive from the City of Kodiak are tax increases, as their past record shows. I request that you and your Administration and our Legislative representatives work aggressively against this forced annexation.

Sincerely,

John Morton

John Morton
PO Box 44
Kodiak, Alaska 99615

cc: Hon. Bob Mulcahy, Alaska State Senate
Fred Zharoff, Alaska State House of Representatives
Community & Regional Affairs Committee Members -
State House & Senate
Alaska State Legislature

23 January 1979
Kodiak, Alaska

The Honorable Bill Parker
Alaska State House of Representatives

Dear Representative Parker:

I have been an Alaskan resident in Kodiak for 31 years and am in total opposition to the forced annexation of my area to the City of Kodiak for the following reasons:

1. The area is still very suburban in nature due to large lots, most of which are over one acre in size, one has 67 acres. In order to pay taxes and assessments on this size lot at this time, many of us would have to subdivide and sell part which would defeat the reason we moved out here.

2. The Antiquities Act — Proposition 13 ——— so many issues are showing us that people, yes Alaskans too do care "how" they're governed and when "enuff is enuff".

The people & their wishes should be important in decision making where their property and well-being is concerned. If people are so full of apathy that they don't express their opinions & wishes that is one thing. They deserve what they get. However, expressing such and being able to change inequitable laws and/or reverse decisions not representative of the people affected, is our right as citizens.

3. We know the City of Kodiak is in financial trouble - an article in our local papers now and again verifies this but must we pay for their mistakes and get nothing in return? We pay the city sales tax on everything we purchase in the city and everything that is delivered to us such as oil, propane, etc.... We also pay the Borough Personal Property Tax which city residents don't.... The Borough contributes to the city library on our behalf, swimming pool and gym are Borough. We who have city water pay a higher usage rate and we have and pay for a fire district.

People in the Borough recently voted for new service districts in the event they are needed, and only one area is in need of any particular service at this time which can be taken care of without being annexed. The Borough and City has an agreement contract stating the city will supply non-residents with services they are willing to pay for and want. Otherwise, the majority of the people are content with things as they are.

4. We residents organized and have circulated petitions in the affected areas and in the City. For myself I have had one person refuse to sign saying he was involved with the city over property he owns. Within the City I've only had two people not sign. Most people are well aware that the revenue the City would derive from our property couldn't pay for much service. I sincerely believe they only want us as a tax base for bonding purposes.

I am very suspicious of people or governments that go behind my back in order to get something done which affects me and mine so deeply.

If and when a majority of the people in my area by a vote feel it best to annex I would go along peaceably. None of the people in the City or in the affected areas were consulted on this matter - but treated like we weren't old enough to blow our own nose!!

Would much appreciate your careful consideration in helping to reverse the Boundary Commissions decision in this matter. Thank you for "listening".

ENC: Flyer put out & paid for
by organized residents
of affected areas.

Sincerely,
June Fuelson
Mrs. June Fuelson
Box 288, Kodiak, Ak. 99615

January 25, 1978
Box 2069
Kodiak, Alaska 99615

Bill Parker
Chairman House Community & Regional
Affairs Committee
Pouch V
Juneau, AK. 99811

Dear Mr. Parker:

I am against FORCED ANNEXATION. We in the area that the City of Kodiak and the Boundry Commission are trying to force into the City moved in this area to be outside the City, and enjoy the wide open spaces. If we wanted to live in the City we would have built a home there and not where we all chose to live. Also I would have moved to Russia if I wanted to live under dictatorship.

Our Great Borough Government gave us an opportunity in Service District #1 to vote for or against a Service District and what improvements we wanted. The first was water; the second was sewer and the third was roads. The Borough was not biting off a bigger chunk than they can chew, like the City wants to. The Borough had Engineers draw up Plans and Specs for our Water and Sewer Service District and we are all set to go and then the City convinces the Boundry Commission to Force us in as the City is broke and needs our tax money to bail them out; but we will not get the services.

Furthermore no one wants to live under the City Charter as it reads now, as it is not according to Alaska State Statutes and someone in Juneau should look into this.

Please give us some consideration of "freedom to vote" as this is very important to all of us. Thank you for listening.

Sincerely,

Lorna-Lee Arndt

Lorna-Lee Arndt
Block 1 Lot 12B
U.S.S. 3219

25 January 1979
Kodiak, Alaska

The Honorable Bill Parker
Alaska State House of Representatives

Dear Representative Parker:

I am writing you as chairman of the committee for Community and Regional Affairs, to ask that your committee investigate the apparent loss of citizens right to be heard as regards the Boundary Commissions position on the forced annexation of the approximately 2,000 acre's north of the City of Kodiak. As a resident of Kodiak for over 31 years, I have never seen a more flagrant disregard for the people than this.

Although permitted by Alaska Statutes, the intent of the Legislature could not have been to put the residents of the whole community at the mercy of commercial interests and a few misguided local politicians.

As chairman of "Borough Residents for Autonomy" for the past two months, I have discussed this issue with hundreds of local residents. My findings to date are that 95% of those residing outside the city oppose this forced annexation and at least 85% residing inside the city also oppose it. If it's against the wishes of the majority of the people, why should it be allowed to happen?

Thank you for your careful consideration of this matter.

Sincerely,
Dick Juelson
Dick Juelson, Chairman
Borough Residents for Autonomy.

DJ:jj
copy to committee members

Ron Matsuoka
Box 2078
Kodiak, Alaska 99615

Melissa D. Newton
Box 773
Kodiak, Alaska 99615

January 25, 1979

Bill Parker
House of Representatives Chairman/Committee on Regional Affairs
Pouch V
Juneau, Alaska 99801

Dear Mr. Parker;

Although time is running short this letter is intended to bring about some action on the part of the Community and Regional Affairs Committee to help defeat forced annexation with the City of Kodiak. We are only two individuals living within the involved area, however we most certainly are not alone in our protest to this annexation.

To begin with let it be known that the wishes of area residents were totally ignored by the local boundary commission. Every resident of the area who testified at the boundary commission hearing spoke *against* forced annexation! It seems to us that our feelings and interests are being ignored by more powerful individuals who stand for annexation in the hope to gain a great deal for their own self-interests.

Another pertinent fact is that the area does not meet the standards for annexation. The area is not urban: the standard lot size in the area is one acre or larger, and one third of the land area is undeveloped.

City services are not reqired in this area. Fire protection is presently provided through a service district; roads are presently State-maintained or privately maintained; police protection is provided by the State Troopers; water is presently available to the majority of the area and is paid by user fees; sewers can be provided through service districts in those areas where sewers are needed.

We have signed a petition opposing forced annexation and hope that it will give you some idea how many individuals hope to stop annexation. We need your help! Please act on the behalf of the residents of this area by overturning forced annexation.

Sincerely,

Ron Matsuoka

Melissa Newton

cc: Terry Stimson
Bob Mulcahy
Margaret Branson
Patrick O'Connell
Fred Zharoff
Bill Parker
Patrick Rodey
Tim Kelley
Ray Metcalfe
Charles Parr
Patrick Carney

Chairman,
House Committee on Community
and Regional Affairs
Pouch V,
Juneau, Alaska 99801

RE: FORCED ANNEXATION IN KODIAK

January 15, 1979

Dear Sir:

We live in the sub-division known as Woodland Acres. It has come to our attention that this area is one of the areas that the Boundary Commission feels should be incorporated into the City of Kodiak.

A few months ago the Boundry Commission came to Kodiak and residents of the proposed areas of annexation by the City met in a public meeting. Of the more than 100 people present, the only person in favor of annexation was the City of Kodiak's City Manager. This should speak out as the view of the people involved in this annexation. Apparently, the Boundary Commission was blind and deaf for they still want to annex these areas into the City. How can this happen in a democracy? That is why we are writing this letter.

The reason we live in the area we do is for the privacy full acre lots afford. This is not our opinion alone, but shared by many of the people who live here. If our property was annexed into the City, we would be forced to sub-divide our property, or the taxes would be too costly for us to pay.

We have lived on our property for two years. In order to build our house, we had to spend $6,000 for a well and $1500 for our sewage system. Now the City wants to incorporate us and make us pay more money for sewer assessments and water assessments, both of which we proably won't see for 10 years. The City cannot even provide these services to all the residents within the City as the boundries stand now, how can they afford them for new residents.

The services the City says that it will provide are already received through the Borough. 1) Roads are presently State maintained or privately maintained. The City proposes to maintain only 2½ miles of road in the entire area. The City cannot even maintain roads that are within a half mile from City Hall! 2) Fire protection is presently provided through a service district. 3) Police protection is currently provided by the State Troopers.

WE DO NOT NEED OUR TAXES INCREASED!! WE DO NOT WANT TO BE INCORPORATED INTO THE CITY OF KODIAK!! Please hear our plea since the Boundary Commission ignored it!! Please do not force us from the land and privacy we, the residents of these proposed areas, want and need.

Sincerely,

Catherine Olsen
Steven Olsen
PO Box 1574
Kodiak Alaska99615

February 3, 1979

Senator Arliss Sturgulewski
Community & Regional Affairs Committee
Juneau, AK. 99811

Dear Senator Sturgulewski:

The anxiety and activity being generated by the Boundary Commissions annexation statement for an area in Kodiak is touching a lot of people. The flurry seen on top of the pile against annexation does not reflect the thinking of all of us residing in the area affected.

Our elected officials made a statement that they were going to abide by the majority of the voters they heard from. What they should have said is that they would act responsible to the needs of the area to be annexed. Both of our elected officials have lived in Kodiak a long time and are aware of the health problem in the Island Lake area. The Spruce Cape area also has a sewage problem. It is as critical as the Island Lake area but has not had the publicity. A lot of the effluent goes over the bank onto the beach or into swampy or creek areas. I am sure your group deserves a close look at this situation to make an intelligent judgement.

The State Health Department is accutely interested in what will happen. If this area is not annexed and the Borough government attempts to provide the service of sewer and water there could be legal problems to overcome. The services could be delayed and no telling how long it will take the court to come to a decision. Problems like this the officials are aware of and should be paying attention to and not just appeasing the voting public. The animosity against the city a few are carrying in the fight against annexation might cost us all a lot more than just taxes.

I truly think that your group coming to Kodiak and surveying and listening to the people will help the health and welfare of our neighbors. Thank you for your interest.

Very truly yours,

Emil Norton

cc: Clem Tillion, Pres. of Senate
Bob Mulcahy, Senator & Vice Chairman
Terry Gardiner, Speaker of the House
Bill Parker, Chairman of the Committee
Fred Zharoff, Representative

Emil Norton
Box 1002
Kodiak, AK.
99615

RESIDENCE: Cliffside Road
Miller Pt. 2nd Sub Div
Blk #1, Lot #7

February 2, 1979
P.O. Box 2683
Kodiak, Alaska 99615

House and Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Committee Members;

The City of Kodiak's current taxation policy includes levy of sales tax on goods ordered directly from a point outside Kodiak (i.e. Seattle) when that firm has a representative in Kodiak. They justify this stand on a City Statute which permits such taxation when the goods involved are solicited for within the City proper. This policy results in City sales tax being charged for orders placed directly with the Sears-Roebuck office in Seattle. The City contends that Sears Roebuck catalogs and a Sears Catalog store being in Kodiak constitute sufficient solicitation to support such taxation.

I find this tax policy objectionable and question whether catalogs or the presence of a catalog store in Kodiak qualifies as solicitation - especially for those of us who live outside the city limits. It seems unfair that we Borough residents who live outside, but near the Kodiak City limits should have to pay this tax, whereas persons living elsewhere in the Borough do not.

I learned of this tax in April, 1978 when I placed a placed a fairly large order directly with the Sears Roebuck office in Seattle. Even though I paid for this order (including freight) in advance, I was billed an additional 3% by Sears Roebuck for Kodiak City Sales Tax prior to delivery.

I would appreciate your assistance as a member of the Community and Regional Affairs Committee in looking into the propriety of this taxation. Hopefully, your upcoming visit to Kodiak may provide an oppertunity to look into this matter in greater depth.

Your time concerning this matter is appreciated.

Cordially,

Peter B. Jackson

Kodiak, Alaska
Feb. 3, 1979

Dear Gov. Hammond;

I am writing in regards to annexation. We have lived out of the city of Kodiak on Spruce Cape Road for 14 years. If we had wanted to be in the city we would of lived in the city. But we ~~par~~ prefer to live in Box.

So would you please help us people on Spruce Cape + Oskland Lake.

Thank You
We Remain
Don + Mary Mack
P. O. Box 2108
Kodiak, Alaska
99615

P.O. Box 1673
Kodiak, Ak. 99615
3 Feb. 1979

The Honorable Governor Hammond
Pouch "A"
Juneau, Ak. 99811

Dear Governor Hammond:

I am a life-long resident of Kodiak Island and I am opposed to being forced to join the City of Kodiak against my wishes.

It would cramp my life style as the City has too many restrictive ordinances. I would be very grateful if you would do what you can to stop this Forced Annexation.

Yours truly,

Patrick Anderson

Patrick Anderson

cc: Committee on Community & Regional Affairs

February 2, 1979

The Honorable Governor Jay Hammond
Juneau, Alaska

Dear Governor:

We are opposed to the forced annexation being proposed by the City of Kodiak, and the specially appointed Committee on Annexation.

We own three lots within the affected areas and are very disturbed that we are not being allowed to vote on this issue or be taken seriously when we say we are not interested in being annexed into the city. Two of our lots are vacant and our home is on the third. We were planning to build a larger home to accomodate the needs of our family more adequately, but if we are forced into the city it is extremely likely that we could not afford the taxes and other assessments that would be required for sewer and water services (which it seems very unlikely we would receive within a reasonable amount of time). Forced annexation would very possibly force us to sell our larger lot and the hopes of a larger home.

Please take all due action to see that those persons affected by this action on the part of the Kodiak City Council will have their opinions and desires heard, and that an equitable solution be implemented.

Thank you for your interest in these matters and your subsequent intervention as needed.

Sincerely,

Mr. & Mrs. Glenn Dick

Mr. & Mrs. Glenn Dick

cc to all Community & Regional Affairs Comm. Members

Box 1673
Kodiak 99615

Kodiak Alaska.
Jan. 30. 1979

Governor Hammond.

Dear Sir:

I wish to object to the annexation of the lands outside of the City of Kodiak.

I am a 34 year resident of Alaska, all in Kodiak. I have lived in the same place for 30 year

We, the resident voters, voted for a Service district, which will take care of our need for many year.

Most of us have spent many dollars developing our communities, and are happy as things are. If we went we would move on.

Being dictated to goes against the grain, and our democratic way of life.

I believe the same as most of the people in the concerned areas, that this is only a way for the City, "Kodiak" to get more ~~fa~~bonding base, and if the same holds true as in the past, they would not do any improvements for 5-10, meanwhile collecting taxes for which we would get nothing.

Please give this matter some serious thought.

Sincerely

E. E. Erwin
Box 1247
Kodiak Alaska
99615

P.S. I am almost 65 and have voted for you each time

E E Erwin

P.O. Box 1114
Kodiak, Ak. 99615
3 Feb. 1979

The Honorable Governor Hammond
Pouch "A"
Juneau, Ak. 99811

Dear Governor:

I am a long time resident of Kodiak. I am unable to work due to a broken hip four years ago. My only income is a small Social Security check. My grandson lives with me and pays my taxes and helps with the groceries.

If this area is annexed to the City of Kodiak, I will have to go on welfare. I request your help in defeating the proposed annexation to the City of Kodiak.

Sincerely yours,

Tennie Riley

Tennie Riley

cc: CRA Committee members of
both Senate & House

Tim & Diane Haigh
1119 Mission Rd. (P.O. Box 34)
Kodiak, Alaska
99615

January 31, 1979

The Honorable Arliss Sturgulewski
The Honorable Bill Parker

Dear Senator and Represerative;

I'm writing in the concern of our land which is in the area which Kodiak is trying to annex. We are in the process of building our house and hope to move into it by this spring. We bought this land because we wanted to live outside of the city. We do not want to be apart of the city. So we are making our voice heard.

Thank you for your concern on this matter.

Sincerely,

Mrs. K. Diane Haigh
Timothy A Haigh

Box 15
Spruce Cape Road
Kodiak, Alaska 99615

JAN. 29 1979

The Honorable Bill Parker
Alaska State House of Representatives
Pouch "V"
Juneau, Alaska 99811

Dear Representative Parker:

This letter is in regard to the annexation of Spruce Cape, Mill Bay, and Island Lake into the City of Kodiak. We do not wish to be annexed as we do not feel the city can provide us with any better service than we presently have. We have voted against annexation twice but this time we were not allowed to vote. We feel we are being forced to become part of the City of Kodiak against our wishes.

I would urge the Legislature to overturn the decision of the Local Boundary Commission. I would also ask that a hearing be set so that testimony can be heard. Thank you for your attention.

Most sincerely,

Beverly R. Horn

Louie J. Horn

cc: Rep. Margaret Branson
Rep. Patrick Carney
Rep. Ray Metcalfe
Rep. Charles Parr
Rep. Patrick O'Connell
Rep. Fred Zharoff

January 31, 1979

The Community & Regional Affairs Committee
Arliss Sturgulewski: Chairman
Pouch, V.
Juneau, Alaska 99615

Attention Arliss Sturgulewski:

This letter is to inform you and your Committee that the vocal minority, that is opposing annexation does not reflect the feelings of the majority in the city or the areas to be annexed. Nor do they offer an alternate solution to bringing about the badly needed services that Kodiak needs.

I am hopeful that in your wisdom or knowledge that you will base your support on the issue of facts in your inquirey, and not on the very vocal minority, as the majority is usually passive and not very vocal. Annexation is the last tool at our disposal to bring about the needed services, as a proposition to elect a unification charter commission and, or a proposition to grant service districts powers to the borough was voted down in our last election.

I leave the question to you; What other choice do we have other than annexation?

Sincerely,

Bob Brooks
Box 232
Kodiak, Ak.
99615 Resident: Spruce Cape area

o.c to:

Clem Tillion	Pres. of the Senate
Bob Mulcahy	Senator, Vice Chairman of the Committee
Terry Gardner	Speaker of the House
Bill Parker	Chairman of the Committee
Fred Zharoff	Representative

Box 1633
Kodiak, Alaska 99615
February 4, 1979

The Honorable Bill Parker
Chairman, House Committee on
Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Mr. Parker:

My husband and I live at Island Lake, Kodiak, in the area affected by the proposed City of Kodiak annexation. We are both opposed to the proposal.

The wishes of area residents were ignored in the Boundary Commission's recommendation. At the well-attended Boundary Commission hearing not one area resident spoke in favor of the proposed annexation; in fact, only the Kodiak City Manager testified in favor of the proposal. A petition opposing the annexation has been circulated among residents of the affected area; at this time over 600 of the area's 800 adult residents have signed the petition.

Prior to the City's proposal, the Kodiak Island Borough had, at the request of area residents, studied providing services to the area through Borough service districts. In an election area residents voted for the establishment of Borough water, sewer and road service districts. The Borough had previously negotiated agreements with the City of Kodiak to make possible this service district approach. Progress stopped, however, when the City sued the Borough and petitioned for annexation of the area.

Now, however, instead of looking toward the provision of services, City officials have stated that they cannot afford to provide sewer, road or improved water service to areas like the one in which we live. We live on a one-acre lot reached by a small privately maintained road. City officials have explained that because the area is sparsely populated and present roads inadequate, the City would not be able to provide services to us. But our situation is not unique in the area proposed for annexation. A one-acre lot is the standard lot size in the area, one-third of the area is completely undeveloped, and two-thirds of the area is sparsely populated.

As justification for recommending the annexation, the Alaska Department of Community and Regional Affairs in its May 17, 1978, Report to the

Local Boundary Commission, cited Article X Section 5 of the Alaska Constitution that " . . . a new service area shall not be established . . . if the new service can be provided . . . by annexation to a city." But if the City of Kodiak disavows any intention until some time in the distant future of providing services to the vast majority of the area, doesn't that negate the preference for annexation over a service district?

We urgently request you to recommend the House of Representatives defeat the proposed City of Kodiak annexation, both because the merits of the case argue against annexation and because forced annexation would strip the citizens involved of their right to have a voice in their own fate.

Sincerely,

Patricia Szabo

Patricia Szabo

cc: Patrick Carney
Margaret Branson
Ray Metcalfe
Patrick O'Connell
Charles Parr
Fred Zharoff

26 January 1979
Kodiak, Alaska

The Honorable Bill Parker
Alaska State House of Representatives
Juneau, Alaska 99811

Dear Representative Parker:

Please place the names of: Dick Juelson, Okey Chandler, Lorna Arndt, and Nick Szabo as persons to be heard for testimony at any hearing held to investigate and/or gather information about the opposed forced annexation here in Kodiak.

Respectfully,

Dick Juelson

Dick Juelson, Chairman
Borough Residents for Autonomy
Box 286
Kodiak, Alaska 99615

Copy to: Arliss Sturgulewski, Chairman CRA
Alaska State Senate

MILLERS FALLS
ERASE
COTTON BOND

January 22, 1979

Honorable Jay Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

I am circulating a petition that opposes forced annexation. I have several hundred signatures from the proposed annexation area. Ninety-five percent of those contacted signed the petition. The remaining five percent did not sign for religious reasons and other affiliations.

About eighty-five percent of City residents contacted have signed the petition opposing annexation.

We solicit your assistance in defeating this issue.

Sincerely,

Okey Chandler

Okey Chandler
P.O. Box 1635
Kodiak, Alaska 99615

cc: Hon. Arliss Sturgulewski
Hon. Tim Kelly
Hon. Bob Mulcahy
Hon. Patrick Rodey
Hon. Terry Stimson

TAX CONSULTANT
ACCOUNTANT
PHONE: 486-5359
BOOKKEEPER

"Jo" Hajdu
P. O. Box 627
Kodiak, Alaska 99615

January 25, 1979

Dear Representative Parker:

I am greatly concerned about claims made by the City of Kodiak in the past several months concerning the underlying "necessity" for its annexation efforts. The City has alleged that annexation is required if it is to provide utility services sought by residents outside the municipal limits.

In fact, the City has every right to provide these services right now, without any annexation. Under Title 29 of the Alaska Statutes, municipalities owning or operating utilities are specifically authorized to extend their services outside the municipal limits. The City's own charter grants the identical power.

In addition, it is the Borough's position, currently being pursued in the courts, that the City not only has the "right" to provide these residents with water and sewer services, but is actually under an obligation to do so in light of agreements negotiated previously with the Borough and conditions attached to sewer and water funds provided the City under Federal and State grants.

Since utility funds are self-supporting, with the full costs paid by the users, there would be no cost to the residents of the City. I think it could be documented that the surcharge on the present water users outside the City results in a profit to the City. Further, until such time as sewer service is provided outside the City boundaries, the entire costs of the very expensive new sewerage treatment plant are being borne by the residents of the City, so it would be to the benefit of the users inside the City to expand the user base.

It is hard to believe that a municipal government such as the City of Kodiak would deliberately mislead the people of this area. Yet it is my opinion that such deliberate misrepresentation is precisely what has taken place. It is hoped that the municipal body which would seek to achieve annexation through such means will not be afforded the opportunity to govern those citizens it has attempted to deceive. Perhaps this is one of the reasons that the majority of the people living outside the City have elected to form service districts to take care of their needs as they perceive them.

Sincerely,

Jo

JO HAJDU

January 26, 1979

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Attn: Bill Parker, Chairman
House Community & Regional Affairs Committee

Hon. Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs Committee

Re: Opposition to City of Kodiak Annexation Attempt

Dear Governor Hammond:

In 1965, I lived in the La Lande Addition, adjacent to the City of Kodiak. The lots were 50 X 100 feet and there was a trailer court in our vicinity. We petitioned the City of Kodiak to be annexed that year because of the need for sewer services. We were annexed in 1966.

We have a City water system that was installed with antique fittings. So poor is the City's public works capabilities that the Fitzgerald Welding Shop had a fire and was gutted because the fire department did not have the tools available to open the hydrants. It was only after the disastrous fire that modern hydrants were installed by the City. I continued to live in the same location until 1969, and the requested utilities had still not been installed. During the period of residence the only thing that I ever received were several tax increases from the City. The records of the City Public Works Department will show that the sewer was not installed until fall of 1973. The City of Kodiak's total lack of public works capability is not only well known, but easily documentable.

The City says they are broke and that they need the taxpaying participation of citizens outside the City to help underwrite the cost of services being rendered to City residents. The only thing that I can see that I will receive from the City of Kodiak are tax increases, as their past record shows. I request that you and your Administration and our Legislative representatives work aggressively against this forced annexation.

Sincerely,

John Morton

John Morton
PO Box 14
Kodiak, Alaska 99615

cc: Hon. Bob Mulcahy, Alaska State Senate
Fred Zharoff, Alaska State House of Representatives
Community & Regional Affairs Committee Members -
State House & Senate
Alaska State Legislature

January 26, 1979

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Attn: Bill Parker, Chairman
House Community & Regional Affairs Committee

Hon. Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs Committee

Re: Opposition to City of Kodiak Annexation Attempt

Dear Governor Hammond:

In 1965, I lived in the La Lande Addition, adjacent to the City of Kodiak. The lots were 50 X 100 feet and there was a trailer court in our vicinity. We petitioned the City of Kodiak to be annexed that year because of the need for sewer services. We were annexed in 1966.

We have a City water system that was installed with antique fittings. So poor is the City's public works capabilities that the Fitzgerald Welding Shop had a fire and was gutted because the fire department did not have the tools available to open the hydrants. It was only after the disastrous fire that modern hydrants were installed by the City. I continued to live in the same location until 1969, and the requested utilities had still not been installed. During the period of residence the only thing that I ever received were several tax increases from the City. The records of the City Public Works Department will show that the sewer was not installed until fall of 1973. The City of Kodiak's total lack of public works capability is not only well known, but easily documentable.

The City says they are broke and that they need the taxpaying participation of citizens outside the City to help underwrite the cost of services being rendered to City residents. The only thing that I can see that I will receive from the City of Kodiak are tax increases, as their past record shows. I request that you and your Administration and our Legislative representatives work aggressively against this forced annexation.

Sincerely,

John Morton

John Morton
PO Box 44
Kodiak, Alaska 99615

cc: Hon. Bob Mulcahy, Alaska State Senate
Fred Zharoff, Alaska State House of Representatives
Community & Regional Affairs Committee Members -
State House & Senate
Alaska State Legislature

1-24-77

Dear Bill,

Saw you on Capitol '79 the other evening. We enjoy that program as it makes us feel closer to all our elected officials.

Thank you for considering the enclosed.

Jim Jackson

23 January 1979
Kodiak, Alaska

The Honorable Bill Parker
Alaska State House of Representatives

Dear Representative Parker:

I have been an Alaskan resident in Kodiak for 31 years and am in total opposition to the forced annexation of my area to the City of Kodiak for the following reasons:

1. The area is still very suburban in nature due to large lots, most of which are over one acre in size, one has 67 acres. In order to pay taxes and assessments on this size lot at this time, many of us would have to subdivide and sell part which would defeat the reason we moved out here.

2. The Antiquities Act — Proposition 13 —— so many issues are showing us that people, yes Alaskans too do care "how" they're governed and when "enuff is enuff".

The people & their wishes should be important in decision making where their property and well-being is concerned. If people are so full of apathy that they don't express their opinions & wishes that is one thing. They deserve what they get. However, expressing such and being able to change inequitable laws and/or reverse decisions not representative of the people affected, is our right as citizens.

3. We know the City of Kodiak is in financial trouble - an article in our local papers now and again verifies this but must we pay for their mistakes and get nothing in return? We pay the city sales tax on everything we purchase in the city and everything that is delivered to us such as oil, propane, etc..... We also pay the Borough Personal Property Tax which city residents don't.... The Borough contributes to the city library on our behalf, swimming pool and gym are Borough, we who have city water pay a higher usage rate and we have and pay for a fire district.

People in the Borough recently voted for new service districts in the event they are needed, and only one area is in need of any particular service at this time which can be taken care of without being annexed. The Borough and City has an agreement contract stating the city will supply non-residents with services they are willing to pay for and want. Otherwise, the majority of the people are content with things as they are.

4. We residents organized and have circulated petitions in the affected areas and in the City. For myself I have had one person refuse to sign saying he was involved with the city over property he owns. Within the City I've only had two people not sign. Most people are well aware that the revenue the City would derive from our property couldn't pay for much service. I sincerely believe they only want us as a tax base for bonding purposes.

I am very suspicious of people or governments that go behind my back in order to get something done which affects me and mine so deeply.

If and when a majority of the people in my area by a vote feel it best to annex I would go along peaceably. None of the people in the City or in the affected areas were consulted on this matter - but treated like we weren't old enough to blow our own nose!!

Would much appreciate your careful consideration in helping to reverse the Boundary Commissions decision in this matter. Thank you for "listening".

ENC: Flyer put out & paid for
by organized residents
of affected areas.

Sincerely,
June Juelson

Mrs. June Juelson
Box 236, Kodiak, Ak. 99615

January 25, 1979
Box 2069
Kodiak, Alaska 99615

Bill Parker
Chairman House Community & Regional
Affairs Committee
Pouch V
Juneau, AK. 99811

Dear Mr. Parker:

I am against FORCED ANNEXATION. We in the area that the City of Kodiak and the Boundry Commission are trying to force into the City moved in this area to be outside the City, and enjoy the wide open spaces. If we wanted to live in the City we would have built a home there and not where we all chose to live. Also I would have moved to Russia if I wanted to live under dictatorship.

Our Great Borough Government gave us an opportunity in Service District #1 to vote for or against a Service District and what improvements we wanted. The first was water; the second was sewer and the third was roads. The Borough was not biting off a bigger chunk than they can chew, like the City wants to. The Borough had Engineers draw up Plans and Specs for our Water and Sewer Service District and we are all set to go and then the City convinces the Boundry Commission to Force us in as the City is broke and needs our tax money to bail them out; but we will not get the services.

Furthermore no one wants to live under the City Charter as it reads now, as it is not according to Alaska State Statutes and someone in Juneau should look into this.

Please give us some consideration of "freedom to vote" as this is very important to all of us. Thank you for listening.

Sincerely,

Lorna-Lee Arndt

Lorna-Lee Arndt
Block 1 Lot 12B
U.S.S. 3219

25 January 1979
Kodiak, Alaska

The Honorable Bill Parker
Alaska State House of Representatives

Dear Representative Parker:

I am writing you as chairman of the committee for Community and Regional Affairs, to ask that your committee investigate the apparent loss of citizens right to be heard as regards the Boundary Commissions position on the forced annexation of the approximately 2,000 acre's north of the City of Kodiak. As a resident of Kodiak for over 31 years, I have never seen a more flagrant disregard for the people than this.

Although permitted by Alaska Statutes, the intent of the Legislature could not have been to put the residents of the whole community at the mercy of commercial interests and a few misguided local politicians.

As chairman of "Borough Residents for Autonomy" for the past two months, I have discussed this issue with hundreds of local residents. My findings to date are that 95% of those residing outside the city oppose this forced annexation and at least 85% residing inside the city also oppose it. If it's against the wishes of the majority of the people, why should it be allowed to happen?

Thank you for your careful consideration of this matter.

Sincerely,
Dick Juelson
Dick Juelson, Chairman
Borough Residents for Autonomy

DJ:jj
copy to committee members

25 January 1979
Kodiak, Alaska

The Honorable Bill Parker
Alaska State House of Representatives

Dear Representative Parker:

I am writing you as chairman of the committee for Community and Regional Affairs, to ask that your committee investigate the apparent loss of citizen's right to be heard as regards the Boundary Commissions position on the forced annexation of the approximately 2,000 acre's north of the City of Kodiak. As a resident of Kodiak for over 31 years, I have never seen a more flagrant disregard for the people than this.

Although permitted by Alaska Statutes, the intent of the Legislature could not have been to put the residents of the whole community at the mercy of commercial interests and a few misguided local politicians.

As chairman of "Borough Residents for Autonomy" for the past two months, I have discussed this issue with hundreds of local residents. My findings to date are that 95% of those residing outside the city oppose this forced annexation and at least 85% residing inside the city also oppose it. If it's against the wishes of the majority of the people, why should it be allowed to happen?

Thank you for your careful consideration of this matter.

Sincerely,
Dick Juelson
Dick Juelson, Chairman
Borough Residents for Autonomy

DJ:jj
copy to committee members

Ron Matsuoka
Box 2078
Kodiak, Alaska 99615

Melissa D. Newton
Box 773
Kodiak, Alaska 99615

January 25, 1979

Bill Parker
House of Representatives Chairman/Committee on Regional Affairs
Pouch V
Juneau, Alaska 99801

Dear Mr. Parker;

Although time is running short this letter is intended to bring about some action on the part of the Community and Regional Affairs Committee to help defeat forced annexation with the City of Kodiak. We are only two individuals living within the involved area, however we most certainly are not alone in our protest to this annexation.

To begin with let it be known that the wishes of area residents were totally ignored by the local boundary commission. Every resident of the area who testified at the boundary commission hearing spoke *against* forced annexation! It seems to us that our feelings and interests are being ignored by more powerful individuals who stand for annexation in the hope to gain a great deal for their own self-interests.

Another pertinent fact is that the area does not meet the standards for annexation. The area is not urban: the standard lot size in the area is one acre or larger, and one third of the land area is undeveloped.

City services are not reqired in this area. Fire protection is presently provided through a service district; roads are presently State-maintained or privately maintained; police protection is provided by the State Troopers; water is presently available to the majority of the area and is paid by user fees; sewers can be provided through service districts in those areas where sewers are needed.

We have signed a petition opposing forced annexation and hope that it will give you some idea how many individuals hope to stop annexation. We need your help! Please act on the behalf of the residents of this area by overturning forced annexation.

Sincerely,

Ron Matsuoka

Melissa Newton

cc: Terry Stimson
Bob Mulcahy
Margaret Branson
Patrick O'Connell
Fred Zharoff
Bill Parker
Patrick Rodey
Tim Kelley
Ray Metcalfe
Charles Parr
Patrick Carney

Chairman,
House Committee on Community
and Regional Affairs
Pouch V,
Juneau, Alaska 99801

RE: FORCED ANNEXATION IN KODIAK

January 15, 1979

Dear Sir:

We live in the sub-division known as Woodland Acres. It has come to our attention that this area is one of the areas that the Boundary Commission feels should be incorporated into the City of Kodiak.

A few months ago the Boundry Commission came to Kodiak and residents of the proposed areas of annexation by the City met in a public meeting. Of the more than 100 people present, the only person in favor of annexation was the City of Kodiak's City Manager. This should speak out as the view of the people involved in this annexation. Apparently, the Boundary Commission was blind and deaf for they still want to annex these areas into the City. How can this happen in a democracy? That is why we are writing this letter.

The reason we live in the area we do is for the privacy full acre lots afford. This is not our opinion alone, but shared by many of the people who live here. If our property was annexed into the City, we would be forced to sub-divide our property, or the taxes would be too costly for us to pay.

We have lived on our property for two years. In order to build our house, we had to spend $6,000 for a well and $1500 for our sewage system. Now the City wants to incorporate us and make us pay more money for sewer assessments and water assessments, both of which we proably won't see for 10 years. The City cannot even provide these services to all the residents within the City as the boundries stand now, how can they afford them for new residents.

The services the City says that it will provide are already received through the Borough. 1) Roads are presently State maintained or privately maintained. The City proposes to maintain only 2½ miles of road in the entire area. The City cannot even maintain roads that are within a half mile from City Hall! 2) Fire protection is presently provided through a service district. 3) Police protection is currently provided by the State Troopers.

WE DO NOT NEED OUR TAXES INCREASED!! WE DO NOT WANT TO BE INCORPORATED INTO THE CITY OF KODIAK!! Please hear our plea since the Boundary Commission ignored it!! Please do not force us from the land and privacy we, the residents of these proposed areas,want and need.

Sincerely,

Catherine Olsen
Steven Olsen
PO Box 1574
Kodiak Alaska99615

February 3, 1979

Senator Arliss Sturgulewski
Community & Regional Affairs Committee
Juneau, AK. 99811

Dear Senator Sturgulewski:

The anxiety and activity being generated by the Boundary Commissions annexation statement for an area in Kodiak is touching a lot of people. The flurry seen on top of the pile against annexation does not reflect the thinking of all of us residing in the area affected.

Our elected officials made a statement that they were going to abide by the majority of the voters they heard from. What they should have said is that they would act responsible to the needs of the area to be annexed. Both of our elected officials have lived in Kodiak a long time and are aware of the health problem in the Island Lake area. The Spruce Cape area also has a sewage problem. It is as critical as the Island Lake area but has not had the publicity. A lot of the effluent goes over the bank onto the beach or into swampy or creek areas. I am sure your group deserves a close look at this situation to make an intelligent judgement.

The State Health Department is accutely interested in what will happen. If this area is not annexed and the Borough government attempts to provide the service of sewer and water there could be legal problems to overcome. The services could be delayed and no telling how long it will take the court to come to a decision. Problems like this the officials are aware of and should be paying attention to and not just appeasing the voting public. The animosity against the city a few are carrying in the fight against annexation might cost us all a lot more than just taxes.

I truly think that your group coming to Kodiak and surveying and listening to the people will help the health and welfare of our neighbors. Thank you for your interest.

Very truly yours,

Emil Norton

cc: Clem Tillion, Pres. of Senate
Bob Mulcahy, Senator & Vice Chairman
Terry Gardiner, Speaker of the House
Bill Parker, Chairman of the Committee
Fred Zharoff, Representative

Emil Norton
Box 1002
Kodiak, AK.
99615

RESIDENCE: Cliffside Road
Miller Pt. 2nd Sub Div
Blk #1, Lot #7

February 2, 1979
P.O. Box 2683
Kodiak, Alaska 99615

House and Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Committee Members;

The City of Kodiak's current taxation policy includes levy of sales tax on goods ordered directly from a point outside Kodiak (i.e. Seattle) when that firm has a representative in Kodiak. They justify this stand on a City Statute which permits such taxation when the goods involved are solicited for within the City proper. This policy results in City sales tax being charged for orders placed directly with the Sears-Roebuck office in Seattle. The City contends that Sears Roebuck catalogs and a Sears Catalog store being in Kodiak constitute sufficient solicitation to support such taxation.

I find this tax policy objectionable and question whether catalogs or the presence of a catalog store in Kodiak qualifies as solicitation - especially for those of us who live outside the city limits. It seems unfair that we Borough residents who live outside, but near the Kodiak City limits should have to pay this tax, whereas persons living elsewhere in the Borough do not.

I learned of this tax in April, 1978 when I placed a placed a fairly large order directly with the Sears Roebuck office in Seattle. Even though I paid for this order (including freight) in advance, I was billed an additional 3% by Sears Roebuck for Kodiak City Sales Tax prior to delivery.

I would appreciate your assistance as a member of the Community and Regional Affairs Committee in looking into the propriety of this taxation. Hopefully, your upcoming visit to Kodiak may provide an oppertunity to look into this matter in greater depth.

Your time concerning this matter is appreciated.

Cordially,

Peter B. Jackson

Kodiak, Alaska
Feb. 3, 1979

Dear Gov. Hammond;

I am writing in regards to annexation. We have lived out of the city of Kodiak on Spruce Cape Road for 14 years. If we had wanted to be in the city we would of lived in the city. But we ~~par~~ prefer to live in Box.

So would you please help us people on Spruce Cape + Island Lake.

Thank You
We Remain
Don + Mary Mack
P. O. Box 2108
Kodiak, Alaska
99615

P.O. Box 1673
Kodiak, Ak. 99615
3 Feb. 1979

The Honorable Governor Hammond
Pouch "A"
Juneau, Ak. 99811

Dear Governor Hammond:

I am a life-long resident of Kodiak Island and I am opposed to being forced to join the City of Kodiak against my wishes.

It would cramp my life style as the City has too many restrictive ordinances. I would be very grateful if you would do what you can to stop this Forced Annexation.

Yours truly,

Patrick Anderson

Patrick Anderson

cc: Committee on Community & Regional Affairs

February 2, 1979

The Honorable Governor Jay Hammond
Juneau, Alaska

Dear Governor:

We are opposed to the forced annexation being proposed by the City of Kodiak, and the specially appointed Committee on Annexation.

We own three lots within the affected areas and are very disturbed that we are not being allowed to vote on this issue or be taken seriously when we say we are not interested in being annexed into the city. Two of our lots are vacant and our home is on the third. We were planning to build a larger home to accomodate the needs of our family more adequately, but if we are forced into the city it is extremely likely that we could not afford the taxes and other assessments that would be required for sewer and water services (which it seems very unlikely we would receive within a reasonable amount of time). Forced annexation would very possibly force us to sell our larger lot and the hopes of a larger home.

Please take all due action to see that those persons affected by this action on the part of the Kodiak City Council will have their opinions and desires heard, and that an equitable solution be implemented.

Thank you for your interest in these matters and your subsequent intervention as needed.

Sincerely,

Mr. & Mrs. Glenn Dick

Mr. & Mrs. Glenn Dick

cc to all Community & Regional Affairs Comm. Members

Box 1673
Kodiak 99615

Kodiak Alaska.
Jan. 30. 1979

Governor Hammond.

Dear Sir:

I wish to object to the annexation of the lands outside of the City of Kodiak.

I am a 34 year resident of Alaska, all in Kodiak. I have lived in the same place for 30 years

We, the resident voters, voted for a Service district, which will take care of our need for many years.

Most of us have spent many dollars developing our own utilities, and are happy as things are. If we went we would move on.

Being dictated to goes against the grain, and our democratic way of life.

I believe the same as most of the people in the concerned areas, that this is only a way for the City, "Kodiak" to get more, ~~to~~ bonding base, and if the same holds true as in the past. they would not do any improvements for 5-10, meanwhile collecting taxes for which we would get nothing.

Please give this matter some serious thought.

Sincerely

E. E. Erwin
Box 1247
Kodiak Alaska
99615

P.S. I am almost 65 and have voted for you each time

E E Erwin

P.O. Box 1114
Kodiak, Ak. 99615
3 Feb. 1979

The Honorable Governor Hammond
Pouch "A"
Juneau, Ak. 99811

Dear Governor:

I am a long time resident of Kodiak. I am unable to work due to a broken hip four years ago. My only income is a small Social Security check. My grandson lives with me and pays my taxes and helps with the groceries.

If this area is annexed to the City of Kodiak, I will have to go on welfare. I request your help in defeating the proposed annexation to the City of Kodiak.

Sincerely yours,

Dennie Riley

Tennie Riley

cc: CRA Committee members of
both Senate & House

Tim & Diane Haigh
1119 Mission Rd. (P.O. Box 34)
Kodiak, Alaska
99615

January 31, 1979

The Honorable Arliss Sturgulewski
The Honorable Bill Parker

Dear Senator and Represerative;

I in writing in the concern of our land which is in the area which Kodiak is trying to annex. We are in the process of building our house and hope to move into it by this spring. We bought this land because we wanted to live outside of the city. We do not want to be apart of the city. So we are making our voice heard.

Thank you for your concern on this matter.

Sincerely,

Mrs. K. Diane Haigh
Timothy A Haigh

Box 15
Spruce Cape Road
Kodiak, Alaska 99615

JAN. 29 1979

The Honorable Bill Parker
Alaska State House of Representatives
Pouch "V"
Juneau, Alaska 99811

Dear Representative Parker:

This letter is in regard to the annexation of Spruce Cape, Mill Bay, and Island Lake into the City of Kodiak. We do not wish to be annexed as we do not feel the city can provide us with any better service than we presently have. We have voted against annexation twice but this time we were not allowed to vote. We feel we are being forced to become part of the City of Kodiak against our wishes.

I would urge the Legislature to overturn the decision of the Local Boundary Commission. I would also ask that a hearing be set so that testimony can be heard. Thank you for your attention.

Most sincerely,

Beverly R. Horn

Beverly R. Horn

Louie J. Horn

Louie J. Horn

cc: Rep. Margaret Branson
Rep. Patrick Carney
Rep. Ray Metcalfe
Rep. Charles Parr
Rep. Patrick O'Connell
Rep. Fred Zharoff

January 31, 1979

The Community & Regional Affairs Committee
Arliss Sturgulewski: Chairman
Pouch, V.
Juneau, Alaska 99615

Attention Arliss Sturgulewski:

This letter is to inform you and your Committee that the vocal minority, that is opposing annexation does not reflect the feelings of the majority in the city or the areas to be annexed. Nor do they offer an alternate solution to bringing about the badly needed services that Kodiak needs.

I am hopeful that in your wisdom or knowledge that you will base your support on the issue of facts in your inquirey, and not on the very vocal minority, as the majority is usually passive and not very vocal. Annexation is the last tool at our disposal to bring about the needed services, as a proposition to elect a unification charter commission and, or a proposition to grant service districts powers to the borough was voted down in our last election.

I leave the question to you; What other choice do we have other than annexation?

Sincerely,

Bob Brooks
Box 232
Kodiak, Ak.
99615 Resident: Spruce Cape area

c.c to:
Clem Tillion	Pres. of the Senate
Bob Mulcahy	Senator, Vice Chairman of the Committee
Terry Gardner	Speaker of the House
Bill Parker	Chairman of the Committee
Fred Zharoff	Representative

To Committee

Chairman
House Committee on Community and Regional Affairs.
Pouch "V"
Juneau, Alaska
99801

Dear Sirs:

I'd like to request the committee hold a hearing on the Kodiak city annexation.
I urge you to recommend that the legislature disapprove of this annexation.

Thankyou,
Randolph Pavelko &
Kim Steven
Box 3166
Kodiak, AK. 99615
Kimberly Steven

P. O. Box 37
Kodiak, AK 99615

Chairman,
Senate Committee on Community & Regional Affairs
Pouch V
Juneau, AK 99801

Dear Sir:

In this day and age when the American government is supposed to be going back to the orginal ideals of our founding fathers of government for the people, by the people, of the people, Alaska seems to be somewhere back in the Dark Ages.

Recently here in Kodiak a local boundary commission was appointed to look into the annexation of several borough areas. For this purpose a hearing was held at which several residents of these areas in question participated. Every resident who testified at the boundary commission hearing was against annexation. Yet despite that fact, the boundary commission decided to go through with the annexation.

What does all this have to do with you and the Alaska State Legisture? You can set right this injustice by disapproving the annexation in this legislative session, otherwise we will have annexation forced down our throats.

We are totally against annexation - if for no other reason than the way our "local government" went about the procedure, disregarding the wishes of those citizens who are effected.

Hopefully, the Alaska State Legislature will demonstrate what democracy is all about by disapproving this forced annexation.

Sincerely,

Mr. D. ~~R.~~ Pistorese

C. M. Pistorese

Mrs. C. M. Pistorese

cc: Chairman
House Committee on Community & Regional Affairs

President
Alaska Senate

Speaker
Alaska House of Representatives

16 January, 1979
Box 3016
Kodiak, Alaska
99615

Alaska State Legislature
Pouch V
Juneau, Alaska
99811

Dear Sirs:

As a resident of the Kodiak Island Borough I am appealing for your support in helping us to overcome a problem. The city of Kodiak is attempting by legislative action to annex the area in which I live into the city. The Local Boundry Commission is reccomending to the Committee on Community and Regional Affairs their approval of the proposal. I strongly urge that you vote against this proposal.

I am opposed to this annexation for the following reasons:

1. The residents of the area had their wishes totally ignored by the Commission. At the hearings in Kodiak on 16 August, 1978, not one resident testified in favor of this action. In fact, there was overwhelming opposition. If for no other reason I feel this fact should have a bearing on the decision.
2. I do not believe that we are urban in nature which is one of the criteria for annexation. The standard lot size is one acre or larger with one-third of the land being undeveloped.
3. I do not believe city services are required. The roads in the area are state or privately maintained. Police protection is provided by the State Troopers. Water is available through wells or user paid water lines. Sewer service will be obtainable at less expense through a service district plan.

Once again I ask that you cast your vote <u>against</u> the annexation proposal. Thank you for your time and consideration of this matter.

Sincerely yours,

Norman D. Wooten

Norman D. Wooten

CAN YOU AFFORD FORCED ANNEXATION?

Despite what the City of Kodiak says, annexation will cost you money . . .

. . . The present City mill rate is 16.1; the mill rate outside the City is 7.0. The proposal for differential tax zones in the annexation area is only a recommendation of the City's annexation committee--six residents of the area to be annexed. The City Council is not obligated to accept the recommendation. AFTER ANNEXATION TAKES PLACE, THE CITY COUNCIL CAN LEVY ANY TAX RATE IT WISHES--REGARDLESS OF THE WISHES OF AREA RESIDENTS.

. . . Fire insurance rates will not decrease because of annexation. Insurance rates are set by a national rating association. Lower rates would require a fire substation and fire hydrants as well as fully maintained roads, higher water pressure and more fire equipment and personnel for the larger area.

. . . Assessments for water and sewer, to be based on the square footage of each lot, will be inequitable. A homeowner on a 200' x 150' lot will pay five times more for water and sewer than a homeowner on a 60' x 100' lot. Unimproved lots will also be assessed for water and sewer.

. . . New trailers will not be allowed in the area, causing housing costs to rise.

. . . Costs of government will increase. The Borough government will continue its present functions so its costs won't decrease, BUT the City's costs will increase with a larger area to be serviced.

Borough residents already pay for the services they use. Almost half the City's revenue comes from sales tax; only about 9% comes from property taxes. It has been estimated that more than half of the sales tax is paid by non-City residents. Why should you be forced to pay more money?

ANNEXATION WILL NOT NECESSARILY IMPROVE SERVICES

. . . The City's record on road service is poor. Many roads inside the city are unpaved and poorly maintained. Just a few examples: Cope Street, High Street, Baranof Heights, Russell Estates, East Addition, Leite Addition.

. . . The City plans to improve sewer and water service only in certain parts of the annexation area.

. . . Recreation facilities are already available through the Borough-donated swimming pool and gym. The Borough contributes to the support of the A. Holmes Johnson Library for use by Borough residents.

. . . The City police force may be adequate for the present city area, but it would not be able to cover the large area to be annexed.

. . . "Early and special representation" allowing a resident of the area to be a non-voting member of the City Council is an empty promise. Any person may attend Council meetings, and the inequity of not having a vote is the central issue in forced annexation.

WHAT CAN YOU DO?

This forced annexation can be overturned by the Alaska State Legislature if it acts to disapprove the annexation in the legislative session beginning January 15. If the Legislature does not act, the annexation will take place. YOU CAN INFLUENCE THE LEGISLATURE:

1. A petition opposing forced annexation is presently being circulated. Both residents of the area to be annexed and city residents may sign the petition.

2. Write to the Chairman, Senate Committee on Community and Regional Affairs and the Chairman, House Committee on Community and Regional Affairs, Pouch V, Juneau, AK. 99801. Request that the committees hold a hearing on the Kodiak City annexation and urge them to recommend that the Legislature disapprove the annexation.

PLEASE TURN THE PAGE FOR MORE STEPS YOU CAN TAKE TO DEFEAT FORCED ANNEXATION

3. To help defeat forced annexation, also write to the President, Alaska Senate, and the Speaker, Alaska House of Representatives, Pouch V, Juneau. (If possible, enclose 20 copies of your letter for the Senate and 40 copies for the House and ask that the copies be distributed.) Urge the Legislature to disapprove the Kodiak City annexation for the following reasons:

a. The wishes of area residents were totally ignored by the local boundary commission. Every resident of the area who testified at the boundary commission hearing spoke <u>against</u> forced annexation.

b. The area does not meet the standards for annexation. The area is not urban: the standard lot size in the area is one acre or larger, and one-third of the land area is undeveloped.

c. City services are not required: 1) Fire protection is presently provided through a service district. 2) Roads are presently State-maintained or privately maintained. The City proposes to maintain only 2½ miles of road in the entire area. 3) Police protection is provided by the State Troopers. 4) Water is presently available to the majority of the area and is paid by user fees. 5) Sewers can be provided through service districts in those areas where sewers are needed.

If you have a question or want to sign the petition opposing annexation, call Dick Juelson, 486-3696, Norm Wooten, 486-4415 (after 5 p.m.), or Pat Szabo, 486-3853. Money contributions to help defray costs involved can be mailed to Dick Juelson, Box 286, Kodiak,AK.

This flier is sponsored by Borough Residents for Autonomy, residents of the area to be annexed. The six people appointed by the City Manager to the City's annexation committee do not represent the wishes of area residents. TO MAKE OUR WISHES KNOWN AND TO DEFEAT ANNEXATION, WE MUST LET THE STATE LEGISLATURE KNOW THAT THE MAJORITY OF THE AREA'S RESIDENTS AND PROPERTY OWNERS FEEL THE BOUNDARY COMMISSION WAS WRONG IN APPROVING FORCED ANNEXATION IN KODIAK.

PLEASE ACT NOW--BEFORE IT'S TOO LATE.

Borough Residents for Autonomy
Box 286
Kodiak, Alaska 99615

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RESIDENT OR
BOXHOLDER
KODIAK, ALASKA 99615

15 January, 1979
Box 3016
Kodiak, Alaska
99615

To Committee

Chairman
House Committee on Community
and Regional Affairs
Pouch V
Juneau, Alaska
99811

Dear Sir:

I am writing to request that you hold hearings on the attempt of the city of Kodiak to annex certain areas into the city.

I urge you to vote against this propasal when it comes before you. I am confident that if you allow the residents of the area to testify at a hearing that your vote will be against the annexation.

Thank you for your consideration of the matter.

Sincerely yours,

Norman D. Wooten

Norman D. Wooten

January 31, 1979

The Community & Regional Affairs Committee
Arliss Sturgulewski: Chairman
Pouch, V.
Juneau, Alaska 99615

Attention Arliss Sturgulewski;

This letter is to inform you and your Committee that the vocal minority, that is opposing annexation does not reflect the feelings of the major-- ity in the city or the areas to be annexed. Nor do they offer an alternate solution to bringing about the badly needed services that Kodiak needs.

I am hopeful that in your wisdom or knowledge that you will base your support on the issue of facts in your inquirey, and not on the very vocal minority, as the majority is usually passive and not very vocal. Annexation is the last tool at our disposal to bring about the needed services, as a proposition to elect a unification charter commission and, or a proposition to grant service districts powers to the borough was voted down in our last election.

I leave the question to you; What other choice do we have other than annexation?

Sincerely,

Bob Brooks

Bob Brooks
Box 232
Kodiak, Ak.
99615 Resident: Spruce Cape area

c.c to: Clem Tillion Pres. of the Senate
Bob Mulcahy Senator, Vice Chairman of the Committee

Terry Gardner Speaker of the House
Bill Parker Chairman of the Committee
Fred Zharoff Representative

Box 15
Spruce Cape Road
Kodiak, Alaska 99615

JAN. 29 1979

The Honorable Bill Parker
Alaska State House of Representatives
Pouch "V"
Juneau, Alaska 99811

Dear Representative Parker:

This letter is in regard to the annexation of Spruce Cape, Mill Bay, and Island Lake into the City of Kodiak. We do not wish to be annexed as we do not feel the city can provide us with any better service than we presently have. We have voted against annexation twice but this time we were not allowed to vote. We feel we are being forced to become part of the City of Kodiak against our wishes.

I would urge the Legislature to overturn the decision of the Local Boundary Commission. I would also ask that a hearing be set so that testimony can be heard. Thank you for your attention.

Most sincerely,

Beverly R. Horn

Beverly R. Horn

Louie J. Horn

Louie J. Horn

cc: Rep. Margaret Branson
Rep. Patrick Carney
Rep. Ray Metcalfe
Rep. Charles Parr
Rep. Patrick O'Connell
Rep. Fred Zharoff

Tim & Diane Haigh
1119 Mission Rd. (P.O. Box 34)
Kodiak, Alaska
99615

January 31, 1979

The Honorable Arliss Sturgulewski
The Honorable Bill Parker

Dear Senator and Represerative;

I'm writing in the concern of our land which is in the area which Kodiak is trying to annex. We are in the process of building our house and hope to move into it by this spring. We bought this land because we wanted to live outside of the city. We do not want to be apart of the city. So we are making our voice heard.

Thank you for your concern on this matter.

Sincerely,

Mrs. K. Diane Haigh
Timothy A Haigh

Mr. and Mrs. Louis B. Lindsey
Box 951
Kodiak, Alaska 99615
February 1,1979

Honorable Bill Parker
Members of Community & Regional Affairs
House Committee
State of Alaska
Juneau, Alaska

Dear Sir:

We are taking this opportunity to express our feelings against being annexed to the city of Kodiak. We have lived in Kodiak 30 years-most of that time living in the Spruce Cape area-on a "homesite" which we "proved-up"on. There have been several attempts during the last few years to take us into the city. These attempts have been made more in the form of threats and untruths than in a co-operative workable arrangment.

Sincerely,

Mrs. Louis B. Lindsey
Mr. and Mrs. Louis B. Lindsey

cc:Gov. Hammond, Patrick Carney, Margaret Branson, Ray Metcalfe, Patrick O'Connell Charles Parr, Fred Zharoff

Tim & Diane Haigh
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Kodiak, Alaska
99615

January 31, 1979

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The Honorable Bill Parker

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Thank you for your concern on this matter.

Sincerely,

Mrs. K. Diane Haigh
Timothy A Haigh

3 January 1979

RE: Local boundary commission proposal for Kodiak annexation

Dear Legislature:

I would like to go on record expressing my objection to the proposed boundary commission proposal for annexation to the city of Kodiak. In 1946, I obtained title to my homestead and have had continuous residency there since 1950. In 1973, I subdivided 19-one acre lots and have sold 12 of these lots. In 1973, I sold 100 acres to Mr. Al Schafer, who in turn, subdivided aobut 50-one acre lots. The remaining 67 acre parcel has been advertised for sale for six or seven months. However, the costs of development and the pending threat of annexation have discouraged buyers.

If there is a need for the development of this property, it can be developed through the Borough sewer, water and road service district, which we in the area voted for, without annexation, or the additional improvement, assessments and 9 mill city tax.

There is a 40 acre tract in USS 3515 adjoining my property with only one house. There are only 10 houses on my 160 acre homestead in US Survey 1682.

At this time, we feel the proposed annexation is premature. It should be postponed a few years until the need for full city services exists and the area has the population base necessary to support those services. Forced annexation to the city would leave me in dire circumstances, as I am 85 years old.

I think the members of the legislature should visit Kodiak prior to letting this happen. On that visit, I am sure you will discover many parts of the city which need and pay for city services, but are still waiting to receive them.

I respectfully request your support of a resolution rejecting this proposed annexation. If I can provide you with more information on this matter, please let me know.

Sincerely,

B E Nachtweih

B.E. Nachtweih, Alaskan
P.O. Box 1247
Kodiak, Alaska 99615

December 21, 1978

Dear Legislator:

On behalf of the residents of the Spruce Cape, Monashka Bay, Mill Bay and Island Lake areas, I am seeking your assistance and that of your colleagues in the State Legislature in requesting that you support a joint Senate/House resolution, overturning the Local Boundary Commission's recommendation that these areas be annexed into the City of Kodiak.

As expressed in the attached letter to the Boundary Commission, the residents of this annexation area have not voted for annexation. They feel they do not need and cannot afford the full range of City services at this time. The recognize the need for sewer, water and road services as expressed by their vote when they approved a Borough service area to provide these services.

As you know, following that election the City of Kodiak took legal action to enjoin the election, even though their efforts to obtain a restraining order to bar the election were overruled by the Kodiak Superior Court. A final decision on this issue is still pending.

We recognize the State Constitution and the State laws of Alaska allow the Boundary Commission the power to annex areas regardless of the citizens' wishes; therefore, we ask your assistance in exercising your constitutional power to overturn this decision, by allowing free people the constitutional rights guaranteed by the U. S. Constitution to express themselves in a free election the type of local government they wish to represent them, and the types and levels of service from government they feel they need and can afford.

I am sending a copy of this letter to Governor Jay Hammond and each member of the Alaska State Legislature. I will also be forwarding additional materials to you during the discussions on this issue as I am sure other citizens of this area will also be doing.

Again, I ask your assistance and vote to undo what is about to be done to those of us who will be included in this annexation area.

Yours truly,

Okey Chandler

Okey Chandler

ANNEXATION HEARING

MAY 20, 1978

The Boundary Commission should not consider forcing anyone to be a part of the City before City government is in the framework of the U. S. Constitution.

October, 1977 City voters voted for everyone to pay their own personal property taxes instead of the City paying them. December, 27, 1977, several of the biggest businessmen, millionaire boat owners, etc., appeared before City Council and requested they override the referendum and they did. The City will pay their taxes until January 1, 1979.

Most cannery workers are paid $4.00 to $4.50 per hour. About 8 years ago, it was voted to tax rent. Labor in the City is taxed.

Last summer City Manager, Mr. Widom, stated that the City was going broke and found new things to tax: lawyer fees, Sears orders, freight and parcel post. A Sales Tax Inspector and Collector was hired.

At the last Council meeting, it came up to raise the sales tax $.02.

After looking at tax assessments and large businesses in the core area, it is obvious that most of them are paying taxes on 1965 valuations. Land values have risen 5-30 times as much in outlying areas.

Approximately 20 years ago, residents of the Mission Road area voted to be annexed to the City. Lots in the area were 1,000 to 6,000 square feet. Land value doubled in a year or two. In 5 to 6 years, the assessed value went up 20 times more than they were when annexed to the City. Allman Addition was annexed in 1965. Several

hundred people lived in both of these areas.

Area: Catholic School - 80 Acres, Annexed 1967.

Area: Kodiak Community College - 80 Acres, Annexed 1965.

Area: Hospital and Graveyard - 50 Acres, About 1966 Annexed.

Sealand Cargo Dock was annexed in 1977. They were paying $17,000 taxes and now pay no taxes.

Gibson Cove was annexed in 1976. No one lives in this area. The Borough is losing money.

There have been 15 to 20 other annexations. For various reasons quite a few were to keep from paying taxes on inventory and equipment.

The real property tax amounted to $677,116 in the City in 1977. Sales tax was $1,200,000. More than half of this was paid by people living outside of the City. Over 1/3 of City taxes are paid by people living outside of the City.

The Police Department is budgeted for $813,379 which is $136,000 more than all real property taxes collected in the City.

There were 3800 people living in the City in 1970. This is $214.00 for every person living in Kodiak to support the Police Department. People living outside City limits do not need City Police protection. There hasn't been an act of violence that I have seen in the newspapers outside of the Kodiak area.

The City Manager is grossly exaggerating the facts about services. He stated that 40% of library services were for people living outside of the City. There are about 3 times as many people living in the City as in the immediate vicinity. He stated there were 26 fires outside the City in 1977. There have been 2 trailer fires in the Spruce Cape area since December 12, 1977.

The cemetery was public land which was given to the City. The

City doesn't dig any graves. There is another cemetery.

The Ram site is a community project. The City is paid for everything that is landed at the City Dock. I am sure the City makes out.

All of the land in the Monashka Bay area was bought from the Borough or BLM on contract. 70-80% are buying in new subdivisions on installment. Monashka Bay has about 300 acres and 15-20 houses. USS 1682 has 160 acres about a mile from Island Lake. It is very irregular to be included in Island Lake area and has about 12 houses on it.

USS 3219 - 10 acres, 30-40 houses. Lots are 50 x 100. Many lines were put in 20 years ago and were not buried deep enough.

Any areas that wants an improvement district petitions the Borough and it is placed on the ballot. All water and sewer lines are installed by the City and Borough and are done by contract.

I came to Kodiak February, 1946. There were 2,600 people here then. In 32 years it has grown to 3,800. The projected population growth in the various areas are pipe dreams.

The airport is 5 or 6 miles from Sealand Dock. This is several hundred acres in this area that belongs to the Federal government. No one lives on it. Wien Airlines has a contract for security check. The City is paid, if this is annexed the City will probably tax freight, and tickets and everything else they can tax.

The only government we have in Kodiak that abides by the U. S. Constitution and common law is the Borough government. If this vast area is annexed to the City it will destroy what is left of democracy in this area.

The City is broke and seeks this large annexation to bail them out. The City Manager and City Council that sent for you never spent a day on the firing line to keep democracy alive. I request that you deny this petition for annexation.

Okey Chandler

Okey Chandler

June 13, 1978

Ms. Sheila Gallagher
Chairman, Local Boundary Commission
Suite 201
3201 "C" Street
Anchorage, Alaska 99503

Dear Ms. Gallagher:

Enclosed are statements from Kodiak City residents. Cope Street behind the Travel Lodge is about 300 yards long and hasn't improved in more than 32 years. Alder Lane & High Street are just as bad or worse.

The City Manager would have you believe that living in the City would solve everyone's problems since they would have a Public Works Department. He grossly exaggerated facts. He stated the average family on the West Coast was 4.0 in size when it is 3.5. In Kodiak it is 3.4. I am dubious of anything he gave you as evidence.

The electric meter reading is done on contract. All meters are read whether they are being used or not. I have 2 meters. A neighbor has 2 meters. There are 20 or so meters in the Spruce Cape area on unoccupied buildings. 75 or 30 per cent of people living on Spruce Cape & Mission Road live in trailers on rented lots.

The City Manager stated last Summer, the City was going broke. I gave Mr. Strandberg a copy of the 1977 Spruce Cape appraisals & am mailing you a copy.

Mr. Craig Bishop at the December 12 meeting was opposed to annexation of USS-3098 that he has his trailer court & bookeeping service on. He presented a petition at the Dec.12 meeting. He favored annexation. Mr. Bishop was recently elected President of Chamber of Commerce. He had an application to build an apartment complex which the City Council approved. He stated that a trailer court owner sold land to repair his roads. He sold 2 houses & the land they were about 300 yards from his trailer court. He sold the houses to increase his trailer sales' stock in Bells Flats. He has about 15 acres in his trailer court with 90 or 100 trailers. The roads are unplatted. The roads & trailer court are private property. If they are upgraded, the owner will pay for it. Mr. Bishop said that other roads were needed. All of the lots on Spruce Cape are 1 lot deep. The only roads needed are private driveways. He came to Kodiak '72 or '73.

Mr. Mills stated there was 1 house on Island in 1963. There were many houses in the Island Lake area then. The tax records & K.E.A. records will verify this. Since he was here, he worked in a cannery for several years & as a heavy equipment operator. He has applied for a 1/2 million dollar permit that requires City approval (he lives in the City).

Mr. William H. Lamme, former Kodiak Post Master, lived on Island Lake 20 years ago & now lives in Anchorage.

Mr. Gary Stevens, Acting Mayor of Kodiak, came to Kodiak in 1972 or '73 & is an official in a Japanese owned cannery .

The reason I've taken time to gather the above facts is that I have a tremendous investment in democracy with 5 years, 1 month and 29 days in the military. I have spent over $4,000.00 since 1963 and several months of my time trying to keep democracy alive on Kodiak Island. I obtained 500 borough books from Mr. Ronald Cease when the borough was formed in Kodiak and spent about $1,500.00 on newspaper adds; $1,000.00 on zerox copies, $800.00 or more on radio and T.V. adds; $800.00 on ovelopes, stamps/supplies, etc. I have mailed every member of the House & State Senate information/ research material on various issues which I was concerned with and also to every Governor except Governor Miller. I have written every U.S. Senator & key men in the House of Representatives & wired our representatives in D.C. & the President on several occasions.

Please give the above statements every consideration in whatever determinations you make which affects the lives of many Kodiak residents.

Sincerely,

Okey Chandler

Okey Chandler
Box 1635
Kodiak, Alaska 99615

cc: Other boundary commissioners

E. Neseth

Box 456

Phone: 486 5681

TO WHOM IT MAY CONCERN

Mr. Neseth and I have lived at the end of Cope Streeet since the 1930's when the area was away out of town. Many homes have filled in the area since and Cope Street simply grew in by general use. It is grossly inadequate for the amount of traffic on it, expecially in the winter when it is too hazardous to drive as serious icing occurs. The overflow from ditching (or whatever) has nowhere but the road to get on, and is an every winter condition. Such a vehicle as the garbage truck has great difficulty meneuvering for a turn-- this is winter and Summer. Our private steps from the Base Road level to the Cope Street level past our kitchen window becomes a public thorofere for foot travel at this end. This is naturally a nuisance besides an invitation to who-knows-what mischeif in this day. We don't like it.

Emma Neseth

Tempe Berestoff
Box 2196
Kodiak, Alaska 99615

June 2nd, 1978

TO WHOM IT MAY CONCERN:

I lived on High Street for five (5) years in house #306. The garbage truck and two wheel drive vehicles cannot travel up this road when deep snow or ice conditions prevail. The road is very narrow with no place to park. One house has no City water.

Sincerely,

Tempe Berestoff

Tempe Berestoff
Phone # 486-5922

June 2, 1978

TO WHOM IT MAY CONCERN:

From March of 1974 to September of 1976 I lived on Cope Street, the street that ascends the side of Pillar Mountain from the Sheffield House.

The conditions of the public works and utilities on Cope Street are poor. The road is very narrow allowing only one way traffic. It is seldom graded, and has very limited parking. Occasionally while I lived there the garbage truck could not make it up the road due to heavy snow or ice. This limited the service.

The water pressure on Cope Street is also very poor. Many times I had absolutely no water pressure when my neighbor was using water. This was most inconvenient when I was in the shower and my neighbor flushed his toilet.

Janet Wente

Janet Wente
P. O. Box 2791
Kodiak, Alaska 99615

Phone 486-5725 (office)
486-4991 (home)

June 5, 1978

TO WHOM IT MAY CONCERN:

As a resident on Cope Street from November 1, 1975 to January 4, 1976, I found the public works facilities in very poor condition. There was no water pressure and at best of conditions was not able to wash clothes or shower without being inconveniences by poor water pressure. During our residency there we found that most times we had to park on Rezanoff and walk up the hill carrying groceries, etc., because there was no parking facilities available on the street. Snow removal activities prevented any parking during that period of time. Because of these conditions my family and I moved to another area.

Laurel Bolden

Laurel L. Bolden
Box 172
Kodiak, Alaska 99615

C. B. Radio Channel 11, call number KAHH 1687
Work Phone, 486-5725

The purpose of this letter, is to illustrate, through relating a series of past events, what I perceive to be a general lack of concern for the other guy or what could be termed an "every man for himself," attitude.

I had heard of Russell Estates and their "sewer problems" but was assured that my new house (Jim Smiths old house-Lot 3 Block 3) had already experienced the local problems and through a new pump and line that was installed, should have no further problems. We moved into the house on the twelveth of August 1977.

Everything was going smoothly until November 17th when my neighbor's (John Pirak) and my sewer line froze, breaking my grinder pump and I assume his also. The history on the open sewer lines that froze is somewhat unclear to me but I shall give you an account as best I can determine.

When Jim Smith lived in the house the plastic sewer line was apparently shattered from the main line back-pressure. This caused my contractor, Richard Carr, and Tac Plumbing to arrange to have a copper line installed to withstand the high pressures introduced by the less-than-sufficient sewage system laid by Russell Estates. Perhaps a one-way check valve would have been in order, at the street connection. I don't believe this was done, as I have street pressure on my house line even now.

The new copper line rests mostly on John Pirak's land and is a common line for both our houses, with each house tapping into the system through a "Y" type connection to the single line. This single line concept was probably adopted in order to reduce the high costs of the special materials involved in the fix.

Now we know how and why the open copper sewer lines were there, but not why they were left uncovered or whose responsibility it was to cover them, nor has anyone involved accepted the responsibility.

It should also be mentioned at this point that John Pirak's grinder pump and lead-in lines were open to the elements and unprotected from any possible freezing situation. Sometime after the sewage line replacement and before I bought the house, my grinder pump lones had also blown and had been replaced by Tac Plumbing with copper lines. As can be confirmed by Bradley Plumbing, the heat tape previously installed on the plastic lines was left laying on the bottom of the pump housing and consequently those lines were frozen. No indication of these problems was related to me by Jim Smith so I had assumed they did not exhist.

So much for the background. Now that my pump has quit and I have water all over my house (Nov 17), I called my contractor (Richard Carr) note- (house still under warranty) and explained the situation to him; careful to mention that I'm sure the line is frozen and the pump broken, and requested that he, as the contractor, make arrangements theough the responsible parties, to repair the problem. The reason I suspected a broken pump is that I had the complete service manual and trouble shooting guide on loan from the neighbor on the other side of me (who had recently experienced a similar problem), which clearly explained that a blocked line would most likely cause the pump to fail.

Richard Carr called Bradley Plumbing andthey arrived at the house some time later and examined the problem. He said,"the sewer line was frozen"!!! He then called his supervisor who apparently called Marine Welding Service to come and thaw the lines. Even though the line was then thawed, my pump, as suspected, failed to work: For that visit I was charged $36.05 by Bradley Plumbing for the service call and $30.90 by Marine Welding for thawing the line.

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Bradley Plumbing ordered the repair parts for the pump; and I, as a back up, ordered them also. Our parts arrived at the same time about the 18th of December. This was for us, one month with no sewage. Not a pleasant experience when you've just bought an expensive house and its the holiday party season.

I had, in the meantime, talked with Richard Carr, still seeking his assistance in placing the bills in the hands of the responsible people.

I made arrangements with Bradley Plumbing to have the pump repaired the afternoon of 20 December but was greeted by the work crew at 08:30 a. m. when I was returning home from work. The men had just turned the circuit breakers off in the house and were ready to begin repairs. The next thing they did was cut the two electrical wires leading to the pump. One line was still hot and on the same line with my refrigerator. In my opinion a very dangerous and non professional approach. I mentioned I had the step-by-step instructions for pump removal and repair but they chose not to use them. They did remove the pump, take it to the shop, repair it, replace it, and it worked. The cost was $200.87 for two men for three hours minus $24.02 for parts. My neighbor indicated that he could do it in from one to two hours.

Incidentally, I covered the sewer lines myself to prevent freezing. Bradley Plumbing, after replacing the broken parts in the pump, re-installed the heat tape on the lead-in lines and confirmed it was working. These lines later refroze, even with the heat tape on, indicating the initial installation was not adequate to withstand the winter environment we experience in Kodiak.

Meanwhile, John Pirak's contractor (Mr Nylund), had put some heat tape and insulation on his pump and lines. They were, quite obviously, inadequate as their pump and lines refroze. John Pirak has had his problems too. After returning to Kodiak after his Christmas Vacation, he discovered his sewage system was not working properly. I don't know just what series of events led up to the present day situation, but I do know that about the fourteenth of February he began dumping raw sewage between our houses. The City was notified of this that day and a Mr. Herman Beukers came out and evaluated the situation and talked with John Pirak and myself. I had thought that this would be sufficient to "get the ball rolling" and clear up this problem. I was wrong, as I found out when I had returned home from an extended trip to Seattle on the 25th of February. Raw sewage was still being dumped between our houses routinely, and in its flow to Lily Lake was passing under my house. The stench was, and is, terrible. On Monday, the 27th of February, I called the City Manager and explained the situation to him and my displeasure that the situation had progressed unchecked. I had called John Pirak first to find out if anything was being done, to which he replied "no". It should be noted that even though I would not, and did not dump sewage during the month my system was out, there are people with different values, and under these circumstances, they cannot be faulted entirely in this matter. At least this time my phone calls prompted some action and the following day his system was again hooked into the sewer system and "magically" worked. If you should check with the weather bureau you would notice the temperature had been above freezing for several days and had undoubtably thawed the lines allowing his pump to again work. I believe this whole evolution is based on the simple fact that liquids freeze when not properly insulated from the cold.

Everyone is again happy and contented for the moment but; wait a minute, are John's pump and lines freeze-protected? No! they aren't and he is gone out on another Crabbing trip. Effectively there has been no long term solution introduced and the situation is likely to occur again at any moment.

Although I duscussed, in detail, all the aforementioned circumstances with each person involved, no one would acknowledge and accept the responsibilty for the occurrances or admit to a lack of professionalism. The common putoff was "I'll look into it", "The City is responsible", or " The other guy should have done it".

I intend to send a copy of this letter only to the people mentioned on the distribution list for now and will hold my final judgements until everyone has had ample time to respond to this and possibly bring new light on the situation and work out a reasonable answer to why this has happened, and correct those discrepancies that now exhist.

I have decided that the financial responsibility for my above mentioned problems, rests with Richard Carr and that he, in turn, should redeem whatever monies he feels he is due from the responsible individuals.

I would hope to have more pleasant relations with everyone in the future but realize few people are appreciated by those who bring them to task. It should also be noted that throughout this affair I ahve not lost my temper and my primary concern has always been to correct those faults that should never have occurred in the first place.

Sincerely yours,

D. R. Jeffs

Distb:
Richard Carr
Bradley Plumbing
Tac Plumbing
City Manager
John Pirak

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Points for consideration raised by Jack Chenoweth on Kodiak annexation issue -- January 29, 1979

Re the character of local government in Alaska:

1. The adaptation of local government to continually changing conditions is a characteristic of Alaska's local government system.
2. The decision regarding changing boundaries must be taken not by those immediately affected but by a state agency (the Local Boundary Commission) on the basis of independent evaluation.

Points related to the purpose of legislative oversight on annexation questions:

1. As political subdivisions, the cities and boroughs which have been incorporated are established to perform portions of the state's responsibilities for government that they are capable of performing. The state cannot escape responsibility for the essential quality and competence of the units of local government which exist and operate in accordance with applicable state statutes.

2. Local government involves the discharge of legal responsibilities. The capacities and abilities of municipalities to accept and discharge responsibilities greatly varies. The review process offers an opportunity for the legislature to gauge the capacities of the local government to provide services throughout an annexed or expanded area.

3. The effect of the boundary change on the epople involved is a legitimate concern. As taxation is always the cental factor in annexation decisions, one should question if the levels of taxation can be related to levels of service to be offered and whether annexation, with its attendant tax burden changes, will contribute to a better sharing of the burdens and opportunities for local government throughout a metropolitan region.

4. The resultant relationship of the annexation on city/borough relations is also to be considered. The legislature may do well to consider whether fulfillment of the annexation will have an effect on the range of political, service and other relationships between the city and borough and whether, in the short-range and in the long run, those relationships will grow stronger.

5. The legislature has the opportunity to review the boundary change for compliance with proper administrative procedures. Was the hearing properly noticed? Were those in attendance given opportunity to comment? Did the Commission adhere to its own requirements? Etc.

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Some questions raised by the annexation question:

1. What needs exist within the area to be annexed that would best be met by annexation?

2. Is the City entitled to annexation for reasons of equity?

3. Would annexation have any adverse effects upon those residing in the area to be annexed or upon other Kodiak residents?

4. Does the annexation proposed meet the standards for annexation as contained in 19 Alaska Administrative Code 05.010 ? (See copies given Committee members)

JOAN M. KATZ
Attorney at Law
540 L Street, Suite 101, Anchorage, Alaska 99501
(907) 274-7634

January 30, 1979

Representative Bill Parker
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: City of Kodiak Proposed Annexation

Dear Representative Parker:

Last week I sent you rather voluminous information pertaining to the proposed Kodiak annexation. Some committee members have helpfully suggested that a more condensed presentation might be useful, with the original documents available for backup documentation.

Thus, at this time I am sending a summary statement outlining the Kodiak Island Borough's opposition to annexation. Also enclosed is a map of the relevant area which was prepared at my request by the staff of the Local Boundary Commission; (I merely added the color effects).

I hope this additional information is useful. Your consideration of this issue, which is of such vital interest to the citizens of Kodiak, is greatly appreciated.

Sincerely,

Joan M. Katz

Joan M. Katz

vs

encl.

JOAN M. KATZ
Attorney at Law
540 L Street, Suite 101, Anchorage, Alaska 99501
(907) 274-7634

January 25, 1979

Representative Bill Parker, Chairman
Community and Regional Affairs
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: City of Kodiak Proposed Annexation

Dear Representative Parker:

I enjoyed talking with you this morning in connection with the above-referenced matter. Enclosed, as per our discussion, are copies of the two briefs I have submitted at various stages in this controversy. Please feel free to call me with any questions you may have or any additional areas regarding which you may need further input. I have also contacted Hayden Green at the University and he assures me that he and P. J. Hill, who prepared the economic analysis submitted to the Local Boundary Commission and included in the information being sent to you, will also be available to answer any questions you might have.

As you will note, the issues in this controversy range from basic principles of democratic government, to economics, to fundamental notions of fair dealing. Your concern that the people of Kodiak have an opportunity to present their views to the Committee in person is in my view, very appropriate and certainly appreciated. I am also grateful for your intention to see that I am kept abreast of your Committee's activities pertaining to Kodiak.

Sincerely,

Joan M. Katz

vs

encl.

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Display Ad

Approx. 5½" X 3½"

The Alaska Senate and House

COMMUNITY AND REGIONAL AFFAIRS COMMITTEES

will hold a

PUBLIC HEARING

on SJR 12 and HJR 10 related to

LOCAL BOUNDARY COMMISSION RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF KODIAK

Saturday, February 10
East Elementary School
2:00 P.M.

June 13, 1978

Ms. Sheila Gallagher
Chairman, Local Boundary Commission
Suite 201
3201 "C" Street
Anchorage, Alaska 99503

Dear Ms. Gallagher:

Enclosed are statements from Kodiak City residents. Cope Street behind the Travel Lodge is about 300 yards long and hasn't improved in more than 32 years. Alder Lane & High Street are just as bad or worse.

The City Manager would have you believe that living in the City would solve everyone's problems since they would have a Public Works Department. He grossly exaggerated facts. He stated the average family on the West Coast was 4.0 in size when it is 3.5. In Kodiak it is 3.4. I am dubious of anything he gave you as evidence.

The electric meter reading is done on contract. All meters are read whether they are being used or not. I have 2 meters. A neighbor has 2 meters. There are 20 or so meters in the Spruce Cape area on unoccupied buildings. 75 or 80 per cent of people living on Spruce Cape & Mission Road live in trailers on rented lots.

The City Manager stated last Summer, the City was going broke. I gave Mr. Strandberg a copy of the 1977 Spruce Cape appraisals & am mailing you a copy.

Mr. Craig Bishop at the December 12 meeting was opposed to annexation of USS-3098 that he has his trailer court & bookeeping service on. He presented a petition at the Dec.12 meeting. He favored annexation.5/ Mr. Bishop was recently elected President of Chamber of Commerce. He had an application to build an apartment complex which the City Council approved. He stated that a trailer court owner sold land to repair his roads. He sold 2 houses & the land they were about 300 yards from his trailer court. He sold the houses to increase his trailer sales' stock in Bells Flats. He has about 15 acres in his trailer court with 90 or 100 trailers. The roads are unplatted. The roads & trailer court are private property. If they are upgraded, the owner will pay for it. Mr. Bishop said that other roads were needed. All of the lots on Spruce Cape are 1 lot deep. The only roads needed are private driveways. He came to Kodiak '72 or '73.

Mr. Mills stated there was 1 house on Island in 1963. There were many houses in the Island Lake area then. The tax records & K.E.A. records will verify this. Since he was here, he worked in a cannery for several years & as a heavy equipment operator. He has applied for a 1/2 million dollar permit that requires City approval (he lives in the City).

Mr. William H. Lamme, former Kodiak Post Master, lived on Island Lake 20 years ago & now lives in Anchorage.

Mr. Gary Stevens, Acting Mayor of Kodiak, came to Kodiak in 1972 or '73 & is an official in a Japanese owned cannery .

The reason I've taken time to gather the above facts is that I have a tremendous investment in democracy with 5 years, 1 month and 29 days in the military. I have spent over $4,000.00 since 1963 and several months of my time trying to keep democracy alive on Kodiak Island. I obtained 500 borough books from Mr. Ronald Cease when the borough was formed in Kodiak and spent about $1,500.00 on newspaper adds; $1,000.00 on zerox copies, $800.00 or more on radio and T.V. adds; $800.00 on envelopes, stamps/supplies, etc. I have mailed every member of the House & State Senate information/ research material on various issues which I was concerned with and also to every Governor except Governor Miller. I have written every U.S. Senator & key men in the House of Representatives & wired our representatives in D.C. & the President on several occasions.

Please give the above statements every consideration in whatever determinations you make which affects the lives of many Kodiak residents.

Sincerely,

Okey Chandler

Okey Chandler
Box 1635
Kodiak, Alaska 99615

cc: Other boundary commissioners

E. Neseth

Box 456

Phone: 486 5681

TO WHOM IT MAY CONCERN

Mr. Neseth and I have lived at the end of Cope Streeet since the 1930's when the area was away out of town. Many homes have filled in the area since and Cope Street simply grew in by general use. It is grossly inadequate for the amount of traffic on it, expecially in the winter when it is too hazardous to drive as serious icing occurs. The overflow from ditching (or whatever) has nowhere but the road to get on, and is an every winter condition. Such a vehicle as the garbage truck has great difficulty maneuvering for a turn-- this is winter and summer. Our private steps from the Base Road level to the Cope Street level past our kitchen window becomes a public thorofare for foot travel at this end. This is naturally a nuisance besides an invitation to who-knows-what mischeif in this day. We don't like it.

Emma Neseth

Tempe Berestoff
Box 2196
Kodiak, Alaska 99615

June 2nd, 1978

TO WHOM IT MAY CONCERN:

I lived on High Street for five (5) years in house #306. The garbage truck and two wheel drive vehicles cannot travel up this road when deep snow or ice conditions prevail. The road is very narrow with no place to park. One house has no City water.

Sincerely,

Tempe Berestoff

Tempe Berestoff

Phone # 486-5922

June 2, 1978

TO WHOM IT MAY CONCERN:

From March of 1974 to September of 1976 I lived on Cope Street, the street that ascends the side of Pillar Mountain from the Sheffield House.

The conditions of the public works and utilities on Cope Street are poor. The road is very narrow allowing only one way traffic. It is seldom graded, and has very limited parking. Occasionally while I lived there the garbage truck could not make it up the road due to heavy snow or ice. This limited the service.

The water pressure on Cope Street is also very poor. Many times I had absolutely no water pressure when my neighbor was using water. This was most inconvenient when I was in the shower and my neighbor flushed his toilet.

Janet Wente

Janet Wente
P. O. Box 2791
Kodiak, Alaska 99615

Phone 486-5725 (office)
486-4991 (home)

June 5, 1978

TO WHOM IT MAY CONCERN:

As a resident on Cope Street from November 1, 1975 to January 4, 1976, I found the public works facilities in very poor condition. There was no water pressure and at best of conditions was not able to wash clothes or shower without being inconveniences by poor water pressure. During our residency there we found that most times we had to park on Rezanoff and walk up the hill carrying groceries, etc., because there was no parking facilities available on the street. Snow removal activities prevented any parking during that period of time. Because of these conditions my family and I moved to another area.

Laurel Bolden

Laurel L. Bolden
Box 172
Kodiak, Alaska 99615

C. B. Radio Channel 11, call number KAHH 1687
Work Phone, 486-5725

8 March 1978

To Whom it may concern,

The purpose of this letter, is to illustrate, through relating a series of past events, what I perceive to be a general lack of concern for the other guy or what could be termed an "every man for himself," attitude.

I had heard of Russell Estates and their "sewer problems" but was assured that my new house (Jim Smiths old house-Lot 3 Block 3) had already experienced the local problems and through a new pump and line that was installed, should have no further problems. We moved into the house on the twelveth of August 1977.

Everything was going smoothly until November 17th when my neighbor's (John Pirak) and my sewer line froze, breaking my grinder pump and I assume his also. The history on the open sewer lines that froze is somewhat unclear to me but I shall give you an account as best I can determine.

When Jim Smith lived in the house the plastic sewer line was apparently shattered from the main line back-pressure. This caused my contractor, Richard Carr, and Tac Plumbing to arrange to have a copper line installed to withstand the high pressures introduced by the less-than-sufficient sewage system laid by Russell Estates. Perhaps a one-way check valve would have been in order, at the street connection. I don't believe this was done, as I have street pressure on my house line even now.

The new copper line rests mostly on John Pirak's land and is a common line for both our houses, with each house tapping into the system through a "Y" type connection to the single line. This single line concept was probably adopted in order to reduce the high costs of the special materials involved in the fix.

Now we know how and why the open copper sewer lines were there, but not why they were left uncovered or whose responsibility it was to cover them, nor has anyone involved accepted the responsibility.

It should also be mentioned at this point that John Pirak's grinder pump and lead-in lines were open to the elements and unprotected from any possible freezing situation. Sometime after the sewage line replacement and before I bought the house, my grinder pump lones had also blown and had been replaced by Tac Plumbing with copper lines. As can be confirmed by Bradley Plumbing, the heat tape previously installed on the plastic lines was left laying on the bottom of the pump housing and consequently those lines were frozen. No indication of these problems was related to me by Jim Smith so I had assumed they did not exhist.

So much for the background. Now that my pump has quit and I have water all over my house (Nov 17), I called my contractor (Richard Carr) note- (house still under warranty) and explained the situation to him; careful to mention that I'm sure the line is frozen and the pump broken, and requested that he, as the contractor, make arrangements theough the responsibie parties, to repair the problem. The reason I suspected a broken pump is that I had the complete service manual and trouble shooting guide on loan from the neighbor on the other side of me (who had recently experienced a similar problem), which clearly explained that a blocked line would most likely cause the pump to fail.

Richard Carr called Bradley Plumbing andthey arrived at the house some time later and examined the problem. He said,"the sewer line was frozen"!!! He then called his supervisor who apparently called Marine Welding Service to come and thaw the lines. Even though the line was then thawed, my pump, as suspected, failed to work: For that visit I was charged $36.05 by Bradley Plumbing for the service call and $30.90 by Marine Welding for thawing the line.

Bradley Plumbing ordered the repair parts for the pump; and I, as a back up, ordered them also. Our parts arrived at the same time about the 18th of December. This was for us, one month with no sewage. Not a pleasant experience when you've just bought an expensive house and its the holiday party season.

I had, in the meantime, talked with Richard Carr, still seeking his assistance in placing the bills in the hands of the responsible people.

I made arrangements with Bradley Plumbing to have the pump repaired the afternoon of 20 December but was greeted by the work crew at 08:30 a. m. when I was returning home from work. The men had just turned the circuit breakers off in the house and were ready to begin repairs. The next thing they did was cut the two electrical wires leading to the pump. One line was still hot and on the same line with my refrigerator. In my opinion a very dangerous and non professional approach. I mentioned I had the step-by-step instructions for pump removal and repair but they chose not to use them. They did remove the pump, take it to the shop, repair it, replace it, and it worked. The cost was $200.87 for two men for three hours minus $24.02 for parts. My neighbor indicated that he could do it in from one to two hours.

Incidentally, I covered the sewer lines myself to prevent freezing. Bradley Plumbing, after replacing the broken parts in the pump, reinstalled the heat tape on the lead-in lines and confirmed it was working. These lines later refroze, even with the heat tape on, indicating the initial installation was not adequate to withstand the winter environment we experience in Kodiak.

Meanwhile, John Pirak's contractor (Mr Nylund), had put some heat tape and insulation on his pump and lines. They were, quite obviously, inadequate as their pump and lines refroze. John Pirak has had his problems too. After returning to Kodiak after his Christmas Vacation, he discovered his sewage system was not working properly. I don't know just what series of events led up to the present day situation, but I do know that about the fourteenth of February he began dumping raw sewage between our houses. The City was notified of this that day and a Mr. Herman Beukers came out and evaluated the situation an, talked with John Pirak and myself. I had thought that this would be sufficient to "get the ball rolling" and clear up this problem. I was wrong, as I found out when I had returned home from an extended trip to Seattle on the 25th of February. Raw sewage was still being dumped between our houses routinely, and in its flow to Lily Lake was passing under my house. The stench was, and is, terrible. On Monday, the 27th of February, I called the City Manager and explained the situation to him and my displeasure that the situation had progressed unchecked. I had called John Pirak first to find out if anything was being done, to which he replied "no". It should be noted that even though I would not,and did not dump sewage during the month my system was out, there are people with different values,and under these circumstances, they cannot be faulted entirely in this matter. At least this time my phone calls prompted some action and the following day his system was again hooked into the sewer system and "magically" worked. If you should check with the weather bureau you would notice the temperature had been above freezing for several days and had undoubtably thawed the lines allowing his pump to again work. I believe this whole evolution is based on the simple fact that liquids freeze when not properly insulated from the cold.

Everyone is again happy and contented for the moment but; wait a minute, are John's pump and lines freeze-protected? No! they aren't and he is gone out on another Crabbing trip. Effectively there has been no long term solution introduced and the situation is likely to occur again at any moment.

Although I duscussed, in detail, all the aforementioned circumstances with each person involved, no one would acknowledge and accept the responsibilty for the occurrances or admit to a lack of professionalism. The common putoff was "I'll look into it", "The City is responsible", or " The other guy should have done it".

I intend to send a copy of this letter only to the people mentioned on the distribution list for now and will hold my final judgements until everyone has had ample time to respond to this and possibly bring new light on the situation and work out a reasonable answer to why this has happened, and correct those discrepancies that now exhist.

I have decided that the financial responsibility for my above mentioned problems, rests with Richard Carr and that he, in turn, should redeem whatever monies he feels he is due from the responsible individuals.

I would hope to have more pleasant relations with everyone in the future but realize few people are appreciated by those who bring them to task. It should also be noted that throughout this affair I ahve not lost my temper and my primary concern has always been to correct those faults that should never have occurred in the first place.

Sincerely yours,

D. R. Jefts

Distb:
Richard Carr
Bradley Plumbing
Tac Plumbing
City Manager
John Pirak

HOUSE
JOURNAL SUPPLEMENT

January 24, 1979 Wednesday No. 2

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION SUBMITTED TO THE ELEVENTH STATE LEGISLATURE FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 24, 1979

RECOMMENDATIONS

1. Recommendation for annexation of territory to the City of Kodiak.

2. Recommendation for correcting an error in the present corporate boundary description of the Kenai Peninsula Borough.

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF KODIAK, ALASKA

SUBMITTED TO THE ELEVENTH LEGISLATURE, FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 24, 1979

RECOMMENDATION FOR ANNEXATION OF TERRITORY

to the

City of Kodiak

WHEREAS, the petitioner, the City of Kodiak, has requested that certain property in the Mill Bay area be annexed to the city, to wit: twenty five lots contiguous to and North and East of the City of Kodiak, including residential and commercial properties; and

WHEREAS, upon receipt of the petition, the Department of Community and Regional Affairs determined that the petition was sufficient; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission held a public hearing at Kodiak, Alaska, on December 12, 1977, in the Kodiak City Council Chambers; and

WHEREAS, as a result of that public hearing, the Local Boundary Commission determined other urban lands in addition to those defined in the petition might be suitable for annexation to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held an additional public hearing at Kodiak on April 26, 1978, to consider annexation of geographical areas generally described as the Spruce Cape area, the Mill Bay area, the Monashka Bay area, and the United States Coast Guard Station to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held a public meeting in Anchorage on August 16, 1978, to review the record of proceedings on the

petition; and

WHEREAS, the City of Kodiak has stated to the Local Boundary Commission that it is financially capable of providing its full range of general fund services to the area encompassed by the Local Boundary Commission decision; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(3) in that the area is generally urban in character, as evidenced by Kodiak Island Borough population estimates, property valuations, and the relatively high level of commercial activity; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(4) in that evidence gathered at the public hearings shows that the area to be annexed is in need of municipal services which can be most efficiently provided by the City of Kodiak; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(5) in that Kodiak Island Borough planning documents indicate there is likelihood that growth and development will occur in the territory and annexation will enable the city to plan for and control that development and arrange the most efficient municipal services plan to accommodate the expected growth;

NOW, THEREFORE, the Local Boundary Commission recommends that, pursuant to Article X, Section 12, of the Alaska

Constitution, and Alaska Statutes 44.19.260, the petition to annex the territory generally described as the Spruce Cape area and the Mill Bay area be approved and that the boundaries of the City of Kodiak be amended to read as follows:

Beginning at Corner 3 of U.S. Survey 3945, said point being the true point of beginning; thence,

(1) S 55°21'W, 10,868.88 feet to Corner 2 of U.S. Survey 3945; thence,

(2) S 34°34'E, 4250.40 feet to Corner 1 of U.S. Survey 3945; thence,

(3) S 5°06'E, 957.66 feet to Corner 2 of U.S. Survey 2537-B, identical with Corner 15, U.S. Survey 3945; thence,

(4) S 5°05'30"E, approximately 260.74 feet, more or less, to a point intersecting with the Northerly ROW of the Abbert Highway; thence,

(5) along the said ROW in a Westerly and then Southerly direction to a point located upon the common boundary of Public Land Orders 5566 (parcel 2) and 5550, located within U.S. Survey 1673; thence,

(6) S 45°00'E, 2000 feet; thence,

(7) Southeasterly 3,280 feet, more or less, to point "A", said point "A" lying: S 15°34'E, 1,290 feet, more or less, to the center of the channel of St. Paul Harbor from the Southwest corner of Lot 6, Block 20 of U.S. Survey 2537-B; thence,

(8) N 58°06'E, 7,470 feet to a point in the channel North of the Easterly tip of Crooked Island; thence,

(9) N 0°50'W, 1,644.7 feet to a point located in the channel between Near Island and Holiday Island; thence,

(10) N 42°22'E, 5,200 feet, to Point "B", said point "B" lying: S 42°22'W, 3,037.1 feet, more or less, from a point on an

isolated rock which bears S 31°50'E, 191.95 feet from WC 6 MC, U.S. Survey 1822, said point also lying S 32°24'E, 1,162 feet, more or less, from MC 6, U.S. Survey 2873; thence,

(11) N 32°24'W, to a point in the channel which is 1,000 feet from the mean high water line of Kodiak Channel; thence,

(12) along a line, 1000 feet seaward, from the meander line of mean high water in a Northeasterly and then Northwesterly direction to a point 1,000 feet Northerly from the most Northerly tip, at mean high water, of Spruce Cape; thence,

(13) continuing along a line, 1,000 feet seaward, from the meander line of mean high water, proceeding around Mill Bay in a Southwesterly, Northwesterly, and then Northeasterly direction, to a point which is located upon the projected extension seaward of the Northern boundary of Lot 17, Block 1, Second Addition of Miller Point Subdivision, plat approved 11/28/66, said boundary being more specifically described as a line bearing S 73°01'E from the Division of Lands Witness Corner monument located 15 feet West of the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(14) N 73°01'W, 1,000 feet to the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(15) N 73°01'W, along the Northerly boundary of Lot 17, Block 1, of said subdivision, 327.41 feet, and continuing on approximately the same bearing an additional 1728.59 feet to WC 6 of Lot 3, U.S. Survey 3462; thence,

(16) S 47°56'W, 2551.56 feet to Corner 1, Lot 3, U.S. Survey 3462, identical to the East Corner of Lot 3 of Block 6, Monashka Bay Subdivision, plat approved 9/19/67; thence,

(17) S 45°42'59"W, 295.41 feet, to the South Corner of Lot 3, Block 6 of said subdivision; thence,

(18) N 44°05'04"W, approximately 115 feet, along the Southwesterly boundary of Lot 3, Block 6 of said subdivision to a point which bears N 50°13'26"E from the South Corner of

Lot 7, Block 5, of said subdivision; thence,

(19) S 50°13'26"W, across Otmeloi Way to the South boundary of Lot 7, Block 5, of said subdivision, and continuing along the Westerly ROW of Lake View Drive, 4,433.17 feet, more or less, to the Southeast Corner of Lot 7 of Block 8 of the Monashka Bay Subdivision, plat approved 9/19/67; thence,

(20) S 79°11'50"E, 569.59 feet, to Corner 5 of U.S. Survey 3467; thence,

(21) S 23°54'W, 2500.01 feet, to Corner 4 of U.S. Survey 3467, identical with Corner 4 of U.S. Survey 3468; thence,

(22) S 85°27'W, 746.33 feet, to Corner 3 of U.S. Survey 3468, identical with Corner 3 of U.S. Survey 2538-A; thence,

(23) S 55°21'W, 1893.54 feet, to Corner 4 of U.S. Survey 3945; thence,

(24) N 34°39'W, 2811.6 feet to Corner 3 of U.S. Survey 3945, the true point of beginning.

In accordance with Article X, Section 12, of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR CORRECTING AN ERROR IN THE PRESENT CORPORATE BOUNDARY DESCRIPTION OF THE KENAI PENINSULA BOROUGH

SUBMITTED TO THE ELEVENTH LEGISLATURE, FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 24, 1979

RECOMMENDATION FOR CLARIFICATION OF SOUTHEASTERLY BOUNDARY

of the

KENAI PENINSULA BOROUGH

WHEREAS, the Local Boundary Commission has requested that the boundary description of the Kenai Peninsula Borough, dated April 30, 1974, be corrected and clarified in the southeasterly part of the boundary description, in the general area of Sargent Ice Field and the Chugach National Forest Boundary; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Soldotna on Friday, January 12, 1979, to consider whether the boundary in question should be clarified and corrected; and

WHEREAS, after giving proper notice, the Local Boundary Commission held a public meeting in Yakutat on Thursday, January 18, 1979, reviewed the original boundaries, the proposed clarification, and all testimony prior to and during the January 12, 1979, public hearing; and

WHEREAS, the Kenai Peninsula Borough is in accord with the proposed clarification;

NOW, THEREFORE, the Local Boundary Commission recommends that, pursuant to Article X, Section 12, of the Alaska Constitution, and Alaska Statutes 44.19.260, the recommendation to clarify and correct the southeasterly boundary of the Kenai Peninsula Borough be approved and the following described boundary be adopted:

Beginning at Cape Douglas on the west side of Cook Inlet at the N.E. Corner of Sec. 27, T15S, R24W (projected), Seward Meridian, State of Alaska; thence West to the N.E. Corner of Sec. 29, T15S, R26W (projected); thence South to the S.E. Corner of Sec. 32, T16S, R26W (projected); thence West to the N.E. Corner of T17S, R28W (projected); thence South to the S.E. Corner of T17S, R28W (projected); thence West to the S.W. Corner of T17S, R32W (projected); thence North to the N.W. Corner of T17S, R32W (projected); thence West to the S.W. Corner of T16S, R32W (projected); thence North to the N.W. Corner of T13S, R32W (projected); thence West to the S.W. Corner of T12S, R32W (projected); thence North to the N.W. Corner of T11S, R32W (projected); thence East to the S.W. Corner of T10S, R30W (projected); thence North to the N.W. Corner of T9S, R30W (projected); thence East to the S.E. Corner of T8S, R29W (projected); thence North to the N.E. Corner of T8S, R29W (projected); thence East to the N.E. Corner of T8S, R28W (projected); thence North to the N.W. Corner of T6S, R27W (projected); thence East to the S.W. Corner of T5S, R26W (projected); thence North to the N.W. Corner of T5S, R26W (projected); thence East to the S.W. Corner of T4S, R25W (projected); thence North to the N.W. Corner of T1S, R25W (projected); thence East to the S.W. Corner of T1N, R24W (projected); thence North to the N.W. Corner of T4N, R24W (projected); thence East to the S.W. Corner of T5N, R23W (projected); thence North to the N.W. Corner of T8N, R23W (projected); thence West to the S.E. Corner of T9N, R24W (projected); thence North to the N.E. Corner of T12N, R24W (projected); thence West to the S.E. Corner of T13N, R24W (projected); thence North to the N.E. Corner of T15N, R24W (projected); thence East to the N.E. Corner of T15N, R12W (projected); thence South to the N.W. Corner of T13N, R11W (projected); thence East to the N.E. Corner of T13N, R10W (projected); thence South to the S.E. Corner of T13N, R10W (projected), said Corner being in Cook Inlet at Longitude 150°58'18"W, Latitude 61°10'00"N; thence Southeasterly to the S.E. Corner

of T12N, R9W (projected), said Corner being in Cook Inlet at Longitude 150°46'37"W, Latitude 61°04'49"N; thence Northeasterly to the N.E. Corner of T12N, R7W (projected), said Corner being in Cook Inlet at Longitude 150°26'01"W, Latitude 61°10'01"N; thence Southeasterly to the N. E. Corner of T11N, R6W (projected), said Corner being in Turnagain Arm at Longitude 150°14'40"W, Latitude 61°04'49"N; thence East to the N.E. Corner of T11N, R5W (projected), said Corner being in Turnagain Arm at Longitude 150°04'01"W, Latitude 61°04'49"N; thence Southeasterly to the N.E. Corner of Sec. 24, T10N, R2W (projected), said Corner being in Turnagain Arm at Longitude 149°32'05"W, Latitude 60°57'01"N; thence Southeasterly to the N.E. Corner of T9N, R1W (projected), said Corner being in Turnagnin Arm at Longitude 149°21'26"W, Latitude 60°54'25"N; thence East to the N.E. Corner of T9N, R1E (projected), said Corner being in Turnagain Arm at Longitude 149°10'48" West, Latitude 60°54'25" North; thence Southeasterly to the N.E. Corner of Sec. 15, T9N, R2E (projected), said Corner being in Turnagain Arm at Longitude 149°03'41"W, Latitude 60°52'41"N; thence Southerly to the N.E. Corner of Sec. 26, T9N, R2E (projected), said Corner being in Turnagain Arm at Longitude 149°01'55"W, Latitude 60°50'57"N; thence South to the S.E. Corner of Section 35, T9N, R2E (projected); thence West to the N.E. Corner of Section 2, T8N, R2E (projected); thence South to the N.E. Corner of Sec. 2, T7N, R2E (projected); thence East to the N.E. Corner of T7N, R4E (projected); thence South to the S.E. Corner of T5N, R4E (projected); thence West to the N.E. Corner of T4N, R4E (projected); thence South to the N.E. Corner of Sec. 25, T4N, R4E (projected); thence East to the S.E. Corner of the S.W. 1/4 of Sec. 22, T4N, R5E (projected); thence Southerly to the S.E. Corner of the S.W. 1/4 of Sec. 34, T1N, R5E (projected); thence West to the N.E. Corner of the N.W. 1/4 of Sec. 3, T1S, R5E (projected); thence Southerly to the S.E. Corner of the N.W. 1/4 of Sec. 27, T1S, R5E (projected); thence West to the S.W. Corner of the

N.W. 1/4 of Sec. 27, T1S, R5E (projected); thence South to the N.E. Corner of Sec. 9, T3S, R5E (projected); thence Southwesterly to the S.E. Corner of Sec. 7, T3S, R5E (projected), said Corner being at or approximately at Cape Junken; thence Southwesterly to the S.E. Corner of the N.E. 1/4 of Sec. 4, T4S, R1E (projected), said Corner being at or approximately at Barwell Island; thence Southwesterly to the N.E. Corner of the S.E. 1/4 of Sec. 17, T5S, R1W (projected), said Corner being at or approximately at Pilot Rock; thence Southwesterly to the S.W. Corner of the S.E. 1/4 of Sec. 33, T7S, R2W (projected), said Corner being at or approximately at Seal Rock; thence Southwesterly to the N.W. Corner of Sec. 14, T10S, R7W (projected), said Corner being at or approximately at Pye Reef; thence Southwesterly to the S.E. Corner of the N.E. 1/4 of Sec. 28, T11S, R10W (projected), said Corner being at or approximately at Gore Point; thence Southwesterly to the S.E. Corner of the N.E. 1/4 of Sec. 27, T12S, R13W (projected), said Corner being on or approximately on the Southerly point of East Chugach Island; thence Southwesterly to the S.E. Corner of Sec. 31, T12S, R14W (projected), said Corner being at or approximately at Perl Rock; thence Southwesterly to Longitude 153°00'00"W, Latitude 59°02'00"N, in Cook Inlet; thence Southwesterly to the place of beginning at Cape Douglas, containing 25,600 sq. mi. more or less.

Together with all State waters lying within and appurtenant to the above described boundary; EXCEPT, all waters lying more than three miles Southerly of the boundary line between Perl Rock at or approximately at the S.E. Corner of Sec. 31, T12S, R14W (projected) and Longitude 153°00'00"W, Latitude 59°02'00"N, in Cook Inlet, and the N.E. Corner of Sec. 27, T15S, R25W (projected), at Cape Douglas, Southwesterly offshore jurisdiction terminates at a line beginning at the N.E. Corner of Sec. 27, T15S, R24W (projected), at Cape Douglas; and extending S62°30'00"E three miles.

In accordance with Article X, Section 12, of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each House.

KODIAK ANNEX.

Kodiak Times - (Thurs)
~~KDAK~~
KADIAK Times
P.O. Box 2368
Kodiak 99615
Attn: Jon Brown

Tues & Fri 6 + 9
Attn Gleason Dietz
Kodiak Mirror
PO Box 1307
Kodiak 99615

LOCAL BOUNDARY COMMISSION MEMBERS

Mrs. Sheila Gallagher, Chairman
Local Boundary Commission
3201 "C" St., Suite 201
Anchorage, Ak. 99503

Mrs. JOsephine Anderson
P.O. Box 351
Wrangell, Alaska 99929

Mr. Charles E. Bettisworth
P.O. Box 80288
Fairbanks, Alaska 99701

Mr. Edward Hopson
Box 143
Barrow, Alaska 99723

Mr. Sigvald Strandberg
7235 Blackberry St.
Anchorage, Alaska 99502

KODIAK ISLAND BOROUGH

Mrs. Betty Wallin, Mayor
P.O. Box 1246
KOdiak, Alaska 99615

Mr. Stuart Denslow, Manager
P.O. Box 1246
Kodiak, Alaska 99615

BOROUGH ASSEMBLY MEMBERS

Dr. Michael Emmick
Port Lions
Kodiak, Ak.

Mr. Edward Jack
Spruce Cape
Kodiak, Ak.

Ms. Sandra Kavanaugh
212 Birch
Kodiak, Ak.

ATTORNEYS

Ms. Joan Katz
540 L. St. Suite 101
Anchorage, Alaska 99501

Mr. Robert Hartig
717 K St.
Anchorage, Alaska 99501

CITY COUNCILMEMBERS

Mr. Gary Stevens, Mayor
P.O. Box 1397
Kodiak, Ak. 99615

Mr. Clair Harmony, Mgr.
P.O. Box 1397
Kodiak, Ak.

Mrs. Carol Lechner
1715 Rezanof Dr.
Kodiak, Ak.

Mr. Dave Woodruff
1518 Rezanof Dr.
Kodiak, Ak.

Toni Eaton

Kodiak, Ak.

Arnold Hansen
219 Alder Lane
Kodiak, Ak.

Mr. James Peotter
1513 Yanovsky
Kodiak, Ak.

Mr. William Fearn

Kodiak, Ak.

Mr. Danforth Off

Kodiak. Ak.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Bill
FROM: Marjorie
DATE: 4/20/79
RE: Kodiak Land Sale

The following information was received from Stuart Denslow, Borough Manager of the Kodiak Borough:

The Assembly of Kodiak decided on March 20, 1979 to appeal the decision made by Judge Roy Madsen in the Superior Court.

The Assembly determined that they would not sell the land in question in Bells Flats to Royal Large as the price was less than 1/2 the value of the land.

The basis for the decision by the Assembly was based on the the belief that the Assembly of 1974-75 did not have the power to reach the sale agreement. The Assembly also had procedural questions related to the local judge's handling of the case.

Denslow said that the problems were with the local ordinance, not with the state law, and that the local ordinance has since been brought into compliance.The problems seemed to have centered around the appraisal requirements.

A copy of Judge Madsen's opinion can be obtained from:

Charleen Glynn
Clerk of the Court
Box 1367
Kodiak, Alaska 99615

THE KODIAK DAILY MIR

Vol. 39 No. 47

Wednesday, March 7, 1979

Borough assembly holds special session

The borough assembly will consider at a special meeting tomorrow night whether to follow Judge Roy Madsen's decision in January to sell 4.2 acres of borough land for $10,550 in Bells Flats to Royal Large, who has been attempting to purchase the property for over 10 years, or to appeal the decision in the Superior Court.

Michael Sharon, the attorney presenting the borough in the case, said in 1975 the borough mayor and assembly had negotiated a sale of the land to Large for $10,550. Large had given the borough a check with 10 percent down on the sale of the land. However, Sharon said, the borough clerk at that time informed the mayor and assembly that since the warehouse on the land was not contained in the appraisal, the sale of the land would be inconsistent with the borough and state codes at that time.

The borough reconsidered its action, at which point Large hired attorney Ben Hancock to represent him in filing suit against the borough to sell him the land based upon the agreement.

In 1975, Large had contended that the warehouse on the land should not be considered in the appraisal of the land, because the warehouse had been present on the land since World War II, and that it was the improvements that he had made upon the warehouse which gave it any value in the first place.

Sharon stated that any improvements made on a piece of land after the lease expires which are not removed by the time of the lease expiration are to be included in the appraisal of the land, and it was from this premise that the borough had reversed its decision.

On July 23, 1978, the land including the warehouse was appraised by the borough assessor, and the land was appraised at $87,400. "Mr. Large is definitely not the villain in the case," said Sharon. "He has done nothing sneaky or improper in his attempts to purchase this land."

Sharon said from depositions on the case he has studied, that Large attempted to purchase the land in 1967 from the Navy but was unsuccessful. When the borough gained control of the land from the state, Large again attempted to purchase the land and was again unsuccessful, but he entered into a five-year lease with the borough in 1971.

Large said he did not wish to make any comment concerning the case.

Other items on the agenda for the meeting include discussion pertaining to the swimming pool, and a proposal for site surveys and soil studies for the Larsen Bay and Ouzinkie high schools. The planning and zoning department has requested an executive session with the borough concerning the Alderwood development.

29.48.260
(Legislative intent?)

38.05.035 14(b)(2)

Marge:
Can you call Kodiak Boro to ask:
What is current?
Is Madsen decision written?
Copy?

Royal Large
486-5057
P.O. Box 2634
Kodiak, Ak. 99615

Supreme Court Library
Bet 12-5
Bet

1235 Alaska Travel

"Re"

787-0600

LEGISLATORS AND STAFF TRAVELING TO KODIAK

February 9-11, 1979

Fri. 2/9/79 JNU/ANC 5:30 p.m.	Sat. 2/10/79 ANC/KODIAK 9:30 a.m.	Sun. 2/11/79 KODIAK/ANC 10:45 a.m.	Sun. 2/11/79 ANC/JNU 6:35 p.m.
SENATE:			
Mulcahy, Bob	Mulcahy	Mulcahy	Mulcahy
Sturgulewski, Arliss	Sturgulewski	Sturgulewski	Sturgulewski
Rodey, Patrick	Rodey	Rodey	Rodey
----	Kelly, Tim	Kelly	----
Staff:			
Hartsock, Twyla	Hartsock	Hartsock	Hartsock
Walsh, Gene	Walsh	Walsh	Walsh
HOUSE:			
~~Zharoff, Fred~~	Zharoff	----	---- 2
Carney, Patrick	Carney	Carney	----
Parker, Bill	Parker	Parker	Parker 1
Branson, Margaret	Branson	Branson	---- 1
Metcalfe, Ray	Metcalfe	Metcalfe	Metcalfe
----	O'Connell, Patrick	O'Connell	O'Connell 1
Staff:			
Gorsuch, Marge ✓	Gorsuch	Gorsuch	Gorsuch 1
(6) Malone, Hugh	Malone, Hugh	Malone, Hugh	----
	McCarter, Palmer ✓		

OVERNIGHT ARRANGEMENTS FOR ALL THE ABOVE (except Senator Mulcahy and Representative Zharoff) WERE MADE AT THE KODIAK SHEFFIELD TRAVELODGE, Saturday, February 10, 1979.

Each legislator is responsible for overnighting arrangements in Anchorage, Friday, February 9, 1979.

Kelly - overnighting @ friend

Break 8-9:30 Stay
Scheffield House -

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 5, 1979

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Patrick Rodey

FROM: Arliss Sturgulewski
Chairman

RE: February 10, 1979, Joint Public Hearing in Kodiak

Attached is a traveling schedule for those members attending the above Hearing. By going as a group, we will receive a group discount on our plane fares. My office made and received confirmed reservations for our block trip (transportation plus Travelodge rooms in Kodiak); and after coordinating with your offices, your schedules appear as stated on this attachment. If you anticipate any changes, please contact my secretary. Also attached is a copy of the proposed agenda for our Joint Hearing.

We all realize our primary reason for this trip. In the event we do have some time left following our Hearing Saturday evening, legislators and staff have been invited to a League of Women Voters meeting.

An informal breakfast is tentatively being arranged by concerned citizens who wish to speak on the Development City Act and its proposed use on Afognak Island. They would like to meet with as many of the Joint Committee members as possible. Other Kodiak citizens may wish to meet with legislators at this informal breakfast also.

More specifics on the above; time, place, etc., will be announced later.

Attachments (2)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

The Senate and House Community and Regional Affairs Committees have scheduled a Joint Committee Hearing in Kodiak on February 10, 1979. Subject of the Hearing is "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission: Senate Joint Resolution 12 and House Joint Resolution 10. Enclosed please find copies of each.

Senators and Representatives will arrive in Kodiak at 10:20 A.M., on February 10, and will proceed immediately on a bus tour of the area proposed for annexation. Representatives of both the City and Borough will serve as guides on the tour.

The Hearing will be held at 2:00 P.M., in the East Elementary School Auditorium. The agenda for the Hearing is enclosed.

We look forward to your attendance at the Hearing if possible.

Yours truly,

Senator Arliss Sturgulewski

Representative Bill Parker

BLANK MOORE BUSINESS FORMS, INC.

LA11 1997 14.13 JA01 0035 14.27 02/05/79

TO STELLA JNU
FR CHARITY ANC

WOULD YOU PLEASE INFORM SEN. STURGULEWSKI AND REP. PARKER
COMMUNITY & REGIONAL AFFIARS COMMITTEE CHAIRMEN THAT WE
HAVE MAILED 24 PACKETS TO THOSE LISTED ON THEIR MAILING LIST.
FOR THE JOINT C&RA FEB. 10 MEETING.
THE PACKETS CONTAINED* JOINT HEARING COVER LETTER
AGENDA
COPY OF LOCAL BOUNDARY JOURNAL SUPPLEMENT
RE: KODIAK
SJR 12
HJR 10

THESE PACKETS WILL BE PICKED UP AT 2 A.M. ANCHORAGE TIME.

BLANK MOORE BUSINESS FORMS, INC.

LA11 1997 14.13 JA01 0035 14.27 02/05/79

TO STELLA JNU
FR CHARITY ANC

WOULD YOU PLEASE INFORM SEN. STURGULEWSKI AND REP. PARKER
COMMUNITY & REGIONAL AFFIARS COMMITTEE CHAIRMEN THAT WWE
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COPY OF LOCAL BOUNDARY JOURNAL SUPPLEMENT
RE: KODIAK
SJR 12
HJR 10

THESE PACKETS WILL BE PICKED UP AT 2 A.M. ANCHORAGE TIME.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Display Ad

Approx. 5½" X 3½"

The Alaska Senate and House

COMMUNITY AND REGIONAL AFFAIRS COMMITTEES

will hold a

PUBLIC HEARING

on SJR 12 and HJR 10 related to

LOCAL BOUNDARY COMMISSION RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF KODIAK

Saturday, February 10
East Elementary School
2:00 P.M.

Ad placed in Kodiak Times - Feb 8
Kodiak Mirror - Feb. 6 + 9

Contacted: KVOK Radio
KMXT
KOTV (T.V.)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MAILING LIST -- KODIAK HEARING

LOCAL BOUNDARY COMMISSION MEMBERS

Mrs. Sheila Gallagher, Chairman
Local Boundary Commission
3201 "C" St., Suite 201
Anchorage, Ak. 99503

Mrs. JOsephine Anderson
P.O. Box 351
Wrangell, Alaska 99929

Mr. Charles B. Bettisworth
P.O. Box 80288
Fairbanks, Alaska 99701

Mr. Edward Hopson
Box 143
Barrow, Alaska 99723

Mr. Sigvald Strandberg
7235 Blackberry St.
Anchorage, Alaska 99502

KODIAK ISLAND BOROUGH

Mrs. Betty Wallin, Mayor
P.O. Box 1246
KOdiak, Alaska 99615

Mr. Stuart Denslow, Manager
P.O. Box 1246
Kodiak, Alaska 99615

Also send copies to the following Assemblymen
% P.O. Box 1246, Kodiak, Ak. 99615

Dr. Michael Emmick
Edward Jack
Sandra Kavanaugh
Arnold Hansen
James Peotter
William Fearn
Danforth Ogg

ATTORNEYS

Ms. Joan Katz
540 L. St. Suite 201
Anchorage, Alaska 99501

Mr. Robert Hartig
717 K St.
Anchorage, Alaska 99501

CITY COUNCIL MEMBERS

Mr. Gary Stevens, Mayor
P.O. Box 1397
Kodiak, Ak. 99615

Mr. Clair Harmony, Mgr.
P.O. Box 1397
Kodiak, Ak.

Also send copies to the following
Councilmen % P.O. Box 1397
Kodiak, Ak. 99615

Toni Eaton
Gaynell Hatcher
Carol Lechner
Ernie Mills
Wilton White
Dave Woodruff

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
EAST ELEMENTARY SCHOOL AUDITORIUM
KODIAK, ALASKA

PURPOSE: Consideration of "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission; Senate Joint Resolution 12 and House Joint Resolution 10.

Agenda:

2:00 Call to Order

Introductory Remarks

2:15 Alaska Local Boundary Commission Presentation

2:35 City of Kodiak Presentation

2:55 Borough of Kodiak Island Presentation

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)

Adjournment

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 6,1979

TO: Reps. Pat Carney, Vice Chairman
Margaret Branson
Pat O'Connell
Charlie Parr (Information on Development Cities only)
Ray Metcalfe
Fred Zharoff

FROM: Rep. Bill Parker, Chairman

RE: February 10, 1979, JOint PUblic Hearing in Kodiak

Attached is a travelling schedule for those members attending the Kodiak Hearing. By going as a group, we will receive a group rate on our plane fares. My office has made and received confirmation of reservations for our block trip (transportation plus Travelodge accommodations in Kodiak);and after coordinating with your offices, your schedules appear as stated on this attachment. If you anticipate any changes, please contact my staff. Also attached is a copy of the proposed agenda for our Joint Hearing.

Although the primary purpose of the Kodiak trip is the annexation hearing, the committee has received invitations to meet informally with the Kodiak League of Women Voters at the Kodiak library following the hearing and to meet with a group of individuals from Afognak Island. The latter have arranged an informal breakfast at the Travelodge (also known as the Sheffield House) at 8:00 A.M.,Sun.,Feb.11.Citizens who wish to speak on the Development City Act and its proposed use on Afognak Island will meet with you at this time. Other Kodiak citizens may also wish to meet with you at this breakfast.Attached please find Alaska Statutes relating to the Development Cities for your information.

Attachments (3)
Rep. Parr (1)

LEGISLATORS AND STAFF TRAVELING TO KODIAK

February 9-11, 1979

Fri. 2/9/79 JNU/ANC 5:30 p.m.	Sat. 2/10/79 ANC/KODIAK 9:30 a.m.	Sun. 2/11/79 KODIAK/ANC 10:45 a.m.	Sun. 2/11/79 ANC/JNU 6:35 p.m.
SENATE:			
Mulcahy, Bob	Mulcahy	Mulcahy	Mulcahy
Sturgulewski, Arliss	Sturgulewski	Sturgulewski	Sturgulewski
Rodey, Patrick	Rodey	Rodey	Rodey
----	Kelly, Tim	Kelly	----
Staff:			
Hartsock, Twyla	Hartsock	Hartsock	Hartsock
Walsh, Gene	Walsh	Walsh	Walsh
HOUSE:			
Zharoff, Fred	Zharoff	----	----
Carney, Patrick	Carney	Carney	----
Parker, Bill	Parker	Parker	Parker
Branson, Margaret	Branson	Branson	----
Metcalfe, Ray	Metcalfe	Metcalfe	Metcalfe
----	O'Connell, Patrick	O'Connell	O'Connell
Staff:			
Gorsuch, Marge	Gorsuch	Gorsuch	Gorsuch

OVERNIGHT ARRANGEMENTS FOR ALL THE ABOVE (except Senator Mulcahy and Representative Zharoff) WERE MADE AT THE KODIAK SHEFFIELD TRAVELODGE, Saturday, February 10, 1979.

Each legislator is responsible for overnighting arrangements in Anchorage, Friday, February 9, 1979.

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
EAST ELEMENTARY SCHOOL AUDITORIUM
KODIAK, ALASKA

PURPOSE: Consideration of "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission; Senate Joint Resolution 12 and House Joint Resolution 10.

Agenda:

2:00 Call to Order

Introductory Remarks

2:15 Alaska Local Boundary Commission Presentation

2:35 City of Kodiak Presentation

2:55 Borough of Kodiak Island Presentation

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)

Adjournment

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

To: All Committee Members

From: Rep. Bill Parker, Chairman

Re: Kodiak Trip

Date: 2/9/79

This is to advise you of additional activities being planned during the Kodiak stay.

As you already know, following our arrival in Kodiak, on Saturday, a bus tour will be given to the group showing the proposed annexation area, before taking us to the Travelodge and our Public Hearing at 2 P.M.

Following the Public Hearing, or in the event a dinner break is taken, the Russian Dancers want to perform for us at 7:30 P.M. They are in the process of making dinner arrangements for our group at one of the dining places large enough to accommodate their performance.

Senator Rodey's office has advised there will be a no-host, informal, cocktail get-together at the Sheffield Travelodge, around 8 P.M., for anyone who would like to attend.

An 8:00 A.M. breakfast at the Travelodge is being arranged by citizens of Kodiak concerned about the Development Cities Act in connection with Afognak Island.

CSRA (H) Minutes

Members absent:
Parr

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
EAST ELEMENTARY SCHOOL AUDITORIUM
KODIAK, ALASKA

PURPOSE: Consideration of "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission; Senate Joint Resolution 12 and House Joint Resolution 10.

Agenda:

2:00 Call to Order Sen. Sturgulewski; Rep. Parker
Committee Members Introduced
Introductory Remarks

2:15 Alaska Local Boundary Commission Presentation Sid Stromberg

2:35 City of Kodiak Presentation Clair Harmony
Golden White

2:55 Borough of Kodiak Island Presentation Betty Walline, Mayor
Joan Katz

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)
Kyle Cherry - ADEC

Adjournment

MINUTES OF THE LOCAL BOUNDARY COMMISSION

DECISIONAL MEETING

~~OCTOBER~~ AUGUST 16, 1978

The decisional meeting of the Local Boundary Commission commenced at 7:00 p.m. in Anchorage in the conference room, Suite 101, at 225 Cordova Street, Building B, on ~~October~~ August 16, 1978. The purpose of the meeting was to consider the annexation of any one or all of the following urban areas to the City of Kodiak: the Mission Road area; the Mill Bay Road area; the Monashka Bay area; and the United States Coast Guard Station.

Present at the meeting were Commissioners Sigvald Strandberg from Anchorage, Edward Hopson from Barrow, Josephine Anderson from Wrangell, C.B. Bettisworth from Fairbanks, and Chairman Sheila Gallagher from Anchorage.

Before beginning deliberations on the annexation proposals, Chairman Gallagher asked if there were any materials received by the Department subsequent to the hearing held in Kodiak and made a part of the public record. Erik Simpson, staff member to the Commission, replied that the Department had received a letter from Emil Norton on May 16, 1978, which was part of the record. He then read this letter in its entirety.

Commissioner Gallagher stated that though Ed Hopson and Josephine Anderson were not at the hearing on May 20, 1978, they had listened to the tapes and reviewed the file. Commissioner Gallagher then asked Edward Hopson if he was prepared to render a decision. He stated that he was; however, because he had missed both hearings, it had been a difficult decision for him to make. The chairman then asked Jospehine Anderson if she had reviewed the record to date and felt free to discuss, deliberate, and vote on a decision. Commissioner Anderson replied that she had reviewed the record and was ready to proceed.

Commissioner Gallagher noted that they had a quorum present and suggested that the Commission discuss the areas one at a time, starting with the Mill Bay area. She then moved that the petition to annex the Mill Bay area to the City of Kodiak be approved. Commissioner Anderson seconded the motion.

Commissioner Strandberg observed that it might be just a bit premature to vote on the decision of the Kodiak annexation. He stated that he was personally in favor of holding a work session with the city and the borough, since he felt that they should take a more careful look at the allegations made by the borough. He suggested that a work session would help the Commission determine whether or not the city is the best entity to provide these services. He felt that there simply

wasn't enough information in the record to make that determination. He did not want to offend anyone, but he said that he wanted to take a more careful look at the economic report by Hayden, Green, and Hill. He thought that the report was challengable in many respects,and that he didn't want to see it surface again to beat the Commission over the head in the legislature.

Commissioner Gallagher argued that she did not see how the report could do that, because logically it had many loopholes in it. As a practical matter, she disagreed with Sig Strandberg on the grounds that everything that needed to be done to reach a decision had been done. The Commission held a very lengthy hearing on 12-12-77, and an even more lengthy hearing on 5-20-78. Everyone wishing to be heard had been heard. The city and the borough each had two opportunities to present their cases. She had reviewed the Hayden, Green, and Hill report in detail and had asked many questions regarding the validity of that report. She observed that, frankly, she didn't know what good a work session would do. She said that it might be nice, but that there comes a point in time when you have received enough information in order to make a decision. Commissioner Gallagher declared that she had heard enough and was capable of rendering a decision.

Commissioner Strandberg mentioned that the previous marriage recommending a substantial annexation proposal to the legislature by the previous Commission did not work. He said that

perhaps he was being overly cautious, but that he saw a work session as contributing to the Commission's understanding of how the city is going to furnish the services more cheaply than a borough.

Commissioner Gallagher stated that she thought the Commission had done the best job they could and that she was not concerned about whether the legislature would overrule this matter.

Commissioner Bettisworth asked the staff to deliniate the boundaries on the map before them. After a discussion of the boundaries in the Mill Bay and Spruce Cape areas, the Commission returned to a discussion of the Mill Bay Road area. Commissioner Bettisworth asked how difficult it would be to write a description of the area. Mr. Simpson responded that, although it would be difficult, it could be written from the survey plats.

Chairman Gallaghe and Commissioner Strandberg briefly discussed the problem of submitting one or more proposals to the legislature.

The question was called for, and Commissioner Gallagher asked for a roll call vote on the motion to annex the Mill Bay Road area as described in the petition to the City of Kodiak.

Edward Hopson	Yes
Sig Strandberg	No
C.B. Bettisworth	Yes
Josephine Anderson	Yes
Sheila Gallagher	Yes

Chairman Gallagher stated that the motion had passed 4-1 in favor of the annexation of the Mill Bay Road area to the City of Kodiak.

Commissioner Gallagher asked if there was another motion to come before the floor. Commissioner Bettisworth made the motion that the area described as the Mission Road area be annexed to the City of Kodiak. Commissioner Anderson seconded the motion. Commissioner Gallagher asked Commissioner Bettisworth if there was any discussion.

Commissioner Bettisworth felt that this area fell into the same category as the Mill Bay area, in that it was receiving services and should be receiving services as one of the urban areas. He stated that there were also some underdeveloped lands in the area which have the potential of being developed and should be receiving city services during the development process.

After a discussion of the land ownership of Spruce Cape, the U.S. Coast Guard Loran Station and the transfer of this land to the local native corporation, Commissioner Strandberg

again stated that it was premature for the Commission to enter into a decision at this time. He felt that ultimately it would make sense to annex these areas to the City of Kodiak, but he thought the annexation process must contribute to the public's understanding of what and why this is taking place. He declared that the only way to demonstrate this to the legislature was to hold a work session and complete an incomplete tax study at that time. He stated that there was a need to demonstrate that the one entity could provide the municipal services better than the other.

Commissioner Gallagher asked if there were any more discussion on the motion to annex the Mission Road area. At the request of Commissioner Strandberg, Erik Simpson discussed the U.S. Coast Guard Loran Station. He explained that it was selected by one of the Alaskan Island native corporations and that it was described on page 11 of the Department's report to the Commission.

Commissioner Bettisworth asked if water and sewer services were being provided to the Loran Station. Mr. Simpson reported that he did not know. Commissioner Gallagher explained that water and sewer services were provided to the majority of residents in the Mission Bay Road area. Patrick Poland from the the Department of C&RA explained that water and sewer services were not provided to the Loran Station. Commissioner Gallagher noted that this was an error in the

report to the Commission.

Commissioner Strandberg asked if the motions contemplated a full annexation and extension of all services and mill levies. Commissioner Gallagher commented that there were no amendments which contemplated step annexation or differential taxation. She stated that the first motion extended the provision of full services.

Comissioner Strandberg suggested that they discuss the capacity of the city to extend these services in the forthcoming fiscal year. He asked if it were feasible to extend these services immediately. He raised the question of whether or not the combined tax bases are sufficient to generate the necessary revenues on the basis of the existing assessed valuations. He suggested that the Commission look at the pulication of Alaska Taxable which lists the full value ratios, indicating the extent to which properties were assessed at their full and true market values. He stated that he did not want to see the city get into a bind because it presented testimony at the hearings indicating that it was "a little tight right now."

Sheila Gallagher observed that, if her memory served her correctly, the city wanted this area included in their consideration of what should be annexed. She stated that the Commission had heard testimony from several persons,

including Ivan Widom and Attorney Bob Mahoney, concerning the ability of the city to provide these services in a relatively reasonable time and at a reasonable cost. She stated that she could not imagine that a governmental entity would present an area for annexation if it had not considered the cost of providing services to these areas.

Erik Simpson responded to Commissioner Strandberg's question concerning the property assessment ratios for the City of Kodiak. He stated that, according to Alaska Taxable 1977, the real and personal properties were assessed at 97% of their real and true market value. He said that the area outside the city has a ratio of 96.88%, the fire district has a ratio of 97.54%, and the road district has a ratio of 85.48%. He stated that, when you compare the city's ratio of 97% with the entire borough ratio of 96.78%, you can see that the assessment in the city is comparable to the assessment in the entire borough.

Commissioner Strandberg commented that, somewhere at the public hearings, it had been stated that the assessments of the city had not been at full and true value. Commissioner Gallagher acknowledged this. Commissioner Strandberg said that he was a bit alarmed by some of these statements and he wanted to have an opportunity to review them in a work session to attest their validity.

Commissioner Gallagher remembered that, when the city had testified on the Monashka Bay area, it had considered differential tax zones and step annexations for the provisions of services at graduated levels. She thought the provision of services would be immediate.

Commissioner Bettisworth observed that the borough had set up service areas for parts of the area outside of the city, and he asked what areas had been set up and what services were being provided. Mr. Simpson stated that the borough had set up service districts to provide for the provisions of water, sewer, and roads.

Commissioner Bettisworth asked if the tax base was sufficient to provide these services through some sort of borough process. Mr. Simpson stated that additional services to be provided by the city included police protection, fire protection, and whatever other services the city already provided.

Commissioner Bettisworth asked if the initial services provided were labor intensive services rather than capital intensive services. Mr. Simpson explained that the borough did provide for fire protection through a contract with the city and that road maintenance is provided by a private contract with the borough. He also explained that the water and sewage services were being provided, to some extent, in this area.

Commissioner Gallagher stated that the Mission Road area and Mill Road area had totally different considerations than the Monashka Bay and U.S. Coast Guard Station. Commissioner Gallagher asked if there were any more discussion on whether there should be a provision of full services within the motion as oppposed to differential taxation, step annexation, or something along those lines. Commissioner Gallagher noted that the city has stated that, in the case of the Mill Bay and Mission Road areas, it will, in fact, be able to provide and should provide the full range of services.

A roll call vote was taken.

Edward Hopson	Yes
Sigvald Strandberg	No
C.B. Bettisworth	Yes
Josephine Anderson	Yes
Sheila Gallagher	Yes

Commissioner Gallagher stated that the motion was approved by 4-1.

Commissioner Gallagher asked if there were any other motions in regard to the Mission Road area.

Hearing none, the Commission asked Mr. Simpson to outline the Monashka Bay area. Mr. Simpson explained that the area included the Miller Creek, Virginia Creek, and Monshka Creek

TO: Arliss Sturgulewski
Bob Metcahy
Terry Stimson
Tim Kelly
Pat Rodey
Bill Parker
Pat Corney
Charles Pass
Fred Zharoff
Patric O'Connell
Margaret Branson
Ray Metcalfe

FROM: City of Kodiak

SUBJECT: Information

The attached materials are presented for purposes of background information relative to the proposed annexation.

They are as follows:

1. City Finance Director's memorandum concerning the City's financial ability to handle annexation.

2. City Finance Director's affidavit concerning financial capabilities of the City.

3. Consulting report from Dick Berg concerning annexation.

4. Statement issued by Sweeney Insurance concerning fire rates.

5. Resolution 5-79 concerning issues of concern to annexation area residents.

6. Borough Assessor's estimated value of personal property tax memorandum.

7. City Building Inspector's memo concerning building permits.

8. Memorandum to Joint committee on Community and Regional Affairs concerning economic analysis for annexation vs service district.

9. Presentation made at public hearing before the annexation committee by City Manager, Clair Harmony.

10. Affidavit of Richard Sims; Rolland Jones; Charles Powell; and Wilton White.

11. City testimony at Local Boundary Commission hearing.

12. Memorandum from Public Works Superintendent concerning Island Lake road system.

13. Typical assessments for water distribution system and estimates of costs.

14. State roads priority list.

15. City published brochure on annexation information.

January 23, 1979

To: City Manager - Clair W. Harmony

From: Finance Director - H. R. Hyde

Subject: Proposed Annexation

You requested some information regarding the City's finances as related to the proposed annexation area.

The City has taken certain steps in anticipation of annexation being approved. We have included in the 1978/79 amendatory budget a contingency account to cover certain costs if annexation is approved. They are as follows:

1. Facilities Planning Report.
   It is estimated that this initial planning report will cost approximately $40,000.00. It would be financed by the following:
   Grant from Environmental Protection Agency 75% - $30,000.
   Grant from Alaska Department of Environmental Conservation 12-1/2% 5,000.
   City of Kodiak 12-1/2% 5,000.
   The City's $5,000.00 is included in the contingency account previously mentioned.

2. Design Sanitary Sewer Extension.
   In connection with the design of sewer collector lines, there is a grant available from the Alaska Department of Environment Conservation for 50% of the costs. The City would have to match these State funds.

   For the design of the interceptor lines the Environmental Protection Agency will give a Grant for 75% of the costs and the Alaska Department of Environmental Conservation will give a Grant for 12-1/2% of the costs. The City must finance the remaining 12-1/2%.

3. Design Waterline Extension.
   The Alaska Department of Environmental Conservation will give a Grant for 50% of the design costs. The City must match with its 50% of the costs. There is $48,000.00 included in the contingency account in the amendatory budget to cover its estimated share of the costs for designing the waterline extension.

The City has sufficient cash on hand to cover all "up front" costs in connection with the Facilities Planning Report and the design of the two systems before the various Grants are processed and payments received.

At this time, there has been no definite decisions made beyond the design of the water and sewer line systems. Probably the actual construction costs would be recovered by the formation of assessment districts. It may be necessary for the City to issue bonds to cover some portion of the costs of constructing these utility systems.

Based upon the best information that the Borough Assessor can furnish at this time, the City would receive approximately $23,000.00 for each Mill levied on real property in the annexation area. This would start in 1980. If the City were to retain its present 9.1 Mill rate, the real property tax revenue would be approximately $209,000.00. However, the intent is to have the area zoned for different tax rates based upon the City services each zone would received. It is my estimate that because of the different zones, the City would probably receive about $150,000.00 annually in real property taxes from the annexation area.

Since the City presently is paying the Borough Personal Property Tax for all personal property within the City; this cost must be taken into consideration. Again, based upon the best information the Borough Assessor can furnish; the payment of the Borough Personal Property Tax for the Annexation Area would cost the City approximately $25,000.00 annually.

For fiscal year 1978/79, the City is receiving $65,550.00 from the Borough for fire protection services in the area to be annexed. With annexation, the City would lose most if not all of this revenue.

Annexation of this area should increase the revenue of the water/sewer utility fund. It has been estimated that there are approximately 125 residences that would probably immediately tie in to existing sewer collector lines. At the present residential sewer rates, this would be approximately $22,500.00 additional annual revenue to the Water/Sewer Utility Fund.

The City will have additional costs for the Public Works Department to maintain the roads and remove snow. Also, there would be increased costs for police and fire protection. It is difficult to estimate the amount of these addtional costs at this time. These additional costs would include both additional personnel and equipment. It is my opinion that the City is financially able to meet these additional costs for services. Further, with annexation, I believe that there will be considerable growth in this area which should increase the City's tax base.

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK,

Plaintiff,

vs.

KODIAK ISLAND BOROUGH and BETTY WALLIN, Mayor of Kodiak Island Borough,

Defendants.

No. 3KO-78-120 Civ.

AFFIDAVIT OF HARRY R. HYDE IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

HARRY R. HYDE, being first duly sworn, upon oath, deposes and says:

1. I am the finance director for the City of Kodiak ("the City"). This affidavit is prepared and submitted in support of plaintiff's Motion for Summary Judgment.

2. I have been employed as finance director for the City since March 1, 1976. For the eleven years preceeding that date I was finance director for a water service district in California.

3. As part of my official duties, I am responsible for the preparation of the City's budget, for the payment of bonded indebtedness of the City, for preparation of cost evaluations for the municipal services, assisting in the preparation of grant applications, investment of City funds, and am obligated to be aware of and knowledgeable on the City's financial capabilities.

4. Both the administration and the City Council are in the process of amending the City's 1978/79 budget. The budget ordinance has already had first reading before the City Council. Public hearing on the second reading of the ordinance is to be held in the future.

5. In the amended budget there is allocated a total of One Hundred Thirty-Three Thousand Dollars ($133,000.00) of City funds as the City's portion of matching funds for grants that are available at the present time from the State and federal governments. Five Thousand Dollars ($5,000.00) of the above total is budgeted for the City's twelve and one half percent (12-1/2%) share of a facilities planning report, which will survey the services and facilities needed in Service District One of the Mill Bay/Monashka Service Area if that area is annexed to the City. There is Eighty Thousand Dollars ($80,000.00) in the above stated sum earmarked for the City's matching share of grants presently available for design of the sanitary sewer extension into the Service District One of the Mill Bay/Monashka Service Area if that area is annexed to the City. There is Forty-Eight Thousand Dollars ($48,000.00) earmarked in the above stated sum as the City's portion of a grant presently available for the design of water line extensions in Service District One of the Mill/Bay Monashka Service Area if that area is annexed to the City. The City has sufficient cash on hand to cover all required matching funds in connection with the facility planning report and the designs of the sanitary sewer and water line extensions before the various grants are processed and payments received by the City.

6. The City, at the present time, has access to the same sources of Federal and State funds as does the Kodiak Island Borough.

7. The City, in the past, has sold both general obligation bonds and revenue bonds and presently has a bond rating of BAA, said rate established by Moody's Bond Rating.

8. The Borough presently has a bond rating of BAA1.

9. The City's assessed valuation represents approximately eighty percent (80%) of the total assessed valuation of the Kodiak Island Borough. The Borough is presently in the process of reappraising the urban areas of the Kodiak Island Borough. At the present time, the City's assessed valuation is approximately Eighty-Six Million Dollars ($86,000,000.00) with an anticipated increase as a result of reappraisal to One Hundred Twenty-Eight Million Dollars ($128,000,000.00).

10. The assessed valuation of the area encompassed by Service District One of the Mill Bay/Monashka Service Area is approximately

Seventeen Million Dollars ($17,000,000.00).

11. If Service District One of the Hill Bay/Monashka Service Area is annexed to the City, the City has the financial capability to provide the services of sewer, water, roads and the full range of general government services such as police, fire protection, parks and recreation and libraries.

12. If the Kodiak Island Borough has to sell bonds to finance capital improvements in Service District One of the Hill Bay/Monashka Service Area and if the full faith and credit of the Kodiak Island Borough is pledged to support those bond issues, the City's bonding capacity will be reduced.

DATED this 1 day of February, 1979.

Harry R. Hyde
HARRY R. HYDE

SUBSCRIBED AND SWORN to before me this 1st day of February 1979.

Yvonne M. Erickson
Notary Public in and for Alaska.
My commission expires: Nov 4 1981

MINUTES OF A REGULAR MEETING OF THE COMMON COUNCIL OF THE CITY OF KODIAK, ALASKA
HELD ON NOVEMBER 12, 1970

I. MEETING CALLED TO ORDER

Mayor Hesoff called the meeting to order at 7:30 p.m. Present were Council Members Berg, Craig, Dyson, Powell and Sutliff. Councilman Sims arrived at 7:45 p.m.

II. PREVIOUS MINUTES

a. Minutes of a Regular Meeting of October 28, 1970.

Councilman Berg moved for approval of the minutes as presented, seconded by Councilman Powell. Roll call was unanimously favorable.

b. Minutes of a Special Meeting of November 10, 1970.

Councilman Sutliff moved for the approval of the minutes of the special meeting, seconded by Councilman Berg. Roll call was unanimously favorable.

III. PERSONS TO BE HEARD

a. Mr. Wilton White, Borough Chairman

Chairman White presented a step annexation program, proposed petitions, and map of the proposdd annexation area. Spruce Cape Road and the Hill Bay side of Island Lake were the proposed areas.

The residents would pay a portion of the City tax and the Borough tax with the precentage adjusted over a period of four years until the areas could receive full City fire protection, police protection, water, and road maintenance. The increased revenues would provide the necessary money for the cost of providing the increased service over the four year period.

The Mayor asked about the representation of these areas. Chairman White replied that the step annexation gave the residents time to get representation, and it was pointed out that several Council members have holdings in these areas now.

Councilman Powell moved that the Council approve the step annexation program presented by the Borough and recommended to the Borough that the Monashka Bay side of Island Lake and Dark Lake be included with the proposed areas. It was seconded by Councilman Berg.

Councilman Sims stated that funding from Federal agencies would be more easily obtained with this annexation because the agencies are not interested in funding just the City area, but the community as a whole. He also felt that taking the Monashka Bay side of Island Lake and Dark Lake would be too much at this time. The Council was in agreement with this.

Chairman White suggested that this area become a third area to be annexed. City Manager Jones recommended that Councilman Powell's motion be amended in this way, and this was agreeable to the Council.

Roll call was unanimously favorable.

IV. OLD BUSINESS

a. Women's Bay Appraisal Report

The Council felt that the appraised rental was too high on this property. Councilman Sims proposed renting only part of this area and perhaps using Borough land near the dock to store pots. This would involve transporting the pots about one mile.

Different areas were discussed for possible pot storage.

Mr. Ole Harder said that if a boat harbor and/or dock were not combined in the same area, the purpose of leasing this land would not be accomplished.

Transporting pots to various areas, how they could be transported, and the cost involved was discussed. The Council felt that pot storage areas were available until such time that a deck and pot storage area combined could be developed.

No action was necessary by the Council. City Manager Jones will pursue negotiations.

b. Gibson Cove Appraisal Report

City Manager Jones stated that this area has been appraised and will be advertised for sale. No action from the Council was necessary.

V. NEW BUSINESS

a. Letter of Congratulation to Chief Rhines.

A letter of congratulation to Chief Rhines on his graduation from the F.B.I. Academy was read by City Manager Jones and signed by the Council.

b. Letter Concerning Lt. Henderson as Acting Chief

A letter recommending a merit pay increase for Lt. Henderson was read by City Manager Jones. Councilman Dyson moved that the Council approve the merit pay increase and asked unanimous consent. It was seconded by Councilman Sims. There were no objections and the motion was approved.

c. Resolution 70-17 - Surplusing Gibson Cove Property

Councilman Berg moved for approval of this Resolution, seconded by Councilman Dyson. Councilman Powell recommended a change on page one, paragraph three, the first sentence the word "now" be changed to "not" so that it reads "WHEREAS, ... not using said . . . .,and". This change was incorporated into the motion. Roll call was unanimously favorable.

d. Municipal League Dues

City Manager Jones said that the Municipal League is proposing to double the dues in order to put another staff member in Juneau to work on the State and Federal aid programs.

MINUTES OF A REGULAR MEETING OF THE COMMON COUNCIL OF THE CITY OF KODIAK, ALASKA
HELD ON JANUARY 13, 1972

I. MEETING CALLED TO ORDER

The Mayor called the meeting to order at 7:30 p.m. Present were Council Members Anderson, Dyson, Lovett, Powell and Sutliff.

II. PREVIOUS MINUTES

Councilman Powell moved for approval of the Minutes of the meetings of December 9 and December 23 held on December 22, seconded by Councilman Dyson. Roll call was unanimously favorable.

III. PERSONS TO BE HEARD

a. Mr. Wally Hickerson and Mr. Richard Guzy RE: Techite Pipe

Mr. Guzy stated that his company was low bidder on supplying this pipe to the contractor on the Monashka Creek project, but Techite was taken out of the specifications. He also stated that the contractor would like to use the pipe, but without a vote from the Council this could not be done.

Mr. Hickerson then presented background information on Techite Pipe: its development, use and testing.

No action was taken at this time.

b. Mr. Beitenger RE: State Highway Route Systems

Mr. Beitenger asked that the City Council request the State Division of Highways to reclassify Rezanof as a Secondary Route rather than a primary, remove the secondary classification from Mill Bay and Spruce Cape--from the cutoff road to the Loran Station--and classify them as local state roads.

These requests were stated in Resolution 2-72 which the Mayor read by title. Councilman Dyson moved for approval, seconded by Councilman Sutliff. Roll call was unanimously favorable.

c. Mr. Fred Street RE: Cab Zones

A letter from Mr. Street was read by the Mayor. Mr. Street felt that public interest would best be served by the abolishment of cab zones within the mall parking lot. Discussion followed.

Councilman Sutliff moved that a study of cab zones be made by the Chief of Police and the City Manager to be presented at the next Council meeting, seconded by Councilman Dyson. Roll call was unanimously favorable.

d. Mr. Wilton White RE: Annexation

Mr. White and the Council discussed the recommendation of the Boundary Commission for full rather than step annexation and the inclusion of a larger area than had been requested.

Councilman Powell moved that the Council go on record as opposing the Boundary Commission's position on annexation as presented to the Council, seconded by Councilman Sutliff. Roll call was unanimously favorable.

IV. OLD BUSINESS

a. Halfway House

Councilman Sutliff moved that the City have no objection to the Kodiak Council on Alcoholism making improvements as outlined by them to meet the specifications of the Sanitarian and the Fire Chief, seconded by Councilman Lovett. Roll call was unanimously favorable.

Councilman Powell moved that the actual lease agreement between the

TO: Mayor and Council

FROM: R. G. Berg

SUBJECT: Annexation and Pillar Mt. Reports

DATE: January 23, 1979

The Council following my tenure as City Manager asked that I continue in an advisory/coordination capacity covering two subjects:
1. The Pillar Mountain potential slide, and
2. Annexation as recommended by the State Local Boundary Commission.

I agreed to follow through on the above, and with the excellent and cooperative help of the City staff believe we may properly assume at least partial success.

ANNEXATION:
The Local Boundary Commission after presentation by City of Kodiak representatives of limited areas contiguous to the City and residents of the proposed annexation area chose to recommend annexation of a larger area to the City of Kodiak as the most logical manner in which to supply necessary municipal services. This recommendation was in contradiction to the proposal of the establishment of the service district by the Kodiak Island Borough.

We proceeded to gather data from Wrangell, Petersburg and other municipalities that had faced Local Boundary Commission recommendations of a similar nature. We also met with representatives of the Department of Community and Regional Affairs in regard to the Boundary Commission recommendations in their capacity as staff representatives to the Boundary Commission. The Council caused to be prepared and passed Resolution 24-78. A committee of persons knowledgable in the area of municipal affairs who presently reside in the proposed annexation area was appointed by Mayor Stevens. These persons are Mrs. Marion Johnson, Bob Waage, Emil Norton, Pete Resoff, Bob Brooks and Nick Szabo. This committee met a number of times with the City Manager, City Engineer and the writer to determine the most basic needs of the area and in what manner they could be financed and made a reality. Under the auspices of this committee's activity, the City staff and I prepared differential tax areas, phase I for wastewater and water service as well as road construction and reconstruction, established and reserved an area for a fire substation and prepared recommendations to the City Council covering these subjects as well as visual displays for the use of the committee at a public hearing held and attended by interested residents of the area.

The public meeting was attended by approximately 30 people including staff members from the City and both our State Senator, Bob Mulcahy, and Representative Fred Zharoff. Inserts for the newspaper were prepared on two occasions outlining briefly in the first issue some annexation considerations and full coverage in the second edition as to recommendations of the committee on differential taxation and services that could be offered by the City of Kodiak. Two work files were prepared for use by your representative, Bob Hartig, in Juneau by me inclusive of all information available in City files since 1968 covering the annexation subject. A number of press interviews were granted to representatives of the two local papers covering the subject and the writer met with Mr. Hartig as well as Representative Zharoff and Senator Mulchay.

Enterprise fund activities

After the public meeting held by the Mayor's Annexation Committee, the Committee determined that there was no viable alternative to annexation to the City of Kodiak. All the committee members in attendance at this meeting were in agreement and made their recommendation known in writing to the City Council. Mr. Nick Szabo was not in attendance at this meeting, although, he had been invited. Recently there was a letter to the Editor in the Kodiak Mirror and Kadiak Times referring to Mr. Szabo's term on the annexation committee which contained a number of misleading statements. The writer was rather flattered that anyone who had resided in this community for any length of time could feel that the members of the Mayor's Committee could be influenced by his argumentative ability over their best judgement.

At the present time Mr. Hartig is prepared to represent you in Juneau and the City Manager has visual presentations for his use.

It appears to me that the Kodiak Island Borough is not in good shape to contend that they can supply services to the area due to their failure to obtain passage of non-areawide service powers. For your information, substantial financial support for the Anti Annexation Committee appears to be coming from the ownership of the Beachcombers which are probably concerned that restrictive police powers and/or hours might be a greater likelyhood if they were incorporated within the city than otherwise.

I belive an extremely fair attempt has been made to educate the public in regard to annexation and that the Mayor's Committee did an excellent job devoting many hours to the subject. The direct mail advertising recently received by residents and boxholders in Kodiak from the Borough Residents for Autonomy is comparable to the Szabo letter to the Editor and contains a number of rather naive attitudes such as "after annexation takes place, the City can levy any tax rate it wishes regardless of the wishes of the area residents". I suspect any tax increase that residents did not wish to take place would not be enacted by their representatives or if they were, Council membership would be changed at the next general election.

Mr. Bob Brooks has circulated petitions that will be forwarded to Mr. Hartig for his use indicating both the number of City residents and annexation area residents who support annexation to the City as the least costly and most efficient method to obtain the necessary services. Anything you can do to clarify points raised by the Borough residents for Autonomy will be helpful. There is no doubt in the writer's mind that the most economical and efficient way to solve some of our local problems in the annexation area is for the residents to agree with annexation. There is no great advantage to the City to incorporate the area from either a bonding or financial basis but the long-range effect can be most

beneficial to all concerned.

The Kodiak Island Borough Assembly obviously continues to belabor under the impression that their activities (i.e. service district) will fulfill the desire and needs of the majority as during their meeting of January 12, 1979 they enjoyed a packed house arranged by the citizens group known as the Citizens for Autonomy. After numerous impassioned pleas to support their efforts by sending Mayor Wallin and the Borough Attorney retained for the purpose, Joan Katz, to Juneau to lobby against annexation, the Assembly moved to support "commensurate with what support toward annexation the City proposes . . .". The effect of this, of course, is as usual, if the City taxpayer spends (through the Council) $10,000 to support annexation and the Kodiak Island Borough (through the Assembly) spends $10,000 to try to defeat for a total of $20,000, the City taxpayer has paid $18,000 of the total. Of course, the Borough and the Citizens for Autonomy contend they pay 50% of the City sales tax but what they don't mention is that this neither jibs with population figures or values on income as can be measured by tangible wealth (value of property). In other words, a City resident appears to own 80%+ of real estate, and pay 80% of Borough local taxes so there must be an inequity in values of that real estate since the monies spent by various residents are usually transformed into some tangible property, i.e. remodeling aditions, various improvements and luxuries including boats, cars, trucks, etc.

Realism has little to do with problems of annexation and I suspect that those most vocal would be against any progress in their area except that they would enjoy as a gift at someone else's expense.

I could recommend under any normal situtation that the City simply let the residents do whatever they want to solve their own problem. However, you and I both know that those same residents and the KIB who are the most vociferous against annexation will be the first to critize the only logical deliverer of services to the areathe City. Further, I would fully expect the City to face increasing litigation over the sewage treatment plant and on the expanded use of the City water collection and distribution systems. I am sure after reviewing the many cost analysis factors and assuming that people need adequately planned and realistically engineered water and sewer service that must be connected to existing City services to avoid unnecessary duplication. The most economical way to accomplish the goal is through annexation to the City of Kodiak.

PILLAR MOUNTAIN LAND SLIDE:

Neither I nor most residents of the Kodiak community can become to excited about an actual hazard existing at any greater risk than that which most of the fishing fleet may face any day.

There are, however, inherent economic and social dangers connected with the USGS report that must bear concern. The USGS warning of potential hazard was precipitated by the KIB in that their consultant (Kramer, Chin and Mayo) on the Comprehensive Plan requested various State and Federal officials to review the potential hazard which resulted in the USGS warning notice. This level of warning, however is the least serious of the notices that can be issued by the USGS according to the Federal Register. Further, it (the report) has a number of interesting qualifiers. One of which is that a major slide of the type that could do maximum damage is an "extreme case". It is interesting to note, no other similar studies were conducted in the area even though similar surface situations exist along the State Highway System, (i.e. Old Woman's Mt., USCG support Center).

After issuance of the USGS report and the warning notice's distribution to numerous Federal and State agencies as required by the Federal Register, the following took place.

1. The L.A. Times Science Editor took notice or was advised and wrote a "scare story" on the mountain that was picked up as worthy copy by a number of large newspapers including the Miami Herald.

2. The KIB consultant, Kramer, Chin and Mayo, caused to be printed a summary document of the Comprehensive Plan that included numerous references to the Pillar Mt. hazard and implied that no further dock or port expansion could take place until the problem was resolved. Although this document was not supposedly to be distributed until it was approved by the Assembly, the KIB staff chose to furnish copies to the local press.

3. Numerous insurance carriers contacted their local agents to determine the validity of the report.

4. On July 1, 1978, the City's insurance carrier, Insurance Comapny of North America, excluded coverage related to Pillar Mt. on the General Liability Policy.

5. Much concern was expressed locally as to future availability of investment monies, industrial financing, boat insurance, port expansion, bond sale costs, additional cannery expansion, new freight routes and foreign investment considering Kodiak favorably in the future due to the "hazard".

6. The KIB under took a planning study to explore the joint management of a port in conjunction with the City and Koniag, Inc.

As there appeared to be no further follow up from the KIB, the

City staff immediately contacted the State congressional delegation outlining the problem and seeking guidance and assistance.

Until late fall of 1978, little was accomplished except the passage of letters in the many State and Federal bodies all of which expressed concern but non of whom, including the USGS, offered any concrete aid.

The City staff and writer did, however, undertake the gathering of all available data on Pillar Mt. and related studies and incidents that were felt to be pertinent. These included contact with the previous Alaska Road Commission (territorial) Superintendent, Kodiak, Bureau of Public Roads representatiaves, consultant reports, dock engineering studies, Department of Transportation and Department of Highways reports, theoretical thesis on effects of predictions, reports of University of Pennsylvania, University of Colorado, Colorado State and others.

At our request, Senator Ted Stevens was instrumental in forcing the USGS to review the problem their prediction could create economically and socially and was helpful in forcing the establishment of the Geotechnical review committee which was initially established December 3, 1978.

The KIB on December, 7, 1978 helpfully passed a resolution covering the formation of the Geotechnical group and charged them with various responsibilities. After a six to eight month hiatus their concern was appreciated by the City staff but rather late and misdirected. Regardless, the Geotechnical Committee met and considered the problem on January 9, 10, 11, 1978 and as expected, the Committee was unable to furnish us with true probabilities of the extreme hazard outlined in the USGS report. Neither the USCS representatives nor other members of the Committee are willing to indicate whether there is a possibility of a major slide within any framework of probability or degree of chance. Therefore, it is probably important for the City to consider remedial action without a great deal of further study because such studies will be qualified and without resolution. Any activity to reduce the seriousness of the possibility of a slide in the area should be undertaken with such monies as may be made available.

The State monitoring system which was initiated at the request of the City through the State Geologist Office will merely give us an indication whether or not we have surface movement. I would liken the results to the United Nations--Much rhetoric, no action.

My recommendation to the Council follows:

1. That further studies are an exercise in futility and that even the most expensive study considered including all phases of work at $900,000 will not result in essential knowledge.

2. That the problem if it is to be solved will be solved by the City of Kodiak and that little or no help will be available elsewhere including the KIB. Although the Borough will insist on any study of the problem being a "planning function".

3. Continue close coordination with Senator Stevens office and staff all of whom have been extremely helpful.

   a. Senator Gravel has expressed some interest in helping and of course continue to keep Representative Young apprised of the situation.

4. With the aid of your own consultant without extensive studies determine remedial action that can be undertaken locally or in conjunction with other agencies.
   i.e. without triggering a slide, start removal of material next to RCA (try to get site surplused due to limited traffic) and dump at toe of slope, fill behind sheet piling, create both dock, van parking and buffer in case of slide, etc. as outlined to you previously. Tie into breakwater construction and allow commercial excavation within controlled engineering plan.

According to those geologists, soils mechanics, etc. we have talked to unofficially, not only do they doubt the possibility of a major ballistic type slide they are of the opinion that removal of the top and portion of the slope by terracing can reduce the center of gravity of a major slide and considerably reduce the potential hazard. There are, however, other ways that this might be accomplished as described to you by Mr. Frank Patton.

Your City staff will continue to evaluate the situation and inform you of possibilities to alleviate the hazard. The attached copy of a Kodiak Fish Wrapper editorial is as accurate, in my estimation, as anything written on the subject.

SWEENEY INSURANCE, INC.

P. O. BOX 1395 • KODIAK, ALASKA 99615 • PHONE 907 486-[redacted]3101

M E S S A G E

TO George Magnusen
Fire Chief
Kodiak, Alaska

SUBJECT Fire Fighters — and I.S.O. Rating.

DATE February 22, 1978

In response to your call on the extension of the fire protection service to Island Lake and Monashka Bay areas, the City of Kodiak has at this time a rating of Class 5. With the present rate of new homes and businesses in the City and the amount of fire fighters that you now have, it is not going to be adequate to keep the Class 5 rating, as the ISO rating is based on population and full time fire fighters on duty. The City could be changed from a Class 5 to a Class 7. The cost to homeowners and businesses with the increase in rates could be as high as 14%.

You also asked about lowering the Class for Island Lake and Monashka Bay area. ISO has to approve any Class change. As you know, they would have to have a

R E P L Y

BY

minimum of a 6" water line with fire hydrants. Even with an independent fire district, this would not solve anything, as you would still need the fire

DATE

hydrants along the roads.

In talking to the ISO agent, you are getting close to having the inability with the present full time fire fighters to match the growth of the City of Kodiak. In response to table #2), the ISO rating is in disagreement, as you would need additional fire fighters.

SIGNED

Lon Bourtneau, Agent

CITY OF KODIAK

RESOLUTION NO. 5-79

A RESOLUTION EXPRESSING THE INTENT OF THE COUNCIL OF THE CITY OF KODIAK WITH REGARD TO TREATMENT OF ISSUES OF CONCERN TO RESIDENTS OF THE PROPOSED ANNEXATION AREA.

WHEREAS, the Boundary Commission for the State of Alaska has determined to recommend to the legislature that areas generally referred to as Mill Bay and Spruce Cape be annexed to the City of Kodiak; and

WHEREAS, a Committee of citizens concerned with the annexation has held meetings, gathered information and made recommendations to the Council of the City of Kodiak; and

WHEREAS, the Council has determined to accept recommendations from the Committee and desires to adopt these recommendations by Resolution for implementation by ordinance following legislative action on the annexation.

NOW, THEREFORE BE IS RESOLVED by the Council of the City of Kodiak, Alaska, as follows:

Section 1. During such time as full services are not available, differential taxation shall be established and utilized in the area proposed for annexation, pursuant to the tax zone map attached hereto and incorporated by reference, and taxes within those zones shall be based on the following percentages of the City of Kodiak mill rate: Zone 1 - 100%; Zone 2 - 75%; Zone 3 - 35%.

Section 2. Trailers shall be permitted outside established trailer parks in the area proposed for annexation under such terms, in such locations and for such periods of time as will be established by ordinance to be developed after public hearings utilizing comments, information and recommendations received from residents of the area to be annexed.

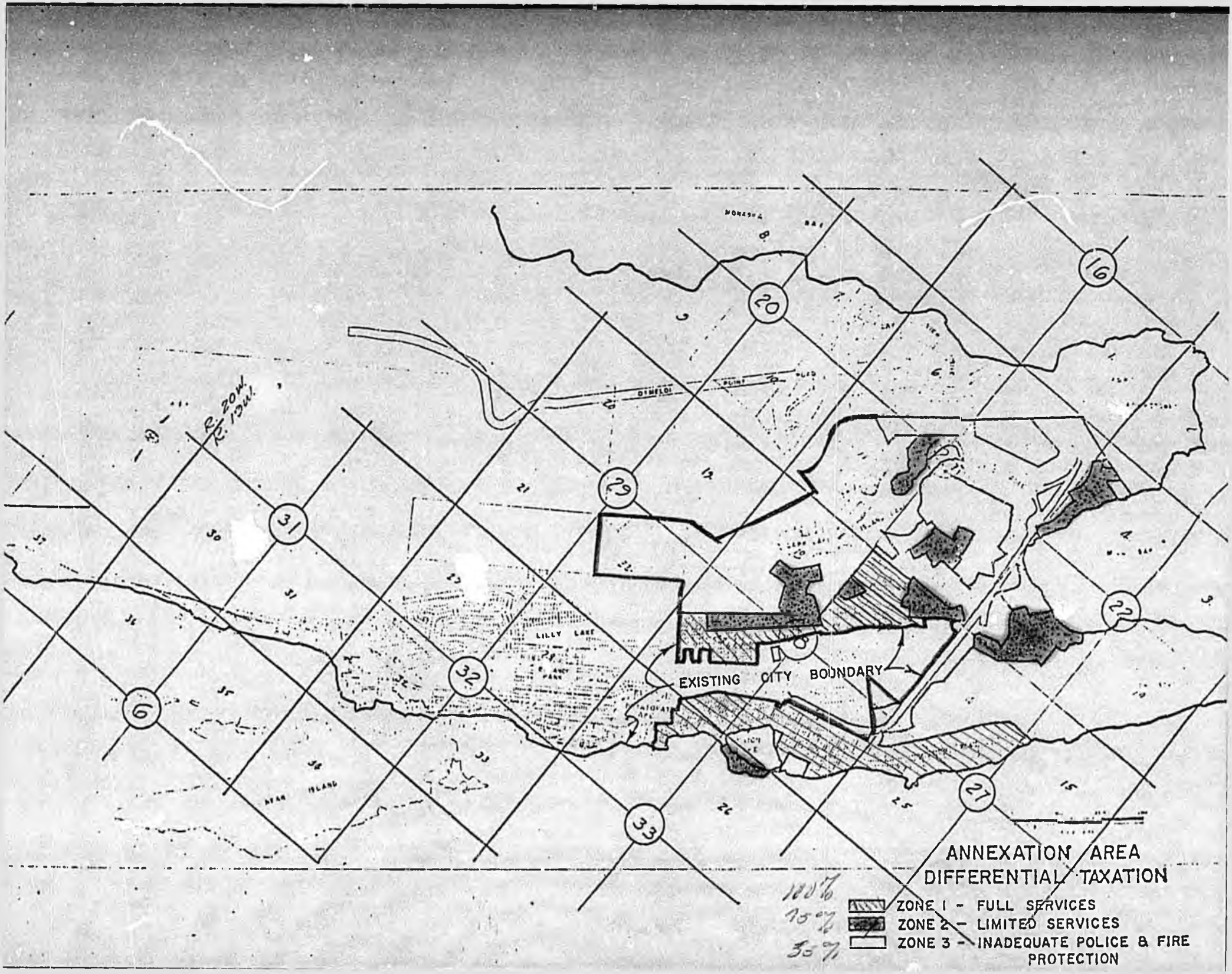
Section 3. The city staff shall continue preliminary planning and engineering efforts relating to extension of water and sewer facilities to the area to be annexed, and shall investigate th availability of grants for partial or total funding of such extensions, so that water & sewer service may be made available to the area to be annexed as expeditiously as possible.

PASSED and APPROVED this 25th day of January, 1979.

MAYOR

ATTEST:

City Clerk


R. 20W.
R. 19W.
EXISTING CITY BOUNDARY
LILLY LAKE
BEAR ISLAND
ANNEXATION AREA
DIFFERENTIAL TAXATION
18%
15%
35%
ZONE 1 - FULL SERVICES
ZONE 2 - LIMITED SERVICES
ZONE 3 - INADEQUATE POLICE & FIRE PROTECTION

KODIAK ISLAND BOROUGH

MEMRORANDUM:

TO: HARRY HYDE, FINANCE DIRECTOR
FROM: ED HANEY, BOROUGH ASSESSOR
DATE: DECEMBER 21, 1978

RE: ESTIMATED VALUE OF PERSONAL PROPERTY

THE ESTIMATED VALUE OF PERSONAL PROPERTY IN THE FIRE DISTRICT (TCA 8) THAT PORTION PROPOSED BY THE BOUNDARY COMMISSION TO BE ANNEXED INTO THE CITY OF KODIAK WILL TOTAL APPROXIMATELY 3,591,630.00 ±. THE 1978 MILL RATE OF 7.00 MILLS WOULD BE APPROXIMATELY $25,141.00 TAX DOLLARS.

MEMORANDUM

TO: Clair W. Harmony, City Manager

FROM: Morris L. Lee, Building Inspector

SUBJ: Borough Building Permits in the Proposed Annexation Area

DATE: December 26, 1978

The building permits issued in the subject area for the past five years are as follows:

YEAR	TOTAL VALUATION	TOTAL FEES
1974	$ 73,900.00	$ 337.00
1975	$102,400.00	$ 481.00
1976	$173,650.00	$ 818.00
1977	$866,968.00	$3,288.00
1978	$509,400.00	$1,804.00

The year 1978 was January through June only. The City relinquished the Borough Building Permit Program as of July 1, 1978.

MLL/lkg

TO: Arliss Sturgulewski
Bob Mulcahy
Terry Stimson
Tim Kelly
Pat Rodey
Bill Parker
Pat Corney
Charles Pass
Fred Zharoff
Patric O'Connell
Hargaret Branson
Ray Metcalfe

FROM: Clair Harmony, City Manager

SUBJECT: Economic Analysis of Annexation vs Service District

The following analysis attempts to deal with existing costs and minimum costs that might exist. It is an attempt to evaluate, with qualifications, costs that could reasonably be expected.

ANNUAL SERVICE DISTRICT COSTS	SERVICES	ANNUAL CITY/ANNEXATION COSTS
$300	Sewer Rates	$180
$165	Water Rates	$120
$619	Fire Insurance	$306
$115	Fire Dist. Rates	-0-
$350	Borough Tax Rate	$350
-0-	City Tax Rate	$455
$1,549	(All Services)	$1,411

Plus Personal Property Tax (Real Total)

Minus Personal Property Tax (Real Total)

SEWER RATES--The current monthly sewer rate is $15 both within and those few areas served outside the City boundaries; however, a recent analysis by the Public Works Department has indicated that a self-supporting enterprise sewer rate should be upwards of $25 per month. Rather than increasing this cost to the citizens of Kodiak, the City Council transferred $104,000 from the general fund into the sewer enterprise fund. However, should the City contract for services with a service district, it would be reasonable to assume that a fair and self-supporting rate be established in that contract. The rate would be in excess of $22 per month and more probably as much as $25. This explains the higher annual figure for service districts.

WATER RATES--Current water rates in the City are $120 annually. Rates outside the City are $165 annually. The increased rate is a standard procedure in many cities to allow for administrative services, real overhead and initial capital investment.

FIRE INSURANCE RATES--Within the City of Kodiak, a $50,000 home would be charged $306 for fire insurance. However, most of the proposed annexation area has a fire insurance rating of 9 in comparison to the City's which is 5; therefore, the proposed annexation area residents would pay $619. The critical factor here is that the City can provide fire hydrants and water mains at an accelerated rate effeciently and effectively because of its expertise and experience, fire services policies and goals, than can single-purpose oriented service districts.

FIRE DISTRICT RATES--Borough residents in the annexation area currently are levied a 2.3 fire district mill rate. If annexation occurs, the residents would not have to pay this mill rate.

BOROUGH TAX RATE--The Borough mill rate of 7.0 would remain whether annexation occurred or not.

CITY TAX RATE--If annexation occurred, the current mill rate of 9.1 would be levied, thus, a $50,000 property would equal $455 annually. Of course, with the City mill rate all City services would be provided.

SUB-TOTALS--Annexation for most of the residents and area would cost $138 less than if annexation did not occur and the Borough were to provide services through a service district.

REAL TOTALS--Since the City pays the personal property tax for its residents to the Borough, there would be a further reduction for City residents and, of course, a further increase for Borough residents.

PRESENTATION MADE BEFORE THE ANNEXATION COMMITTEE
December 12, 1978
By City Manager Clair Harmony

I. Should annexation become a reality this January, we at City Hall have tried to set up a preliminary plan:
1. What will take place
2. What the 2,000 residents of the new area might expect in the way of effective delivery of services and of course, what their concerns are now.

We are here tonight to present our best estimates as to costs, taxes, location of services and to offer some options.

We are not in an advocate role, but are simply trying to do some preplanning for an action, which at this point in time, has been initiated and recommended by the Local Boundary Commission and will be going before the State Legislature in January.

The existence of the Annexation Committee and this public hearing before that body are sincere efforts to encourage expressions of public concern and input. Hopefully the committee will formulate a policy statement that can be adopted by the Kodiak City Council, which will provide for the following:
1. Early and special representation.
2. Reasonable differential property taxing zones.
3. Efficient priorities on road improvements.
4. Quality Police and Fire services.
5. Good delivery of water and sewer services.
6. Ultimate expansion of Parks/Recreation and Library services.
7. Modifications that might be invisioned by the community at large, the public here tonight and the committee through its deliberations.

1. As to early representation:
   a. Voting franchise rights would become effective immediately.
   b. In addition, a special representative would be elected from the new area, to serve in an advisory capacity with the City Council for three (3) years.

2. The differential taxation zones would attempt to provide some equity based on the delivery of services like roads, police and fire. As long as the City cannot get a fire truck into a home because of poor access routes, there should be less of a tax burden on that homeowner, and so on.

   Basically the difference between Fire Zones 1, 2 and 3 are that zone 1 would receive 100% delivery of City services, therefore the full mill rate (9.10). Zone 2 would have no effective delivery of fire service and are those areas where the roads are not maintainable, thus 75% mill rate.

   Zone 3 would pay a 50% mill rate and would have poor delivery of police, fire and road improvements. All zones would be changed over the next several years as these services are upgraded.

3. Improvements to roads would progress at a reasonable rate, funded by increased shares in State Revenue Sharing, highway funding and hopefully the committment by the State Legislature to fund greater levels of capital improvements. This could excellerate quality delivery of services to the annexation area.

4. Police and fire services can be expanded from revenue sharing funds, together with the slow phasing out of the State Troopers.

5. Water and sewer services which are funded through assessment districts, State and Federal grants could proceed in higher density areas, and be in as early as 1980 in those areas shown on the map here tonight.

6. Parks/Recreation and Library services would expand on a somewhat slower basis, I would guess, and generally would be funded by general assessments and grants.

II. Briefly, advantages of annexation would include:
1. relief to the poluted conditions of Island Lake.
2. Better fire and rescue.
3. Quality delivery of water at a lesser user rate.
4. Exemption of personal property taxes.
5. Reduction in fire insurance rates.
6. An equal voting status with your neighbors inside the present City boundaries.
7. Plus other factors which will insure for the general health and welfare of the whole area.

III. Conclusion

In conclusion, we are here tonight to answer questions about annexation, which may or may not take place. It is sort of out of our hands. We have tried to research the various possibilities without spending an exorbitant amount of time and City dollars. What is really needed are the expressions on your concerns which can help the City Council provide reasonable alternatives and effective delivery of service should annexation become a reality.

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK	)
Plaintiff,	)
vs	)
KODIAK ISLAND BOROUGH and BETTY WALLIN, Mayor of Kodiak Island Borough,	)
Defendants.	)

No. 3KO-78-120 Civ.

AFFIDAVIT OF RICHARD [illegible] IN SUPPORT OF PLAINTIFF'S MOTION [illegible] SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

1. I have been a resident of Kodiak for the past thirteen years.

2. I served on the City Council for the City of Kodiak from the fall of 1969 to the fall of 1972. I served on the Kodiak Island Borough Assembly from the fall of 1970 to the fall of 1972.

3. I have read the affidavits of Stuart O. Denslow, Ed Haughton and Betty Wallin submitted in support of the Borough's opposition to the City's motion for summary judgment. I have read the Borough's counterclaim and affirmative defenses to the City's complaint.

4. Contray to what is stated in the affidavits, the Borough has not continuously engaged in trying to secure water and sewer service to the residents outside the City. The Borough did not have sewer or water powers and the attitude of the Borough Assembly was to let the City solve the problem of water and sewers and would refer individual applicants for water and sewer to the City.

5. Contrary to what is stated in the affidavits, the Borough Assembly was well aware of the fact that the City would require, when feasible, that individuals residing outside the City and who wanted to hook up to water or sewer to annex to the City.

6. On November 12, 1970, the Borough Chairman, Wilton White came before the City Council with a step annexation proposal that would provide for the annexation of the Spruce Cape Road area and the Mill Bay side of Island Lake. These areas were consistant with the areas that EPA was trying to force into the sewage collection system. EPA had consistantly tried to force a massive sewage project on to the Kodiak Island urban and commercial area. In revising the Comprehensive Plan, in developing the Regional Water Quality Management Plan and in the proposals of the engineering firm of Tryck, Nyman and Hayes, it was both the City's and the Borough's intent to limit the sewage systems proposed in those plans to the areas that the Borough proposed be annexed to the City.

7. The Borough did not have the financial means to pay for any sewer costs, the areas of Spruce Cape and Island Lake could not stand the assessments that would be levied to pay for extensions and it was clearly understood that the areas would go onto the sewer and water systems when the population grew enough to support assessment districts and could be annexed to the City.

8. To assert that the City has secretly harbored theories and misrepresented its position to the Borough is ridiculous. From the formation of the Kodiak Island Borough to, I believe 1974 when the Borough Assembly was reapportioned, two members of the City Council of Kodiak also served as members of the Borough Assembly. As stated before, I served both on the City Council and the Borough Assembly for two years.

9. Had there been any intent for the Borough to become involved in the business of sewer collection and water distribution, the City would have required that the Borough contribute to the costs being incurred by the City in developing the systems.

10. As for the agreements and resolutions and ordinances passed by the Borough Assembly and City Council, they were to meet the demands of EPA and the State in order that the sewer project could be built.

11. During the period I was on the Borough Assembly and the City Council, it was understood that the urban areas outside the City would be served with sewer and water when those areas annexed to the City. That was the understanding of the City government and the Borough government.

12. I was personally active as a Borough Assemblyman in trying to have step annexation of the Spruce Cape and Island Lake areas occur. It was a result of the position of the Local Boundary Commission that a larger area

than was requested and a higher level of services and taxation would be imposed that the legislative annexation attempt was rejected at the request of the City and the Borough.

13. It has never been my understanding that any agreement existed between the City and the Borough regarding the City servicing areas outside the City with sewers. See Borough Assembly minutes of June 17, 1971 and July 1, 1971 which I have attached to this affidavit.

14. In preparing this affidavit, I have reviewed both City Council and Borough Assembly minutes for the years 1970-1972.

DATED this 1st day of February, 1979.

Richard A. Sims
RICHARD H. SIMS

Subscribed and sworn to before me this 1st day of February, 1979.

Notary Public in and for Alaska
My commission expires: June 4, 1981

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK Plaintiff, vs. KODIAK ISLAND BOROUGH and BETTY WALLIN, Mayor of Kodiak Island Borough, Defendants.	)

No. 3KO-78-120 Civ.

AFFIDAVIT OF ROLLAND JONES IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

ROLLAND JONES, being first duly sworn, upon oath, deposes and says:

1. I have been a resident of Kodiak since 1964.

2. From June of 1970 to July of 1972, I was City Manager for the City of Kodiak.

3. I have reviewed an agreement dated July 2, 1970, signed by myself, between the City and the Borough. It is my recollection that the agreement simply stated that the Borough did not have sewer powers and the City did and was the only agency capable of applying for grant funds.

4. That it has been my understanding that Alaska law does not allow a service district to be formed if the services could be provided by a city and that any action taken by me as city official would have been with that premise in mind.

DATED this 1st day of February, 1979.

Rolland R. Jones
ROLLAND JONES

SUBSCRIBED AND SWORN to before me this 1st day of February, 1979.

Joanne M. Bandian
Notary Public in and for Alaska.
My commission expires: [illegible]

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK	)
	)
Plaintiff,	)
	)
vs.	)
	)
KODIAK ISLAND BOROUGH and BETTY NALLIN, Mayor of Kodiak Island Borough,	)
	)
	)
Defendants.	)
	)

No. 3KO-78-120 Civ.

AFFIDAVIT OF CHARLES A. POWELL IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA	)
	) ss.
THIRD JUDICIAL DISTRICT	)

CHARLES A. POWELL, being first duly sworn, upon oath, deposes and says:

1. I have been a resident of Kodiak since August of 1957.

2. I served on the City Council of the City of Kodiak for the fall of 1971 to the fall of 1974. I served on the Borough Assembly from the fall of 1972 to the fall of 1974 and during that period was the presiding officer of the Assembly and Deputy Mayor of the City of Kodiak. I was the first Borough Chairman for the Kodiak Island Borough, serving from 1964 to 1965. I was a member of the State Legislature in 1967-68.

3. During my service on the City Council, the Borough Assembly and as Borough Chairman there was never any doubt that the areas outside the City would be served by the City's sewer and water systems when those areas became urbanized sufficiently to be annexed to the City.

4. It has always been my understanding of municipal law in Alaska that a service area or district could not be formed next to a City, that the Constitution and State Statutes prohibited that.

5. It was understood by the City that when it came time to provide sewer services to the Spruce Cape and Island Lake areas, that they would be annexed to the City.

6. In the agreements and resolutions and ordinances concerning the City's sewer project, the only intent expressed was that the City was the only entity capable of building the sewer system and getting the grant funds and that the Borough would cooperate with the City to do that. It was assumed that when the City extended the sewer it would be to areas that were annexed to the City.

DATED this _____ day of _____, 1979.

/S/
CHARLES A. POWELL

SUBSCRIBED AND SWORN to before me this _____ day of _____, 1979.

_____
Notary Public in and for Alaska.
My commission expires: _____

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT KODIAK

CITY OF KODIAK, Plaintiff,
vs.
KODIAK ISLAND BOROUGH and BETTY WALLIN, Mayor of Kodiak Island Borough, Defendants.

No. 3KO-78-120 Civ.

AFFIDAVIT OF WILTON T. WHITE IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

WILTON T. WHITE, being first duly sworn, upon oath, deposes and says:

1. I have been a resident of Kodiak since July of 1919.

2. I was the Borough Chairman of the Kodiak Island Borough from the fall of 1965 to 1967. I was a member of the City Council of the City of Kodiak in 1968. I was the Borough Chairman of the Kodiak Island Borough again from the fall of 1969 through 1973. I was again on the City Council of the City of Kodiak in 1974 and 1975 and also sat on the Borough Assembly in 1974 and 1975. I am presently on the City Council of the City of Kodiak having been elected in the fall of 1978.

3. During my years as Borough Chairman that position was an elective office and the Chairman was the chief administrative officer of the Borough government.

4. From 1969 to at least 1975, the total staff of the Kodiak Island Borough consisted of the Borough Chairman, the Borough Clerk, one secretary, an assessor an assessor's clerk and a bookkeeper.

When the City began to apply for funding to build the sewer treatment system, the Borough government was in no position to even consider participating in the financing or construction of sewers outside the City. In 1970 or 1971, the people of the entire Borough passed a school bond issue. All of the bids for construction came in over the amount of bond monies available. Recognizing the simple facts that there was very limited financial resources and a very limited Borough staff, the efforts of the Borough government were directed at getting the schools built. During this period of time, the Kodiak Island Borough could not have created a sewer service district. It would have been impossible in terms of Borough staff and the tax base to support it. The City already had the departments, manpower, expertise and the financial capability to develop and construct the sewers and treatment system. The Borough was more than happy to let the City do it.

6. I have reviewed: an agreement dated July 2, 1970, marked as Exhibit I to Stuart O. Denslow's affidavit; the affidavit of Stuart O. Denslow; the affidavit of Betty Wallin; the affidavit of Ed Haughton; Kodiak Island Borough Resolution No. 73-15R; the 1971 Kodiak Metropolitan Area Interim Water Quality Management Plan and Defendant's memorandum in Opposition to Plaintiff's motion for summary judgement.

7. It is my distinct recollection that there never was any discussion with the Kodiak Island Borough government and the City of Kodiak regarding any agreement for furnishing sewer service outside the city limits of Kodiak. We all knew that there was a problem with sewage in the Island Lake and Spruce Cape area but the Borough was in no position to do anything about it. It was recognized that as the population of those areas encreased something would have to be done. We knew that the Borough did not have sewer powers and could not spend monies even if we had had funds available. The only logical solution appeared to be that as the areas outside the City became more populated that they sshould be annexed to the City.

8. The cooperation of the Kodiak Island Borough with the City of Kodiak in solving the sewer problem was to assist in having the areas in need of sewers annexed to the City. Three large scale annexations were attempted. The first two failed at the polls. The third attempt was a joint effort of the City and Borough with legislative annexation. When the recommendation of the Local Boundary Commission was made to the legislature, it was so different in terms of area and the requirements imposed for immediate services that the City and Borough jointly requested of the legislature that the annexation be disapproved.

9. There was one joint service agreement entered into between the City and the Borough during the years setforth above. That was an agreement for fire and ambulance service. I, as Borough Chairman, negotiated that agreement for the Borough with the City. If there had been any agreement between the Borough and the City regarding sewers, I would have negotiated it

also. There was no agreement.

10. In the fall of 1973, Ross Wood become Borough Chairman and I told him that now that the schools were pretty much completed that the priority facing the Borough was to try to resolve the sewage problems in the Spruce Cape and Island Lake areas. At that time, annexation appeared to be the only viable alternative and still to this day it is the only economically feasible solution.

DATED this 31st day of January, 1979.

Wilton T. White
WILTON T. WHITE

SUBSCRIBED AND SWORN to before me this 31st day of January, 1979.

Notary Public in and for Alaska
My commission expires: March 4, 1981

As you are aware, the main item on the agenda is the annexation of Mill Bay Road, from the City limits to Cut-off Road. However, there is a much bigger issue that will be discussed later on. The City's presentation tonight will be a summary of services now being provided to the residents of the City of Kodiak. I will say a few words about each service the City is currently providing and the department head who is responsible for that service will be available if you have any questions.

The City Clerk filed a petition with Community and Regional Affairs on October 19, 1977 and with the Borough on the same date. Public notice of the annexation was published on October 21, 25, 26 and 28, 1977.

In the Alaska Administrative Code, 19AAC 05.010 - 19AAC 20.010, one can find the criteria necessary for qualification for annexation.

Item 1 refers to contiquity with the City. This criteria is met as you can see by the map.

Item number three asks if the property is platted or held for sale for urban residential or commercial purposes. In this case, the land is platted and is for sale for urban residential purposes. The population does not now equal that of the City, however, it is only a matter of time until all the buildable land is utilized, either for residential or commercial purposes. Population of the territory being considered for annexation stems primarily from actual growth of the City beyond its legal boundaries. The property is valued high for prospective urban purposes.

Item number four of the regulations asks if the City can provide services more efficiently than another municipality, if the services are needed. This is certainly so since the only other municipality is the Kodiak Island Borough and with its present powers and staffing it is not in a position to offer any services similar to what the City of Kodiak is now providing its own residents. In most cases, if not all instances, the Borough would have to contract with the City or establish duplicate structures and purchase necessary equipment to provide the same services. This of course, would raise the cost for those utilizing those services. The need for additional services is there because the area is becoming increasingly urban. An ordinance passed on second reading at the last Borough Assembly meeting for service areas actually includes the property under consideration this evening. The ordinance establishing the service area excludes all territory in the City as of November 1, 1977.

Item number five discusses the future development and growth of the City and how that will be felt in the annexed area. The City is currently planning on expansion of utilities in this specific area that will be discussed a little later on.

Item number six speaks to the health or safety of City residents. In the area covered by this proposed annexation, there is a definite need for sewage facilities. The City of Kodiak is the only entity able to provide that sewage service. By annexation of this area the City would be able to alleviate the potential health problems.

Item number seven, there are many areas adjacent to the City where the City limits go back and forth across roads, etc. If a definite straightened boundary existed, the police, fire and other services would be able to serve the City residents much better. In some instances, City employees and services must cross land outside the city limits to necessarily serve residents of the City due to this boundary situation. This also causes problems serving areas inside the City because of the inability to get easements, etc. for water and sewer lines.

Number eight is one of the most important items as it asks what City services are received without tax contribution. At the present time, residents of the area outside the City are receiving limited protection from the City police department, as our officers are authorized to assist the Troopers when necessary. The parks and recreation department, boat harbor, cargo dock and municipal airfield serve everyone and the museum is an attraction to all. In addition, the ferry dock serves all residents. The City is responsible for the landfill for all the Kodiak urban area and the cemetery is also free to Borough and City residents alike. The Borough residents are also using City streets to go to and from work and shopping that are cleared of snow and paid for by the City of Kodiak taxpayers. Water and sewer is provided for the different businesses in town and those living outside the City who are working in town also benefit from that. At the present time, the Borough does pay the City for library and fire protection, however I am certain that a case could be made that whatever is contributed is not equal to the usage, i.e. major

The present assessed valuation of personal and real property within the City of Kodiak is $127,748,101. The assessed valuation outside the City limits of Kodiak within the entire Kodiak Island Borough is $32,806,810. This is a total of $160,554,911. In percentages, the City of Kodiak has 79.57% or 80% of the assessed valuation of the Kodiak Island Borough. The Borough has 20.43% or 20%.

In terms of dollars and cents, for every dollar that the Borough collects from the taxpayers and ultimately spends, 80 cents comes from City taxpayers and 20 cents comes from Borough taxpayers outside the city limits.

The Borough does give the City $15,000 for library services. We have facts and figures that show that library usage by the Borough residents is 40% of the total, while City residents use the library 60%. If we take the 80% figure for taxes paid by residents within the city limits, $15,000 of that $12,000 comes from City taxpayers. So while the Borough keeps telling us how much they give us for library services, they are actually giving us 80% or $12,000 of City money and only $3,000 from Borough taxpayers.

It also can be said that the cargo dock, boat harbor, water and sewer departments are enterprise funds. However, a case can be made that the administrative time taken by the City Council and others is time
for by residents outside the City. It is also obvious that if it were not for the City of Kodiak taxpayers in the first place, the people outside of the City boundaries would never be able to enjoy the services they now have. It is the City of Kodiak taxpayers that make it all possible.

At this time I would like to go through the different departments of the City and explain the services that the City now provides.

PARKS AND RECREATION. Each of you has a copy of the services the City is now providing all residents, Borough and City alike, in this important function. The 1977-78 budget is $128,946 while estimated revenues for this year are $20,000. That leaves a total of $108,946 that comes out of general fund revenues which are paid for by City taxpayers. The City does receive State revenue sharing funds for parks and recreation. However, only the population of the City is allowed to be used.

I might mention that the City does utilize the Borough school facilities to provide some recreation services. We are told time and again that this is the contribution from the Borough to the parks and recreation budget. However, that does not hold much water because school facilities are here and they were paid for out of taxes paid in part by the residents of the City. Only 20% of that local support comes from the Kodiak Island Borough residents. If any of you have any questions, Ian Fulp, the City's parks and recreation director, is here to answer them for you.

PUBLIC WORKS. The next department is public works. The City now has a 12-inch water main which is extended to Lot 18 of the proposed annexation area and we are now furnishing water to Lots 1, 14, 15, 16 and 17 in the proposed area. It would be desirable to extend this main through the area and to tie into an existing 12-inch line at Cut-off Road. This would establish another loop in our system which in turn would add more volume of water to the northeast portion of the system for fire fighting purposes. This line will also provide water service to the homes in the area and fire hydrants where such protection is not now available.

The City now has a sewer main extended to the lot line of Lot 15 and has budgeted an additional amount of money to extend it to Lot 18. Should this area be annexed, it would be feasible to extend this line to Lot 23 from this direction and cover the remaining area from a sewer already installed on the northeast side.

The municipal airstrip is partially involved in this annexation. The City has interest in and owns parts of the property involved. It would be advantageous to have it inside the City as periodic maintenance on the field is performed.

Mr. Herman Boukors, the Superintendent of Public Works, is also available to answer any questions you might have.

LIBRARY The library has already been mentioned; however, I will go over that again in case there are any questions. For the first five months of a reregistration period, approximately 40% of the library borrowers were residents of the Borough while 60% were residents of the City.

These figures are for persons who come into the library regularly. The books that are sent to the villages are usually sent to the village schools and are not included in the above statistics. I have already mentioned the library budget and the contribution of the Borough. Elizabeth Carroll, our Library Director is also present tonight.

FIRE. A different situation exists in the fire department. The fire district located in the Borough is in the proposed area under discussion.

The City and Borough have an agreement whereby the City provides fire protection for areas in the Borough. This is based on the mill rate for the fire department that the residents inside the City pay for that service. The basic figures for fire calls, losses and man-hours spent on fires in the Borough is enclosed with your information. So far in 1977, the Kodiak fire department has answered 26 calls in the Borough.

The City of Kodiak also operates the ambulance service for the Kodiak urban area. Recently the Kodiak Island Borough purchased an ambulance and turned it over to the City of Kodiak for the City to operate. In other cities that I have been in, the ambulance service is operated by the hospitals. We do appreciate having an additional ambulance available to answer calls in the Kodiak urban area; however, it is important to note that with health powers, the Borough should have this responsibility. I do not want to belabor the point because of the "generosity" of the Borough in allowing the City to use its ambulance.

Getting back to fire, in the area of insurance, for a $70,000 home, the City rate at class 5 is $559. The same $70,000 home in the Borough without the adequate water and response time is $1,115 for a difference of $556. The point is that by having water and adequate fire service available, a resident taxpayer in the Borough would save approximately half the cost he is now paying for fire insurance.

It is also important to note that the City does conduct fire inspections of the residences and businesses in the annexed area.

Chief Magnusen will answer any questions you might have.

CITY ENGINEER. The City Engineer feels that the organization which operates and maintains a utility system should have the final say in how and when the system is developed. For example, in the case of the City water system, he does not believe any extension should be permitted unless it meets the following criteria: (1) The proposed extension conforms to an approved water system development plan. (2) Construction is done in accordance with City standard specifications and (3) Construction is monitored by a City inspector. In short, the City being the owner and operator of the system should control development of that system. There are only two ways in which this could be accomplished, annexation of lands prior to development or a Borough ordinance requiring all new water system to meet the above criteria. He feels it can be easily shown that annexation is the more positive method allowing all water users an equal voice in the organization which operates the system.

One example of the Borough's inability to handle their responsibility is in the area of subdivision development. At the present time, the Sarch Street sewer line is being reconstructed due in part to inadequate control of subdivision development by the Borough.

In the case of sanitary sewer facilities, there is one additional option that may be considered. That is having the Borough own and operate the waste water treatment plant and take over the responsibility of operating and maintaining the total waste water collection system. This concept is not considered practical, however, as it requires two municipal organizations to control utility systems which overlap.

In conclusion, he feels that orderly growth and development of water and sewer systems within our community is best accomplished by placing all areas served by these systems within the same municipal boundaries. Anything short of this would be a detriment to all concerned.

BOAT HARBOR. The City Council from 1965 to 1971 authorized general fund expenditures to assist the small boat harbor. These expenditures total approximately $50,000. In 1974, the City Council, in an effort to equalize taxation, placed the harbor on an enterprise system and subsequently wrote off a $50,000 deficit. From 1972 through 1975, the City expended general fund monies for capital improvements in the boat harbor which included (1) redecking work area on loading dock 1, (2) installing two 3,000 gallon waste oil tanks, (3) building Shelikof Street loading dock, (4) installation of electrical meters, (5) dredging sludge from drainage culverts.

The above capital improvements total approximately $53,000. Since the small boat harbor was rebuilt in 1965 to the present time, the City has expended in the neighborhood of $100,000 for the small boat harbor operations.

CARGO DOCK. The 1977/78 budget has an amount from the general fund of $149,703. This is a deficit that the City is presently incurring in the cargo terminal operation and is due to contract differences with Sea-Land. Many of the improvements at the cargo dock are paid for out of State funds. It is important to note that the City does spend general fund revenues when problems arise. George Cutrell, the Port Operations Manager is here to answer any questions you might have.

POLICE SERVICES. The Police Chief feels that the proposed annexation would benefit the citizens. When they call for emergency and routine service at the present time, it is confusing to the dispatcher whether to dispatch a police officer or State trooper. This is especially true when street addresses are nonexistent.

Due to the broken configuration of property, liability could result if a police officer mistakenly took action in an area out of the City's jurisdiction. There should be no additional cost to the City for providing this service since the police officers are utilizing Mill Bay Road at the present time to reach other areas within the City.

Probably the best document that I can present to you this evening is the petition by the registered voters of the proposed new first class city Spread Eagle. It calls for fire and road services only. These would be provided by the new city.

Duplication of road and fire services will be quite a burden on these taxpayers. If they purchase additional fire equipment, build a building and have volunteers, the fire service would not be any better than it is right now. I believe the only way to improve service would be if the new city hired fire fighters on a full time basis. This has already proven to be too costly for the existing fire district when they hired their firefighters.

Regarding the road service, it is important to note that it would probably be contracted out to a private company would be a considerable expense.

On page 5 of the brief of the petition for incorporation of Spread Eagle, there is a discussion of the aim of the proposed City which would be to maintain large lots and low density housing in order to preserve the existing forest. The manner in which this would best be accomplished would be to give the residents the power to control the development of and provide the services for the area in which they reside.

First class city incorporation will not protect lot size and density. The only way this could be accomplished would be to incorporate as a first or second class borough and have planning and zoning powers. Another city is definitely not the answer.

In conclusion, I would like to reiterate my main points.

1. The property is used for urban purposes, is platted and is an extension of the City's boundaries. The value of the land is due to the proximity to the City.

2. The City can provide services more efficiently than any other municipality.

3. Expansion of utilities is planned for the area.

4. Sewage facilities are needed to protect the health of the residents.

5. A straightened boundary of the City is definitely needed.

6. I have made the point several times regarding City services received by Borough residents without tax contribution. The most obvious problem with the Borough's thinking is they feel they are actually giving the City something. The idea is like a Federal or State grant instead of the City being part of the Borough. Just because there are two separate municipalities involved does not mean we are not the same people.

KODIAK FIRE DEPARTMENT

Office of the Fire Chief
George Magnusen

Post Office Box 1397
Kodiak, Alaska 99615
Phone 486 - 5728 — Res. 486 - 5562

December 7, 1977

Fire Calls & Losses
In the Borough

Year	Calls	Dollar Loss
1970	13	Unknown
1971	17	8,600.00
1972	20	17,600.00
1973	22	6,360.00
1974	20	33,265.10
1975	18	6,400.00
1976	22	21,600.00

This brings the total calls in the Borough in the above period to 134 calls with a dollar loss of $94,225.10. So far in 1977 the Department has answered 26 calls in the Borough and a dollar loss of $66,550.00.

Man Power & Man Hours

Year	Man power	Man Hours	Average Pre Call
1970	Unavailable		
1971	301	100.6	16.7
1972	284	445.8	15.7
1973	170	261.6	11.9
1974	244	353.5	17.6
1975	294	281.1	15.6
1976	213	278.8	12.7
1977	271	514.0	19.4

(figures for 1977 incomplete due to one more month for the year.

MEMORANDUM

TO: Dick Berg

FROM: Herman Beukers, Supt. of Public Works

SUBJ: Island Lake Roads

DATE: November 21, 1978

In accordance with your instructions, the following information is submitted:

MAINTAINABLE ROADS

Island Lake Road from Mill Bay to Lake	2,500 feet
Back Island Lake Road (Platted)	3,800 feet
Balika from Island Lake to Mill Bay Road	2,500 feet
Road from Island Lake to Mike Brechan's	750 feet
Ram Site Road	1,900 feet
2 1/5 Miles TOTAL	11,450 feet

It is estimated that the cost per mile for maintaining roads, which includes grading, drainage, snow removal and dust control will be approximately $12,000 per mile per year.

Shahafka Acres Road	1,600 feet
Melnitsa Lane	200 feet
TOTAL	1,800 feet

The above roads will be maintainable with some surfacing work and widening which can be done with City forces. The estimated cost to upgrade these two roads is $7,200. They then would be part of the maintainable system which would then consist of two and one-half miles of road.

The area is gaining access to its lots on roads that are barely trails and are not constructed in the platted right-of-ways. Eventually the proper roads will have to be constructed. Some could be built in the platted right-of-way, others, especially on the back side, would require acquisition of the right-of-way.

Because of the timber in the area and normal construction problems, it is estimated construction costs would be high, especially as we are required to follow our ordinance which states the right-of-way shall be cleared and a 30 foot gravel surface street shall be constructed. It is estimated that the cost would be $[illegible],000 per mile. This figure is based on Brechan's costs on Lake View Drive in the area with a 20% (10% a year) inflation factor.

HTB/lkg

TYPICAL ASSESSMENTS — 11-21-78

WATER DISTRIBUTION SYSTEM

ESTIMATED TOTAL PROJECT COST	#1,112,460.00
LESS ADEC GRANT (50%)	556,230.00
CITY CONTRIBUTION	#556,230.00
ASSESSABLE AREA	3,000,000 s.f.

ASSESSMENT — $\frac{\#556,230}{3,000,000 \text{ s.f.}} = \#0.185410/\text{s.f.}$

SHAHAFKA ACRES Block 1, Lot 5A 28,538 s.f.	#5,291.14
MILLER POINT 1ST ADD. Block 5, Lot 2 23,253 s.f.	#4,311.38
ISLAND LAKE SUBDIVISION Block 1, Lot 8 6765 s.f.	#1,254.30
ISLAND LAKE SUBDIVISION Block 1, Lot 5 9,000 s.f.	#1,668.69

TYPICAL ASSESSMENTS — 11-21-78

WASTEWATER COLLECTION SYSTEM

I. MISSION ROAD

ESTIMATED TOTAL PROJECT COST	#343,620
LESS ADEC GRANT (50%)	171,810
CITY CONTRIBUTION	#171,810
ASSESSABLE AREA	1,147,075 s.f

ASSESSMENT — $\frac{\#171,810}{1,147,075 \text{ s.f.}} = \#0.149781$

U.S.S. 3100 Lot 7 18,000 s.f.	#2,696.06
U.S.S. 3100 Lot 16 24,000 s.f.	#3,594.74
U.S.S. 3101 Lot 3 25,000 s.f.	#3,819.41
U.S.S. 3101 Lot 7 13,500 s.f.	#2,022.04
U.S.S. 3101 Lot 21 A 36,000 s.f.	#5,392.11

II Island Lake - Dark Lake Area

Estimated Total Project Cost	$2,088,240
Less EPA Grant (75% of Interceptor)	536,445
Less ADEC Grant (50% of City Cost)	775,897.50
City Contribution	$775,897.50
Assessable Area	2,842,655 s.f.

Assessment —

$$\frac{\$775,897.50}{2,842,655 \text{ s.f.}} = \$0.272948$$

Shahafka Acres
Block 1, Lot 5A
~~55,~~ 28,538 s.f. — $7,789.26

Miller Point 1st Add.
Block 5, Lot 2
23,253 s.f. — $6,346.92

Island Lake Subdivision
Block 1, Lot 8
6765 s.f. — $1,846.49

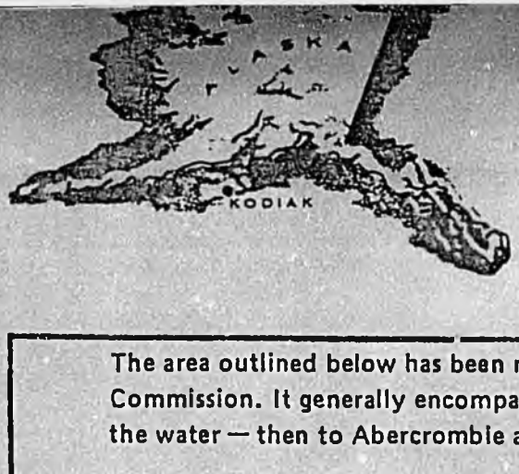
Island Lake Subdivision
Block 1, Lot 5
9,000 s.f. — $2,456.53

Approved 10/20/78

STATE OF ALASKA
FFY 79
PROJECT PRIORITY LIST

Rank	Project	Score	EPA Project Number	Project Step	Target Award Date	Project Description *	Est. Eligible Cost $1,000	EPA Grant Amount $1,000	Cummulative Total $1,000	FFY 79 Cummulative Total $1,000
1	Eagle River	980	C-020061-02	3	79	STP	4,953	3,715	3,715	3,715
2	King Salmon (Bristol Bay Borough)	960	C-020081-02	2 & 3	79	INT & STP	2,762	2,072	5,787	5,787
3	Fairbanks Sludge Disposal	930	C-020088-01	1	79	Upgrade	40	30	5,817	5,817
4	Fairbanks Sludge Disposal	920	C-020088-02	2	80	Upgrade	200	150	5,967	---
5	Fairbanks Sludge Disposal	910	C-020088-03	3	80	Upgrade	2,000	1,500	7,467	---
6	Seward	884	C-020051-02	2	79	INT & STP	388	291	7,758	6,108
7	Soldotna	880	C-020076-03	3	79	STP	2,003	1,502	9,260	7,610
8	Anchorage I/I & SSES	880	C-020087-01	1	79	Rehab	1,000	750	10,010	8,360
9	Seward	874	C-020051-03	3	80	INT & STP	6,782	5,087	15,097	---
10	Ketchikan Phase II	832	C-020053-04	3	80	INT & STP	7,849	5,887	20,984	---
11	Kodiak Island Lake	830	C-020069-01	1	79	INT	40	30	21,014	8,390
12	Sitka Phase I	828	C-020052-03	3	79	STP	8,288	6,216	27,230	14,606
13	Kodiak Island Lake	820	C-020069-02	2	80	INT	325	244	27,474	---
14	Wasilla	818	C-020073-02	2	79	INT & STP	450	338	27,812	14,944
15	Nome	810	C-020062-03	3	79	STP	2,378	1,784	29,596	16,728

17	Naknek (Bristol Bay Borough)	795	C-020082-02	2 & 3	80	INT & STP	2,762	2,072	35,296	---
18	Anchorage 78" W. Interceptor	790	C-020087-10	3	80	INT	8,250	6,188	41,484	---
19	Kenai	784	C-020077-02	2	79	INT & STP	180	135	41,619	16,863
20	Fairbanks Ballaine Lake	770	C-020083-02	2	79	INT	50	38	41,657	16,901
21	Fairbanks Ballaine Lake	760	C-020083-03	3	80	INT	500	380	42,037	---
22	Wasilla	758	C-020073-03	3	80	INT & STP	6,983	5,237	47,274	---
23	Homer Spit	750	C-020056-02	2 & 3	79	STP	492	369	47,643	17,270
24	Unalaska	731	C-020064-02	2	79	INT & STP	550	413	48,056	17,683
25	Sitka Phase II	730	C-020052-04	3	80	INT	6,738	5,054	53,110	---
26	Sitka Phase III	730	C-020052-05	3	81	INT	5,475	4,106	57,216	---
27	Kenai	724	C-020077-03	3	79	INT & STP	3,570	2,678	59,894	20,361
28	Unalaska	721	C-020064-03	3	80	INT & STP	8,200	6,150	66,044	---
29	Ketchikan Phase I	715	C-020053-03	3	79	INT & STP	7,231	5,423	71,467	25,784
30	Fairbanks Airport Interceptor	680	C-020084-01	1	79	INT	40	30	71,497	25,814
31	Fairbanks Airport Interceptor	670	C-020084-02	2	80	INT	700	525	72,022	---
32	Seldovia	661	C-020071-02	2	79	INT & STP	107	80	72,102	25,894
33	Fairbanks Airport Interceptor	660	C-020084-03	3	81	INT	7,420	5,565	77,667	---
34	Whittier	653	C-020080-02	2 & 3	79	INT & STP	1,850	1,388	79,055	27,282
35	Seldovia	651	C-020080-03	3	80	INT & STP	1,920	1,440	80,495	---
36	Eagle River Road Interceptor	640	C-020061-03	2	79	INT	76	57	80,552	27,339
37	Eagle River Road Interceptor	630	C-020061-06	3	79	INT	814	611	81,163	27,950



City of Kodiak

SPECIAL REPORT
ANNEXATION

The area outlined below has been recommended for Annexation by the State of Alaska Boundary Commission. It generally encompasses the area from the existing City limits to Spruce Cape along the water — then to Abercrombie and along Lake View Drive.

ISLAND LAKE ANNEXATION HISTORY

In 1968, the first attempt at annexing Island Lake and Spruce Cape occurred. The main reason for the residents request appears to be fire protection. An election was held and the annexation question was defeated.

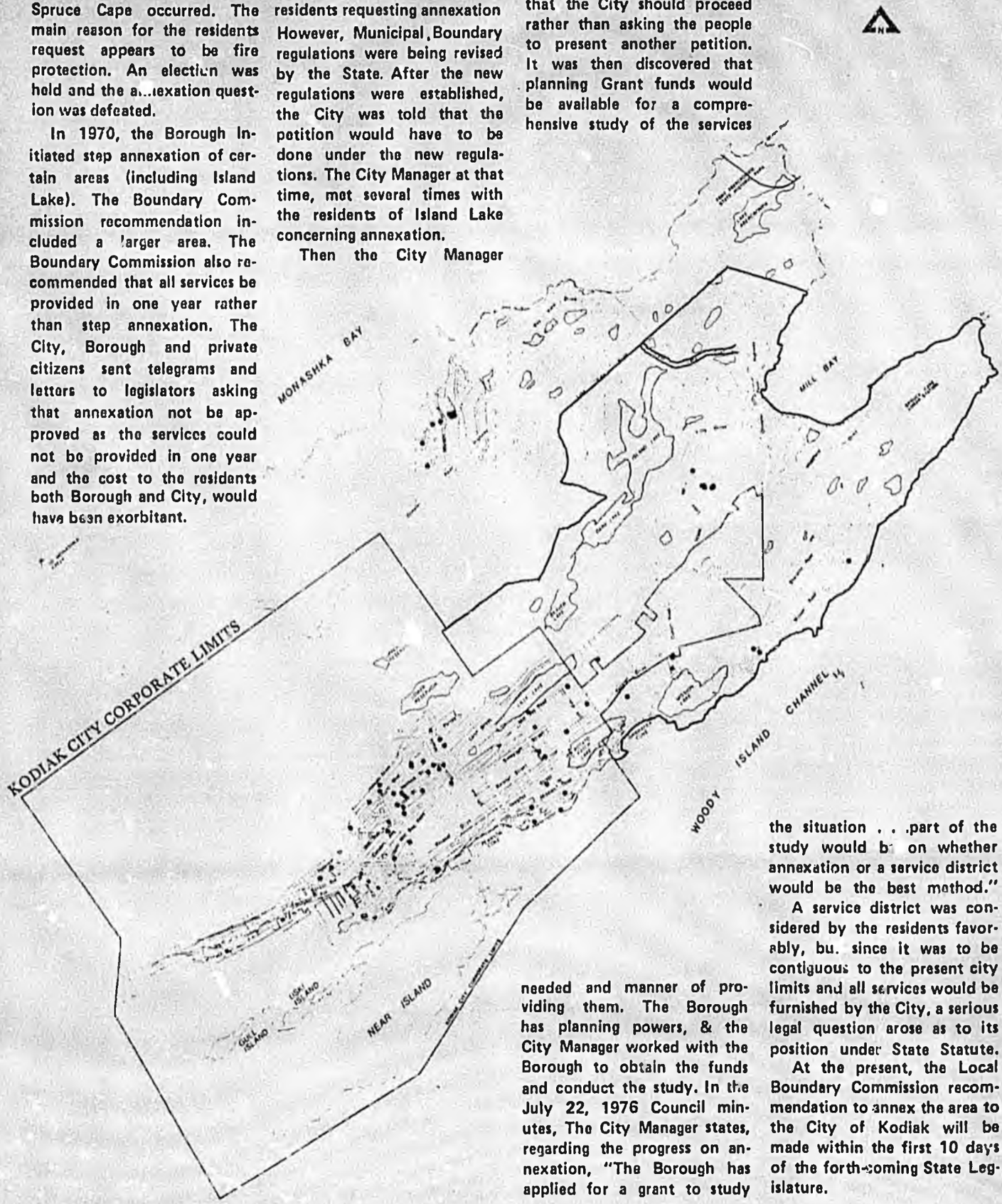
In 1970, the Borough initiated step annexation of certain areas (including Island Lake). The Boundary Commission recommendation included a larger area. The Boundary Commission also recommended that all services be provided in one year rather than step annexation. The City, Borough and private citizens sent telegrams and letters to legislators asking that annexation not be approved as the services could not be provided in one year and the cost to the residents both Borough and City, would have been exorbitant.

In 1972, petitions were received from Island Lake residents requesting annexation However, Municipal Boundary regulations were being revised by the State. After the new regulations were established, the City was told that the petition would have to be done under the new regulations. The City Manager at that time, met several times with the residents of Island Lake concerning annexation.

Then the City Manager discussed the problem with the Council and it was agreed that the City should proceed rather than asking the people to present another petition. It was then discovered that planning Grant funds would be available for a comprehensive study of the services needed and manner of providing them. The Borough has planning powers, & the City Manager worked with the Borough to obtain the funds and conduct the study. In the July 22, 1976 Council minutes, The City Manager states, regarding the progress on annexation, "The Borough has applied for a grant to study the situation . . .part of the study would be on whether annexation or a service district would be the best method."

A service district was considered by the residents favorably, but since it was to be contiguous to the present city limits and all services would be furnished by the City, a serious legal question arose as to its position under State Statute.

At the present, the Local Boundary Commission recommendation to annex the area to the City of Kodiak will be made within the first 10 days of the forthcoming State Legislature.



RESIDENTS CHARGES FOR SERVICES

—BY MILL RATE—

PRESENT CITY — ANNEXATION AREA

	1978/79 Budget	Less;	Charges for Services Cargo: Cargo Dock	Boat Harbor	Water/Sewer Utilities	Payments From Sales Tax		%	X 9.1 Mills	X	1978/79 Real Property Assessed Valuation	
	$		$	$	$	$	$				$	$
Legislative & Legal	72,500						72,500	2.18	.19		17,646,115	3,353
Executive	79,660		4,672	3,983	7,966		63,039	1.90	.17			3,000
City Clerk	86,358		2,892	4,376	8,752		70,338	2.11	.19			3.353
Finance	242,799		19,604	11,541	34,708		176,946	5.32	.49			8,647
Police	873,129						873,129	26.25	2.39			42,174
Fire	351,284						351,284	10.56	.96			16,940
Public Works	771,650		31,862	4,000	359,061		376,722	11.32	1.03			18.175
Parks & Recreation	111,802						111,802	3.36	.31			5,470
Library & Museum	172,679						172,679	5.19	.47			8,294
Engineering	184,092						184,092	5.53	.50			8,823
Non-Departmental												
Borough Personal Property Tax	431,600						431,600	12.98	1.18			20, 822
Captial project transfer	588,807					588,807						
Bond Payments	137,158						137,158	4.12	.38			6,705
Miscellaneous (1)	306,356						306,256	9.18	.84			14, 823
Totals	$4,409,874		$59,030	$23,900	$410,487	$588,807	$3,327,650	100%	9.10	X	$17,646,115	$160,575

(1) Insurance	115,000
Public utilities ,Street Lights	80,000
Council on Alcoholism	204,60
Senior Citizens of Kodiak	2,500
Miscellaneous	39,000
Contingency	44,396
	$306,356

Rates vary within Districts depending on distance of dwelling from Hydrants & Station as well as accessibility.

HOMEOWNERS FIRE INSURANCE RATING
AS THE AREA IS AT THIS TIME
(example)

Town Class 5	House Valuation	Island Lake Area Class 9
$306	$50,000	$619
	WITH FIRE SUBSTATION BUT NO HYDRANT	
$306	$50,000	$536
	WITH FIRE HYDRANTS BUT NO FIRE HOUSE	
$306	$50,000	$338
	WITH STATION & HYDRANTS	
$306		$306

The area that is presently served by contract with the city pays 2.3 mills for fire service.

EXAMPLES OF MILL RATES

Borough	7.0	City	
Fire Service	2.3	All services	16.1
(Bell's Flats)	7.2		

Borough residents in the proposed annexation area now pay:

Borough	7.0
Fire Service	2.3
	9.3

Borough residents at Bell's Flats pay:

Borough	7.0
Road Service	7.2
	14.2

City Recreation Program system utilized approximately / 28% Borough Residents outside the City
City Library System utilized approximately 40% Borough Residents outside the City

Expanded Library Service expected for additional Bo o/City Residents as Funds allow

Suggested Park Development Priority

1. Mill Bay Ocean Park
2. Boy Scout - Island Lake
3. Russian Mill Site - Mill Bay
4. Park at Oceanside - Abercrombie (Cry of Ram) Area.

WHAT ELSE WOULD YOU

LIKE CONSIDERED ?

List of Programs

Teen Center
City League Volleyball
Badminton
Women's Exercise Program
Swimming Pool Supervision & Lessons
Summer Recreation Program
Tennis Lessons & Tournaments
Softball and Baseball
Cross Country Ski Classes
Special Recreation for Handicapped
Crab Festival Games
A.A.U. Programs - Swimming

WHAT ABOUT WATER & SEWER

The City of Kodiak engineering department has been doing preliminary planning for water and sewer service to the proposed annexation area so that construction could begin as soon as possible, if annexation were approved. Previous studies have been incorporated. It is anticipated that grants will be received for 50% to 75% of the costs.

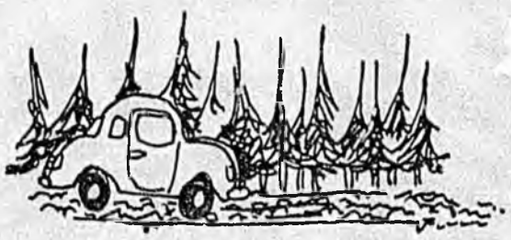
The City has to the best of its ability incorporate the previous work of the citizens and engineering firm retained by the Borough. Plans showing proposed water and sewer lines will be available at the public meeting.

One unusual concept advanced is to allow acceptable Septic Systems in low denisty hard to reach areas in order to keep cost down and to allow assessment relief for the life of the System. Detailed engineering can not be realized until annexation is a reality & appropriate Grant monies can be applied for.

WHAT ABOUT ROADS

1st Priority?

1. Unamed Road in U.S.S. 3467
2. Track A Island Lake
3. Unamed Road in U.S.S. 3219, 3103, 3464 Island Lake
4. Cliffside & Cliffside Loop
5. Seabreeze & Woodland
6. Unamed Road in U.S.S. 3099



2nd Priority? What else should be done.

Reconstruct for purpose of snow removal, road grading, fire & police coverage.

There are 2½ miles of maintainable roads in the area. Maintenance means grading, drainage, snow removal and dust control.
With a minimum of work another 2½ miles of road would be maintainable.

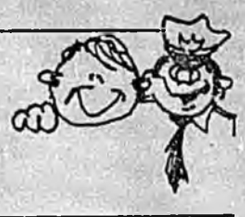
WHAT ABOUT POLICE

Available on maintainable road system with one year or more additional coverage of state police - dispatch available on personal, telephone, or C.B. contact. Additional policemen and vehicles will be added as necessary to cover the entire area.

DIFFERENTIAL TAXATION?

WHAT IS IT ? A method of allowing new residents a break on taxation until they receive the same type and quantity of services as other residents.

Zone No. 1



Generally that area next to Mission Road outside the present boundaries that may enjoy all City services afforded present City residents. Present Mill Rate for City purposes at 100% would apply.

Zone No. 2

Generally that area north of Mill Bay USS 2467, Shafaka Acres, Block 7 Monashka Bay subdivision that cannot receive full services. Mill Rate at 75% would apply.

Zone No. 3

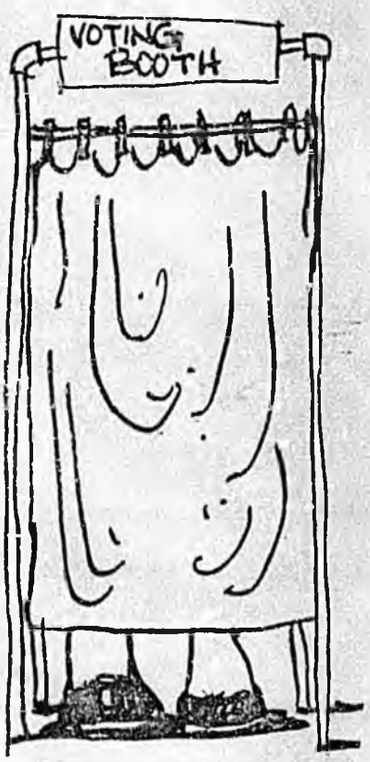
Generally that area of Woodland Acres, and back of Island Lake that the city is presently unable to reach adequately with fire & police due primarily to present road conditions. 50% of the City Mill rate.

SEE THE CITY'S MAP

EARLY & SPECIAL REPRESENTATION

Early representation is afforded by a City Charter provision which allows any resident who has lived in the newly annexed for 2 years and in Alaska for 3 years the ability to run for Mayor or Council.

Also, the City Council by special provision will ask for the election of a special representative from the annexed area to serve as an advisor with the council for 3 years. Residents of the annexed area will of course vote for all council members and mayor as their respective terms expire.



THE CITY MADE THE FOLLOWING PROMISES IN RESOLUTION NO. 24 - 78

CITY OF KODIAK

RESOLUTION NO. 24 - 78

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska as follows:

1. The City will, to the extent possible, establish and implement in the areas to be annexed, a system of differential taxation for any such areas that do not receive all services of the City supported by taxation or which receive these services at a level different from that provided in other areas of the City.

2. The City Manager is hereby directed to develop tentative plans for the provision of services to the areas proposed for annexation and to determine whether the City may be prevented by requirements for capital improvements or for other reasons from providing full services to portions of those areas for any temporary period of time. On or before October 1, 1978, the City Manager shall report to the Council and advise of the areas where provision of full services may be temporarily delayed, the level of service that will be provided and the estimated differential in cost between full services and the services to be provided.

3. The City Manager and the City Attorney shall explore existing legal requirements regarding residency requirements for voting and elective office, and the existing number of Council Members an make recommendations to the Council on or before October 1, 1978, regarding possible changes in law or policy to provide residents of newly annexed areas with representation within the City comparable to that currently available to City residents, and any recommendations regarding required changes in ordinances to implement that objective.

4. The City shall engage in an information program regarding the proposed annexation with the objective of making the public and the legislature aware of the need for and benefits of annexation, and shall employ the services of a qualified person, to the extent determined advisable, to actively support approval of the annexation by the Alaska legislature.

PASSED AND APPROVED this 24th day of August, 1978.

LET THE CITY KNOW WHAT OTHER WRITTEN PROMISES YOU WANT:

GOT A QUESTION?

Annexation Committee:	Phone Number
Bob Waage	486 - 4493
Emil Norton	486 - 5178
Marion Johnson	486 - 5171
Bob Brooks	486 - 5815
Nick Szabo	486 - 3853
Pete Resoff	486 - 4463
City Manager - Clair Harmony	486 - 3224

PUBLIC MEETING

These Ideas are proposals and the City Needs your input.

A Public meeting with the Annexation Committee will be held on December 12,1978 at 7 p.m. in the Council Assembly Chambers.

Number

KODIAK ISLAND BOROUGH SPECIAL ELECTION APRIL 18th, 1978 SAMPLE BALLOT

PROPOSITION NO. 1

SHALL THE KODIAK ICLAND BOROUGH EXERCISE SEWER POWERS WITHIN SERVICE DISTRICT I OF THE MILL BAY – MONASHKA SERVICE AREA INCLUDING, BUT NOT LIMITED TO, POWERS TO CONSTRUCT, MAINTAIN, REPAIR AND REPLACE PUBLIC SEWAGE COLLECTION, TRANSMISSION, TREATMENT AND DISPOSAL SYSTEMS AND FACILITIES.

YES ☐
NO ☐

PROPOSITION NO. 2

SHALL THE KODIAK ISLAND BOROUGH EXERCISE WATER SERVICE POWERS WITHIN SERVICE DISTRICT I OF THE MILL BAY – MONASHKA SERVICE AREA INCLUDING, BUT NOT LIMITED TO, POWERS TO CONSTRUCT, MAINTAIN, REPAIR AND REPLACE PUBLIC WATER PRODUCTION, COLLECTION, STORAGE, TREATMENT AND TRANSMISSION SYSTEMS AND FACILITIES.

YES ☐
NO ☐

PROPOSITION NO. 3

SHALL THE KODIAK ISLAND BOROUGH EXERCISE ROAD POWERS WITHIN SERVICE DISTRICT I OF THE MILL BAY – MONASHKA SERVICE AREA INCLUDING, BUT NOT LIMITED TO, POWERS TO CONSTRUCT, REPAIR, MAINTAIN AND IMPROVE PUBLIC ROADS.

YES ☐
NO ☐

Proposed Service District I

ALL RESIDENTS OF SERVICE DISTRICT I ARE ELIGIBLE TO VOTE.

NOTICE

AT THE REQUEST OF NUMEROUS BOROUGH RESIDENTS, THE BOROUGH OF KODIAK ADOPTED ORDINANCES AND ESTABLISHED APRIL 18, 1978 AS THE DATE OF A SPECIAL ELECTION TO APPROVE FORMATION OF SERVICE DISTRICT NO. 1 OF THE MILL BAY MONASHKA SERVICE AREA. SPECIAL SERVICE NO. 1 DISTRICT IS BEING ESTABLISHED TO ENABLE BOROUGH RESIDENTS LIVING IN THE AREA INCLUDED IN SERVICE DISTRICT NO. 1 TO OBTAIN SEWER, WATER AND ROAD SERVICES.

ESTABLISHMENT OF A SPECIAL SEWER SERVICE DISTRICT WAS CONTEMPLATED BY AGREEMENT BETWEEN THE BOROUGH AND THE CITY OF KODIAK PURSUANT TO WHICH THE CITY OF KODIAK ACTED AS AGENT FOR THE BOROUGH OF KODIAK IN OBTAINING IN EXCESS OF $5,000,000.00 TO CONSTRUCT A WASTE TREATMENT DISPOSAL FACILITY CAPABLE OF PROVIDING SEWER SERVICE TO THE CITY AND TO BOROUGH RESIDENTS LOCATED IN THE AREA PROPOSED TO BE SERVED BY SERVICE DISTRICT NO. 1. WATER AND ROAD POWER ARE BEING PROPOSED FOR SERVICE DISTRICT NO. 1 TO ENABLE A COORDINATED PRESENTATION OF ALL SUCH SERVICES TO THE RESIDENTS OF SERVICE DISTRICT NO. 1.

ON MARCH 28, 1978, THE CITY OF KODIAK FILED AN ACTION TO DECLARE ILLEGAL THE ESTABLISHMENT AND CREATION OF SERVICE DISTRICT NO. 1. SUCH SUIT IS APPARENTLY BASED ON THE CITY'S BELIEF THAT IT IS NO LONGER BOUND BY ITS AGREEMENT TO PERMIT BOROUGH RESIDENTS ACCESS TO THE SEWAGE TREATMENT DISPOSAL PLANT WHICH WAS ACQUIRED AS A RESULT OF A JOINT CITY–BOROUGH AGREEMENT REQUIRED BY THE STATE OF ALASKA AND THE ENVIRONMENTAL PROTECTION AGENCY. THE CITY NOW APPEARS TO BE ATTEMPTING TO FORCE ANNEXATION ON PERSONS PREVIOUSLY VOTING AGAINST ANNEXATION EVEN THOUGH ANNEXATION WILL RESULT IN ADDITIONAL TAXATION TO SUCH PERSONS WITHOUT PROVISION OF COMPARABLE SERVICES.

ALTHOUGH THE BOROUGH HAS PREVIOUSLY CONSULTED WITH AND BELIEVES IT HAS A VALID AGREEMENT WITH THE CITY WITH REGARD TO PROVIDING SEWER SERVICES TO THE RESIDENTS OF SERVICE DISTRICT NO. 1, THE BOROUGH NECESSARILY WILL DISCUSS PROVISION OF WATER AND ROAD SERVICES TO SERVICE DISTRICT NO. 1 WITH THE CITY, AND WILL ONLY PROVIDE SUCH SERVICES DIRECTLY IF NO AGREEMENT CAN BE REACHED. IF THE VOTERS APPROVE SERVICE DISTRICT NO. 1, THE BOROUGH WILL BE ABLE TO BEGIN ENGINEERING PLANNING FOR IMPROVEMENT AREAS WITHIN SERVICE DISTRICT NO. 1 AND TO SEEK FUNDING FOR SEWAGE COLLECTION LINES FROM THE STATE OF ALASKA AND THE ENVIRONMENTAL PROTECTION AGENCY. NO ADDITIONAL TAXES WILL ACCRUE TO DISTRICT RESIDENTS AT THIS TIME AND UNTIL FINANCING PROPOSALS ARE DEVELOPED AND APPROVED BY SERVICE DISTRICT NO. 1 RESIDENTS. THE BOUNDARIES OF SERVICE DISTRICT NO. 1 HAVE BEEN DETERMINED BASED ON ENGINEERING STUDIES TO ENABLE THE USE OF A GRAVITY FLOW SEWAGE COLLECTION SYSTEM WHICH WILL BE THE LEAST COSTLY TO BUILD AND OPERATE.

THE CITY, IN FILING ITS ACTION SEEKING TO DENY ITS OBLIGATIONS TO THE BOROUGH RESIDENTS UNLESS THEY SUBMIT TO BOROUGH ANNEXATION, MAY CAUSE DELAY IN IMPLEMENTATION OF SEWER SERVICES IN THE BOROUGH. IN ADDITION, SUCH ACTION BY THE CITY FORCES THE BOROUGH TO ESTABLISH ITS POSITION IN COURT UNLESS THE CITY AGREES TO LIVE UP TO ITS VALID AGREEMENTS. WHILE IT IS UNFORTUNATE THAT THE CITY AND BOROUGH HAVE BEEN UNABLE TO REACH AGREEMENT, A SUBSTANTIAL NUMBER OF BOROUGH RESIDENTS HAVE CLEARLY INDICATED TO THE BOROUGH THAT THE AGREEMENT TO PERMIT SEWAGE TREATMENT FACILITY HOOKUP WITHOUT ANNEXATION SHOULD BE ENFORCED.

Betty J. Wallin, Mayor
Kodiak Island Borough

Publish: April 17, 1978

LOCAL BOUNDARY COMMISSION MEMBERS

Mrs. Sheila Gallagher (Chairman)
3201 "C" Street, Suite 201
Anchorage, Alaska 99503
Phone: 276-7612 (business)

Mrs. Josephine Anderson (Member)
P.O. Box 351
Wrangell, Alaska 99929
Phone: 874-3590 (home)
874-3621 (business)

Mr. Charles B. Bettisworth (Member)
P.O. Box 80288
Fairbanks, Alaska 99701
Phone: 479-3517 (home)
456-5780 (business)

Mr. Edward Hopson (Member)
Box 143
Barrow, Alaska 99723
Phone: 852-5141 (home)
852-6930 or 852-6970 (business)

Mr. Sigvald Strandberg (Member)
7235 Blackberry Street
Anchorage, Alaska 99502
Phone: 276-4555 (business)
243-1772 (home)

Joan Katz
270-3804

TITLE 19. DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

PART 1. LOCAL BOUNDARY COMMISSION

Chapter
05. Standards for Boundary Changes
10. Procedures for Boundary Changes
15. Boundary Changes by Local Action
20. Miscellaneous Provisions

CHAPTER 05. STANDARDS FOR BOUNDARY CHANGES

Article
1. Annexation to Cities
2. Detachment from Cities
3. Dissolution of Cities
4. Merger of Cities
5. Annexation to Organized Boroughs
6. Merger of Boroughs
7. Merger of City and Borough

ARTICLE 1. ANNEXATION TO CITIES

Section
10. Annexable territory
20. Application of standards
30. Annexation of incorporated territory

19 AAC 05.010. ANNEXABLE TERRITORY. (a) Territory which is contiguous to a city may be annexed to that city if one or more of the following standards are met:

(1) all land to which the territory is contiguous is within the city's boundaries; or

(2) all land in the territory is wholly owned by the city; or

(3) the territory is urban in character. In determining whether territory is urban in character, the commission may consider, without limitation, whether the property is platted or held for sale for urban, residential or commercial purposes; whether the population density of the territory approximates that of the annexing city; whether the population of the territory stems primarily from actual growth of the city beyond its legal boundaries, and whether the property is valuable primarily by reason of its suitability for prospective urban purposes; or

(4) the territory is presently in need of a municipal service or services which the city can provide more efficiently than another municipality; or

(5) there is a likelihood that future growth and development of the city will occur within the territory and annexation of the territory will enable the city to plan for and control that development; or

(6) the health or safety of city residents is endangered by conditions existing or developing in the territory and annexation will enable the city to remove or alleviate those conditions; or

(7) the extension into the territory of city water, sewer, street, or other facilities, or of city police, fire, health or other services is necessary to enable the city to provide adequate service to city residents; and it is impossible or impractical for the city to extend such facilities or services unless the territory is within the city's boundaries; or

(8) residents of, or owners of property in, the territory receive or may be reasonably expected to receive the benefit of city services without commensurate tax contributions whether such services are rendered or received inside or outside the territory. In determining whether this standard is met, the commission will consider alternate methods available to the city for offsetting the cost of providing services to individuals or property beyond its property taxation powers; or

(9) the annexation is otherwise necessary to accomplish a valid public purpose.

(b) Territory which is not contiguous to the city may be annexed to the city if

(1) all the land in the territory is wholly owned or leased by the city or used primarily for the performance of city functions; and

(2) annexation is necessary to enable the city to achieve adequate control, protection or management of the property.

(c) Territory which does not meet the requirements of (a) of this section may nevertheless be annexed to a city if such territory lies between the city boundary and territory which could be annexed under (a) of this section but for the requirement of contiguity. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 05.020. APPLICATION OF STANDARDS. No annexation will be approved unless the annexing city demonstrates to the satisfaction of the commission that it is capable of extending and willing to extend services to the annexed area as follows:

(1) except in the case of an annexation pursuant to 19 AAC 10.190–19 AAC 10.240, full municipal services shall be extended to the annexed area immediately except where impossible for want of necessary capital facilities. Where full municipal services may not be provided immediately, the annexing city shall satisfy the commission that it will provide those services within a reasonable time;

(2) in the case of an annexation under 19 AAC 10.190–19 AAC 10.240, annexation will be approved only if the commission is satisfied that the city's plan for gradual extension of services is reasonably correlated with the gradual extension of taxation and provides for extension of full municipal services to the annexed area within the transitional period;

(3) notwithstanding (1) and (2) of this section, annexation by a city possessing authority to establish and operate differential taxation zones may be approved if the commission is satisfied that the city is willing and able to use such authority to

(A) provide the territory with such services as may be necessary; and

(B) insure that the annexed area is not subjected to unfair taxation for services not available in the annexed area;

(4) the commission may conduct public hearings or investigations subsequent to the effective date of any annexation to determine whether the extension of services or taxation, and/or utilization of differential taxation zones, is proceeding in a reasonably expeditious and equitable manner. If the commission determines that the extension of services or taxation, and/or utilization of differential taxation zones, is not progressing in a reasonably expeditious and equitable manner, it may institute detachment proceedings under 19 AAC 05.050. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 05.030. ANNEXATION OF INCORPORATED TERRITORY. (a) In the case of any annexation of territory of another incorporated city, or of an incorporated borough which is providing services to the territory that the city will provide upon annexation, the commission will determine the method by which assets, debts, and liabilities are to be distributed between the city and the municipality formerly providing services.

(b) In determining the method of transfer of service responsibility, and the distribution of debts and assets, the commission will approve any fair and equitable agreement between the municipalities affected, but will independently review any proposed agreement.

(c) Territory which is part of an incorporated city shall not be annexed to another city unless the commission determines the annexation to be in the best interests of the annexing city, the municipality from which the annexed territory is taken, and the annexed area, all considered as a whole; and unless the commission determines that the annexation will not result in a temporary or permanent loss of service to the annexed area.

(d) No separate or additional proceedings are required for detachment of territory within an incorporated city or borough which has become annexed to another city, but the detachment is effected by and at the same time as the annexation itself. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

CHAPTER 10. PROCEDURES FOR BOUNDARY CHANGES

Article

1. Annexation, Detachment, Merger, Incorporation and Dissolution
2. Step Annexation

ARTICLE 1. ANNEXATION, DETACHMENT, MERGER, INCORPORATION AND DISSOLUTION

Section

10. Petition
20. Petitioner
30. Form and contents
40. Exhibits
50. Briefs
60. Service
70. Review of petitions
80. Notice of petition
90. Call for hearing
100. Answering brief
110. Reply brief
120. Department report
130. Hearing
140. Decisional meeting
150. Non-compliance
160. Determination of procedure
170. Certification of boundary changes
180. Public meetings

19 AAC 10.010. PETITION. A request for a local government boundary change under this chapter is initiated by filing an original and six copies of a petition and supporting brief with the commissioner of the Department of Community and Regional Affairs. (Eff. 9/26/72, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.020. PETITIONER. (a) A petition may be initiated by

(1) a municipality whose boundaries are to be changed; or

(2) an organized borough in which the territory is located; or

(3) at least 10 percent of the qualified voters residing in the territory to be annexed, detached, or in the municipality to be dissolved, or in each municipality to be merged; or

(4) the Commissioner of the Department of Community and Regional Affairs.

(b) The person or entity initiating the petition shall be designated petitioner. (Eff. 9/26/72, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260

19 AAC 10.030. FORM AND CONTENTS. (a) The petition shall be addressed to the Local Boundary Commission and shall bear a caption which clearly identifies the nature of the boundary change and the municipality or municipalities whose boundaries are to be changed.

(b) The petition shall contain the following:

(1) the name, resident address and mailing address of each petitioner;

(2) the name and mailing address of the attorney or other representative designated by the petitioner(s) to receive service, notice, and all other correspondence relating to the proceedings on behalf of the petitioner(s);

(3) a legal boundary description of the territory affected by the proposed boundary change;

(4) the quantity of land contained in the territory;

(5) the assessed or estimated value of all taxable property, giving separate totals for real and personal property in the territory;

(6) the number of residents in the territory.

(7) the rate or rates at which real and personal property are taxed in the territory;

(8) the rate or rates of any sales tax levied by and/or collected in the territory.

(9) the amount and a full explanation of any outstanding bonded indebtedness for which the territory is wholly or partially responsible. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260 (a)(2)

19 AAC 10.040. EXHIBITS. There shall be appended to the petition the following exhibits:

(1) a map or maps showing

(A) the present boundaries of the territory whose boundaries are to be changed;

(B) the maps shall be sufficiently detailed to show all streets and roadways. All copies of the maps submitted as exhibits to copies of the petition shall conform in color and other distinguishing markings, to the original exhibit;

(2) also, an affidavit of the petitioner, or his representative or attorney who prepared the petition, indicating the source from which the information contained in the petition was acquired; and stating that a census or other reliable enumeration of the territory was conducted by him, or under his direct supervision, specifying the dates when the census or enumeration was begun and completed and verifying that it was taken accurately. If an official census has been made of the territory by the federal, state or municipal government within one year of the date of the petition, a copy of that census may be appended to the petition in lieu of a census affidavit;

(3) all inter-municipal agreements regarding transitional provisions of services and distribution of assets and liabilities;

(4) a certified copy of the resolution or ordinance authorizing the municipality to file the petition if the petitioner is a municipality;

(5) the affidavit of petitioner or his representative or attorney, that service of the petition has been made in compliance with sec. 60 of this chapter. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.050. BRIEFS. The petition shall be accompanied by a written brief. The brief shall fully set forth the reasons supporting the boundary change and shall demonstrate that the boundary change meets the standards prescribed in ch. 5 of this title. The commission may require such additional information as in its view will be useful for evaluation of the petition. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.060. SERVICE. (a) The petitioner shall by certified mail, serve a copy of the petition and brief, together with accompanying exhibits, upon every municipality in or adjoining the territory. Such service shall be made at the same time that the petition is filed with the Commissioner of the Department of Community and Regional Affairs.

(b) The petitioner shall arrange that the petition, exhibits and brief will be available for inspection by the general public at a designated place in or near the territory between the hours of 9:00 a.m. and 4:30 p.m. The affidavit required under sec. 40 of this chapter shall specify the exact location where the petition is available for inspection. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.070. REVIEW OF PETITIONS. The Department of Community and Regional Affairs shall review the petition and brief and determine whether they

(1) are in substantially the proper form; and

(2) contain the factual information required by these regulations.

If the department determines that the petition or brief is deficient as to form or content, it shall return the defective petition or brief for

correction or completion. If the department determines that the petition and brief are in substantial compliance with these regulations, it shall notify the petitioner that the petition and brief have been accepted. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.080. NOTICE OF PETITION. (a) Upon receipt of notice from the department that the petition and brief have been accepted, the petitioner shall cause notice of the filing of the petition to be published in a newspaper of general circulation in the territory. Such notice shall be in the form specified by the Commisioner of the Department of Community and Regional Affairs and shall include a brief explanation of the proposed boundary change, the name of the petitioner, the name of each municipality whose boundaries are to be changed, and shall indicate the place where the petition and brief may be inspected by the public as provided in sec. 60 of this chapter.

(b) The petioner shall furnish the Commissioner of the Department of Community and Regional Affairs with proof of compliance with (a) of this section. Upon receipt of such proof, the commissioner shall submit the petition and brief to the commission.

(c) No petition filed with the commissioner shall be deemed to be pending before the commission until the petition and brief have been submitted to the commissioner pursuant to this section. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.090. CALL FOR HEARING. The commission shall determine the time and place of the hearing which shall be held in or near the territory. At least fifteen days prior to the date of the hearing, the commissioner shall cause notice of the hearing to be given and served by certified mail upon:

(1) all municipalities specified at sec. 60 of this chapter; and

(2) any person or municipality who has filed an answering brief pursuant to sec. 100 of this chapter. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.100. ANSWERING BRIEF. (a) A person residing or owning property in the territory or municipality whose boundaries are to be changed or in the governing body of any municipality may file a brief in opposition to the proposed boundary change. The original of the brief shall be filed with the commissioner together with proof that one copy was served upon petitioner or designated representative.

(b) A person or municipality filing an answering brief shall be designated a respondent.

(c) The answering brief shall indicate any factual information thought to be incorrectly or incompletely presented in the petition or petitioner's brief and shall demonstrate the manner in which the proposed boundary change fails to satisfy the standards prescribed in ch. 5 of this title. The brief shall include a discussion of the considerations set forth in sec. 50 of this chapter.

(d) The commission shall consider the respondent to have acquiesced in facts or arguments asserted in the petition and petitioner's brief which are not challenged or controverted in the respondent's brief. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.110. REPLY BRIEF. Prior to the hearing, the petitioner may file a brief in reply to any new matter raised in an answering brief. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.120. DEPARTMENT REPORT. The Department of Community and Regional Affairs shall prepare a report on the proposed boundary change. The report shall summarize the issues raised in the petition and briefs and may comment upon those issues or any other issue which the department deems to be relevant to the proposal. The report may contain recommendations to the commission. The report shall be filed with the commission prior to the date of hearing. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.130. HEARING. (a) The petitioners shall first proceed to support the petition through exhibits, testimony and such other means as bear upon the issues raised by the petition. The presentation shall proceed in substantially the following manner:

(1) the presentation shall be conducted by the petitioner or his designated representative or attorney;

(2) the presentation shall be opened with a brief discussion of the nature of the proposed boundary change and the reasons to be advanced in its support. At the conclusion of the opening statement, petitioner shall submit an outline naming the persons who will give statements in support of the petition. Outlines shall be submitted in sextuplicate and copies shall be served upon all adverse parties;

(3) petitioner shall proceed to conduct his presentation in the manner indicated in his outline. The chairman may allow petitioner to deviate from his outlined presentation.

(b) Upon completion of the petitioner's presentation each respondent shall proceed, in the manner established by the chairman and in the same manner as prescribed for the petitioner, to present his views. Respondent's presentation shall include all information and argument which respondent wishes to advance in rebuttal of petitioner's presentation.

(c) Upon completion of the respondent's presentation, petitioner shall have an opportunity to offer rebuttal.

(d) Upon completion of petitioner's rebuttal, the commission will hear the views of all or any interested persons or political subdivision, not a petitioner or respondent. To obtain the floor, a person must be recognized by the chairman and must state his name, address and the nature of his interest. A person purporting to speak on behalf of a municipality shall demonstrate his authority to do so. The chairman may impose reasonable limitation of the time allotted each speaker and may curtail repetitive and irrelevant statements.

(e) Members of the commission may at any time pose questions or comment on matters raised during the hearing; however, representatives of the department with consent of the chairman may pose questions or comment on matters raised during the hearing.

(f) The chairman may temporarily suspend the order of proceedings set forth in this section to allow rebuttal, counter-rebuttal, or general public comment on a particular issue or issues. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.140. DECISIONAL MEETING. (a) The commission shall consider all aspects of the written and oral testimony before it and any other relevant and reliable data available to it concerning a boundary change proposal. A majority of the total membership of the commission may decide the issue. The commission shall prepare a written statement of its decision including an explanation of the major consideration upon which it relied in reaching its decision.

(b) Any decision of the commission shall be mailed immediately to the petitioner and to all parties who have submitted a reply brief and to any other interested parties who give written notice to the Commissioner of the Department of Community and Regional Affairs that they desire a copy of the decision. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.150. NON-COMPLIANCE. Compliance with the regulations of this chapter may be waived by the commission if substantial rights of interested parties are not prejudiced by such waiver. Any deviation from the procedures set forth in this chapter is waived by the commission unless the commission or a party objects. (Eff. 9/26/62, Reg. 7; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.160. DETERMINATION OF PROCEDURE. Where there are alternative procedures for effecting a boundary change, the commission may select the procedures which it deems most appropriate under the circumstances. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.170. CERTIFICATION OF BOUNDARY CHANGES. Within 30 days after a boundary change becomes effective, in accordance with Art. X, Sec. 12 of the Constitution, the Department of Community and Regional Affairs shall prepare a certificate of the change. The department shall transmit duplicate originals of the certificate to the organized borough in which the boundary change has taken place and/or to the municipality whose boundaries have been changed. The department shall also record a copy of the certificate in the recording district in which the boundary change has taken place. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.180. PUBLIC MEETINGS. The commission, at its discretion and prior to consideration of any petition requesting a boundary change, may require municipalities whose boundaries are proposed to be changed to conduct meetings or hearings in the area to be annexed to acquaint residents with the purposes sought to be accomplished and the benefits which are expected to be derived by residents should the boundary change be made and to solicit public opinions on the proposed annexation. The Local Boundary Commission may require that transcripts or minutes be taken of such meetings or hearings for the commission's use and may require that the municipality certify to the commission that such meetings or hearings were conducted as directed by the commission. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(1)

ARTICLE 2. STEP ANNEXATION.

Section
190. Petition
200. Local election
210. Taxes
220. Voting
230. Ordinances
240. Borough services

19 AAC 10.190. PETITION. An annexation petition submitted to the Local Boundary Commission may request that during each of not more than five full fiscal years after the annexation takes effect, the rate of taxation for city services on the annexed properties shall be at a specified percentage of the full city tax rate. The proposal shall provide an increase from fiscal year to fiscal year until the percentage equals 100 percent of the full city tax rate. The city may not tax annexed property at a rate other than the percentage authorized for that year. Provided, however, that the municipality pursuant to AS 29.53.405 may levy taxes in the annexed area at a different percentage from that authorized for the year in question, if such difference is attributed to the cost of provision in the territory of a special service not supported by the general municipal levy. (Eff. 2/28/65, Reg. 14; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 29.53.405
AS 44.19.260(a)(2)

19 AAC 10.200. LOCAL ELECTION. The Local Boundary Commission will require the governing body of the municipality to which annexation is sought to submit the proposal to the voters in the area to be annexed. The municipality shall bear all expenses of said election and shall submit to the Department of Community and Regional Affairs or Local

Boundary Commission such information and/or reports that either may require prior to, during or subsequent to the election. No such election shall be valid unless the notices pertaining to such election, the way in which the proposal is phrased on the ballot, and the timing of the election have been approved by the Commissioner of the Department of Community and Regional Affairs. (Eff. 2/28/65, Reg. 14; am 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.210. TAXES. The percentage of city taxes on newly annexed properties is determined as follows:

(1) city services to be provided during each year are scheduled by the petitioners or the Local Boundary Commission in consultation with city officials;

(2) the cost of each service as a percentage of the gross general fund expenditure for the fiscal year immediately preceding the annexation is computed;

(3) newly annexed residents pay a percentage of the full city property tax rate equal to the total percentage cost of all services provided. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.220. VOTING. Residents in the newly annexed territory have the same voting privileges as other city residents. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.230. ORDINANCES. City sales tax ordinances and all other city ordinances except those applicable to city services not yet provided are immediately effective in the annexed territory. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

19 AAC 10.240. BOROUGH SERVICES. The city must accept immediate responsibility for non-areawide borough services currently provided in the newly annexed territory. (Eff. 10/13/72, Reg. 43)

Authority: Art. X, Sec. 12
State Constitution
AS 44.19.260(a)(2)

CHAPTER 15. BOUNDARY CHANGES BY LOCAL ACTION

Article
1. Annexation to Municipalities
2. Detachment from Municipalities

ARTICLE 1. ANNEXATION TO MUNICIPALITIES

Section
10. Initiation of request for boundary change
20. Form and contents of petition
30. Exhibits
40. Annexation of territory of another municipality
50. Filing of petition
60. Sufficiency
70. Review by Local Boundary Commission
80. Election
90. Notice of election
100. Conduct of election
110. Form of ballot
120. Canvassing of election
130. Effective date of annexation
140. Annexation without election
150. Annexation of municipally-owned property
160. Timeliness

19 AAC 15.010. INITIATION OF REQUEST FOR BOUNDARY CHANGE. (a) A request for an annexation under secs. 10–160 of this chapter may be initiated by a petition signed by at least ten percent of the currently registered voters residing within the territory proposed to be annexed, or by a petition of the municipality seeking annexation.

(b) The person or entity initiating the petiton shall be designated petitioner. (Eff. 4/1/73, Reg. 45)

Authority: Art. X, Sec. 12
State Constitution
AS 29.68.010(b)
AS 44.19.260(a)(2)

19 AAC 15.020. FORM AND CONTENTS OF PETITION. (a) The petition shall be addressed to the Department of Community and Regional Affairs and shall bear a caption which clearly identifies the nature of the boundary change and the municipality whose boundary is to be changed.

(b) The petition shall contain

(1) the name, residence address, and mailing address of each peititoner;

(2) the name and mailing address of the attorney or other representative designated by the petitioner(s) to receive service, notice and all other correspondence relating to the proceedings in behalf of the petitioner(s);

(3) a legal description of the territory affected by the proposed boundary change;

(4) the estimated number of residents within the territory proposed to be annexed;

(5) the quantity of land contained within the territory proposed to be annexed;

(6) the assessed or estimated value of all real and personal property within the territory proposed to be annexed;

(7) the rate or rates at which real and personal property are taxed within the municipality to which annexation is proposed;

(8) the rate or rates of any sales or use tax levied by and/or collected within the municipality to which annexation is proposed;

(9) the amount of and a full explanation of any outstanding bonded indebtedness for which the territory proposed to be annexed is wholly or partially responsible;

(10) the population and area of the annexing municipality. (Eff. 4/1/73, Reg. 45)

Authority: Art. X, Sec. 12
State Constitution
AS 29.68.010(b)
AS 44.19.260(a)(2)

19 AAC 15.030. EXHIBITS. There shall be appended to the petition the following exhibits;

(1) a map or maps showing the boundaries of the territory proposed for annexation; and

Lawmakers Set Hearing In Kodiak

JUNEAU (AP) — Lawmakers will take the legislative process to the city of Kodiak next week for a hearing on a disputed annexation proposal in the community.

The state Local Boundary Commission has proposed that an area east of the city, with a population of about 1,500, be annexed. But the two state legislators from Kodiak say they have questions about the proposal, or at least the method in which it was made. And a number of the affected residents — who apparently would face tax hikes under annexation — are protesting.

Although the Local Boundary Commission has recommended annexation of the Spruce Cape, Mill Bay and Island Lake areas, the Legislature can overturn the decision with passage of a resolution, said Sen. Bob Mulcahy, R-Kodiak.

The Community and Regional Affairs committees of the House and Senate are planning to hold a hearing in the city Feb. 10, said the island's other legislator, Democrat House member Fred Zharoff.

Lawmakers say the hearing will let them receive testimony from the residents firsthand.

The Boundary Commission, in its report to the Legislature, cited evidence in favor of annexation. The report said the proposed annex is "generally urban in character," and that it is "in need of municipal services which can be most efficiently provided by the city of Kodiak."

The report cited a likelihood of growth in the area and said annexation "will enable the city to plan for and control that development and arrange the most efficient municipal services."

But two residents of the area involved, Ron Matsuoka and Melissa Newton, in a letter to legislative leaders, said "the wishes of area residents were totally ignored by the local boundary commission."

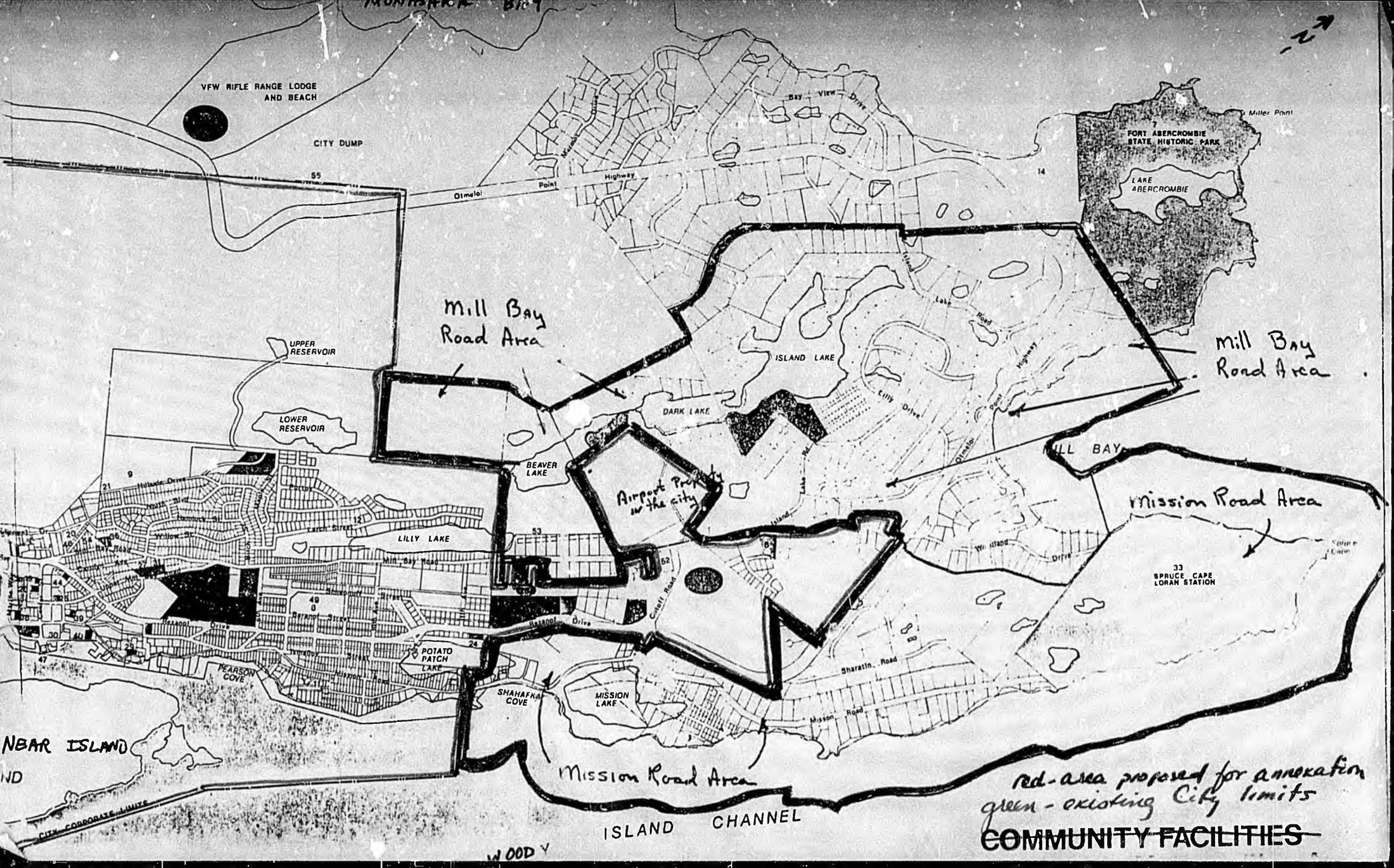
"Every resident of the area who testified at the boundary commission hearing spoke against forced annexation," they said.

The residents said they feel city services are not required in the area.

Mulcahy said he wants to represent the "wishes of the majority of people," and that a number of persons are opposed to the annexation.

He said he was most disturbed by "the method in which the annexation took place," and that the affected residents didn't vote on the issue.

"I haven't been a carrier of the annexation banner," he said.


VFW RIFLE RANGE LODGE AND BEACH
CITY DUMP
55
Otmeloi Point
Meadow Drive
Bay View Drive
Highway
14
Miller Point
FORT ABERCROMBIE STATE HISTORIC PARK
LAKE ABERCROMBIE
Mill Bay Road Area
UPPER RESERVOIR
LOWER RESERVOIR
ISLAND LAKE
Island Lake Road
Lilly Drive
Point Otmeloi Highway
DARK LAKE
BEAVER LAKE
Airport Property in the city
Mill Bay Road Area
Mission Road Area
9
21
Hillside Drive
North Street
Hemlock St.
Willow St.
Larch Street
12
LILLY LAKE
53
Mill Bay Road
62
16
Island View Drive
33
SPRUCE CAPE LORAN STATION
Sharpcliff Street
Berard Street
Pearson Drive
Cutoff Road
Regent Drive
POTATO PATCH LAKE
24
PEARSON COVE
SHAHAFKA COVE
MISSION LAKE
Sharatin Road
Mission Road
NEAR ISLAND
ISLAND CHANNEL
CITY CORPORATE LIMITS
Mission Road Area
red - area proposed for annexation
green - existing City limits
COMMUNITY FACILITIES

REPORT TO THE LOCAL BOUNDARY COMMISSION
ON THE PROPOSAL TO ANNEX CERTAIN LANDS
IN THE KODIAK URBAN AREA
TO THE CITY OF KODIAK

Department of Community
and Regional Affairs
Juneau, Alaska

May 17, 1978

I. INTRODUCTION

On December 12, 1977, the Local Boundary Commission conducted a public hearing to take testimony respecting a petition (attachment #1) submitted by the City of Kodiak proposing annexation of certain properties to the City. As a result of that hearing the Commission elected to postpone action on the City's petition and subsequently submitted petitions for 100% annexations until it considered the broader issue of who --the City of Kodiak or the Kodiak Island Borough-- should be the principal provider of municipal services to residents of the Kodiak urban area. The Commission directed the Department of Community and Regional Affairs, in its capacity as staff advisor to the Commission, to prepare a report stating specific recommendations as to which areas, if any, ought to be annexed to the City of Kodiak.

II. AUTHORITY AND NOTICE

Article X, Section 12 of the Alaska Constitution grants authority to the Local Boundary Commission to "consider any proposed local government boundary change" and to "present proposed changes to the legislature during the first ten days of any regular session". Alaska Statutes grant the Commission authority to "conduct meetings and hearings to consider local government boundary changes and other matters related to local government boundary changes, including extensions of services by incorporated cities into a contiguous area and matters related to extension of services".

In accordance with AS 44.19.290, notice of the Local Boundary Commission's forthcoming public hearing and decisional meeting was ordered published in the Kodiak Daily Mirror editions dated May 4, 8, 15, and 19. A copy of the Notice is appended as attachment #3. Notice was also sent by certified mail, to the manager of the Kodiak Island Borough, the manager of the City of Kodiak, and the Commanding Officer of the U.S. Coast Guard Station in Kodiak. Additionally, notice of the hearing was transmitted over radio station KVOK and TV station KOTV at least three times during the period May 1 to May 19.

III. GENERAL INFORMATION

The following is a brief description of each of the four areas identified in the Notice of Public Hearing:

Mission Road Area: Generally this area consists of the territory located between the northeast boundary of the City of Kodiak and the terminus of Mission Road, located at Spruce Cape. Although the area is largely residential in character, it does contain several small service businesses. There are several mobile home courts located in the area, as well as a Baptist Mission. The only notable public facility is the Kodiak sewage treatment plant presently operated by the City. The Borough contends that the Kodiak sewage treatment plant is a regional facility which should be jointly operated by the City and the Borough.

Staff of the Kodiak Island Borough estimated the population of the area to be 790 residents as of 1977. There are at least 316 water taps in the Mission Lake, Outer Mission Road and Spruce Cape Areas. The City

indicated the population estimate of 790 residents is low. The Borough will provide the estimated value of taxable property at the public hearing. The population is projected to be 1,390 by 1985, a 76% increase over current figures.

Mill Bay Road Area: Generally includes that area extending from the northwest boundary of the City of Kodiak to the point where Mill Bay Road splits to Otmeloi Point and Fort Abercrombie, including the area around Island Lake, Beaver Lake and the relatively newly developed area of East Mill Bay.

Like the previously discussed territory, the area is primarily residential in character, although several businesses do operate in the area. The land most heavily populated is that surrounding Island Lake, while the remainder of the population is fairly evenly scattered throughout the Island Lake area. Population density is moderate to low. Borough estimates made in 1977 show a population of 400 for the Island Lake area and a total area population of 550. There are 100 water taps in the Island Lake Area and numerous wells. The City indicated the current population estimate of 400 residents is low. Estimates project a population of 900 for the Island Lake area by 1995. The only public facility of any consequence is the City of Kodiak's municipal airport. A Catholic school, teaching grades 1-8, is also located in the area. The Borough will provide an estimated value of taxable property at the public hearing.

Monashka Bay: Generally includes the area adjacent to Otmeloi Point and Fort Abercrombie roads. Much of this land is dedicated to public purposes such as the Fort Abercrombie State Park, the City of Kodiak Ram

Site -- a local outdoor theatre, a VFW site and the land fill site operated by the City on Borough land, water reservoir and transmission facilities. The remainder of the area is either undeveloped or very lightly developed. In 1978 Borough staff estimated the population of the area at 100. The current assessed value of property for Mission Road, Mill Bay and Monashka Bay areas is approximately $21 million.

All of the previously described areas receive certain services from the Kodiak Island Borough, including the areawide services of education, planning, platting and zoning, tax assessment and collection and hospitals and health facilities; the non-areawide power of parks and recreation is not provided at this time; and, on a service area basis, fire protection, road maintenance, sewer and water service. The latter three services were only approved by voters in April of this year so actual implementation of the service has yet to begin. Fire protection is, in fact, provided by the City of Kodiak through a contract with the Kodiak Island Borough.

The City is providing 440 water taps and 48 sewer taps to the Mission Road Area, Mill Bay Area, and the Monashka Bay Area.

Coast Guard Base: The reservation, which is excluded from the Kodiak Island Borough boundaries, abuts the City of Kodiak's southern boundary and is totally self-sufficient, containing all facilities and providing all services necessary for the well-being of Coast Guard personnel. The Kodiak Island Borough operates an elementary school on base, while junior high and high school students attend school in downtown Kodiak.

We are not aware of any significant private property on the reservation with the exception of the Wien Air Alaska airport facility. The current estimated population of the U.S.C.G. station is approximately 3,000. An estimate of the potential taxable property at the U.S.C.G. station is between $200,000 and $400,000.

IV. FINANCIAL INFORMATION

The City of Kodiak was incorporated as a town in September 1940, under Federal law. It was later classified as a first class city under State law and subsequently adopted a home rule charter in the fall of 1965. The City operates under the council-manager form of government and, according to the City's budget, provides a broad range of municipal services, including:

Service	Amended Budgeted Funds (FY 78)
General Fund Estimated Expenditures	
1. Legislative, Judicial, Legal	$ 76,520
2. Executive	78,469
3. City Clerk	83,567
4. Finance Director	229,011
5. Police Department	871,619
6. Fire Department	357,135
7. Public Works Department	690,604
8. Parks & Recreation	132,311
9. Library and Museum	161,602
10. Engineering	146,958
11. Non-Departmental	1,344,117*
Total General Fund Estimated Expenditures	$ 4,171,913

*Includes:

$392,948	Payment to Borough in lieu of a borough personal property tax
135,875	Insurance
73,926	Advance to cargo terminal fund
67,000	Public utility services
421,191	Capital Project Transfers

133,200	Bond payments
26,841	Contingency
93,136	Other

General Fund Estimated Revenues

1. Taxes	$2,023,000
2. Licenses and Permits	28,370
3. Intergovernmental Revenues	434,016
4. Charges and Services	366,802
5. Miscellaneous Revenue	39,734
6. Non-Revenue Receipts	1,279,491
Total General Fund Estimated Revenues	$4,171,913

Capital Project Funds Estimated Expenditures*

1. Federal Revenue Sharing Trust	$ 261,000
2. Federal Anti-Recession Fiscal Assistance Fund	79,516
3. Street Improvement	673,300
4. Building Improvement	153,135
5. Water Source Expansion	1,320,655
6. Water/Sewer Line Construction	381,037
7. Sewage Treatment Plant	7,643,105
8. Cargo Pier Construction	873,775
9. HUD Block Grant	1,335,007
10. Major Equipment Purchases	111,780
Total Capital Project Funds Estimated Expenditures	$12,832,310

*Revenues for capital project funds are identical.

Enterprise Funds Estimated Expenditures*	
1. Cargo Terminal	$ 919,917
2. Boat Harbor	368,876
3. Water/Sewer Utilities	1,283,501
Total Enterprise Funds Estimated Expenditures	$ 2,572,294

*Enterprise Fund revenues equal expenditures.

TOTAL ESTIMATED REVENUES	$19,576,517
TOTAL ESTIMATED EXPENDITURES	$19,576,517

The City of Kodiak is located within the Kodiak Island Borough, which is a Borough of the second class. In addition to the mandatory powers of education; tax assessment and collection; and planning, platting and zoning, the Borough also has the areawide power of hospitals and non-areawide powers of parks and recreation and building inspection. On a service area basis the Borough provides fire protection through a city contract to the area adjacent to the City and to the village of Karluk and provides road maintenance to the Bells Flats area. The Borough has very recently established the Monashka service area to provide water, sewer, and maintenance for the road systems north of the City of Kodiak. On March 23, 1978 the City filed a complaint for declaratory judgment and injuction against the establishment of the Monashka service district claiming the services of water, sewer and road maintenance can be provided by the City without any necessity for creating the service district. (Attachment #5)

V. STANDARDS FOR ANNEXATION

Title 19 of the Alaska Administrative Code, Section 05.010, Alaska Statutes 29.63.909 and Article X Section 5 of the Alaska Constitution[1] set forth specific standards and requirements which provide guidelines for annexation. Realizing that annexation may be proposed if any one of these standards are met, the Department will indicate the applicable standard and summarize any appropriate issues raised as follows:

(1) Mission Road Area. In accordance with 19 AAC 05.010, the Department suggests that the following applicable standards appear to be satisfied because the territory between Mission Lake and Spruce Cape is:

(a) contiguous to the City as evidenced by the Kodiak Island Borough map prepared by Kramer, Chin, & Mayo Inc.

(b) essentially or will be urban in character as noted in the Kodiak Island Borough map prepared by Kramer, Chin & Mayo Inc.

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[1] "Section 5. Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services."

Resident Population Estimates

(provided by Borough)

	1977	1985	1995
Mission Road	520	720	920
Mission Lake	270	470	870
Mid Cape	0	200	600
Spruce Cape	0	0	600
TOTAL	790	1,390	2,990

At least one-third of the total land area is undeveloped and the largest portion is the former U.S. Coast Guard LORAN Station whose operation of this facility will be terminated on December 31, 1979. Additionally, the former U.S.C.G. LORAN station was declared surplus and has been selected by one of the Kodiak Island Native corporations formed under the Alaska Native Claims Settlement Act. While no immediate development plans appear to exist, it is anticipated that the property will see development, primarily for residential purposes, in the future. The current borough planning estimates project a population of 600 on the former U.S.C.G. LORAN station by 1995 and 600 residents for the Mid Cape Territory. The U.S.C.G. LORAN facility currently has a population of 4 residents.

(c) presently in need of municipal services of water, roads, and fire protection which the City should be able to provide more efficiently than the Borough could by using differential tax zones.

The Department would suggest that the City and the Borough should more appropriately respond to the question of who can provide the specific services more efficiently by whatever means they desire. However, the Department would make the following observations:

Sewer and water facilities are provided to the majority of the area by the City of Kodiak. The previous sewer and water lines were constructed under the auspices of a public utility district prior to statehood and were subsequently taken over by the City of Kodiak. The majority of the water line was put in after the earthquake ruined the wells. Several private sewer lines were also built at that time. According to a 1970 agreement between the Borough and the City, the City has long been designated as the agency responsible for implementation of water and sewer projects within the area of the road system in the Kodiak Island Borough. The City recently installed a sewer interception to the treatment plant.

The territory is presently in need of local road maintenance as evidenced by the recent service area election to provide the service. However, the Department of Transportation is presently responsible for road maintenance on the Spruce Cape road. In determining which governmental agency can most efficiently provide the service for the area it is noted that the City has the only existing Public Works Department capable of providing road maintenance. The Borough has chosen to provide road maintenance through private contracts rather than through a Municipal Public Works Department.

Fire protection is provided by the Borough through a contractual arrangement with the City because the City has the only municipal fire department.

(2) Mill Bay Area. According to 19 AAC 05.010, the Department suggests that the following applicable standards appear to have been satisfied for the territory adjacent to Mill Bay Road extending from Kodiak Subdivision to the turn-off to Fort Abercrombie.

(a) The territory is contiguous to the City as evidenced by the Kodiak Island Borough map prepared by Kramer, Chin and Mayo Inc.

(b) The terrritory is essentially urban in character as noted in the Kodiak Island Borough map prepared by Kramer, Chin and Mayo Inc.

Resident Population

	1977	1985	1995
Beaver Lake	30	130	730
East Island Lake	310	510	710
West Island Lake	70	120	170
East Mill ay	50	150	250
West Mill Bay	70	120	170
TOTAL	530	1,030	2,030

The land most heavily populated is surrounding Island Lake, while the remainder of the population is fairly evenly scattered throughout the Island Lake area.

(c) The territory is presently in need of municipal services of water and sewer, roads and fire protection, which the City should be able to provide more efficiently than the Borough could by using differential tax zones.

Here again the Department would suggest that the City and the Borough should more appropriately respond individually to this question of which municipality can provide the service more efficiently. However, the Department would make the following observations:

City water is provided to portions of the area surrounding Island Lake--the water line used is a temporary one, and water pressure is often very low. No sewage collection or treatment facilities operate in the Island Lake area. Consequently, due to the population density, water table, and lack of a collection system, a serious water pollution problem exists at Island Lake (attachment #4).

The territory is presently in need of municipal road maintenance as evidenced by the recent service area election to provide the service. The Department notes that the City has the only existing Public Works Department capable of providing road maintenance.

Fire Protection is provided by the City through a contracted arrangement with the Borough because the City has the only municipal fire department.

(3) The Monashka Bay area. In accordance with 19 AAC 05.010, the Department suggests that the following standards appear to be satisfied for the territory adjacent to Mill Bay Road and extending to the Fort Abercrombie extension to the end of Mill Bay Road, including the Pillar Creek, Virginia Creek and Monashka Creek water shed.

(a) The territory is contiguous to the western boundary of the City as shown by the Kodiak Island Borough map as prepared by Kramer, Chin and Mayo Inc.

(b) Portions of the territory should be annexed to enable the City to achieve adequate control, protection or management of the land fill site and the water shed of city water supply.

The area surrounding Monashka Bay Area #21 is not populated as shown on the Kodiak Island map. The surrounding land is primarily dedicated to public purposes such as the Fort Abercrombie State Park, the Kodiak Ram Site -- local outdoor theatre, VFW, and the land fill site operated by the City on Borough property, water reservoir and transmission facilities. If this area were annexed and included the water shed of Monashka Creek, Virginia Creek and Pillar Creek, the City would have direct jurisdiction over the territory within its boundaries (see Attachment #2).

However, according to the 1978 Kodiak Island Borough's regional plan and development strategy draft summary report, the current water storage capacity at Pillar Creek is inadequate to guarantee a supply of water to industrial users during periods of low stream flow. Potentially,

large fish production losses could occur during peak harvests and this could discourage construction of new processing plants. An Outer Continental Shelf service base would also require large amounts of fresh water to supply drill rigs. Further economic development will require increasing water storage capacity. The most readily apparent alternative is for the City to go ahead with raising the Monashka Creek Dam.

The Department notes that this project is a city function on land purportedly owned by the Borough. The City claims the Borough has said that the land will be turned over to the City. The Department would suggest clarification should be made as to whether this land will be turned over to the City, and who should ultimately provide the service.

(4) The Coast Guard Base: The Department now suggests that the entire U.S.C.G. station be considered for annexation. In accordance with 19 AAC 05.010 the Department would suggest that the following standards appear to be satisfied for the territory proposed.

(a) The territory is urban in character as evidenced by the U.S.C.G.'s own estimate of population to be approximately 3,000 residents.

(b) There is a likelihood that future growth and development will occur within the territory particularly at the State airport which is leased from the U.S.C.G.

(c) Part of the territory (i.e. airport) is presently in need of municipal services of police protection, roads, and fire protection, which the City, using differential tax zones, should be able to provide more efficiently than the Borough using the service area mechanism.

The City of Kodiak Police Department is the security agency at the airport. The City provides the anti-hijacking protection for the airport. The City contends this area is in need of police protection, including the parking lot and restaurant which is being built. As the airport grows and develops, increased commercial activity as well as private aircraft will be at the facility. The Division of Aviation has plans to develop the airport further to handle private craft, and the City has indicated an interest in closing its existing airport.

At the present time the U.S.C.G. Station provides security police services, fire protection (in conjunction with the City), and airport maintenance (in conjunction with the FAA and the Department of Transportation), water sewers and sewer treatment facilities, crash services, and garbage and solid waste collection and disposal on the base.

Another issue is the fact that Koniag Native Corporation is hoping to receive excess property at the airport for further development. However, the U.S.C.G. has no immediate plans to dispose of any excess property.

According to Article X Section 7, City annexation of the Coast Guard Base (including the State Airport) would also extend the Kodiak Island Borough boundaries as well. Should annexation occur, the Borough would acquire a tax base of the territory and could exercise all of its powers in the area. The U.S.C.G. personnel could then exercise their rights as city and borough residents.

The Department would suggest that the City determine whether there is sufficient taxable property at the U.S.C.G. station to justify police protection or any other services. However, additional State and Federal grants should be available to assist with providing these services such as State and Federal Revenue Sharing. Apparently the Kodiak Island Borough has previously negotiated with the U.S.C.G. concerning 100% annexation without success.

Recommendation

The basic problem appears to be that the City and the Borough are attempting to provide the same municipal services and occupy the same political and physical space. While it is generally desirable that matters of government organization be determined locally, conflicts have occurred over annexation with creation of the Monashka Bay Service area and the request for incorporation of a first class city in the Monashka Bay area. These conflicts would indicate that the Local Boundary Commission should review the activities and assume a mediating role to resolve these conflicts.

The Department believes firmly the language of Article X, Section 5 of the Alaska Constitution[2] encourages the provision of municipal services by cities and discourages the provision of services on a service area basis by a borough when those services can be provided by a city through annexation. Any territory bordering on a city should be encouraged to annex rather than permitting it to remain as a borough service area, providing the annexation standards are met. Ideally the boundaries should encompass an entire natural socio-economic and political area which is urban in character.

We believe that the four areas studied in this report adequately fall within the urban socio-economic and political influence of the City of Kodiak and generally meet annexation standards.

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[2] Ibid.

The final solution for the problem of the Kodiak urban area may be complete unification or consolidation of the city and borough governments. Resolutions have been passed by both the City of Kodiak and the Kodiak Island Borough regarding unification. At the Borough Assembly meeting on April 7, the Borough Assembly did adopt a Resolution 78-34-R to put the question on the ballot next October. The City Manager has stated that without the total picture of annexation being reviewed and the Local Boundary Commission taking appropriate action, the City believes the present situation would prevail for a number of years. The Borough Manager stated that unification could take place as soon as mid-1979. Also, the Borough Manager contends the most economical solution to the problem would be to dissolve the City and provide municipal services on a service area or areawide basis.

The Department recommends that the Local Boundary Commission consider annexation to the City of the territories proposed based upon (1) the standards of annexation which appear to be satisfied for areas proposed; (2) the city and borough testimony in response to the standards raised and the feasibility of services which would be provided; and (3) the testimony of the residents which will be given at the public hearing.

The Bells Flats-Russian Creek Service area, located immediately adjacent to the Coast Guard Base, was not included in the Official Notice of Public Hearing as an area to be considered. The Department would also recommend that the Local Boundary Commission consider this area for future annexation to the City in view of its relative small size, the estimated borough population of 160 as of 1977, the fact that the Borough has created a service area for road maintenance, and the potential taxable property is estimated to be $3,600,000.

JOAN M. KATZ
Attorney at Law
540 L Street, Suite 101, (907) 274-7634
Anchorage, Alaska 99501

January 26, 1979

Representative Patrick O'Connell
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: City of Kodiak Proposed Annexation

Dear Representative O'Connell:

I enjoyed the opportunity to talk with you yesterday and hear of your experiences with annexation in Kenai. Enclosed, as per our discussion, are copies of the two briefs I have submitted at various stages in this controversy as well as a map supplied by Local Boundary Commission staff. (I, however, am responsible for the color effects.) Please feel free to call me with any questions you may have or any additional areas regarding which you may need further input. I have also contacted Hayden Green at the University and he assures me that he and P. J. Hill, who prepared the economic analysis submitted to the Local Boundary Commission and included in the information being sent to you, will also be available to answer any questions you might have.

I also intend to draw up a summary statement of the Kodiak Island Borough's position in the very near future to update and condense the material being sent to you today. I shall send that to you next week. In the meantime, I look forward to meeting you in Juneau.

Sincerely,

Joan M. Katz

Joan M. Katz

vs

encl.

HIB-28
ADL 200122

KODIAK & VICINITY

State Patented Lands

T27S,R19W,SM

Unclassified			
USS 3465			
Tract B		9.74	A
Lands Classified Reserved Use			
USS 3466			
Lot 11	Cl#315	1.08	A
USS 3098			
Lot 3	Cl#315	1.25	A
4	Cl#315	1.25	A
5	Cl#315	1.25	A
6	Cl#315	1.25	A
7	Cl#315	1.25	A
9	Cl#315	1.25	A
11	Cl#315	1.03	A
USS 3463			
Lot 1A	Cl#315	1.56	A
Unclassified			
USS 3099			
Lot 25		1.55	A
	Total	22.46	A

Excerpt from Land Selection Filed By Dale Tubbs
for the Kodiak Island Borough

EXHIBIT A

RECEIVED OCT 12 1977

10-J&LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

LAND AND WATER MANAGEMENT

SOUTHCENTRAL DISTRICT

3327 Fairbanks Street
Anchorage, Alaska 99503

October 4, 1977

Mr. Stuart Denslow
Borough Manager
Kodiak Island Borough
Box 1246
Kodiak, AK 99615

Dear Mr. Denslow:

This is to acknowledge receipt of Kodiak Island Borough's Municipal Selections, ADL 200122.

Further processing of the pending selections by the Southcentral District Office is not anticipated until completion of legislative action on House Bill 133 which addresses the municipal land selection problems in Title 29 of the Alaska Statutes. If, in the meantime, there are critical priority selections requiring immediate attention or questions regarding your selection status, we will be glad to respond to your needs.

Sincerely,

L. A. Dutton
District Manager

cc: Dale Tubbs
Moening-Grey and Associates

10/5

Dale— Sorry we didn't get these recorded promptly. When I gave your package of selection to Jack Wiles I evidently didn't make it clear to Jack that the selection applications were to go to Records—

There will be no filing Fees this time as the fee has not been officially established.

DuBA

AGREEMENT

DESIGNATING THE CITY OF KODIAK AS THE AGENCY RESPONSIBLE FOR IMPLEMENTATION OF WATER AND SEWER PROJECTS ELIGIBLE FOR FEDERAL FUNDING

THIS AGREEMENT, made and entered into this 2nd day of July, 1970, by and between the CITY OF KODIAK, a municipal corporation, hereinafter referred to as "CITY" and KODIAK ISLAND BOROUGH, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as "BOROUGH",

W I T N E S S E T H :

WHEREAS, BOROUGH is a second class borough and as such has limited authority which does not include the power to provide water or sewer service and

WHEREAS, CITY is a first class city and as such has a Public Works Department and in connection therewith provides sewer and water service to the residents residing within the corporate limits of the CITY OF KODIAK and to some residents residing outside the corporate limits of the CITY OF KODIAK, and

WHEREAS, the parties hereto desire to make application for Federal aid on local sewer and water project and one of the parties hereto must be designated an agency responsible for implementation of such projects.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto mutually agree as follows:

1. CITY is hereby designated the agency responsible for implementation of any water or sewer projects within the area of the road system in the KODIAK ISLAND BOROUGH and is hereby authorized to make application for Federal aid in connection therewith.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officials on the day and year first above written.

CITY OF KODIAK

BY: Richard A. Jones

KODIAK ISLAND BOROUGH

BY:

EXHIBIT B

CONTRACT TO FURNISH FIRE PROTECTION SERVICE

THIS CONTRACT made this 2ND day of ~~May~~ July, 1970, by and between the CITY OF KODIAK, hereinafter referred to as "City" and the KODIAK ISLAND BOROUGH, hereinafter referred to as "Borough", both being municipal corporations organized under the laws of the State of Alaska.

W I T N E S S E T H

WHEREAS, City is an Alaskan municipal corporation, being a home-roll or charter city, and as such is lawfully authorized and empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is an Alaskan municipal corporation of the second class and has under its powers formed a Fire Service District as provided by law and therefore is lawfully authorized and empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is presently without adequate fire protection in its Fire Service District and desires to have the services of City's Fire Department and to pay for such services; and

WHEREAS, City is willing to furnish fire protection to Borough's Fire Protection District provided an adequate payment is made.

NOW, THEREFORE, City and Borough agree as follows:

SERVICES TO BE RENDERED

FIRST: Subject to the conditions and qualifications hereinafter recited, the City will furnish to Borough's Fire Protection District during the period of this Agreement, the services of City's Fire Department to the same extent as if the area encompassed within the boundaries of the Borough's Fire Protection District were a part of the incorporated area of the City.

TERM OF AGREEMENT

SECOND: The term of this Agreement shall be continuous until terminated by mutual agreement of the Parties or by notice of intention to terminate given in writing not less than ninety (90) days before the intended date of termination when such notice is given and which notice may be given by either Party at any time hereafter.

PAYMENT

THIRD: Borough agrees to pay to City during the term of this Agreement an amount equal to the millage rate levied by City for fire protection service in the City, which amount shall be levied and collected on all properties within Borough's Fire Protection District at the same millage rate. City shall give to Borough, in writing, at the time it sets its millage rate, the millage levied for fire protection within the City and that same millage rate shall thereafter be applied to all properties within the Borough Fire Protection District for the ensuing year and this amount shall be paid to City.

CITY IS NOT RESPONSIBLE FOR CONDITION OF FACILITIES

FOURTH: City assumes no responsibility for the condition of the water mains, adequacy of fire hydrants, water pressure or of any of the facilities to be furnished by Borough's Fire Protection District except to render the best service possible under the conditions which exist at any given time.

RESPONSIBILITY OF FIRE CHIEF

FIFTH: In agreeing to give Borough's Fire Protection District the same type and quality of fire protection service as

that enjoyed by the City, it is understood by Borough that the ultimate decision and discretion as to the method and manner of controlling or extinguishing fires is vested in the Fire Chief of the City. Neither City or Borough shall be allowed any priority in dispatching of fire fighting equipment or personnel, but in any given case, the decision shall be in the discretion of the City's Fire Chief.

FIREMEN TO BE MADE PEACE OFFICERS

SIXTH: City does not agree to furnish any peace officers in connection with the response to any fires within the Borough Fire Protection District unless such powers are conferred upon firemen by the laws of the State of Alaska and in that event the powers and authorities shall be limited to that authority granted.

INSPECTION BY FIRE DEPARTMENT

SEVENTH: The Fire Department of City shall have the same right to make inspections of any and all structures and grounds within the Fire Protection District of Borough and to make appropriate recommendations thereon with the same force and effect as the Fire Department has within the City.

BOROUGH TO ABATE FIRE HAZARDS OR NUISANCES

EIGHTH: Borough agrees to take timely action to abate any fire hazard or nuisance when such is called to the attention of the Borough Chairman or Borough Assembly.

INDEMNITY OF FIRE DEPARTMENT

NINTH: Borough agrees that the Fire Department of the City shall have the same privileges and immunities with respect to liability as said Department has in the City.

ADJUSTMENT OR REVISIONS OF BOUNDARIES

TENTH: Borough agrees that if the present geographical boundaries of the Fire Protection District of Borough are reduced or enlarged or expanded, then and in such event City may either refuse to service such enlarged area or this Agreement shall be amended to provide an added consideration for the additional fire protection to be rendered by City or a reduction in the compensatio by reducing the amount thereof by subtracting the millage from thos properties withdrawn.

CITY IS INDEPENDENT CONTRACTOR

ELEVENTH: The management, regulation and control of City' Fire Department shall remain the sole obligation of City, and the relationship of City to Borough shall, upon this Agreement taking effect, be that of independent contractor.

IN WITNESS WHEREOF, the Parties hereto have executed these presents by resolution of their respective governing bodies,, duly authorizing the same.

CITY OF KODIAK

BY: _____
PETE RESOFF, Mayor

ATTEST: _____
NORMA HOLLIDAY, Clerk

KODIAK ISLAND BOROUGH

BY: _____
WILTON T. WHITE, Chairman

ATTEST: _____
ROBERT GRAFE
Borough Clerk

ADDENDUM

TO CONTRACT TO FURNISH FIRE SERVICE

Whereas the parties hereto have heretofore entered into an Agreement whereby CITY agreed to furnish to BOROUGH's Fire Protecti District, the services of CITY's Fire Department to the same extent as if the area encompassed within the boundaries of the BOROUGH's Fire Protection District were a part of the incorporated area of the CITY and

Whereas BOROUGH agreed to pay to CITY during the term of said Agreement, an amount equal to the millage rate levied by the CITY for fire protection service in the CITY but no provision was made, nor account taken of the Capital Improvements of the Fire Department to date or in the future,

Now therefore, the parties hereto agree that the BOROUGH will transfer, and the CITY will accept the equity of the BOROUGH in its fire truck and equipment as the BOROUGH's contribution to the Capital Improvements of the CITY's Fire Department to date, and to make further contributions to the Capital Improvements of the Fire Department through assessment and taxation at the same time and on the same basis as may be done by CITY in the future.

IN WITNESS WHEREOF, the parties hereto have executed these presents by resolution of their respective governing bodies, duly authorizing the same.

CITY OF KODIAK

BY: Rolland A Jones
R. A. JONES, City Manager

ATTEST: Norma Holliday
NORMA HOLLIDAY, Clerk

KODIAK ISLAND BOROUGH

BY: W. T. White
WILTON T. WHITE, Chairman

ATTEST: Robert Grafe
ROBERT GRAFE
Borough Clerk

KODIAK ISLAND BOROUGH

DATE: December 6, 1977

FROM: Borough Assessor/ Ed Haney

TO: Whom It May Concern

At the time of construction in 1973 the cost of building the Kodiak High School gymnasium was One Million One Hundred Fifteen Thousand Dollars ($1,115,000). Reproduction today would be approximately One Million Six Hundred Seventy Thousand Dollars ($1,670,000).

The swimming pool complex in 1973 cost One Million Thirty Five Thousand Dollars ($1,035,000) to build and to reproduce it today would approximately cost One Million Five Hundred Fifty Thousand Dollars ($1,550,000).

Totaling the two (2) buildings together shows a cost to build in 1973 of Two Million One Hundred Fifty Thousand Dollars ($2,150,000).

The reproduction of the two (2) buildings together in 1977 would come to Three Million Two Hundred Twenty Thousand Dollars ($3,220,000).

EH/sv

cc

EXHIBIT D

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
POST OFFICE BOX 886
KODIAK, ALASKA 99615
(TELEPHONE: (907) 486-3131)

JOINT AGREEMENT FOR THE USE & OPERATION OF GYMNASIUMS & SWIMMING POOL

This agreement entered into this 15th day of November 1977, by and between the KODIAK ISLAND BOROUGH, hereinafter referred to as the *BOROUGH*, the KODIAK ISLAND BOROUGH SCHOOL DISTRICT, hereinafter referred to as the *DISTRICT*, and the CITY OF KODIAK, hereinafter referred to as the *CITY*.

WITNESSETH:

WHEREAS, the *DISTRICT* has under its jurisdiction the operation and management of three gyms and one swimming pool within *CITY* boundaries, said gyms being the Kodiak High School gym, the Main School gym, and the East Elementary gym; and,

WHEREAS, the *BOROUGH* contributes to the *CITY* recreation program by making school facilities available to the City Parks & Recreation Department for public use; this they do in lieu of providing recreational funds to the *CITY*; and,

WHEREAS, the *DISTRICT* obligated itself before the election of February, 1972 to running the pool for the public; and,

WHEREAS, it is inconvenient and costly for the *DISTRICT* to run a public recreation program; and,

WHEREAS, said swimming pool and gymnasiums are physically convenient and capable of being used by the *CITY* and its program conducted

by the Parks & Recreation Department; and,

WHEREAS, maximum use can be made of said swimming pool and gymnasium facilities by the joint use thereof of the *DISTRICT* and the *CITY*, and it is in the best interests of the parties hereto and the public that such use be made thereof.

NOW THEREFORE, in consideration of the above premises and the undertaking and convenants of each of the parties as hereinafter set forth, it is agreed by and between the parties as follows:

1. TERMS:

This *AGREEMENT* shall be effective for a term of 7½ months, commencing on November 15, 1977, and ending on August 1 _____, 1978. The *AGREEMENT* may be terminated by either party giving 30 days written notice.

2. USE OF POOL & GYMS:

The *DISTRICT* shall have the right of exclusive use of said swimming pool and gymnasiums upon regular school days, Monday through Friday of each week during each school year, from 7:30 AM to 5:00 PM of each of the said days, except that the *CITY* reserves the right to use the pool or gymnasiums for the public if they are not being used at that time by the *DISTRICT*. The *DISTRICT* shall also, in addition to the hours specified, have the right to use the pool and gymnasium facilities for school activities and athletic purposes, but the gymnasiums and pool shall not be used by the *DISTRICT* for any program designed, or by its nature competitive with the recreation program carried on by the *CITY*. However, the *DISTRICT*

may not retain the gyms or pool for the daily practices of their athletic teams beyond the hour of 7:30 PM.

3. FACILITIES:

The *DISTRICT* facilities which are the subject of this agreement include the pool, the gyms, the locker rooms, together with a limited amount of office storage space.

4. SCHEDULING OF FACILITIES:

The *DISTRICT* shall have first priority in scheduling its activities. After the *DISTRICT* establishes its schedule, the *CITY* shall make up its recreation schedule. The *CITY* must provide the *DISTRICT* with at least one week advance notice prior to commencement or change of the *CITY* recreation time schedule. Once the *CITY* established their recreation schedule, the *DISTRICT* must give the City Parks & Recreation director at least one week advance notice before changing their *DISTRICT* schedule, and this schedule change must meet the approval of the City Parks & Recreation director and the School Superintendent. Use of *DISTRICT* facilities by groups outside the realm of the *CITY* or the *DISTRICT*, at times other than during regular school hours, will be scheduled by the *DISTRICT* Community School Coordinator with the approval of the *CITY* Parks & Recreation director.

5. DENIAL OF FACILITIES:

The *DISTRICT* reserves the right to deny the use of their facilities to groups which by their behavior may either do physical harm to the facilities or participants, or by their presence downgrade the moral

and ethical standards of the *DISTRICT*.

6. CITY OPERATIONS:

The *CITY*'s responsibility is restricted to public use of the gyms and the pool as well as daily maintenance of the pool. This means that the *CITY* will:

a. Hire, terminate, pay, and supervise all *CITY* recreation personnel.

b. Schedule all *CITY* recreation use programs and activities.

c. Do the pool vacuuming, filtration, chemical up-keep, and locker room clean-up.

d. Provide reimbursement to the *DISTRICT* for over-time custodial services incurred when *CITY* recreational activities last later than 10:30 PM, unless prior agreements are made for use of the facility past the alloted time.

e. Provide supervisory personnel for all *CITY* recreation activities and insure that *CITY* recreation participants have vacated *DISTRICT* facilities prior to the supervisor's conclusion of duties.

7. DISTRICT OBLIGATIONS:

The *DISTRICT* will at its sole cost and expense:

a. Provide heat, light, power, water, chemical supplies, and equipment necessary for both *DISTRICT* and *CITY* use.

b. The *DISTRICT* will continue to handle all major mechanical work and the annual pool overhaul.

c. Provide all necessary building maintenance for the gyms, pools, and supporting facilities.

d. Provide regular custodial services during the regular school year when facilities are vacated by *CITY* recreation participants and supervisors by 10:30 p. m.

8. FEES:

Since *CITY* expense for operating the pool must be met by gate receipts, all gate receipts collected by the *CITY* are to be the property of the *CITY*.

9. LIABILITY INSURANCE:

The *CITY* shall at all times maintain and keep in effect liability insurance covering its use of said facilities.

10. PROPERTY DAMAGE

The *DISTRICT* facilities or property thereon damaged or destroyed by reason of the negligence or acts of the *CITY* employees or persons using the *DISTRICT* facilities during the times that said facilities are subject to the exclusive use of the *CITY* shall be the responsibility of the *CITY*, and reimbursement for replacement or repair thereof shall be made by the *CITY* to the *DISTRICT*; provided, however, that nothing herein contained shall be construed to obligate the *CITY* to make repairs for damage which is due to ordinary wear and tear.

11. TERMS OF THIS AGREEMENT

The terms of the *AGREEMENT* may be renegotiated to meet the prerequisities of the Community Education Program.

CITY OF KODIAK

By Ivan L. Wilson
City Manager

ATTEST:

City Clerk

KODIAK ISLAND BOROUGH

By
Borough Mayor

ATTEST:

Borough Clerk

KODIAK ISLAND BOROUGH SCHOOL DSTRICT

By Louise Collins
School Board President

By David C Crowe
School Board Clerk

D. Resolution 68-5-R Setting Amount Owed by City for Payment on Personal Property Taxes. The resolution was read. Mrs. Hajdu inquired why the Borough was just now collecting these taxes from the City for 1967. Mr. Valkama explained that the City could make better use of these funds than the Borough, and so the delay was beneficial to them; and also that the City is just now collecting its 1967 sales tax, out of which this payment is made. Further, the Borough supplemental personal property roll has just been completed for 1967. Mrs. Springhill moved, seconded by Mr. Arndt, that the resolution be adopted. Mr. Burt and Mr. Bullock wished to review the tax returns before any action was taken. Mr. Valkama commented that if further reviews were made, it would probably turn out that the City would owe more money because in 1967 there were no teeth in the law requiring that people living inside the City file for their personal property. Motion carried by unanimous roll call vote.

E. Approval of Tax Adjustments Nos. R-67-38 and R-67-39. Both of these lots were taken by ASHA in 1966 and should have been in ASHA's name for 1967 instead of John Thevik's. Mrs. Springhill moved, seconded by Mr. Bullock, that adjustments No. R-67-38 and R-67-39 be approved. Motion carried by unanimous roll call vote.

F. Approval of November 15, 1968, as Delinquent Date for Second Half Payment of 1968 Taxes. It was explained that the ordinance sets November 1 as the delinquent date, but that enough tax bill forms are left from 1967 to use for 1968 if November 15 is again used as the delinquent date for second half payments of taxes. Mrs. Springhill moved, seconded by Mr. Arndt, that November 15, 1968, be approved as the delinquent date for second half payment of 1968 taxes. Motion carried by unanimous voice vote.

G. Conveyance of Cemetery in USS 3511 to City. Mr. Best stated that the cemetery is presently being arranged haphazardly, and suggested that it be conveyed to the City since they have the necessary staff to properly carry out proper arrangements. After discussion, Mrs. Springhill moved, seconded by Mr. Arndt, that the cemetery in USS 3511 be conveyed to the City for $1.00 with the provisions that it be properly laid out for roads and access and in accordance with the Subdivision Ordinance, insofar as practicable for a cemetery. Motion carried by unanimous roll call vote.

H. Dewitt Fields re Anton Larsen Road. Mr. Fields stated that he had been asked by Okey Chandler on behalf of the people of Anton Larsen Bay and Port Lions to meet with the Assembly concerning the restoration of this road, which is covered now at high tide for one mile. He stated that a petition concerning the road had been submitted to the Governor, and that the reply stated that $500,000 would be required to reroute the road. However, local contractors felt that the road could be sufficiently raised for only $25,000 to $30,000. Mrs. Hajdu suggested that the State be requested to use maintenance funds for this purpose, that they be informed that cost estimates for the job were less than $100,000, and that the road is needed by the families in the area and by the people from Port Lions and Ouzinkie who use it, after coming in by boat, as a means of getting to Kodiak. Mrs. Springhill moved, seconded by Mr. Bullock, that a resolution be drawn up by the attorney incorporating the ideas which were suggested in this discussion to take care of the problem of the Anton Larsen Bay Road. It was suggested that copies of the resolution be sent to the Governor and Kodiak's Representative and Senator. Motion carried by unanimous roll call vote.

X CHAIRMAN'S REPORT

A. Legislation of Interest. Mr. Best pointed out the following legislation of special interest:

HB 375
HB 376
HB 482 for school construction grants.
HB 483--appropriation bill for HB 482.
SB 175--providing for State to pay for defaults of local school bonds. This would help to give Alaska a better bond rating and may lower interest rates.
SB 298--3% education wage tax.

B. Building Inspector's Vehicle. Mr. Best suggested that since the City furnishes gas for the vehicle, the Borough furnish necessary repairs. The Assembly concurred.

EXHIBIT F

KODIAK ISLAND BOROUGH

M E M O R A N D U M

TO: Stu Denslow/Borough Manager

FROM: Ed Haney/Borough Assessor/Appraiser

SUBJ: Lot 1, Hospital Subdivision, USS 1822
Appraised Valuation

DATE: November 29, 1977

This lot (5.92 acres) was transferred from the Kodiak Island Borough to the City of Kodiak in 1968 to be used as a cemetary, recorded in Book of Deeds 21 at pages 92 and 93.

Comparable land in this area was selling for $5,000 per acre in 1968. As this is all high and well-drained land the 5.92 acres would have had a value of $29,600.00.

The 1978 value of this property were it put to it's best use (not a cemetary) would be $25,000 per acre or $148,000. If this land were subdivided into residential lots the market vlaue would total $300,000. This is possible because of adjacent water, sewer and access.

As a cemetary, it's value is almost an intangible, however to purchase land under today's market conditions would come close to the $300,000 figure.

EH/sv
cc

EXHIBIT G

CONTRACT

THIS AGREEMENT, made this 1 day of September, 1977, by and between Kodiak Island Borough, herein called "Borough", acting herein through its Presiding Officer (Title of Authorized Official)

and Alagnak, Incorporated
STRIKE OUT INAPPLICABLE TERMS (a corporation) (a partnership) (an individual doing business as _____)

of Kodiak, State of Alaska, hereinafter called "Contractor".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the BOROUGH, the CONTRACTOR hereby agrees with the BOROUGH to commence and complete the construction described as follows: Road Maintenance and Snow Removal - Bells Flats/Russian Creek Service Area, hereinafter called the Project, for the amount specified in the attached bid schedule. All extra work in connection therewith, under the terms as stated in the General Conditions of the Contract; and at his (its or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, labor, insurance, and other accessories and services necessary to complete the said project in accordance with the conditions, and prices stated in the Proposal, the plans, which include all maps, plats, blueprints and other drawings and printed or written explanatory matter thereof, the specifications and contract documents, all of which are made a part hereof and collectively evidence and constitute the contract.

The CONTRACTOR hereby agrees to commence work under this contract on or before a date to be specified in a written "Notice to Proceed" of the BOROUGH and on a timely call out basis thereafter for the duration of the contract.

EXHIBIT H

The BOROUGH agrees to pay the CONTRACTOR in current funds for the performance of the contract.

IN WITNESS WHEREOF, the parties to these presents have executed this contract in three (3) counterparts, each of which shall be deemed an original, in the year and day first above mentioned.

KODIAK ISLAND BOROUGH

Margaret D. Duros
(Secretary)

BY [signature]
Presiding Officer
(Title)

Shirley Miller
(Witness)

ALAGNAK, INC.
(Contractor)

[signature]
(Secretary)

BY [signature]
President
[redacted]
(Title)

[signature]
(Witness)

Box 1275 - Kodiak, Alaska 99615
(Address and Zip Code)

NOTE: Secretary of the Borough should attest. If Contractor is a corporation, Secretary should attest.

JOAN M. KATZ
ATTORNEY AT LAW
1614 HIDDEN LANE
ANCHORAGE, ALASKA 99501
(907) 274-3804

November 21, 1977

Patrick K. Poland
Staff Assistant to the
Local Boundary Commission
Department of Community
and Regional Affairs
511 West Fourth Ave.
Anchorage, Alaska

Dear Pat:

This is simply to confirm our conversation of last Friday, November 18, 1977. At that time I requested that the Kodiak hearing now scheduled for December 12, 1977 be rescheduled for later in that week to enable me to prepare the Borough's brief in sufficient time so that Commissioners would have the opportunity to review it prior to the hearing. You denied that request. The Borough is now proceeding with the case within the time frame you have set forth. Should the short time allowed appear to prejudice the Borough at a later date, the objection will be reiterated at that time.

I look forward to hearing from you later today in regard to the review of Commissio precedents we discussed.

Thanks for your consideration.

Sincerely,

Joan M. Katz

EXHIBIT I

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

IN THE MATTER OF ANNEXATION OF CERTAIN PROPERTY LOCATED ALONG MILL BAY ROAD, KODIAK;	)
CITY OF KODIAK,	)
Petitioner,	)
vs.	)
KODIAK ISLAND BOROUGH,	)
Respondent.	)

RESPONDENT'S BRIEF

I. Introduction

On October 19, 1977, the City of Kodiak submitted a petition for annexation of certain property located along Mill Bay Road in the Kodiak Island Borough to the Department of Community and Regional Affairs. While deficient in several respects (the most glaring of which was the absence of a resolution or ordinance authorizing the City to seek annexation), the petition was accepted by the Department. The City's case, as revealed in its brief, appears to rest on two principal grounds: first, that residents and property owners of the territory are deriving benefits from the City, such that they should be made to pay a commensurate share of the City's tax burden; and second, that the City could provide services to the territory more efficiently under annexation than could otherwise be accomplished. Intruding onto the specifics of this annexation proposal is petitioner's avowed intent to annex substantial other areas of Kodiak Island. See, Memorandum from Ivan L. Widom, City Manager, to the Local Boundary Commission, dated October 17, 1977.

Contrary to the City's allegations, it is the Borough's position that the best interests of the residents and property owners of the affected territory, and of the local governments involved, would not be served by this proposed annexation. As the Borough shall demonstrate, residents and owners of the territory would gain virtually nothing besides a hefty increase in their local taxes should this petition be successful -- an increase for services for which they presently pay more than adequately. The change in status would only serve to foster conflict, moreover, between the City of Kodiak and the Borough, and between the City and affected residents.

II. Lot Ownership and Configuration Within the Territory

At the outset, some factual clarification is required. In addition to the deficiencies in the petition mentioned above, there appear to be errors contained in the notice of hearing and attached lot descriptions provided by the Local Boundary Commission staff. First, Lots 3, 4, 5, 6, 7, 9 and 11 are identified as belonging to the City of Kodiak. Borough research indicates that those lots are currently patented by the State (patent number 50-64-0228 for lots 3-7, and 50-64-0169 for lots 9 and 11). The Borough, moreover, has filed land selections on these lots pursuant to AS 29.18.190, et seq. (Excerpt from Land Selections filed by Dale Tubbs for the K.I.B., Exhibit A.) The Borough, thus, possesses a specific interest in these particular lots, augmenting its underlying concern for the welfare of its residents in general.

In addition to this error, there appears to be an oversight in regard to Lot 27. This lot has not previously been annexed; nor is it included in the petition. It is

WHO IS THIS MYSTERIOUS OWNER!?!

certainly possible that the City intentionally deleted this lot, perhaps because of known owner opposition to annexation. Such exclusion, however, would result in a continuation of the alleged misalignment of City boundaries. Since this "misalignment" is one of the grounds advanced by petitioner in support of annexation, the absence of Lot 27 is, at best, confusing. It suggests that this annexation proposal may not have been thoroughly analyzed from a thoughtful, planning perspective.

III. Standards for Annexation

Alaska Administrative Code Section 19.AAC 05.010 sets forth specific standards which provide guidelines for annexation. It is recognized that two of these standards ([1] and [3]) are met by this petition. The City raises no issues under Standards (2), (5), (6) and (9). These standards could not, in fact, be met in this case. Petitioner's case rests primarily on the purported fulfillment of Standards (4), (7) and (8). The Borough contends that there is not, in fact, compliance with these standards.

A. There is No Need in the Territory for Municipal Services that Could Not be Provided as Efficiently Without Annexation. (Standard No. 4.)

The City asserts that it can provide various services more effectively under annexation than would otherwise be possible. The City's history, however, and the facts regarding each of those services, suggest differently:

1. Sewer and Water. The City argues that sewer and water services would be extended immediately upon annexation. In fact, under a 1970 agreement between the Borough and the City, the City has long since been designated the agency responsible for implementation of water and sewer projects within the area of the road system in the Kodiak

failure to live up to the terms of this agreement accounts for the fact that services have not previously been extended to the lots within this territory. The City's track record is not one to inspire confidence.

2. Law Enforcement. The City simply describes its police force by numbers of officers and size of budget. The only argument made in this context, however, is that "Due to the nature of the boundaries in this area, certain problems can arise". (Petitioner's Brief, p. 1.) The Borough cannot envision what those problems might be. City police may certainly traverse City boundaries to get from one part of the City to another without violating any laws or ordinances. The only response possible to this broad statement is that the State Troopers provide police service to the territory. Residents and property owners have voiced no complaints about the level of service.

3. Fire Protection. The City's analysis of fire protection is, like its presentation of law enforcement, simply a descriptive one. What should be said is that there would be absolutely no change in fire protection provided the residents and property owners of the territory were the annexation to take place. Borough Fire District No. 1 presently covers this territory and is serviced through contract with the City; the contract provides fair consideration. (Exhibit C.) It might be noted, moreover, that the Borough owns one of the fire trucks utilized by the City, as well as a new ambulance similarly operated by the City and used inside and outside its boundaries.

4. Parks and Recreation. The City outlines its services in the parks and recreation area, and alleges a budget of $128,946 for this department. Apparently the intention is to suggest that Borough residents outside the

City are getting "something for nothing". In fact, the City is able to operate the pool and the gym only because the Borough has made them available. The pool and gym collectively are worth approximately $3,220,000, substantially more than the City's budgeted amount for this service. (Memorandum from Borough Assessor, Ed Haney, December 6, 1977; Exhibit D.) The joint agreement between the Borough, its School District and the City, further delineates the benefits accruing to the City through the use of these facilities. (Joint Agreement for the Use and Operation of Gymnasiums and Swimming Pool, Exhibit E.)

In addition, the Borough adopted parks and recreation powers within the last year, and has contracted for a major parks and recreation study to be completed by April of next year. City residents will undoubtedly benefit from the exercise by the Borough of its parks and recreation power.

5. Library. In describing its library with attached budgetary figures, the City again fails to make any case showing that Borough residents are taking unfair advantage. Petitioner acknowledges the Borough contribution of $15,000 to the library financing. There is no showing that this contribution is grossly disproportionate to the use by non-city residents of the library facilities. And there is also no mention of the fact that the Borough operates four libraries of its own which make interlibrary loans to the City library.

6. Cemetery. The City simply states that the cemetery, with its paid contractural employee, is available to Borough residents. There is no indication of how much this employee is paid; he may in fact be part-time. And there is no mention of the fact that the City acquired

the land for the cemetery in 1968 from the Borough for the price of $1.00. (Minutes of K.I.B. Assembly Meeting, 2/15/68, Exhibit F.) At the time, that land was worth approximately $29,600. At present, its estimated value is $300,000. (Memorandum from Ed Haney, Borough Assessor, to Stu Denslow, Borough Manager, Exhibit G.) Borough residents have more than paid their way into their ultimate resting places. CUTE! Again, the level of service for the territory affected by this petition would not be increased through annexation.

7. Public Works Functions. The City's one-sentence remark in regard to public works provides little to which the Borough can helpfully respond. The fact that the Public Works Department provides street maintenance and snow removal is essentially irrelevant, since the primary road involved is Mill Bay Road, which is state maintained. Should the residents of the area decide that further local roads are necessary, they could finance them through road service districts, rather than taxing the general public for such neighborhood improvements. It might be noted, moreover, that private contractors are available to the Borough to provide competent road service, as is illustrated by the road service district in the Bells Flats-Russian Creek area. (Contract between the K.I.B. and Alagnak, Inc., Exhibit H.) House numbering, the other item mentioned in connection with public works, is a planning function and will be undertaken by the Borough as it proceeds with implementation of its comprehensive plan.

8. Cargo dock, boat harbor, ferry terminal and airport. The City alleges that these facilities are "to some extent" self-supporting, and then claims that general fund contributions have been made to maintain the facilities. Again, the City's lack of specificity renders the Borough's

attempt to be responsive difficult. Borough research uncovered only a $149,703 loan from the City's general fund to the cargo dock. (City of Kodiak, 1977/78 Budget, p. 46.) A loan hardly constitutes a "contribution". The City's presentation in this regard raises two additional questions. First, it is not at all clear that the municipal airport, as discussed further below, is an asset to Kodiak. The extreme hazardousness of this strip might merit its closure, rather than its support by taxpayers money. Second, it is not clear why general fund contributions should ever be used to make up deficits in the operating budgets of these enterprise activities. The people who use them should pay for them; those who do not use them, should not. (pay)

9. Garbage Collection. Residents of the territory would gain nothing new in the way of garbage collection should annexation take place. At present, they have the option of paying for garbage collection or transporting their own refuse to the dump. Under annexation, that option would be removed and they would pay for the service whether or not they wanted it. There has been no showing that such imposition is necessary.

A review of the above services indicates that the City has not demonstrated that it could improve the lot of territory residents through annexation. In fact, as described above, the residents and lot owners would gain virtually nothing to their advantage by way of annexation. As shown on the table below, however, these people would stand to lose a great deal. Best estimates reveal that, assuming the addition of sewer and water to all lots, the cost to lot owners should they remain outside the City limits would be 9.47 mills taxation plus $28.75 per month in water and sewer assessments; if the territory were annexed, the rate would

do these figures (plus those on the next page) include present bonds?

jump to a substantial 16.3 mills, with assessments in the neighborhood of $25.00 per month.

	City Resident	Borough Resident Outside City Limits
Borough Mill Rate	7.2	7.2
City Mill Rate	9.1	-0-
Fire Protection Mill Rate	-0-	2.27
Water	$10.00/mo.	$13.75/mo.
Sewer	$15.00	$15.00
Total	16.3 Mills $25.00/mo.	9.47 Mills $28.75/mo.

How much would the personal property tax drop due to city paying that?

The City has simply failed to make a showing that such a rate increase is warranted or equitable for those affected.

16.30 9.47 6.83

B. Annexation Will Not Enable the City to Improve any Health or Safety Conditions in the Territory. (Standard No. 6.)

As noted previously, the City has not invoked this standard. It would be dismissed without comment were it not for the irony it brings to light. There is, in fact, a serious safety hazard located within the territory. That hazard is the municipal airport. Yet the City, which exercises complete control over this airport and even mentions it among the services provided to territory residents, has failed in its duty to alleviate the significant safety hazard that it poses. There is no reason to assume the City would perform more responsibly should other such problems arise.

C. It is Practical to Provide all Necessary Services to City Residents Without Bringing the Territory Within the City Boundaries. (Standard No. 7.)

Petitioner's brief includes broad statements to the effect that there is a "misalignment of boundaries [which] causes problems with enforcement of City ordinances and with providing certain services to those areas already annexed". That is the extent of petitioner's analysis. In light of joint Borough-City agreements covering water,

sewer, and fire, the Borough cannot envision any problems that might arise because of the existence of a few City lots within the territory. If the problems were significant, the City presumably would never have annexed those lots causing the present "misalignment".

D. The City is Receiving (or Should be Able to Devise Means of Receiving) Ample Reimbursement for the Services Provided Territory Residents and Lot Owners. (Standard No. 8.)

The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p. 2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library; the cemetery exists on a $300,000 plot of land given for $1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

In addition to the direct payments identified above, all Borough residents outside the City fund the City's services and programs, whether or not they receive any benefits from them, through a three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses, whether the service is provided within or without the City. (City Ordinance 3.08.010 et seq.) Virtually all sales of goods and services on Kodiak Island take place within the City, so all residents

Amazing (How much is this in dollars?)

of the Island are sorely affected by this tax. Sales tax receipts, moreover, have been used to pay Borough personal property tax for City residents; owners of personal property within the City have not been required to make such payments out of their own pockets. (City Ordinance 4.04.010B.) Borough residents living outside the City boundaries have thus paid personal property tax twice; first their own, and then a substantial contribution to the payment of taxes for those persons who have personal property located within the City limits. Residents and lot owners in the territory have amply compensated the City for any benefits they might receive.

IV. Procedural Factors Against Annexation

Four intertwined procedural issues are raised by the manner in which this petition has proceeded to date. First, petitioner and the Local Boundary Commission seem determined to propel this matter forward with great speed, presumably because of the approaching start of the Legislative session. Such precipitous action, however, has resulted in failure by the Commission to follow its own guidelines, and has put great strains on the Borough and any other would-be respondent to prepare adequately for the upcoming hearing. Thus, the petition was apparently accepted notwithstanding the fact that no resolution from the City Council was attached (19 AAC 10.040[4]); the sources of information contained in the petition were presented only in a statement, not an affidavit (19 AAC 10.040[2]); and the petition was wrongly addressed to the Department rather than the Commission (19 AAC 10.030). In addition, the interest in reaching a quick determination in this case resulted in a refusal by the Staff Assistant to grant a few days postponement of the hearing. The Borough's attorney had requested such an

extension in order that a well-informed brief might be prepared and presented to the Commissioners sufficiently in advance of the hearing to enable them to receive the evidence with some foreknowledge of both sides of the case. (See, letter from Joan M. Katz to Pat Poland, Exhibit I.)

Second, as noted throughout the course of this brief, the City's presentation to the Local Boundary Commission consists primarily of broad allegations, without substantiating facts. Such material did not put the Borough in a sufficiently informed posture to respond adequately.

Third, the issue of annexation of the petitioned-for territory is clouded by the avowed intention of the City to extend its boundaries to still other areas. Mr. Poland has indicated to the Borough's attorney that the broader issues of annexation of large portions of the Kodiak Island Borough will in fact enter into the Commission's deliberations in the course of the hearing on the Mill Bay Road territory. Yet no petition has been filed on those other, very different areas; there is no way the Borough can prepare any response. Other interest groups, such as the Native population of Kodiak, may have strong feelings when confronted with the full scope of the proposed annexation. It would appear that any and all questions of annexation on the Island of Kodiak should await a proper petition adequately setting forth all the territory sought to be annexed with ample factual basis for the City's position. Absent such a rational approach, serious error might be committed as Commission deliberations are hurried forward without sufficient groundwork being laid. There is no emergency warranting such procedure.

Fourth, and finally, in connection with the intent to annex considerably more territory than is revealed in this petition, it would seem appropriate to handle this matter by

the step annexation procedure. Of critical concern to the Borough Assembly, staff and people they represent, is the fact that no opportunity has been afforded the people of this territory to vote on the issue of annexation. An election would give the Commission precise information regarding the people's views on this matter. It would also go far to reduce the anger and bewilderment experienced by Borough residents who view the non-elective process as an uncharacteristically undemocratic one for this State to be imposing upon them.

V. Conclusion

The only context in which the City's petition is comprehensible is that of a power play, a grab for land which the petitioner has no demonstrated ability to govern effectively. The evidence shows that the residents of the territory would gain nothing from annexation, but would stand to lose considerably from a financial standpoint. Abstract arguments supporting annexation are overshadowed by the reality of the cost-benefit ratio to those lot owners, by the fact that they do not support this petition, and by the realization that there is no equitable reason for increasing the City's tax base. Honest appraisal tells us that the City's track record for the delivery of services and for fair dealing with citizens on Kodiak Island is seriously deficient. There is no basis for granting the petition. There is sound basis for denying it. The Kodiak Island Borough respectfully requests that the Local Boundary Commission reject the City of Kodiak's petition for annexation.

DATED this 9th day of December, 1977.

JOAN M. KATZ, Attorney for the
Kodiak Island Borough

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

IN THE MATTER OF ANNEXATION OF CERTAIN PROPERTY LOCATED ALONG MILL BAY ROAD, KODIAK;	)
CITY OF KODIAK,	)
Petitioner,	)
vs.	)
KODIAK ISLAND BOROUGH,	)
Respondent.	)

CERTIFICATE OF SERVICE BY MAIL

STATE OF ALASKA)
) ss.
THIRD DISTRICT)

THIS IS TO CERTIFY that on this 9th day of December, 1977, a true and correct copy of RESPONDENT'S BRIEF was served on:

City of Kodiak
P. O. Box 1397
Kodiak, Alaska 99615

by placing said copy in the U. S. Post Office, at Anchorage, Alaska, in a properly addressed, postpaid envelope.

JOAN M. KATZ, Attorney for the
Kodiak Island Borough

SUBSCRIBED AND SWORN to before me this ____ day of December, 1977.

Notary Public in and for Alaska
My Commission Expires: _____

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

Re: Proposed Annexation of Certain Lands in the Kodiak Urban Area to the City of Kodiak	)

BRIEF OF THE RESPONDENT KODIAK ISLAND BOROUGH

Introduction

Annexation entails substantial financial, political and practical consequences for property owners and residents of the lands involved. To assess those consequences in connection with the Kodiak situation, three fundamental questions need to be asked: (1) whether annexation would serve any real purpose so far as the territory to be annexed is concerned; (2) whether the alleged equities on the City's part exist in fact, or have been advanced simply to justify a quest for additional revenues; and (3) whether adverse consequences would befall individuals within the territory, or without, should annexation occur. Respondent's analysis of these questions will address the relevant, specific factors set forth in 19 AAC 05.010, as well as the concerns raised in both the letter of May 1, 1978, from Sheila Gallagher to Stewart Denslow, and in the Preliminary Report from the Department of Community and Regional Affairs, dated May 10, 1978.[1] In light of the fact that this proposed annexation is a legislative one, with no opportunity for the people involved to express their opinions at the polls, abstract theories of symmetry in local government should not be afforded excessive weight. The

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(907) 274-7634

[1] The final report was not available at the time this Brief was being prepared.

realities of the Kodiak situation need to be examined.

I. What Needs Exist Within The Territory That Could Best Be Met By Annexation?

Annexation makes sense only if services are needed and desired by the people affected which can best be provided by the annexing government. The evidence in this case, however, is that people outside the City's current boundaries are generally content with not only their government, but also the kinds and levels of services they are presently receiving.

An attitudes survey conducted by the Anchorage Urban Observatory last year indicates that the three greatest concerns for residents outside the City are litter, roads and the high cost of goods.[2] Inside the City, residents are most concerned about the same two priority issues, although roads are placed above litter. The problems of physical isolation and "environment" tie for third place. Outside the City only one person in the sample rated utilities as a top priority; only one identified animal control as such. And not a single person identified police or fire service as the most urgent problem.

These findings are highly significant in reflecting a general, marked absence of desire on the part of people in the affected territory to change the kind, or raise the level, of services they receive - even when no price tag is attached. The only exceptions occur in connection with roads and litter.

a. Roads. Kodiak's roads are essentially State maintained, with only 13 miles of road under City jurisdiction and 15.5 miles within the Borough's authority. Annexation for the purposes of road maintenance would be nonsensical for two reasons. First, the people within the City are more dissatisfied with the condition of their roads than are the people outside the City,

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[2] For more detailed information on this survey see Kodiak Island Borough Economic Analysis, submitted by Drs. Green and Hill as part of the Borough's presentation in this proceeding.

suggesting that the City is hardly the appropriate government unit to undertake further road work. In addition to the findings of the Urban Observatory study in this regard, there is the testimony of City residents like Charles Davidson, who stated at the December 12, 1977 hearing that he was opposed to annexation in light of the City's inability to adequately pave and/or oil the roads within its current jurisdiction.

Second, Borough voters have recently elected to adopt road power within Service District I of the Mill Bay-Monashka Service area. This power will enable the Borough to offer road service to those areas in which the property owners vote to foot the bill. Such an undertaking has previously proven successful in the Bells Flat area, where private contractors provide road maintenance. (See Exhibit H to Respondent's Brief of December 9, 1977, regarding the proposed Mill Bay Road Annexation.)

Comments by the Local Boundry Commission staff concerning the absence of a Borough public works department to provide road maintenance are irrelevant to the Kodiak situation. As indicated previously, the roads at issue here do not cover hundreds of miles, but rather approximately 15.5 miles. Private contractors are not only capable of providing maintenance, grading, snow removal, etc. for this amount of road surface; such contractual arrangements would seem to be a boon to the local economy. Finally, it should be noted that in Fiscal 1978 the people of the Russian Creek and Bells Flat areas voted to spend $38,000 on road maintenance for nine miles of road while the City spent $1,110,014 for 13 miles of road maintenance and construction. The people currently living outside the City's boundaries should continue to have the right to choose to spend $38,000 vs. $1,110,01 if they are satisfied with the lower level of service. Annexation would deprive them of that right to choose.

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(907) 274-3804

b. Litter. Litter, the other major concern of Kodiak residents in and outside of the City, also provides no basis for annexation. The State again has responsibility for maintaining

its roadways and would be charged with litter removal in those areas. The Borough, pursuant to its planning, road and health powers would similarly be able to undertake this responsibility. To support its case for annexation, the City would seem to have the burden of showing that it could better meet this problem.

c. Sewer and Water. The only additional, significant need that the Local Boundary Commission might want to examine would be that for sewer and water. In some areas of the Borough outside the City, sanitation standards necessitate, and the people desire (although not as a top priority) sewer and water improvements. The analysis submitted by the independent consultants from the Alaska Urban Observatory indicates that there is no reason to believe the City could meet these needs at less cost than the Borough. Unlike the services of roads and police, moreover, sewer and water are public utilities, in the same category as telephones. As such, they must pay their own way. They could, theoretically, be provided by a private corporation. The expansion of sewer and water into the territories in question should, therefore, have no bearing on the issue of annexation. (See Green and Hill, Kodiak Island Borough Economic Analysis, at 7.)

A review of services needed in the affected territory thus reveals that annexation represents a theory without any practical application or rational nexus to the facts of this case. There is no cry for expanded police protection. There is no reason to deprive private contractors of the opportunity to provide road maintenance at the level the people can afford. In his letter of December 16, 1977 to Mr. Strandberg, the City Manager himself acknowledged: "I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need to annex. This is especially true in the Kodiak urban area". (Exhibit A, at 2-3) The point made by Drs. Green and Hill, of

course, is that not even sewer and water requirements create any need or justification for annexation. From the territory's standpoint, annexation is simply not needed in any way, to provide any service.

II. Is the City Entitled To Annexation For Reasons of Equity?

It is arguable, though Respondent would oppose this notion, that even without a need for annexation, such action could be required if the City is presently being placed in an inequitable position by virtue of non-City residents' use and enjoyment of City facilities and services. The City took this position in its Mill Bay Road petition brief; the information presented by Respondent in connection with that annexation is equally applicable here. Respondent's previous brief summarized the facts regarding specific services mentioned by the City in its plea for "equity" as follows:

> The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p.2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library· the cemetery exists on a $300,000 plot of land given for $1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

Also mentioned in Respondent's previous brief was the highly significant fact of the three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses. Strong concern with the "high cost of goods" as expressed in the Urban Observatory attitudes survey, indicates the substantial impact of this tax. In a memorandum prepared at the time of the previous annexation hearing in Kodiak,

the Borough Planning Director researched his own financial situation and presented figures establishing that as a non-City resident, he was paying more taxes to the City (as a result of the sales tax) than he was contributing to the Borough through personal and real property taxes. (Memorandum from Planning Director to Borough Manager, December 6, 1977, Exhibit B.)

Local Boundary Commission regulations contemplate that measures such as sales taxes can be used as alternatives, not supplements, to annexation. 19 AAC 05.010(a)(8) provides in part:

> In determining whether [property owners in the territory receive the benefit of City services without commensurate tax controls] the Commission will consider alternate methods available to the city for offsetting the cost of providing services to individuals or property beyond its property taxation powers . . . .

Through this sales tax (plus the contribution to firefighting equipment, dock user fees, etc.), non-City residents of the Borough more than pay their way They pay not only for benefits they receive, but for benefits innuring only or principally to City residents. For example, $60,000 received from sales tax revenues (to which non-City residents contribute as much per capita as City residents) has been used to finance construction of water and sewer facilities within the City in the 1977-78 fiscal year. (City of Kodiak Budget 1977-78 Fiscal year.) Even more significant perhaps, a substantial percentage of the property taxes owed by City property owners are being paid by sales tax receipts garnered from non-City residents as well as City residents. While the appraised value of City property should have netted the City 1.3 million dollars in tax receipts, in fact only $655,000 is being collected. (City of Kodiak Budget 1977-78 Fiscal year.) Where is the equity in such an arrangement? If City residents are not even paying their own property taxes at this time, what possible justification can there be for seeking to tax people currently outside the City boundaries?

It is apparent, thus, that if any group of people is being treated inequitably, it is the territory residents: they pay City bills through sales taxes while contributing directly through user fees and the like for services that they utilize. The City, in truth, simply wants to spread it's overhead a little thinner - an understandable position, but one decidedly negated by the equities of the situation.

III. Would Annexation Have Any Adverse Effects Upon Territory Residents Or Other Kodiak Citizens?

It is evident that annexation is not warranted because of any need for City services or from any equitable standpoint. It should be recognized, in addition, that annexation could be extremely harmful to territory residents - and ultimately to the Kodiak community at large.

Respondent's previous brief on Mill Bay Road attempted to illustrate the relative costs to territory residents of provisions of water and sewer services with and without annexation. On the assumption that territory property owners would pay existing City taxes to acquire such services, it was determined that the price tag for the annexed resident would be 16.3 mills plus $25.00 per month in assessments, as opposed to 9.47 mills and $28.75 per month for non-City residents. (Respondent's Brief 12-09-77 at 3.) Drs. Green and Hill have calculated potential mill rates under annexation on the alternative assumption that annexation would simply shift some of the City's cost to the new territory. In that case the mill rate for City residents would be 15.19 mills - as opposed to 9.47 for non-City residents receiving sewer and water. (See Green and Hill at 12.) The difference under either method of calculation, is clearly substantial.

There is another consideration however, which is as important as the economic detriment to be suffered through annexation.

This is the potential effect on this relatively small community of the hostility that would be engendered by the imposition of annexation on a group of people who are adamantly opposed to it. An effort at unification was initiated by the City on October 27, 1977. (Resolution 23-77, Exhibit C.) The Borough responded in good faith, and scheduled a day long workshop attended by members of the public, City and Borough officials, a representative from Community and Regional Affairs and the former attorney of the Anchorage Charter Commission. As a result of that meeting, the Borough Assembly voted unanimously to put the question of unification on the ballot this Fall. (Resolution No. 78-34-R, April 6, 1978, Exhibit D.)

Unification is an appropriate means by which to avoid duplication of government units and promote more efficient government. Most importantly, it is also a means well suited to healing political wounds and allowing citizens to work together toward common goals. If the Local Boundary Commission were to try to design a tool aimed at destroying any hope for unification in Kodiak, it could propose no better means than the contemplated annexation. As testimony at the December 12, 1977 hearing established, many citizens of the Borough outside the City limits are bitterly antagonistic towards the City as a result of actions or inactions attributable to that government. Many citizens, further, are outraged by their lack of opportunity to vote their views on the annexation question. Should City dominion now be imposed upon them, the chances of a harmonious movement towards unification would be destroyed.

Conclusion

Annexation may have a theoretical appeal along the lines of political neatness. Theory is not reality, however, and the fact is that without annexation there will be service districts,

with annexation, there will probably be differential taxation with inconsistent levels of service, and with unification, there would still -- and again -- be service districts. The diference between the present situation and annexation -- the only two options available to the Local Boundary Commission -- is in the degree of choice to be exercised in the annexed territory. And that choice of course translates into substantial impact on the pocketbooks of the property owners involved.

The Local Boundary Commission is undoubtedly cognizant of its significant power and responsibility in considering legislative annexations. Respondent urges the Commissioners to ask themselves the three questions posed in this Brief while deliberating the merits of this case. The answers, the Borough feels confident, will show no need for services that the Borough cannot provide at a cost comparable to or lower than the City; no inequity done to the City by non-City residents; and adverse effects on both territory residents and other Kodiak citizens alike should annexation be approved. In light of these realities, Respondent respectfully submits that legislative annexation in this case would be an abuse of discretion. Respondent requests that annexation be denied.

DATED this 15th day of May, 1978.

Joan M. Katz

JOAN M. KATZ
Attorney for the Kodiak
Island Borough

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

Re: Proposed Annexation of Certain Lands in the Kodiak Urban Area to the City of Kodiak	)))))

CERTIFICATE OF COUNSEL

I, Joan M. Katz, counsel for the Kodiak Island Borough, certify that a copy of the Brief of the Respondent Kodiak Island Borough was delivered to the staff of the Local Boundary Commission for service on the City of Kodiak this 19th day of May, 1978.

JOAN M. KATZ
Attorney for the Kodiak
Island Borough

JOAN M. KATZ
Attorney at Law
540 "L" Street, Suite 101
Anchorage, Alaska 99501
(907) 274-7634

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

December 16, 1977

Mr. Sigvald J. Strandberg
Chairman
Local Boundary Commission
Department of Community and
Regional Affairs
511 West Fourth Avenue
Anchorage, Alaska 99501

Kodiak Island Borough
KODIAK, ALASKA
RECEIVED
DEC 19 1977

Dear Mr. Strandberg:

I do not envy the Commission's position when attempting to relate to the problems such as we have here in Kodiak. I respect your willingness to listen to many statements that are irrelevant; however, I do not believe they should bear much weight in your decision.

When I finished my initial remarks, I asked for an opportunity to reply to the Respondent's Brief. For one reason or another, you did not honor my request. I realize your desire not to prolong the hearing; however, there were many points that were made that were not true. It is too bad that you were not willing to give me an opportunity to clear them up for you and those attending the meeting.

I think it should be made known in what capacity your fellow Commission member, Ms. Gallagher, is working for the Borough. It is obvious that if her employment has anything to do with any of the issues mentioned in the annexation proceedings she should disqualify herself from any court proceedings, as well as Commission activities. Her ability to ask questions during the hearing that would bear on possible litigation would seem reason enough for her to disqualify herself. I would like to hear from you or Ms. Gallagher regarding this issue.

There are several points I would like to make that were brought out in the testimony of the citizens.

EXHIBIT A

1. The City sewage treatment plant is 100% funded by the Federal and State Governments and City of Kodiak. The City's portion is financed in part by general obligation bonds. There are no Borough funds involved in this sewage treatment plant.

2. It is obvious that the City is not going to reap any huge benefits from the annexation proposal. Half of the lots are in public ownership, there are no industries, pipelines, etc. that would constitute a windfall to the City if the annexation did occur.

3. Postponing the decision on this annexation until after the legislature begins is not fair. The merits are quite obvious. I should not have to go into any detail on this.

4. As far as I could ascertain, there was not one registered voter from the area in question who spoke against the annexation. If an election were held rather than the public hearing, none of those people would have been able to voice their opinions. I think it was incumbent upon the Commission to make this clear. One of the items I wished to make known was that no resident of the area spoke on the annexation. The only people involved were property owners and those renting or leasing for business purposes.

5. At the Borough meeting on December 1, I tried to explain that the annexation of the Mill Bay Road area was the only item to be considered at the hearing. The Borough overreacted and sent out notices to all post office box holders as well as the notices in the paper. I feel that it is this kind of activity that turns people off toward government and makes all our jobs more difficult.

6. As I understand it, there are five members of the Boundary Commission and since two can hold a public hearing but three need to make a decision, the other two members that were absent also need to concur in the decision to hold another public hearing on this annexation.

It is quite obvious that the residents of the Borough and City residents who own property in the Borough are against annexation because of the additional financial burden. As far as I am concerned, that is no reason for these people not to be annexed. From your comments, you seem to have similar feelings. I am going to ask the Council of the City of Kodiak to wait six months before meeting with the Boundary Commission again since no annexations can occur until 1979. The Borough will go ahead with their service areas and unnecessary duplication of taxing structures will automatically result. I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need

to annex. This is especially true in the Kodiak urban area.

I would like to take this opportunity to thank you for visiting with us. I really feel that you have quite a burden on your shoulders. I appreciate that fact only too well; however, I still feel that you have accepted your positions of trust and you have a responsibility to the municipalities that are depending on you for proper decisions.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom
City Manager

ILW/lp

cc: Commissioner MacAnerny
Governor Hammond
Senator Poland
Representative Snider

KODIAK ISLAND BOROUGH

CONFIDENTIAL MEMORANDUM

TO: Borough Manager

FROM: Planning Director

SUBJECT: Individual Breakdown of City and Borough Taxes

RE: Information Required by Counsel

DATE: December 6, 1977

During our discussions with Mrs. Joan Katz, she requested I prepare a breakdown of my estimated Kodiak Island Borough Real and Personal Property Tax as well as the amount of Sales Tax collected by the City for goods and services.

The following reflects the assessed valuation of the real property I lease:

Land	Building	Total	KIB Mill Rate		Amount of Tax
$8,900	$32,890	$41,790	$9.50	=	$397.00

Personal Property:

Description	Valuation		Mill Rate	Amount of Tax
1965 Dodge ½ Ton P.U. w/Camper	$ 500			
1974 Buick 2 Dr. H.T.	2,975			
1973 Chevrolet K5 Blazer	2,900			
1969 5-HP Outboard Motor	50			
Total	$6,425	x	$9.50	$ 61.04
Total Amount of Tax Revenue Collected by K.I.B.				$440.04

The following reflects the estimated Sales Taxes I pay:

EXHIBIT B

CONFIDENTIAL MEMORANDUM

To: Borough Manager
From: Planning Director
Subject: City and Borough Taxes, Individual Breakdown
Date: December 6, 1977

Sales Taxes:

Item	Amount of Tax (Month)
Food	$ 21.00
Telephone	2.25
Electricity	2.55
Fuel Oil (Furnace)	7.50
Clothing	3.00
Automobile Gas and Oil	1.80
Tire Repair	.54
Cosmetics	1.00
Water	.42
Dry Cleaning	.60
Cable Television	.51
Entertainment (Movies)	.75
Appliances (Large & small, Replace & repair)	1.05
Cards, Gifts, Candy	1.50
Books, Magazines, Newspaper	1.00
Meals Out	6.00
Beverages	5.00

Average Amount of Sales Tax Paid to City of Kodiak, $ 56.47 per Month;

Total Yearly Amount Sales Tax Paid to City (x 12), $ 677.64

Average of Combined City and Borough Taxes for non-City Resident, $1,117.68

Percentage of Total Tax Paid to the City of Kodiak, 60.629%

Percentage of Total Tax Paid to Kodiak Island Borough, 39.370%.

Of the $440.04 paid to the Borough, 2.27 Mills or $109.44 were paid over to the City of Kodiak for fire protection, thus leaving the Borough with a net tax collected in the amount of $330.60, and the City of Kodiak with a total $787.08.

Percentage of Adjusted Total Tax Paid to the City, 70.421%,

Percentage of Adjusted Total Tax Paid to the Borough, 29.579%.

Respectfully submitted,

H Milligan

Harry Milligan

CITY OF KODIAK
RESOLUTION NUMBER 23-77

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK REGARDING THE ESTABLISHMENT OF A JOINT COMMITTEE TO STUDY UNIFICATION

WHEREAS, major changes are occurring in the entire Kodiak Island Borough, and

WHEREAS, the tax base is not sufficient to support excessive governmen and

WHEREAS, the relationships between the City of Kodiak and the Kodiak Island Borough demand close cooperation and coordination, and

WHREEAS, unification of the two governments might be in the best intere of the residents of the Kodiak Island Borough;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodi wishes to participate in a study task force along with the Borough Assembly members and private citizens to study the advantages and disadvantages of unification and to recommend whether or not unification would be in the best interest of the residents of the Kodiak Island Borough. The Council respectfully requests the Borough Assembly to participate in this task force and to meet with the Council in worksession to determine how best to implement this study group.

PASSED AND APPROVED this 27th day of October, 1977.

Tom Fort
MAYOR

ATTEST:

Libby Presnall
CITY CLERK

EXHIBIT C

KODIAK ISLAND BOROUGH
RESOLUTION NUMBER 78-34-R

A RESOLUTION PLACING BEFORE THE VOTERS OF THE KODIAK ISLAND BOROUGH THE QUESTION OF ELECTION OF A CHARTER COMMISSION TO PREPARE A UNIFICATION CHARTER.

WHEREAS, Alaska Statute 29.68 provides a method whereby a borough and the cities within it may be united into one government under a home rule charter, and

WHEREAS, the Assembly has determined that the voters of the Kodiak Island Borough should be given an opportunity to determine whether they wish to create a charter commission to prepare a home rule charter to be approved or disapproved by separate vote of the voters within and outside first class cities at a subsequent election.

NOW THEREFORE BE IT RESOLVED by the Kodiak Island Borough Assembly:

Section 1. The following proposition shall be submitted to the voters at the next regular Borough election to be held on October 3, 1978, which is at least 90 days after adoption of this resolution:

Shall a charter commission be formed (and charter commission members be elected as elsewhere provided on this ballot) to perpare, adopt and submit to the voters for their approval or rejection a proposed charter uniting Kodiak Island Borough and all cities within it as a single unit of home rule government having the powers, duties, and functions of a unified government as authorized by law?

Yes ( ) No ( )

Section 2. Effective upon the adoption of this resolution, a call is issued for nominations of charter commission candidates, specifying the filing deadline, and outlining the procedures for making nominations as follows:

(a) Eleven qualified voters shall be elected to a charter commission. Three (3) at large and eight (8) from (1) cities, or (2) the area outside cities. The number of members elected from cities and from the area outside cities shall be proportionate to the respective populations, as determined by the Department of Community and Regional Affairs.

(b) Charter commission candidates shall be nominated by petition signed by at least 50 qualified voters of the area from which the candidate seeks election, or by a number of qualified voters from that area equal to at least 10 per cent of the number of votes cast from that area in the last regular Borough election, whichever is less.

(c) Nomination petitions shall be filed with the Borough Clerk not later than September 1, 1978, which date is at least 30 days after notice of the call for nominations has been given through the Borough. Nominating petition forms shall be provided by the Borough Clerk.

EXHIBIT D

(d) Procedures for acceptance of petitions, withdrawal of petitions and other election matters shall comply with all requirements of State law, and with the requirements of Title 2 of the Code of Ordinances of the Kodiak Island Borough to the extent consistent with State law.

Section 3. The vote on the proposition stated in Section 1 shall be tabulated in two separate classification

One classification shall consist of all votes cast in the (first class and home rule cities) of the Borough. The other classification shall consist of all votes cast in the remaining areas of the Borough. In order for unification to be approved, it is necessary that a majority of the votes in each classification favor unification.

If unification is approved, those charter commission candidates who received the highest number of votes from their respective areas shall serve as members of the commission.

PASSED AND APPROVED by the Assembly of the Kodiak Island Borough this 6th day of April, 1978.

KODIAK ISLAND BOROUGH

BY Betty J. Wallin
Mayor

ATTEST:

Shirley Miller
Borough Clerk-Treasurer

G. Hayden Green, Ph.D, MBA

University of Alaska, Anchorage
3221 Providence Dr.
Anchorage, Alaska 99504

Betty Wallin, Mayor
Kodiak Island Borough
Kodiak, Alaska

Honorable Betty Wallin:

In accordance with your request, Dr. P.J. Hill and I conducted an analysis to determine the economic consequence with regard to the matter of annexation of portions of the Kodiak Borough by the City of Kodiak. To facilitate the study, we have thoroughly dissected the annual operating budgets of both governmental entities, that is, the Borough and City, and analyzed a substantial amount of information contained in reports produced by other consultants and government entities.

We have generally concluded that the residents in the area being considered for annexation will not derive appreciable economic benefit from the City's proposed boundary expansion. From an economic prospective, the only justifications for expanding the governmental and taxing authority of the City are: (1) if the residents outside the City are dissatisfied with the level of service they are receiving, (2) if the City can provide services more efficiently and economically than the Borough and (3) if residents inside the City are carrying a disproportional burden for service shared by area-wide residents. Relevant information suggests that none of these conditions exist; therefore, annexation is not warranted. The basis for these conclusions are summarized in numerical order throughout the remainder of this report.

Sincerely,

G. Hayden Green, Ph.D.

P.J. Hill, Ph.D.

G. Hayden Green, Ph.D, MBA

KODIAK ISLAND BOROUGH ANNEXATION ECONOMIC ANALYSIS

1. Borough residents level of satisfaction with existing services:

Members of the Anchorage Urban Observatory research staff were commissioned to conduct a survey of attitudes of residents in the Kodiak Borough as part of an OCS impact study in 1977. As part of that study, respondents were asked questions regarding their level of satisfaction with services received. A total of 472 individuals completed the survey. To determine if the level of satisfaction with services received varies between residents within the City and those residents in the proposed annex area, some additional computer and statistical analyses were conducted of the original questionnaire responses.

Individuals living in the village who responded to the questionnaire were omitted. The balance of the respondents were separated into two groups, that is, those people within the City limits and those in the proposed annex area. One question asked was, "What do you dislike about your area?" Of the 199 respondents living within the City, 15.1% listed roads; and 13.1% listed litter as their main area of dissatisfaction. Of the 119 individuals responding to the questionnaire who live in the proposed annex area, 12.6% listed roads; while 13.4% listed litter. This was the area with which residents registered their greatest level of dissatisfaction (roads and litter). In the Table attached, it can be seen that very little difference exists between the level of dissatisfaction with services between individuals living within the City limits and those living outside. In fact it should be noted that, while 2.5% of the respondents living within the City listed police and fire protection as their number one concern, not one person living outside the City listed it as an area of dislike. (See Table 1)

In another question residents were asked to rank several factors which they considered major problems facing the Kodiak Borough. In Table 2 the percentage of individuals listing various factors as their number one concerns are shown. It should be noted that only 5 percent of the respondents living outside the City listed inadequate public facilities and services as a primary concern.

A third question queried residents about those areas they felt were the communities' most pressing needs. Again, we separated respondents within the City and those in the proposed annex area. The factors listed as being the most pressing need were housing and roads by both sectors of the areas' population. Nine percent of the City's residents listed public services, water and sewer as a pressing need; while only 4.2 percent outside the City listed it as their first concern. (See Table 3)

In a subsequent question, residents were asked to rate community facilities and service as either presently being adequate, needing upgrading at the present time or needing upgrading in the future. A perusal of Table 4 suggests that residents outside the City have equal concerns with the level of services they receive. (See Table 4)

Several important implications pertinent to the issue of annexation are gleaned from the survey data:

1. Individuals within the City limits and those persons outside the City have similar attitudes towards the level of service they receive, that is, a comparable level of satisfaction with regard to public goods in relation to their cost.

2. The services of greatest concern to both City and Borough residents are roads and litter conditions. According to state records, the City maintains 13 miles of roads; while the Borough maintains 9 miles of roads. The remaining road system is state or privately maintained. The survey results suggest that residents do not perceive the City as doing a better job maintaining their road systems than the Borough is with its roads.

3. The survey results clearly suggest that the City is not more astute at providing services to local residences than the Borough government. There is some dissatisfaction among City residents with some services provided by the City of Kodiak, i.e. law enforcement, animal control, airport, parks, and roads. Within those services provided area-wide by the Borough, there exists a relatively high level of resident satisfaction, i.e. medical service and education.

4. The survey results indicate that individuals in the outlying areas are satisfied with the level of service they are receiving. This would suggest that the initiative to expand the boundaries of the City limits originated within the City or from a minority group.

TABLE 1

KODIAK ISLAND BOROUGH COMMUNITY ATTITUDE SURVEY

WHAT RESIDENTS DISLIKE MOST ABOUT / REA

CATEGORY LABEL	RELATIVE FREQ (%) CITY	RELATIVE FREQ (%) BOROUGH
NR	3.5	1.7
Environment	6.5	6.7
Roads	15.1	12.6
Litter	13.1	13.4
Utilities	1.5	0.8
Poor Govt.	2.5	2.5
Animal Control	1.5	0.8
Pub. Transport.	0.5	0.8
Police-Fire	2.5	0
Lack Recreation	2.0	1.7
Trans. Facilities	1.5	0
Planning-zoning	1.5	4.2
Devpt.-Growth	3.0	3.4
Oil Devpt.	0.5	0
High Costs Goods	5.5	10.9
High Cost Land	2.0	0.8
High Taxes	0.5	0
Inflation	3.0	2.5
Lack Housing	5.0	5.0
Physical Isolation	6.5	6.7
Pop. Growth	4.5	7.6
Alcohol Abuse	3.5	1.7

TABLE 2

MAJOR PROBLEM FACING THE KODIAK BOROUGH

	C y Residents	Outside City Residents
Inadequate Public Facilities and Services	10.6	5.0
OCS Impact	13.1	21.8
Shortage of Housing	48.2	41.2
Conflicting Land Use	13.1	15.1
Preservation of Cultural Diversity	4.5	4.2
Preservation of Natural Environment	8.5	10.9
Other	9.0	5.0

TABLE 3

COMMUNITIES' MOST PRESSING NEEDS

	RELATIVE FREQ. (%) CITY	RELATIVE FREQ. (%) BOROUGH
NR	8.5	8.4
Housing	36.7	42.9
Jobs	1.0	0.8
Roads	6.0	3.4
Road Maintenance	1.0	1.7
Road Constr.	0.5	0
Better Govt.	1.5	1.7
Open up Land	1.5	4.2
Land for Building	2.0	1.7
Boat Harbor	1.5	0.8
Env. Protection	0.5	0
Alt. Energy	0.5	0.8
Protect Fishing	0.5	0.8
Plan Slow Growth	4.5	5.0
Control Oil Devpt.	1.0	1.7
Interethnic Coop.	1.0	0.8
Enforce Zoning	1.0	0
Public Services	3.0	1.7
Water-Sewer	6.0	2.5
Pest Control	1.0	0
Alc-Drug. Rehab.	3.0	0

TABLE 4

ATTITUDE TOWARD COMMUNITY FACILITIES AND SERVICES

ATTITUDE TOWARD	PERCENT WHO RESPONDED PRESENTLY ADEQUATE		PERCENT WHO RESPONDED NEEDS UPGRADING NOW		PERCENT WHO RESPONDED WILL NEED UPGRADING	
	City	Outside	City	Outside	City	Outside
Water Utility	30.2	16.8	37.2	39.5	25.6	24.4
Sewer Utility	29.1	14.3	40.7	47.9	20.6	16.0
Electric Utility	23.1	19.3	42.2	40.3	29.1	31.1
Refuse Collection	42.7	35.3	27.6	23.5	23.6	26.1
Telephone Utility	15.6	21.8	63.3	54.6	15.1	17.6
T.V. and Radio	25.6	22.7	53.8	58.8	12.1	13.4
Highway and Roads	11.1	10.1	72.9	79.0	9.5	5.0
State Airport	30.2	42.0	41.7	36.	20.6	19.0
City Airport	18.1	26.1	44.7	47.9	13.6	9.2
Kodiak Dock	37.2	45.2	31.7	26.1	21.1	21.8
State Ferry	52.8	55.5	28.6	22.7	11.1	17.6
Law Enforcement	25.1	31.1	51.8	45.5	16.1	17.6
Fire Protection	55.8	43.7	17.8	25.2	18.1	23.5
Animal Control	29.6	21.8	48.2	51.3	10.1	10.9
Emergency Medical	45.2	52.9	24.1	26.9	20.6	15.1
Court System	30.2	35.3	44.7	45.4	16.1	10.9
Elementary School	40.7	36.1	33.2	31.9	18.6	21.8
Secondard Education	36.2	32.8	37.7	37.0	18.1	20.8
Community College	44.7	47.9	23.6	25.2	21.1	20.2
Medical Service	43.2	50.4	35.2	28.6	16.1	12.6
Sanitation	29.1	23.5	45.7	47.9	15.1	18.5
Public Assistance	26.1	25.2	52.8	50.4	6.0	9.2
Employment	46.7	42.0	28.6	28.6	11.6	17.6
Social Services	43.2	44.5	31.2	26.9	12.6	16.0
Parks	28.6	25.6	41.2	47.1	22.6	13.4
Recreation Facilities	23.6	21.8	46.2	49.6	20.1	12.6
Open Space	44.7	37.0	27.6	31.9	11.1	10.9
Museum	67.3	62.2	12.1	19.3	16.1	12.6
Library	69.3	68.9	8.0	14.3	18.1	13.4
Postal	14.6	17.6	62.8	70.6	14.6	10.1

2. Can the City provide services more efficiently and economically than the Borough?

One other area upon which the annexation decision should be predicated is the cost of providing public services. The City asserted in the original petition that it could provide services to the area in question more efficiently through annexation than otherwise.

In discussing this, several things need to be well defined. First, it is desirable to separate public goods from public utilities especially with respect to governmental finance. There are some goods that local governments provide that are, in reality, public utilities. Sewer and water systems fall under this category. Those who receive the benefits from these goods are easily identified; and these systems should, if possible, be supported by user fees. These facilities should not be financed by general taxes.

Secondly, with respect to the financing of public goods, it is possible to go the service district route efficiently. All that is required is an institutional arrangement whereby those who receive the benefits can be assessed in proportion to the costs. (The costs would include some prorata share of the fixed plant, not just thin marginal cost.) There is no loss in efficiency in doing this through service districts, and there is no economic reason for necessitating annexation. Expansion of services may produce some economies of scale (the larger the operation, the lower is the cost per unit of output); yet these can be realized without annexation. The service district would seem a more desirable route because of the ability of the residents to choose which public utilities they want.

Public goods are those types of goods which must, by necessity, be provided through taxation (police, planning, general administration, parks, etc.); yet there is no reason to believe that they require the annexation process. They could be provided on the basis of service districts and differential taxation. It should be remembered that the benefits of the service (public good) do have geographical limitations.

Further, it is doubtful than any particular government has a unique advantage in terms of production costs. Both the Borough and the City have to buy their resources in the same market, and they face the same types of technology. There is probably no economic rationale for having a service provided by one government over another.

To provide a basis for comparing the cost and operating efficiency of the two governments, we used the 1977/78 operating budgets of the two entities. (See Table 5)

It should be noted that several duplicated positions exist within the Borough and City governments. These will not be eliminated if the City boundaries are expanded.

A preferable alternative to annexation would be unification. If the two governments were unified, the positions listed in Table 6 could be eliminated. It should be noted, however, that the historical experience of unification efforts have not resulted in substantial cost savings. Where costs are saved in one area, they are often absorbed in others. The primary advantage of unification is the elimination of the conflict that often arises where two governments serve the same citizenry.

TABLE 5

BOROUGH AND CITY BUDGETS

GENERAL COST Executive & Clerk	City	Borough
1. Travel & Per Diem	6,870	8,780
2. Compensation Mayor council	2,760	4,800
3. Legal	55,000	16,500
4. Capital Expenditures Office Machines, etc.	10,100	10,000
5. Manager's salary	39,500	42,462
6. Manager's Secretary		13,687
7. Clerk/Treasurer	27,687	18,331
8. Secretary	13,810	13,687
9. Bookeeper		15,741
10. Benefits	24,319	6,103
11. Dues	6,190	4,200
12. Expenses (Mayor & Council)	4,800	2,000
13. Overtime	100	1,200
14. Supplies	5,350	8,000
15. Professional Services	7,000	5,000
16. Professional Development		5,000
17. Insurance & Bonding		2,500
18. Group Insurance		1,089
19. Communication, Adv.	4,490	6,790
20. Printing	8,000	

TABLE 5 (continued)

BOROUGH AND CITY BUDGETS

GENERAL COST Exectuive & Clerk	City	Borough
21. Repairs and Maintenance	500	2,000
22. Rentals	4,805	1,500
23. Equipment		
24. Vehicle Allowance		3,000
25. Post Audit		25,000
26. Election		7,000
27. Boards and Commissions		500
28. Termination Reserves		3,000
Expenses	221,281	241,870
		86,648.48
		328,518.48
		102,675.00
Expenses		431,193.48
Revenues		
earned	60,514	305,050
shared	36,546	750,000
taxes	124,221	51,143

TABLE 5 (continued)

CITY

Tax Collecting - Finance	Revenues	
Expenses	Earned	31,492
223,270	Shared	36,873
	Tax	154,904
Police Department		
Expenditures	Revenues	
813,379	Earned	251,330
	Shared	172,635
	Tax	389,414
Fire Department		
Expenditures	Revenues	
333,241	Earned	59,150
	Shared	55,042
	Tax	219,048
Public Works		
Expenditures	Revenues	
631,401	Earned	296,142
	Shared	144,279
	Tax	190,979
Parks & Recreation		
Expenditures	Revenues	
128,946	Earned	20,500
	Shared	21,295
	Tax	87,151
Library		
Expenditures	Revenues	
137,351	Earned	15,000
	Shared	22,935
	Tax	99,416
Museum		
Expenditures	Revenues	
18,000	Earned	0
	Shared	2,973
	Tax	15,027
Engineering		
Expenditures	Revenues	
112,159	Earned	32,100
	Shared	18,524
	Tax	61,535

TABLE 5 (continued)

Non Departmental

Expenditures	Revenues	
1,450,239	Earned	471,034
	Shared	239,518
	Tax	739,687
	Taxes (including tax on city utilities)	2,081,385
	Earned and Shared	1,987,882

BOROUGH

Assessing Department

Expenditures	Revenues	
102,386	Taxes & Reserves	102,386

Planning and Zoning

Expenditures	Revenues	
173,949	Earned	
	Shared	15,800
	Tax	158,149

School Support

Expenditures	Revenues	
851,498	Shared	248,033
	Tax	603,465

Health

Expenditures	Revenues	
226,850	Shared	162,000
	Tax	64,850

Building and Maintenance

Expenditures	Revenues	
191,344	Earned	
	Tax	191,344

Taxes & Surplus	1,171,337
Earned & Shared	805,883

TABLE 6

POSSIBLE DUPLICATION ELIMINATED THROUGH UNIFICATION

	Cost	No. of Positions
Mayor	$ 600	1
Travel	2,160	6
Transportation	1,685	
Dues & Subscription, City Manager	4,500	
City Manager	39,500	1
Benefits	11,850	
Transportation, City Manager	3,650	
City Clerk	27,687	
Benefits	8,306	
Transportation for City Clerk	1,100	
Annual Audit	23,500	1
Dues for City Clerk Assoc.	1,600	
	$126,138	

(2% saving on combined budget)

3. Are residents inside the City carrying a disproportional burden for services?

Kodiak is particularly concerned that they (City residents) are paying for many "public goods" that are used by people who live outside the City boundaries. The charge is that these non-city residents are "free riders." It would be useful to examine sources of revenue for the City and identify revenues that are paid by City residents and by non-residents.

The population of the respective areas (City and surounding area) is computed as follows: The total population of the City (official population figures used by the State of Alaska for revenue sharing) and the Borough in 1977 is 4,960 and 7,901 respectively. The population of the five second-class cities in the Borough (these are Akhiok, Larsen Bay, Port Lions, Ouzinke and Old Harbor) totaled 940. It will be assumed that there are approximately 200 persons living in other areas (areas outside cities). Therefore, the total population living in the greater Kodiak (City) area is 7,901 less 1,140 or about 6,761. Of that total, 4,960 live in Kodiak city; and about 1,800 live in the surrounding area. Therefore, of the total resident population in the greater area, City residents account for approximately 73 percent which implies that the surrounding area holds about 27 percent of the population.

Additionally, the migratory labor force accounts for a significant portion of those people who are hit by sales taxes. Accounting for a trend, it would appear that, on average, the labor force is 13 percent higher than the permanent residents would support. This is due to the cyclic nature of employment.

Thus, there would appear to be a significant portion of the population that would be hit by the sales tax who are not permanent residents of Kodiak city. Assuming that there are not wide differences in the distribution of income between residents (of the City) and non-residents, it would not be unreasonable to assume that people would pay the same amount in sales taxes to the City, no matter where they lived either within the City, the surrounding area or were transient labor force. Conceivably, what I can account for would seem to indicate that residents of the surrounding area and transient labor force (in covered employment) would probably account for about 40 percent of the total sales taxes collected. Additionally, there are others who pay sales taxes who are not accounted for by this figure (any sales that are made to Borough residents outside the greater Kodiak city area which would include all the outlying villages and any purchases made by the U.S. coastguard personnel). Also, there are significant sales taxes paid by people who work in Kodiak in the summertime who are not in covered employment; this would include all the sales made to fishing boats from the outside. Thus, the portion of sales taxes paid by non-city residents is probably greater than 50 percent.

One of the traditional arguments for a sales tax, at least in this instance, would seem to hold true. Sales taxes can be levied to tax people who might otherwise escape taxation, notably, tourists, transients, and non-residents of a political jurisdiction.

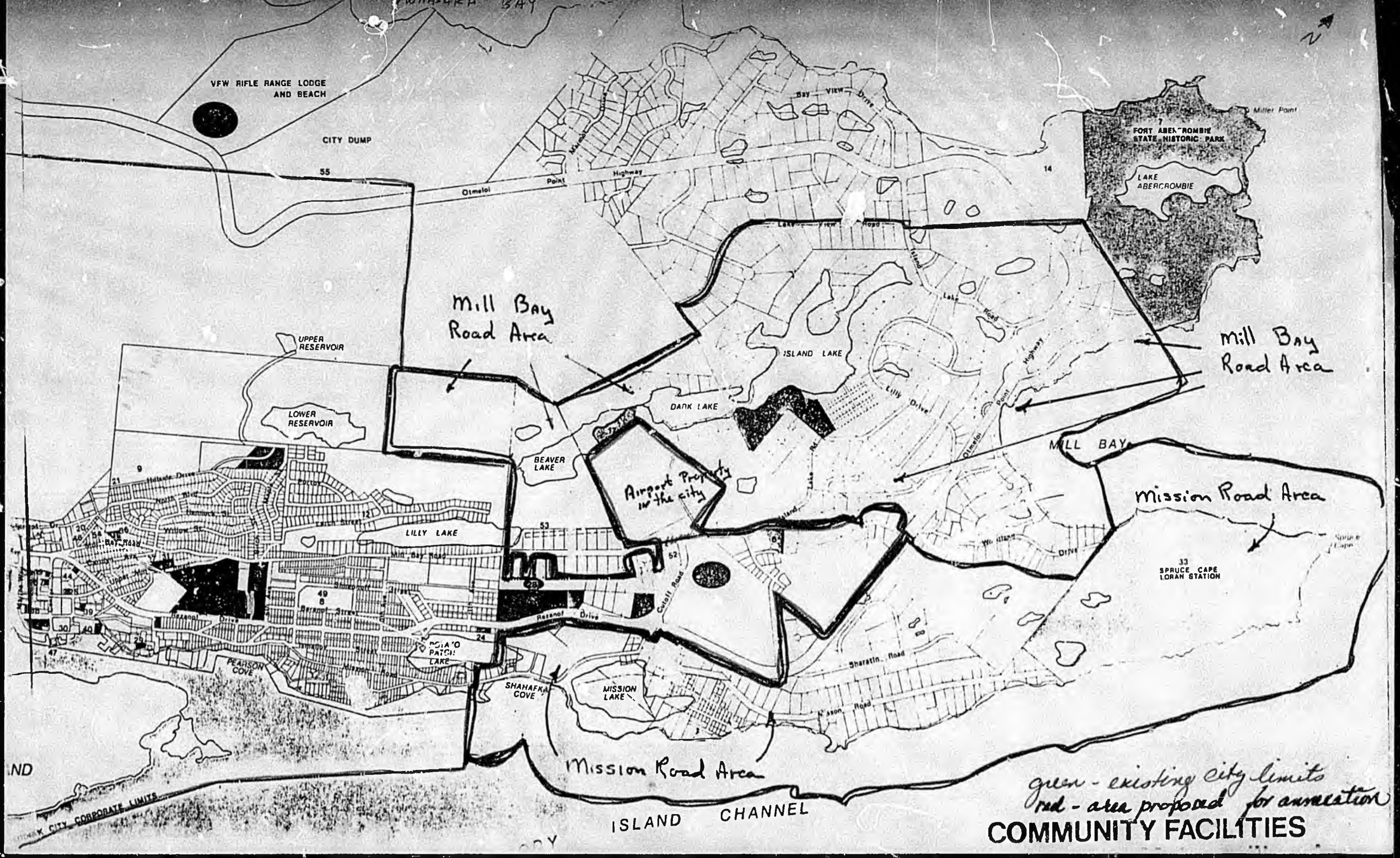
Other taxes of the city that are ultimately paid by non-city residents would include their portion of the property taxes that are shifted forward by commercial businesses within the City. Traditionally, across the U.S., businesses account for about 50 percent of property taxes (see Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1973-74 ed., Washington, D.C., p. 173). It is commonly believed that businesses shift large portions of the property tax on to the consumer in the form of higher prices. For example, the Port of Kodiak included $83,000 as a payment to City government in lieu of property taxes. This payment was included as part of the rate base in calculating charges for use of the terminal. This shifting is especially true in non-competitive market structures which is characteristic of the Kodiak economy. Thus if 50 percent of total retail sales which are made in Kodiak are made to non-city residents and are passed along in the form of higher prices, then it would be possible to conclude that approximately 25 percent of the property taxes paid to the city are, in fact, paid by non-city residents.

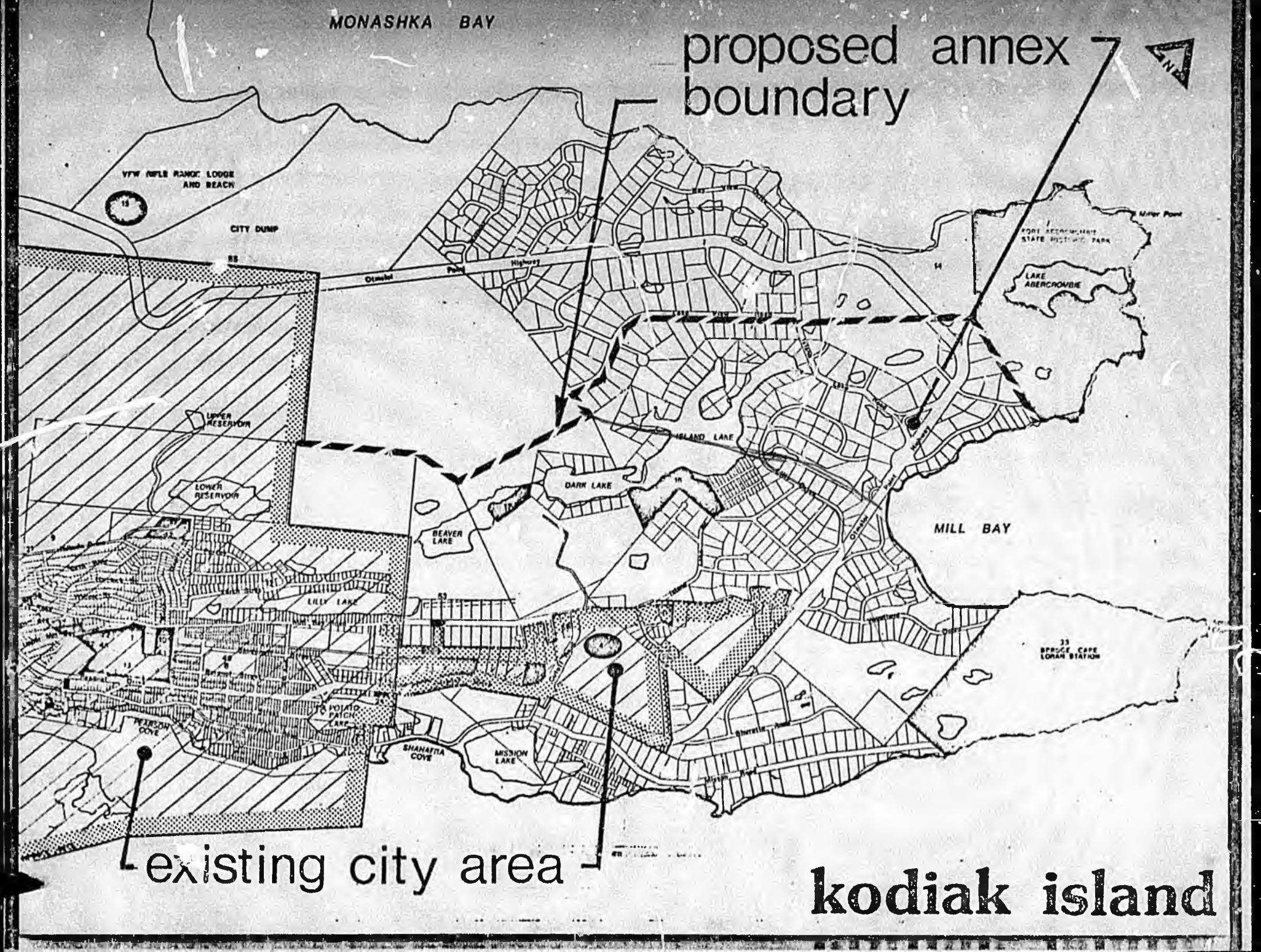
In terms of the total tax revenue Kodiak city collects, the City residents collect a significant portion of their taxes from people who do not reside in the City. Of total property taxes paid, we can attribute $163,750 to non-residents; and, of the total sales tax revenue ($1,250,000), approximately half ($625,000) can be attributed to non-residents. Thus it would seem as though non-residents pay as much as $788,000 into the purse of Kodiak city which accounts for almost 41 percent of total tax revenue. It can hardly be said that there is a significant "free rider" problem.

It is interesting to examine what would happen to property taxes in the area to be annexed if annexation were to take place and the City spread its property taxes out over a larger tax base. Currently, there are four service areas where differential taxation is imposed. These include: the City (TCA1), the fire district (TCA8), the road district (TCA9) and the villages (TCA9). The fire district and the road district property would be added to that of the City upon annexation; both of these areas hold about 12.85 percent of the total property in the Borough. The City, on the otherhand, contains 81.17 percent of total property in the Borough.

By using the mill rate and the tax base of the areas to be annexed along with the City, it is possible to examine what would happen if the property tax of the City were spread over the whole area. Currently the City is taxed at a 16.33 mill rate; the surrounding area mill rate is 7.23 with an additional assessment of 0.75 mills in the road district and 2.27 mills in the fire district. If the focus of annexation were to simply shift some of the cost to the outlying areas, the same total amount would be collected with the mill rate of the various areas being equalized. The overall mill rate would be 15.19 mills -- a decrease of 1.14 mills in the City (a decrease of $85.5 on a $75,000 home), an increase of 5.69 mills in the fire district (a $426.00 increase in property taxes on a $75,000 home), and an increase of 7.21 mills in the road district (an increase of $540.75 on a $75,000 home) for residents outside the City.

Further, it might be noted that the area to be annexed includes the U.S. Coast Guard base. Thus the retail sales on the base would be subject to the City sales tax which would add to the City revenues significantly. It is difficult to know how much this will add to the City revenues. The Office of non-appropriated fund for the Coast Guard reported that this total operation was approximately $3.5 million. While most of that was the BX and similar activity, the precise amount that would be hit by a retail sales tax would be difficult to determine. If, for example, $2.0 million were covered by the retail sales tax, the City would collect $60,000. This is about five percent of the total tax revenues for the City.


VFW RIFLE RANGE LODGE AND BEACH
CITY DUMP
55
Otmeloi Point Highway
Bay View Drive
Miller Point
FORT ABERCROMBIE STATE HISTORIC PARK
LAKE ABERCROMBIE
14
Lake View Road
Island Lake Road
Lilly Drive
Point Highway
Mill Bay Road Area
UPPER RESERVOIR
LOWER RESERVOIR
ISLAND LAKE
DARK LAKE
BEAVER LAKE
Airport Property in the city
MILL BAY
Mission Road Area
LILLY LAKE
Mill Bay Road
Beasnel Drive
Cutsail Road
Sheratin Road
Mission Road
33
SPRUCE CAPE LORAN STATION
PEARSON COVE
SHAHAFKA COVE
MISSION LAKE
Mission Road Area
ISLAND CHANNEL
CITY CORPORATE LIMITS
green - existing city limits
red - area proposed for annexation
COMMUNITY FACILITIES


MONASHKA BAY
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BEAVER LAKE
MILL BAY
LILLY LAKE
POTATO PATCH LAKE
PEARSON COVE
SHAHAFRA COVE
MISSION LAKE
existing city area
kodiak island

Special Supplement to the Kadiak Times and Kodiak Daily Mirror

City of Kodiak

SPECIAL REPORT
ANNEXATION

The area outlined below has been recommended for Annexation by the State of Alaska Boundary Commission. It generally encompasses the area from the existing City limits to Spruce Cape along the water — then to Abercrombie and along Lake View Drive.

ISLAND LAKE ANNEXATION HISTORY

In 1968, the first attempt at annexing Island Lake and Spruce Cape occurred. The main reason for the residents request appears to be fire protection. An election was held and the annexation question was defeated.

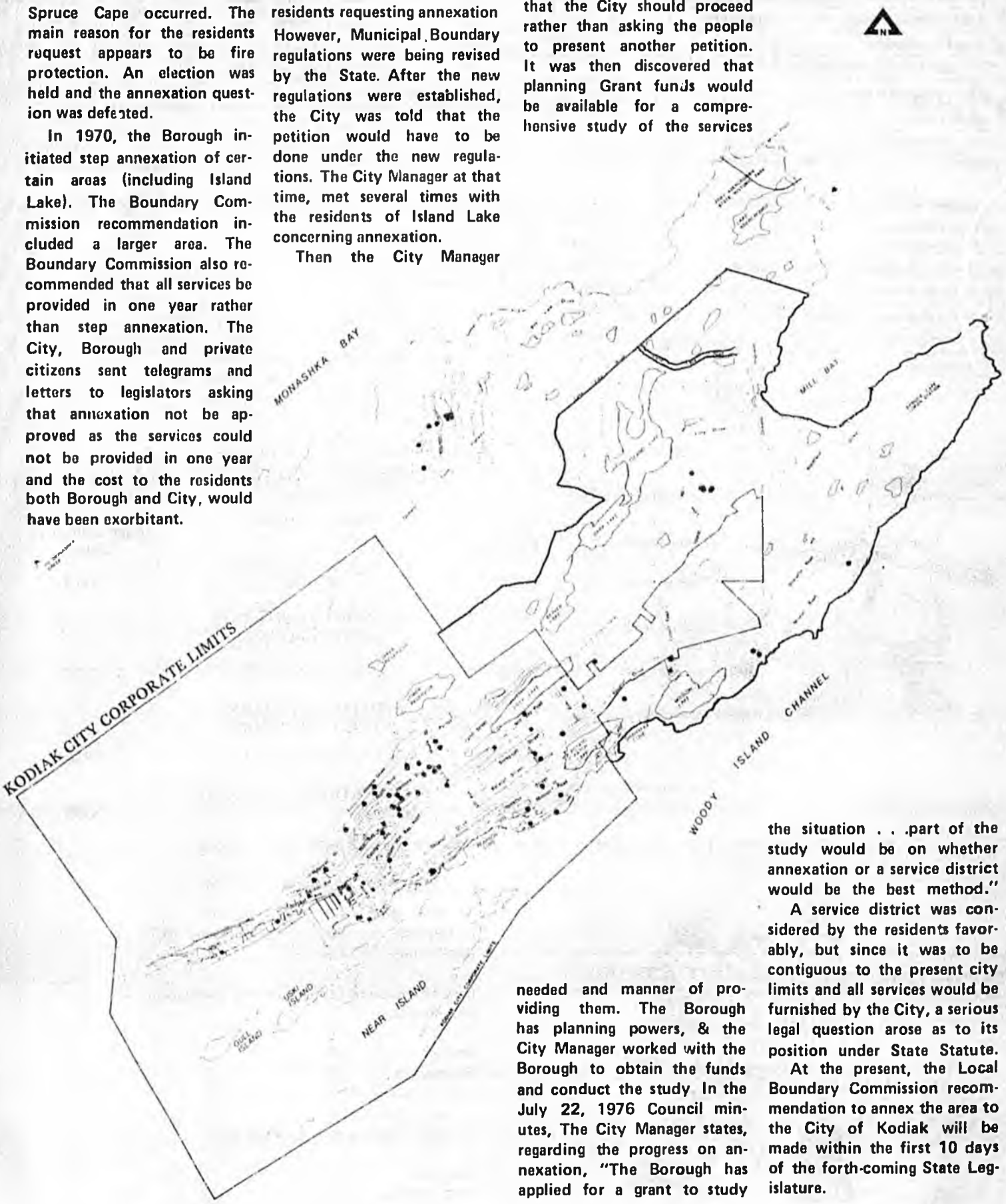
In 1970, the Borough initiated step annexation of certain areas (including Island Lake). The Boundary Commission recommendation included a larger area. The Boundary Commission also recommended that all services be provided in one year rather than step annexation. The City, Borough and private citizens sent telegrams and letters to legislators asking that annexation not be approved as the services could not be provided in one year and the cost to the residents both Borough and City, would have been exorbitant.

In 1972, petitions were received from Island Lake residents requesting annexation However, Municipal Boundary regulations were being revised by the State. After the new regulations were established, the City was told that the petition would have to be done under the new regulations. The City Manager at that time, met several times with the residents of Island Lake concerning annexation.

Then the City Manager discussed the problem with the Council and it was agreed that the City should proceed rather than asking the people to present another petition. It was then discovered that planning Grant funds would be available for a comprehensive study of the services needed and manner of providing them. The Borough has planning powers, & the City Manager worked with the Borough to obtain the funds and conduct the study In the July 22, 1976 Council minutes, The City Manager states, regarding the progress on annexation, "The Borough has applied for a grant to study the situation . . .part of the study would be on whether annexation or a service district would be the best method."

A service district was considered by the residents favorably, but since it was to be contiguous to the present city limits and all services would be furnished by the City, a serious legal question arose as to its position under State Statute.

At the present, the Local Boundary Commission recommendation to annex the area to the City of Kodiak will be made within the first 10 days of the forth-coming State Legislature.



CITY RESIDENTS CHARGES FOR SERVICES
—BY MILL RATE—

PRESENT CITY — ANNEXATION AREA

	1978/79 Budget	Less;	Charges for Services Cargo Cargo Dock	Boat Harbor	Water/Sewer Utilities	Payments From Sales Tax		%	X 9.1 Mills	X	1978/79 Real Property Assessed Valuation	
	$		$	$	$	$	$				$	$
Legislative & Legal	72,500						72,500	2.18	.19		17,646,115	3,353
Executive	79,660		4,672	3,983	7,966		63,039	1.90	.17			3,000
City Clerk	86,358		2,892	4,376	8,752		70,238	2.11	.19			3.353
Finance	242,799		19,604	11,541	34,708		176,946	5.32	.49			8,647
Police	873,129						873,129	26.25	2.39			42,174
Fire	351,284						351,284	10.56	.96			16,940
Public Works	771,650		31,862	4,000	359,061		376,722	11.32	1.03			18.175
Parks & Recreation	111,802						111,802	3.36	.31			5,470
Library & Museum	172,679						172,679	5.19	.47			8,294
Engineering	184,092						184,092	5.53	.50			8,823
Non-Departmental												
Borough Personal Property Tax	431,600						431,600	12.98	1.18			20, 822
Captial project transfer	588,807					588,807						
Bond Payments	137,158						137,158	4.12	.38			6,705
Miscellaneous (1)	306,356						306,256	9.18	.84			14, 823
Totals	$4,409,874		$59,030	$23,900	$410,487	$588,807	$3,927,650	100%	9.10	X	$17,646,115	$160,579

	$
(1) Insurance	115,000
Public utilities ,Street Lights	80,000
Council on Alcoholism	204,60
Senior Citizens of Kodiak	2,500
Miscellaneous	99,000
Contingency	44,396
	306,356

Rates vary within Districts depending on distance of dwelling from Hydrants & Station as well as accessibility.

HOMEOWNERS FIRE INSURANCE RATING AS THE AREA IS AT THIS TIME (example)

Town Class 5	House Valuation	Island Lake Area Class 9
$306	$50,000	$619
	WITH FIRE SUBSTATION BUT NO HYDRANT	
$306	$50,000	$536
	WITH FIRE HYDRANTS BUT NO FIRE HOUSE	
$306	$50,000	$338
	WITH STATION & HYDRANTS	
$306		$506

The area that is presently served by contract with the city pays 2.3 mills for fire service.

EXAMPLES OF MILL RATES

Borough	7.0	City	
Fire Service	2.3	All services	16.1
(Bell's Flats)	7.2		

Borough residents in the proposed annexation area now pay:

Borough	7.0
Fire Service	2.3
	9.3

Borough residents at Bell's Flats pay:

Borough	7.0
Road Service	7.2
	14.2

WHAT ABOUT PARKS/RECREATION/LIBRARY

City Recreation Program system utilized approximately / 28% Borough Residents outside the City
City Library System utilized approximately 40% Borough Residents outside the City

Expanded Library Service expected for additional Boro/City Residents as Funds allow

Suggested Park Development Priority

1. Mill Bay Ocean Park
2. Boy Scout - Island Lake
3. Russian Mill Site - Mill Bay
4. Park at Oceanside - Abercrombie (Cry of Ram) Area.

WHAT ELSE WOULD YOU LIKE CONSIDERED ?

List of Programs

Teen Center
City League Volleyball
Badminton
Women's Exercise Program
Swimming Pool Superision & Lessons
Summer Recreation Program
Tennis Lessons & Tournaments
Softball and Baseball
Cross Country Ski Classes
Special Recreation for Handicapped
Crab Festival Games
A.A.U. Programs - Swimming

WHAT ABOUT WATER & SEWER

The City of Kodiak engineering department has been doing preliminary planning for water and sewer service to the proposed annexation area so that construction could begin as soon as possible, if annexation were approved. Previous studies have been incorporated. It is anticipated that grants will be received for 50% to 75% of the costs.

The City has to the best of its ability incorporate the previous work of the citizens and engineering firm retained by the Borough. Plans showing proposed water and sewer lines will be available at the public meeting.

One unusual concept advanced is to allow acceptable Septic Systems in low denisty hard to reach areas in order to keep cost down and to allow assessment relief for the life of the System. Detailed engineering can not be realized until annexation is a reality & appropriate Grant monies can be applied for.

WHAT ABOUT ROADS

1st Priority?

1. Unamed Road in U.S.S. 3467
2. Track A Island Lake
3. Unamed Road in U.S.S. 3219, 3103, 3464 Island Lake
4. Cliffside & Cliffside Loop
5. Seabreeze & Woodland
6. Unamed Road in U.S.S. 3099

2nd Priority? What else should be done.

Reconstruct for purpose of snow removal, road grading, fire & police coverage.

There are 2½ miles of maintainable roads in the area. Maintenance means grading, drainage, snow removal and dust control.
With a minimum of work another 2½ miles of road would be maintainable.

WHAT ABOUT POLICE

Available on maintainable road system with one year or more additional coverage of state police - dispatch available on personal, telephone, or C.B. contact. Additional policemen and vehicles will be added as necessary to cover the entire area.

DIFFERENTIAL TAXATION?

WHAT IS IT ? A method of allowing new residents a break on taxation until they receive the same type and quantity of services as other residents.

Zone No. 1

Generally that area next to Mission Road outside the present boundaries that may enjoy all City services afforded present City residents. Present Mill Rate for City purposes at 100% would apply.

Zone No. 2

Generally that area north of Mill Bay USS 2467, Shafaka Acres, Block 7 Monashka Bay subdivision that cannot receive full services. Mill Rate at 75% would apply.

Zone No. 3

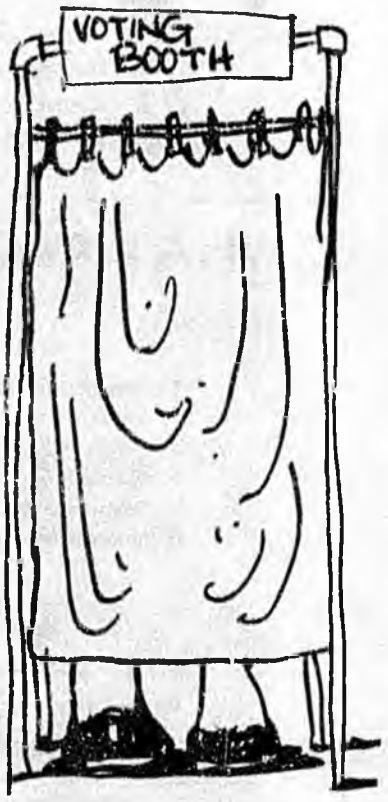
Generally that area of Woodland Acres, and back of Island Lake that the city is presently unable to reach adequately with fire & police due primarily to present road conditions. 50% of the City Mill rate.

SEE THE CITY'S MAP

EARLY & SPECIAL REPRESENTATION

Early representation is afforded by a City Charter provision which allows any resident who has lived in the newly annexed for 2 years and in Alaska for 3 years the ability to run for Mayor or Council.

Also, the City Council by special provision will ask for the election of a special representative from the annexed area to serve as an advisor with the council for 3 years. Residents of the annexed area will of course vote for all council members and mayor as their respective terms expire.



THE CITY MADE THE FOLLOWING PROMISES IN RESOLUTION NO. 24 - 78

CITY OF KODIAK

RESOLUTION NO. 24 - 78

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska as follows:

1. The City will, to the extent possible, establish and implement in the areas to be annexed, a system of differential taxation for any such areas that do not receive all services of the City supported by taxation or which receive these services at a level different from that provided in other areas of the City.

2. The City Manager is hereby directed to develop tentative plans for the provision of services to the areas proposed for annexation and to determine whether the City may be prevented by requirements for capital improvements or for other reasons from providing full services to portions of those areas for any temporary period of time. On or before October 1, 1978, the City Manager shall report to the Council and advise of the areas where provision of full services may be temporarily delayed, the level of service that will be provided and the estimated differential in cost between full services and the services to be provided.

3. The City Manager and the City Attorney shall explore existing legal requirements regarding residency requirements for voting and elective office, and the existing number of Council Members an make recommendations to the Council on or before October 1, 1978, regarding possible changes in law or policy to provide residents of newly annexed areas with representation within the City comparable to that currently available to City residents, and any recommendations regarding required changes in ordinances to implement that objective.

4. The City shall engage in an information program regarding the proposed annexation with the objective of making the public and the legislature aware of the need for and benefits of annexation, and shall employ the services of a qualified person, to the extent determined advisable, to actively support approval of the annexation by the Alaska legislature.

PASSED AND APPROVED this 24th day of August, 1978.

LET THE CITY KNOW WHAT OTHER WRITTEN PROMISES YOU WANT:

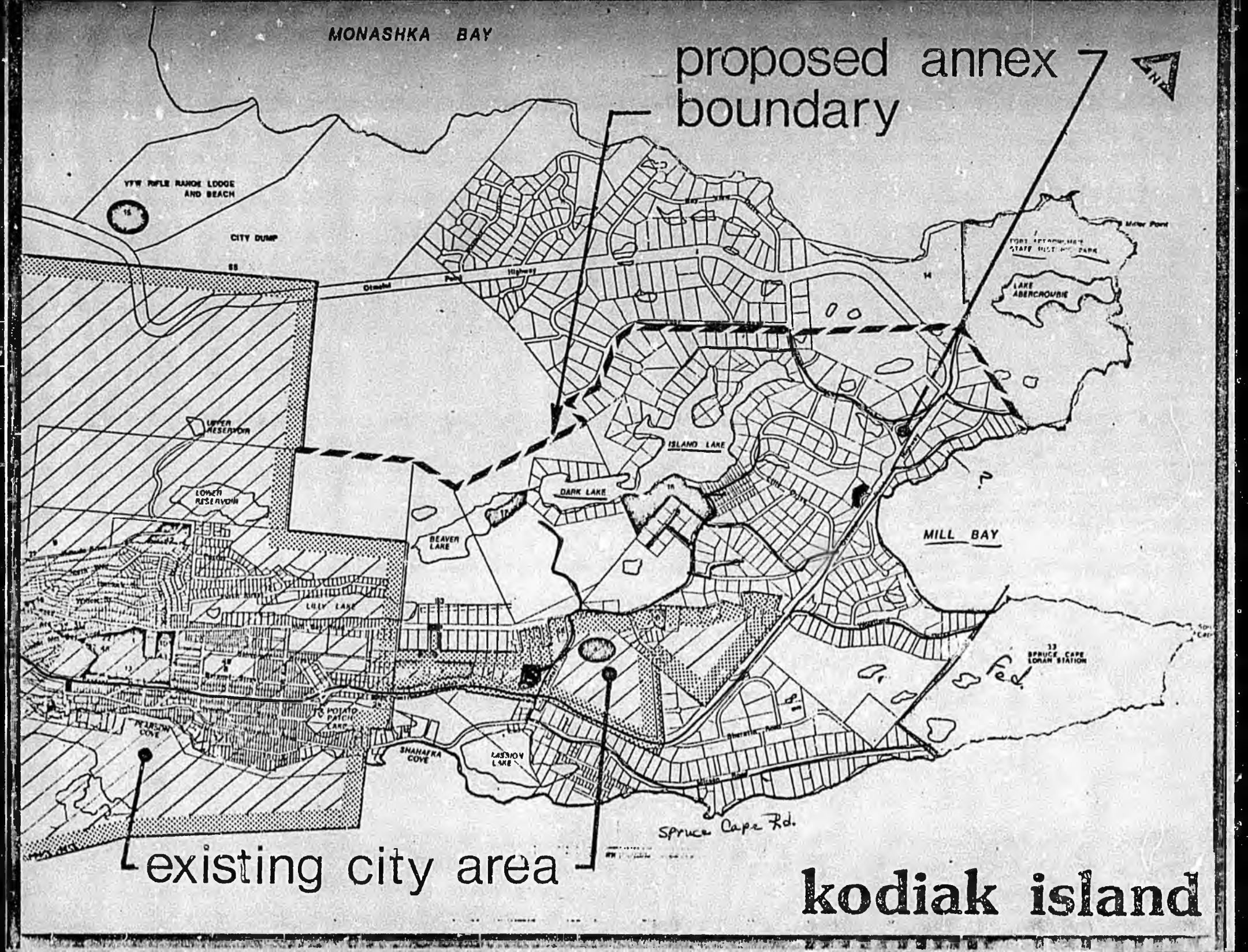
GOT A QUESTION?

Annexation Committee:	Phone Number
Bob Waage	486 - 4493
Emil Norton	486 - 5178
Marion Johnson	486 - 5171
Bob Brooks	486 - 5815
Nick Szabo	486 - 3853
Pete Resoff	486 - 4463
City Manager - Clair Harmony	486 - 3224

PUBLIC MEETING

These Ideas are proposals and the City Needs your input.

A Public meeting with the Annexation Committee will be held on December 12,1978 at 7 p.m. in the Council Assembly Chambers.


MONASHKA BAY
proposed annex boundary
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CITY DUMP
Otmeal Point Highway
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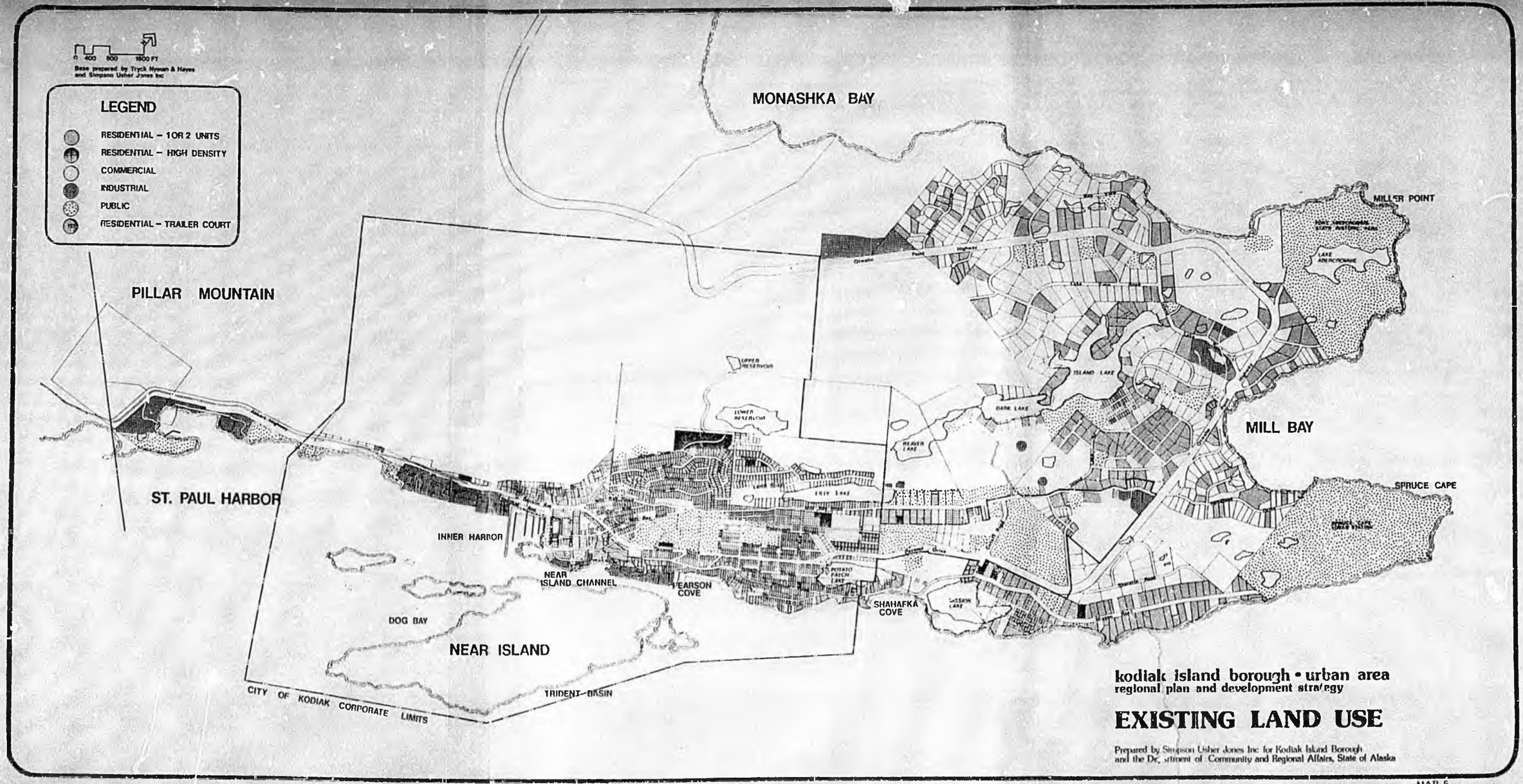
ISLAND LAKE
DARK LAKE
BEAVER LAKE
MILL BAY
LILLY LAKE
POTATO PATCH LAKE
PEARSON COVE
SHAHAFKA COVE
LASSKOV LAKE
SPRUCE CAPE LORAN STATION
Spruce Cape Rd.
existing city area
kodiak island


0 400 800 1600 FT
Base prepared by Tryck Nyman & Hayes and Simpson Usher Jones Inc
LEGEND
RESIDENTIAL – 1 OR 2 UNITS
RESIDENTIAL – HIGH DENSITY
COMMERCIAL
INDUSTRIAL
PUBLIC
RESIDENTIAL – TRAILER COURT
MONASHKA BAY
PILLAR MOUNTAIN
ST. PAUL HARBOR
MILLER POINT
MILL BAY
SPRUCE CAPE
INNER HARBOR
NEAR ISLAND CHANNEL
PEARSON COVE
SHAHAFKA COVE
DOG BAY
NEAR ISLAND
TRIDENT BASIN
CITY OF KODIAK CORPORATE LIMITS
kodiak island borough • urban area
regional plan and development strategy
EXISTING LAND USE
Prepared by Simpson Usher Jones Inc for Kodiak Island Borough
and the Department of Community and Regional Affairs, State of Alaska
MAP 5

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Committee Members
FROM: Rep. Bill Parker, Chairman
DATE: 2/13/80
RE: Kodiak Annexation

Attached please find the Report to the Second Session of the Eleventh Legislature relating to Review of Services Provided to the Residents of Kodiak Island Borough. This was prepared by the Dept. of Community and Regional Affairs in response to HCR 7 am passed by the Committee last session on the subject of Kodiak annexation.

Report to the Second Session of the Eleventh Legislature Relating to Review of Services Provided to the Residents in the Kodiak Island Borough

Prepared and Submitted Pursuant
to House Concurrent Resolution No. 7Am
by the Department of Community and Regional Affairs

January 18, 1980

Background

As a result of a petition to annex a small area into the City of Kodiak the Local Boundary Commission (LBC) held two public hearings, one on December 12, 1977 and the other on May 20, 1978, to take public testimony on the annexation of a larger area to the City of Kodiak. This area included the Spruce Cape area, the Mill Bay Road area, the Monashka Bay area, and the United States Coast Guard Station. Following the public hearing the LBC recommended to the First Session of the Eleventh Legislature that all of the areas, except the Coast Guard Station, be annexed to the City of Kodiak. The Legislature disapproved this annexation by adoption of House Joint Resolution 10. The Legislature, in House Concurrent Resolution No. 7 amended, requested the Department of Community and Regional Affairs to study the various options to provide "services throughout the road system extending North and Northeast of the City of Kodiak" and to submit a report to the Legislature by January 20, 1980.

Progress to Date

During 1979, the City of Kodiak and the Kodiak Island Borough worked together to devise an acceptable compromise to provide services to the residents of Service District #1 which includes the area proposed by the LBC for annexation. The Department was kept apprised of these negotiations, and it was clear that the City and Borough wished to work its problem out without C&RA involvement.

The negotiations centered around providing water and sewer service to an area referred to as Service District #1, which includes the Island Lake and Spruce Cape areas. The City of Kodiak indicated in writing in December, 1979, that "the City's attitude does not preclude small annexations as requested through the presentation of 100% petitions, but does reject the idea of major annexations". This attitude would also preclude the provision of services by instituting a step annexation. The Local Boundary Commission has also stated that it will not pursue annexation in the City of Kodiak area on its own and will only become involved if petitioned.

The method of providing service through a service district approach appears to have the mutual support of the City and Borough. The City is willing to provide water at the city boundary to Service District #1 and to treat effluence from this area. The City will provide water meters to allow for the billing to the Borough for the residents getting water and sewer service in the area outside the city.

The major concerns that need to be resolved deal with the operation and maintenance of the water and sewer utility service. A rate study needs to be conducted and the City and Borough have not, as of this date, reached an agreement on selection of a consulting firm to do this work. The City has stated that it does not wish to become involved in any contractual arrangement to operate and maintain the water and sewer systems within Service District #1. City Mayor Al Beardsley states that this "maintenance (within Service District #1) can just as easily be contracted (by the Borough) with a private firm". Agreement has been reached to allow the City inspection privileges during

installation of sewer lines to minimize infiltration into the sewer collection system within Service District #1.

Public Meeting

On January 12, 1980 Commissioner Lee McAnerney convened a public meeting for the purpose of receiving public comment regarding the "best" way to provide services to those residents of the Kodiak "urban" community outside the City of Kodiak. The managers of both the City and Borough, the city mayor, seven other assembly or council members, and fourteen public participants were present at the meeting.

Thirteen persons testified during the meeting. The overwhelming majority of those testifying favored the direction that the City and Borough have taken in negotiations between these two local governments. The testimony expressed a feeling that the service district approach gives the residents involved more alternatives in the level of service they will receive.

One person testified in favor of annexation of Service District #1 to the City of Kodiak as the best short-term alternative with unification of the City and Borough being the long-term or ultimate solution.

Future Outlook

This Department is prepared to assist the City of Kodiak and the Kodiak Island Borough in their attempt to work out remaining differences between them. Both the City and Borough should be commended for the progress that has been made to date. There is no reason to think that the remaining

differences cannot be worked out within the next few months.

The question of unification will again appear on the October, 1980 ballot. If this proposition is approved, jurisdictional problems in providing services to Kodiak Island residents would be resolved.

The Department concludes that no further action is required by the Legislature, the Local Boundary Commission or this Department, at this time, in the matter of provision of municipal services to residents living within the Kodiak "urban" area.

SKAGWAY

ANNEX.

PLEASE NOTE

THE ORGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

DESCRIPTION: THIS FILE CONTAINS A LARGE COMPOSITE MAP OF THE SKAGWAY, ALASKA AREA. IT IS COMPOSED OF FIVE U.S. GEOLOGICAL SURVEY TOPICAL MAPS NUMBERED B-1,B-2,C-1, C-2, AND D-2.

Tax 19 votes ahead; final count Monday

By Dan Humphrey

HAINES—The question of whether or not to have additional taxation is yet to be settled. As of press time, the results from Tuesday's borough election show 19 more votes in favor of a temporary one percent sales tax than against. There are still 33 absentee ballots and 33 questioned ballots to be counted Monday, March 10, by the borough assembly at a special meeting.

The unofficial count today showed that 234 borough voters favored and 215 did not favor the tax. Also, all service areas except "Proposition E," calling for emergency fire protection in the Haines Highway area from the airport to 18 Mile, are expected to be turned down.

Tabulated results so far are shown in the box at right.

If the temporary sales tax is approved, it will go into effect April 1, 1980, and stop March 31, 1981. The proceeds will go for the general administration of the Haines Borough and, specifically, for costs involved in intervening in the SEACC vs. State of Alaska, et al. lawsuit.

There will be no city-provided fire protection in the areas that turn down the proposed borough service areas. The borough will contract with the city to provide fire protection in the service area that will be set up.

The Haines City Council had called for a moratorium last October on all extra-territorial services because the city had no protection or right to go outside its corporate limits.

After a plea from Frank Wallace, the council lifted the moratorium until March 1 to give time for the borough to come up with service areas. The moratorium was later extended to July 1 at Wallace's reque. only to give time for the city and borou.h to settle the paperwork.

If the service areas are refused, the council will probably enforce the moratorium before July 1.

A total of 490 voters turned out for this special election. In the last municipal election, 488 people voted.

Haines Borough Special Election Unofficial Ballot Results

PRECINCT	VOTES/REGISTERED VOTERS	Proposition A 1% SALES TAX	Proposition B EMERGENCY MEDICAL	Proposition C LUTAK FIRE PROTECTION	Proposition D MUD BAY FIRE PROTECTION	Proposition E HAINES HIGHWAY FIRE PROTECTION	Proposition F KLEHINI VALLEY FIRE PROTECTION	
Haines I	361	97						YES
	370	57						NO
Haines II	87	53						YES
	196	32						NO
Chilkat	78	19	26	0		4		YES
	180	59	51	11		1		NO
Klukwan	70	30	6				8	YES
	134	27	51				49	NO
Peninsula	84	35	37		3			YES
	188	40	36		15			NO
TOTAL	490	234	69	0	3	4	8	YES
	1000	215	138	11	15	1	49	NO

LYNN CANAL NEWS

Volume II, No. 1 – Thursday, March 6, 1980 50¢

Legislature upholds annexation

By Jeff Brady

SKAGWAY—The petition by the City of Skagway to annex all of the land between the Canadian boundary and the Haines Borough boundary has been upheld by the Alaska Legislature. The legislature had until Tuesday to pass a bill denying Skagway the annexation, and that bill stalled in committee after a public hearing on Friday.

Sen. Sturgulewski, chairperson of the joint House-Senate Community and Regional Affairs Committee, told the Lynn Canal News Tuesday that no action was taken on the annexation petition which had been endorsed by the Local Boundary Commission. The legislature had 45 legislative days after the legislation was introduced to deny Skagway's petition, and the 45th day was Tuesday.

Testifying at the hearing for the annexation were city councilman Marvin Taylor and Sig Strandberg and Charles Bettisworth of the Local Boundary Commission. Skip Elliot of Dyea testified against the annexation, and Barbara Kalen of Skagway said she had mixed feelings about the annexation.

Taylor said after returning to Skagway that he felt the city got a fair hearing, and said he was pleased with the outcome. He said all of the committee members were present and asked a lot of interesting questions.

He said that he informed the committee members of the procedures the city took to annex the area. He said that he did not tell them anything different from what was said by him and city officials at other meetings.

The city has contended that it needs the land for long term control of growth in the area, land use planning and municipal selection of state lands. Skagway voters approved of the annexation last October, and the boundary commission approved of the annexation after a long public hearing in Skagway last December.

Petersburg

Council wants parking lot

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: Skagway Annexation

ORIGINAL SPONSOR: _____ OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: _____

HEARING DATE: 2/29/80 Joint Senate/House C&RA: Senate members present: Sturgulewski, Mulcahy, Stimson

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	
Fat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

Sig Strandberg, Vice Chairman of Local Boundary Commission Points out boundaries of existing city of Skagway and of proposed annexation. Discusses history of 1978 annexation. Those who testified at Skagway LBC hearing on the subject were substantially in favor of annexation. The opposition presented articulate and substantive testimony. The LBC voted 3-1 in favor of the annexation. Some of the considerations included: There are a number of privately owned parcels in the Dyea area; the Park Service has been acquiring inholdings in the area proposed for annexation; the area is adaptable to development; the availability of hydroelectric sites outside of the exisiting city should be noted; planning, land use, and identification of land ownership could be done by the city. The appropriateness of borough incorporation was considered and rejected. Convenience of description could be viewed as a reason for the large annexation even though it is primarily ice and snow. Jurisdiction and services are needed outside of the current city limits. The question of tax equity is also an issue.

The Dyea residents were concerned about services and taxation and how they would be affected. There were concerned that the mantel of government regulation would be costly.

The geographic separation from the Haines borough eliminated the consideration of the area becoming part of that borough. The differential tax plan proposed by the city appeared to be fair to the LBC. There was also recognition that Skagway and Dyea are a social and economic unit.

In 1978 the LBC reduced the size of the parcel to be annexed by the city because the city didn't have a plan for differential taxation at that time. Not enough careful evaluation had taken place.

COMMITTEE ACTION: No negative resolution proposed. LBC decision to annex allowed to stand - 45th day since intro. 3/3/80

TAPE # 3 SIDE 1 Footage 324-1613

Land ownership was discussed and it was pointed out that the Fed. government owns a substantial amount of land in the area. The state has selected (Tentative Approval received) land on either side of the Dyea River. The Park Service is quietly acquiring all private property in the area.
Pop. approximately 850 (Skagway) 51 (Dyea)

Bettiworth - Member of the Local Boundary Commission
The opening of the road and the need for planning along the road were also considerations in the Commission's decision.

Marvin Taylo, Vice Mayor of Skagway
Skagway is a first class city of 11 square miles until 1978 then expanded slightly. It presently delivers all services but planning and zoning, water, sewer, and electricty to the Dyea residents. Services they receive, but do not pay for, include:solid waste, garbage, (used often by residents of Dyea) roads, police, fire, health (city owned), rescue/medical, cemetary, port, small boar harbor, historical district, library, museum, school, employment (in the city).
The city is interested in planning for the whole area.
The Nation Park SErvice is moving in at this time. The highway is completed and open during the summer. Pipeline will trigger developments in the Yukon. Barge facility and boat harbor are almost complete. State campgrounds planned for. There are approximately 150,000 tourists annually. Figures don't show air tourists (customs immigration miss these).

The city size had been unchanged for 80 years prior to 1978. The road is open and they need good planning and zoning along the reaod. The ice cap has high potential for recreation. Potential as major port for the Yukon. Transportation corridor for the northern panhandle. Land selection a concern.Cost of hydro necessitates looking at hydro. Not feasible to connect area to Haines as it is only connected by water and air.

45 miles of railroad property in the city. 16 miles of railroad and 10 residents along the RR. Skagway pays 14% ($53,000) for schools. Skagway one of the few first class cities outside of borough. The limit of 3% sales tax is a problem. City can put in TV cheaper than the STate can and wants to do that with part of the sales tax(?0

Skip Elliott, Dyea resident
Foregoen conclusion that the area will be annexed.
The LBC was hasty in making their decision. They had had split decisions in their other considerations around the state and wanted to have some unity.
8 months after the 1978 referendum, the city tried again to effect annexation. Questions wording on the ballot. The Mayor even admitted that they didn't want Dyea. The 250 acres which is part of the the municipal selection is marginal land. It appears that the Local Boundary Commission has changed its mind in 1 yr. The Park Service budget has been reduced so it probably won't be acquiring land. There are 25-30 pepople of voting age in Dyea--give them a chance. The fire dept. made only 1 fire call in 10 years. The schools outside the city are 100% funded by the state so the city isn't carrying

them. Clinic runs on $2 per capita per year. $15 per person would cover library costs for the residents. $25-50 would cover the cost of a police call and the city makes money on street and sidewalk funding. Planning and zoning are the only services the city would plan to give the residents of Dyea. And no one wants annexation. White Pass is depressed and has asked for money. Instead they should annex the Skagway Valley. The city was under the impression that they needed survey posts and didn't know that they could describe the area they were choosing to annex. 450 sq. miles is too large for a city.

The residents of Dyea submitted a peition signed by 14 residents of Dyea opposed to the annexation.
Negative aspects of annexation include: "big brother" unwanted; extra mill levy.

Barbara Callen, Skagway
Can see both sides of the issue. There is no water for community development in Dyea. inconvenient for community living. No way it would be feasible to be joined with Haines. It would only make the map look neat. Dyea wouldn't benefit in any way. Mixed feelings on annexation.

Senator Sturgulewski- Was economic pressure a valid reason for the annexation. In Dyea there is land for expansion. Skagway is constricted in land availability.

Sig Strandberg- LBC
Survey lines protracted. The fallback question should be: If there is a need for planning, what kind of a government structure is available. Don't want an extra layer of government (borough). They would be getting services through differential taxation. It is a classic problem of receiving services and not wanting to pay for them. City residents pay sales as well as property tax.

Milton Taylor - If residents of Dyea have something delivered to their home, they avoid the sales tax. Bond issue has to be paid off for the clinic so it is not just the $2 annual fee which would cover the services.

Elliott - The bonded indebtedness is being paid off by the sales tax. There are figures available to substantiate the costs.

Report to the Local Boundary Commission on the proposal to Annex territory to the City of Skagway

November 14, 1979

Department of Community and Regional Affairs

I. PROCEEDINGS TO DATE

On July 27, 1979, the Department of Community and Regional Affairs received a petition proposing annexation of some 431.35 square miles of territory to the City of Skagway. Review of the petition indicated that it was in the proper form and did contain all the necessary information. A letter stating acceptance of the petition was sent to L.B. Jacobson, petitioners representative, on July 30.

Notice of the Commission's forthcoming hearing was mailed to petitioners' representative on October 23 and was posted in three public places and televised over the Skagway Network Television during the period of October 29 through November 16.

II. PETITION

The petition, for all intents and purposes, is the same petition the Commission considered in November of 1976. Admittedly, it is a larger geographic area, but the vast majority of additional territory is mountainous, not suitable for development and, according to petitioners representative, is included so that the entirety of the region could be within the confines of one local government. Because the issues are the same as in 1976 and because the Commission's Statement of Decision entered in that proceeding (copy attached) does not indicate a basis for the deletion of

territory from the annexation proposal, the Department's recommendation is, literally, the same as it was in the prior proceeding.

III. RECOMMENDATIONS

Normally, our reports attempt to analyze an annexation proposal, note the positive and negative aspects of the proposal and make recommendations pursuant thereto. However, we have chosen to take a different approach this time; petitioners' arguments are clear and the information provided is detailed and accurate. We feel no need to expand or comment on petitioners' arguments - the decision is the Commission's.

However, we feel a broader question has been ignored; that question is "what size should a city be?" In our opinion all of petitioners' arguments are, to lessor or greater degrees valid, but at what point does a city become an innappropriate service mechanism. We are not suggesting that we have the answer, only that the question needs to be asked. Specifically, we recommend that petitioners be questioned as to how the city will provide services to such an enormous area.

P. O. Box 8324
Ketchikan, Alaska 99901
November 13, 1979

Department of Community and Regional Affairs
225 Cordova Building
Anchorage, Alaska 99501
ATT: Division of Local Government Assistance

Gentlemen:

The City of Skagway's proposal to annex all federal lands north of the Haines Borough to the Canadian border is objectionable to me as owner of land survey No. 1560. (Location map enclosed.) I find no advantages for my property in this proposal. The City of Skagway is not in a position to provide police protection, fire protection, road maintenance, public utilities, school or school transportation, etc. due to the remoteness of my property and the difficulties in crossing the deep Taiya Inlet. Adverse weather and sea conditions frequently isolate my property for days at a time.

We are proposing to establish a non-profit salmon hatchery on our property to assist the State with its burdens of government. The preliminary application has been approved and our proposal is based on maintaining a tax-free basis. Any service-area taxation by Skagway will complicate our efforts to finance the hatchery.

We have started construction of our own water, hydro-electric and sewage systems at high cost to us. All efforts to obtain governmental assistance to develop the renewable energy resource, which will result in a saving of fossil fuels have met with failure. We are making every effort to develop a renewable fishery resource that can operate independently, yet support the common property fisheries.

Skagway is presently our main source of food and building supplies. We pay sales tax on all these purchases. We also moor our work boat in the Skagway boat harbor where we pay a moorage fee and personal property tax. Eventually, we will moor our boat on our own property when construction is completed. It is immaterial whether we re-supply at Haines or Skagway however, Skagway is more convenient.

In conclusion, we fail to understand why Skagway should want to annex property that they cannot or are unlikely to support and hope that you will consider our objection.

Yours truly,

Eugene W. Richards

Capt. Eugene W. Richards

EWR/cjp
enclosure

The White Pass and Yukon Corporation Limited

November 16, 1979

The Chairman
Local Boundary Commission
c/o Local Government Assistance Division
Dept. of Community & Regional Affairs
State of Alaska
Pouch "B"
Juneau, Alaska 99811

Dear Sir:

Re: Annexation by the City of Skagway

The Pacific and Arctic Railway and Navigation Company is a West Virginia Corporation carrying on business in Alaska under the laws of the State of Alaska. Together with our smaller affiliate, Skagway Terminal Company, we are the major taxpayer and employer in the City of Skagway.

Within the territory proposed to be annexed is the railroad's 200 foot right-of-way which runs from the north end of the City, following the east bank of the Skagway River, to the International U.S./Canada border, a distance of some 17 miles. In this large but narrow parcel of land the railroad has a right-of-way interest by virtue of an 1898 Act of Congress and owns the railway tracks and a four inch pipeline.

While we are optimistic that the community will enjoy gradual economic growth it is our contention the City has vastly overstated immediate prospects for growth. No doubt this is primarily due to events occurring since their petition was drafted. In any event we bring the following points to your attention;

1) It is physically impractical to transport pipe for the proposed natural gas pipeline through Skagway by means of the railway.

2) Northwest Energy - Foothills Ltd. has ammended its application for an oil pipeline to exclude the Skagway route.

3) The responsibility for the maintenance of the Canadian section of the Carcross/Skagway road lies with the Government of Yukon. They have stated on several occasions that they have no intention of maintaining the road during winter months.

/2

P.O. Box 4070, Whitehorse, Yukon, Y1A 3T1, Telex: 036-8-210; Telephone: (403) 667-7611

4) The Carcross/Skagway road is unlikely to be upgraded for heavy vehicle traffic as the City of Skagway itself is in opposition to such a step.

5) There have been relatively few land transactions in the community during the course of the last year and local financial institutions have shown a reluctance to lend mortgage monies. These are both negative growth indicators.

One further statement in the City's petition is deserving of specific comment. It is implied that the area selected for annexation is dictated by the location of established survey monuments. Our contention is that there are numerous possibilities for revising City boundaries given the constraints of using existing survey monumentation.

With reference to the conclusion section of the City's petition there are two basic reasons given for annexation. Firstly the City has the opportunity to acquire 500 acres of land from the State of Alaska provided lands to be selected are within the Municipality. They contend that there are not 500 acres of State owned lands within the existing Municipality that are suitable for future development. The lands they have in mind are apparently located along the Dyea road, in the Dyea Valley and along the A.B. Mountain ridge line.

As we appreciate that this is a once only opportunity for the City to acquire lands for future development we support their annexation of a modest acreage for this purpose.

The second stated reason for annexation is to allow for orderly planning and zoning and the extension of Municipal services. Our contention is that there is no demonstrated need for these additional services outside of existing boundaries with the possible exception of the Dyea area.

With particular reference to our right-of-way from the City boundary to the International Border we contend that there are no permanent residents, land owners, suitable lands for urban development or requirement for Municipal services such as fire and police protection. Furthermore the railway is required by legislation and will continue to be required to be responsible for fire protection within the right-of-way.

In summary these lands are not urban nor is there any likelyhood of them becoming urban in nature. We are of the opinion that the expansion of the City's property tax base is not sufficient reason for their inclusion within the Municipality.

The two preceding paragraphs also apply for the most part to the vast majority of the lands proposed for annexation. In conclusion we contend there is not sufficient justification for the annexation of additional land with the exception of those lands necessary in order to enable the City to exercise their entitlement to 500 acres of State owned property.

Yours truly,

K.M. Steele
Land Manager
Pacific & Arctic Railway & Navigation Company

KMS/eb

cc: City of Skagway

P. O. Box 8324
Ketchikan, Alaska 99901
November 13, 1979

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MINUTES OF THE LOCAL BOUNDARY COMMISSION
DECISIONAL MEETING ON THE ANNEXATION TO THE CITY OF SKAGWAY

NOVEMBER 17, 1979

Beginning at 7:00 p.m. on November 17, 1979 at city hall in Skagway, Chairman Sheila Gallagher, along with Boundary Commission members Bettisworth, Anderson, and Strandberg, held a public hearing on the City of Skagway's petition to annex all of the unorganized borough outside the City of Skagway's current boundaries between the Haines Borough and the Canadian border. Approximately 70 people attended the public hearing and principle testimony supporting the petition was made by petitioner's representative, Attorney L.B. "Jake" Jacobsen with major opposition to the petition being given by several residents who live in the community of Dyea and a representative of the White Pass-Yukon Railroad.

At approximately 10:30 p.m. following the public hearing, Commissioner Gallagher convened a decisional meeting of the Local Boundary Commission for the purpose of acting on the petition for annexation as submitted by the City of Skagway. For purposes of discussion Commissioner Bettisworth moved and Chairman Gallagher seconded that the Local Boundary Commission accept the petition as submitted by the City of Skagway. Discussion followed as to the possibility of revising the boundaries to include a smaller area more adjacent to the current City of Skagway. Also, there was discussion concerning whether or not the City of Skagway could provide services to residents within the 481 square mile proposed boundaries. Commissioner Strandberg indicated that he was concerned that the area proposed for annexation was too small to be considered as a future borough and that, in the absence of other forms available for local government, the most desirable approach for providing local government services to the area would be through annexation to the City of Skagway. Commissioner Anderson expressed concern that with the opening of the highway it appears that the City of Skagway should have an opportunity to control development along that highway corridor. Chairman Gallagher expressed feelings that the Commission not concern itself with the "unorganized status" of certain areas that might be considered for exclusion from the petition and to concentrate Commission attention strictly to the annexation petition and the standards for annexation. She concurred with Commissioners' Strandberg and Anderson that the City of Skagway had acted in "good faith" following the previously approved annexation in Skagway (i.e. establishing differential tax zones, etc.)

On roll call vote, those voting in favor were Bettisworth, Strandberg, and Anderson; opposed Gallagher. The motion to accept the petition for annexation of unorganized borough territory between the Haines Borough and the Canadian Border was approved. Chairman Gallagher adjourned the decisional meeting at approximately 11:15 p.m.

Signed by:

Palmer McCarter
Staff to Local Boundary Commission

Approved by:

Sheila Gallagher, Chairman
Local Boundary Commission

Enclosed is a Public Hearing Notice on the Skagway Annexation Local Boundary recommendations to be held February 29, 1980 by the Joint Senate and House Community and Regional Affairs Committee.

Comments in person, by phone, or in written form will be welcomed. A listing of committee members is also enclosed in the event you desire to contact members directly.

Sent 2-19-80

FROM

CITY OF SKAGWAY
P. O. BOX 415
SKAGWAY, ALASKA 99840

Subject Annexation - Public Hearing

TO Twyla Hartsock
Senate CRA Committee
Pouch V
Juneau, Alaska 99811

Message Following was list of names some but no's. (otherwise sent from Skagway) These people spoke for or against annexation at the LBC meeting here.

Lillian Litzenberger - Skagway
Edith Lee - "
Chris Rohlf - "
Michael Geyer - "

SIGNED Gene DATE 2/12/80

Reply DATE / /

Marvin Taylor - Skagway
Gene Strong - "
Oscar Selmer - "
Gene Richards, PO Box 8324 Ketchikan
Mike Caffrey - Skagway
Barbara Kalen - "
John McDermott - "
White Pass & Yukon Route - Skagway
Rick Burrough - "
Lorna McDermott - "
Beryl Hosford - "
Leonard Sivertsen - "
James Matthews - "
Willard (Skip) Elliott - "

Send city hall & One notices & will post them for you.

SIGNED

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Poly Pak 150 sets 4P467
Poly Pak 150 sets - 50 Envelopes 4E467

SEND PARTS 1 AND 3 WITH CARBON INTACT.—PART 2 WILL BE RETURNED WITH REPLY.

LEGISLATIVE STANDING COMMITTEES

ELEVENTH LEGISLATURE - SECOND SESSION

1980 - 1981

HOUSE

COMMERCE

Brown (Chairman)
Munson (Vice-Chairman)
Malone, Osterback,
Bettisworth, Halford, Randolph

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Carney (Vice-Chairman)
Parr, Zharoff,
Branson, Metcalfe, O'Connell

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Duncan, Guy, McKinnon, Moss, Rogers
Smith, Schaeffer,
Haugen, Montgomery

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Buchholdt (Chairman)
Munson (Vice-Chairman)
Hurlbert, Miles, Barnes,
Beirne, Chatterton

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Brown, Buchholdt, Malone,
Barnes, Martin, O'Connell, Phillips

LABOR AND MANAGEMENT

Hurlbert (Chairman)
Rogers (Vice-Chairman)
McKinnon, Miller
Bettisworth, Branson, Hayes

RESOURCES

Osterback (Co-Chairman)
Miles (Co-Chairman)
Zharoff (Vice-Chairman)
Carney, Cotten, Fuller,
Chatterton, Eliason, Halford

RULES

Cotten (Chairman)
Brown (Vice-Chairman)
Anderson, Miller, Parr,
Hayes, Phillips

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Gardiner, Parker,
Eliason, Martin, Metcalfe

SENATE

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W. Bradley (Chairman)
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Kelly, Ferguson, Stimson

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Kelly, Rodey, Stimson

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Sumner, Hohman, Ray

HEALTH, EDUCATION & SOCIAL SERVICES

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Colletta, Sturgulewski,
Fahrenkamp

JUDICIARY

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Dankworth (Vice-Chairman)
Bennett, Meland, Ray

LABOR AND MANAGEMENT

Ferguson (Chairman)
Ray (Vice-Chairman)
Bradley, Colletta, Kerttula

RESOURCES

Sumner (Chairman)
Dankworth (Vice-Chairman)
Bennett, Mulcahy,
Fahrenkamp, Kerttula,
Meland

RULES

Colletta (Chairman)
Ziegler (Vice-Chairman)
Sumner, Tillion, Hohman

STATE AFFAIRS

Mulcahy (Chairman)
Kelly (Vice-Chairman)
Bradley, Rodey, Ziegler

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

In the Matter of Annexation)
by the City of Skagway, Alaska)
) PETITIONER'S BRIEF

I. In General. The City of Skagway, Alaska is a first class city organized and existing under the laws of the State of Alaska. It is Alaska's oldest city originally incorporated under terrritorial law as a municipality in 1900. The City of Skagway's original municipal boundaries, established in a 1900 election to incorporate, encompassed 931.49 acres more or less, excluding tide and submerged lands. The municipal boundaries were expanded through annexation in 1978 to encompass 11 square miles. According to the official 1970 census, the population of the City of Skagway was 675; its population for 1 July 1978 revenue sharing purposes as compiled for and approved by the Alaska Department of Community and Regional Affairs was 874.

II. Municipal Services Provided Within the City. The City of Skagway currently provides water, sewer (primary treatment), garbage and solid waste disposal services to its residents. Electrical power is provided by an independent, city-franchised utility regulated by the APUC. The City provides maintenance and repair services for city streets and rights-of-way.

Law enforcement within its jurisdiction is undertaken by a police force consisting of a chief of police and two officers, all on a full-time basis.

Fire protection, rescue and emergency medical services within the city and surrounding environs are undertaken by the Skagway Volunteer Fire Department operated out of the

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City-owned fire hall, a modern facility constructed in 1969. Major equipment employed includes: one 1970 American LaFrance pumper, one 1973 American LaFrance pumper, one 1963 White 1000-gallon tank truck, one 1953 Howe Jeep pumper, one 1974 Dodge ambulance, 1 Kaiser Emergency Medical Rescue vehicle and one 1958 Ford hearse. The City retains and pays a part-time fire chief, two captains and two lieutenants. The Volunteer Fire Department has seventeen regular members in addition to officers, paid a drill allowance of $2,500 plus a special training allowance for fire training school attendance and fees. There are four fire cadets and eight emergency medical personnel. Additionally there are a number of former members of the fire department and civic minded citizens who invariably respond and assist in combating fires.

The City owns and operates a cemetery and charges a flat fee of $325.00 for opening and closing a grave plus the plot.

The City of Skagway by ordinance established a Port Authority which serves in a planning and advisory capacity to the Council respecting port development and regulation of maritime and small craft activities within Skagway Harbor, including the Small Boat Harbor.

The City of Skagway has adopted a complete zoning plan and map to govern the organized growth and development within the municipality, and further, has promulgated standards for subdivision development. These will be expanded to include the annexed territory. A unique aspect of its zoning plan is establishment of a Historic District and restrictive development regulations therein. To prevent

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construction of substandard buildings and dwellings, the City Council has adopted the National Electrical Code, Uniform Building Code, and National Plumbing Code by reference in ordinance form. Also adopted is the fire prevention code promulgated by the American Insurance Association.

The City owns and operates a medical clinic in a rather new building, leasing same to a Haines-based physician commuting to Skagway two days per week to provide health and medical service to residents and the outlying population.

The municipal library is managed as a non-profit activity by a library board appointed by the Mayor. Library operations are financially subsidized by the City. A new public library building is presently under construction with an estimated completion date of early August 1979.

The Skagway Museum is an entirely city-operated entity both in terms of physical plant and personnel. Like the library, the museum is used by the population on an area-wide basis, not limited to residents. Further, the tourists which the museum and Historic District attract inure at least indirectly to the benefit of non-residents living on the periphery of Skagway's boundaries.

Additionally, the City owns the physical plant and facilities of the local school system operated by the Skagway School District through its School Board. The current enrollment for both primary and secondary grades is 200 students, 10 of which reside outside the present municipal boundaries.

III. Extra-territorial Services. The City currently provides extra-territorial fire protection to non-residents

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on a limited and gratuitous basis. The decision of whether to respond to an out-of-town request for fire service lies with the independent discretion of the fire chief who will consider all known and relevant factors giving preference to vigilance and protection within the City. outside calls are responded to only with the tank truck, jeep pumper and emergency rescue vehicle.

As to law enforcement outside the City, Skagway has no Alaska State Trooper based at the City, but instead relies upon a trooper being sent over from time to time from Haines on an as-needed basis. In essence, the City of Skagway does provide extra-territorial police protection currently; its offices are commissioned by the State to enforce state law and they do respond to calls for assistance outside the Skagway City limits. Approximately 35% of the traffic accidents investigated by the police department during the past 3 1/2 years occured outside the City limits.

The City provides no water or sewer service on an extra-territorial basis. The City operates and maintains the only garbage dump in the vicinity. There is no charge made to persons residing outside the city limits who use the dump facility.

The residents within the territory proposed for annexation naturally use the city-owned and maintained schools, medical clinic, library, museum and all other municipal facilities, including city streets and roadways. The non-residents benefit from the access to and actual utilization of the foregoing municipal facilities but other than through payment of the 3% sales tax do not financially

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contribute to their establishment, maintenance or perpetuation in any manner corresponding with the contributions from local residents.

IV. Imminent Development. The prospective developments advised in Skagway's 1976-7 annexation brief have largely materialized. The Klondike Goldrush Historical Park and Skagway-Carcross Road are fact and the third project, port development, is well along. The city-State joint use barge and ferry terminal off-loading facility is scheduled for completion this October, 1979 at a cost of $3.5 million. The White Pass rail freight dock and dredging project is in the permit process. Accordingly, it can be seen in retrospect that the City's 1976-7 annexation petition forecast the major projects with commendable accuracy.

Additionally, it appears that additional major projects will be imminently undertaken. These prospective developments in and about the City will assuredly affect its growth, level of commercial activity, and invoke desirability for further municipal control respecting external affiars.

1. Additional Port Developments. The City is in receipt of State and EDA grant funding for the concurrent construction of a heavy duty transfer bridge and cargo staging facility. The White Pass & Yukon Route has applications pending approval by the Corps of Engineers for construction of improvements to its water front facilities - e.g. dredging and rehabilitation of the cargo dock, dredging and major alteration of the Ore Terminal wharf. Dredging work in the City's Small Boat Harbor has been completed and the new float system is scheduled for installation in the summer of

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in May 1979 and has been heavily traveled subsequently, e.g. for the period 7 May, 1979 to 30 June, 1979, the U.S. Customs Service reports some 12, 198 persons, 6,243 U.S. citizens and 5,955 Canadian and other nationalities, have traveled southbound over the highway. Canadian customs reports some 17,000 persons traveling northbound during the same period. This road is certain to become a major transportation corridor for commerce to interior Alaska and the Yukon Territory. Its importance was originally understated. It will serve as a scenic alternative to the Haines Highway for ferry borne vehicles entering and departing Alaska and will, as well, attract traffic traveling the Alcan Highway. The last session of the State Legislature appropriated some $564,000.00 for the procurement of maintenance equipment and employment of additional highway maintenance personnel in order to keep the road open year-around. It is anticipated that the Canadian Government will follow suit. For example, the Federal Government of Canada has appropriated $3 million for further construction and improvements and it is expected a portion of this funding will be applied to winter maintenance.

The establishment of the National Park and the opening of the highway already have resulted in increased tourism as well as changes in the nature of visitors, specifically, more younger families with children; more backpackers and hikers and more recreational and camping vehicles as opposed to retired couples traveling by cruise ships. The impacts of the Park and Highway are already being felt in Skagway. There is a lack of campgrounds and accomodations for recreation vehicles, resulting in traffic congestion and tight parking

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in and close by the Historic District. Additional campgrounds and tourist support facilities are required, and, due to the limited developable land within the City limits, these will have to be located in the area proposed for annexation to the north of the City and along the Dyea road and in the Dyea valley. To prevent haphazard development with attendant adverse impact on the natural environment, creation of dangers to public health and safety, it is essential that the City exercise zoning and platting authority.

Impacts of change deserve comment. As noted above, the distinct impacts of the Park and Highway are already present. If either of the pipeline projects materialize, singly or in combination, the City will be severely impacted. The City will be faced with almost overwhelming demands for housing accomodations and for municipal services, most obviously, public safety, education and utility.

In order to meet and to reduce or ameliorate the adverse aspects of these foreseen changes the City must plan and prepare. The time is now. The City is doing this. The City's OEDP Committee has spent a great deal of time recently in updating the City's Overall Economic Development Plan. This report emphasizes the need for annexation.

Additionally, the City has received a planning grant under the Coastal Energy Impact Program. This planning effort will include the development of a District Coastal Management Plan, an Energy Impact Plan and also a comprehensive plan, a capital improvement plan and a financial management plan. Work on this plan will be initiated this summer with a completion date of May 1980.

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V. Why the Boundaries Proposed? The municipal boundaries of Skagway remained unchanged for 75 years. Until the last several years, growth in and around the City has not warranted extension of the municipal boundaries on the basis of need for provision of municipal services when viewed in the light of costs and services benefit to residents both within and outside the municipal boundaries. In 1976 it became apparent to the City Council that the City, by reason of its serving as a major port in a transportation corridor and as the commercial and industrial center of the area, has conferred substantial benefits upon residents and owners of properties outside the City without corresponding tax contributions on their part for these services and benefits. Due to opposition on the part of some of these non-residents and primarily because of a lack of consensus within the Council, the City petitioned for only a limited extension of its boundaries. The Local Boundary Commission considerably reduced the extent of the territory applied for and the annexation was approved by the Legislature in March of 1978. Subsequently, in its administration of government, the City has established differential tax districts for the annexed areas based on the City's capability to provide municipal services and the level of services provided.

The lines of communications in the Skagway area are limited and there is a dearth of developable land which is readily accessible - e.g. the area is largely river flood plain, mountain and glaciers. There are however, pockets of land suitable for residential or industrial development and to which provision of access will be practicable through

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road improvements and construction, e.g., along the Dyea road, in the Dyea valley and along the AB Mountain ridge line. And, most importantly, there is the transportation corridor through the White Pass. These are the areas which must be made available and developed in order that the City may accomodate ongoing and foreseen increased population and industrial growth. Under the State municipal land selection program the City's entitlement is 500 acres. There are, however, not 500 acres of State land within the City boundaries which are suitable for selection. Therefore, with the concurrence and assitance of the State Division of Lands, the City has nominated lands for selection which lie outside the present municipal boundaries. In making these nominations, it was understood that the City would have until 1986 to extend its boundaries through annexation and thereby select its full allocation. The recent legislature, however, set a deadline of 1 October 1980 for municipal land selection. Therefore, completion of the annexation process has become a matter of urgency.

To facilitate annexation, it is considered to be entirely appropriate as well as both more practical and more economical that the area to be annexed be encompassed by established survey monuments. Accordingly, the City Council reached a decision to petition for annexation of all of the area within the unorganized borough encompassed by the Haines Borough boundary and the U.S.-Canada Boundary.

Given the confines established by the Haines Borough boundary and the U.S. - Canada boundary, it is self-evident that any further enlargement of the City of Skagway's

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boundaries will be impossible. The question becomes which form of government is most appropriate. The Skagway Council rejected establishment of a borough as being an overlapping, expensive, and largely unnecessary layer of government; better that the City should expand into the "gap". Further, there was no legal method under the State statutes for the City to transform into a unified city-borough in a single step. Lastly, the Council acknowledges a legislative trend toward classification of all lands in the State and toward elimination of the unclassified borough. Enlargement of the City of Skagway's boundaries to 431 square miles might be considered large for a city, but it is a mere paucity by present borough standards prevailing in the state. Specifically, it would be approximately one-third as large as the present smallest borough, about one-tenth as big as the "average" borough, and little useful purpose could be seen in organizing yet another separate local government unit in the form of a borough. A borough would furnish no greater services, and the City of Skagway has adopted a scheme of differential tax zones to implement a policy of real property taxation to correspond with the level of services provided.

VI. City Owned Properties Outside the Existing Boundaries. A segment of the west side of the City's recreational park at Yakutania Point lies outside the present boundary. The City has nominated several hundred acres of land for municipal selection which lies outside the City limits. Subject to approval of this petition, some of these lands will be selected prior to 1 October 1980.

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VII. Population and Activities Within the Area Proposed for Selection. A total of 51 persons reside outside the City limits and within the area proposed for annexation. There are approximately 175 acres of privately-owned land in the area, primarily along the Dyea Road and in Dyea Valley. In addition to permanent residences there are a number of recreational cabins located on private and State land which are occupied weekends.

The largest industrial activity in the area, the White Pass and Yukon Route has extensive improvements in the area, specifically the railway and pipeline through the White Pass. The area proposed for annexation consists largely of Federal and State lands including the National Park and a portion of the Tongass National Forest.

VIII. Taxes, Services and Benefits in Transition. Upon receiving annexation authority, the City of Skagway would propose to undertake planning and zoning control immediately and to increase the level of police and fire protection as practicable throughout the enlarged jurisdiction. That is not to say that the services will be equal. For example, the Council will have to consider obtaining some separate and lesser firefighting equipment for placement at Dyea.

The City of Skagway's fiscal year runs from July 1 through June 30 of the next calendar year. Since the effective date of the annexation would fall in the middle of calendar year 1980 and most probably at a time other than the commencement of Skagway's 1980-81 fiscal year, it is contemplated that the City's services would be phased in on a schedule roughly

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commensurate with additional revenue which is generated for capital improvements. The City will not impose taxation, either on real or personal property, in the territory proposed for annexation until tax year 1981.

Extension of governmental services and of water and sewer utilities will be undertaken on a basis compatible with the City's financial ability with a view toward a favorable cost-benefit ratio. This is not in the immediate future and Skagway would establish differential tax zones which would be amended from time-to-time in parallel with the level of services provided. Skagway's present differential tax zone applies 100% of the levy to the land on the flats on the southeast side of the river; 79 1/2% to the flat lands on the other side of the river, and a 50% levy on the sloping lands and those within the City towards Dyea. It is contemplated that additional tax zones with appropriately lesser rates would be established for the areas proposed for annexation by this petition, e.g., for the Dyea and White Pass Corridor areas.

The City Council recognizes the need for fire, rescue and ambulance services; a plan will be formulated to ascertain how to best respond to additional requirements.

The construction of new residential and commercial structures and additions thereto in the new territory will be subject to the Planning and Zoning Permit process thus insuring greater value through compliance with recognized standards. In this regard, it is the intent of the City Council that these standards will be applied in a reasonable and equitable manner with due consideration given to the

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situs and nature of the building and to the individual life style preference of the inhabitants. The City's comprehensive zoning plan will have to be revised and expanded commensurate with its enlarged jurisdiction, and this will be done. In undertaking this task, the City plans to recognize non-conforming uses through "grandfather rights" and to confer with residents and owners of property in Dyea to ascertain whether full applicability of the aforementioned codes is appropriate in that sector.

Members of the population currently residing outside of the city and using municipally-provided services are unable to play a role in the formulation of policy pertaining to those services. The annexation would, in addition to the obvious benefit of the privilege of voting, allow those who are currently non-residents of the City to participate in policy formulation through candidacy for elective office such as council and school board, and serve on numerous committees and commissions.

There are no inter-municipal agreements regarding transitional provisions of services and distribution of assets and liability because this proposed annexation does not affect any other city or borough.

It is contemplated that benefits from annexation would accrue to the city, present as well as those enfranchised by annexation. The tax base will be broadened by the extensive capital investment programs proposed for support of the oil and natural gas pipelines. For example, of the estimated $211 million cost for the oil pipeline, some $163 million will be expended for capital improvements within the proposed

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municipal boundaries. The City will also arguably benefit from receipt of a percentage of the Tongass National Forest stumpage fees. These benefits will enable the upgrading of city services for the benefit of all residents, tourists and casual users of the area, commercial and industrial users who would patronize the area as a transportation corridor and staging location, and in particular will provide for the extension of a higher level of services to the more removed areas such as Dyea Valley.

IX. Conclusion. The purpose of this annexation petition is to anticipate growth and provide for advance planning. The increase in activity attendant to the construction and operation of the pipelines will both benefit the City's economy and generate increased demands and costs for governmental services. The City will require that the pipeline construction companies assume a major share of these costs until they can be supported by the increased tax base. In the absence of annexation, the City would be lacking adequate jurisdiction and controls necessary to implement timely extensions of municipal services.

Annexation is imperative if the City of Skagway is to fully realize its land selection entitlements.

It is the conclusion of the City Council that there is a need for basic governmental services such as the promotion and control of land usage and development through the exercise of planning and zoning authority paralleled by the extension of police and fire protection service to the inhabitable areas outside the city which are now or soon will be partially urban in character. Extension of the City

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boundaries rather than formation of an overlapping borough jurisdiction is deemed a more prudent alternative. The volume and nature of tourism and recreational visitation is both changed and increased, and most importantly, the prospects for major industrial development are imminent. The City wishes to respond to the foreseen impact by enlarging its jurisdiction "to provide for maximum local self-government" consistent with Alaska's Constitutional mandate.

DATED this 24 day of July, 1979.

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

By: L.B. Jacobson

L.B. Jacobson

Of Attorneys for Petitioner

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STATE OF ALASKA
LOCAL BOUNDARY COMMISSION
JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION SUBMITTED TO THE ELEVENTH STATE LEGISLATURE SECOND SESSION ASSEMBLED

SUBMITTED JANUARY 18, 1980

Recommendation for Annexation of Territory

to the

City of Skagway

WHEREAS, petitioner, the City of Skagway has requested that certain territory be annexed to the City of Skagway; to wit: the entire area contiguous to the City between the Haines Borough and the Canadian border containing residential and recreational lands; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Skagway on November 17, 1979, to consider whether the territory for which the City of Skagway petitioned should be annexed to the City; and

WHEREAS, following the public hearing the Local Boundary Commission convened a decisional meeting at which it reviewed the City of Skagway's petition, supporting brief and all testimony received prior to and during the November 17, 1979, public hearing; and

WHEREAS, the Local Boundary Commission has determined that the proposed area met the standards for annexation in that the area is likely to see development that will require municipal services; and

WHEREAS, the City of Skagway is the only local government located proximate to the territory which has the capability of providing the needed services;

NOW THEREFORE, the Local Boundary Commission recommends that pursuant to to Article X, Section 12 of the Alaska Constitution and Alaska Statutes 44.19.260 that the petition for annexation of territory to the City of Skagway be approved and that the boundaries of the City of Skagway be changed to read as follows:

City of Skagway. Beginning at Mt. Bagot at Lat. 59° 21' N and Long. 135° 2' W. Thence due West on a straight line to a point in the center of Lynn Canal on Taiya Inlet at approximately Lat. 59° 21' N and Long. 135° 22'.5" W. Thence northwesterly to Monument No. 124 on the Alaska-Canada Boundary at Lat. 59° 44' N and Long. 135° 43' W. Thence northeasterly along the Alaska-Canada Boundary to Mt. Foster. Thence southeasterly along the Alaska-Canada Boundary to the point of beginning.

In accordance with Article X, Section 12 of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

HOUSE & SENATE JOINT
JOURNAL SUPPLEMENT

January 21, 1980 Monday No. 4

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION
JUNEAU, ALASKA

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Report to the Second Session of the Eleventh Legislature Relating to Review of Services Provided to the Residents in the Kodiak Island Borough

Prepared and Submitted Pursuant
to House Concurrent Resolution No. 7AM
by the Department of Community and Regional Affairs

January 18, 1980

Background

As a result of a petition to annex a small area into the City of Kodiak the Local Boundary Commission (LBC) held two public hearings, one on December 12, 1977 and the other on May 20, 1978, to take public testimony on the annexation of a larger area to the City of Kodiak. This area included the Spruce Cape area, the Mill Bay Road area, the Monashka Bay area, and the United States Coast Guard Station. Following the public hearing the LBC recommended to the First Session of the Eleventh Legislature that all of the areas, except the Coast Guard Station, be annexed to the City of Kodiak. The Legislature disapproved this annexation by adoption of House Joint Resolution 10. The Legislature, in House Concurrent Resolution No. 7 amended, requested the Department of Community and Regional Affairs to study the various options to provide "services throughout the road system extending North and Northeast of the City of Kodiak" and to submit a report to the Legislature by January 20, 1980.

Progress to Date

During 1979, the City of Kodiak and the Kodiak Island Borough worked together to devise an acceptable compromise to provide services to the residents of Service District #1 which includes the area proposed by the LBC for annexation. The Department was kept apprised of these negotiations, and it was clear that the City and Borough wished to work its problem out without C&RA involvement.

The negotiations centered around providing water and sewer service to an area referred to as Service District #1, which includes the Island Lake and Spruce Cape areas. The City of Kodiak indicated in writing in December, 1979, that "the City's attitude does not preclude small annexations as requested through the presentation of 100% petitions, but does reject the idea of major annexations". This attitude would also

preclude the provision of services by instituting a step annexation. The Local Boundary Commission has also stated that it will not pursue annexation in the City of Kodiak area on its own and will only become involved if petitioned.

The method of providing service through a service district approach appears to have the mutual support of the City and Borough. The City is willing to provide water at the city boundary to Service District #1 and to treat effluence from this area. The City will provide water meters to allow for the billing to the Borough for the residents getting water and sewer service in the area outside the city.

The major concerns that need to be resolved deal with the operation and maintenance of the water and sewer utility service. A rate study needs to be conducted and the City and Borough have not, as of this date, reached an agreement on selection of a consulting firm to do this work. The City has stated that it does not wish to become involved in any contractual arrangement to operate and maintain the water and sewer systems within Service District #1. City Mayor Al Beardsley states that this "maintenance (within Service District #1) can just as easily be contracted (by the Borough) with a private firm". Agreement has been reached to allow the City inspection privileges during installation of sewer lines to minimize infiltration into the sewer collection system within Service District #1.

Public Meeting

On January 12, 1980 Commissioner Lee McAnerney convened a public meeting for the purpose of receiving public comment regarding the "best" way to provide services to those residents of the Kodiak "urban" community outside the City of Kodiak. The managers of both the City and Borough, the city mayor, seven other assembly or council members, and fourteen public participants were present at the meeting.

Thirteen persons testified during the meeting. The overwhelming majority of those testifying favored the direction that the City and Borough have taken in negotiations between these two local governments. The testimony expressed a feeling that the service district approach gives the residents involved more alternatives in the level of service they will receive.

One person testified in favor of annexation of Service District #1 to the City of Kodiak as the best short-term alternative with unification of the City and Borough being the long-term or ultimate solution.

Future Outlook

This Department is prepared to assist the City of Kodiak and the Kodiak Island Borough in their attempt to work out remaining differences between them. Both the City and Borough should be commended for the progress that has been made to date. There is no reason to think that the remaining differences cannot be worked out within the next few months.

The question of unification will again appear on the October, 1980 ballot. If this proposition is approved, jurisdictional problems in providing services to Kodiak Island residents would be resolved.

The Department concludes that no further action is required by the Legislature, the Local Boundary Commission or this Department, at this time, in the matter of provision of municipal services to residents living within the Kodiak "urban" area.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

CITY OF SKAGWAY, ALASKA

Ordinance No. 85-5

AN ORDINANCE PROPOSING THE MODIFICATION OF THE MUNICIPAL BOUNDARIES OF THE CITY OF SKAGWAY BY ANNEXATION OF THE SURROUNDING AREA AS DESCRIBED IN SECTION 5 BELOW.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SKAGWAY, ALASKA:

Sec. 1. Classification. This ordinance is of an impermanent nature and is not to be codified in the Skagway Code of Ordinances.

Sec. 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Sec. 3. Effective Date. This ordinance shall be effective upon adoption. However, the official map and zoning map of the City of Skagway shall not be modified until the annexation is approved by the Alaska State Legislature.

Sec. 4. Declaration of Intent. The City of Skagway proposes to modify and extend its municipal Corporate boundaries and jurisdiction by annexation of surrounding, unincorporated lands and waters of the United States.

Sec. 5. Description. The territory proposed to be annexed to the City of Skagway Recording District, First Judicial District, State of Alaska, is described as follows:

The land and water area contiguous to the City encompassed by the following boundaries:

On the South and West by the Haines Borough Boundary and on the North and East by the Canadian Boundary.

Sec. 6. Standards. It is verily submitted that the territory proposed for annexation does and will continue to satisfy the standards prescribed in 19 AAC 05.010.

Sec. 7. Procedure. The City of Skagway shall forthwith petition for a local government boundary change pursuant to Chapter 10, Title 19, Alaska Administrative Code.

Sec. 8. Purpose of Annexation. The justification and purpose for the proposal to extend the municipal boundaries and jurisdiction of the City of Skagway are premised on the following considerations:

1) Although the territory to be annexed is presently sparsely populated on a permanent basis, it is foreseen that there will be a significant growth in permanent residents within the next decade and a major increase in the number of transients as the result of the establishment of the Klondike Gold Rush National Park and the opening of the Klondike International Highway.

2) The City of Skagway currently provides limited governmental services within the territory and for residents of the territory. (eg. Police, fire, magistrate's court.)

3) The City of Skagway currently serves and will continue to serve as the commercial, industrial and transportation center of the territory.

4) The residents of the City and the many visitors to the City use the territory for recreational purposes.

5) A demand for and a gradual and equitable extension of municipal services to the territory is logical and foreseeable. Accordingly, the extension of the municipal boundaries and jurisdiction of the City of Skagway is necessary in order that the City may control the development and the provision of municipal services in the territory.

Sec. 9. Authorization. The Mayor, City Manager, City Clerk and City Attorney, and such other municipal officials as are deemed appropriate, are authorized to initiate, petition and implement such procedures as may be necessary to complete this annexation as proposed herein and/or as modified by the Local Boundary Commission and the Alaska State Legislature.

PASSED AND APPROVED: JUNE 21, 1979

MAYOR

ATTEST:

CITY CLERK

1st Reading: June 2, 1979 2nd Reading: June 21, 1979

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting/Hearing on _____ Date: _____

	Name	Address and Phone	Organization/Self	For/Against or Observing
1/	MARVIN P. TAYLOR	Phone 983-2500/2501 BOX 436, SKAGWAY, ALASKA	CITY OF SKAGWAY	FOR ANNEXATION
2/	PAT POLAND	225 Cordova Anch	C&RA/LBC	Observing
3/	McKIE CAMPBELL	Dept of Comm. & Reg. Affairs LGAD Pouch B Juneau, Ak. 99811	DCRA/LGAD	Observing
4/	Marie Pignalberi	~~Dept~~ Pouch B Juo 99811	C&RA	Observing
5/	Palmer McCarter	"	"	"
6/	Barbara D Kolin	Box 317 Skagway 983-2276	citizen of Skagway	against
7/	Skip Elliott	Box 143 Skagway (Dyea)	Dyea residents	against
8/	Jo Anderson	204 Ocean View Dr, Wrangell	LBC	for ✓
9/	[illegible]	7235 Blackberry St Anc /Ak 99502	LBC	for ✓
10/	[illegible]	PO BOX 80188 FAIS AK	LBC	For. ✓
11/				
12/				
13/				

COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting/Hearing on _____ Date: _____

	Name	Address and Phone	Organization/Self	For/Against or Observing
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4/	Marie Pignalberi	~~Dept~~ Pouch B Jno 99811	C&RA	Observing
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10/	[illegible]	PO BOX 80188 FHS AK	LBC	For. ✓
11/				
12/				
13/				

COMMUNITY & REGIONAL AFFAIRS COMMITTEE

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9/	[illegible]	7235 Blackberry St Anc /Ak 99502	LBC	for ✓
10/	[illegible]	POBOX 80188 FHS AK	LBC	For. ✓
11/				
12/				
13/				

RETURN TO

CITY OF SKAGWAY
P. O. BOX 415
SKAGWAY, ALASKA 99840

Subject Annexation - Public Hearing

FROM Twyla Hartsock
Senate CRA Committee
Pouch V
Juneau, Alaska 99811

Message following was list of names
name by no's. (otherwise just just
Skagway) These people spoke for or
against annexation at the LBC
meeting here.

Lillian Litzenberger - Skagway
Edith Lee - "
Chris Rohlf - "
Michael Geyer - "

SIGNED [signature] DATE 2/12/80

Reply DATE

Marvin Taylor - Skagway
Gene Strong - "
Oscar Selmer - "
Gene Richards, PO Box 8324, Ketchikan
Mike Caffrey - Skagway
Barbara Kalen - "
John McDermott - "
White Pass + Yukon Route - Skagway
Rick Burrough - "
Lorna McDermott - "
Beryl Hosford - "
Leonard Sivertsen - "
James Matthews - "
Willard (Skip) Elliott - "

Send copy, tell same notice
& will post them for you.

SIGNED

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Poly Pak (50 sets - 50 Envelopes) 4E467

Enclosed is a Public Hearing Notice on the Skagway Annexation Local Boundary recommendations to be held February 29, 1980 by the Joint Senate and House Community and Regional Affairs Committee.

Comments in person, by phone, or in written form will be welcomed. A listing of committee members is also enclosed in the event you desire to contact members directly.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 18, 1980

TO: SENATOR BOB MULCAHY
VICE-CHAIRMAN
SENATOR TIM KELLY
SENATOR PAT RODEY
SENATOR TERRY STIMSON
All interested parties

FROM: SENATOR ARLISS STURGULEWSKI
CHAIRMAN

SUBJECT: JOINT C/RA MEETING - HOUSE HESS RM. #112, Capitol Building

FRIDAY, FEBRUARY 29, 1980 - 8:00-10:00 a.m.

SKAGWAY ANNEXATION - Local Boundary Recommendations

LEGISLATIVE STANDING COMMITTEES

ELEVENTH LEGISLATURE - SECOND SESSION

1980 - 1981

HOUSE

COMMERCE

Brown (Chairman)
Munson (Vice-Chairman)
Malone, Osterback,
Bettisworth, Halford, Randolph

COMMUNITY & REGIONAL AFFAIRS

Parker (Chairman)
Carney (Vice-Chairman)
Parr, Zharoff,
Branson, Metcalfe, O'Connell

FINANCE

Meekins (Chairman)
Freeman (Vice-Chairman)
Duncan, Guy, McKinnon, Moss, Rogers
Smith, Schaeffer,
Haugen, Montgomery

HEALTH, EDUCATION & SOCIAL SERVICES

Buchholdt (Chairman)
Munson (Vice-Chairman)
Hurlbert, Miles, Barnes,
Beirne, Chatterton

JUDICIARY

Parr (Chairman)
Anderson (Vice-Chairman)
Brown, Buchholdt, Malone,
Barnes, Martin, O'Connell, Phillips

LABOR AND MANAGEMENT

Hurlbert (Chairman)
Rogers (Vice-Chairman)
McKinnon, Miller
Bettisworth, Branson, Hayes

RESOURCES

Osterback (Co-Chairman)
Miles (Co-Chairman)
Zharoff (Vice-Chairman)
Carney, Cotten, Fuller,
Chatterton, Eliason, Halford

RULES

Cotten (Chairman)
Brown (Vice-Chairman)
Anderson, Miller, Parr,
Hayes, Phillips

STATE AFFAIRS

Miller (Chairman)
Fuller (Vice-Chairman)
Gardiner, Parker,
Eliason, Martin, Metcalfe

SENATE

COMMERCE

W. Bradley (Chairman)
Sturgulewski (Vice-Chairman)
Kelly, Ferguson, Stimson

COMMUNITY & REGIONAL AFFAIRS

Sturgulewski (Chairman)
Mulcahy (Vice-Chairman)
Kelly, Rodey, Stimson

FINANCE

Sackett (Chairman)
Bennett, Dankworth, Hackney,
Sumner, Hohman, Ray

HEALTH, EDUCATION & SOCIAL SERVICES

Hackney, (Chairman)
Ferguson (Vice-Chairman)
Colletta, Sturgulewski,
Fahrenkamp

JUDICIARY

Ziegler (Chairman)
Dankworth (Vice-Chairman)
Bennett, Meland, Ray

LABOR AND MANAGEMENT

Ferguson (Chairman)
Ray (Vice-Chairman)
Bradley, Colletta, Kerttula

RESOURCES

Sumner (Chairman)
Dankworth (Vice-Chairman)
Bennett, Mulcahy,
Fahrenkamp, Kerttula,
Meland

RULES

Colletta (Chairman)
Ziegler (Vice-Chairman)
Sumner, Tillion, Hohman

STATE AFFAIRS

Mulcahy (Chairman)
Kelly (Vice-Chairman)
Bradley, Rodey, Ziegler

HB

9

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 9 Tax in the Unorganized Borough

ORIGINAL SPONSOR: Parr
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: ~~Finance~~

HEARING DATE: 4/30/80

MEMBERS PRESENT:				
	Bill Parker	X	Pat Carney	
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

Terry Early, State Assessor
Initial assessment would be done if a borough were to be formed. 3.83% is average mill rate statewide at present time. Two main problems with assessment are:
(1) Restricted deeds and the inequities caused by these
(2) Cost of doing the assessment would be high

Parr - What Early sees as problems could be seen as opportunities. Restricted deeds are not significant.

Early - Study could be done to see what might be possible. Tax base study fo the unorganized borough could be done as we don't have any informational basis we need.

Branson - "Developed", "improved" federal land taxed in Kenai.

Early - Section 4 Statehood Act restricts ability to tax.Time frame for the job would be 3 years.Recording of districts and plat maps would be the starting point.

Parr - A 3 yr. study to decide how to go about it isn't necessary.
Early - Study would only need to take 1 year.Lack of information is the main problem.
Parr - Feasibility isn't the question, rather how to do it.
Early - Average school millage being reduced yearly. Could cost more to administer than would be received.

Zharoff - Bill is premature. P.1 line 24 and following needs to be changed. Dec. 18, 1991 should be date. Not talking about "land" which is exempt.

Clarence Antioklia, Ex. Director, SeaAlaska
Opposed to bill. SeaAlaska will be the largest land owner in unorganized borough. Secction 1C doesn't provide adequate protection Lands were to be conveyed immediately and exempt for 20 years. Delay in

COMMITTEE ACTION: No Action

TAPE # 9 10 SIDE 2 1 Footage 710-1564 00-298

conveyance should be noted. "Uninproved land" definition too broad. Asks if timber harvesting is covered in the bill along with roads connected with such operations. What is the purpose of taxation? Few services are being rendered in the villages.

Parr - Should SeaAlaska have different tax status than any other Corp. in the state? What is the definiton of "unimproved land" in ANCSA?

Antioklia - Wary of anything to do with taxation. Aimed at those areas not contributing to schools (Parr)

Tony Strong - Tlingit/Haida Director of Community Services
Need more time to review bill. Employment services (CETA) jobs being cut back. People couldn't pay taxes.

Parr - $10,000 exemption could be raised.

Strong - Land ownership almost impossible to identify.

Parr - Land owned by municipalities not taxable. Leasehold interest taxed on state land. Inequity needs to be addressed.

Strong - Income and sales taxes paid when people earn money. Potential of bill is that ability to pay may eventually mean that people lose their land.

Section 4
Statehood
Act
Alienation "Rights"
Natives
no tax lien
occupants reconveyance
definition of "developed"
1991 exemption only refers to
"undeveloped land"

Revenue projections from taxation of the Unorganized Borough pursuant to House Bill 9.

1978-79 School Millages

Anchorage	5.87
Bristol Bay	2.70
Fairbanks	5.50
Haines	2.027
Juneau	6.85 *
Kenai	4.035
Ketchikan	4.25 **
Kodiak	5.00
Mat-Su	6.05
North Slope	1.59 *
Sitka	2.30 *
Total	51.172 divided by 11 (boroughs) equals 4.652 average.

* rates received by telephone
** rate by telephone, comment was 85% of rate is school (85% X 5 mills = 4.25)

Value Estimates

Method I

Average value per capita in organized areas (excluding oil & gas)	$25,369
Population of Unorganized Borough (include second class cities)	43,584
Average value per capita in Unorganized Borough (80% of organized)	20,295

$20,295 times 43,584 = $884,537,280

884,537,280 less vacant land exclusion (20%) = $707,629,824

Method II

Average population per parcel in organized borough	1.96
Average value per parcel in Unorganized Borough (80% of organized)	35,758.00
Parcels in Unorganized Borough	22,374.00

22,374 less 20% for vacancy exclusion = 17,899

17,899 times $35,758 = $640,032,442

Method III

Average value per parce' - 6 smallest first class cities	19,704
Parcels in Unorganized Borough	22,374

22,374 less 20% for vacancy exclusion = 17,899

17,899 times 19,704 = $352,681,896

Revenue Estimate

Method I - 707,629,824 @ 4.652 mills = $3,291,893

Method II - 640,032,442 @ 4.652 mills = $2,977,430

Method III - 352,681,896 @ 4.652 mills = $1,640,676

Our estimates of revenues range from a low 1,640,676 to a high of 3,291,893 and feel the final result would fall in that area. However, it should be noted that these figures are no more than estimations and could be far afield.

Specific Questions or Concerns

Six first class cities levy no property tax. Act as written seems to ignore them.

Eagle is a second class city that does levy a property tax. Shouldn't some provision be made for them to continue in some way?

Prepared by:

Department of Community and Regional Affairs
State Assessor's Office

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/23/79

COMMITTEE MINUTES

BILL NUMBER AND TITLE: HB 9 Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough

ORIGINAL SPONSOR : Parr

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, Branson, Zharoff, Parr, Metcalfe, O'Connell

MEMBERS ABSENT: Carnev

INDIVIDUALS CONTACTED:

Obterback, Soboloff, C&RA, Clocksin, Anderson

WITNESSES TESTIFYING:

Parr - The intent of the bill is to equalize the tax burden. There should be a contribution for services received. The millage rate should reflect the costs for education .

Within the unorganized borough there are service stations, restaurants (37) lodges and hotels (90) and canneriers (30plus) none of which are currently taxed.

$10,000 exemption would be automatic . Native Village Corp. lands wiould be exempt.

At the present time REAA get $12 per pupil in Foundation money. State furnishes what would normally be the local contribution.

Eventual effect of the bill might be to encourage organization in the unorganized borough but that is not the intent of the bill.

Nels Anderson - Basically opposed to bill.
p. 1 l. 24-27 Date should be reconsidered. Dec. 18, 1991 should replace date. Points out that it will take a large amount of money to collect these revenues and that it might not match the amount of revenue actaully generated.

State of Alaska guarentees education. How it decides to fulfill this function is a decision of the state. 100% funding should come from the state. The purpose of the bill would then be moot.

Natives do not want a free lunch.

There are 1,600,000 acres which will be native owned and which are not to be subject to taxation. These should be noted in the bill. The title to these lands is restrictive. It can't be sold without BIA approval.

Policy making responsibiltiy should go with taxation. There should be a rural equalization board.

There are laws mandating organization of boroughs on the books. It should be remembered that there are financial burden which come with organization.

COMMITTEE ACTION: No action taken.

TAPE # 5 SIDE 1 Sections 1-680 Tape 5 Side 1 1030-1170

Health and Socail Services monthly reports show that 53-56% of the state's welfare caseload is in rural Alaska. The state would end up paying these taxes in many instances.

The Dept. of Revenue would have an impossible job trying to collect these revenues. It is difficult to even get to most of the lands we are talking about. Land ownership is unclear. Often the land is held in common by a village.

Are individual gardens (farms) considered improved? (Parr- all exemptions presently in the law would apply and farms are now exempt in the organized boroguh.)

Land ownership is not clear in the villages. (Early- Fed law requires that this title begin to be defined)

(Parr- Sec. 140 provides for equalizaiton procedure. Third Class borough is really independent school board. No additional costs would be involved that aren't involved in REAA now.)

Terry Early, State Assessor

Unimproved land owned by non-residents should be taxed. Private ownership disappears as people hold title to it.

p. 3 l. 17-18 (AS 34.10.070 was repealed) This section should refer to Title 29.

1980 implementation date would not be practical. It would take 3 years. Side benefit of bill would be that privately owned property could be catalogued. For purposes of bonding this is going to need to be done evenually.

Board of Equalization costs need fiscal note.

No central source for finding out ownership. Title problems abound, even in the organized boroughs.

Question of distinguishing between the improved and unimproved portions of land. Regulations would have to deal with this.

There are 90 second class cities in addition to villages. There are 6 first class cities in the unorganized borough which are not taxed.

Metcalfe--Exempt communities should levy themselves the amount which would be equal to the school levy.

Phil Wall, Administratice Director, Dept. of Revenue

Start up year not realistic.

Parker--The bill would be a major departure from current state policy. Might be a tie in with study to be done on local gov't in the interim.

Parr -- HB 9 concept introduced in previous sessions. CRA committee passed the bill on. CRA Committee did field work on the bill. Parr had made the suggestion that the $10,000 base exemption be raised but the CRA committee didn't deal with that.

C&RA

BILL WORK SHEET

BILL NO. HB9 re Tax on developed land in Unorganized Borough

Received from _____
Referred to _____

Original Sponsor Parr
Fiscal Note Revenue + C+RA

LAA Legal Research Contact _____

CONTACTS:

✓ Ak. Native Foundation
Ak. Legal Services
✓ AFN
✓ Rural Cap
C+RA
✓ Revenue
✓ Parr
✓ Anderson, Nels
✓ Municipal League

4/30/80 Status of Mettakatla?
hearing
✓ Sea Cap
✓ Tlingit Haida
✓ Sea Alaska
✓ Parr
✓ Anderson
✓ Municipal League
✓ Bruce Horowitz - Ak. Legal Services

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 9

Title Assessment Levy & Collection of Taxes In The Unorganized Borough

Requested by Representative Parr Date

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Office of State Assessor

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		415.10	440.00	446.40	494.39	524.05
200 TRAVEL		66.50	70.49	74.72	79.28	83.95
300 CONTRACTUAL		852.79	861.96	871.68	281.98	292.89
400 COMMODITIES		19.50	20.67	21.91	23.22	24.62
500 EQUIPMENT		37.34	10.00	5.00	5.00	5.00
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1,391.23	1,403.12	1,419.71	883.79	930.51

FUNDING (Thousands of Dollars)

GENERAL FUND		1,391.23	1,403.12	1,419.71	883.79	930.51
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		15	15	15	15	
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This analysis is based on the assumption that the original mapping program and establishment of the necessary assessment data and files will be contracted for.

The additional staff included are only to supervise the original project and then maintain system after initial program.

(Continued on attached pages)

IV. DATE February 14, 1979 PREPARED BY: Terry L. Farley, State Assessor

AGENCY Department of Community & Regional Affairs

PHONE 561-1730

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator)

33 001 (Rev. 10/78)

Note: Subsequent years are based on inflationary pressure on FY 80 except the $700,000 for professional fees has been projected to decrease to $100,000 in FY 83 assuming original establishment of maps and records to be complete by that time. Also the Equipment item has been reduced substantially after initial purchase.

Addjtional Comments: We would envision the process of setting up the administration as multiple step in nature. The first logical step would be an indepth study to establish proper procedure of implementing the administrative process. Subsequent steps at this point are tentative in nature and would be subject to revision at the conclusion of Step I.

Step Two would be setting up of a mapping program by region. Administratively, mapping of one region at a time would appear appropriate. This mapping program would involve a private contract with supervisory direction and controlled by professional staff to be added to the Department of Community and Regional Affairs.

Step Three would be listing, enumeration and calculation of data into preliminary appraised values (this should be done by geographic area and directly follow Step 2 in each area).

Step Four would be onsite review of finished product by professional staff of the Department of Community and Regional Affairs for acceptance or refusal of contractor's work.

Step Five would be the compilation of all data into final assessment roll and present to review board for their actions.

Step Six - At conclusion of Review process, final assessment roll would be compiled and presented to Revenue for collection.

As you can see, this process will be relatively time consuming, however, it appears to be the best and most logical approach to solution of the problem.

Also, it should be noted that even though some of the work is to be contracted, it is essential that professional staff be heavily involved from the onset to insure the quality of the finished product.

It would appear that another approach at least at the start would be a "Study of Taxation in the Unorganized Borough" to determine both feasability and cost of administering such a property tax. It is completely possible that the cost of administration could exceed the revenue produced at least for the first few years.

BREAK DOWN OF COSTS INCLUDED IN ANALYSIS

ADMINISTRATIVE COSTS

100 Personal Services

MAPPING

		FY 80
1 Mapping Supervisor	Range 19 @ 2355	28,260
1 Title Examiner	Range 17 @ 2031	24,372
2 Draftsmen	Range 17 @ 2031	48,744
1 Clerk IV	Range 9 @ 1178	26,592
2 Clerk III	Range 8 @ 1108	26,592
	Sub Total	$142,104

ASSESSMENT

State Assessor (upgrade)	Range 24 @ 467	5,604
1 Appraisal Supervisor	Range 20 @ 2532	30,384
4 Appraisers	Range 18 @ 2163	104,928
2 Statistical Clerks	Range 10 @ 1254	30,096
1 Administrative Consultant	Range 12 @ 1426	17,112
	Sub Total	$188,124

Sub Total Mapping	142,104
Sub Total Assessment	188,124
	330,228
Fringes @ 25.7	84,868
Total	$415,096

200 Travel and Per Diem

	FY 80
State Assessor and Supervisors	7,500
Title Examiners and Appraisers	50,000
Review Boards	9,000
Total	$66,500

300 Contractual

	FY 80
Telephone	7,200
Postage	4,500
Printing and Advertising	6,000
Data Processing and Programming	126,000
Machine Rental and Xerox	72,000
Office Space 1400 sq. ft. @ $1.35	1,890
Professional Fees	700,000
Total	$852,790

400 Commodities

	FY 80
Reference Materials	4,500
Mapping Supplies	5,000
Office Supplies	10,000
Total	$19,500

500 Equipment

	FY 80
Sufficient Equipment to establish new personnel in environment condusive to work	$37,330

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 13, 1979

The Honorable Bill Parker
Chairman
House Community & Regional
Affairs Committee
Court Building, Room 628
Juneau, AK 99801

Dear Mr. Parker:

HOUSE BILL NO. 9

House Bill No. 9, an Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough, was introduced in the House on January 24, 1979 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. P. A. Wall, Director, Administrative Services Division, Department of Revenue, concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

Enclosures

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

John Messenger
Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 9

Title Assessment, Levy & Collection of Tax on Developed Land in an Unorganized Borough

Requested by House Community & Regional Affairs Date 1-24-79

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Administration & Support

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES		137.8	104.3	109.5	115.0	120.8
200	TRAVEL						
300	CONTRACTUAL		14.3	15.0	15.8	16.6	17.4
400	COMMODITIES		.7	.7	.8	.8	.9
500	EQUIPMENT		3.5				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	ø	156.3	120.0	126.1	132.4	139.1

FUNDING (Thousands of Dollars)

GENERAL FUND	ø	156.3	120.0	126.1	132.4	139.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		5/60	5/60	5/60	5/60	5/60
PART TIME		2/9	2/4	2/4	2/4	2/4
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached fiscal detail.

NOTE: Reference page three, line 17, AS 24.10.070-220 was repealed by Chapter 182, SLA 1978. A new enforcement provision is needed.

IV. DATE March 2, 1979 PREPARED BY P. A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-G01 (Rev. 12/78)

Duplication of Four-page Report	$ 36.00
Envelopes	267.75
Postage	3,150.00
Commodities	700.00
Forms	1,800.00
Computer Costs	9,000.00
Equipment	3,500.00
Total	$ 18,453.75

Personnel One-Time Costs

Systems Analyst - Systems Design - One Man Month	$ 3,019.37
Programming - One Man Month	3,019.37
Keypunch Programs - One Man Month	3,019.37
Edit-Update Program - Two Man Months	6,038.74
Report Programs - One Man Month	3,019.37
Documentation - One Man Month	3,019.37
Tax Scanner - Data Capture - Two Man Months	3,138.36
Sub-total	$ 24,273.95

Personnel On-Going Costs

Systems Analyst - DP System Maintenance - Two Man Months	$ 6,038.74
Tax Scanner - Data Capture - Two Man Months	3,138.36
Data Control - Full Time	18,830.16
Tax Collection Specialist II - Full Time	22,496.88
Revenue Enforcement Officer II - Full Time	27,302.28
Accounting Clerk II - Full Time	18,830.16
Clerk Typist II - Full Time	16,863.84
Sub-Total	$ 113,500.42
Total	$ 156,228.12

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM March 22, 1979

SUBJECT: HB 9; Tax on developed lands in the unorganized borough

TO: Representative Bill Parker, Chairman
House Community & Regional Affairs Committee

FROM: Richard A. Bradley
Legislative Counsel

You have requested a sectional analysis of HB 9 by Representative Parr. HB 9 bears a close relationship to last session's HB 202, also by Representative Parr. Apart from the stylistic changes in the bill occasioned by the 1979 Legislative manual, the only change to HB 9 is found in the addition of (c) to AS 29.03.100.

§100(a): An annual tax is levied. The first year in which the tax would be levied is the 1980 tax year. As with other real property taxation, the tax is levied on the "full and true value" of "taxable real property" in the unorganized borough.

The unorganized borough is described in §100(a) as the area "outside home rule and first class cities." includes the areas of second class cities. Since the tax levied is measured by the tax for education in organized boroughs and since the second class cities neither levy taxes for nor provide education the classification is reasonable.

§100(b): This subsection establishes the exclusions from the tax levied under §100(a). Property excluded includes:

(1) unimproved lands. The exclusion owes at least part of its parentage to §21(d) of the Settlement Act. The latter section provides:

> Real property interests conveyed pursuant to this Act, to a Native individual, Native group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from State or local real property taxes for a period of twenty years after the date of enactment of this Act [December 18, 1971]: Provided, that municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State. . .

This provision explicitly prohibits the state and any municipality from levying a tax on property until it is "leased or developed real property" if it belongs to an organization established under the Settlement Act. HB 9 proceeds from the premise that the state should not [and very likely may not] classify property taxation according to ethnic ownership. Accordingly, the exemption is extended generally. The justification for the exemption can, of course, be defended on policy grounds quite apart from the requirements of the Settlement Act.

(2) real property exempt under AS 29.53.020. This exclusion relates to the exemptions generally available within municipalities, including the senior citizen exemption and others.

(3) real property exempted under AS 29.53.025(a). This provision relates to the exemption for residential property allowed to municipalities.

(4) real property exempted under AS 43.56 [Oil and Gas Exploration, Production and Pipeline Transportation Property Taxes] and AS 43.58 [Oil and Gas Reserves Ad Valorem Tax].

§100(c): As noted, this is the only departure from the content of HB 202 from the Tenth Legislature. It exempts "improvements to land" owned by a village corporation as well as the lands necessarily associated with the improvements for the five years from the effective date of the act.

§110: This section provides for the mill rate levy. It establishes the levy at an amount equal to the mill rates levied in boroughs in the state for the support of the borough school districts on the preceding January 1. The commissioner of revenue will determine the amounts.

§120: This provision states the conclusion that the "exemption laws" in AS 09 [e.g., AS 09.35.080] do not exempt property from taxation under HB 9. I advised the sponsor on the introduction of HB 202 that I considered the section unnecessary but included it because it was included in an earlier bill on the same subject. [Senator Orsini's SB 35 from the same session.] AS 29.53.020(d) confirms my view.

§130(a): This section provides that the state assessor will exercise the functions of the borough assessor under specified sections in AS 29.53.

§130(b): Second class cities may levy a limited property tax. AS 29.53.410. This provision grants the state assessor discretion to accept the assessment if he believes it to be accurate.

§130(c): Reassessment must be undertaken on a three year schedule.

§140: This section establishes the equalization process.

§150: This section directs the commissioner of community and regional affairs to adopt regulations for the equalization process which are consistent with the procedures established under AS 29.53.140 for municipal equalizations.

§160: This section establishes the date on which the tax is due and penalties and interest for late payments.

§170: This section provides that the tax together with any interest or penalties due constitute a lien on the property. Priority is accorded to tax liens due second class cities within the unorganized borough.

§180: A penalty section with relatively nominal penalties is established for false statements in returns.

§190: The Departments of Community and Regional Affiars and Revenue are given specific authority to adopt regulations.

§200: This section requires separate "BRU's" for this program, apart from any already utiiized by Revenue or C&RA for their existing programs.

§210: The commissioner of revenue will make an annual report to the legislature on the amount of funds derived from the program and its cost to the state.

§220: This section is designed to encourage areas of the unorganized borough to seek organization as a borough or city of the first class, that is, assume a level of government that is responsible for education. This policy is achieved in part by granting to any area establishing that level of government all the taxes collected under this law during that year, in addition to any money due under revenue sharing.

§230: The definitions of "real property" and "unimproved land" are established in straightforward fashion.

RAB:jdn/nem

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S – JUNEAU 99811

March 13, 1979

The Honorable Bill Parker
Chairman
House Community & Regional
Affairs Committee
Court Building, Room 628
Juneau, AK 99801

Dear Mr. Parker:

HOUSE BILL NO. 9

House Bill No. 9, an Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough, was introduced in the House on January 24, 1979 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. P. A. Wall, Director, Administrative Services Division, Department of Revenue, concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

Enclosures

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

John Messenger
Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 9

Title Assessment, Levy & Collection of Tax on Developed Land in an Unorganized Borough

Requested by House Community & Regional Affairs Date 1-24-79

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Administration & Support

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		137.8	104.3	109.5	115.0	120.8
200 TRAVEL						
300 CONTRACTUAL		14.3	15.0	15.8	16.6	17.4
400 COMMODITIES		.7	.7	.8	.8	.9
500 EQUIPMENT		3.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	ø	156.3	120.0	126.1	132.4	139.1

FUNDING (Thousands of Dollars)

GENERAL FUND	ø	156.3	120.0	126.1	132.4	139.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		5/60	5/60	5/60	5/60	5/60
PART TIME		2/9	2/4	2/4	2/4	2/4
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached fiscal detail.

NOTE: Reference page three, line 17, AS 24.10.070-220 was repealed by Chapter 182, SLA 1978. A new enforcement provision is needed.

IV. DATE March 2, 1979 PREPARED BY F. A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

Duplication of Four-page Report	$ 36.00
Envelopes	267.75
Postage	3,150.00
Commodities	700.00
Forms	1,800.00
Computer Costs	9,000.00
Equipment	3,500.00
Total	$ 18,453.75

Personnel One-Time Costs

Systems Analyst - Systems Design - One Man Month	$ 3,019.37
Programming - One Man Month	3,019.37
Keypunch Programs - One Man Month	3,019.37
Edit-Update Program - Two Man Months	6,038.74
Report Programs - One Man Month	3,019.37
Documentation - One Man Month	3,019.37
Tax Scanner - Data Capture - Two Man Months	3,138.36
Sub-total	$ 24,273.95

Personnel On-Going Costs

Systems Analyst - DP System Maintenance - Two Man Months	$ 6,038.74
Tax Scanner - Data Capture - Two Man Months	3,138.36
Data Control - Full Time	18,830.16
Tax Collection Specialist II - Full Time	22,496.88
Revenue Enforcement Officer II - Full Time	27,302.28
Accounting Clerk II - Full Time	18,830.16
Clerk Typist II - Full Time	16,863.84
Sub-Total	$ 113,500.42
Total	$ 156,228.12

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

April 30, 1980

The Honorable Bill Parker
Chairman
House Community & Regional
Affairs Committee
Room 112 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Parker:

Re: House Bill No. 9

House Bill No. 9, an Act providing for assesment, levy and collection of a tax on developed land in the unorganized borough, was introduced in the House on January 24, 1979 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of an updated Fiscal Note prepared by P. A. Wall, Director, Administrative Services Division of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson

R. D. Stevenson
Special Assistant

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services Division
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 9 (UPDATE)
Title Assessment, Levy & Collection of Tax on Developed Land in an Unorganized Borough
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Administration & Support
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		165.7	133.7	143.1	153.1	163.8
200	TRAVEL						
300	CONTRACTUAL		14.1	15.1	16.2	17.3	18.5
400	COMMODITIES		.7	.8	.9	1.0	1.7
500	EQUIPMENT		3.5				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		184.0	149.6	160.2	171.4	184.0

FUNDING (Thousands of Dollars)

GENERAL FUND		184.0	149.6	160.2	171.4	184.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		5/60mm	5/60mm	5/60mm	5/60mm	5/60mm
PART TIME		3/11mm	3/11mm	3/11mm	3/11mm	3/11mm
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The reference on page 3, line 17 (AS 34.10.070-160) was repealed by Chapter 182, SLA 1979. A new enforcement provision is needed.

HB 9 sets up a new property tax system which requires the preparation of about 21,000 tax bills, tax bill mailout, remittance processing, maintenance and posting of accounts and transmittal of tax receipts to the Treasury. Section 29.03.160 sets a penalty of ten percent on delinquent taxes and interest at the rate of eight percent on unpaid taxes. The Fiscal Analysis includes a Revenue Enforcement Officer and a Tax Collection Specialist to administer the tax enforcement contained in this section.

IV. DATE April 29, 1980 PREPARED BY P. A. Wall
AGENCY Revenue
PHONE 465-2319

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

Personal Services

Systems Analyst - Systems Design - 5mm @ $2,652 Programming Keypunch Program Edit-Update	$ 13,260	13.3	
Benefits - 2.0, FICA - .9, H.I. - .6		3.5	
Systems Analyst - Report Programs - 3mm @ $2,652 Documentation DP System Maintenance	7,956	8.0	
Benefits - 1.2, FICA - .5, H.I. - .4		2.1	
Tax Scanner - Data Capture - 3mm @ $1,277	3,831	3.8	
Benefits - .6, FICA - .3, H.I. - .4		1.3	
Tax Collection Specialist - 12mm @ $1,628	19,536	19.5	
Benefits - 2.9, FICA, 1.3, H.I. - 1.5		5.7	
Revenue Enforcement Officer II - 12mm @ $2,465	29,580	29.6	
Benefits - 4.4, FICA - 2.0, H.I. - 1.5		7.9	
Accounting Clerk II - 12mm @ $1,355	16,260	16.3	
Benefits - 2.4, FICA - 1.1, H.I. - 1.5		5.0	
Clerk Typist II - 12mm @ $1,207	14,484	14.5	
Benefits - 2.2, FICA - 1.0, H.I. - 1.5		4.7	
Tax Scanner - Data Control - 12mm @ $1,277	15,324	15.3	
Benefits - 2.3, FICA - 1.1, H.I. - 1.5		4.9	
			155.4
Systems Analyst, PT - 2mm @ $2,652	5,304	5.3	
Benefits - .8, FICA - .4, H.I. - .3		1.5	
Tax Scanner, PT - 2mm @ $1,277	2,554	2.6	
Benefits - .4, FICA - .2, H.I. - .3		.9	
			10.3

Contractual

Computer Costs - Chargeback	9,000	9.0	
Envelopes, 25M @ $12.75	318.75	.3	
Postage, 25M @ 15 cents ea.	3,750	3.8	
Forms, 25M @ $40M	1,000	1.0	
			14.1
Commodities	700	.7	
			.7
Equipment	3,500	3.5	
			3.5

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 9
Title Assessment, levy and collection of taxes in the unorganized Borough
Requested by Representative Charles H. Parr Date

II. FISCAL DETAIL
Agency Affected Community and Regional Affairs
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Office of State Assessor
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		506.1	546.6	590.3	637.5	688.5
200	TRAVEL		83.1	89.8	97.0	104.8	113.2
300	CONTRACTUAL		1,078.3	1,164.6	1,257.8	489.1	528.2
400	COMMODITIES		21.5	23.2	25.1	27.1	29.3
500	EQUIPMENT		37.3	10.0	5.0	5.0	5.0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		1,726.3	1,834.2	1,975.2	1,263.5	1,364.2

FUNDING (Thousands of Dollars)

GENERAL FUND	1,726.3	1,834.2	1,975.2	1,263.5	1,364.2
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME	15	15	15	15	15
PART TIME					
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This analysis is based on the assumption that the original mapping program and establishment of the necessary assessment data and file will be let out for contract.

The additional staff included are only to supervise the original project and then maintain the system after the initial program.

Time does not allow the program to start before FY'81 so no impact has been included for FY'80.

IV. DATE _____ PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community & Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

BREAKDOWN OF COSTS INCLUDED IN ANALYSIS

ADMINISTRATIVE COSTS

100 Personal Services

MAPPING

		FY'81
1 Mapping Supervisor	Range 19 @ 2837	34,044
1 Title Examiner	Range 17 @ 2455	29,460
2 Draftsmen	Range 17 @ 2455	58,920
1 Clerk IV	Range 9 @ 1475	17,700
2 Clerk III	Range 8 @ 1393	33,432
	Subtotal	$173,556

ASSESSEMENT

1 Appraisal Supervisor	Range 20 @ 3039	36,468
4 Appraisers	Range 18 @ 2640	126,720
2 Statistical Clerks	Range 10 @ 1564	37,536
1 Administrative Consultant	Range 12 @ 1761	21,132
	Subtotal	$221,856

Subtotal Mapping	173,556
Subtotal Assessment	221,856
	$395,412
Fringes @ 28%	110,715
Total	$506,127

200 Travel and Per Diem

	FY'81
State Assessor and Supervisors	9,375
Title Examiners and Appraisers	62,500
Review Boards	11,250
Total	$83,125

300 Contractual

	FY'81
Telephone	8,280
Postage	5,175
Printing and Advertising	6,900
Data Processing and Programming	144,900
Machine Rental and Xerox	82,800
Office Space 1400 sq. ft. @ $1.50	25,200
Professional Fees	805,000
Total	$1,078,255

400 Commodities

	FY'81
Reference Materials	4,950
Mapping Supplies	5,500
Office Supplies	11,000
Total	$21,450

500 Equipment

	FY'81
Sufficient Equipment to establish new personnel in environment condusive to work	$37,330

Note: Subsequent years are based on inflationary pressure on FY 81 except the $805,000 for professional fees has been projected to decrease to $115,000 in FY 84 assuming original establishment of maps and records to be complete by that time. Also the Equipment item has been reduced substantially after initial purchase.

Additional Comments: We would envision the process of setting up the administration as multiple step in nature. The first logical step would be an in depth study to establish proper procedure of implementing the administrative process. Subsequent steps at this point are tentative in nature and would be subject to revision at the conclusion of Step I.

Step Two would be setting up of a mapping program by region. Administratively, mapping of one region at a time would appear appropriate. This mapping program would involve a private contract with supervisory direction and controlled by professional staff to be added to the Department of Community and Regional Affairs.

Step Three would be listing, enumeration and calculation of data into preliminary appraised values (this should be done by geographic area and directly follow Step 2 in each area).

Step Four would be onsite review of finished product by professional staff of the Department of Community and Regional Affairs for acceptance or refusal of contractor's work.

Step Five would be the compilation of all data into final assessment roll and present to review board for their actions.

Step Six - At conclusion of Review process, final assessment roll would be compiled and presented to Department of Revenue for collection.

As you can see, this process will be relatively time consuming, however, it appears to be the best and most logical approach to solution of the problem.

Also, it should be noted that even though some of the work is to be contracted, it is essential that professional staff be heavily involved from the onset to insure the quality of the finished product.

It would appear that another approach at least at the start would be a "Study of Taxation in the Unorganized Borough" to determine both feasability and cost of administering such a property tax. It is completely possible that the cost of administration could exceed the revenue produced at least for the first few years.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 13, 1979

The Honorable Bill Parker
Chairman
House Community & Regional
Affairs Committee
Court Building, Room 628
Juneau, AK 99801

Dear Mr. Parker:

HOUSE BILL NO. 9

House Bill No. 9, an Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough, was introduced in the House on January 24, 1979 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. P. A. Wall, Director, Administrative Services Division, Department of Revenue, concerning the proposed legislation.

Sincerely,

R. D. Stevenson

R. D. Stevenson
Special Assistant

Enclosures

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

John Messenger
Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill, Resolution No. HB 9

Title Assessment, Levy & Collection of Tax on Developed Land in an Unorganized Borough

Requested by House Community & Regional Affairs Date 1-24-79

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Administration & Support

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES		137.8	104.3	109.5	115.0	120.8
200	TRAVEL						
300	CONTRACTUAL		14.3	15.0	15.8	16.6	17.4
400	COMMODITIES		.7	.7	.8	.8	.9
500	EQUIPMENT		3.5				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	ø	156.3	120.0	126.1	132.4	139.1

FUNDING (Thousands of Dollars)

GENERAL FUND	ø	156.3	120.0	126.1	132.4	139.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		5/60	5/60	5/60	5/60	5/60
PART TIME		2/9	2/4	2/4	2/4	2/4
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached fiscal detail.

NOTE: Reference page three, line 17, AS 24.10.070-220 was repealed by Chapter 182, SLA 1978. A new enforcement provision is needed.

IV. DATE March 2, 1979 PREPARED BY P. A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

Duplication of Four-page Report	$ 36.00
Envelopes	267.75
Postage	3,150.00
Commodities	700.00
Forms	1,800.00
Computer Costs	9,000.00
Equipment	3,500.00
Total	$ 18,453.75

Personnel One-Time Costs

Systems Analyst - Systems Design - One Man Month	$ 3,019.37
Programming - One Man Month	3,019.37
Keypunch Programs - One Man Month	3,019.37
Edit-Update Program - Two Man Months	6,038.74
Report Programs - One Man Month	3,019.37
Documentation - One Man Month	3,019.37
Tax Scanner - Data Capture - Two Man Months	3,138.36
Sub-total	$ 24,273.95

Personnel On-Going Costs

Systems Analyst - DP System Maintenance - Two Man Months	$ 6,038.74
Tax Scanner - Data Capture - Two Man Months	3,138.36
Data Control - Full Time	18,830.16
Tax Collection Specialist II - Full Time	22,496.88
Revenue Enforcement Officer II - Full Time	27,302.28
Accounting Clerk II - Full Time	18,830.16
Clerk Typist II - Full Time	16,863.84
Sub-Total	$ 113,500.42
Total	$ 156,228.12

2/15/19

Food Processing Establishments & Unorganized Boroughs

(36) processors & unorganized boroughs

Meth. repeal ~ gross receipts tax, a valuable source ~ information, namely, measure ~ dollar value ~ business conducted, justification. I, is lost.

3/22/79 $\boxed{\text{AB 9}}$ - Discussion with Don Argetsinger

Unimproved land - exempt
① Tax claims or not including Native Village
② easy

unimproved ^ subject - taxation
Don't get fair picture without

to Eliminate "unimproved land"
Key tax minorities - Is act
* Reference fed - statute.

24% - ed. budget is picked up by local jurisdiction.

874 $ for REAA - Revenue Sharing c States

PL 92-203 12/18/71
Ak Native Claims Is Act
p. 26

Sec. 21 (d)

REVISED 4-21-80

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 9
Title Assessment, levy and collection of taxes in the unorganized Borough
Requested by Representative Charles H. Parr Date

II. FISCAL DETAIL
Agency Affected Community and Regional Affairs
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Office of State Assessor
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		506.1	546.6	590.3	637.5	688.5
200	TRAVEL		83.1	89.8	97.0	104.8	113.2
300	CONTRACTUAL		1,078.3	1,164.6	1,257.8	489.1	528.2
400	COMMODITIES		21.5	23.2	25.1	27.1	29.3
500	EQUIPMENT		37.3	10.0	5.0	5.0	5.0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		1,726.3	1,834.2	1,975.2	1,263.5	1,364.2

FUNDING (Thousands of Dollars)

GENERAL FUND		1,726.3	1,834.2	1,975.2	1,263.5	1,364.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		15	15	15	15	15
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This analysis is based on the assumption that the original mapping program and establishment of the necessary assessment data and file will be let out for contract.

The additional staff included are only to supervise the original project and then maintain the system after the initial program.

Time does not allow the program to start before FY'81 so no impact has been included for FY'80.

IV. DATE PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community & Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

BREAKDOWN OF COSTS INCLUDED IN ANALYSIS

ADMINISTRATIVE COSTS

100 Personal Services

MAPPING

		FY'81
1 Mapping Supervisor	Range 19 @ 2837	34,044
1 Title Examiner	Range 17 @ 2455	29,460
2 Draftsmen	Range 17 @ 2455	58,920
1 Clerk IV	Range 9 @ 1475	17,700
2 Clerk III	Range 8 @ 1393	33,432
	Subtotal	$173,556

ASSESSEMENT

1 Appraisal Supervisor	Range 20 @ 3039	36,468
4 Appraisers	Range 18 @ 2640	126,720
2 Statistical Clerks	Range 10 @ 1564	37,536
1 Administrative Consultant	Range 12 @ 1761	21,132
	Subtotal	$221,856

Subtotal Mapping	173,556
Subtotal Assessment	221,856
	$395,412
Fringes @ 28%	110,715
Total	$506,127

200 Travel and Per Diem

	FY'81
State Assessor and Supervisors	9,375
Title Examiners and Appraisers	62,500
Review Boards	11,250
Total	$83,125

300 Contractual

	FY'81
Telephone	8,280
Postage	5,175
Printing and Advertising	6,900
Data Processing and Programming	144,900
Machine Rental and Xerox	82,800
Office Space 1400 sq. ft. @ $1.50	25,200
Professional Fees	805,000
Total	$1,078,255

400 Commodities

	FY'81
Reference Materials	4,950
Mapping Supplies	5,500
Office Supplies	11,000
Total	$21,450

500 Equipment

	FY'81
Sufficient Equipment to establish new personnel in environment condusive to work	$37,330

Note: Subsequent years are based on inflationary pressure on FY 81 except the $805,000 for professional fees has been projected to decrease to $115,000 in FY 84 assuming original establishment of maps and records to be complete by that time. Also the Equipment item has been reduced substantially after initial purchase.

Additional Comments: We would envision the process of setting up the administration as multiple step in nature. The first logical step would be an in depth study to establish proper procedure of implementing the administrative process. Subsequent steps at this point are tentative in nature and would be subject to revision at the conclusion of Step I.

Step Two would be setting up of a mapping program by region. Administratively, mapping of one region at a time would appear appropriate. This mapping program would involve a private contract with supervisory direction and controlled by professional staff to be added to the Department of Community and Regional Affairs.

Step Three would be listing, enumeration and calculation of data into preliminary appraised values (this should be done by geographic area and directly follow Step 2 in each area).

Step Four would be onsite review of finished product by professional staff of the Department of Community and Regional Affairs for acceptance or refusal of contractor's work.

Step Five would be the compilation of all data into final assessment roll and present to review board for their actions.

Step Six - At conclusion of Review process, final assessment roll would be compiled and presented to Department of Revenue for collection.

As you can see, this process will be relatively time consuming, however, it appears to be the best and most logical approach to solution of the problem.

Also, it should be noted that even though some of the work is to be contracted, it is essential that professional staff be heavily involved from the onset to insure the quality of the finished product.

It would appear that another approach at least at the start would be a "Study of Taxation in the Unorganized Borough" to determine both feasability and cost of administering such a property tax. It is completely possible that the cost of administration could exceed the revenue produced at least for the first few years.

HB

51

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

February 6, 1979

Representative Bill Parker
Chairman, Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative:

Please be advised that the City and Borough of Sitka endorses the contents of House Bill 51, which we understand is in your Community and Regional Affairs Committee. We request yours and your Committee's favorable action on H.B. 51.

Very truly yours,

Fermin Gutierrez
Administrator

cc: Representative Dick Eliason
Representative Mike Miller

Mr. Michael C.T. Smith
Asst. Commissioner
Dept. of Natural Resourses

Februauy 1, 1979

Dear Mr. Smith,

I recently came into possession of a memo to you from Claud Hoffman, Chief Cadastral Engineer (1/19/79, file #1020) regarding the Dept. of Natural Resources' proposed survey (and other) regulations, in which Mr. Hoffman comes to the totally irresponsible conclusion that the regulations be adopted; irresponsible, that is, if his position has anything to do with presenting the desire of the Alaskan people.

In the memo he notes 15 general objections which people voiced at various public hearings on the matter. The public outrage he mentions regarding the usurption of Alaskan's rights, domination by excessive government regulations and insensitive beaurocratic control was exceeded only by what he observed as the frustration felt due to lack of adequate notice for the hearing. The fact that the hearings were tactically set during the holidays only serves to solidify public belief that the State hopes to adopt these restrictive regulations as quietly and swiftly as possible. For after citing lack of participation in Anchorage and Juneau, he discounts the Fairbanks testimony (all negative) as a reaction "to such other 'hot' issues as the 'D2' and 'Antiquities Act'", and concludes that we "take a serious look at the authority we actually have.....and proceed on line and adopt the regulations...."

I submit that this type of thinking on the part of a State Agency is in direct conflict with the will of Alaskans, and that further action in this direction will only serve to fuel the fires of discontent just now beginning to challange the power of the Federal government (as witnessed by CMAL, Alaskans Unite, etc.). It is my hope that those fires need not ignite the walls of our own State agencies to regain the Alaska we came here for.

Sincerely,

Barry L. Brown
Box 81443
College, AK 99708

cc: Fairbanks News-Miner
Gov. Jay Hammond
State Legislators

P.S. Alaskans who haven't familiarized themselves with these DNR/ADL proposals should do so--NOW.

MEMO

TO: BILL

FROM: Marjorie

RE: HB 51 "amending the definition of vacant unappropriated and unreserved land' with reference to land selection entitlements of municipalities;

The bill was drafted to deal with Bierne sensitive lands which are part of the municipal entitlements. It would protect these lands from selection if the Bierne initiative goes into effect.

On Feb. 14 a meeting was held in Anch. , headed by Mike Smith of the Div. of Lands, to discuss the problems connected with the Bierne Initiative and regulations dealing with municipal entitlements. Attending the meeting were representatives of the following Boroughs: Ketchikan, Juneau, Mat Su, Kenai, Anch. Kodiak, Fbks. North Slope, Bristol Bay and Haines were not represented nor was Sitka. At that meeting it was decided that the problem could be handled administrationally and that the bill was not needed.

Contact: Lee Sharp

1977 munic. Land Selection Bill
original Definition

Bierne initiative people & this definition. Lands available municipal selection could also be available for Bierne

Dir. Lands after Bierne Init.
Lands municipalities would get would be taken.
"reserve use" definition

All boroughs
Mike Smith D.N.R. ? * 279-5577
Bierne sensitive
Asst. Com. - Director Lands

Legal tech. whether municipality can select reserve state land -
Feb 19 -

Introduced: 1/24/79
Referred: Community &
Regional Affairs

IN THE HOUSE BY MILLER

HOUSE BILL NO. 51

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act amending the definition of 'vacant, unappropriated and unreserved land' with reference to land selection entitlements of municipalities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.18.213(12) (C) is amended to read:

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, reserved use, utility or open-to-entry purposes, or where classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Request See Sharp re municipalities
HB 133 - Passed last yr.
Reserved status created
doesn't apply to municipal selections

Marilyn Miller

No. 4

BILL WORK SHEET

(for optional use of committee aides)

ON _____

rom _____ DATE _____

_____ ORIGINAL SPONSOR _____ OTHER _____

_____

TEE RECOMMENDED --

Recommendation: _____

ted by _____

Recommendation: _____

ed by _____

_____

le: _____

ENDMENT: (what they are and what they do (attach if lengthly))

_____

Is there a fiscal note for the original bill and one which reflects de by the amendments: (attach details).

h contact:	Research/supporting information
	Attached (?) _____

ONS: Lee Sharp - Contacted

_____

se side if necessary)

HB
68

MINUTES

DATE: Feb. 2, 1979 All members present

HB68 Village Safe Water Act

Sponsor: Chat Chatterton

Testifying:

Rep. Chatterton - Act first administered by HESS then transferred to DEC. Says design expertize exists in Transportation and Public Facilities. Fish hatcheries now done by Public Facilities. Referred to Gov's Report on Efficiency and Management which stated that porgram should be disbanded.

Don Clockson -- Alaska Legal ServicesOppcsed.
DEC is cautious with state funds. DEC outstanding in advance planning. Says three questions should be answered by the Committee:
1. Cost of transfer?
2. Activities of Village Safe Water Program for the last 2 years
3. How would agency work with Bush?

John Scribner-- Dept. of Environmental Conservation-Opposed
9 projects completed--2 in progress
Grants made to villages
DEC contracts for consultant for Village
Consultant designs and constructs
Owned byVillage from beginning and operated by Village.
Public Health Service has water program also so confusion often results.
Costs 25% less than with competitive bidding
Local hire used otherwise union labor.
Local people trained to operate facilities
$5-6 Million put in program not counting recent $7.8 Million bond appropriation

Hearing to be continued.

See Tape 1 Side 1 Sections 1347-1500

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Hearing (H) CRA

DATE: Feb. 6, 1979

HB 68 Village Safe Water Act

All members present.

John Scribner, Dept. of Environmental Conservation
Gave cost figures for projects presently in operation and background material on the goals, objectives, and operation of the Village Safe Water Act.

Jerry Sargent, director of Village Safe Water program
Points out that Program is basically a grant program rather than a construction program.

D.E.C. opposes bill.

Richard Holden--Dept. of Transportation and Public Facilities
Dept. is not interested in administering program.

Rep. Chatterton --Sponsor
Suggests that "forced accounting" should be tried in Village Safe Water Program.

Action on HB 68 postponsed till Feb. 19. Rep. Carney and Rep. Chatterton will do some research on the Program and report back to the Committee at that time.

See Tape 1 Side #2 Section 1-638

No. 4

BILL WORK SHEET

(for optional use of committee aides)

COMMITTEE ON CRA

Received from _____ DATE 1/25/79

BILL NO. 68 ORIGINAL SPONSOR Chatterton OTHER _____

THIS COMMITTEE RECOMMENDED --

Majority Recommendation: _____

Supported by _____

Minority Recommendation: _____

Supported by _____

Other: _____

Brief/flag title: _____

What bill does:

OUR COMMITTEE AMENDMENTS (what they are and what they do (attach if lengthly))

Fiscal Impact -- Is there a fiscal note for the original bill and one which reflects changes made by the amendments: (attach details).

LAA Legal/Research contact:	Research/supporting information
	Attached (?) _____

PERSONS/ORGANIZATIONS:

Supporting bill: Richard Holden - Deputy Com. Facilities Planning Research 3900 Dir. of Div. of Water Programs

Opposing bill: John Scribner - DEC 2640

REMARKS: (use reverse side if necessary)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: ALL COMMITTEE MEMBERS

FROM: REP. BILL PARKER, Chairman

RE: HB 68 relating to the Village Safe Water Act

The following recommendations are excerpted from the Governor's Management and Efficiency Review Report

Recommendations

254. **Discontinue construction of village safe water projects.**

The village safe water program is financed completely by the state and there is substantial concern about its effectiveness. The program applies to villages with population ranges of from 25 to 600 persons. Approximately $5-million has been spent to complete eight projects and three more are scheduled.

A fiscal 1977 request of $2-million has been made for the program plus an additional $300,000 for annual maintenance work. The maintenance figure could double as additional projects are completed. The villages are unable to operate and maintain the facilities and a decision must be made on the future of the program.

In view of the inability of the villages to run these facilities successfully, the construction program should be discontinued. As some of the native corporations involved become more experienced, they could contract with the state for such a program, recognizing that rural water and waste disposal systems are almost never financially self-sustaining. Implementation would result in an estimated one-time cost avoidance of $2-million and an annual saving of approximately $300,000.

pp. 135, 137

The final implementation report of the Governor's Management and Efficiency Review states that this particular recommendation has not been implemented. (See p.10)

VILLAGE SAFE WATER PROGRAM
An Update to January 20, 1977

Introduction

The Village Safe Water Act (AS 46.07), passed in 1970, calls for "at least one facility for safe water and hygienic sewage disposal in each village" in Alaska. Little progress was made in the program until December of 1972 due to lack of funds, inability to hire someone to administer the Village Safe Water (VSW) program, and lack of operation and maintenance provisions. Since 1972, six VSW facilities have been constructed, two more are nearly complete, and another is being designed. In addition, an operation and maintenance support program and a comprehensive planning effort have been organized and initiated.

Construction

The six VSW facilities constructed to date are in the villages of Northway, Chevak, Alakanuk, Selawik, Nulato and Pitkas Point. A facility will be completed in Beaver in January, 1977, and in Koyukuk in February of 1977. A facility for Kongiganak is being designed, and construction is scheduled for summer of 1977.

At the nine locations listed above, the VSW projects consist of central sanitation facilities to which village residents can come to obtain water supply, sewage disposal, bathing and laundry services. No piped water distribution or sewage collection systems are involved except for water and sewer service lines to schools.

Construction methods used so far have included: 1) competition bid construction contracts administered by the Alaska Department of Public Works, 2) competitive bid construction contracts administered by the Alaska Department of Environmental Conservation (ADEC), and 3) force account construction by the villages through construction management contracts with engineering consultants. All facilities so far have been designed by engineering consultants.

The force account/construction management method of construction has been the most satisfactory of the three methods used. Facilities constructed that way have been built cheaper and faster than those built under competitive bid construction contracts; the quality of construction has been better; and the villages have been more intimately involved in, and satisfied with, their projects.

VSW facilities have cost from $350,000 at Pitkas Point (begun in FY 76) to almost $1,200,000 at Selawik (begun in FY 74). Villages served have ranged in size from 85 (Pitkas Point) to over 500 (Selawik).

Operation and Maintenance

Experience in the VSW program has confirmed that virtually any utility system installed in remote Alaskan villages is doomed to eventual failure unless the village is given financial, technical, and/or management assistance. Any program for providing utilities in rural Alaska must either adequately provide for long term operation and maintenance, or expect system failures that adequate operation, maintenance and management could have prevented.

Goals and Objectives

"SW Comprehensive Planning

GOAL

To develop a statewide comprehensive program for providing sanitation services in rural Alaska.

PLAN OBJECTIVES

1. Inventory existing water supply and sewage disposal facilities in rural Alaskan villages.

2. Develop criteria for evaluating the adequacy of existing water supply and sewage disposal facilities. identified in # 1 above.

3. Identify existing agency programs providing sanitation facilities to Alaskan villages. Quantify the resources currently available. Identify and describe the technical, management and administrative approaches presently used.

4. Develop criteria to evaluate the effectiveness of thes programs.

5. Evaluate the adequacy of technical, management and administrative approaches identified in #3. above.

6. Identify and evaluate alternative technical, administrative and management methods that might be used to address sanitation needs in rural Alaska.

7. Recommend changes in the activities and resources of existing programs to incorporate the alternatives noted in # 6 above. Recommend new programs and/or authority necessary for implementation.

8. Analyze existing methods of operation, maintenance and management of village sanitation facilities.

In FY 76, the annual operating budgets for VSW facilities ranged from $28,000 at Northway to over $100,000 at Selawik. ADEC provided a total of about $225,000 in VSW operation and maintenance grants in FY 76 to six villages. In addition, ADEC provided technical and management assistance to the six villages. Although expensive, the VSW operation and maintenance support program has made it possible for all completed VSW facilities to serve the public as intended.

Comprehensive Planning

ADEC is developing a comprehensive plan intended to define the roles of State and federal agencies and other groups involved in providing rural sanitation services. An early step in this planning is to inventory all village sanitation facilities. Completing this inventory is viewed as the cornerstore of the VSW planning effort.

The Ninth Alaska Legislature passed a resolution suggesting that a VSW advisory committee be organized consisting of representatives from the 12 Native Regional Service Associations. This committee would assist ADEC with policy and management decisions concerning the VSW program. The Department feels the advisory committee is a good idea and welcomes increased involvement for the Regional Associations.

Several local, State, federal and private organizations participate either directly or indirectly in providing rural sanitation services. A strong working relationship must be developed among the diverse groups if a comprehensive plan for sanitation services throughout rural Alaska is to be successfully developed and implemented.

9. Develop alternative methods for operation, maintenance and management of village sanitation facilities.

10. Recommend changes in the activities and resources of existing programs to incorporate the alternative approaches noted in #9 above.

11. Integrate the findings of the above analysis with the comprehensive plan.

12. With the assistance of the appropriate governmental agencies and Native non profit regional associations, proceed to implement the plan.

PUBLIC INVOLVEMENT & PROGRAM COORDINATION

Because several local, State and federal organizations participate either directly or indirectly in developing rural sanitation facilities, this major planning effort can not be undertaken alone. To insure proper plan development and implementation, a strong working relationship must be developed among the diverse groups currently working on rural sanitation problems.

Public participation and inter-agency coordination must be an integral part of the VSW comprehensive planning process. In this regard, a maximum effort will be made to enlist the active participation of the native regional health organizations, the villages and appropriate federal and state agencies. We hope that by the time a draft of the plan has been formulated, significant public comment and coordination will have been obtained. The results of our collective efforts will be a comprehensive plan for providing rural sanitation services in Alaska.

Principal Contact

For more detailed information on the Village Safe Water comprehensive planning process, please contact:

Greg Capito
Senior Planner
Alaska Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811
Phone: 465-2664

THE STATE OF ALASKA

VILLAGE SAFE WATER PROGRAM

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Section One

THE VILLAGE SAFE WATER PROGRAM
A Briefing for Governor Hammond
September 12, 1975

Section Two

THE VILLAGE SAFE WATER PROGRAM
A Briefing for Governor Hammond
September 13, 1976

Section Three

THE VILLAGE SAFE WATER PROGRAM
An Update to January 20, 1977

Section Four

PROGRESS REPORT
Alaska Village Study
August 29, 1973

Section Five

THE VILLAGE SAFE WATER PROGRAM
Projects in Alaska
-Case Studies-

Prepared by Greg Capito
Alaska Department of
Environmental Conservation

ONE

MEMORANDUM State of Alaska

TO: The Honorable Jay S. Hammond
Governor

DATE: September 12, 1975

FILE NO:

TELEPHONE NO:

FROM: Ernst W. Mueller
Commissioner
Dept. of Environmental Conservation

SUBJECT: Village Safe Water Program

Several months ago I requested Dr. Jerry Sargent, who is in charge of our Department's Village Safe Water Program administered under AS 46.07, to prepare a comprehensive briefing paper so that you and your staff can be more informed on that program, its successes and failures, and our plans for the future, of this program. That paper is now completed and is attached.

In particular, this briefing will (1) help provide you with a basis for evaluating VSW capital requests this Department will make over the next several years, and (2) apprise you of the need for defining State policy concerning operation and maintenance of VSW facilities, and perhaps rural utility systems in general. During the current fiscal year, we will be making recommendations to you and the Budget Review Committee concerning these two areas. We hope this information will be helpful to you in evaluating them.

Enclosure

bc: Mr. Scribner/Dr. Sargent

THE VILLAGE SAFE WATER PROGRAM

A Briefing for Governor Hammond

Prepared by

The Department of Environmental Conservation

August, 1975

Juneau, Alaska

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I. THE STATUTE

The Village Safe Water (VSW) Act of 1970 (AS 46.07.010-080) was passed for the purpose of providing "safe water and hygienic sewage disposal facilities in villages in the state," and "to assure that there will be at least one facility for safe water and hygienic sewage disposal in each village." The Act stipulates that each facility will provide at least a safe water supply, means for sewage disposal, and bathing and laundry services. A village is defined as "an unincorporated community which has between 25 and 600 people residing within a two-mile radius, or a second class city." The Department of Environmental Conservation (ADEC) is seeking to have "or a second class city" deleted from that definition because some second class cities in Alaska are big enough that a central facility could not provide adequate sanitation services.

A village receiving a VSW project is not required to contribute toward costs of construction. The State may "provide for construction by contract or through grants to public agencies or private nonprofit organizations, or otherwise."

When a VSW facility is completed the recipient village must be given title to it. The village must agree to accept ownership of the facility and be responsible for its operation and maintenance. The State may assist a village with operation and maintenance expenses when the local governing body lacks sufficient financial rescources.

II. BACKGROUND AND PAST PROJECTS

In April of 1974 the Budget Review Committee requested ADEC to prepare an Issue Analysis on the Village Safe Water Program. The complete text of that analysis appears in Appendix A of this report.

The following excerpts from the VSW Issue Analysis describe activities in the program through June of 1974:

> ...Voters approved a three million dollar bond issue in 1970 to fund the VSW program and another one million dollar bond issue in 1972. Little progress was made in the program, however, until December, 1972 for the following reasons: 1) no money was available to administer the program until October, 1972 and even when the VSW staff position became available, a person suitable to fill it could not be found; and 2) no provision had been made for funds to operate and maintain VSW facilities and ADEC was reluctant to construct facilities without assurance they would operate properly.
>
> In December, 1972, a member of the ADEC staff began a survey of sanitation facilities in small villages throughout Alaska (most of which are native villages) to determine which villages were most in need of VSW projects. Letters were written to government agencies (e.g., the United States Public Health Service and the Bureau of Indian Affairs), native associations (e.g., regional corporations and health corporations) and other organizations with knowledge of village sanitation problems, requesting information and suggestions concerning plans for VSW projects. As a result of this study 32 villages were identified as being most in need of the sanitation services specified by the VSW Act. Meanwhile, in late 1972 and early 1973, the villages of Northway and Chevak requested assistance under the VSW program in finishing central facilities they had begun to construct on their own initiative. Since Northway and Chevak had committed their own resources and thus demonstrated a sincere desire to improve sanitation in the villages they were granted assistance. Then in early 1973, the Department of Education, lacking funds to provide water and waste services for the new schools scheduled for construction in remote villages in 1973-74, asked ADEC to install VSW facilities in Alakanuk, Selawik and Nulato to provide sanitation services for the new schools to be built there in addition to providing sanitation services for the villages. ADEC agreed to do so provided the Department of Education would agree to provide all funds and logistical support necessary for continued operation and maintenance of the VSW facilities...
>
> ...Five villages are receiving major central sanitation facilities construction projects under the VSW program (Northway, Chevak, Alakanuk, Selawik and Nulato). In addition, Arctic Village was granted

a few thousand dollars to buy washing machines and dryers to install in a facility constructed by the U. S. Public Health Service. Total expenditures in the six villages will be approximately three million dollars, leaving about one million dollars for additional projects···

···To date there has been little need for priority criteria for VSW projects. Staff and money have not been available to identify villages qualified for and in need of VSW assistance, so there is little to prioritize. Thirty-two villages were identified as being in critical need of a safe water source, but much more study and coordination is necessary to determine which villages should receive VSW assistance and the extent of each facility.

In general, only villages in most critical need of a safe water supply have been considered for VSW projects. Also important is the village's ability to operate and maintain facilities installed, either unassisted or through arrangements with a school, PHS clinics or other sources of revenue.

Nearly three-fourths of the VSW program's bond money was used for the three joint projects with ASOSS high schools. Those projects were chosen less according to VSW priority criteria than in response to Department of Education pleas and expressed willingness to operate and maintain the finished facilities. Remaining money will be devoted to three or four villages where water supply needs are critical and schools and clinics can provide revenue for operation and maintenance."···

Since June of 1975, the villages of Beaver, Koyukuk and Pitkas Point have been selected to receive VSW projects. They were chosen based on their especially critical need for sanitation services, which need was identified during the ADEC survey of village sanitation facilities begun in December of 1972. The three projects are being funded out of the approximately $800,000 that remain in the VSW bond funds after the projects in Northway, Chevak, Arctic Village, Nulato, Selawik and Alakanuk are completed.

III. EVALUATION OF PROJECTS TO DATE

The VSW program is new to Alaska State government and virtually without precedent. Hence the best methods for achieving the mission of the program are still being worked out as experience is gained.

The Arctic Village project did not involve any construction since VSW funds were provided only for buying washing machines and dryers.

The Northway and Chevak projects consisted of adding to and finishing central sanitation facilities that the villages had started to build on their own initiative. ADEC hired engineering consultants to design and prepare plans and specifications for the improvements made with VSW funds, after which ADEC awarded competitive bid construction contracts to have the work done. These two projects went reasonably well, although at Chevak the termination date of the construction contract had to be extended several months partly due to adverse weather conditions.

At Nulato, Selawik and Alakanuk the VSW facilities are being built in conjunction with new State schools. In each village the school and VSW facility have been designed and are being built under contracts prepared and administered by the Division of Buildings, Department of Public Works. These projects have been most unsatisfactory as is illustrated by the following excerpts from the VSW Issue Analysis:

> ...'One purpose of this issue analysis is to investigate the assumption it is cheaper to construct capital facilities in remote Alaskan villages simultaneously and under the same contract whenever possible. The VSW projects and State high schools in Alakanuk, Selawik and Nulato were expected to cost less by joint construction than if they were built under individual contracts. So far, the VSW facilities are costing more than twice what was originally estimated by the architectural and engineering consultants retained by the Department of Public Works, Division of Buildings; and the facilities themselves have been scaled down...
>
> ...Whether or not it is more efficient to construct two or more State capital projects jointly (one contract) in a remote village than to build them separately is not an easy question. At first

blush, one might think it obvious joint projects would be cheaper since contractor mobilization costs should be less and one large contract should be cheaper to administer than two or more smaller ones. Experience, however, has not given unqualified support to that thesis.

Experience with joint construction in the VSW program is limited to the three projects in Alakanuk, Selawik and Nulato. They have been very unsatisfactory projects from ADEC's point of view in that they have cost double what was anticipated, the facilities had to be scaled down as costs became exorbitant, and monitoring the contract procedure became virtually impossible. The causes of these problems are many and complex. Perhaps among them are: 1) the jobs were big and complex enough that including them in one contract was unwieldy, 2) the consulting engineers and architects did less than satisfactory work, 3) the contract documents were poorly and incompletely done, 4) ADEC did not exert enough control over work done by the consulting engineers and architects, 5) the Division of Buildings did not (perhaps due to lack of time and expertise) critically monitor work prepared by the consulting engineers and architects, and 6) ADOE imposed a severe time limit on time available to prepare the projects for construction.

The major and perhaps root cause of the many problems with the three projects was lack of time for adequate design and contract preparation. The consulting engineers and architects claim they did not have time to do the kind of job they would like to have done. On the other hand, in preliminary negotiations with the consultants about doing the jobs, they indicated the limited time would be "no problem." The Division of Buildings might have been expected to notice the inadequacies in the consultants' work, but they claim not to have had time to review the work properly. Lack of expertise may also have been a factor. Perhaps ADEC should have kept closer track of work done by the consultants; but being insulated from the consultants, contracts and contractors by the Division of Buildings made communication and effective participation difficult.

Joint construction may be just too difficult to organize and administer (at least for certain types of projects) given State construction procedures. On the other hand, ADEC's disappointing experience in joint construction may be due to causes not attributable to joint construction per se. Perhaps some future VSW projects should be built with ADEC managing consultants and contracts directly to see if that method has advantages. Another possibility is force account work, managed either by ADEC or the Division of Buildings"...

The Division of Buildings called a final inspection for the Nulato project on November 13, 1974. ADEC discovered many deficiencies in the VSW facility during the final inspection, and the Department has since then experienced great difficulty in getting the deficiencies resolved. Appendix L consists of copies of

correspondence that illustrate the specific problems with the Nulato project. Final inspection for the Selawik and Alakanuk projects is scheduled for the Fall of 1975.

Design and construction of the VSW facilities for Beaver, Koyukuk and Pitkas Point are being managed directly by ADEC through grants to the villages. For each project ADEC, the village, and a consulting engineering firm enter into three-way contracts; one for design and one for construction management. The design contract specifies the scope of work to be performed by the engineering consultant, sets the compensation rate for design services and prescribes the procedure by which the village pays the consulting engineer with VSW grant money from ADEC. Under the construction management contract the consulting engineer agrees to···"Manage all activities necessary for construction of a VSW facility,··· (be) responsible for the timely ordering, scheduling and expediting of all equipment ··· and material necessary for construction, ··· (and) be responsible for managing all construction activity at the VSW facility site···" In keeping with the intent of VSW authorizing legislation, the village agrees to provide local people to work on the VSW project to the extent they are available. The construction management contract also prescribes procedures by which the village pays construction expenses, the consulting engineer's fee, and labor costs with VSW grant funds from ADEC. To date the three design contracts have been signed and design of two of the projects is nearly complete. The Construction management contracts have also been signed. Construction at Pitkas Point and Koyukuk has begun, and construction at Beaver will start in the Spring of 1976.

The methods by which the Beaver, Koyukuk and Pitkas Point projects are being administered are unique. So far (through design) they have been very satisfactory. It is anticipated that these facilities will cost far less than if they were constructed under typical State competitive bid construction contracts.

Appendix C contains photographs to illustrate physical features of various VSW facilities.

IV. FUTURE PROJECTS

PLANNING

Based on the survey of village sanitation facilities done by ADEC starting in December, 1972, villages tentatively determined to have a high priority to receive VSW projects after FY 76 are Kongiganak, Eek, Anvik, Stevens Village, Chignik Lake, Kasigluk and Nunapitchuk in that order. That priority list was prepared over two years ago with a bare minimum of field effort since staff and funds to do a comprehensive survey have not been available.

ADEC requested additional staff and support funds for FY 76 for planning in the VSW program, and the request was recently approved by the Legislature. If a satisfactory candidate for the new VSW engineering position can be found, a planning effort as described in the following excerpts from the VSW Issue Analysis will be begun:

> "Essential to long range planning for the Village Safe Water program are estimates of how much the program will cost and a description of the schedule according to which expenditures should be made. The cursory inventory of village sanitation needs made by ADEC staff in 1973 served only to identify 32 villages with the most obvious and critical needs. More thorough investigation is necessary to gather field data and coordinate USPHS (United State Public Health Service-Office of Environmental Health, Sanitation Facilities Construction program for Alaska natives) and VSW efforts to determine which villages should have VSW projects. Once the villages are identified, engineering field studies must be made to serve as the basis for preliminary design of facilities and cost estimates. Then, and only then, will the capital spending needs for the VSW program be known with confidence...
>
> ...The three primary planning needs in the Village Safe Water Program are: 1) to identify those villages where VSW facilities should be installed, 2) to determine what services should be provided by each facility to be built, and 3) to establish a schedule according to which the projects are to be constructed...
>
> ...Determining what services should be provided by each VSW facility involves working closely with the village involved. Traditional bathing practices might suggest a type of bathing facility to include in the VSW plant (e.g. traditional fire bath suggests sauna bath). Raw water availability and quality will determine the water source and treatment system. Local environmental conditions greatly influence the choice of a waste treatment

and disposal system. And the size and type of building to erect, foundation requirements, heating needs, and other physical features of the intended facility are also functions of local conditions."...

FUNDING

To date, four million dollars have been available for VSW capital construction. Those funds will be exhausted by the projects in Arctic Village, Northway, Chevak, Selawik, Alakanuk, Nulato, Beaver, Koyukuk and Pitkas Point. It is interesting to note that about three of the four million dollars were consumed by the Selawik, Alakanuk and Nulato projects.

A proposed bond bill for additional VSW capital construction funds was not passed by the 1974 Legislature. In order to make at least token progress in what ADEC considered a very worthwhile program, the Department requested two million dollars from the General Fund for FY 76. Half of that request was granted, making one million dollars available for VSW capital construction in FY 76.

Preliminary intentions based on 1972-73 planning are to offer VSW projects to the villages of Kongiganak and Eek, and perhaps Anvik depending on how much each project will cost. There may, however, be new factors or changed conditions to consider in selecting sites for the FY 76 projects.

V. OPERATION AND MAINTENANCE

SCOPE OF PROBLEM

Village Safe Water facilities must be adequately operated and maintained if they are to serve their intended purpose. Following are excerpts from the VSW Issue Analysis concerning operation and maintenance:

> ..."The legislative assignment of the Village Safe Water program is to provide safe water, sanitary means of waste disposal, bathing and laundry facilities for the inhabitants of small villages in Alaska. Funds were made available for capital construction but no provision was made for meeting long-term operation and maintenance expenses; and virtually none of the villages are capable of sustaining a facility of the type specified by the VSW Act without financial, technical and administrative assistance.
>
> When the Department of Education called on ADEC to build VSW facilities that could provide water and waste service for new high schools, ADEC was reluctant to devote resources intended for village service to school service. But the Department of Education was willing to provide all financial and logistical support necessary for continued operation and maintenance of the VSW facilities, thus dissolving the major obstacle barring progress in the VSW program. So the decision was made to serve the schools with the village VSW facilities in return for the operation and maintenance guarantee from ADOE.
>
> Unfortunately, the basic premise upon which the decision was made to build VSW facilities in conjunction with the high schools in Alakanuk, Selawik and Nulato got lost in the shuffle when ASOSS assumed control of the rural school capital construction program. ASOSS was reluctant to accept the responsibility for operation and maintenance which the Department of Education had previously accepted, which acceptance was the only reason ADEC had agreed to serve the schools with VSW facilities in the first place. By this time, the contracts for the joint VSW-school construction had been awarded and construction was far enough along that the projects could not be cancelled. Fortunately, ASOSS has recently agreed to provide $6,000.00 per month for VSW water and waste service for the schools at Alakanuk and Nulato. ...
>
> ...A facility to provide the services specified by the Village Safe Water Act must contain sophisticated equipment and appliances. Since public health is at stake, water and waste treatment systems must be kept operating properly at all times. Hence, at least one full-time, trained and paid maintenance man must attend every VSW facilities.
>
> Virtually all of the maintenance people will have to come from the villages where VSW plants are installed because "outsiders" are

usually reluctant to take up residence in remote villages. Since people with the training and experience necessary to operate and maintain a VSW facility are usually not available locally, an elaborate, extensive and continuing program for training of VSW plant operators is required.

A continuous and generous flow of revenue will be required to meet the operation and maintenance expenses of VSW facilities. In addition to the plant operator(s) salary, there will be treatment chemicals, electricity, fuel and replacement and repair parts to buy. Operation and maintenance expenses for just a small facility (e.g., 2 washers, 2 dryers, 2 showers, 2 rest rooms, 2 saunas, water supply and waste disposal) could run at least $25,000 per year (1974 prices), excluding amortization of capital costs for replacement purposes. For the larger facilities being built in Alakanuk, Selawik and Nulato, operation and maintance expenses could reach ninety to one hundred thousand dollars per year (excluding amortization).

Sources of revenue in the villages are limited. Individuals who use the VSW facilities will pay fees, but fees cannot be so high people no longer can afford to use the facilities. Two to three thousand dollars per month might be raised through users' fees in larger villages (400 to 500 residents) and proportionately less in smaller towns. Public health clinics, some owned by the U. S. Public Health Service and some owned by the villages, are possible sources of revenue but not more than $500 to $1,000 per month. Whether or not the health clinics can be assessed that much for water and waste service has yet to be determined. Schools are also potential users of VSW water and waste service and sources of revenue. In the past, both BIA and State schools have had their own water supply and waste treatment systems, unless service from other systems was available. Most school systems, however, do not meet water supply criteria and waste disposal requirements of the State. To provide a water and waste system for a school capable of meeting State requirements could cost as much as seventy or eighty thousand dollars per year including capital, operation and maintenance costs. The actual cost at a given school would depend, of course, on such things as availability of water, environmental conditions for waste disposal, size of school, and rate of increase in replacement costs. How much a school is assessed for VSW plant service might reasonably be based on what it would cost the school to provide its own service.

In the final analysis, some minimum amount of money will have to be forthcoming every year to meet operation and maintenance expenses if VSW facilities are to serve their intended purpose. The major sources of those funds are public health clinics, schools and individual facility users. Revenue from individual users and clinics is limited to less than half the VSW facility revenue requirements. Hence, more than half the operation and maintenance costs will have to be picked up by the schools or some other source."...

VSW program involvement was minor enough in Arctic Village that responsibility for continued successful functioning of the sanitation facilities installed rests elsewhere than with ADEC.

The Chevak and Northway facilities were opened for public use early in 1974. Since then there have been damaging freeze-ups in both facilities; the Chevak facility has been periodically closed, or open for only limited use due to lack of money for fuel; and neither facility has served its intended purpose as well as it should because the necessary financial, administrative, and technical assistance has not been provided.

The Nulato facility was first opened for public use in mid-November of 1974. The operational record of this facility has been poor due mostly to the construction problems described earlier in this report. Also the VSW staff engineer has had to spend a great deal of time helping the local plant operators establish administration, management, operation and maintenance systems for the facility. That experience has clearly demonstrated the need for some means by which the villages can have access to continuing assistance in the administration, operation and maintenance of their VSW facilities. The needs for assistance at Nulato, Selawik and Alakanuk are especially critical due to the size and complexity of their facilities.

MEETING OPERATION AND MAINTENANCE NEEDS

The Department of Environmental Conservation requested and received $289,000 in its FY 76 operating budget to assist eight villages with operation and maintenance of VSW facilities. Those funds were requested only as an interim provision until State policy concerning operation and maintenance of VSW facilities can be established. A major purpose of this report is to provide information which can serve as a basis for deciding how operation and maintenance support for VSW facilities might best be provided. Some alternatives listed in the VSW Issue Analysis were:

...1) a grant program to subsidize rural water and waste utility service, 2) a system of State owned and operated facilities to provide water and waste service in remote areas, 3) a utility system owned and operated by native organizations either as a service or a profit making venture (perhaps subsidized by the State), or 4) a public utility managed by a private organization perhaps controlled and subsidized by the State.

A program for operation and maintenance of VSW facilities should perhaps not be considered independent of the need for a system to insure proper operation and maintenance of rural sanitation facilitiies in general. In fact it might be well to consider the possibility of an operation and maintenance system for all rural utilities.

The U. S. Public Health Service (USPHS) and the Alaska Village Demonstration Project (AVDP) sponsored by the Environmental Protection Agency are the agencies other than ADEC with programs for providing rural sanitation facilities. Recognizing the need for agencies with similiar missions to cooperate, ADEC intends to invite USPHS and AVDP to participate in a planning effort to arrive at a comprehensive program for rural sanitation services. [The following preliminary goal and objectives have been drawn up to guide such a planning effort:]

Goal

To devise a comprehensive program for achieving sanitation services in Alaskan villages.

Objectives

1. Inventory current efforts (who involved and description and extent of programs).

2. Identify the people for whom services are being planned (i.e. the recipients).

3. a. Describe sanitation functions that should be provided, if any. Examples are water supply, sewage disposal and bathing facilities.

   b. Identify various feasible methods of achieving the sanitation functions described in (a) above (e.g. central watering point, individual wells, piped water service to houses, vehicle haul system). Estimate the relative costs of these methods, including installation of required physical facilities and operation and maintenance.

4. Determine where resources should come from for installing facilities identified in 3-b above; categorized according to types of recipients (if any such distinctions are made) and methods of achieving sanitation functions (from 2-b above). Examples of resource sources are State government, federal government, Native organizations and local governments.

5. Determine what functional presence should be maintained for how long and by whom for the various physical facilities installed. Examples are training, management and administrative assistance, technical assistance, and operation and maintenance assistance.

6. Determine where resources should come from to achieve the functions identified in (5) above.

7. Devise major features of a comprehensive program to connect resource sources identified in (4) and (6) above with recipients.

8. Evaluate existing programs with respect to how well they contribute to achieving the comprehensive program resulting from (7) above.

9. Determine what changes in existing programs and/or new programs are needed to achieve the comprehensive program resulting from (7) above.

VI. CONCLUSION

The Village Safe Water program grew out of recognition of the critical need for adequate sanitation services in rural Alaska. Providing rural sanitation services involves two major efforts: 1) capital construction, and 2) operation and maintenance.

CAPITAL CONSTRUCTION

The major emphasis of the Village Safe Water Act is on construction of central sanitation facilities. Several methods of construction are authorized and ADEC is trying the various options in search of the most productive methods. With the additional staff and funding provided for FY 76, engineering planning can now be done to determine the State-wide need for VSW facilities and estimate total program costs. At least preliminary indications of the total potential scope of VSW capital construction needs should be available by the end of FY 76.

OPERATION AND MAINTENANCE

Construction of any utility system, especially in the relatively harsh environment of rural Alaska, is money wasted unless provisions are made for the system to be properly operated and maintained. Most, if not all villages qualifying for VSW projects lack the necessary resources to administer, manage, operate and maintain even a minimum VSW facility (or any other utility system) without continuing outside assistance.

The Village Safe Water Act contains only brief mention of operation and maintenance assistance for villages which receive VSW facilities. To date the State does not have a firm policy position on how to provide for VSW operation and maintenance. Some of the options to be explored (mentioned earlier in this report) have already become apparent in the few years the VSW

program has been in existence. More such options and a better view of their advantages and disadvantages should result from the planning effort by VSW staff scheduled for FY 76. Perhaps it is reasonable to set the end of FY 76 as the time by which the State can establish policy concerning VSW operation and maintenance. Until then ADEC has funds to help villages manage, operate and maintain their VSW facilities.

Assignment Sheet/Cover Sheet

FY 76 Issue Analysis

(Confidential Internal Working Paper)

Title: Village Safe Water Project

Category: NRMEC

Assigned Issue Description:

Develop a long range plan describing the objectives of the Village Safe Water program and the strategy by which those objectives are to be achieved. Investigate the assumption that construction of VSW facilities in conjunction with other state capital projects in rural Alaska is a more efficient use of State funds than separate construction. A set of criteria for assigning priorities to villages eligible for VSW projects should be developed. Possibilities for agreements with federal and other state agencies concerning joint planning of VSW facilities should be considered.

Lead Agency: Department of Environmental Conservation

Agency Analyst/Respondent: Jerry Sargent

Other Agencies and Representatives Involved

Agency	Representative
State Operated Schools	Homer Marshall
Department of Public Works	Wally DeBoff

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VSW ISSUE ANALYSIS

OBJECTIVES

The specific objectives of this analysis are to:

1) Present a generalized summary of activities in the VSW program from its inception to the present.
2) Describe problems with operation and maintenance of VSW facilities and investigate possible solutions.
3) Analyze experience to date with joint capital construction projects involving VSW facilities and state schools.
4) Describe the planning and budgeting needs of the VSW program and suggest how they might be met.
5) Present criteria used for assigning priorities to villages eligible for VSW projects.
6) Suggest appropriate arrangements with federal and other state agencies to facilitate planning for VSW facilities.

SUMMARY AND CONCLUSIONS

SUMMARY

The Village Safe Water program is intended to provide safe water, waste disposal, bathing and laundry facilities in villages (less than 600 inhabitants) in Alaska. Since its inception in 1970, the program has been involved in five capital construction projects, three of which are joint projects with State-Operated high schools.

The Alaska Department of Environmental Conservation (ADEC) has been reluctant to build VSW facilities in villages where provisions cannot be made for revenue to operate and maintain them. Most villages are not capable of sustaining even a minimal facility without outside assistance, and there is not enough money in the VSW program itself to provide continuing support. The three joint projects with schools were entered into only because the Department of Education (ADOE) agreed to operate and maintain the VSW facilities in return for water and waste service for the schools. Since the Alaska State-Operated School System (ASOSS) gained jurisdiction over the schools, it has been reluctant to honor the Department of Education committment but has recently agreed to do so.

Joint construction means having two or more capital projects (e.g., a VSW facility and a State school) built by one contractor under one contract. The three joint construction projects involving VSW facilities and ASOSS schools have been immensely problematic. This does not mean VSW facilities should not be built to serve State schools, but rather that troublesome construction procedures should be amended. The facilities have cost more than twice what was

anticipated by ADEC and the projects have had to be scaled down due to exhorbitant costs. The consulting engineers and architects did less than satisfactory work on the projects, the contract documents contained costly errors and omissions, and communications among all parties concerned have been muddled at best. One cause of these problems was the time limit imposed by ADOE for preparation of the projects for contracting and construction.

ADEC policy has been not to build VSW projects in villages where U. S. Public Health Service (USPHS) sanitation facilities have been or are to be installed. Hence, VSW program planning is greatly influenced by USPHS planning for construction of water distribution and waste collection and disposal systems. USPHS finds it difficult to project a reliable schedule for construction projects, making it difficult to plan VSW projects accordingly.

Financial requirements of the VSW program cannot be determined until: 1) an extensive survey is made of sanitation services in all villages, 2) USPHS intentions are known with confidence, and 3) villages qualified for VSW program assistance are identified. Once the villages are identified, investigation must be made to determine what facilities should go in each village, engineering data must be gathered, and preliminary design be done in advance of budgeting for capital construction projects, but adequate money and staff have not been available to do those things.

The VSW program can provide badly needed sanitation services to people in rural Alaska, and for the State to have such a constructive program is commendable. Administrative problems analyzed in this report are perhaps no more than might be expected for a new program virtually without precedent. The issue analysis procedure will have served its intended purpose if problems in the VSW program,

openly discussed in this analysis, are recognized by appropriate parties and constructive solutions (some of which are suggested herein) are worked out.

CONCLUSIONS

1) Current policy for the VSW program is to build central sanitation facilities only in villages where dependable provisions can be made for continuing and successful operation and maintenance. Since such provisions are difficult, if not impossible, to make in most Alaskan villages, inter-agency planning is necessary to establish long term policy for providing rural water and waste facilities.

2) Advance planning money and staff are necessary to determine needs to be met by the VSW program and the cost of meeting those needs.

3) The question of whether or not joint capital construction is the best approach for rural State projects has not been resolved. There is evidence in the VSW program that joint construction might not be the best procedure. Alternative means of constructing VSW facilities (and perhaps other State facilities as well) should be tried. Alternatives to having the Division of Buildings administer all rural capital construction projects should also be tried.

4) When a program is transferred from one agency to another (e.g., rural schools from ADOE to ASOSS), provision must be made to insure committments made under the program previous to the transfer will be honored.

5) Village Safe Water facilities can provide sanitation services for village residents and state schools for far less than the cost of serving only the

villagers with VSW facilities and providing separate sanitation systems for the schools.

6) The State can provide essential and laudible services to rural Alaskans through the VSW program. Every effort should be made to solve the procedural problems involved in getting VSW facilities built and to adequately fund the program.

BACKGROUND

The Village Safe Water (VSW) Act of 1970 (AS 46.07.010-.080) calls for the State of Alaska to install "at least one facility for safe water and hygenic sewage disposal in each village". The Department of Health and Social Services (ADHSS) was originally charged with carrying out the program. In 1971, a segment of ADHSS was transferred to the Department of Environmental Conservation (ADEC) which was created by the legislature July 1, 1971. VSW activities were carried on mostly within the new department and in May of 1973, ADHSS and ADEC signed a letter of understanding which essentially turned the VSW program over to ADEC. A copy of the letter of understanding is attached to this analysis.

Voters approved a three million dollar bond issue in 1970 to fund the VSW program and another one million dollar bond issue in 1972. Little progress was made in the program, however, until December, 1972 for the following reasons: 1) no money was available to administer the program until October, 1972 and even when the VSW staff position became available, a person suitable to fill it could not be found; and 2) no provision had been made for funds to operate and maintain VSW facilities and ADEC was reluctant to construct facilities without assurance they would operate properly.

In December, 1972, a member of the ADEC staff began a survey of sanitation facilities in small villages throughout Alaska (most of which are native villages) to determine which villages were most in need of VSW projects. Letters were written to government agencies (e.g., the United States Public Health Service and the Bureau of Indian Affairs), native associations (e.g., regional corporations and health corporations) and other organizations with knowledge of village sanitation problems, requesting information and suggestions concerning plans for VSW projects. As a result of this study, 32 villages were identified as being most in need of the sanitation services specified by the VSW Act. Meanwhile, in late 1972 and early 1973, the villages of Northway and Chevak requested assistance under the VSW program in finishing central facilities they had begun to construct on their own initiative. Since Northway and Chevak had committed their own resources and thus demonstrated a sincere desire to improve sanitation in the villages, they were granted assistance. Then in early 1973, the Department of Education, lacking funds to provide water and waste service for new schools scheduled for construction in remote villages in 1973-74, asked ADEC to install VSW facilities in Alakanuk, Selawik and Nulato to provide sanitation services for the new schools to be built there in addition to providing sanitation services for the villages. ADEC agreed to do so provided the Department of Education would agree to provide all funds and logistical support necessary for continued operation and maintenance of the VSW facilities. Agreements were drawn up and signed by ADEC and the Department of Education specifying the conditions under which the VSW facilities were to be constructed and operated in Nulato and Selawik (see attached copies). Before the Alakanuk agreement got signed, the rural school capital construction program was transferred from ADOE to the Alaska State-Operated School System (ASOSS) and ASOSS assumed responsibility from the Department of Education for the schools to be built in Alakanuk, Selawik and Nulato. In addition, the Selawik school will

be managed as an independent school district starting July 1, 1974. Hence, there has been some confusion and some discord about who should be responsible for operation and maintenance of the VSW facilities being built in conjunction with ASOSS high schools.

Five villages are receiving major central sanitation facilities construction projects under the VSW program (Northway, Chevak, Alakanuk, Selawik and Nulato). In addition, Arctic Village was granted a few thousand dollars to buy washing machines and dryers to install in a facility constructed by the U. S. Public Health Service. Total expenditures in the six villages will be approximately three million dollars, leaving about one million dollars for additional projects.

DEFINITION OF PROBLEMS

OPERATION AND MAINTENANCE

The legislative assignment of the Village Safe Water program is to provide safe water, sanitary means of waste disposal, bathing and laundry facilities for the inhabitants of small villages in Alaska. Funds were made available for capital construction but no provision was made for meeting long-term operation and maintenance expenses; and virtually none of the villages are capable of sustaining a facility of the type specified by the VSW Act without financial, technical and administrative assistance.

When the Department of Education called on ADEC to build VSW facilities that could provide water and waste service for new high schools, ADEC was reluctant to devote resources intended for village service to school service. But the Department of Education was willing to provide all financial and logistical

support necessary for continued operation and maintenance of the VSW facilities, thus dissolving the major obstacle barring progress in the VSW program. So the decision was made to serve the schools with the village VSW facilities in return for the operation and maintenance guarantee from ADOE.

Unfortunately, the basic premise upon which the decision was made to build VSW facilities in conjunction with the high schools in Alakanuk, Selawik and Nulato got lost in the shuffle when ASOSS assumed control of the rural school capital construction program. ASOSS was reluctant to accept the responsibility for operation and maintenance which the Department of Education had previously accepted, which acceptance was the only reason ADEC had agreed to serve the schools with VSW facilities in the first place. By this time, the contracts for the joint VSW-school construction had been awarded and construction was far enough along that the projects could not be cancelled. Fortunately, ASOSS has recently agreed to provide $6,000.00 per month for VSW water and waste service for the schools at Alakanuk and Nulato.

JOINT CONSTRUCTION

Joint capital construction refers to the construction of two or more separate projects by one contractor under one contract. Joint capital construction should not be confused with the cooperative venture of having other State facilities like schools receive sanitation services from VSW facilities.

One purpose of this issue analysis is to investigate the assumption it is cheaper to construct capital facilities in remote Alaskan villages simultaneously and under the same contract whenever possible. The VSW projects and State high schools in Alakanuk, Selawik and Nulato were expected to cost less by joint con-

struction than if they were built under individual contracts. So far, the VSW facilities are costing more than twice what was originally estimated by the architectural and engineering consultants retained by the Department of Public Works, Division of Buildings; and the facilities themselves have been scaled down.

PLANNING AND BUDGETING

The Village Safe Water Act calls for safe water, sanitary waste disposal, bathing and laundry facilities in every village in Alaska. But VSW facilities need not be installed in all villages because the U. S. Public Health Service (USPHS) is charged with providing sanitation facilities in native villages. Hence, intentions of the federal program are very important in VSW program planning. Unfortunately, the USPHS priority list and plans for sanitation facilities construction projects vary greatly from year to year, making it difficult to plan VSW projects accordingly. To make matters worse, the USPHS has recently been directed to devote most of its sanitation facilities construction effort to serving new housing projects. Virtually the entire program thus becomes subject to the dubiety of rural housing construction programs in Alaska.

Essential to long range planning for the Village Safe Water program are estimates of how much the program will cost and a description of the schedule according to which expenditures should be made. The cursory inventory of village sanitation needs made by the ADEC staff in 1973 served only to identify 32 villages with the most obvious and critical needs. More thorough investigation is necessary to gather field data and coordinate USPHS and VSW efforts to determine which villages should have VSW projects. Once the villages are identified, engineering field studies must be made to serve as the basis for

preliminary design of facilities and cost estimates. Then, and only then, will the capital spending needs of the VSW program be known with confidence.

ANALYSES

OPERATION AND MAINTENANCE

A facility to provide the services specified by the Village Safe Water Act must contain sophisticated equipment and applicances. Since public health is at stake, water and waste treatment systems must be kept operating properly at all times. Hence, at least one full-time, trained and paid maintenance man must attend every VSW facility.

Virtually all of the maintenance people will have to come from the villages where VSW plants are installed because "outsiders" are usually reluctant to take up residence in remote villages. Since people with the training and experience necessary to operate and maintain a VSW facility are usually not available locally, an elaborate, extensive and continuing program for training of VSW plant operators is required.

A continuous and generous flow of revenue will be required to meet the operation and maintenance expenses of VSW facilities. In addition to the plant operator(s) salary, there will be treatment chemicals, electricity, fuel and replacement and repair parts to buy. Operation and maintenance expenses for just a small facility (e.g., 2 washers, 2 dryers, 2 showers, 2 rest rooms, 2 saunas, water supply and waste disposal) could run at least $25,000 per year (1974 prices), excluding amortization of capital costs for replacement purposes. For the larger facilities being built in Alakanuk, Selawik and Nulato, operation

and maintenance expenses could reach ninety to one hundred thousand dollars per year (excluding amortization).

Sources of revenue in the villages are limited. Individuals who use the VSW facilities will pay fees, but fees cannot be so high people no longer can afford to use the facilities. Two to three thousand dollars per month might be raised through users' fees in larger villages (400 to 500 residents) and proportionately less in smaller towns. Public health clinics, some owned by the U. S. Public Health Service and some owned by the villages, are possible sources of revenue but no more than $500 to $1,000 per month. Whether or not the health clinics can be assessed that much for water and waste service has yet to be determined. Schools are also potential users of VSW water and waste service and sources of revenue. In the past, both BIA and State schools have had their own water supply and waste treatment systems, unless service from other systems was available. Most school systems, however, do not meet water supply criteria and waste disposal requirements of the State. To provide a water and waste system for a school capable of meeting State requirements could cost as much as seventy or eighty thousand dollars per year including capital, operation and maintenance costs. The actual cost at a given school would depend, of course, on such things as availability of water, environmental conditions for waste disposal, size of school, and rate of increase in replacement costs. How much a school is assessed for VSW plant service might reasonably be based on what it would cost the school to provide its own services.

In the final analysis, some minimum amount of money will have to be forthcoming every year to meet operation and maintenance expenses if VSW facilities are to serve their intended purpose. The major sources of those funds are public

health clinics, schools and individual facility users. Revenue from individual users and clinics is limited to less than half the VSW facility revenue requirements. Hence, more than half the operation and maintenance costs will have to be picked up by the schools or some other source. The schools are understandably reluctant to commit large amounts of education funds to water and waste service. But such service is as essential t a school as its heating system or roof; and that service must be provided by the school if a VSW facility is not to serve the school. According to estimates done by ADEC, the annual cost (amortization of capital construction plus operation and maintenance) for a school to have its own water and waste system is eighty percent or more of the total annual operation and maintenance costs for a VSW facility serving both the school and the village. Hence, even if the schools agree to pay all operation and maintenance expenses for VSW facilities, the State would be providing adequate water and waste systems for its schools, and sanitation facilities villages for only about twenty percent more than it would cost to provide water and waste service for the school alone. Capital costs of VSW facilities is not included in the above cost comparisons for school water and waste service because the VSW facilities would be built to serve the villages regardless of school participation. Schools would probably not have to meet all operation and maintenance expenses for VSW facilities anyway, because some revenue will be generated by villagers using the facilities and perhaps USPHS clinics and other users.

It is obvious that inter-agency planning needs to be done concerning water and waste utilities in remote villages. Some of the questions that need answers are: How will operation and maintenance of VSW facilities by provided for? Where will operation and maintenance revenue come from? How can rural schools

best be provided water and waste service? What agency should administer State capital and operation and maintenance funds? Should the VSW program provide water and waste service in remote villages on a continuing basis (including periodic replacement of facilities as required); and if so, should the program be given the relative permanence of general fund support as opposed to dependence on bond elections?

Some alternatives to consider are: 1) a grant program to subsidize rural water and waste utility service, 2) a system of State owned and operated facilities to provide water and waste service in remote areas, 3) a utility system owned and operated by native organizations either as a service or a profit making venture (perhaps subsidized by the State), or 4) a public utility managed by a private organization perhaps controlled and subsidized by the State.

JOINT CONSTRUCTION

Whether or not it is more efficient to construct two or more State capital projects jointly (one contract) in a remote village than to build them separately is not an easy question. At first blush, one might think it obvious joint projects would be cheaper since contractor mobilization costs should be less and one large contract should be cheaper to administer than two or more smaller ones. Experience, however, has not given unqualified support to that thesis.

Experience with joint construction in the VSW program is limited to the three projects in Alakanuk, Selawik and Nulato. They have been very unsatisfactory projects from ADEC's point of view in that they have cost double what

was anticipated, the facilities had to be scaled down as costs became exhoritant, and monitoring the contract procedure became virtually impossible. The causes of these problems are many and complex. Perhaps among them are: 1) the jobs were big and complex enough that including them in one contract was unwieldy, 2) the consulting engineers and architects did less than satisfactory work, 3) the contract documents were poorly and incompletely done, 4) ADEC did not exert enough control over work done by the consulting engineers and architects, 5) the Division of Buildings did not (perhaps due to lack of time and expertise) critically monitor work prepared by the consulting engineers and architects, and 6) ADOE imposed a severe time limit on time available to prepare the projects for construction.

The major and perhaps root cause of the many problems with the three projects was lack of time for adequate design and contract preparation. The consulting engineers and architects claim they did not have time to do the kind of job they would like to have done. On the other hand, in preliminary negotiations with the consultants about doing the jobs, they indicated the limited time would be "no problem". The Division of Buildings might have been expected to notice the inadequacies in the consultant's work, but they claim not to have had time to review the work properly. Lack of expertise may also have been a factor. Perhaps ADEC should have kept closer track of work done by the consultants; but being insulated from the consultants, contracts and contractors by the Division of Buildings made communication and effective participation difficult.

Joint construction may be just too difficult to organize and administer (at least for certain types of projects) given State construction procedures. On the other hand, ADEC's disappointing experience in joint construction may

be due to causes not attributable to joint construction per se. Perhaps some future VSW projects should be built with ADEC managing consultants and contracts directly to see if that method has advantages. Another possibility is force account work, managed either by ADEC or the Division of Buildings.

PLANNING AND BUDGETING

Planning

The three primary planning needs in the Village Safe Water Program are: 1) to identify those villages where VSW facilities should be installed, 2) to determine what services should be provided by each facility to be built, and 3) to establish a schedule according to which the projects are to be constructed.

The Village Safe Water Act clearly calls for water supply, waste disposal, laundry and bathing facilities in <u>every</u> village with between 25 and 600 inhabitants in Alaska. Ostensibly, the USPHS has the similar mission of providing water distribution and waste collection and disposal systems in <u>native</u> villages in Alaska. USPHS usually installs relatively elaborate systems to provide running water and sewage disposal service to each house. Since the USPHS systems are usually more desirable than VSW facilities both for public health reasons and from the villages' standpoint, it seems reasonable to plan VSW projects only where USPHS systems have not been and perhaps will not be installed. If the USPHS really does intend to provide water and waste disposal services in all native villages, the VSW program's purpose is only to provide interim sanitation services until the USPHS mission is accomplished. But if some villages are destined never to receive USPHS projects, VSW program planning is greatly influenced by the dependability of USPHS planning.

Determining what services should be provided by each VSW facility involves working closely with the village involved. Traditional bathing practices might suggest a type of bathing facility to include in the VSW plant (e.g., traditional fire bath suggests sauna bath). Raw water availability and quality will determine the water source and treatment system. Local environmental conditions greatly influence the choice of waste treatment and disposal system. And the size and type of building to erect, foundation requirements, heating needs, and other physical features of the intended facility are also functions of local conditions.

A critical factor in deciding what services to provide is the village's ability to operate and maintain the facility. More services require more extensive facilities which are more difficult and expensive to operate and maintain. Most villages are currently unable to support even a minimal water supply and bathing center without participation by schools or outside assistance. State schools and village residents can both be provided sanitation services from VSW facilities cheaper than if the villagers have VSW facilities and the schools have separate sanitation systems. Hence, financial participation by State schools in operation and maintenance of VSW facilities is desirable unless some other form of assistance is made available. <u>In no case should a VSW facility be built unless and until dependable provisions have been made to operate and maintain it</u>.

Scheduling the construction of VSW projects involves prioritizing the projects according to some set of criteria. The system used so far by ADEC is described later in this report.

Budgeting

Funding decisions concerning the VSW program must be based on knowledge

of the program's mission. If one-time capital construction facilities for an identified number of villages is the intent, the VSW program is finite. After the qualified villages have been identified, preliminary engineering investigations and design could be done to serve as the basis for cost estimates, and total cost of the program would be known. If continuing provision of sanitation services in some number of qualified villages is the intent, the VSW program is continuous and includes involvement in operation, maintenance and replacement of facilities.

A great deal of time and money is required to make the preliminary engineering field investigations and designs essential for accurate cost estimations, and dependable cost estimates for the VSW and every other State program are absolutely essential in planning State services and making state budget decisions. All too often ADEC and most other State agencies are asked for spur-of-the-moment cost estimates for capital construction projects. Such estimates can be correct only by coincidence, and they do more harm than good when appropriations based on them prove inadequate. Advance planning money must be provided so preliminary engineering and cost estimates can be done before budgeting. ASOSS was recently authorized a $400,000.00 advance planning revolving fund for planning capital projects. The VSW program would benefit greatly from a similar fund.

PRIORITY CRITERIA

To date there has been little need for priority criteria for VSW projects. Staff and money have not been available to identify villages qualified for and in need of VSW assistance, so there is little to prioritize. Thirty-two villages were identified as being in critical need of a safe water source, but much

more study and coordination is necessary to determine which villages should receive VSW assistance and the extent of each facility.

In general, only villages in most critical need of a safe water supply have been considered for VSW projects. Also important is the village's ability to operate and maintain facilities installed, either unassisted or through arrangements with a school, PHS clinics or other sources of revenue.

Nearly three-fourths of the VSW program's bond money was used for the three joint projects with ASOSS high schools. Those projects were chosen less according to VSW priority criteria than in response to Department of Education pleas and expressed willingness to operate and maintain the finished facilities. Remaining money will be devoted to three or four villages where water supply needs are critical and schools and clinics can provide revenue for operation and maintenance.

INTER-AGENCY COORDINATION

Coordination of VSW program planning with planning for USPHS sanitation facilities projects is vital. The relationship between the two programs was described earlier. ADEC has recently taken the initiative in establishing a routine by which USPHS and ADEC can communicate more openly and coordinate planning for village sanitation projects more fully. Copies of correspondence concerning this initiative are attached to this report.

Coordination of VSW program capital construction with other State capital construction projects may or may not be imperative depending on whether or not joint construction is judged desirable for rural capital projects. The assump-

tion that joint construction is desirable is made questionable by experience in the VSW program. If the problems with joint construction can be overcome, the obvious center for coordination of projects should be the agency administering the joint ventures--probably the Division of Buildings. Coordinating and programming all State rural capital construction projects would be a massive task, however, to say nothing of managing the joint projects themselves.

Further direction for inter-agency coordination will be pointed out if and when the questions posed earlier in this report and requiring the attention of inter-agency planning are answered. Coordination with AVEC might allow VSW facilities to make use of waste heat from power generators. Other State installations (e.g., road maintenance shops, airfield maintenance shops and Fish and Game projects) might be coordinated with the VSW program to receive water and waste services.

THE BRIGHT SIDE

The purpose of an issue analysis is to focus on the problems in a program. But many things are right about the VSW program. There is a desperate need for sanitation services in Alaskan villages; and VSW facilities, despite past problems with getting them built, can help satisfy that need. Village schools face critical water supply and waste disposal problems which VSW facilities could help solve. The relatively unspoiled and often fragile natural environment of rural Alaska must be protected from the insults of improper disposal methods for human wastes. VSW facilities offer that protection.

The VSW program is new and virtually without precedent. The growing pains described in this analysis are perhaps part of the experience out of which can grow an efficient and popular service by the State.

LETTER OF UNDERSTANDING

This letter of understanding is entered into this _____ day of May 1973 between the Department of Health and Social Services and the Department of Environmental Conservation. The terms of this letter of understanding are as follows:

1. The Department of Environmental Conservation agrees to do all planning and engineering with regard to Village Safe Water Act facilities.

2. The Department of Health and Social Services agrees to approve all planning and engineering by the Department of Environmental Conservation and the expenditures of all funds made by the Department of Environmental Conservation for Village Safe Water Act facilities.

3. The Department of Environmental Conservation agrees to accept all responsibility for Village Safe Water Act facilities.-

Frederick P. McGinnis Commissioner Department of Health and Social Services	Max C. Brewer Commissioner Department of Environmental Conservation

AGREEMENT CONCERNING VILLAGE SAFEWATER

ACT FACILITY AT SELAWIK, ALASKA

This agreement is made and entered into this 29 day of June, 1973 between the Department of Environmental Conservation, State of Alaska, the Department of Health and Social Services, State of Alaska, the Department of Education, State of Alaska, and the City of Selawik, Selawik, Alaska, for the purpose of providing for the construction and the continued operation and maintenance of a Village Safewater Act (AS 46.07.010 - .080) facility at Selawik, Alaska. The terms of the agreement are as follows:

1. The Department of Environmental Conservation and the Department of Health and Social Services agree to provide the capital funds necessary to construct a Village Safewater Act facility at Selawik, Alaska, in conjunction with the construction of the high school facility of the Department of Education at Selawik, Alaska.

2. The City of Selawik agrees to be responsible for the operation and maintenance of the Selawik Village Safewater Act facility constructed in accordance with this agreement.

3. The Department of Environmental Conservation, the Department of Health and Social Services and the Department of Education agree to encourage the City of Selawik to develop, adopt and enforce an ordinance requiring the members of the community to take their garbage to the incinerator and their chemical toilet wastes and honey bucket wastes to the sewage treatment plant located in the Selawik Village Safewater Act facility.

4. The Department of Environmental Conservation, the Department of Health and Social Services and the Department of Education agree to

encourage the City of Selawik to adopt a fee schedule for the use of the Selawik Village Safewater Act facility, the revenues of which will be used to replace such items as washing machines and dryers as necessary.

Agreed to this 21 day of June, 1973.

Max C. Brewer, Commissioner
Department of Environmental Conservation
State of Alaska

James F. McClain
Acting Deputy Commissioner
Frederick P. McGinnis, Commissioner
Department of Health and SOcial Services
State of Alaska

Asst to Comm.
Marshall L. Lind, Commissioner
Department of Education
State of Alaska

Oran Walton, Mayor
City of Selawik

AGREEMENT CONCERNING THE OPERATION AND MAINTENANCE OF THE VILLAGE SAFEWATER ACT FACILITY AT SELAWIK, ALASKA

This agreement is made and entered into this 29 day of June, 1973 between the City of Selawik and the Department of Education, State of Alaska. The terms of the agreement are as follows:

1. The City of Selawik agrees to permit use of the Village Safewater Act facility to be located at Selawik, Alaska, by the schools of the Department of Education at Selawik, Alaska.

2. The Department of Education agrees to provide to the City of Selawik all funds and logistical support necessary for the continued operation and maintenance of the Village Safewater Act facility at Selawik. Operation and maintenance includes all repairs whether minor or major in nature. However, repair does not include re-construction of the Selawik Village Safewater Act facility if such facility is substantially or entirely destroyed.

Agreed to this 29 day of June, 1973.

[signature]
Asst to Comm.

for Dr. Marshall L. Lind, Commissioner
Department of Education
State of Alaska

[signature]
Oran Walton, Mayor
City of Selawik

Approved to this 12th day of July, 1973.

[signature]
Dr. Max C. Brewer, Commissioner
Department of Environmental Conservation
State of Alaska

James F. McClain
Acting Deputy Commissioner
For Frederick P. McGinnis, Commissioner
Department of Health and Social Services
State of Alaska

Jónas Ramoth, President
Selawik Advisory School Board

AGREEMENT CONCERNING VILLAGE SAFEWATER
ACT FACILITY AT NULATO, ALASKA

This agreement is made and entered into this 17th day of May, 1973 between the Department of Environmental Conservation, State of Alaska, the Department of Health and Social Services, State of Alaska, the Department of Education, State of Alaska, and the City of Nulato, Nulato, Alaska, for the purpose of providing for the construction and the continued operation and maintenance of a Village Safewater Act (AS 46.07.010 - .080) facility at Nulato, Alaska. The terms of the agreement are as follows:

1. The Department of Environmental Conservation and the Department of Health and Social Services agree to provide the capital funds necessary to construct a Village Safewater Act facility at Nulato, Alaska, in conjunction with the construction of the high school facility of the Department of Education at Nulato, Alaska.

2. The City of Nulato agrees to be responsible for the operation and maintenance of the Nulato Village Safewater Act facility constructed in accordance with this agreement.

3. The Department of Environmental Conservation, the Department of Health and Social Services and the Department of Education agree to encourage the City of Nulato to develop, adopt and enforce an ordinance requiring the members of the community to take their garbage to the incinerator and their chemical toilet wastes and honey bucket wastes to the sewage treatment plant located in the Nulato Village Safewater Act facility.

4. The Department of Environmental Conservation, the Department of Health and Social Services and the Department of Education agree to encourage the City of Nulato to adopt a fee schedule for the use of the Nulato Village Safewater Act

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
POUCH K, JUNEAU, ALASKA
PHONE 586-5391

facility, the revenues of which will be used to replace such items as washing machines and dryers as necessary.

Agreed to this 11th day of July, 1973.

Dr. Max C. Brewer, Commissioner
Department of Environmental Conservation
State of Alaska

James F. McClain
Acting Deputy Commissioner
Frederick P. McGinnis, Commissioner
Department of Health and Social Services
State of Alaska

Dr. Marshall L. Lind, Commissioner
Department of Education
State of Alaska

Ivan Sipary, Mayor
City of Nulato

April 23, 1974

Mr. Edmund S. Jacobsen
Sanitary Engineering Director
U.S. Public Health Service
P.O. Box 7-741
Anchorage, Alaska 99510

Dear Mr. Jacobsen:

Long range planning for the Village Safe Water Program is currently being done in the Alaska Department of Environmental Conservation. The purposes of the planning are to identify communities where Village Safe Water facilities should be built, determine what services should be included in those facilities, and estimate their costs.

Critical factors in deciding where Village Safe Water projects will be located are past activities and future plans of your Sanitation Facilities Construction program. We feel the water distribution and waste collection and treatment systems installed by your agency are highly desirable in any community for which they are feasible. Hence those villages intended to receive a Public Health Service project are not likely to be considered for the centralized facilities authorized by the Village Safe Water Act.

In short, our planning is greatly dependent on your planning. I suggest our agencies get together soon to discuss and work out a cooperative and continuing planning procedure whereby our individual efforts to provide remote sanitation facilities can be clearly defined and programmed. Please let me know your reaction to this proposal and feel free to suggest a time, place, and format.

Sincerely yours,

Max Brewer

Max C. Brewer
Commissioner

bc: Brewer
Cherry
Lowry
Raymond
Sarnet

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

File - PHS

ALASKA AREA NATIVE HEALTH SERVICE
BOX 7-741
ANCHORAGE, ALASKA 99510

May 1, 1974

Refer to: A-OEH

Dr. Max C. Brewer, Commissioner
Dept. of Environmental Conservation
Pouch "O"
Juneau, Alaska 99801

Dear Max:

I was glad to receive your letter of April 23, suggesting a planning meeting to coordinate our efforts in the various villages in Alaska.

I would like to suggest a meeting in Anchorage. The time could be arranged to coincide with some trip you have to make to Anchorage. Just let us know about a week in advance and we'll arrange to be available.

I would suggest that the meeting be quite informal. First you or your staff could present your program and explain the limitations or constraints of the operation; then someone from our office could explain our program and the limitations imposed by our operating policies. A discussion of possible joint effort and each agency's construction schedule would follow from this.

Let us know when you will be able to meet or if you have any other suggestions.

Sincerely,

Edmund S. Jacobsen, P.E.
Sanitary Engineer Director
Chief, Office of Environmental
Health

vz

May 22, 1974

Edmond S. Jacobsen
Chief, Office of Environmental Health
Alaska Area Native Health Service
P.O. Box 7-741
Anchorage, Alaska 99510

Dear Mr. Jacobsen:

Your recent encouragement of a meeting to discuss coordination of our rural sanitation facilities programs is gratifying. As was pointed out in my last letter, we would like to avoid spending Village Safe Water Act funds in villages where water distribution and waste disposal systems have been or soon will be built by your agency. Hence the coordination I speak of is less in the form of joint projects and more in terms of establishing a procedure to insure mutual understanding of the year by year intentions of our two agencies.

I suggest we schedule semi-annual meetings to be held alternately in Juneau and Anchorage. At these meetings you or members of your staff could describe your most current plans for sanitation facilities projects, and I or members of my staff could do the same for Village Safe Water projects. These meetings would at least improve communications between our agencies and help avoid conflict in our rural activities.

Let me know what you think of my suggestions. If you agree with the intent, perhaps we can schedule a meeting to discuss details in the near future.

Sincerely,

Max C. Brewer
Commissioner

MCB:JWS:lt
bc: Cherry
Lowery
Scribner

of ALASKA MEMORANDUM

RECEIVED
JUN 26 1974
BUDGET & MANAGEMENT

TO: M.R. Charney, Director
Division of Budget & Management
Department of Administration

DATE : June 25, 1974

FROM: Buel A Taggart
Commissioner
Department of Public Works

SUBJECT: FY 76 Issue Analysis Village Safe Water Projections
131-1-03 P

We are submitting the following analysis on the issue of Village Safe Water Projection, prepared by the Division of Buildings, Department of Public Works.

Summary and Conslusions

The Village Safe Water Act of 1970 (as 46.07) provides that safe water and sewage disposal shall be provided to villages in the State.

Program costs could be reduced by developing a more efficient design utilizing prefab construction methods, or purchasing prefab modules or trailers.

The Department of Public Works suggests that the program be implemented similarly to the matter it has in the past. Cooperating with other State agencies. The buildings and their contents would be designed in Alaska by Alaskan engineers and architects.

Problem Definition

The basic problem in implementing this program is developing a satisfactory design that will satisfy the Department of Environmental Conservation's requirements, and be economical to operate.

Objectives

The objectives of this issue analysis are (1) to establish criteria for a basic or standard Safe Water Facility design satisfying the requirements of the Department of Environmental Conservation, fill the requirements of the villages where the facility will be used, be economical to construct, and will adequately function with only minimum maintenance; (2) to develop guidelines for implementing a training program of adequate scope to successfully educate one or two persons in each village to perform maintenance on the structure and its associated equipment and (3) to establish a source of revenue adequate to carry out all the required activity.

Alternatives

Criteria for developing a basic or standard design for a Safe Water Project may be determined from the following information.

- Results of a subsurface site investigation & permafrost
- Availability of water on site
- The quality of the water on the site
- The types of sewage disposal already in use by local residents
- The methods used by residents to transport garbage and refuse
- The population to be served by the facility
- The projected increase or decrease in population to be served
- The ability of the community served to own and operate the facility
- Funds available for the project

Developing guidelines for a training program may be obtained by the following methods:

- Research other training programs used by other Departments, such as the Department of Labor or the Department of Education
- Make inquiries into training programs that other States have developed
- Investigate the possibility of the contractor training two or more people to operate and maintain the facility

Major Constraints

The major constraints involving the Village Safe Water Projects are:

a) The climatalogical extremes that are found in the State with the usual underground conditions, such as seasonal frost and permafrost, make designing a low-cost structure very improbable.

b) Most villages where a Safe Water Facility will be located are in areas where subsurface soil conditions will be a problem, and construction costs will be high.

c) The majority of the future Safe Water Facilities will be located in villages having very little, if any, source of revenue.

TWO

REPORT OF THE TASK FORCE ON REMOTE VILLAGE WATER FOR THE ALASKA WATER ASSESSMENT

TASK FORCE MEMBERS:

Jerry Sargent (Chairman)	-	Alaska Department of Environmental Conservation
Bill Ryan	-	Alaska Native Health Service
Dave Gray	-	Representing the Alaska Federation of Natives
Larry Kimball	-	Alaska Department of Community and Regional Affairs

Juneau, Alaska

June 25, 1976

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REMOTE VILLAGE WATER

INTRODUCTION

In late April of 1976 the chairman of the Alaska Water Study Committee (AWSC) called a meeting at which the chairman of the problem information task force on remote village water was identified, and the general objectives of the task force were given. Time budgeted for the task force to make its study and submit its report was about two months.

A great deal of information on conditions in Alaska villages has been gathered in the past for various purposes. Unfortunately, most of the data are scattered among government agencies in formats tailored to serve the specific purpose(s) for which the data were gathered in the first place. In two months, it was possible only to barely begin defining and documenting water related problems in the far flung and diverse villages of Alaska.

Members of the remote village water task force were:

Jerry Sargent (chairman)	-	Alaska Department of Environmental Conservation
Bill Ryan	-	Alaska Native Health Service
Dave Gray	-	Representing the Alaska Federation of Natives
Larry Kimball	-	Alaska Department of Community and Regional Affairs

TASK FORCE ASSIGNMENT

The overall mission of the task force on remote village water as assigned by the AWSC was "development of additional information on those (remote village water related) problems considered to be serious and of immediate concern". Specific activities assigned to the task force were:

1. Review the technical memoranda for Activities 1 and 2 of the Alaska Water Assessment, and suggest appropriate changes.
2. Develop documentation for remote village water problems.

3. Describe the effects (adverse and beneficial) of not solving each problem.

4. Consider alternatives for solving the problems, and assess impacts of solutions.

5. Make any recommendations to the AWSC which the task force considers appropriate.

TASK FORCE ACTIVITIES

In order to schedule task force efforts such that as much as possible of the information requested by the AWSC could be provided, the following outline of activities for task force members was prepared:

1. Review technical memoranda for Activities 1 and 2 of the Alaska Water Assessment.

2. Develop a list of suspected water related problems in Alaska villages. Also, list all "places" considered villages for the purposes of this task force study.

3. Inventory the current status of Alaska villages with respect to the water related problems listed in 2 above.

4. From the inventory in 3 above, confirm or discount problems listed in 2 above. The inventory is documentation of confirmed problems.

5. Evaluate problems confirmed in 4 above in view of the State Regional Futures in the technical memorandum for Activity 2 of the Alaska Water Assessment.

6. Speculate about what new water related problems might arise in Alaska villages in view of the State Regional Futures.

7. Describe consequences of not solving problems identified in 4 and 6 above.

8. Discuss alternatives for solving problems listed in 4 and 6 above, and estimate consequences and impacts of solving them.

With time to complete all eight of the activities listed above, the task force might have arrived at a clear definition of water related problems in remote Alaska villages, along with alternatives for solutions. But in the two months available to the task force and with the efforts of the task force members being an addition to their full time jobs, only a beginning could be made.

Review of Technical Memoranda

The short section on remote village water in the technical memoranda for Activities 1 and 2 are very general, and none of the broad generalities seemed to be greatly in error. The few comments by task force members on the technical memoranda are:

1. For the purposes of the Water Assessment, the number of villages, or "small communities that are remote geographically, and in many cases culturally, from the state's population centers" (quoted from the Activity 2 technical memorandum) was determined by the task force to be 201.
2. The technical memoranda were correct in stating "The greatest difficulty with water systems may not be in getting them installed, but keeping them running." The task force would change the word "may" to "is".
3. The state's Village Safe Water (VSW) program is currently structured and funded adequately to maintain VSW systems after installation, a statement to the contrary in the Activity 2 technical memorandum notwithstanding.
4. Questions raised about the appropriateness of water quality standards in the Activity 1 technical memorandum also apply to waste treatment and disposal standards.
5. In the Activity 1 technical memorandum, complicated and difficult logistics should be added to "cold climate and permafrost" as factors complicating solutions to remote village water problems.

Water Related Problems in Remote Villages

Members of the task force were asked to reach a concensus on a list of the general categories of remote village water problems. The list of problems is:

1. Domestic Use
2. Industrial and Institutional Use
3. Contamination by Waste Disposal
4. Flooding
5. Erosion

After lengthy discussion, water based transportation was eliminated from the list of problems since that problem might be more legitimately included in a transportation study. Also, human use or consumption of water resources has not yet resulted in water transportation problems that did not exist independent of human activity.

Current Status of Remote Villages

Need For Inventory

The task force as a group confirmed what the individual task force members had previously suspected independently, to wit there is no comprehensive compilation of data by which the severity and extent of the water related problems listed in the previous section of this report could be assessed. Hence it became necessary to gather and compile the appropriate data from various files and references.

A comprehensive and accurate inventory of the status of remote villages with respect to water related problems will take many months to prepare. Incidentally, such an inventory will be done as part of a joint program planning effort between the Alaska Department of Environmental Conservation's Village Safe Water Program and the USPHS Alaska Native Health Service. For the purpose of the task force study, however, only a barely cursory inventory could be done. Hence conclusions drawn from the inventory done by the

task force, and presented in this report, must be considered only a gross first estimate of village conditions, subject to many omissions and errors in data for individual villages.

The Inventory

Choices of data to include in the inventory were based on what information was needed to judge the extent and severity of the 5 remote village water problems listed earlier in this report. Categories of data sought for each village included in the study (a total of 201 villages) were: a) population, b) number of homes, c) present domestic water supply, d) adequacy of present domestic water supply, e) planned or ongoing improvements in present domestic water supply, f) housing projects planned, g) name and description of institutions and/or industrial establishments, h) present water supply for institutions and industrial establishments, i) adequacy of present water supply for institutions and industrial establishments, j) planned capital projects, k) garbage disposal method, l) domestic sewage disposal method(s), m) industrial and institutional sewage disposal method(s), n) other man-made contamination of natural surface or subsurface waters, o) frequency of flooding, p) severity of flooding (percent of village), q) type of flooding, and r) whether or not there is an erosion problem. All catagories of information were not, of course, available for all 201 villages.

Domestic Use- The severity of the village domestic water use problem was judged based on data from 190 villages. The villages were categorized as: 1) hauling water from undeveloped and unimproved sources, 2) hauling water from a developed source(s), and 3) having water service to each home (including individual wells, piped service, and vehicle delivery). If the service from a water supply system in category (2) or (3) appeared reasonably dependable (in quality and quantity) and convenient to consumers, the village with that system was considered not in need of immediate domestic water use improvements. On the other hand, all villages in category (1), and any villages in categories (2) and (3) with undependable or unreasonably inconvenient systems were considered in need of immediate domestic water use improvements.

Table I is a summary of the domestic water use data.

TABLE I. Domestic Water Use Summary

	Category	Number of Villages	% of 190
1.	Haul water from undeveloped source(s)	48	25
2.	Haul water from developed source(s)	63	33
	a. Portion of 2 adequate	34	18
	b. Portion of 2 inadequate	29	15
3.	Have water service to homes	79	42
	a. Portion of 3 adequate	54	28
	b. Portion of 3 inadequate	25	13
4.	Require immediate improvements in domestic water use (1 + 2b + 3b)	102[a]	54
5.	Do not require immediate improvements in domestic water use (2a + 3a)	88[b]	46

a. Represents a total population of 24,105 or 49% of the villages' population.

b. Represents a total population of 24,957 or 51% of the villages' population.

Industrial and Institutional Use- The severity of industrial and institutional water use problems was evaluated based on data from 141 villages containing a total of 358 institutions and industrial establishments. Data were not readily available on industrial and institutional water use in the other villages.

The water supplies of the 358 institutions and industrial establishments were categorized (see Table II) as adequate, moderately inadequate, and severly inadequate.

TABLE II. Industrial and Institutional Water Use

Category	Number of Institutions and Industrial Establishments	% of 358
Have an adequate water supply[a]	170	48
Have a moderately inadequate water supply	127	35
Have a severely inadequate[b] water supply	61	17

a. Adequate means piped service to a building plumbing system, with water of reasonably acceptable quality and quantity.

b. Severely inadequate means water is unreasonably difficult to obtain and/or quality is poor enough to discourage consumption.

Contamination by Waste Disposal- In evaluating the extent of man-made contamination of natural surface and subsurface waters around remote villages, the task force examined garbage disposal methods, sewage disposal methods and any other evidence of contamination (e.g. fuel spills) in sources from which the inventory was drawn. The severity of village water contamination was judged based on data from 146 villages. Those villages were categorized as having no evidence of contamination of natural waters, having severe and hazardous water contamination problems, and having conditions such that contamination of natural waters is very likely (even though no immediate or severe consequences of such contamination are evident). A severe and hazardous contamination problem is defined as a situation where direct contact between people and untreated sewage is possible (e.g. honey buckets dumped on a river bank, cess pool contents flooding to the ground surface).

A summary of the data on contamination of natural waters around remote villages is shown in Table III.

TABLE III. Contamination of Natural Waters

Category	Number of Villages	% of 146
No evidence of Contamination	45	31
Severe and hazardous contamination exists	70	48
Potential for contamination exists, but no immediately hazardous situation exists	31	21

Flooding- The flood data used in this study were taken from the Flood Hazard Information summary prepared by the Alaska District of the Corps of Engineers. Of the 201 remote villages (as defined for the purposes of this study) the Corps of Engineers Flood Hazard report contained sufficient information on 174. Those 174 villages were categorized as having a severe flooding problem (at least 20% of the village flooded at least once every 5 years), a minimal flooding problem (any portion of the village flooded no more frequently than once every 100 years) and a moderate flooding problem (any village not in the severe or minimal categories). Table IV is a summary of the flood data.

TABLE IV. Flood Hazard

Category	Number of Villages	% of 174
Severe flood problem	10	6
Moderate flood problem	96	55
Minimal flood problem	68	39

Erosion- The erosion data used in this study came from the same source as the flood data. The Corps of Engineers report only indicates whether there is or is not erosion at a given village site. Apparently the Corps indicates an erosion problem if they have ever received reports revealing such a problem. Lacking such a report, no erosion problem is indicated. In other words the erosion data are not the result of systematic evaluation of the erosion situation at all villages. The Corps Flood Hazard report has erosion data on 192 of the 201 villages in this study. Of those 192 villages, 86 are reported as having an erosion problem (45%), while 106 are listed as not having erosion problems (55%).

Evaluation of Problem List After Inventory

In general, the inventory data confirm that domestic use, industrial and institutional use, contamination by waste disposal, flooding and erosion are indeed significant problems for remote Alaska villages. Extrapolating the data to all 201 villages included in the study, which represents a total population of 50,345, the following conclusions are drawn:

1. Domestic water service to about 24,000 people in rural Alaska is in need of immediate improvement.

2. Water service to about 106 institutions and industrial establishments in rural Alaska is severly inadequate, while service to about 219 institutions and industrial establishments is moderately inadequate.

3. In 96 Alaska villages there is severe and hazardous contamination of natural surface and/or subsurface waters due to disposal of man-made wastes. In another 42 villages the potential for such contamination exists.

4. The task force was surprised to learn that only about a dozen villages have a severe flooding problem by the definition of severe used in this report and according to data from the Corps of Engineers. It must be pointed out, however, that "severe" means different things to different people, and less than half of the villages can be considered as not having flooding problems.

The task force is convinced that flooding is a major problem in Alaska that cannot be overlooked. It is also important to recognize that "flooding" can refer to a threat from both high water and moving ice.

5. The erosion data gathered for this study do little to confirm, discount or quantify the extent of erosion problems in Alaska villages. It is probably safe to speculate, however, that at least half (and perhaps far more) of the 200 plus villages in Alaska face erosion problems.

Remarks

Gathering the inventory data and evaluating the current status of remote village water problems consumed nearly all the time available to the task force for this study. Hence little time was spent analyzing the State Regional Futures, predicting consequences of not solving water related problems, and describing alternatives for solving problems. Those issues were discussed, however, in a lengthy and wide-ranging meeting of the task force. Following is a summary of the major points made during that meeting.

1. Inadequate water supply and waste disposal systems in villages cause health problems and make life unnecessarily uncomfortable and inconvenient. A measurable portion of village disease and death rates can be attributed to substandard water supply and waste disposal methods. When village residents must devote a significant portion of their individual energies to satisfying basic sanitation needs (the same needs satisfied as an assumed matter of course for most Alaskans), less time, energy and other resources are available for more productive enterprise.

2. Water supply and waste disposal problems in Alaska villages can be solved given enough money and committment by government. The technology exists to make adequate water supply and waste disposal services available in virtually all villages. But the technology can be applied only if money is available for capital construction. And capital construction is only a beginning. Successful operation,

maintenance and management of village sanitation facilities is far more difficult to contend with than construction. Unless operation, maintenance and management problems are solved, much capital construction effort is wasted.

Satisfactory service from even the simplest water supply and waste disposal facility is doubtful unless technical, management and, frequently, financial assistance is made available to villages from outside sources. The need for assistance increases as the complexity of sanitation facilities increases. The relatively recent standards of performance imposed by government on water supply and waste disposal systems have made and will make mandatory ever more complex systems.

3. Whatever programs and funds are made available to villages for solving sanitation problems could eventually be administered through the native regional service organizations, which are primarily the non-profit counterparts of the land claim corporations and the regional health corporations. Although not currently in a position to take on complete responsibility for multi-million dollar sanitation facility programs, the regional organizations are much closer to the village people and their environment than are most government agencies. Hence if the regional organizations are willing, every effort should be made to build their ability to administer programs providing village sanitation services.

4. When a more abundant, more convenient and better quality water supply is made available in a village, the waste (especially sewage) disposal needs of that village will increase correspondingly.

5. The availability and cost of energy relate to several aspects of village water. Most of the village energy needs are met by petroleum fuels. Because of transportation problems, large storage capacities are required to sustain heat and electrical energy production throughout the winter. In addition the cost of fuel in villages ranges from two to five times the cost in major Alaskan urban centers. A majority of the villages currently

have inadequate or no bulk fuel storage capacity. The energy requirements, then, for the operation of domestic water and sewage treatment facilities are critical factors in establishing these services. Another aspect of the increased use and need for fuel in the villages is the increased threat that large scale fuel storage and delivery poses for water pollution. Alternate sources of energy have been proposed for some areas such as wind generated, hydroelectric, and geothermal power. However, these sources are only in the development stage.

6. Solutions to flooding and erosion problems are less technological than institutional and social. If founded in good comprehensive planning, possible solutions to flooding and erosion problems include relocating villages, protecting villages from damage with physical facilities (e.g. breakwaters, retaining walls), planning to accept some expected amount of damage, and lessening flood and erosion damage by modifying natural water flows. Of overriding importance, however, is the need to consider the lives, values and aspirations of the village residents.

7. Most of the villages depend on water transportation for a large portion of their bulk supplies. A large percentage of these communities are accessible by water for only a few months of the year when the rivers and the coasts are free from ice. The resultant high transportation costs and limited delivery adversely affect village development and the provision of basic goods and services. Although harbor and docking facilities, navigation aids, and flood and erosion control perscriptions can improve water transportation, the development of land and air transportation systems offers alternative and complementary solutions to transportation problems.

SUMMARY OF DATA

From
Survey of Rural
Sanitation Facilities

Number of villages in survey 201

Total population as of June, 1976 - 50,345

I. Domestic Water Use (Data from 190 villages)

Category	Number of Villages	% of 190
1. Haul from undeveloped source(s)	48	25
2. Haul from developed source(s)	63	33
3. Have water service to homes	79	42

II. Industrial and Institutional Use (Data from 141 villages with a total of 358 establishments)

Category	Number of Institutions and Industrial Establishments	% of 358
1. Have an adequate water supply [a]	170	48
2. Have a moderately inadequate water supply	127	35
3. Have a severly inadequate [b] water supply	61	17

a. Adequate means piped service to a building plumbing system, with water of reasonably acceptable quantity and quality.
b. Severly inadequate means water is unreasonably difficult to obtain and/or quality is poor enough to discourage consumption.

III. Planned Improvements in the Water Supply (Data from 158 villages)

Category	Number of Villages
1. Planned	47
2. Under construction	10

IV. Contamination of Natural Waters

Category	Number of Villages	%
1. Garbage Disposal (Data from 132 villages)		
a. Indiscriminate dumping	23	17
b. Controlled dumpsite	50	38
c. Dumpsite present but may or may not be in use	59	45
2. Domestic Sewage Disposal (Data from 163 villages)		
a. Privies and/or honey buckets - dump site unknown and/or inadequate	78	48
b. Honey buckets with adequate and controlled dump site	13	8
c. Have disposal service to homes (e.g. haul, piped, individual on-site system)	72	44
3. Industrial and Institutional Sewage Disposal (Data from 117 villages with a total of 278 establishments)		
a. Privies and/or honey buckets- dump site unknown and/or inadequate	55	20
b. Honey buckets with adequate and controlled dump site	16	6
c. Have disposal service to establishment (e.g. haul, piped, individual on-site system)	207	74
4. To Summarize the Evidence of Contamination (Data from 146 villages)		
a. No evidence of contamination	45	31
b. Severe and hazardous contamination exists	70	48
c. Potential for contamination exists, but no immediate hazardous situation exists	31	21

V. Flood Hazard (Data from 174 villages)

Category	Number of Villages	%
1. Severe flood problem [a]	10	6
2. Moderate flood problem [b]	96	55
3. Minimal flood problem [c]	68	39

a. At least 20% of village floods at least once every five years.
b. Any village not in the severe or minimal categories.
c. Any portion of the village flooded no more frequently than once every 100 years.

VI. Erosion (Data from 195 villages)

Category	Number of Villages	% of 195
1. Army Corps of Engineers indicates erosion problem	89	46
2. Army Corps of Engineers does not indicate erosion problem	106	54

APPENDIX A

MEMORANDUM State of Alaska

TO: The Honorable Jay S. Hammond, Governor

DATE: September 13, 1976

FILE NO:

TELEPHONE NO:

FROM: Ernst W. Mueller, Commissioner, Department of Environmental Conservation

SUBJECT: Village Safe Water Program Planning

On September 12, 1975, we provided you with a briefing on the Village Safe Water (VSW) program. In the briefing we pointed out the need for planning and policy-making with respect to the State's role in providing rural sanitation facilities. This memorandum is a progress report on VSW planning efforts, with recommendations and a description of options to serve as the basis for policy decisions to guide the VSW program.

INVENTORY OF RURAL SANITATION SERVICES

A beginning has been made on a statewide inventory of rural sanitation facilities. The form of the inventory and its current status are best described in Appendix A which contains a report entitled Report of the Task Force on Remote Village Water for the Alaska Water Assessment. The task force chairman, Jerry Sargent, is the current manager of the VSW program. Appendix A also contains a summary of the inventory data gathered.

The inventory must now be passed among the various agencies, organizations and individuals that are familiar with sanitation facilities in individual villages for appropriate additions, deletions, and corrections. Ultimately, of course, the accuracy of the inventory will have to be verified by visiting sample villages and observing how well existing facilities match the inventory data.

Preparing the inventory and keeping it up to date has been, and will continue to be, an enormous task. It appears, however, that the inventory will be well worth the investment. Large sums of State, federal, and other monies are spent on capital projects in Alaska's villages, without the benefit of adequate site data. In fact, a healthy amount is sometimes included in rural capital projects for site investigations - many of which are duplications of previous investigations. Also, the data collected for specific projects are not systematically organized and preserved for use on future projects. More money is probably already

being spent each year to gather village site data than would be needed to set up and maintain a single comprehensive inventory of all rural sanitation facilities in the State.

Besides being of value to the State, an accurate inventory of rural sanitation services would also be valuable to other government entities, Native organizations, communities and individuals (e.g., see Appendix B for a copy of a letter from the Bristol Bay Health Corporation dated July 30, 1976).

The Department of Public Works is currently working on an inventory of State facilities as part of a revamping of State construction methods. Part of their data, and perhaps some of their inventory management methods, will be valuable to us.

We suggest that developing and maintaining the inventory of rural sanitation facilities be a top priority VSW activity.

CONSTRUCTION OF VSW FACILITIES

Past Projects

In our VSW briefing to you dated September 12, 1975, we described problems encountered when VSW facilities were constructed through State construction contracts administered by the Division of Buildings. Since then we have completed one facility (Pitkas Point), and nearly completed two others (Beaver and Koyukuk), using the design and construction management techniques described in the September 12th briefing.

We estimate that the Pitkas Point project cost at least 25% less than it would have by traditional State construction methods. Just as important, however, is the fact that the facility was built in less than a year, and both we and the village are happy with it.

The Beaver and Koyukuk projects were delayed several months due to funding entanglements with the Legislative Budget and Audit Committee. But they will be completed around January or February of 1977, at costs comparable to our Pitkas Point experience.

Our latest project is at Kongiganak, where the design and construction methods will be similar to the methods used at Pitkas Point, Koyukuk, and Beaver. A significant difference, however, is that the State is not party to the Kongiganak design and construction management contracts. Rather the State has made a VSW construction grant to the

village, the village has contracted directly with a design and construction management consultant, and we are helping the village administer their contracts.

Future Projects

The political representatives of the people of Alaska (i.e., the legislative and executive branches of State government) passed a bond bill during the Ninth Legislative Session calling for 1.5 million dollars more for VSW capital construction. If Alaska's residents approve the bond bill in November, we will carry out the public's wish and build about three more VSW facilities during FYs77 and 78. Our intention would be to use the same design and construction management methods we used at Kongiganak.

In selecting villages to receive the FY 77-78 VSW projects, we would make a concerted effort to involve the appropriate regional Native organizations. We feel that ultimately any VSW construction the people of Alaska choose to fund should be managed by the non-profit regional Native organizations (see Appendix C for VSW construction options as stated in a draft of the Department's FY 78 budget submittal). Hence the regional organizations should be involved in projects right now to the extent they are able. Over the next several years we must try to develop their ability to manage the VSW construction program.

OPERATION AND MAINTENANCE OF VSW FACILITIES

As we have pointed out frequently in the past, virtually no village in the State has the resources to adequately operate, maintain and manage a VSW facility (or any other utility system) without outside financial, technical, and management assistance. This Department will spend $289,000 in FY 77 to help eight villages operate and maintain their VSW facilities. The total of the operating budgets for those same eight facilities in FY 77 is estimated at $ $470,000.

In FY 78 there will be nine VSW facilities in operation, and the Department has requested $371,000 to assure their successful operation and maintenance. The total of the FY 78 operating budgets for the nine facilities is estimated at $606,500.

A recommendation of the Governor's Management and Efficiency Review was that VSW facilities not be constructed since the villages are unable to operate and maintain them without assistance. Such a question is less a matter of management efficiency than a matter of public policy. In the VSW Act the people of the State said provisions were to be made for water supply, waste disposal, bathing and laundry services

in every village in the State. Providing those services requires public expenditures for both capital construction and operation and maintenance. As the managers of the VSW program, we are obligated to point out the futility of capital construction without adequate provisions for operation and maintenance. Then it is up to the public to decide whether or not the State should provide rural sanitation services as specified in the VSW act.

During FY 76, VSW operation and maintenance support to villages consisted of cash grants to the villages, equipment and materials purchased by the State and given to the villages, and contractual services provided by people and businesses under contract with the State. In order to involve the villages more in managing their VSW facilities, and to avoid the costs and delays attending State and Departmental administrative procedures, VSW operation and maintenance funds will be distributed only as grants to the villages as soon as a grant system to do so is established in FY 77.

If there is to be an operation and maintenance support program for VSW facilities funded by the State in years to come, such a program should ultimately be administered by the non-profit regional Native organizations. As with the VSW construction program, however, the regional organizations are not yet fully capable of taking on management of a VSW operation and maintenance program. Part of our job would be to build such a capability in the regional organizations.

VSW PLANNING

Our planning objectives in the VSW program are still as described in the September 12 briefing. The inventory of existing rural sanitation services has occupied most of our planning attention so far, although we have also made progress in developing a familiarity and working relationship with the regional Native organizations and other agencies with interest and involvement in providing rural sanitation services.

Our ultimate goal is still to design a comprehensive program for achieving sanitation services in Alaska villages. That design should suggest what role the State (and all other appropriate groups) should play in providing rural sanitation services. It could take at least another year or two to develop the comprehensive program.

We recommend that only a limited number of VSW facilities be constructed from now on until long term provisions are made for their operation and maintenance, and until we have developed the comprehensive program for rural sanitation services. If the people of the State want some VSW construction to take place in the mean time, we suggest no more than two facilities per year.

SUMMARY OF RECOMMENDATIONS

1) A complete inventory of rural sanitation services should be developed and maintained as part of continuing VSW program activities.

2) A top priority activity in the VSW program should be comprehensive planning to develop a statewide program for providing rural sanitation services (see specific objectives in the September 12 briefing).

3) Construction of new VSW facilities should be limited to no more than two projects per year until a comprehensive program for rural sanitation services is developed, and until adequate provisions are made for operation and maintenance.

4) The State must accept the responsibility of making provisions for successful operation and maintenance of VSW facilities. Hence State funds to support VSW facilities already constructed and to be constructed (if the people of Alaska call for any) must be provided every year unless other provisions are made as part of the comprehensive program for rural sanitation services called for in (2) above.

5) Assuming there is a place for the VSW program in the comprehensive program for rural sanitation services called for in (2) above, the VSW program (both capital construction and operation and maintenance) should ultimately be administered largely by the Native regional non-profit organizations. Since those organizations are not yet ready to take on such a program, the State should help develop their ability to do so.

APPENDIX B

BRISTOL BAY AREA HEALTH CORPORATION
P. O. BOX 233
DILLINGHAM, ALASKA 99576

PHONE: (907) 842-3322

July 30, 1976

Dr. J.W. Sargent, PH. D.
Sanitary Engineer
Dept. of Environmental Conservation
Village Safe Water
Pouch O
Juneau, Alaska 99811

Dear Dr. Sargent:

Please find enclosed the village information sheets required for your inventory of sanitation services. I have included information available from BBAHC village files and from the OEH files of Kanakanak Service Unit. In your letter, you did not list the particular agencies asked to participate in the inventory in the Bristol Bay region. If you have not included Regional School Districts 6 and 7, (formerly Alaska Unorganized Borough School District), I recommend that you do so; the school district personnel have accurate information on the village schools and are aware of community conditions as well. To clear up some confusion, the Bristol Bay Area Health Corporation is a non-profit health entity, its service area covers the combined boundaries of the Kanakanak Service Unit/IHS and Bristol Bay Native Corporation, the for-profit corporation formed under the Native Land Claims Settlement Act. I am enclosing a list of villages served by the Bristol Bay Area Health Corporation for your information in the future. The detailed update on Dillingham was obtained from the planning office of Choggiung Limited, the Dillingham Village Corporation.

The reaction from all of us working on the inventory is that it is long overdue and that we could all use a copy of the completed survey for our own planning files. Please send us a copy when you are finished.

Sincerely,

BRISTOL BAY AREA HEALTH CORPORATION

Nancy Knoohuizen

Nancy Knoohuizen
Planning Officer

NK:slc

cc: Robert J. Clark, Executive Director
Ron Perkins, Environmental Health Services, Kanakanak
Tom Hawkins, Choggiung Limited

Enclosures: List of BBAHC Board Members & Village Information Sheets

APPENDIX C

VSW Construction Options

Excerpts from Draft of FY 78 Budget

Written in a Draft of Department's FY 78 Budget

The alternatives for construction of VSW facilities are essentially the same for FY 78 as they were for FY 77 (see the following list of alternatives A, B, C and D for Objective 3 as listed in the Department's FY 77 budget s submittal).

The latest VSW project (in Kongiganak) is being designed and constructed by about the same methods as described in Alternative A, except that the state is not party to the consulting contracts. Rather the state has a separate grant agreement with the village.

Alternatives A, B, C, and D for Objective 3 as listed in the Department FY 77 Budget

Alternative A - Construction Management by ADEC through Consultants

The three most recent VSW projects (Beaver, Koyukuk and Pitkas Point) are being designed and constructed under three way contracts among ADEC, the villages, and a consulting engineering firm. There is one contract for design and one for construction management. The design contract specifies the scope of work to be performed by the engineering consultants, sets the compensation rate for design services, and prescribes the procedure by which the village pays the consulting engineer with VSW grant money from ADEC. Under the construction management contract the consulting engineer agrees to manage all activities necessary for construction of a VSW facility, including ordering, scheduling, and expediting all equipment and materials necessary for construction. The village agrees to provide local people to work on the project. The construction management contract also prescribes procedures by which the village pays construction expenses, the consulting engineer's fee, and labor costs with VSW grant funds from ADEC. These three projects have been very satisfactory so far.

Alternative B - Construction Contracts Managed by ADEC through Construction

For two VSW projects (Northway and Chevak), ADEC hired engineering consultants to design and prepare construction contract documents. Construction was done by contractors under competitive bid contracts. These projects were reasonably successful, although the relationship between the construction contractors and the villages was beyond ADEC's control.

Alternative C - State Public Works Construction

Three VSW facilities (Selawik, Alakanuk and Nulato) have been built by traditional state construction methods (i. e. Division of Buildings managing design by consultants and construction by competitive bid contracts). The projects were far more costly than originally estimated and the facilities themselves are unsatisfactory in many ways (see FY 76 Issue Analysis entitled Village Safe Water Projects).

When a construction contractor does a job in a remote Alaskan village, he usually moves a construction camp and crew of "outside" workers into the village. The impact of such a camp on a village is frequently less than beneficial to the village.

Alternative D - Contracts with Native Organizations

This alternative is yet untried. Some of the regional native corporations may develop into organizations capable of managing programs like the VSW program. Conceivably, a Native Corporation could contract with the State to manage VSW projects, either totally or in part. Much planning analysis and negotiation is necessary before this alternative can be fairly weighed, and the native corporate entities need time to become more firmly established.

THREE

VILLAGE SAFE WATER PROGRAM
An Update to January 20, 1977

Introduction

The Village Safe Water Act (AS 46.07), passed in 1970, calls for "at least one facility for safe water and hygienic sewage disposal in each village" in Alaska. Little progress was made in the program until December of 1972 due to lack of funds, inability to hire someone to administer the Village Safe Water (VSW) program, and lack of operation and maintenance provisions. Since 1972, six VSW facilities have been constructed, two more are nearly complete, and another is being designed. In addition, an operation and maintenance support program and a comprehensive planning effort have been organized and initiated.

Construction

The six VSW facilities constructed to date are in the villages of Northway, Chevak, Alakanuk, Selawik, Nulato and Pitkas Point. A facility will be completed in Beaver in January, 1977, and in Koyukuk in February of 1977. A facility for Kongiganak is being designed, and construction is scheduled for summer of 1977.

At the nine locations listed above, the VSW projects consist of central sanitation facilities to which village residents can come to obtain water supply, sewage disposal, bathing and laundry services. No piped water distribution or sewage collection systems are involved except for water and sewer service lines to schools.

Construction methods used so far have included: 1) competition bid construction contracts administered by the Alaska Department of Public Works, 2) competitive bid construction contracts administered by the Alaska Department of Environmental Conservation (ADEC), and 3) force account construction by the villages through construction management contracts with engineering consultants. All facilities so far have been designed by engineering consultants.

The force account/construction management method of construction has been the most satisfactory of the three methods used. Facilities constructed that way have been built cheaper and faster than those built under competitive bid construction contracts; the quality of construction has been better; and the villages have been more intimately involved in, and satisfied with, their projects.

VSW facilities have cost from $350,000 at Pitkas Point (begun in FY 76) to almost $1,200,000 at Selawik (begun in FY 74). Villages served have ranged in size from 85 (Pitkas Point) to over 500 (Selawik).

Operation and Maintenance

Experience in the VSW program has confirmed that virtually any utility system installed in remote Alaskan villages is doomed to eventual failure unless the village is given financial, technical, and/or management assistance. Any program for providing utilities in rural Alaska must either adequately provide for long term operation and maintenance, or expect system failures that adequate operation, maintenance and management could have prevented.

In FY 76, the annual operating budgets for VSW facilities ranged from $28,000 at Northway to over $100,000 at Selawik. ADEC provided a total of about $225,000 in VSW operation and maintenance grants in FY 76 to six villages. In addition, ADEC provided technical and management assistance to the six villages. Although expensive, the VSW operation and maintenance support program has made it possible for all completed VSW facilities to serve the public as intended.

Comprehensive Planning

ADEC is developing a comprehensive plan intended to define the roles of State and federal agencies and other groups involved in providing rural sanitation services. An early step in this planning is to inventory all village sanitation facilities. Completing this inventory is viewed as the cornerstore of the VSW planning effort.

The Ninth Alaska Legislature passed a resolution suggesting that a VSW advisory committee be organized consisting of representatives from the 12 Native Regional Service Associations. This committee would assist ADEC with policy and management decisions concerning the VSW program. The Department feels the advisory committee is a good idea and welcomes increased involvement for the Regional Associations.

Several local, State, federal and private organizations participate either directly or indirectly in providing rural sanitation services. A strong working relationship must be developed among the diverse groups if a comprehensive plan for sanitation services throughout rural Alaska is to be successfully developed and implemented.

Goals and Objectives

VSW Comprehensive Planning

GOAL

To develop a statewide comprehensive program for providing sanitation services in rural Alaska.

PLAN OBJECTIVES

1. Inventory existing water supply and sewage disposal facilities in rural Alaskan villages.

2. Develop criteria for evaluating the adequacy of existing water supply and sewage disposal facilities. identified in # 1 above.

3. Identify existing agency programs providing sanitation facilities to Alaskan villages. Quantify the resources currently available. Identify and describe the technical, management and administrative approaches presently used.

4. Develop criteria to evaluate the effectiveness of these programs.

5. Evaluate the adequacy of technical, management and administrative approaches identified in #3. above.

6. Identify and evaluate alternative technical, administrative and management methods that might be used to address sanitation needs in rural Alaska.

7. Recommend changes in the activities and resources of existing programs to incorporate the alternatives noted in # 6 above. Recommend new programs and/or authority necessary for implementation.

8. Analyze existing methods of operation, maintenance and management of village sanitation facilities.

9. Develop alternative methods for operation, maintenance and management of village sanitation facilities.

10. Recommend changes in the activities and resources of existing programs to incorporate the alternative approaches noted in #9 above.

11. Integrate the findings of the above analysis with the comprehensive plan.

12. With the assistance of the appropriate governmental agencies and Native non profit regional associations, proceed to implement the plan.

PUBLIC INVOLVEMENT & PROGRAM COORDINATION

Because several local, State and federal organizations participate either directly or indirectly in developing rural sanitation facilities, this major planning effort can not be undertaken alone. To insure proper plan development and implementation, a strong working relationship must be developed among the diverse groups currently working on rural sanitation problems.

Public participation and inter-agency coordination must be an integral part of the VSW comprehensive planning process. In this regard, a maximum effort will be made to enlist the active participation of the native regional health organizations, the villages and appropriate federal and state agencies. We hope that by the time a draft of the plan has been formulated, significant public comment and coordination will have been obtained. The results of our collective efforts will be a comprehensive plan for providing rural sanitation services in Alaska.

Principal Contact

For more detailed information on the Village Safe Water comprehensive planning process, please contact:

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Alaska Department of Environmental Conservation
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FOUR

STATE of ALASKA

MEMORANDUM

TO: Jonathan Scribner
Director
Division of Water Programs

DATE: September 21, 1978

FILE NO:

TELEPHONE NO:

FROM: Jerry Sargent
Chief
Water Supply Section

SUBJECT: VSW Planning

The VSW planning effort has progressed to a critical juncture. We have been following a set of carefully developed planning objects (see copy enclosed), the first two of which we have accomplished, and we see a way to handle objectives three and four. But now we are all but stalled on the fifth objective.

Greg Capito has written a good summary of our planning efforts to date (see copy enclosed). As you can see, successful accomplishment of objective five is the key to going on with recommendations for improving methods of solving rural sanitation problems.

We could just gloss over the lack of information for evaluating existing sanitations methods, do superficial and subjective evaluations, and crank through the remaining objectives in order to "turn out the plan." But that would be falling into the trap that dooms many planning efforts to failure. If existing sanitation methods cannot be rationally and objectively evaluated by consistent and disciplined methods, arguments for change can neither be supported nor convincingly made. The result is a plan on the shelf gathering dust.

We are looking for fresh insights and ideas anyone might have about how to handle the evaluations. We also want all interested parties to understand our situation. Greg's write-up will be sent to various people like Fred Reiff and perhaps the regional health directors in further search of ideas.

We may be faced with having to gather the information we need by going village to village, with whatever help we can get from PHS staff and people like Jordan. If so, it could take at least a year to do the evaluations alone. Greg is currently working up some time, manpower and cost estimates for possible ways of gathering the information.

ALASKA

VILLAGE STUDY

GOAL

To develop a Statewide comprehensive program for achieving sanitation services in rural Alaska.

PLAN OBJECTIVES

1. Inventory existing water supply, sewage and solid waste disposal facilities in 200 rural Alaskan villages.

2. Develop criteria for evaluating the adequacy of existing water supply, sewage and solid waste disposal facilities identified in #1 above.

3. Evaluate the adequacy of sanitation facilities in 200 villages.

4. Identify existing agency programs providing sanitation facilities to Alaskan villages. Quantify the resources currently available. Identify and describe the technical, management and administrative approaches presently used.

5. Develop criteria to evaluate the effectiveness of these programs.

6. Evaluate the adequacy of technical, management and administrative approaches identified in #4 above.

7. Identify and evaluate alternative technical, administrative and management methods that might be used in rural Alaska.

8. Recommend changes in the activities and resources of existing programs to incorporate the alternatives noted in #7 above. Recommend new programs and/or authority necessary for implementation.

9. Analyze existing methods of operation, maintenance and management of village sanitation facilities.

10. Develop alternative methods for operation, maintenance, and management of village sanitation facilities.

11. Recommend changes in the activities and resources of existing programs to incorporate the alternative approaches noted in #10 above.

12. With the assistance of the appropriate governmental agencies and Native non-profit regional associations, prompt implementation of the plan.

PUBLIC INVOLVEMENT AND PROGRAM COORDINATION

Because several local, State and federal organizations participate either directly or indirectly in developing rural sanitation facilities, this major planning effort cannot be undertaken alone. To insure proper plan development and implementation, a strong working relationship must be developed among the diverse groups currently working on rural sanitation problems.

Public participation and inter-agency coordination must be an integral part of the comprehensive planning process. In this regard, a maximum effort will be made to enlist the active participation of the Native regional health organizations, the villages and appropriate federal and State agencies. We hope that by the time a draft of the plan has been formulated, significant public comments and coordination will have been obtained. The results of our collective efforts will be a comprehensive plan for providing rural sanitation facilities in Alaska.

PRINCIPAL CONTACT

For more detailed information on the comprehensive planning process, please contact:

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02-0018 (Rev. 10/76)

STATE
of ALASKA

MEMORANDUM

Department of Environmental Conservation

TO: Jerry Sargent
Chief
Water Supply Section

DATE: August 29, 1978

FILE NO:

TELEPHONE NO:

FROM: Greg Capito
Senior Planner
Village Safe Water

SUBJECT: Progress Report-
Alaska Village Study

SYNOPSIS

Developing a rural sanitation program for Alaska is an immense undertaking. But in two (2) years, progress has been made to: 1) inventory existing sanitation facilities in 200 rural villages; 2) develop criteria to evaluate the adequacy of sanitation services in these communities; and 3) establish a working relationship with the diverse groups involved in rural sanitation.

However, the Alaska Village Study has reached an impasse. Our inability to collect the specific and detailed information needed to evaluate sanitation services in 200 remote villages is an immediate problem which must be resolved. If we don't come up with a timely solution, the study cannot be completed.

Another concern is our relationship with the Native Health Corporations. A lack of environmental health and sanitation expertise coupled with chronic staff turnover makes it extremely difficult to maintain a productive relationship with these 12 regional organizations.

The close working relationship with PHS which has evolved over the past two years must also be strengthened. Their level of involvement in the Village study must increase. In fact, the continued support and active participation of PHS are crucial to the success of the planning effort.

Of less immediate importance to the Alaska Village Study but certainly issues to watch include: 1) the passage of SB 449, the Water and Sewer Bond Bill; 2) the rift between AFN and the ANHB; 3) the continuing saga of lab support for the project; and 4) EPA's attempt to buy a piece of the Study.

INTRODUCTION

Building and maintaining water, sewer, and solid waste facilities in rural Alaskan villages is a difficult proposition. Over the years, local, State and federal agencies have invested millions in public funds to protect health by providing adequate sanitation facilities in the bush. These uncoordinated programs are haunted by complex social, economic, political and technical problems which have persisted for years and slowed efforts to develop really effective, long term solutions.

To remedy this situation, ADEC has been leading a drive to develop a comprehensive sanitation program for rural Alaska which will: 1) inventory sanitation facilities in over 200 villages; 2) evaluate the adequacy of these facilities and the agencies which sponsor them; and 3) propose changes in existing programs in order to improve sanitation services in the villages.

For two years ADEC, PHS and the Native Regional Health Corporations have been involved in this Alaska Village Study. What follows is a review of this planning effort with emphasis on problems and progress to date.

THE INVENTORY

This first step in the Alaska Village Study is complete. With help from the rural school districts, PHS and to a lesser degree, the Regional Health Corporations, basic information on water, sewer and solid waste services in 200 villages was compiled. One hundred copies were printed and distributed to people and organizations involved in rural sanitation. By strictly controlling distribution, we hope to make the annual update easier. This November, a call for updated information will go out. Corrections, additions and deletions will be made in December, then reprinted and distributed in January, 1979. Aerial photographs will be added to fill in the gaps.

For us, the Inventory is the cornerstone of the Alaska Village Study. Other uses within the Department include the preparation of revenue sharing forms and answering questions from the Commissioner and others about remote villages - especially during the legislative session. Environmental Analysis has used it extensively in water quality management planning and Facility Construction from time to time has felt the need to consult this document. Except for the preparation of sanitary surveys, the Inventory is rarely used in NRO, SCRO, and SERO. In fact, some staff members have never seen this document!

The real value of the Inventory to others is more difficult to determine. A spot check provides some insights. At PHS, where several copies have been distributed, the document is used to answer questions about facilities in remote villages. However, I don't think it's used day to day as a planning or management tool. A check of the service units reveals that most sanitarians know their villages and do not refer to the Inventory very much.

At BIA, where an increase in staff is noted, the Inventory is used to familiarize new personnel with school sanitation facilities. BIA emphasized that the Inventory is a positive step to improving communication and coordination with other agencies.

Within the Health Corporations use seems to vary. For example, in the North Slope Borough, their Capital Improvements Plan is used instead of the Inventory by the Department of Public Works and the Health Department. At SEARHC, new staff members unfamiliar with the Southeast Region find the Inventory valuable. At the Aleut/Pribilof League, the Inventory is considered a reliable source of information and is used by staff members when discussing sanitation problems with PHS.

At the State level, DOTPF (Facility Procurement) has used the Inventory extensively in its planning program. At the Alaska Energy Office in Anchorage, the Inventory is used on occasion, especially the aerial photographs, to locate existing and potential fuel storage sites in the villages.

At a minimum, the Inventory is a concrete example of cooperation between the Regional Health Corporations, PHS and the State. At a time when most organizations only talk about developing a strong working relationship with other units of government, this is no small item.

Updating the Inventory will be time consuming and laborious, but it's worth the effort.

THE EVALUATION

The second step in the Alaska Village Study is to evaluate the adequacy of the 200 village sanitation facilities identified in the Inventory. This activity is crucial because it should help identify the strong points and weaknesses of village sanitation systems and provide the basis for recommending changes in the programs which provide village sanitation services.

With help from PHS, and to a lesser degree the Health Corporations, an evaluation system was developed. During May 1978, agencies were contacted and dozens of reports reviewed in an effort to obtain the data required to complete the evaluation. It soon became obvious that the specific and detailed information needed could not be found in rural surveys or reports. Data gaps seemed to persist from one report to another. In early June, we contacted people with first hand knowledge of the villages. Based on our experience with the Inventory, the PHS sanitarians seemed most likely to have the information we needed. We focused our attention on the Doyon and Calista regions which contain one half of the rural villages in the State. In mid June I visited the Bethel Service Unit and interviewed two (2) field sanitarians. Each had about 3½ years of experience in the Delta. However, during two days of interviews, a serious problem was encountered. The sanitarians could not provide the specific and detailed information we need on villages in this region. They had no data on O&M, village economics, the reliability of village power or even basic health information for Grayling, Marshall, Shageluk, Holy Cross, Mt. Village, and Pilot Station. In Anvik and several other villages, they couldn't identify the preferred source of drinking water. These are several reasons for this lack of information:

1. Usually when sanitarians visit a village, it's for a specific purpose like vaccinating dogs or inspecting the health clinic. They aren't trying to answer questions concerning the economics, acceptability, or accessibility of a sanitation system.

2. In the more remote portions of this region, villages are visited only once a year and it's difficult to really evaluate sanitation services after spending so little time in a community.

3. Our evaluation system is very detailed and specific. The sanitarians have never examined village sanitation methods in this fashion. They can generalize based on their experience but the evaluation system demands much more.

Two PHS field engineers were then interviewed with similar results. The most glaring information gaps involved village economics. They had no idea of how villages obtained funds to pay local operators or sustain the facility from day to day. However, the engineers felt strongly that unraveling the mystery of village finances and spending priorities was the most important feature of the evaluation.

A few weeks later I tried another approach. I accompanied experienced AVCP employees to three (3) villages in an effort to collect this hard to get information. Enough data was obtained to complete three (3) evaluation forms in one (1) week. So even though this method was expensive and very time consuming, it works and we have the best information available on these village sanitation systems.

In mid August I was invited to the Inupiat Health Board Meeting in Barrow and tested yet another approach. For two (2) days I tried to interview individual Health Board members during meeting breaks to evaluate sanitation services in their villages. If this approach worked, it would expedite the review of sanitation facilities in 200 villages. However, I ran into a serious problem using this method. There was little time available to interview Health Board members. Fifteen or twenty minutes is barely long enough to get acquainted. During these short periods, I could get only a sketchy idea of what was happening in the villages. A good evaluation would probably take several hours if done by interview. Since most of the Health Board members were staying with friends, there weren't any other opportunities to meet later and talk about water and sewer problems. So I determined that this was not the way to collect the information needed to evaluate sanitation services in the villages.

Another approach is worth mentioning. This involves training qualified individuals to evaluate the adequacy of sanitation services. Initially, this idea was attractive because sanitarians, community liaisons and the like live in the regions, know the people and visit the villages, so if the evaluation could be incorporated into their travel schedules, we might save money and obtain some valuable information. However, this idea has not panned out because of the inherent quality control problems. The AVCP trip cited above really brought home just how persistent one must be to collect information by visiting the villages. I can't think of a qualified person in the Doyon or Calista regions with enough time and dedication to do this job right.

In summary, we recognized early on the lack of water quality and health data in the villages, but did not foresee similar problems collecting the other information needed to complete the evaluation. Given the size of this project and the time element involved, we are really in a bind. If we don't come up with an efficient way to collect this hard to get information, the study will be jeopardized.

COORDINATION

Because many local, state and federal organizations participate either directly or indirectly in providing rural sanitation services, the Alaska Village Study cannot be undertaken alone. To insure proper plan development and implementation, a strong relationship must be developed among the diverse groups currently working on rural sanitation problems. Keep in mind we must enlist the support of these diverse groups by persuasion since we have no authority over them. While it is impossible to effectively coordinate our activities with every group, we identified a few key organizations and opened lines of communication with them. The 12 non-profit Native Regional Health Corporations immediately attracted our attention because their responsibility is to represent Alaska Native people in all health related matters. In addition, they were by far the best organized group in the regions. At the federal level, the Office of Environmental Health within PHS has designed and constructed sanitation facilities in Alaska Native villages since 1962 and is still the lead agency in providing these services. To a lesser degree, we have also worked with BIA, HUD and EPA as well as AVCP and a few other regional organizations. What follows is a review of the working relationship we've developed with these groups.

Regional Health Corporations

House Concurrent Resolution #110 adopted by the Ninth Alaska Legislature suggested the formation of an advisory committee for the VSW program. This group, consisting of representatives of the 12 Regional Health Corporations would advise and assist in the administration of the VSW program. In Feburary 1977 the Association of Regional Health Directors unanimously endorsed this idea and became our Advisory Board. Their first activity was to assist the Department in selecting candidate villages most in need of a VSW facility. This was a very difficult task because only one or two facilities could be built and 12 regions were competing for limited funds. Prioritization was done by examining background data on each village. This information was then placed in perspective by evaluating each community's prospects for sanitation improvements. After several weeks of deliberation, a priority list was drafted. On the whole this process worked very well. In fact, one Health Corporation not present had a village from its region placed at the top of the list! We've followed the Advisory Board's recommendations and VSW facilities are being built at Council and Tanana.

Late in 1977, the Health Corporations also helped provide basic information for the Inventory of Rural Sanitation Services. I spent many hours in their regional offices interviewing staff and identifying sanitation facilities in 200 rural villages. The Health Corporations were cordial and very generous with their time.

However, some serious problems have surfaced in our dealings with the Health Corporations The first is turnover which has reached epidemic proportions. The average "life expectancy" of a health director is about eight months. Staff turnover is even greater and with so many people coming and going, it's almost impossible to maintain continuity and an effective working relationship with the 12 regional organizations.

Secondly, while sanitation is a big concern within the regions, most organizations do not have technical staff to address these problems. (Only Norton Sound employs a sanitarian.) Currently, the Health Corporations administer accident prevention, alcohol abuse, health aide, manpower, mental health and similar programs. So it's difficult to talk to them about evaluating the adequacy of sanitation facilities in the bush. As a result, little time has been spent with the Health Corporations on this important activity and communication has deteriorated over the last six months.

Finally, there has been internal squabbling within the non-profit corporations which may have a serious impact on our planning effort. AFN and the Alaska Native Health Board (ANHB) are struggling to decide who speaks for Native people on health issues. To firm up its power base, the ANHB apparently dissolved its standing committee, the Association of Regional Health Directors (ARHD), which acts as our Advisory Board. From now on the ANHB will formulate rural sanitation policy and the ARHD will only address regional problems. Already I've noticed that the Health Directors meet less frequently, and there's a real question about their ability to help us set construction priorities this fall. We need an advisory board made up of people that work day to day with village sanitation problems like the ARHD. We look to them for professional and technical involvement in establishing VSW program strategies. The ANHB is a lay group without technical expertise or staff and it will be extremely difficult to work with them on issues which require technical expertise and an intimate knowledge of the villages.

PHS

In the last two years we've spent hundreds of hours with PHS. Fred Reiff has been cordial and generous with his staff time. He appointed Lynn Wallace to work on the Alaska Village Study with us. Although this relationship is informal, we have made progress on the Inventory and to a lesser degree, the evaluation. Despite some strong philosophical differences, there seems to be considerable trust on both sides.

Continued PHS support of the Alaska Village Study is crucial because they are the lead agency in providing rural sanitation services and, as such, must play a major role in implementing any study recommendations which may be forthcoming. They also have by far the biggest and most talented staff available to help with the Study. The working relationship developed over the past two years must be strengthened as we move onto the more difficult areas of the Study.

When Lynn's replacement reports for duty this fall, we'll have to meet with Fred and see if we can secure more of a commitment. That should not be difficult if PHS perceives the Study as a valuable and essential part of their program. If Fred agrees to increase their level of involvement, there's hope for the future. If not, the Study will be jeopardized.

EPA

EPA involvement in the Alaska Village Study began early in 1977 when Senator Mike Gravel asked ADEC for ways to improve P.L. 92-500, the Federal Water Pollution Control Act of 1972. We responded with a carefully worded amendment to Section 113 which: 1) confirmed the State's position as the lead agency in trying to develop a comprehensive rural sanitation program; and 2) required all appropriate federal agencies to assist the State in developing the plan and obligated them to implement it. The amendment we originally proposed called for the President to direct federal agencies to participate in the study. But the Congress changed that and directed EPA to conduct the study. Congressional staff who made that change probably thought it would be negligible but it was the beginning of our problems with the Environmental Protection Agency. From this point on, the State's established position as the lead agency in developing a rural sanitation program for Alaska was in direct conflict with what EPA perceived as their new statutory responsibility under Section 113 of the Act.

Early in 1978, EPA officials remained in the dark about the Alaska Village Study. No directives, guidance or funds were forthcoming from headquarters. We then began to work with EPA officials in Anchorage to: 1) explain the objectives of the Study; 2) help define EPA's role in the project; and 3) secure federal support to help continue the work with authorizations we drafted into Section 113.

In May 1978, these issues were discussed at a meeting in Juneau with EPA Region X officials. At this meeting, EPA's role in the Alaska Village Study was defined as: 1) representing the federal government's regulatory interests; 2) motivating recalcitrant federal agencies (if any) to participate in the study; and 3) managing the typing, printing or other administrative tasks and submitting all reports required by the Act. It was reaffirmed that independent action by EPA would be counter-productive. Bob Burd and Ed Coate of Region X agreed with this position and seemed relieved that the State was able and willing to assume responsibility for directing the Alaska Village Study.

As to the question of funding, we learned that EPA officials had simply neglected to request the funds available under Section 113 and support for the project had "simply fallen into a crack." Neither was lab support possible because Region X couldn't handle the additional work load.

Clearly, the lack of lab support has slowed our progress. However, in retrospect, the loss of funds may have been a blessing in disguise. The paper work and bureaucratic red tape generated by an EPA grant would force us to spend considerable time on purely administrative tasks and less on doing the actual work. In addition, during the past two years we've learned you simply can't buy agency support for this project. Neither can the assistance of competent, qualified, professionals in the rural sanitation field be purchased, because most are already employed by organizations like BIA and the U.S. Public Health Service.

At this point in time there's a real question whether EPA can make any substantive contribution to the project. As a consequence, I think we should stand firm and resist any effort by EPA to buy a piece of, or become directly involved in, the Alaska Village Study.

Other Agencies

From time to time we've worked with HUD and BIA. Both have been cordial and cooperative. These organizations are indirectly involved with rural sanitation in the bush. Later in the Study, when we evaluate programs, we'll spend more time with them.

Since Jordan Suhr moved to Bethel to work with AVCP, we've taken a real interest in their IHS Feasibility Study. Jordan has agreed to help us evaluate sanitation facilities and does so when he visits the villages. But so far he has sent only 5 or 6 forms. When visiting a village he interviews the plant operator and evaluates the system while the AVCP economist does his thing with the village administrator. At the end of the day, they mingle with residents. Even though that approach is expensive, time consuming and laborious, it works and they have collected the best information available on village sanitation systems. However, Jordan points out that only 15-20 communities will be visited this summer because of financial and manpower constraints.

OTHER ISSUES

Laboratory Support

Early on we recognized that more data was needed to evaluate the adequacy of drinking water supplies in the villages. PHS agreed, for the Inventory revealed their information was spotty. However, lab support would be needed to analyze the drinking water of 200 rural villages. The saga began last March with the ADEC lab in Douglas. They couldn't help with a project of this size because bottle washers were in short supply. In May, there was a promise of support from EPA. Apparently Section 113 funds were available to assist us in obtaining lab support. After several weeks EPA notified us they couldn't help after all because funds had not been requested. (Meanwhile, the field season continues to slip by.) The U.S.G.S. was consulted in late June but their cost estimate was prohibitive. In July, with hopes fading, PHS decided to contract with a private outfit for laboratory service. The cost would be split 50/50 with ADEC reimbursing PHS when State funds became available. However, PHS couldn't simply go out and hire a chemist. The OEH contracting officer got involved and the matter has been tied up for months. Meanwhile, back at the Douglas lab, work had slackened, (with fall approaching), and they agreed to provide limited support until the PHS contract is awarded. The trail of tears continues into September with full time lab support just a dream (or memory).

The humor of this incident is lost when one considers how vital laboratory support is to the future of the Alaska Village Study--and how little control we have over the outcome.

SB 449

The Alaska Village Study has encouraged communication and thus helped to minimize duplication of effort in facility construction. But the 1978 Water and Sewer Bond Bill is a giant step backward because it directs ADEC to spend public funds in 11 rural communities, even though PHS has or soon will install sanitation services in each of these villages. In addition, the Legislature has dictated 11 project sites and thus undermined our relationship with the VSW Advisory Board, which in the past has been heavily involved in selecting communities most in need of a VSW facility. Finally, SB 449 is contrary to our policy of going slow on new construction--until the Village Study is completed and solutions to difficult questions like operation and maintenance are proposed.

In summary, SB 449 is a bad piece of legislation. It may complicate and seriously disrupt our efforts to develop and implement a rational program for addressing rural sanitation problems in Alaska.

CONCLUSIONS

This progress report has identified several important issues which may affect the outcome of the Alaska Village Study. Despite their potential impact, we have little control or influence over them. These include 1) timely lab support for the project; 2) passage of SB 449; 3) the rift between AFN and the ANHB; and 4) chronic staff turnover within the health corporations. We can exert some influence over three other issues mentioned in the report. These are: 1) EPA involvement in the project; 2) the problem of data collection; and 3) greater PHS participation.

With all of these factors at work, chances for completing the Study are 50/50 and less than that for making the December 1979 deadline.

FIVE

by J. W. Sargent, with J. W. Scribner

Village Safe Water Projects in Alaska

—Case Studies—

DEFINITION OF PROGRAM

HISTORY

Like other areas of the country, Alaska draws the traditional distinction between urban and rural areas. Here, the urban areas are concentrated around the major municipalities such as Anchorage, Fairbanks, Juneau and Seward. The remainder of the State is defined as rural and is often referred to as the "bush." Providing sanitation services (primarily water supply and waste disposal) in the bush is quite a different proposition from providing such services in the cities. In the past, state and federal assistance for such services has been provided to urban areas through a series of programs that have differed from those in the bush.

Municipal Water and Sewer Grants

Communities in Alaska can receive financial assistance for installing water supply and waste disposal systems through the State Water and Sewer Construction Grants program. Through this program, both federal and state funds are available for municipal sewage treatment and disposal, interceptor sewers, sewage collection and water supply. Communities receiving these funds are requested to provide matching funds in varying proportions. This "matching fund" proviso of the Construction Grants program has, naturally, limited its success and impact in bush Alaska.

Bush Programs

Until 1970, the only active program for providing sanitation services in rural Alaska was the U.S. Public Health Service, Indian Health Service, Office of Environmental Health. In the late 1960's Senators Ted Kennedy and Ted Stevens toured rural Alaska and were appalled at the lack of sanitation services in bush villages. Their reaction to this sorry condition was the promotion of a combined federal and state program to answer the need for rural sanitation services.

The federal program was the Alaska Village Demonstration Project (AVDP).[1] The state program was the Village Safe Water (VSW) program. Simply stated, AVDP was to construct two projects which were to demonstrate the best way to supply rural sanitation services; the State was to follow this up by building sanitation systems that were developed by AVDP.

THE VILLAGE SAFE WATER ACT

The Village Safe Water Act of 1970 was passed for the purpose of providing "safe water and hygienic sewage disposal facilities in villages in the State," and "to assure that there will be at least one facility for safe water and hygienic sewage disposal in each village." The Act stipulates that each facility will provide at least a safe water supply, means for sewage disposal, and bathing and laundry services. A village is defined as "an unincorporated community which has between 25 and 600 people residing within a two-mile radius; or a second class city." The VSW act is administered by the Alaska Department of Environmental Conservation (ADEC).

A village receiving a VSW project is not required to contribute toward costs of construction. The State may "provide for construction by contract or through grants to public agencies or private nonprofit organizations, or otherwise."

When a VSW facility is completed, the recipient village must be given title to it. The village must agree to accept ownership of the facility and be responsible for its operation and maintenance. The State

[1] *The Alaska Village Demonstration Project was treated in some depth in Volume 7, number 2,* The Northern Engineer.

TABLE 1
Villages Receiving VSW Facilities

Village	Location N. Lat.	W. Long.	Pop.	Mean Jan. Temp, F°	Mean Annual Temp, F°
Northway	62°58′	141°56′	40	-24°	+22°
Chevak	61°32′	165°35′	447	+ 2°	+29°
Nulato	64°43′	158°06′	330	-16°	+25°
Selawik	66°36′	160°00′	521	-16°	+22°
Alakanuk	62°41′	164°34′	512	- 3°	+28°
Pitkas Point	62°02′	163°67′	85	- 3°	+28°
Koyukuk	64°53′	157°42′	124	-16°	+25°
Beaver	66°22′	147°24′	101	-20°	+30°
Kongiganak	59°52′	163°02′	200	+ 2°	+30°

may assist a village with operation and maintenance expenses when the local governing body lacks sufficient financial resources.

VSW CONSTRUCTION EXPERIENCES

Description of Projects

By the end of fiscal year 1977, Village Safe Water sanitation facilities will have been constructed in nine Alaska villages. Table 1 lists the nine villages and the data on them concerning population, location and climate.

The VSW project goals in all nine of the villages will be the construction of *central* sanitation facilities. A central facility is a building from which the various sanitation services are dispensed (e.g., a faucet for filling a water bucket or barrel, a dumping bin for "honey buckets," clothes washers and dryers, showers, and rest rooms). The central facility concept contrasts with that of providing these services to individual homes through a piped distribution and collection system. In some communities, factors such as permafrost conditions, climate and community layout might make a central facility preferable to community distribution and collection systems.

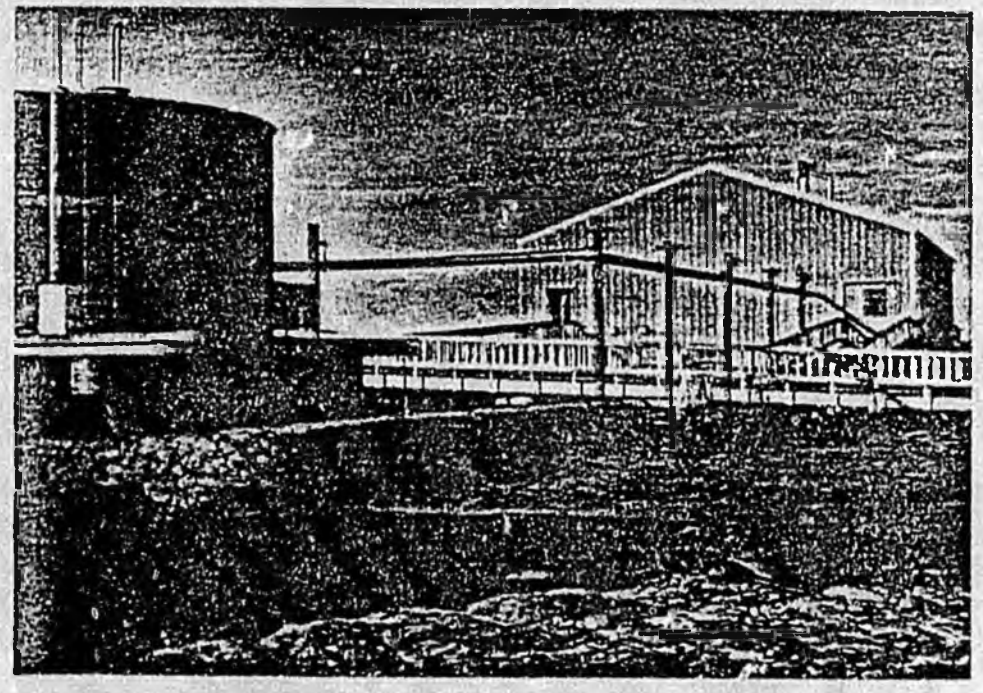


FIGURE 1. Alakanuk Village Safe Water Facility.

Northway and Chevak

At Northway and Chevak, existing community watering points were improved and laundry equipment and showers were added. Wastewater from the Northway facility (containing no toilet waste) is discharged to a small natural pond. Chemical toilets are emptied into a Federal Aviation Administration sewage treatment system several miles away. At Chevak, wastewater is discharged to a sewage lagoon. These facilities were designed and constructed under contracts administered by ADEC.

Nulato, Selawik and Alakanuk

The sanitation facilities in these villages were the first full fledged ones constructed under the VSW program.

In each village, a new state school and the VSW facility were designed and constructed under joint contracts administered by the Alaska Department of Public Works. All three VSW facilities were patterned after the Alaska Village Demonstration Projects in Emmonak and Wainwright. The VSW facilities are two-storied structures approximately 55 feet square, built on piles. They contain washers and dryers, showers, saunas, rest rooms, solid waste disposal bins, honey bucket dumps and a watering point.

In all three facilities, water treatment is by alum coagulation/flocculation, rapid sand filtration, and chlorination. The water treatment plants are standard Met-Pro physical/chemical package plants with a 14,000 gpd capacity.

The sewage treatment plants are also 14,000 gpd Met-Pro physical/chemical package plants, in which the unit processes are alum coagulation/flocculation, carbon sorption, rapid sand filtration, and chlorination. Treated effluent is dis-

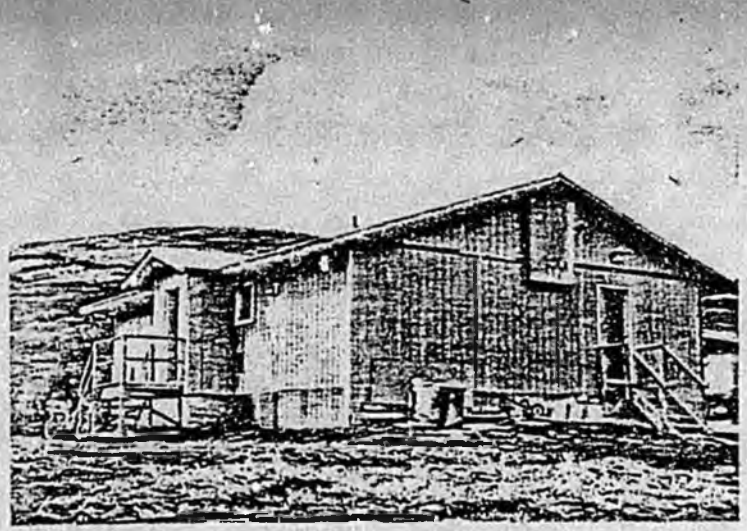


FIGURE 2. Pitkas Point Village Safe Water Facility.

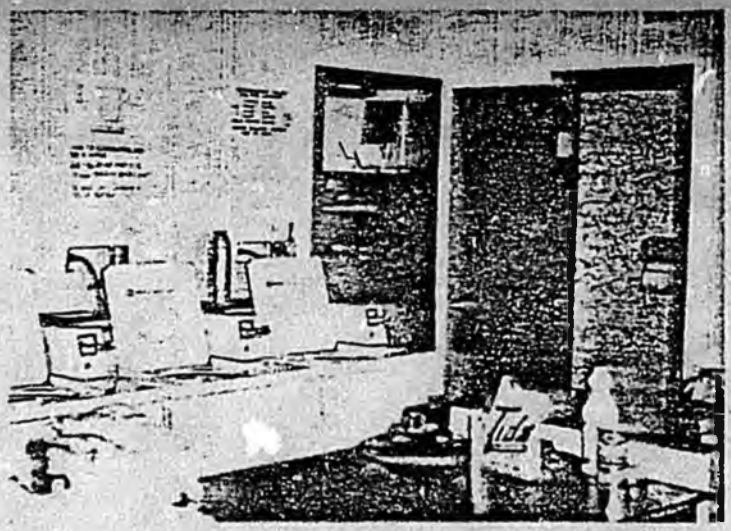


FIGURE 3. Pitkas Point Laundry Room.

charged to the land surface through an elevated, insulated and heated conduit.

Sludge from both the water and sewage treatment plants is dewatered by centrifugation and incinerated. Solid waste from the solid waste collection bins is also incinerated.

In each facility the primary source of building heat and heat for the dryers is a heat exchanger on the incinerator stack. A hot water boiler is the secondary heat source, and a hot air furnace is the "last ditch" source of building heat in case the incinerator and boiler fail or are inadequate. The incinerator, boiler and hot air furnace are interconnected through complex control systems which have been very difficult to keep operating properly.

At Nulato neither one of the treatment plants has performed consistently well since the facility was completed in November of 1974. Sludge build-up has caused severe reductions in the capacities of both plants. Since the main water treatment requirement is the removal of iron (28 mg/l) and manganese (5 mg/l), the physical/chemical process that was installed was probably not the best choice. At Selawik and Alakanuk, raw water is obtained from surface sources, and the treated water has been of good quality since the facilities were completed in October 1975 and December 1975, respectively. The sewage treatment plants are also operating well.

Pitkas Point, Koyukuk, Beaver and Kongiganak

The Pitkas Point project was completed in February, 1976. This facility is built with relatively simple mechanical and structural systems compared to the big and sophisticated installations at Alakanuk, Selawik and Nulato. The structure is wood frame with about 1300 square feet of floor space. It provides a watering point, honey bucket dump, washers and dryers, rest rooms, showers and saunas.

Raw water from a creek bed collection gallery is filtered (when raw water quality requires it) through a bed of sand and activated carbon; then it is chlorinated and fluoridated. Sewage receives secondary biological treatment in Multi-Flo package plants. These plants consist of an aeration chamber and a filter membrane for solids separation. Treated effluent is discharged to an underground leach field.

Unique construction methods were used at Pitkas Point. The State, through ADEC, gave a grant to the village. The funds were used to hire consulting engineers who were to design and manage the construction of the Pitkas Point facility. ADEC helped the village negotiate and administer the consulting contracts.

The projects at Koyukuk, Beaver and Kongiganak are being patterned after the relatively successful Pitkas Point project.

COSTS

Table 2 summarizes capital construction costs for VSW projects to date. The costs shown include both design and construction. The figures for Koyukuk, Beaver and Kongiganak are preliminary estimates.

OPERATION AND MAINTENANCE

The construction of any utility system, especially in the relatively harsh environment of rural Alaska, is money wasted unless provisions are made for the system to be properly operated and maintained. Most, if not all, villages lack the necessary resources to administer, manage, operate and maintain even a minimum VSW facility (or any other utility system for that matter) without continuing outside assistance.

A facility to provide the services specified by the Village Safe Water Act must contain relatively sophisticated equipment and appliances. Since public health is at stake, water and waste treatment systems must be kept operating properly at all times. Hence, at least one full-time trained and paid maintenance person must attend every VSW facility.

Virtually all of the maintenance people have to come from the villages where VSW plants are installed because "outsiders" are usually reluctant to take up residence in remote villages. Since people with the training and experience neces-

TABLE 2
Capital Construction Costs For VSW Projects

Village	Cost (in thousands of dollars)
Northway	60 (VSW contribution)
Chevak	75 (VSW contribution)
Nulato	860
Selawik	1100
Alakanuk	1000
Pitkas Point	350
Koyukuk	440
Beaver	450
Kongiganak	550

sary to operate and maintain a VSW facility are usually not available locally, an elaborate, extensive and ongoing program for training of plant operators is required.

A continuous and generous flow of revenue is required to meet the operation and maintenance expenses of VSW facilities. In addition to the plant operator(s)' salary, there are treatment chemicals, electricity, fuel and replacement parts to buy.

Table 3 lists the estimated annual operating budgets (FY 76 figures) for VSW facilities completed as of February, 1976. The figures in Table 3 exclude amortization of capital costs.

Sources of revenue in the villages are limited. Individuals who use the VSW facilities will pay fees, but the fees cannot be so high that people can no longer afford to use the facilities. Up to $2000 dollars per month might be raised through users' fees in larger villages (400 to 500 residents) and proportionately less in smaller towns. Public Health clinics, some owned by the U.S. Public Health Service and some owned by the villages, might receive water supply and waste disposal services from VSW facilities and thus pay users' fees, but the revenue collected in this way would not exceed more than a few hundred dollars a month. Fees paid for school water and sewer services represent a third source of revenue which could routinely amount to about 25 per cent of the VSW facility operating budget. So, as a general rule, more than half of the money needed to operate VSW facilities will have to come from outside the villages.

TABLE 3
Operating Budgets For VSW Facilities

Villages	Annual Operating Budget (FY 76) (thousands of dollars)
Northway	28.0
Chevak	37.5
Nulato	109.0
Selawik	109.0
Alakanuk	109.0
Pitkas Point	46.0

CONCLUSION

The Village Safe Water program grew out of recognition of the critical need for adequate sanitation services in rural Alaska. Providing such services involves two major efforts: (1) capital construction, and (2) operation and maintenance. Of the two activities, operation and maintenance have proved to be the more difficult in the VSW program.

The technological problems associated with providing water supply and waste disposal services in the Arctic are indeed unique and challenging. But by far less tractable are long term operation and maintenance problems such as finding enough money to pay the bills, keeping mechanical equipment operative at remote sites, and managing personnel from great distances without reliable communications.

Without dependable provisions for operating and maintaining sanitation facilities in rural Alaska, constructing them is wasted effort.

Dr. Jerry Sargent is a Sanitary Engineer with the Alaska Department of Environmental Conservation, Pouch C, Juneau, Alaska.

Jon Scribner is the Water Programs Director with the Alaska Department of Environmental Conservation.

Again, we are grateful to Dr. Dan Smith, Head of the Northern Technology Centre, for allowing us to publish this article which was originally given at the Utilities Delivery Symposium last spring.

	Cost	78 O&M Budget (in village not central)	State O&M Maint (78)	(3)/(2) x100 (%)
Northway	60.0	25.8	19.0	74
Chevak	75.0	43.3	37.0	85
Alakanuk	1000.0	(on their own)	none	-0-
Selawik	1100.0	98.1 69.1	72.0	79
Nulato	860.0	72.0 167.2	none	-0-
Beaver	450.0	35	24	68
Koyukuk	440.0	32.7	22.0	67
Pilkas	350.0	55.4	33.8	61
Council	118.5	10.0 (operator gets free power for pay)	none	-0-
Tanana	1050.0 (USW portion)	75.0 (est)	none	-0-
Kangiganak	1288.0	80 (est. for 79)	45 (est)	56
	$ 6.8 mm	$ ~~550.0~~ 522.3	~~260.0~~ 370.0 — includes central Acct	~~65%~~

222
2235
1310
790
1168
1288
6791

Table 11 -

CONSTRUCTION & OPERATING COSTS FOR CENTRAL FACILITIES

Community	Population	Year Completed	Capital Construction Cost (Values in thousands of dollars)	Annual Operating(1) Budget 1977
EPA Wainwright I	341	1972	910.0	46.5
Wainwright II		1976	1516.0	N/A
Emmonak	545	1976	780.0	75.6 (1973-76)
Northway	40	1974	60(2)	31.4
Chevak	447	1974	75(2)	39.5
Nulato	330	1976	860.0	85.7
Selawik	521	1976	1100.0	113.3
Alakanuk	512	1976	1000.0	85.0(3)
VSW Pitkas Point	85	1976	350.0	60.4
Koyukuk	124	1977	499.6	60.0(3)
Beaver	101	1977	480.4	34.8(3)
Kongiganak	200	1978	950(3)	76.1(3)
Tanana	450	1979	925(3)	68.9(3)
Council	25	1978	105.5(3)	9.0(3)

(1) Does not include amortization
(2) State of Alaska contribution
(3) Estimated

(4) Capital costs include design, const, materials, transp & agency personnel time.

discuss a typical facility only - give service provided, typical costs, O&M personnel, costs, service costs.

See over

alaska federation of natives, inc.

550 West 8th Avenue ▪ Anchorage, Alaska 99501 ▪ Phone 907-274-3611

January 16, 1978

RECEIVED
JAN 18 1978
DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

Mr. Ernst W. Mueller
Commissioner
Dept. of Environmental Conservation
Pouch O
Juneau, Alaska 99811

Dear Mr. Mueller;

Thank you for the excellent publication on Village Sanitation in Alaska. We at Alaska Federation of Natives, Inc. and the twelve regional health directors are very impressed with the work done in this area. This publication will go a long way in getting the best possible facilities for our rural areas.

The regional health directors, and myself, found working with your office a real pleasure. We especially would like to commend Greg Capito, on his brief but complete presentations he has made to our group. His manners and professionalism is a tribute to you and your office. Mr. Capito, will always be welcome to our meetings and will be well received by the villages he helps.

Once again thank you,

Very Truly Yours,

ALASKA FEDERATION OF NATIVES, Inc.
Health Affairs Technical Assistance

Fred Wemark
Director

cc: Greg Capito

FW/sb

ALASKA FEDERATION OF NATIVES, INC.

Integrity, Pride in Heritage, Progress

April 19, 1977

The Honorable Jay Hammond
Govornor
State of Alaska
Pouch A
Juneau, Alaska 99811

Re: Village Safewater

Dear Govornor Hammond:

House Concurrent Resolution #110, adapted by the Ninth Alaska Legislature, suggested the formation of an advisory committee for the State's Village Safewater (VSW) Program. This group, consisting of representatives of the 12 Native Regional Health Corporations, would advise and assist the Alaska Department of Environmental Conservation in the administration of this rural sanitation program.

At a regularly scheduled meeting of the Association of Regional Health Directors (ARHD) in Anchorage on February 24, Senior Planner Gregory Capito of the Village Safewater Program, made a presentation to the group. His main purpose was to find out if the A.R.H.D. would act in an advisory capacity for the VSW program. Mr. Capito presented the advantages and disadvantages of being an advisory board. The Association of Regional Health Directors unanimously endorsed this idea and requested that the VSW program be expanded to provide sanitation services to remote Alaskan communities.

It is our sincere hope that through this advisory group, we can work together to address the critical sanitation problems facing rural Alaska.

Yours truly,

ALASKA FEDERATION OF NATIVES, INC.
Health Affairs Technical Assistance

Fred Wemark
Director

cc: * Greg Capito
A.R.H.D.

FW/eh

• 550 WEST EIGHTH AVENUE ANCHORAGE, ALASKA 99501 • PHONE (907) 274-3611

2

RESOLUTION
77-02
*****

WHEREAS, the intent and purpose of the Office of Environmental Conservation is to establish and insure standards of water quality and environmental sanitation; and

WHEREAS, the Village Safewater Program is a mechanism whereby the Office of Environmental Sanitation can assist local communities in meeting standards established by the Office;

NOW THEREFORE BE IT RESOLVED, that the Association of Regional Health Directors advises the State Legislature of the importance of maintaining within the Office of Environmental Conservation the capacity of assisting local communities of meeting standards of environmental health by continuing the Village Safewater Program through the Office; and

BE IT FURTHER RESOLVE that the transfer of Village Safewater Program to the Division of Transportation and Public Facilities is likely to reduce the effectiveness of the Office in promulgating acceptible standards of environmental sanitation.

_____
Robert Clark, Chairman

_____
Fred Wemark, AFN, INC.

Acted upon and passed by unanamous vote on April 15, 1977.

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O — JUNEAU 99811

February 18, 1977

Bob Worl, Executive Director
NORTH SLOPE BOROUGH HEALTH DEPARTMENT
P.O. Box 69
Barrow, Alaska 99723

Dear Bob:

RE: Rural Sanitation

Please recall the recent meetings with you or your staff concerning two or three Village Safe Water (VSW) Facilities to be built this year in Alaska Native villages. As discussed earlier, we would like you to help us select a village in your area most in need of a VSW project.

Since 1970, the Department of Environmental Conservation has sponsored construction of nine VSW facilities. Hence, we have some experience to share with you that might help in selecting a village.

First of all, remember that we build central facilities where people come to get water, deposit waste, bathe and do laundry; as opposed to piped water and sewer service to each house usually installed by the U.S. Public Health Service. Physical features are important in deciding whether a piped system or central facility is appropriate. For example, ice-rich permafrost or swampy terrian make it technically and economically difficult to construct a conventional piped system. Also, in a village spread out along both sides of the river, a piped system may be too difficult and expensive to install. Therefore, villages in your region which possess these types of physical characteristics may be better suited for a centralized VSW system.

To minimize duplication of effort, please do not consider those villages in your region which have received, or are likely to receive, HUD housing and thus PHS water and sewer systems. Also, please note that a VSW facility should not be constructed in a village where a PHS system already exists.

The size of the community is also important. The Village Safe Water Act, as it will probably be amended, defines "village" as an incorporated or unincorporated community which has between 25 and 600 people residing within a two mile radius.

Perhaps the single most important factor to consider is how a village obtains its water supply. For example, melting ice or collecting rain for drinking water is more inconvenient and unsafe than having a good quality, year round stream close by.

YUKON-KUSKOKWIM HEALTH CORPORATION

a spark of interest?

P. O. Box 528
Bethel, Alaska 99559
(907) 543-3321

RECEIVED
JAN 18 1979
DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

January 9, 1979

The Honorable George H. Holman
State of Alaska, State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Holman:

A copy of Ernst W. Mueller's letter to you, dated December 15, 1978 was forwarded to Jim Martin, Deputy Director of the Yukon Kuskokwim Health Corporation. Jim passed the letter on to me because one of my departments is involved with the problems of safe water and sanitation in the villages. In attempting to provide information and offer advice, the department also receives complaints and tries to help villages with the many water and sanitation problems they have.

good ideas

As you are well aware efforts to provide VSW facilities in the past have met with only moderate success. The past pattern of failure, or partial failure, seems likely to be repeated as a result of the new water and sewer bond bill (S.B. 449) which was approved on November 7, 1978. I assiduously second the comments made by Ernst Mueller regarding the need for comprehensive planning.

I am especially concerned that in spite of the construction of facilities in the so many villages still lack the minimum necessity of safe water to drink and isposal of their sewerage, especially when the lack is due to poor planning. I like to present the following points for your attention.

1. The importance of a VSW feasibility study for each village cannot be over emphasized. This is especially important if no funds for repair, maintenance or operation are to be forth coming

   a. The planned facility should not require more funds for upkeep than the village can reasonably provide - or are willing to provide.

   b. The facility should not require a larger maintenance crew than the village can supply.

   c. The facility should not require greater skill to operate, than the village has available.

   d. The facility should not require more power to operate, than the village can produce.

   e. The facility should have been tested regarding its suitability to the climate and terrain of the individual village.

2. Providing facilities with no regard to the need for on-going upkeep of the facilities is at best, a half measure towards alleviation of the problem. The upkeep is a separate entity which perhaps should be covered by a second bill which would provide for:

   a. The cost of major repairs.

   b. A subsidy which may be based on the ability of the village to maintain the facility.

   c. On-going training programs for maintenance crews.

I hope these comments and observations will be of interest to you and hope you will contact me if I can be of help at any time.

Sincerely yours,

Jillian L. Loschky

Jillian L. Loschky
Assistant Health Director

JL/ds

cc: Ernst W. Mueller
Jim Martin

YUKON-KUSKOKWIM HEALTH CORPORATION

P. O. Box 528
Bethel, Alaska 99559
(907) 543-3321

January 19, 1979

The Honorable George H. Hohman
State of Alaska, State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Hohman:

With reference to a letter I sent you, dated January 9, 1979, I would like to retract comments I made in paragraph two and point one, of that letter.

I erroneously used the phrase "VSW Facilities," when in fact I should have identified Public Health Service installations, which are actually the facilities presenting problems in the past. Greg Capito, Senior Planner, of the Village Safe Water Department of Enviornmental Conservation, called me today. Having seen my letter to you, he was understandably concerned to find the VSW project had been unjustly vilified. All the VSW facilities are in good working order.

Please accept my regrets for the error.

Sincerely,yours,

Mrs. Jillian F. Loschky
Assistant Health Director

cc: Greg Capito
Jim Martin

Greg -

4/19/74

I, too, apologize for the wrongness of terminology the result of which was to unfairly criticize your program.

I reviewed the letter Jillian Lashley wrote to Sen. Hohman and failed to catch the mistake myself.

You've always been most cooperative and certainly we have no quarrel with you. Jim

YUKON-KUSKOKWIM HEALTH CORPORATION

P. O. Box 528
Bethel, Alaska 99559
(907) 543-3321

RECEIVED
JAN 22
Department of
Environmental Conservation

January 19, 1979

Mr. Greg Capito
Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811

Dear Greg:

When it comes to "making friends and influencing people," I am afraid I may have already lost you.

I realize ignorance of the law is no excuse, but it is the only one I have. I did not realize VSW and PHS were totally unconnected, or at least I did not connect the two; even when working on the subject. I believe this is my fifth or sixth week in Alaska and this job. I am juggling several programs and trying not to make the sort of stupid mistake I made here.

I enclose a letter I have written retracting the use of the phrase, VSW facilities. If you wish me to make any further reparation, or acts of contrition, please let me know. You can imagine I already feel very dull-witted.

Meanwhile, I send my abject apologies.

Sincerely yours,

Jillian

Mrs. Jillian Loschky
Assistant Health Director

JL:al

ENCLOSURE

Finally, the interest or initiative a village has demonstrated in correcting or alleviating local waste disposal problems is another point to consider when selecting a candidate village.

Keep in mind that there is flexibility in the VSW program. If a facility providing less than all the services specified in the VSW act is desired by a village, the following options may be available: 1) A central watering point; 2) A central watering point plus a waste disposal plant or 3) Option (2) plus bathing and/or laundry services.

We hope that by the time each regional health organization completes the screening process and selects a village, the Association of Regional Health Directors or similar group will agree to act in an advisory capacity for the VSW program. This group will help us prioritize the villages selected, using the guidelines outlined above. Department of Environmental Conservation engineers will then conduct field investigations and on-site inspections of the top two or three villages and discuss the projects with village leaders. This way the top selections are either confirmed or rejected. If rejection occurs, the process is repeated with the next village on the list.

Before you begin the screening process, please read carefully the enclosed material. The Village Safe Water Act will clearly define the purpose, objectives and limitations of our program. The case studies report from the Northern Engineer will give you a better idea of the sanitation systems we've constructed in the past.

We look forward to your active participation in this selection process and to being advised of your choice by March 11. Please feel free to contact me at 465-2687 in Juneau if you have any questions or comments.

Sincerely,

Greg Capito

Greg Capito
Senior Planner
Village Safe Water

Enclosures

cc: Executive Directors of the
Regional Health Corporations

SOUTHEAST ALASKA
REGIONAL HEALTH CORPORATION
GOLDSTEIN BUILDING, ROOM 414
130 SOUTH SEWARD STREET
JUNEAU, ALASKA 99801
PHONE 907-586-3613

RECEIVED
APR 14 1977
Department of
Environmental Conservation

April 12, 1977

Mr. Gregory Capito, Senior Planner
Village Safe Water
Alaska Department of
Environmental Conservation
Pouch O
Juneau, Alaska 99811

Dear Mr. Capito:

Please forgive the extended delay in responding to your letter of March 29, 1977 requesting our input in the Southeast community selection for your village safe water project.

Judging from our past community profiles, personal evaluations and on-site visits, it has been determined that the villages of Tenakee and Kasaan are in most need of your services. These two Southeast villages lack adequate water facilities for their everyday needs. It is also my understanding that the PHS has had very little, if any, involvement with these communities as far as constructing water facilities there.

I hope this information will assist you in the final selection process.

Again, forgive the delay, I did not receive your letter until a few days ago.

Sincerely,

Archie Cavanaugh
Director of Planning

AC/mh

MAUNELUK ASSOCIATION

P. O. Box 256
Kotzebue, Alaska 99752

Phone
(907) 442-3311
or
(907) 442-3313

March 8, 1977

RECEIVED
MAR 14 1977
Department of
Environmental Conservation

Greg Capito
Senior Planner
Village Safe Water Act
Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811

Dear Greg:

This letter is in response to your letter dated February 18, 1977 regarding the Village Safe Water Act.

The village we would like to submit for the program is Kobuk. At the present time it has no city water or sewage system. This leaves the residents of Kobuk without any means of showering, washing clothes and sewage treatment; all of which are considered vital in the maintenance of adequate health standards.

Due to being located near a large deposit of bornite and other minerals Kobuk is expected to grow in the forseeable future, making it even more imperative that a safe-adequate water-sewage treatment system be installed.

The village of Kobuk is interested in option three of the Village Safe Water Act.

Sincerely,

MAUNELUK ASSOCIATION

Dennis J. Tiepelman, President

Marty Strauss

Marty Strauss
Environmental Planner

cc:Mauneluk Board of Directors
Miles Cleveland
Tony Bernhardt
Chuck Greene
Joe Ryan

MS/ga

MAYOR'S OFFICE
EXT. 211
ADMINISTRATION & FINANCE
EXT. 210
PUBLIC WORKS DEPT.
EXT. 249
PLANNING DEPT.
EXT. 244

NORTH SLOPE BOROUGH
P. O. BOX 69
BARROW, ALASKA 99723
907 - 852-2611

ASSESSING
EXT. 230
HOUSING AGENCY
EXT. 245
HEALTH AGENCY
EXT. 241
ACCOUNTING
EXT. 237

March 14, 1977

Mr. Greg Capito
Department of Environmental Conservation
Village Safe Water
Pouch O
Juneau, Alaska 99811

Dear Mr. Capito,

In response to your letter of Feruary 18, 1977, I would like to submit the village of Point Hope as our choice for a village water project.

RECEIVED
MAR 1 5 1977
Department of
Environmental Conservation

Sincerely yours,

Elise Patkotak

Elise Patkotak
Program Administrator
North Slope Borough
Health Program

north pacific rim
native corporation

March 2, 1977

RECEIVED
MAR 07 1977
Department of
Environmental Conservation

Greg Cofito, Senior Planner
Village Safe Water
Dept. of Environmental Con-
servation
Pouch O
Juneau, Alaska 99811

Dear Greg:

Thank you for your letter of February 18, 1977 and your presentation to the Association of Regional Health Directors on February 24, 1977.

Herewith is the information you requested:

We have only three villages in the Chugach Region: English Bay, Port Graham, and Tatitlek. All of these have Public Health Service water and sewer systems which, though in need of improvement, are basically adequate in comparison to other villages. It appears, therefore, that none of our villages fit the conditions of, or are in need of, the Village Safe Water Program.

I wish you well in your efforts to administer and plan this program in the direct and forthright manner you have demonstrated in the past.

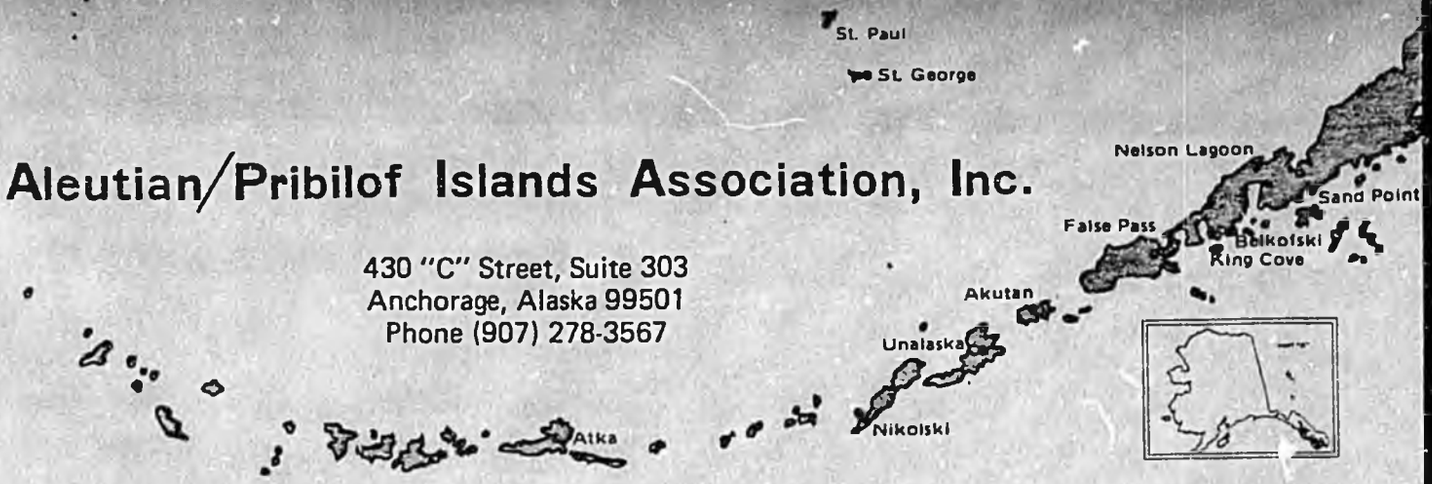
Sincerely,

Gregg Brelsford
Health Director

vh

912 East 15th Avenue / Anchorage / Alaska 99501 / Ph. (907) 276-2121

The Non-Profit Corporation Serving The People of the Chugach Native Region



Aleutian/Pribilof Islands Association, Inc.

430 "C" Street, Suite 303
Anchorage, Alaska 99501
Phone (907) 278-3567

HEALTH DEPARTMENT

March 17, 1977

Mr. Greg Capito
Senior Planner
Village Safe Water
State of Alaska
Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811

RECEIVED
MAR 21 1977
Department of
Environmental Conservation

Dear Greg,

Thank you for the informational letter concerning Village Safe Water Facilities to be built in Alaska.

After reviewing your letter I have discovered that the villages in our region will not be eligible for your project as they are requesting housing programs which would involve HUD and PHS water and sewer systems.

Yours truly,

Marie Sipary
Health Director

MS/rc

cc: Files

YUKON-KUSKOKWIM HEALTH CORPORATION

AFFILIATE OF THE ALASKA FEDERATION OF NATIVES

P. O. Box 528
Bethel, Alaska 99559
(907) 543-2506
(907) 543-250[illegible]

March 11, 1977

RECEIVED
MAR 14 1977
Department of
Environmental Conservation

Mr. Greg Capitc
Senior Planner
Village Safe Water
State of Alaska
Dept. of Environmental Conservation
Pouch O
Juneau, Alaska 99811

Dear Greg:

RE: Rural VSW Selections

This is in answer to assist you select a village in our area most in need of a VSW project.

During the Native Health Board meeting last week, I presented your request to the Board members. I also made a short explanation of the project to be involved. The Board selected the following villages but not prioritized. They said for you to prioritize and make the selection after you have made the field observations.

Eek	population:	199
Newtok		152
Kipnuk		324
Sheldons Point		138

All of the above are in need of a VSW project. When you have decided to travel to the above villages, let me know and I will be glad to travel with you to act as an interpreter. When we get to those villages we will be able to get all the information necessary for both our offices and also for your selection.

The Native Health Board was pleased you requested their assistance in the selection of a village, especially to help improve the health needs of the villages.

Sincerely,

Peter C. Phillip
Community Liaison

cc: Alvin Ivanoff,
YKHC Executive Director

Files

PCP:lpn

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O — JUNEAU 99811

April 19, 1977

Mr. Bob Worl, Executive Director
NORTH SLOPE BOROUGH HEALTH
DEPARTMENT
P.O. Box 69
Barrow, Alaska 99723

Dear Bob:

RE: Rural Sanitation

The Village Safe Water (VSW) program will construct two or three new sanitation facilities this year in rural Alaskan communities. At an April 13 meeting in Kotzebue, the Association of Regional Health Directors, (ARHD), acting as the VSW advisory board, prioritized a list of eight rural villages. A summary of the group's recommendations follows:

REGIONAL HEALTH CORP.	VILLAGE	ARHD PRIORITY
Norton Sound Health Corp.	Council	1
Tanana Chiefs Health Authority	Tanana	2
Bristol Bay Health Authority	Pilot Point	3
North Slope Borough Health Dept.	Nuiqsut	4
Cook Inlet Native Association	Ninilchik	5
Copper River Health Dept.	Mentasta	6
Yukon-Kuskokwim Health Dept.	Nightmute	7
Maneluk Association	Kobuk	8

The prioritization process was done by examining background data, including information relating to the difficulty each village faces in obtaining a reliable source of clean water. This information was then placed in perspective by evaluating each community's prospects for sanitation improvements. For example, Council was placed at the top of the list because of the village's undeveloped source of supply and there were no improvements planned. In contrast, Kobuk, also with an undeveloped source, was placed at the bottom of the priority list because the Public Health Service has immediate plans to construct a sanitation system under provisions of the Indian Health Care Improvement Act, P.L. 94-437.

Tanana and Pilot Point were placed 2 and 3 on the priority list. The Village of Tanana uses groundwater with a high iron content. It was also pointed out that this village of nearly 500 people may not receive a PHS project until FY 80 or 81. Pilot Point has a difficult water supply problem with a tundra lake as the source. Prospects of a PHS project for Pilot Point appear dim until FY 79.

The advisory group carefully deliberated the existing health problem in the Village of Ninilchik. Here, the source of supply contains bacterial contamination during much of each year. The board placed Ninilchik number four on the priority list and petitioned appropriate federal and state agencies to investigate the health problem and take appropriate action to correct the immediate health hazard. To address the long term sanitation needs of Ninilchik, the board recommended that scheduled improvements for the village planned by PHS for FY 80, be accelerated to protect the health and welfare of residents and tourists.

Nuiqsut, Mentasta and Nightmute were recognized as villages with water supply problems. However, PHS project planning for these communities is scheduled to begin by FY 77 or 78.

The advisory board also considered prioritizing Kassan, a late entry submitted by the S.E. Alaska Regional Health Corporation. But since the board felt Kassan would not displace the top three villages, there was no need to consider them this year.

Now that the prioritization process is completed, the Dept. of Environmental Conservation, working through the appropriate Regional Health Corporations, will contact the top 2 or 3 villages. This will be done to determine what type of facilities the people in these communities would like, and the technical and economic feasibility of constructing, operating and maintaining these systems.

In order to keep the board advised on the candidate selection process, written reports will be mailed to each member of the ARHD. An update could also be presented at the next regularly scheduled Association meeting, if the organization so desires.

Thank you for your active participation in the candidate selection process. We welcome your increased involvement in the VSW program.

Sincerely yours,

Greg

Gregory Capito
Senior Planner
Village Safe Water

The Water Programs Division is responsible for conserving and enhancing the state's marine and fresh water environment. Activities include control of liquid waste discharges, surveillance of water quality, management of the state/federal water supply and sewage treatment facility construction program and provision of safe water facilities and supplies.

The fiscal 1976 budget appropriation is almost $1.2-million, including $167,000 in federal funds, while the staff includes 24 full-time and two part-time employees. An additional full-time position has been requested by the Department of Environmental Conservation for fiscal 1977.

Responsibilities in the Terrestrial Programs Division encompass evaluating the environmental impact of development activities on the state's land and air resources. Activities include regulation of air pollution, solid waste management, control of hazardous substances and review of development activities in permafrost rich areas.

The fiscal 1976 budget appropriation is approximately $569,000 including $190,000 in federal funds and covers a staff of 14. A reduction of three positions is anticipated in the fiscal 1977 budget request.

The Program Coordination Division develops broad environmental plans to ensure consistency in department actions, coordinate all permit activity and monitor the development of federal and state regulations. It has commenced preparation of a comprehensive environmental plan for the state.

The fiscal 1976 budget appropriation is $235,000 including almost $67,000 in federal funds. There are four employees and a request for an additional position has been made for fiscal 1977.

A full range of administration and technical support activities is provided to the department through the Management Services Division. It is also the main administrative contact with other state agencies. The fiscal 1976 budget appropriation is approximately $793,000 including almost $120,000 in federal funds. There are 24 employees and a request has been made for two additional positions in fiscal 1977.

A liaison activity in the department employs nine people with a fiscal 1976 budget appropriation of $461,000. A request has been made for an additional five employees in fiscal 1977 although only five of the nine positions now authorized are filled.

Evaluation

The department operates at a highly efficient level. However, its activities are duplicated by other state agencies in several instances. In some cases, current staff is not adequate to handle existing work loads and questions of construction policy have been raised in regard to the ability of local villages to operate and maintain certain types of facilities.

Recommendations

254. Discontinue construction of village safe water projects.

The village safe water program is financed completely by the state and there is substantial concern about its effectiveness. The program applies to villages with population ranges of from 25 to 600 persons. Approximately $5-million has been spent to complete eight projects and three more are scheduled.

February 18, 1977

William Dann, Executive Director
NORTON SOUND HEALTH CORPORATION
P.O. Box 966
Nome, Alaska 99762

Dear William:

RE: Rural Sanitation

Please recall the recent meetings with you or your staff concerning two or three Village Safe Water (VSW) Facilities to be built this year in Alaska Native villages. As discussed earlier, we would like you to help us select a village in your area most in need of a VSW project.

Since 1970, the Department of Environmental Conservation has sponsored construction of nine VSW facilities. Hence, we have some experience to share with you that might help in selecting a village.

First of all, remember that we build central facilities where people come to get water, deposit waste, bathe and do laundry; as opposed to piped water and sewer service to each house usually installed by the U.S. Public Health Service. Physical features are important in deciding whether a piped system or central facility is appropriate. For example, ice-rich permafrost or swampy terrian make it technically and economically difficult to construct a conventional piped system. Also, in a village spread out along both sides of the river, a piped system may be too difficult and expensive to install. Therefore, villages in your region which possess these types of physical characteristics may be better suited for a centralized VSW system.

To minimize duplication of effort, please do not consider those villages in your region which have received, or are likely to receive, HUD housing and thus PHS water and sewer systems. Also, please note that a VSW facility should not be constructed in a village where a PHS system already exists.

The size of the community is also important. The Village Safe Water Act, as it will probably be amended, defines "village" as an incorporated or unincorporated community which has between 25 and 600 people residing within a two mile radius.

Perhaps the single most important factor to consider is how a village obtains its water supply. For example, melting ice or collecting rain for drinking water is more inconvenient and unsafe than having a good quality, year round stream close by.

Finally, the interest or initiative a village has demonstrated in correcting or alleviating local waste disposal problems is another point to consider when selecting a candidate village.

Keep in mind that there is flexibility in the VSW program. If a facility providing less than all the services specified in the VSW act is desired by a village, the following options may be available: 1) A central watering point; 2) A central watering point plus a waste disposal plant or 3) Option (2) plus bathing and/or laundry services.

We hope that by the time each regional health organization completes the screening process and selects a village, the Association of Regional Health Directors or similar group will agree to act in an advisory capacity for the VSW program. This group will help us prioritize the villages selected, using the guidelines outlined above. Department of Environmental Conservation engineers will then conduct field investigations and on-site inspections of the top two or three villages and discuss the projects with village leaders. This way the top selections are either confirmed or rejected. If rejection occurs, the process is repeated with the next village on the list.

Before you begin the screening process, please read carefully the enclosed material. The Village Safe Water Act will clearly define the purpose, objectives and limitations of our program. The case studies report from the Northern Engineer will give you a better idea of the sanitation systems we've constructed in the past.

We look forward to your active participation in this selection process and to being advised of your choice by March 11. Please feel free to contact me at 465-2687 in Juneau if you have any questions or comments.

Sincerely,

Greg Capito

Greg Capito
Senior Planner
Village Safe Water

Enclosures

cc: Executive Directors of the
Regional Health Corporations

bc: Comm/All Regional Supervisors
and Division Directors, PHS

GC:tl

MEMORANDUM State of Alaska

TO: Jerry Sargent
Sanitary Engineer
Village Safe Water

DATE: March 23, 1977

FILE NO:

TELEPHONE NO:

FROM: Gregory Capito GREG
Senior Planner
Village Safe Water

SUBJECT: V.S.W. Candidate Selection Process: Update

Two or three Village Safe Water facilities will be built this year in Native communities. In meetings and more recently in letters, we requested that each Native Health Corporation select a village most in need of a Village Safe Water project. An update of this selection process follows:

1. North Pacific Rim Health Department

   Gregg Brelsford indicated no candidate in his area because all villages are covered by PHS.

2. North Slope Borough Health Department

   Elise Patkotak says ~~Pt. Hope~~ Nuiqsut is the choice, telcon 3-14. TELCON 4-4-77;

3. Kodiak Area Native Health Authority

   Don Skaw - expect no letter from him as all 6 villages are covered by HUD/PHS.

4. Maneluk Association

   Chuck Green says Kobuk is the candiate village.

5. Southeast Alaska Regional Health Corporation

   Conrad Baines has yet to decide but Kasaan is likely candidate. S.E. area is heavily covered by HUD/PHS.

6. Norton Sound Health Corporation

   Ray Van Ostran says the Village of Council is the probable choice according to telcon 3-14. He must check with Bill Dann to confirm this selection.

7. Tanana Chiefs Health Authority

   Paul Sherry is acting Director. Five villages are under consideration but a candidate cannot be submitted until April 1 - because of staffing problems. He states that several communities like Circle would like to construct buildings which would serve as municipal centers as well as sanitation facilities. But additional matching funds are needed. He indicates that the Village Corporations could act as the construction contractor in this sort of an effort. I told him to put his idea on paper and explain it in greater detail.

TANANA — PERSONNEL CONTACT 4-1-77

8. Aleut/Pribilof Health Department

Marie Sipary says that because of PHS coverage no villages in her area qualify.

9. Bristol Bay Area Health Corporation

Robert Clark has not responded to the request. Planning officer Nancy Knoohuizen indicates she will bring it to his attention as soon as possible. Pilot Point TELCON 3-23-77

10. Cook Inlet Native Health Department

The staff of this Health Corporation is leaving and Dan Slaby formerly of T.C.C. is taking over in April. We should expect no response until then. NINILCHIK - TELCON 4-4-77.

11. Yukon-Kuskokwim Health Corporation

Alvin Ivanoff nominates Eek, Newtok and Kipnuk, and Sheldon's Point. They couldn't decide on just one. The Yukon Kuskokwim Health Corporation Board thought our method of selecting candidates is a good one. But Leon Moses of Chevak wondered what would happen if O & M funds ran out? He warned Board members to be cautious. NIGHTMUTE TELCON with Peter 4-6-77

12. Copper River Health Department

Still no candidate village received from Billy Peters. Attempts to obtain a response continue. MENTASTA - TELCON 4-4-77. with Billy

The Association of Regional Health Directors has agreed to act in an advisory capacity for the VSW program. This group will help us prioritize the candidate villages. The selection process will be probably completed this spring when Dept. of Environmental Conservation engineers conduct field investigations and on-site inspections of the top two or three villages and discuss the projects with village leaders.

Enclosure

April 19, 1977

Mr. William Dann, Executive Director
NORTON SOUND HEALTH CORP.
P.O. Box 966
Nome, Alaska 99762

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Thank you for your active participation in the candidate selection process. We welcome your increased involvement in the VSW program.

Sincerely yours,

Greg

Gregory Capito
Senior Planner
Village Safe Water

February 22, 1977

The Honorable Joe Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

In your letter dated February 11, 1977 you inquired about how our Village Safe Water design and construction contracts are awarded and administered. Enclosed is a copy of a report entitled, "The State of Alaska Village Safe Water Program" in which the short history of the VSW program is summarized. As you can see in the report, we have tried four different methods of constructing VSW projects in search of satisfactory projects at reasonable costs.

The first two projects (at Northway and Chevak) were small remodelling efforts, with design done by engineering consultants under contract with this Department, and construction done by typical competitive bid construction contracts administered by this Department.

Several Alaskan consulting firms were interviewed by our staff. Criteria evaluated included (no priority): experience in remote Alaska construction; sanitary engineering qualifications; capability to administer construction contracts; interest in working on small jobs (Consultant feew were about $7,000 to $10,000); and the department's long experience in reviewing and evaluating sewerage plans prepared by consulting engineers. CH2M/Hill, Alaska and Ellerbe, Alaska were selected to design these two projects.

These projects went quite well, although we faced the inflexibility of lump sum construction contracts, and we couldn't very well control the impact of the construction contractors on the villages.

The next three projects (at Selawik, Alakanuk and Nulato) were designed and built by typical State construction methods through the Division of Buildings. These projects were most unsatisfactory and expensive as is described in the enclosed report.

Being dissatisfied with the first five VSW projects, we resolved to try new methods of constructing facilities in Pitkas Point, Koyukuk and Beaver. We chose a combination of three-party design and construction management contracts among the Department, the villages, and engineering consultants. For each project there was a design contract followed by a separate construction management contract, with the same consulting firm involved in both contracts. Constrution was carried out by the villages, using the engineering consultants to manage construction activities and grant funds from this Department to pay the bills. This Department, with participation by the villages, directed the day to day activities of the consultants.

Consultants with a unique combination of talents were needed to carry out these last three projects. Especially important was competence and arctic experience in structural engineering, foundations, mechanical engineering, electrial egineering, sanitary engineering and construction management. We also wanted firms willing to work in an "extension of staff" role, since we wanted close control over development of the projects.

We were in a particularly advantageous position to evaluate consultants when these projects began because of 1) our dealings with consultants in the municipal construction grants program, and 2) our intimate involvement with about 15 consultants in reviewing water supply and waste disposal design they were doing for a massive rural school construction program.

As you can imagine, there were not any consulting firms in the State possessing fully all the attributes we were looking for. Sanitary engineering ability and construction management experience were the specialties most difficult to find, to say nothing of finding firms equally well qualified over the wide range of specialties needed. We finally selected three firms which, at that time, came closest to possessing the abilities we were looking for. They were CH2M/Hill, DOWL Engineers and R & M Consultants.

We wanted a different firm for each job to get a wide range of ideas on how to provide the services specified in the Village Safe Water Act. Unfortunately, CH2M ran into organizational problems a few months after they accepted the Koyukuk project, and the job had to be transferred to another firm. To minimize lost time and money in the transfer, we thought it best to have a firm with VSW experience complete the Koyukuk job. Since DOWL was nearing the end of the Pitkas Point VSW project, we asked them to finish the facility in Koyukuk.

The VSW projects in Pitkas Point, Koyukuk and Beaver have been much more satisfactory than the first five. They cost much less and were built much faster than they would have been if they were built by competitive bid construction contracts this Department and the villages had more control over how they were built, the villages were more involved in administering the projects, and village residents were the employees during construction.

There is, however, still room for improvement. There was some inefficiency due to the consultants' lack of experience with our construction methods. Also, the villages could be even more directly involved in managing their projects. For our latest project in Kongiganak, the village has contracted directly with their own consulting firm (C.E. West and Associates) for design and construction mangement (see enclosed copies of the design and construction management contracts).

The village has designated this Department as their representative to direct the consultant's work since communication from the village is difficult and the village lacks technical expertise.

We recommended C.E. West and Associates to Kogniganak because 1) Mr. West himself had experience with innovative construction management techniques while he was Public Works Director for Anchorage, 2) Ed Pohl, with good arctic experience and credentials, would do the sanitary engineering, 3) Mark Fryer, with the experience of having worked on the Beaver project would do the mechanical engineering, and 4) Mr. West had the experience of working on the Pitkas Point project during the short time he was with DOWL Engineers.

Once again, thank you for your continuing interest in the Village Safe Water program.

Sincerely yours,

Jonathan W. Scribner
Director
Division of Water Programs

Enclosures

bc: Jerry Sargent
Commissioner Mueller/w/cc of Orsini ltr
JWS:JmS:tl

January 18, 1977

Honorable Joseph L. Orsini
Alaska State Senate
Pouch Y
Juneau, Alaska 99811

Dear Senator Orsini:

I thourht it might be helpful to follow up the telephone conversation between Mr. Scribner of this Department and you concerning our proposed amendment to the Village Safe Water (VSW) Act.

The present law defines a "village" as an unincorporated community which has between 25 and 600 people residing within a two mile radius, or a second class city.

We feel this definition is antiquated and should be revised for the following reasons:

- Many small villages, for example, Selawik and Pelican, are now first class cities and would not qualify under the Act, although they otherwise might qualify for a VSW project.

- Second class cities larger than 600 population qualify under the present definition although VSW projects would not be appropriate solutions to sanitation problems in these communities.

To clarify what we understand to be the legislative intent of the VSW Act we have proposed to revise the definition of "village" to read:

> "village" means an incorporated or unincorporated community which has between 25 and 600 people residing within a two mile radius."

This definition would include some 200 communities in Alaska. Of these 200 there are perhaps 70 to 100 communities where a centralized VSW project would be appropriate - the remaining communities have some form of water and sewer service to individual homes or realistically could be

served by such systems. So far a total of eight VSW facilities have been completed or nearly completed under the Act. Funding is available for two or three more projects. At the present rate of funding we feel the program must concentrate on providing projects to communities where there is the greatest need for sanitation services and where there is active community interest in a project.

We have had occasional interest from "villages" along the major highway systems in the State but have not rated them high in priority because they already have access to many of the services available under the VSW Act. Given the present policy of solving the worst problems first, and the current funding rate, these communities may not be granted projects for many years. The proposed modifications would not change the likelihood of projects for these communities.

Please let me know if you would like further clarification on the effect of the proposed change. We appreciate your interest in the VSW program.

Sincerely,

Ernst W. Mueller
Commissioner

bc: Sargent

JWS/rs

July 20, 1977

DOWL Engineers
4040 "B" Street
Anchorage, Alaska 99503

Gentlemen:

The State of Alaska Village Safe Water program will soon be entering the initial design phase on two more central water and sewer facilities. The next two projects scheduled for design and construction are Council and Tanana.

Several consulting engineering firms have expressed strong interest in working on these projects in the past. My concern is the interest your consulting firm may have in working on either of the two new projects.

Work on this type of project demands a solid and diversified engineering background. Engineering skills which are mandatory for work on these projects include sanitary engineering, structural engineering, soils and foundation engineering, mechanical engineering and electrical engineering. In addition to the engineering expertise necessary for design of the project, it is also essential the consulting firm selected has an adequate knowledge of construction scheduling and management techniques pertinent to "bush" construction.

In the event you may not be very familiar with the VSW program, I shall briefly outline some of the major points of the program.

Initial contact with the community is made by ADEC. Through a series of meetings, the scope of the project is mutually agreed upon by the community and ADEC. At this point in time ADEC becomes the technical representative for the community and the consultant selection process is begun. When the consultant is selected, a representative of the consultant and a representative of ADEC travel to the community to begin collecting design data, and to establish liaison between the community and the consultant. The design phase of the project then progresses with periodic conceptual meetings among the concerned

parties. The design phase of the project ends when a set of final plans is produced and agreed to by ADEC and the community. A second end product of the design phase is a realistic cost estimate for the construction phase of the project.

Assuming the construction cost estimate is within budget limitations, a construction management contract is negotiated, and the construction phase of the project is begun. During the construction phase the consultant is responsible for all materials ordering and shipping, all project scheduling and logistics, and all actual construction activities. The facility itself is constructed to the maximum extent possible by people in the community working under the direct supervision of a construction technician hired and directed by the consultant. The consultant is further responsible for timely schedule estimates and periodic construction reports. During the final days of construction the consultant prepares a set of as-built plans and a comprehensive operations and maintenance manual, and instructs a locally hired operator in proper use of the same. Following a final inspection of the facility by all concerned parties, and the completion of a punch list, if any, the facility becomes the responsibility of the community and ADEC. The final task for the consultant is to prepare a complete construction analysis for ADEC and the community.

Should your firm be interested in working on one of these projects, I would appreciate it very much if you would send me your qualifications by August 12, 1977.

Should you wish further information on the program, or further clarification on the scope of work involved with these projects, please feel free to write me or call me at (907) 465-2636.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

bc: Jerry Sargent
Greg Capito

JS/rs

DOWL Engineers
404 "B" Street
Anchorage, AK 99503

Quadra Engineering
117 East 53rd
Anchorage, AK 99502

R & M Consultants
5024 Cordova
Anchorage, AK 99503

CH2M/Hill
310 "K" Street
Anchorage, AK 99503

H.V. Lounsbury & Associates
723 West 6th Avenue
Anchorage, AK 99501

Tryck, Nyman & Hayes
740 "I" Street
Anchorage, AK 99501

Dames & Moore Consulting Engineers
711 "H" Street
Anchorage, AK 99503

Bomhoff & Associates
1020 W. International Airport Rd.
Anchorage, AK 99502

Ellerbe Associates Inc.
3201 "C" St.
Anchorage, AK 99503

Ted Forsi & Associates
107 West 6th Ave. Suite 205
Anchorage, AK 99501

Unwin, Scheben & Korynta
103 East 26th Avenue
Anchorage, AK 99503

Entranco Engineers
825 Irwin
Anchorage, AK 99504

Murry-McCormick, Inc.
1101 Orca
Anchorage, AK 99501

International Technology LTD
723 West 6th Avenue
Anchorage, AK 99501

SKM Incorporated
600 West 53rd Avenue
Anchorage, AK 99502

Robert Rutherford Associates
6927 Old Seward Highway
Anchorage, AK 99502

Stephen Brown
Consulting Engineer
4546 Business Park Boulevard
Anchorage, AK 99503

Michael Baker, Jr.
1512 Cushman
Fairbanks, AK 99701

Toner & Nordling
Registered Engineers
114 South Franklin St.
P.O. Box 570
Juneau, AK 99802

Charles Poole & Associates
1225 Tongass
Ketchikan, AK 99901

Kramer, Chin & Mayo
510 Goldstein Bldg.
150 Seward Street
Juneau, AK 99801

Philleo Engineering
& Architectural Services
529 Sixth Avenue
Fairbanks, AK 99701

Galliett & Associates
Engineers & Surveyors
746 "F" Street
Anchorage, Alaska 99501

George Davidson
Engineering Manpower Assoc.
1711 Glacier Avenue
Juneau, AK 99801

Arctic Environmental Engineers
3217 Arctic Blvd.
Anchorage, AK 99503

Wince, Corthell & Assoc.
Consulting Engineers
P.O. Box 3-394
Anchorage AK 99501

① ~~[illegible]~~ [illegible] 10/4/77 [illegible] for you.
② File Tanana Const Correspond
Council " "

RECEIVED
SEP 1[illegible] 1977
Department of Environmental Conservation

Memo

Aug 29, 77 ①
NH

Impressions of Consultant Interviews
Council - Tanana - Selawik/Nulato - Chevak

① Waken Redbird & Asso. I talked with Mr. Redbird for an hour Aug. 29. Their firm was mainly into surveying on the pipeline but has since gotten into many govt. projects in the bush including a considerable amount of building design and inspection. They do have an electrical engineer & feel capable of handling lesser mechanical items. However, they don't have experience in sanitary and thought they would ask Ed Pohl to do that work.

Mr. Redbird questioned our construction management concept mainly because of the possibility of poor village cooperation with labor and the contract. I explained how things had worked in the past but it is a new concept to him.

They have very low key salesmanship (in contrast to Bomhoff, etc) but expressed a desire to do one or both of the new projects.

The main impression I got was that they will have to be convinced that the jobs can be done the way we say they can. They apparently have a big lack of experience dealing with bush shipping & scheduling and with working in a village with the villagers.

② Ellerbe-Alaska, Fairbanks - I spent a couple hours Sept. 1 with Les Rogers, B. Gray & some of their technical help. The firm has a 21 year history of Alaskan work, much of it in the bush. They have design groups of architects, civil engineers (structural & utility) and mechanical/electrical engineers but lack ~~[illegible]~~ extensive soils and sanitary capability. However, they apparently have a working relationship with Greg Jones who is a sanitary engineer

that left Dames & Moore to work for himself. They have asked Mr. Jones to contact me in Anch. Sept. 8.

Mr. Rogers expressed his worry that Fairbanks firms would not receive as much consideration for our jobs as Anchorage firms. I told him that if a Fairbanks firm appeared outstandingly suited we would try to consider them equally with Anchorage firms. He is aware of the logistics problems, however.

Their lead Mechanical Engr. seemed quite good at applying innovative thinking to bush facilities while maintaining simple operation. He also had some ideas on cost savings. In contrast to other engineers of his type, he worked his way up to a P.E. without a degree and seems to have a more practical view of things.

They are very interested in the jobs and I think they may be good for Council — especially if we decide to try some different power generation & sizing (wind).

③ Michael Baker, Jr. - Mr. William McMullen, the Alaska manager of the firm, and I spent 2 hours discussing our projects and their firm. Although most of their work has been pipeline soils and surveying work, they are quite interested in a project of ours.

Their firm has 1300 engineers & technicians around the world. So items that could not be handled in Fairbanks would be sent outside within the firm. Those items would be mech./elec. & sanitary.

The only experience they have which applies is that much of their in house book keeping for Alyeska was very similar to our construction bookkeeping. I guess they are also very good in soils exploration.

④ Philleo Engineering & Architectural - I spent 1 hour with Mr. E. Philleo, & Mr. H. Isberg, and Doug - ? . Doug is a young engineer working on his MSCE - Sanitary - at the University. He has had quite a little bush experience and worked with Dan Smith in Edmonton.

The firm is quite small and, consequently, has no electrical, mechanical, or soils expertise. They mentioned using Jim Lake for electrical and Crews Mc & Hoffman for mechanical. After hearing that last firm name I sort of wrote off Philleo.

The following are consultants both Jordan & I talked with. Therefore I will just discuss my main impressions of them.

Arctic Environmental Engineers - They sure talk a convincing story of bush experience, innovative design, and keeping the facilities managable. Apparently their clients have been well satisfied. Their all around experience fits our jobs very well and most all of Tanana and Council could be done in house with the exception of soils work.

Wince - Corthell - What a pair. First impression tells me that here is one guy that is ideal for us and one that should sell used cars. But I've been wrong on more ~~th~~ first impressions than I will admit. Several years ago I heard some good gossip about Allan Corthell and people apparently still think that way. The firm is quite small but they have a lot of bush experience - both design and working with villagers.

Tryck Nyman Hayes - I wish I had paid more attention to gossip about this firm. Seems like everyone has something political to say about them at one time or another. They do have similar experience and some very good personnel that we met.

DOWL - They've had a few of our jobs and I'm all for trying someone new. However, there is something to say for sticking with a good thing. I would like to see rough design proposals from 3 firms, including DOWL, before making the Tanana selection.

Bomhoff & Asso. – I can foresee the R&M problem here of being 3rd or 4th on their importance scale once the project is started. I would feel allright about using them but I think we have better, untried choices.

Ted Forsi & Asso. – This firm was hard for me to gage. They are certainly young and energetic but lack the expertise for an involved project like Tanana. Much of that job would be farmed out. However, they do have bush experience and might be ideal for Council.

R&M – One man does not a firm make! And I'm not sure the one man is an ideal match for Tanana or Council. The previous lack of importance given our job, lack of communication, lack of clean construction, and lack of PR in the village convinces me we don't want to try them again.

The Big Selections.

Using a rating of 3 = excellent (recommended) 2 = good (consider later) 1 = fair (keep in mind) I will list only those firms I consider qualified for our jobs. In each case see my above discussion of the firm.

Tanana

3 - DOWL - I know exactly what they are capable of. See my dollar idea on page ④.

3 - One of the firms Jordan saw without me might be good. ?

2½ - Tryck Nyman Hayes - Maybe they would be excellent. Or maybe we could end up low on their list of importance.

1 - Arctic Environmental - I don't think this is the job to try them out on. I've heard pro & con on the firm and I don't want to get surprised on a job this size.

Council

3 - Hillerbe - Council wouldn't take as much plan review, etc. and I would like to try their engineers.

3 - Wince-Corthell - I think they would try hard to work <u>with</u> us and the village.

2 - Ted Forsi - Their youth might mean ~~might not be~~ very conscientous work.

1 - Philleo - This firm might be too used to typical State work for our jobs.

Selawik / Nulato

3 - Arctic Environmental - I think they have just the right combination of sanitary engineering and innovative gut engineering for these modifications. I know we want to try this firm and I think this is the place instead of Tanana.

2 - R&M - I'm not all that impressed with Dan Smith's ability to modify an existing plant. I think he would rather add on than use what's there. And I sure am not impressed with the rest of the firm. With direction, however, Dan could very well surprise me.

2 - Quadra - I talked with Ed once about these modifications and he had a few interesting ideas.

Chevak

3 Quadra - I think John would give us the best attack at this difficult problem.

1 R&M - Their only advantage is that they have a lot of pipeline planting experience.

① [illegible] 10/4/77

② File- Tanana Const Correspond
Council " "

September 23, 1977

Engineering Manpower Services
1711 Glacier Avenue
Juneau, Alaska 99801
Attn: George Davidson

Dear Mr. Davidson:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

Since early August this Department has been reviewing the credentials of all consulting firms that expressed interest in the program. Someone directly associated with the Village Safe Water program has had personal contact with all interested firms. In many cases I personally visited with members of the firm.

I was very surprised, and pleased, to receive nearly twenty responses to my letter, although the number of responses mandated a more thorough and exhaustive selection process than I had originally envisioned. Finally this past week we made the actual consultant selections, and unfortunately I must inform you that your firm was not selected to work at either Tanana or Council. This is certainly no reflection on the qualifications or capabilities of your personnel. Selecting the consultants to work on these projects was a very difficult task indeed. Nearly all firms interviewed had outstanding qualifications, as well as a wide range of experience on similar projects. I could only wish that we had more projects.

I sincerely hope that you will continue your interest in the Village Safe Water program. I am hopeful that we will have more construction projects in the future, and that at such time you will again be interested in working with us.

Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Galliett & Associates
746 "F" Street
Anchorage, Alaska 99501
Attn: Harold Galliett

Dear Mr. Galliett:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

Since early August this Department has been reviewing the credentials of all consulting firms that expressed interest in the program. Someone directly associated with the Village Safe Water program has had personal contact with all interested firms. In many cases I personally visited with members of the firm.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Philleo Engineering &
Architectural Services
529 Sixth Avenue
Fairbanks, Alaska 99701
Attn: Howard Isberg

Dear Mr. Isberg:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Charles Pool & Associates
1225 Tongass
Ketchikan, Alaska 99901
Attn: Jim Lutz

Dear Mr. Lutz:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Toner & Nordling
114 South Franklin Street
P.O. Box 570
Juneau, Alaska 99802
Attn: Felix Toner

Dear Mr. Toner:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

Since early August this Department has been reviewing the credentials of all consulting firms that expressed interest in the program. Someone directly associated with the Village Safe Water program has had personal contact with all interested firms. In many cases I personally visited with members of the firm.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Michael Baker, Jr.
1512 Cushman
Fairbanks, Alaska 99701
Attn: William McMullen

Dear Mr. McMullen:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Ted Forsi & Associates
107 West 6th Avenue, Suite 205
Anchorage, Alaska 99501
Attn: Ted Forsi

Dear Mr. Forsi:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Bomhoff & Associates
1020 West International Airport Road
Anchorage, Alaska 99502
Attn: James Voeller

Dear Mr. Voeller:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Tryck, Nyman & Hayes
740 "I" Street
Anchorage, Alaska 99501
Attn: Frank Nyman

Dear Mr. Nyman:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

CH2M/Hill
310 "K" Street
Anchorage, Alaska 99503
Attn: Alan Hill

Dear Mr. Hill:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

DOWL Engineers
4040 "B" Street
Anchorage, Alaska 99503
Attn: Ken Walch

Dear Mr. Walch:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Quadra Engineering
117 East 53rd Avenue
Anchorage, Alaska 99502
Attn: Calvin West

Dear Mr. West:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

R & M Engineering
5024 Cordova
Anchorage, Alaska 99503
Attn: James Rooney

Dear Mr. Rooney:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Wakon Redbrid & Associates
600 West 53rd Avenue
Anchorage, Alaska 99502
Attn: Wakon Redbird

Dear Mr. Redbird:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Thank you for your cooperation in our consultant selections.

Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

September 23, 1977

Wince-Corthell & Associates
P.O. Box 3-394
Anchorage, Alaska 99501
Attn: Frank Wince

Dear Mr. Wince:

In July of this year I wrote a letter concerning the construction of Village Safe Water projects in the communities of Tanana and Council. Your consulting firm expressed interest in working on one or both of these projects.

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Sincerely,

Jordan Suhr
Sanitary Engineer
Village Safe Water

ARTICLES OF INCORPORATION

OF

COUNCIL SAFEWATER CORPORATION

We, the undersigned natural persons of the age of nineteen years or more, acting as incorporators of a corporation under the Alaska Nonprofit Corporation Act, adopt the following Articles of Incorporation for such Corporation:

ARTICLE I

The name of the Corporation shall be: Council Safe Water Corporation.

ARTICLE II

The period of duration: Perpetual (see Article IV, number 1).

ARTICLE III

The purpose for which this Corporation is organized are to engage in construction, ownership, and management of a sanitation facility to be built in Council as authorized by the State of Alaska Village Safe Water Act (AS 46.07).

ARTICLE IV

Provisions, not inconsistent with law, which the incorporators elect to set out in the Article of Incorporation for the regulation of the internal affairs of the Corporation, including provision for distribution of assets on dissolution or final liquidation:

1. The Council Safe Water Corporation is organized to construct, own, and manage a Village Safe Water (VSW) facility in Council as called for in Paragraph C, Section 46.07.050, at such time as the Village might incorporate, the newly incorporated City will assume the powers and duties of this Corporation; whereupon this Corporation will commence action for voluntary dissolution.

ARTICLE VII

The names and addresses of the incorporator(s) of the Corporation are as follows:

Max Gray	Council, Alaska
Jake Teller	Council Alaska
Don [illegible]	Council AK 99790

IN WITNESS WHEREOF, we have executed these Article of Incorporation this 14 day of September, 1977.

Max Gray
Incorporator

Jake Teller
Incorporator

Don [illegible]
Incorporator

Incorporator

Incorporator

Notary
Doris Messer Nome, Alaska
expires Oct 15, 1977

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O – JUNEAU 99811

October 4, 1977

Mr. Jake Titus
Board Chairman
Council Safewater Corporation
Council, Alaska

Dear Mr. Titus:

Governor Jay Hammond has asked me to convey his pleasure in advising you that Council has qualified to receive a grant, through the Village Safe Water (VSW) Program, for design of a central sanitation facility. As we understand your desires, the facility is to include a safe and dependable year round water supply and a central waste disposal area.

When the design is complete, we anticipate offering you a second grant, as funds become available, for actual construction costs for the facility.

Acceptance of this design grant is subject to the following grant conditions.

1) Council Safewater Corporation (hereafter called the Corporation) will retain a consulting engineering firm licensed to do business in Alaska, to design the Council VSW facility. In previous discussions, we understand the Corporation is selecting Ellerbe Alaska as the consulting design firm.

2) The Corporation will enter into a design contract with the consulting engineering firm selected in item (1) above, specifying the engineering planning and review requirements of the consultant. ADEC will assist the Corporation in preparing the contract, and it must be approved by the ADEC before being signed by the Corporation. Under the design grant, VSW funds will be used by the Corporation to pay expenses specified in the contract. Funds will be accounted for and disbursed in accordance with provisions of the design contract. Additional reasonable accounting requirements may be established during the life of the project.

3) If a VSW construction grant is offered to the Corporation, the Corporation will retain a consulting engineering firm licensed to do business in Alaska to manage construction of the VSW facility. ADEC will assist the Corporation in selecting the consulting construction management firm. The Corporation will enter into a construction management contract with the consulting engineering firm so selected specifying the construction management requirements of the consultant. ADEC will assist the Corporation in preparing the construction management contract, and that contract must be approved by ADEC before it is signed by the Corporation. Under the construction grant VSW funds will be used by the Corporation to pay construction expenses approved by ADEC as specified in the construction management contract.

4) The Corporation will establish and maintain a separate bank account into which all VSW design grant funds will be deposited, and out of which all VSW design expenses will be paid. If a VSW construction grant is offered to the Corporation, all construction grant funds will be deposited in the same account and used only for actual construction expenses. No other funds will be deposited in the VSW account without prior approval by ADEC.

5) Upon completion of the Village Safe Water facility to the satisfaction of the Corporation and according to the technical requirements of ADEC the Corporation agrees to make every reasonable effort to provide for its continued operation and maintenance.

If you wish to accept this Village Safe Water design grant offer subject to the above grant conditions, please so indicate by appropriate signatures at the end of this letter. If you have questions about the grant or wish to suggest any changes please inform me immediately.

I am very pleased at the prospect of the construction of improved health and sanitation facilities for the citizens of Council.

Sincerely,

Ernst W. Mueller
Commissioner

Board Chairman, Council Safewater Corporation

Oct. 25, 1977
Date

Board Member

OCT-25-77
Date

Board Member

Date

CONTRACT TO PROVIDE ENGINEERING SERVICES FOR
A VILLAGE SAFE WATER FACILITY IN COUNCIL, ALASKA

This contract between the Council Safewater Corporation (hereafter called the Corporation), and Ellerbe Alaska (hereafter called the Contractor);

WITNESSETH that:

This contract is entered into by direct negotiation and is a contract for professional services; and

The Contractor is willing to undertake performance of this contract under the terms of the contract.

NOW THEREFORE, the parties hereto agree as follows:

Article 1. The Service to be Performed

The Contractor will provide all necessary engineering services for a project generally described as a Village Safe Water (VSW) sanitation facility construction project in Council, Alaska.

Specific services the Contractor agrees to furnish are as follows:

1. Do all necessary engineering planning, field investigation, and design for a VSW facility in Council, Alaska, including collecting adequate site data, investigating land ownership and providing for required access, and designing economical facilities to adequately provide a water supply and waste disposal in Council.

2. Meet with the Corporation and the Corporation's designated representative as reasonably required by the Corporation's designated representative to establish the scope of the VSW project and review progress of the project.

3. Prepare engineering plans and a materials list for the Council VSW facility. The plans and materials list are to be sufficient to guide construction of the facility and ordering of necessary materials; and to be subject to the review and approval of the Corporation and the Corporation's designated representative.

The activities and functions required of the Contractor to supply the services described in items (1), (2) and (3) of this Article I are the following:

A. Project Definition--meetings between the Corporation's designated representative and the Contractor as reasonably required by the Corporation's designated representative to supply the Contractor with information and instructions pertinent to the project.

B. Data Collection and Review--collection and review by the Contractor of all pertinent published and unpublished data available on Council and community facilities. This activity will be performed prior to the meetings described in item (A) above.

C. Project Reconnaissance--trips to Council by members of the Contractor's staff as reasonably required by the Corporation's designated representative to gain familiarity with the village, its people and local resources.

D. Soils and Surveying--the Contractor will send men and equipment to Council to gather all soils and topographic data necessary for designing the [illegible] facility. The Contractor will also provide for all materials testing and data analysis required for design of the Council [illegible] facility.

E. Conceptual Design--the Contractor, the Corporation and the Corporation's designated representative will come to written agreement on a Conceptual Design which will indicate the general methods for providing the services to be included in the Council VSW facility. The Conceptual Design will be represented in flow diagram and narrative form.

F. Preliminary Design--when the Contractor, the Corporation and the Corporation's designated representative have agreed to a Conceptual Design, the Contractor will prepare a detailed design of a complete VSW facility to achieve the functions described in the Conceptual Design. Included with the Preliminary Design will be an estimate of construction costs for the facilities designed, and an estimate of annual operations and maintenance costs for the facilities designed. The design data and cost estimates will be presented in a standard engineering drawing and narrative form which will allow the Corporation and the Corporation's designated representative to review all design details typically required in a finished engineering design will be represented in this Preliminary Design, although not necessarily in final draft form.

G. Final Design--when the Corporation and the Corporation's designated representative have reviewed the Preliminary Design and cost estimates, and made recommendations for alterations (if any), the Contractor will amend the Preliminary Design to accommodate those alterations. If any alterations to the Preliminary Design which constitute a change in the Conceptual Design are required by the Corporation and the Corporation's designated representative, such alterations will be considered outside the scope of work of this contract and eligible for added compensation at the rates shown in Appendix A. The Final Design and cost estimates will be presented in complete engineering drawings and include any narrative required for clarity. A complete materials list will be prepared as part of the Final Design.

H. Review of Project Progress with the Corporation's Designated Representative--the Contractor accepts responsibility for keeping the Corporation's designated respresentative apprised of progress on the activities required by this contract. Among the review sessions will be meetings between the Corporation's designated representative and the Contractor:

1) following Project Reconnaissance and Soils and Surveying data collection and analysis (items C and D above)

2) to review the Conceptual Design (item E above)

3) to review the Preliminary Design (item F above)

4) to review the Final Design (item G above).

Article II. Evaluation of Performance

The Corporation's designated representative will monitor all work done by the Contractor on the Council VSW project. No payment will be made to the Contractor under this contract until the Corporation and the Corporations designated representative agree the Contractor's performance is consistent with the terms of this contract.

Article III. Performance Period

The period of performance under this contract shall begin on the date of signing by the Contractor. All performance required of the Contractor under this contract will be completed by June 30, 1978. The Contractor may be paid for his work on the Council VSW project performed prior to the beginning date of this contract, if such payment is approved by the Corporation's designated representative.

1) following Project Reconnaissance and Soils and Surveying data collection and analysis (items C and D above)

2) to review the Conceptual Design (item E above)

3) to review the Preliminary Design (item F above)

4) to review the Final Design (item G above).

Article II Evaluation of Performance

The Corporation's designated representative will monitor all work done by the Contractor on the Council VSW project. No payment will be made to the Contractor under this contract until the Corporation and the Corporations designated representative agree the Contractor's performance is consistent with the terms of this contract.

Article III. Performance Period

The period of performance under this contract shall begin on the date of signing by the Contractor. All performance required of the Contractor under this contract will be completed by June 30, 1978. The Contractor may be paid for his work on the Council VSW project performed prior to the beginning date of this contract, if such payment is approved by the Corporation's designated representative.

Article IV. Consideration.

A. General Compensation.

For all costs up to a total of $20,000.00 associated with fulfilling the terms of this contract and not specifically covered elsewhere in this contract, the Contractor will be reimbursed by the Corporation as follows:

1. Engineering and Office Personnel--engineering and office personnel shall be compensated at the appropriate rates from the fee schedule in Appendix A which is attached to and is made a part of this contract.

2. Other Expenses--for direct expenses not covered by item (1) above, compensation shall be at the appropriate rates shown in Appendix A.

B. Special Compensation.

1. Field Activities--when the Contractor's personnel and equipment are in, or enroute to, Council, or otherwise involved in field activities called for by this contract, reimbursement to the Contractor for his personnel and equipment shall be at the appropriate

rates shown in Appendix A. This reimbursement shall not be part of the $20,000.00 limit set in paragraph A of this Article IV. All travel, transporation, and other arrangements for performance of field activities called for by this contract must have the approval of the Corporation's designated representative prior to the actual travel, transport and/or other field activities.

2. Transportation, Meals and Lodging--for all travel, transportation, and other field activity related costs authorized by the Corporation's designated representative for fulfilling this contract and not covered by item B-1 above, the Contractor will be reimbursed by the Corporation at actual invoice cost. This reimbursement shall not be a part of the $20,000.00 limit set in paragraph A of this Article IV.

Article V. Payment

The Contractor will be compensated by the Corporation in the amounts specified in Article IV of this contract. The Contractor will keep detailed cost records to be submitted with, and serve as justification for, monthly payment requests. The monthly payment requests will be made to the Corporation's designated representative. After reviewing a monthly payment request, the Corporation's designated representative will notify the Contractor in writing of the amount of the payment request approved for payment. The contractor will then prepare a check to himself, using check blanks provided by the Corporation for drawing on the Corporation's bank account, in the amount approved by the Corporation's designated representative. The Contractor will then send the prepared check to the Corporation for signature, after which the Corporation will return the signed check to the Contractor. Any payment made to the Contractor under this contract not approved in writing by the Corporation's designated representative constitutes a breach of this contract, and any such payments must be refunded by the Contractor to the Corporation.

Article VI. Successors and Assigns

This contract shall be binding upon the heirs, successors, executors, administrators and assigns of the respective parties hereto.

Article VIII. Additional Contract Provisions

In signing this contract, the Contractor agrees in good faith to being desirous of, and willing and able to, undertake total management of construction of the VSW facility dealt with in this contract, provided acceptable terms for doing so can be arrived at between the Contractor and the Corporation.

Appendix B attached hereto and made a part hereof sets forth additional general provisions of this contract.

Appendix C attached hereto and made a part hereof is a general outline of the scope of work called for by this contract. It is included only as a guide for the Contractor and is not an all-inclusive specification of contract requirements. Article 1 of this contract is the governing specification of the services required of the Contractor.

IN WITNESS WHEREOF, the parties have executed this contract:

Contractor

Roger Santelmann
Signature

Jan. 19, 1978
Date

Council Safewater Corporatio

Board Chairman

Dec. 1, 1977
Date

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

LIBBE ALASKA FABRICATE DIVISION

PROFESSIONAL FEES

HOURLY RATES

ARCHITECTURAL AND ENGINEERING SERVICES

SEPTEMBER 1977

Personnel Category	Hourly Rate
Principal	$ 55.00
Professional Employee	$ 50.00
Technical Employee III	$ 41.50
Technical Employee II	$ 31.00
Technical Employee I	$ 24.00
Clerical II	$ 22.00
Clerical I	$ 19.00
Consultation, Brief	$ 75.00
Court Appearances and Testimony	$ 75.00 hour (minimum $300.00)

Consultants, Sub-Contract Services and Materials

Except where other arrangements have been established, all authorized services of consultants, sub-contract services, and reimbursable materials and expenses will be billed at actual cost plus ten percent.

Travel and Per Diem Reimbursement

Except where other arrangements have been established, all expenses of authorized travel will be billed at actual cost. If per diem schedules are included in the professional services contract they will be used in place of the actual cost basis. When use of private aircraft is authorized, billing will be on the basis of reimbursement at cost. Cost basis for the aircraft typically used is established as follows:

PA-23	$ 60.00 per hour
PA-12	$ 25.00 per hour

APPENDIX B

Article B-1. Inspection and Reports

A. The Corporation's designated representative shall have the right to inspect, in such manner and at all reasonable times as it deems appropriate, all activities of the Contractor arising in the course of its undertakings under this contract.

B. The Contractor shall report his progress in such manner and at such times as the Corporation's designated representative may reasonably require.

Article B-2. Corporation Saved Harmless

The Contractor shall hold and save the Corporation, its officers, agents and employees harmless from liability of any nature or kind, including costs and expenses of or on account of any or all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of any wrongful act or omission of the Contractor not specifically directed by the Corporation, its the Corporation's duly authorized agents, or the Corporations designated representative.

APPENDIX B

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Article B-3. Equal Employment Opportunity.

A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age or sex. The Contractor will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, or sex. Such action shall include but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruiting advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

B. The Contractor agrees that he will fully cooperate with the offfice or agency of the State of Alaska which seeks to deal with the problem of unlawful or invidious discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and said Contractor will comply promptly with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practice.

C. Full cooperation as expressed in clause (B) foregoing shall include, but not be limited to, being a witness in any proceeding involving questions of unlawful or invidious discrimination if such is deemed necessary by any offical or agency of the State of Alaska, permitting employees of said Contractor to be witnesses or complaintents in any proceeding involving questions of unlawful or invidious discrimination, if such is deemed necessary by any offical or agency of the State of Alaska, participating in meetings, submitting periodic reports on the equal employment aspects of present and future employment, assisting in inspection of the construction site, and promptly complying with all State directives deemed essential by any office or agency of the State of Alaska to insure compliance with all Federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.

Article B-4. Disputes.

A. Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Commissioner of the Alaska Department of Environmental Conservation (hereafter called the Commissioner) who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Commissioner or his duly authorized representative

shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Commissioner a written appeal. The decision of the Commissioner or his duly authorized representative for the determination of such appeal shall be final and conclusive. This provision shall not be pleaded in any suit involving a question of fact arising under this contract as limiting judicial review of any such decision to cases where fraud by such official or his representative or board is alleged: Provided, however, that any such decision shall be final and conclusive unless the same is fraudulent or capricious or arbitrary or so grossly erroneous as necessarily to imply bad faith or is not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Commissioner's decision.

B. This Disputes clause does not preclude consideration of questions of law in connection with decisions provided for in paragraph (A) above. Nothing in this contract, however, shall be construed as making final the decision of any administrative official, representative or board on a question of law.

Article 5-5. Termination.

The Corporation's designated representative may, by written notice, terminate this contract in whole or in part, when it is in the best interest of the Corporation. The Corporation shall be liable only for payment in accordance with the payment provisions of this contract for services rendered prior to the effective date of termination.

Article 5-6. No Assignment.

The Contractor shall not assign this contract, nor any part thereof, nor any right to any of the monies to be paid him hereunder, nor shall any part of the work done or material furnished under said contract be sublet, except with the written consent of the Corporation's designated representative.

Article 5-7. No Additional Work.

No claim for additional services, not specifically herein provided, done or furnished by the Contractor, will be allowed, nor shall the Contractor do any work or furnish any material not covered by the contract unless such work is ordered in writing by the Corporation's designated representative.

Article 5-8. Independent Contractor.

The Contractor, and his agents and employees of the Contractor, shall act in an independent capacity and not as officers of employees or agents of the Corporation in the performance of this contract.

Article B-9. Availability of Appropriation.

This agreement is subject to the availability of Village Safe Water grant funds under AS 46.07.

Article B-10. Requirement for Alaska Business License.

It is understood and agreed that if an Alaska Business License is required under Alaska Statutes 43.70 the Contractor is now in possession of the same or, in the event he does not now have a license, he will apply for same to the Commissioner of Revenue, Pouch SA, Juneau, Alaska 99801 within 30 days following the effective date of this contract.

Article B-11. Conformity with Federal Regulations.

Not withstanding any other provisions of this contract, it is expressly understood that during any wage/price freeze imposed by Executive Order or Federal legislation the rates paid will be determined in accordance with federal guidelines.

No retroactive payment will be made at the termination of the wage/price freeze unless such payment is consistent with federal guidelines.

Article B-12. Payment of Taxes.

As a condition of performance of this contract, the Contractor shall pay all Federal, State, and local taxes incurred by the Contractor, sub-contractor or other person or persons in the performance of this contract, and the Corporation may require proof of payment of these taxes as a condition precedent to payment by the Corporation under this contract.

Article B-13. Ownership of Documents.

All plans, drawings and specifications, originals and tracings, shall become the property of the Corporation, whether the facilities for which they are made be commenced or not. All field notes shall be kept in new hard cover field books and will be retained by the City at the completion of the project.

Article B-14. Corporation's Designated Representative.

For the purposes of this contract, the Corporation's Designated Representative is the Alaska Department of Environmental Conservation.

APPENDIX C

I. Project Start

A. Time with the Corporation's designated representative to obtain what the Corporation's designated representative has on:

1) Demography
2) Goals and Objectives
3) Design Criteria
4) Influent Parameters
5) Water Supply Alternatives and Source
6) Waste Water Alternatives
7) Building Site
8) Building Uses

B. Data Collection and Review

II. Reconnaissance--1st trip to village

A. Get acquainted with people
B. Review with local people the preliminary information developed in (1) above
C. Get overview of local resources (generally the physical facilities, power availability, accommodations, etc.)
D. Probably soil investigation and well site (or other water source) selection

III. Review by Corporation's designated representative

A. Review information developed in (I) above in light of experience in (II) above.

B. Take account of any engineering and soils information arising from (II) above.

IV. Field Survey--2nd trip to village

A. Detailed topographic data for design

B. Additional soils information if needed

C. Explain final scope of project to local people

V. Review by Corporation's designated representative

Short meeting or discussion to consider any new factors which have arisen during (IV) above.

VI. Conceptual Design

General description of services and methods for the VSW facility, with written agreement among the Corporation, the Corporation's designated representative, and the Contractor.

A. Water Supply

1) Source development

2) Transmission system

3) Treatment

B. Waste Disposal

1) Treatment System

2) Waste handling system and effluent disposal

C. Building Layout

1) Foundation and Structural

2) Equipment Inside

3) Electrical and Mechanical

D. Preliminary Drafting

E. Cost Estimates

VIII. Review by Corporation's Designated Representative

Detailed and in-depth review and coordination to set final details of design.

IX. Final Design

A. Adjust preliminary design in view of (VIII) above

B. Final Drafting

C. Descriptive information as necessary

D. Materials List

E. Revised Cost Estimates

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O – JUNEAU 99811

April 6, 1978

Mr Jake Titus
Board Chairman - Council
Safewater Corporation
Council, Alaska

Dear Mr. Titus:

Governor Jay Hammond has asked me to convey his pleasure in advising you that Council has qualified to receive a construction grant, through the Village Safe Water (VSW) program, to construct a VSW facility. The grant will be in the amount of actual construction costs for the VSW facility.

In a design grant agreement signed by the Council Safewater Corporation on October 25, 1977 (see copy enclosed), conditions were established for managing the construction grant herein offered. If you wish to accept this Village Safe Water grant, subject to the grant conditions previously agreed to, please indicate by appropriate signatures at the end of this letter. If you have questions about the grant or wish to suggest any changes, please inform me.

Sincerely,

Ernst Mueller, Commissioner
Department of Environmental
Conservation

Jake Titus
Board Chairman - Council Safewater Corporation — 5-20-78 Date

Max Gray
Board Member — 5-18-78 Date

Don M. Lane
Board Member — 5-20-78 Date

CONTRACT TO PROVIDE FOR CONSTRUCTION MANAGEMENT
FOR A VILLAGE SAFE WATER FACILITY
IN COUNCIL, ALASKA

This contract between Council Safe Water Corporation (hereafter called the Corporation), and Ellerbe Alaska (hereafter called the Contractor);

WITNESSETH that:

This contract is entered into by direct negotiation and is a contract for professional services; and

The Contractor and the Corporation are willing to undertake performance of this contract under the terms of the contract:

NOW THEREFORE, the parties hereto agree as follows:

Article 1. The Service to be Performed.

The Contractor will provide all necessary engineering and construction management services for a project generally described as a Village Safe Water (VSW) sanitation facility construction project in Council, Alaska.

Specific services the Contractor agrees to furnish are as follows:

1. Manage all activities necessary for the construction of a VSW facility in Council, Alaska. Said VSW facility will be constructed according to the approved design resulting from the contract entitled Contract to Provide Engineering Services for a Village Safe Water Facility in Council, Alaska signed by the Contractor on January 19, 1978; and

according to any modifications in design requested by the Corporation or the Corporation's designated representative.

2. Maintain detailed, itemized and accurate records of all financial transactions required in the course of constructing the Council VSW facility. These financial records are to be sufficient to satisfy audit requirements for expenditure of State of Alaska grant funds.

3. Manage start-up and training activities as directed by the Corporation's designated representative.

Among the activities and functions required of the Contractor to supply the services described in the above items (1), (2) and (3) of this Article I are the following:

A. Equipment and Materials - the Contractor is responsible for the timely ordering, scheduling and expediting of all equipment (including construction tools and equipment) and materials necessary for construction of the Council VSW facility. All equipment and materials used in the project shall be approved by the Corporation's designated representative prior to ordering. The Corporation's designated representative shall in a timely manner indicate its approval or disapproval of equipment and materials proposed by the Contractor to be used in the VSW project. The Corporation's designated representative may waive the prior approval requirement for incidental equipment and materials reasonably required in

construction of the VSW project when time required for such approval would unreasonably delay progress on the construction project.

B. Management Foreman - the Contractor shall provide a Management Foreman to be on the construction site in Council at all times when construction on the Council VSW project is progressing. The Management Foreman will be an employee of the Contractor and must be approved by the Corporation's designated representative and the Corporation.

The Management Foreman is responsible for managing all construction activities at the VSW project site, including managing laborers and all other construction personnel. All personnel other than the Management Foreman working on the VSW construction project will be employed by the Corporation. The Contractor or his designated representative will inform the Corporation of needs for personnel to work on the construction project and the Corporation will provide these personnel through local (Council) hire to the extent local people are available. If personnel needs cannot be met locally, the Corporation may obtain assistance from the Contractor in obtaining personnel from outside Council. The Management Foreman shall have authority to dismiss and discipline personnel provided by the Corporation to work on the VSW project. The Management Foreman will promptly report such dismissals and disiplinary actions to the Corporation.

C. Financial Management

(1) Equipment and Materials - the Contractor shall requisition in the Corporation's name, all equipment and materials required for the Council VSW project. The Corporation's designated representative must approve all equipment and materials before they are requisitioned under this contract.

The Contractor will make out all necessary checks, using blanks provided by the Corporation, for payment of bills for equipment and materials approved by the Corporation's designated representative. The Contractor will send these checks to the Corporation for signature after the Contractor has given the Corporation's designated representative the check number, payee and amount for each check. After signing the checks, the Corporation will return them to the Contractor for appropriate distribution. The Contractor shall submit to the Corporation's designated representative a copy of each check written along with appropriate backup data (e.g., invoice, bill of lading).

(2) Time and Payroll - for all personnel employed by the Corporation and working on the VSW project, the Contractor will keep complete and faithful records of time worked on the VSW construction project. The Contractor

will submit upon request of the Corporation's designated representative a complete and up to date statement of personnel payroll information for all personnel employed by the Corporation and working on the construction project. The personnel payroll statement will include the time worked by each person, the work classification of each person, and total pay for each person.

Every two weeks the Contractor will submit to the Corporation for signing and distribution: 1) payroll checks for all personnel working on the VSW project during the previous two weeks, and 2) all required payroll deduction checks. Said checks will be prepared by the Contractor using blanks provided by the Corporation. Before submitting the payroll checks to the Corporation for signing, the Contractor will give the Corporation's designated representative the check number, payee and amount for each check. Any checks to be mailed outside of Council will be returned to the Contractor for distribution.

All legally required payroll deduction report forms and payments will be prepared and distributed as necessary by the Contractor.

If the Corporation's designated representative finds any personnel payroll statement incorrect or inconsistent with the terms of this contract,

it will be returned to the Contractor for correction. The Contractor will be responsible for correcting the personnel payroll statement and making consequent corrections in deduction payments and personnel payroll statements.

D. Monthly Work Schedule - By the twentieth day of each month during which this contract is in force, the Contractor will submit to the Corporation's designated representative a Monthly Work Schedule for the following month. The Corporation's designated representative may waive this Monthly Work Schedule requirement for any given month if activities under this contract are so limited for that month as to make a Monthly Work Schedule unnecessary. The Monthly Work Schedule will be in two separate sections entitled: 1) Construction Schedule, and 2) Project Management Schedule.

(1) Construction Schedule - the Construction Schedule will be a description of all activities at the Council project site planned for a given month, including a general description of work to be accomplished.

(2) Project Management Schedule - the Project Management Schedule will be a description of all the Contractor's activities on the VSW project planned for a given month, including [illegible] by the Management Division, work to be done by engineering and office

personnel, and anticipated transportation and travel.

(3) Total Project Estimate - the first Monthly Work Schedule after design of the Council VSW project is completed will contain a projection by the Contractor of a total schedule for accomplishing the Council construction project, including a general description of, and time sequence for, activities at the construction site; an estimate of total equipment and materials expenses; an estimate of supplies and materials necessary for operation of the project for a period of one year following completion; a general description of, and time sequence for, activities by the Contractor; and an estimate of the total Construction Management fee. In each succeeding Monthly Work Schedule, the Total Project Estimate will be evaluated by the Contractor and adjusted as necessary to keep it current and accurate.

If the Corporation's designated representative approves the Total Project Estimate, the dollar amount of the total project estimate for the total Construction Management fee becomes a limit on the amount that can be paid for the Construction Management fee under this contract. The Contractor may request from the Corporation's designated

representative increases in the limit on the Construction Management fee if such increases are justified and reasonably essential to the completion of the project.

Each Monthly Work Schedule must be approved by the Corporation's designated representative prior to the work described in each Monthly Work Schedule being accomplished.

E. Start-up and Training - the Contractor will manage and direct start-up training activities as directed by the Corporation's designated representative during the first thirty (30) days after the VSW project is operational and accepted in writing as complete by the Corporation and the Corporation's designated representative.

Prior to completion of the VSW construction project, the Contractor will prepare five (5) bound sets of maintenance manuals and operating instructions for submittal to the Corporation's designated representative for approval. The Manuals will consist of: 1) complete descriptive data for all equipment and controls utilized in the VSW project, giving all capacities, characteristics, curves and diagrams; 2) a complete list of repair and replacement parts essential to maintenance of the VSW project; and 3) a complete descriptive narrative of all operating procedures for all systems in the project (including general methods

for servicing all equipment).

During the (30) day start-up and training period, and using the maintenance manuals described above as a text, the Contractor will, as directed by the Corporation's designated representative, train personnel provided by the Corporation to operate and maintain the VSW project. The Contractor will, to the extent requested by the Corporation's designated representative, demonstrate to the operators being trained, and explain to them in detail, all activities required for operation of the VSW project. All operation and maintenance activities performed by the Contractor will be explained to the operators as they are being performed.

E. Additional Requirements - The Contractor will prepare and submit to the Corporation's designated representative for approval a complete set of detailed and accurate as built plans for the VSW project. These plans will be complete and submitted to the Corporation's designated representative within thirty (30) days after the VSW project is complete and accepted in writing by the Corporation and the Corporation's designated representative.

The Contractor will prepare and submit to the Corporation's designated representative a narrative [illegible] construction experiences, both typical and unique to the VSW

project. The report will also include a summary of expenditures on the VSW project. The report will be prepared using a format approved by the Corporation's designated representative.

The Contractor will prepare and submit to the Corporation's designated representative a summary of labor hours worked on the VSW project. This summary will be sufficient to satisfy requirements for a final workman's compensation audit.

Article II. Evaluation of Performance

The Corporation's designated representative will monitor all work done by the Contractor on the Council project which is the subject of this contract. A representative of the Corporation's designated representative shall be acquainted with the scope of the project and shall have the authority to render decisions promptly and furnish information expediently. No payment will be made to the Contractor under this contract unless the Contractor's performance is consistent with the terms of this contract. If the Corporation's designated representative becomes aware of any fault or defect in the project, or nonconformance with contract specifications, the Corporation's designated representative shall give prompt notice thereof to the Contractor.

Article III. Performance Period.

The period of performance under this contract shall commence on the date by which all parties to it have

signed. All performance required of the Contractor under this contract will be completed by December 31, 1978 unless such completion is prevented or hindered by failure of the Corporation to supply personnel as called for in this contract, act of God, strike, partial or total interruption or loss or shortage of transportation facilities, fire, lockout, commandeering of raw materials, products, plants or facilities or by other similar or different acts of civil or military authorities or by other like causes beyond the control of the Contractor. The Contractor may be paid for work on the project covered by this contract which was performed prior to the date of signing by all parties, if such payment is approved by the Corporation's designated representative.

Article IV. Consideration.

All compensation to the Contractor for performance under this contract will be paid under the Construction Management fee. For all costs up to $36,000. associated with fulfilling the terms of this contract, the Contractor will be reimbursed by the Corporation as follows:

1. Management Foreman - The Contractor will be reimbursed by the Corporation for payroll expenses for the Management Foreman. The Contractor's choice of a Management Foreman must be approved by the Corporation's designated representative prior to the Management Foreman performing work called for by this contract. The Management Foreman's rate will be $31.00 per hour .

Travel by the Management Foreman authorized by the Corporation's designated representative and necessary for fulfilling this contract will be reimbursed by the Corporation at actual invoice cost. For meals and lodging while in work status approved by the Corporation's designated representative, the Management Foreman will be paid $60.00 per 24 hour day.

2. Engineering and Office Personnel - for work approved by the Corporation'a designated representative under this contract, the Contractor's personnel shall be compensated at the appropriate rates from the fee schedule in Appendix A, which is attached to and made a part of this contract.

3. Transportation, Travel, Meals and Lodging - for travel by the Contractor's personnel, and transportation authorized by the Corporation's designated representative and not covered elsewhere in this contract, the Contractor will be reimbursed by the Corporation in accordance with the rates in Appendix A. For meals and lodging expenses for the Contractor's personnel while in authorized travel status, the Contractor will be reimbursed in accordance with the rates in Appendix A. All travel under this contract must have the prior approval of the Corporation's designated representative.

4. Other Expenses - for direct expenses approved by the Corporation's designated representative and

not covered elsewhere in this contract, the Contractor will be reimbursed by the Corporation in accordance with the rates in Appendix A.

Article V. Payment.

The Contractor will be compensated by the Corporation according to procedures specified in Article IV of this contract.

The Contractor will submit to the Corporation's designated representative a request for monthly payment of the Construction Management fee for the appropriate month. Each such monthly payment request will include complete detailed records to substantiate the request. After reviewing a monthly payment request, the Corporation's designated representative will notify the Contractor in writing of the amount of the payment request approved for payment. The Contractor will then send the prepared check to the Corporation for signature, after which the Corporation will return the signed check to the Contractor. Any payment made to the Contractor under this contract not approved in writing by the Corporation's designated representative constitutes a breach of this contract, and any such payments must be refunded by the Contractor to the Corporation.

A retainage in the amount of $2,000 will be withheld until the Contractor has completed all requirements of this contract. The retainage will be withheld from the last $10,000 to be paid to the Contractor under this contract.

Article VI. Successors and Assigns.

This contract shall be binding upon the heirs, successors, executors, administrators and assigns of the respective parties hereto.

Article VII. Additional Contract Provisions.

Appendix B which is attached to and made a part of this contract sets forth additional provisions of this contract.

IN WITNESS WHEREOF, the parties have executed this contract:

Contractor

Signature Roger Santelman

Date June 13, 1978

Council Safe Water Corporation

Board Chairman [illegible]

Date May 20, 1978

APPENDIX "A"

ELLERBE ALASKA FAIRBANKS DIVISION

PROFESSIONAL FEES

HOURLY RATES

ARCHITECTURAL AND ENGINEERING SERVICES

SEPTEMBER 1977

Personnel Category	Hourly Rate
Principal	$ 55.00
Professional Employee	$ 50.00
Technical Employee III	$ 41.50
Technical Employee II	$ 31.00
Technical Employee I	$ 24.00
Clerical II	$ 22.00
Clerical I	$ 19.00
Consultation, Brief	$ 75.00
Court Appearances and Testimony	$ 75.00 hour (minimum $300.00)

Consultants, Sub-Contract Services and Materials

Except where other arrangements have been established, all authorized services of consultants, sub-contract services, and reimbursable materials and expenses will be billed at actual cost plus ten percent.

Travel and Per Diem Reimbursement

Except where other arrangements have been established, all expenses of authorized travel will be billed at actual cost. Meal and lodging expenses will be billed in accordance with Article 27 (Travel and Per Diem) of the agreement between the State of Alaska and the Alaska Public Employees Association, 1977-1979. When use of private aircraft is authorized, billing will be on the basis of reimbursement at cost. Cost basis for the aircraft typically used is established as follows:

PA-23	$ 60.00 per hour
PA-12	$ 25.00 per hour

APPENDIX B

Article B-1. Inspection and Reports

A. The Corporation's designated representative shall have the right to inspect, in such manner and at all reasonable times as it deems appropriate, all activities of the Contractor arising in the course of its undertakings under this contract.

B. The Contractor shall report his progress in such manner and at such times as the Corporation's designated representative may reasonably require.

Article B-2. Corporation Saved Harmless

The Contractor shall hold and save the Corporation, its officers, agents and employees harmless from liability of any nature or kind including costs and expenses for or on account of any or all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of any wrongful act or omission of the Contractor not specifically directed by the Corporation, its duly authorized agents, or its designated representatives.

Article B-3. Equal Employment Opportunity.

A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, or sex. The Contractor will take affirmative action to insure that applicants are employed and that employees are treated during employment

without regard to their race, color, religion, national origin, ancestry, age, or sex. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruiting advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship.

B. The Contractor agrees that he will fully cooperate with the office or agency of the State of Alaska which seeks to deal with the problem of unlawful or invidious discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and said Contractor will comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practice.

C. Full cooperation as expressed in clause (B) foregoing shall include, but not be limited to, being a witness in any proceeding involving questions of unlawful or invidious discrimination if such is deemed necessary by any official or agency of the State of Alaska, permitting employees of said Contractor to be witnesses or complainants in any proceeding involving questions of unlawful or invidious discrimination, if such is deemed necessary by any official or agency of the State of Alaska, participating in meetings, submitting periodic

reports on the equal employment aspects of present and future employment, assisting in inspection of the construction site, and promptly complying with all State directives deemed essential by any office or agency of the State of Alaska to insure compliance with all Federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.

Article B-4. Disputes.

A. Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Commissioner of the Alaska Department of Environmental Conservation (hereafter called the Commissioner), who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Commissioner or his duly authorized representative shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Commissioner a written appeal. The decision of the Commissioner or his duly authorized representative for the determination of such appeals shall be final and conclusive. This provision shall not be pleaded in any suit involving a question of fact arising under this contract as limiting judicial review of any such decision to cases where fraud by such official or his representative

or board is alleged: Provided, however, that any such decision shall be final and conclusive unless the same is fraudulent or capricious or arbitrary or so grossly erroneous as necessarily to imply bad faith or is not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Commissioner's decision.

B. This disputes clause does not preclude consideration of questions of law in connection with decisions provided for in paragraph (A) above. Nothing in this contract, however, shall be construed as making final the decision of any administrative official, representative or board on a question of law.

Article B-5. Termination.

The Corporation's designated representative may, by written notice, terminate this contract, in whole or in part, when it is in the best interest of the Corporation. The Corporation shall be liable only for payment in accordance with the payment provisions of this contract for services rendered prior to the effective date of termination.

Article B-6. No Assignment.

The Contractor shall not assign this contract, nor any part thereof, nor any right to any of the monies to be paid him hereunder, nor shall any part of the work done or material furnished under said contract be sublet, except with the written consent of the Corporation's designated representative.

Article B-7. No Additional Work.

No claim for additional services, not specifically herein provided, done or furnished by the Contractor, will be allowed, nor shall the Contractor do any work or furnish any material not covered by the contract, unless such work is ordered in writing by the Corporation's designated representative.

Article B-8. Independent Contractor.

The Contractor, and any agents and employees of the Contractor, shall act in an independent capacity and not as officers, employees, or agents of the City in the performance of this contract.

Article B-9. Availability of Appropriation.

This agreement is subject to the availability of Village Safe Water grant funds under AS 16.07.

Article B-10. Requirement for Alaska Business Licence.

It is understood and agreed that if an Alaska Business License is required under Alaska Statutes 45.70 the Contractor [illegible] possession of same or in the event he does not now have a license he will apply for same

to the Commissioner of Revenue, Pouch SA, Juneau, Alaska 99801 within 30 days following the effective date of this contract.

Article B-11. Conformity with Federal Regulations.

Not withstanding any other provisions of this contract, it is expressly understood that during any wage/price freeze imposed by Executive Order or Federal legislation the rates paid will be determined in accordance with federal guidelines.

No retroactive payment will be made at the termination of the wage/price freeze unless payment is consistent with federal guidelines.

Artilce B-12. Payment of Taxes.

As a condition of performance of this contract, the Contractor shall pay all Federal, State, and local taxes incurred by the Contractor, sub-contractor or other person or persons in the performance of this contract, and the Corporation may require proof of payment of these taxes as a condition precedent to payment by the Corporation under this contract.

Article B-13. Ownership of Documents.

All plans, drawings and specifications, originals and tracings, shall become the property of the Corporation, whether the facilities for which they are made be [illegible] shall be kept in [illegible] hard cover field books and will be retained by the

Corporation at the completion of the project.

Article B-14. Corporation's Designated Representative.

For the purposes of this contract, the Corporation's Designated Represetntative is the Alaska Department of Environmental Conservation.

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

CONTRACT TO PROVIDE FOR CONSTRUCTION MANAGEMENT
FOR A VILLAGE SAFE WATER FACILITY
IN COUNCIL, ALASKA

AMENDMENT NO. 1

Article IV. Consideration. shall be changed in the first paragraph to read as follows:

> All compensation to the Contractor for performance under this contract will be paid under the Construction Management fee. For all costs up to $42,000 associated with fulfilling the terms of this contract, the Contractor will be reimbursed by the Corporation as follows:

This amendment increases the maximum allowable fee by $6,000.00

Contractor

Signature

November 3, 1978
Date

COUNCIL SAFE WATER CORPORATION

Jake Titus, Board Chairman

Nov. 7, 1978
Date

Issue Papers

Water and Sewer Construction Grants

The Department of Environmental Conservation administers a grant program which provides incorporated communities with assistance in the construction of water and sewerage services. Two basic grant programs are administered: the State general obligation bond water and sewer grant program and the federal water pollution control program.

Under the State water and sewer grant program, incorporated municipalities may apply for grants to fund up to 50 percent of project costs for new water and sewerage facilities or one-half the non-Federal share of eligible costs if federal funding is involved. Funded projects include facilities needed for community growth as well as facilities needed to correct existing public health and environmental problems.

Eligible projects presently are funded as need arises. The source of funding for these grants is general obligation bond funds which have been authorized by the voters. Presently, approximately $18 million is available for obligation to projects through this program.

These grants have supported projects in major communities in all regions of the state. The program is not heavily used by bush communities because the Public Health Service and the State Village Safe Water programs are addressing utility needs of remote areas and it is usually difficult for small remote communities to raise the 50 percent matching requirements. In some instances, however, projects in remote areas are funded through the program in conjunction with other federal, state, or local funding scurces.

The grant program for construction of sewage treatment facilities is administered under the authorization of the federal Clean Water Act of 1977. Depending upon congressional appropriations from year to year, Alaska is allocated $16-25 million annually. These funds are then available to communities to finance 75 percent of the cost of sewage treatment and interceptor projects. The State water and sewage grant program mentioned above contributes an additional 12 1/2 percent toward such projects leaving only 12 1/2 percent to be funded locally.

The Environmental Protection Agency is responsible for this grant program. However, EPA may delegate the administration of the program to the states, and make funding available to those states which assume administration of the program. In order to reduce the delays in grant processing which occurred under EPA administration, Alaska assumed responsibility for a major portion of the program in December of 1978 (one of the first states to do so).

Since 1975, approximately $20 million of Federal funds a year has been awarded to 30 communities throughout the State. As with the State water and sewer grant program, the larger communities have benefitted the most from the program. Recent changes to the Clean Water Act present opportunities for making funding available to smaller communities for innovative, individual, or non-conventional sewage handling facilities.

Village Safe Water

The Village Safe Water Act calls for at least one facility for safe water and hygienic sewage disposal in each village in Alaska.

Since 1972, eleven VSW facilities have been constructed. They are in the villages of Northway, Chevak, Alakanuk, Selawik, Nulato, Koyukuk, Beaver, Pitkas Point, Kongiganank, Tanana and Council. A facility is being designed for Akiachak and will be constructed during the summer and fall of 1980.

In these eleven villages the VSW projects consist of sanitation facilities to which village residents can come to obtain water supply and sewage disposal services; with bathing and laundry services available in all except Council. No piped water-distribution or sewage collection systems are involved except for water and sewer service lines to schools.

Construction methods used so far have included: 1) competitive bid construction contracts administered by what was then the Alaska Department of Public Works, 2) competitive bid construction contracts administered by the Alaska Department of Environmental Conservation (ADEC), and 3) force account construction by the village through construction management contracts with engineering consultants.

The force account/construction management method of construction has been the most satisfactory of the three methods used. Facilities constructed that way have been built cheaper and faster than those built under competitive bid construction contracts; the quality of construction has been better; and the villages have been more intimately involved in, and satisfied with, their projects.

VSW facilities have cost from $118,000 at Council for a project begun in FY 78, to over $1,400,000 at Tanana, of which $755,000 were VSW funds. Villages served have ranged in size from 60 (Council) to over 550 (Selawik).

Experience in the VSW project has proved that financial, technical, and/or management assistance to the villages is necessary to ensure that the facilities continue to operate. ADEC provides technical and management assistance to the eleven villages. The VSW operation and maintenance support program has made it possible for all completed VSW facilities to serve the public as intended. It is instructive to note that the operation and maintenance cost per village has been decreasing in actual dollars (i.e., ignoring inflation) over the last few years.

ADEC has been working on a comprehensive planning effort intended to define the roles of State and federal agencies and other groups involved in providing rural sanitation services. The Department has sought close cooperation with the U.S. Public Health Service and the regional Native health corporations in carrying out the planning. In fact the Directors of the health corporations have served as an advisory board for the VSW program.

An early step in the planning was to inventory all village sanitation facilities. The inventory is updated annually and is widely viewed as the single most complete and dependable source of information on village sanitation.

Current plans are to investigate certain questions concerning how the VSW program should operate over the long term. Among the questions to be investigated are: 1) What services should VSW facilities provide (e.g., solid waste, piped service to individual homes, saunas)?; 2) Should there be village eligibility criteria for VSW program assistance?; 3) How should construction priorities be set?; 4) How fast should VSW facilities be built (i.e., how much construction money over what period of time)?; 5) What funding sources other than water and sewer bonds can be coordinated into VSW projects? and 6) What should the State's role be in operation and maintenance of VSW facilities, and perhaps other village sanitation facilities as well?

Authority: 46.07

CRITERIA SYSTEM
for
Allocation of Federal Water Pollution Control Grant Funds

The Federal Water Pollution Control Act Amendments of 1972 (PL 92-500) as amended by the Clean Water Act of 1977 (PL 95-217) provide grant funds to assist municipalities with facility plans (Step 1), engineering designs (Step 2) and project construction (Step 3) for water pollution control facilities. These funds are allocated to the State of Alaska for obligation through the Department of Environmental Conservation. The Department develops an annual Priority List for determining which projects will receive grants.

The project Priority List is developed using a criteria system to assign a numerical ranking to eligible projects in accordance with EPA requirements. These requirements stipulate that the type of project, severity of pollution, project step and continuity, receiving water usage, existing population affected, public health and environmental hazards, and the effect on water quality standards be considered in developing the Priority List.

The point values for the criteria system have been revised in accordance with PL 95-217 and have been used to prepare the Priority List for allocation of available federal funds. Each project appearing on the Priority List has been assigned appropriate points in each of nine categories. The points for each category are summed and the total used to determine the project rank on the Priority List. The project with the highest point total will be the highest priority project.

In developing the criteria system, the State can not consider "readiness to proceed" as a category for ranking projects. However, "readiness to proceed" can be a reason for moving a project into the fundable portion of the priority list if a higher ranking project will be unable to proceed on schedule, before the end of the fundable year.

When it appears that a project on the fundable portion of the priority list will not be ready to proceed within the fundable year, the State, with EPA concurrence, will notify the applicant that their project is being by-passed in favor of the highest ranking project on the extended portion of the Priority List that is ready to proceed. The applicant being by-passed may appeal this decision to the Department by requesting an adjudicatory hearing conducted under the Administrative Procedure Act. Projects that are by-passed will retain their relative priority rating for consideration on future Priority Lists.

The estimated completion schedules for projects on the fundable portion of the Priority List, by-passed for not being ready to proceed, will be compared with the schedules for compliance contained in the NPDES permit. In those cases where significant delays have occurred, appropriate State and/or EPA enforcement action will be recommended to achieve compliance with permit conditions.

Any projects on the extended portion of the priority list that are by-passed due to not being ready to proceed will be notified and given the opportunity to appeal. After agreement is reached with the applicants proposed for by-pass, the State will certify to EPA that those projects not ready to proceed may be by-passed to reach a project that will be ready during the fundable period.

In addition to funds obligated to specific projects, reserve accounts from each fiscal year's federal allocation will be set aside for the following purposes:

1) Up to two percent of each year's allocation or $400,000, whichever is greater, may be reserved and granted to the State to manage the grants program and other specified portions of the Water Pollution Control Program.

2) Two percent of the federal allocation for FFY 79 and 80 and three percent for FFY 81 shall be reserved for projects incorporating alternative and innovative technology, and may be used to increase a federal grant up to a maximum of 85 percent. A minimum of 0.5 percent of the federal allocation for FFY 79, 80 & 81 shall be for projects using innovative technology.

3) Four percent of each year's allocation shall be reserved for alternatives to conventional treatment for communities with populations of 3,500 or less, or sparsely populated areas of larger communities.

4) A reserve of not less than five percent of each year's allocation will be maintained for funding grant increases.

5) A reserve may also be established to fund Step 1 & 2 projects that may or may not appear on the Priority List. To be funded, these projects must have a priority ranking high enough to appear on the fundable portion of the Priority List.

6) A state designation reserve may also be established for funding of project increases that occur prior to grant award.

The amounts set aside in these reserve accounts will vary from year to year depending on the federal allocation to Alaska and on the need for the particular reserve within the limitations described above. The specific amounts to be set aside in these reserves will be designated in the annual Priority List, which is subject to public review and comment.

This criteria system and the Priority List developed using these criteria are subject to annual review and comment at public hearings held for this purpose. These hearings are announced through individual mailings and public notice in newspapers of general circulation a minimum of 45 days prior to the first scheduled hearing. Public input regarding the preparation of the Priority List is welcomed.

Project priority rankings are determined according to the following nine categories. Appropriate points are assigned to arrive at a point total and priority ranking for each project:

I. Project Component

In determining the relative priority of the various project components the Department emphasizes the importance of maximizing the benefits to be achieved from limited federal funds. Project components required to achieve compliance with State water quality standards and protect public health will receive higher consideration than project components required by federal law which may provide treatment beyond what is required to protect health or the environment.

Hence, secondary or advanced treatment projects, when required only to satisfy an NPDES permit or other portions of federal law, may be phased on the Priority List so that the initial phase would meet water quality and health considerations, and the final phase would be constructed at a later date, subject to availability of funds. Projects for collection sewers, storm sewers and correction of combined sewer overflows are not considered eligible project categories for use of funds allocated to Alaska.

Projects are assigned a point total by multiplying the point value of the project component by the percentage of cost that a specific component bears to the total eligible project cost and then summing the point values computed for the components.

	Component	Points
a)	Initial phase(s) of treatment into marine water required to protect public health or achieve water quality standards; secondary treatment for discharge into fresh water; or any treatment required prior to discharge to groundwater.	300
b)	Rehabilitation or expansion of treatment facilities or correction of infiltration/ inflow in sewage collection systems where existing conditions are disrupting the efficiency of existing treatment facilities.	250
c)	Rehabilitation and correction of infiltration/inflow of sewage collection systems where the required corrections are done in conjunction with a new treatment facility.	200

d) Construction of new interceptor sewers, pump stations and appurtenances. — 150

e) Upgrading existing treatment facilities to secondary or advanced wastewater treatment levels when required for reasons other than meeting water quality standards or protection of public health. — 100

II. Project Water Quality Need

To date the Department has not completed an approved water quality management plan. However, information that will be the basis for this plan was taken into consideration in allocating points to projects in this category.

Points awarded for one section only.

a) Project necessary to treat or eliminate a discharge contributing to a documented violation of the Alaska Water Quality Standards. — 400

b) Project necessary to minimize or eliminate documented "non-point source" contamination of groundwater or surface waters resulting from subsurface sewage disposal systems. — 300

c) Project necessary to prevent potential water pollution problems or where the environment may be adversely affected due to the impact of accelerated development or industrial growth. — 200

d) Project only necessary to comply with the effluent limitations contained in an NPDES permit for a point source discharge. — 100

III. Regulatory Emphasis for Violation of Water Quality Standards

	Points
a) Notice of Violation issued by Department of Environmental Conservation or EPA	50
b) Compliance order issued by Department of Environmental Conservation or EPA	80
c) Charges filed by State Attorney General or legal counsel for EPA	100

IV. Public Health Emphasis

	Points
Verification from a state or local health official that a project is necessary to avert or correct a public health hazard.	100

V. Receiving Water Usage - Affected By Existing Discharge

		Points
a)	Freshwater/Groundwater	
1)	Drinking and food processing	100
2)	Propogation of fish and shellfish used as a food source	50
3)	Water contact recreation	20
b)	Marine water	
1)	Propagation of fish and shellfish as a food source	50
2)	Water contact recreation	20

VI. Project Continuity

		Points
a)	Award of a Step 1 grant or approval of a facility plan developed without a grant qualifies the project for 100 points to help insure sufficient funding to complete the project.	100
b)	Award of a Step 2 or 2 & 3 grant or approval of plans and specifications completed without a grant award qualifies the project for an additional 100 points to help insure sufficient funding to complete the project.	100
c)	Step 3 projects, where construction is phased over several years or where rehabilitation or corrective measures are required to improve the efficiency of existing sewerage facilities constructed under a previous grant shall qualify for an additional 50 points.	50

VII. Project Step		Points
a)	Approved initial application and plan of study	30
b)	Approved facility plan	20
c)	Approved final design plans and specifications	10

VIII. Existing Population Benefiting from Project		Points
a)	under 1,000	30
b)	between 1,000 and 3,500	50
c)	between 3,500 and 10,000	70
d)	over 10,000	100

IX. Alternative or Innovative		Points
	Step 2, 2 & 3, or 3 projects identified in an approved facility plan as containing alternative or innovative technology components shall qualify for 50 points in addition to all other points awarded to the project.	50

PROJECT PRIORITY LIST FOR THE ALLOCATION OF FEDERAL WATER POLLUTION CONTROL GRANT FUNDS FOR FFY 80

The FFY 80 "Project Priority List" consists of sewage system improvements required in the five year period 1979-1984. The list prioritizes 76 projects, each awarded a numerical score derived in accordance with procedures established in the Criteria System. The fundable portion of the Priority List is represented by those projects targeted for grant award during FFY 80. The remaining projects represent the extended portion of the Priority List and will be funded from future federal appropriations.

Program funding available for FFY 80 is estimated at $46,984,482 and is comprised from the following Congressional appropriations:

1)	FFY 77 Supplemental Carryover	$ 3,162,861
2)	Title III - Public Works Employment Act of 1976	4,263,723
3)	FFY 79 Appropriation*	20,527,414
4)	FFY 80 Appropriation (based on $3.8 billion)	17,000,000
5)	FFY 76-73 Carryover	30,484
		$44,984,482

*This balance may be reduced by additional grant awards prior to the adoption of the Priority List, effective October 1, 1979.

In addition to the $44,984,482, the state must obligate $6,443,343 from the FFY 78 appropriation by October 1, 1979 or lose it to reallocation. It is anticipated that the following projects will receive grants prior to October 1, 1979:

Palmer-West Interceptor Step 4	$1,315,703
Soldotna - Step 3	2,175,000
Sitka - Step 3 - Phase I	3,675,000
Eagle River - Step 3	3,765,000
State Management Assistance Grant	154,651
	$11,085,354

If the above grants are awarded by October 1, 1979 the FFY 78 appropriation will be depleted and the FFY 79 appropriation will be reduced by $4,642,011 to $15,885,403. Therefore, the dollars available for obligation during FFY 80 may be reduced to $40,342,471. These projects do not appear on the attached priority list since it is expected that they will be awarded prior to October 1, 1979. However, in the event that any of these projects do not receive grant awards by the expiration date of the FFY 79 priority list, they will be placed on the fundable portion of the FFY 80 priority list to be awarded grants from available funds.

For planning purposes the Department assumes that annual federal appropriations to Alaska will be $22,500,000, through 1984. The total five year funding available is estimated at $132.5 million. The five year project list, adjusted for inflation, estimated at $121.7 million will likely exceed the available funding resources, since reserve accounts must be established from these funding sources.

The following reserve accounts will be established from the $40,342,471 estimated to be available for obligation to projects during FFY 80:

1)	Reserve for a State Management Assistance Grant to the Department of Environmental Conservation	$ 814,180
2)	Two percent of FFY 80 federal allocation plus FFY 79 Carryover to establish a reserve for increasing funding up to 85 percent for eligible projects incorporating alternative and innovative technology	772,817
3)	Four percent of the FFY 80 federal allocation plus FFY 79 Carryover to establish a reserve to fund alternatives to conventional treatment in communities with populations of 3,500 or less, or sparsley populated areas of larger communities	1,428,137
4)	Grant increase reserve	3,500,000
5)	Reserve for unidentified Step 1 & 2 projects that have a priority ranking high enough to place the project on the fundable portion of the Priority List	100,000
6)	Reserve established for State designation to fund project increases that occur prior to grant award.	3,248,337
	Total Reserves	$9,863,471

Therefore, $30,479,000 will be available for obligation to projects targeted for grant award during FFY 80. Funds not obligated during FFY 80 will be reprioritized for obligation on the FFY 81 Priority List.

STATE OF ALASKA

FFY 80
PROJECT PRIORITY LIST

Rank	Project	Score	EPA Project Number	Project Step	Target Award Date	Project Description *	Est. Eligible Cost $1,000	EPA Grant Amount $1,000	Cummulative Total $1,000	FFY 80 Cummulative Total $1,000
1	Seward	974	C-020051-03	3	80	STP - INT	6,782	5,087	5,087	5,087
2	Bristol Bay Borough King Salmon	971	C-020081-02	2 & 3	80	STP - INT	2,762	2,072	7,159	7,159
3	Kodiak Island Borough Island Lake	920	C-020069-02	2	80	INT	325	244	7,403	7,403
4	Kodiak Island Borough Island Lake	910	C-020069-03	3	81	INT	4,837	3,628	11,031	------
5	Ketchikan - Phase II	880	C-020053-04	3	80	STP	8,750	6,563	17,594	13,966
6	Nome	860	C-020062-03	3	81	INT	2,378	1,784	19,378	------
7	Anchorage - .3' West Interceptor	840	C-020087-04	3	81	INT	7,500	5,625	25,003	------
8	Sitka - Phase II	819	C-020052-04	3	80	STP - INT	10,500	7,875	32,878	21,841

9	Kenai	818	C-020077-03	3	80	STP - INT	4,415	3,311	36,189	25,152
10	Fairbanks - Ballaine Lake	770	C-200083-02	2	80	INT	80	60	36,249	25,212
11	Wasilla	768	C-020073-02	2	81	STP - INT	450	338	36,587	------
12	Naknek	760	C-020082-02	2 & 3	82	STP - INT	2,762	2,072	38,659	------
13	Fairbanks - Ballaine Lake	760	C-020083-03	3	81	INT	800	600	39,259	------
14	Wasilla	758	C-020073-03	3	82	STP - INT	5,053	3,790	43,049	------
15	Fairbanks - Sludge Disposal Study	740	C-020088-02	2	80	UPGRADE	200	150	43,199	25,362
16	Sitka - Phase III	730	C-020052-05	3	82	INT	2,620	1,965	45,164	------
17	Fairbanks - Sludge Disposal Study	730	C-020088-03	3	81	UPGRADE	2,000	1,500	46,664	------
18	Petersburg - I/I Rehabilitation	730	C-020091-01	1	80	REHAB	40	30	46,694	25,392
19	Wrangell - I/I Rehabilitation	730	C-020092-01	1	80	REHAB	76	57	46,751	25,449
20	Eagle River Road Interceptor	730	C-020061-05	3	80	INT	900	675	47,426	26,124
21	Unalaska	711	C-020062-02	2	80	STP - INT	550	413	47,839	26,537

22	Petersburg - I/I Rehabilitation	720	C-020091-02	2 & 3	81	REHAB	240	180	48,019	------
23	Wrangell - I/I Rehabilitation	720	C-020092-02	2 & 3	81	REHAB	200	150	48,169	------
24	Skagway - I/I Rehabilitation	710	C-020090-01	1	80	REHAB	40	30	48,199	26,567
25	Unalaska	701	C-020064-03	3	81	STP - INT	7,200	5,400	53,599	------
26	Skagway - I/I Rehabilitation	700	C-020090-01	2 & 3	81	REHAB	160	120	53,719	------
27	Seldovia	682	C-020071-02	2 & 3	81	STP - INT	2,026	1,520	55,239	------
28	Barrow	680	C-020085-01	1	80	STP	100	75	55,314	26,642
29	Fairbanks - Airport Interceptor	680	C-020084-01	1	82	INT	40	30	55,344	------
30	Barrow	670	C-020085-02	2	82	STP	500	375	55,719	------
31	Fairbanks - Airport Interceptor	670	C-020084-02	2	83	INT	600	400	56,119	------
32	Anchorage - STP Expansion	670	C-020087-10	2	82	STP	1,150	863	56,982	------
33	Anchorage - S.E. Interceptor O'Malley to E-4 Trunk	670	C-020087-03	2	80	INT	200	150	57,132	26,792
34	Anchorage - S.E. Interceptor E-4 Trunk to E-6 Trunk	670	C-020087-06	2	81	INT	30	23	57,155	------

35	Anchorage - S.E. Interceptor E-6 to ½ Mile So. of Huffman Rd	670	C-020087-13	2	82	INT	34	26	57,181	------
36	Anchorage - S.E. Interceptor ½ Mi. So. of Huffman Rd to E-7 Trunk	670	C-020087-17	2	83	INT	77	58	57,239	------
37	Barrow	660	C-020085-03	3	83	STP	6,000	4,500	61,739	------
38	Fairbanks - Airport Interceptor	660	C-020084-03	3	84	INT	7,420	5,565	67,304	------
39	Anchorage - STP Upgrade	660	C-020087-02	3	80	UPGRADE	2,181	1,636	68,940	28,428
40	Anchorage - STP Expansion	660	C-020087-16	3	83	STP	16,550	12,413	81,353	------
41	Anchorage - S.E. Interceptor O'Malley to E-4 Trunk	660	C-020087-05	3	81	INT	1,600	1,200	82,553	------
42	Anchorage - S.E. Interceptor E-4 Trunk to E-6 Trunk	660	C-020087-09	3	81	INT	418	314	82,867	------
43	Anchorage - S.E. Interceptor E-6 Trunk ½ Mi. So. of Huffman Rd	660	C-020087-14	3	82	INT	475	356	83,223	------
44	Anchorage - S.E. Interceptor ½ Mi. So. of Huffman Rd to E-7 Trunk	660	C-020087-18	3	83	INT	1,077	808	84,031	------
45	Pelican	630	C-020057-02	2 & 3	82	STP - INT	800	600	84,631	------
46	Ketchikan - Phase III	630	C-020053-05	3	81	INT	1,000	750	85,381	------
47	Homer STP Expansion	600	C-020093-01	1	80	STP	40	30	85,411	28,458

48	Eagle River - Fire Lake Int. - Phase I	600	C-020061-03	2	80	INT	110	83	85,494	28,541
49	Eagle River - N. Valley Int. - Phase I	600	C-020061-04	2	80	INT	250	188	85,682	28,729
50	Eagle River - Fire Lake Int. Phase III	600	C-020061-09	2	82	INT	200	150	85,832	------
51	Eagle River - N. Valley Int. Phase II	600	C-020061-06	2	81	INT	100	75	85,907	------
52	Cordova - Phase III(6)	590	C-020068-03	2 & 3	80	INT	374	281	86,188	29,010
53	Eagle River - Fire Lake Int. - Phase I	590	C-020061-07	3	81	INT	700	525	86,713	------
54	Homer - STP Expansion	590	C-020093-02	2	82	STP	300	225	86,938	------
55	Eagle River - N. Valley Int. - Phase I	590	C-020061-08	3	81	INT	1,937	1,453	88,391	------
56	Eagle River - N. Valley Int. - Phase II	590	C-020061-10	3	82	INT	900	675	89,066	------
57	Eagle River - Fire Lake Phase II	590	C-020061-11	3	83	INT	1,015	761	89,827	------
58	Homer STP Expansion	580	C-020093-03	3	83	STP	3,200	2,400	92,227	------
59	Anchorage - Outfall Extension	570	C-020087-15	2	82	STP	1,250	938	93,165	------
60	Anchorage - Outfall Extension	560	C-020087-19	3	83	STP	8,750	6,563	99,728	------

61	Dillingham	550	C-020066-02	2 & 3	80	STP	1,900	1,425	101,153	30,435
62	Anchorage - Pump Stations #2	540	C-020087-07	2	81	INT	180	135	101,288	-------
63	Anchorage - Fish Creek F.M. #2	540	C-020087-08	2	81	INT	120	90	101,378	-------
64	Wainwright	535	C-020094-01	1	80	STP - INT	58	44	101,422	30,479
65	Anchorage - Pump Station #2	530	C-020087-11	3	82	INT	1,320	990	102,412	-------
66	Anchorage - Fish Creek F.M. #2	530	C-020087-12	3	82	INT	680	510	102,922	-------
67	Wainwright	525	C-020094-02	2	81	STP - INT	300	225	103,147	-------
68	Wainwright	515	C-020094-03	3	82	STP - INT	3,600	2,700	105,847	-------
69	Soldotna Funny Road Interceptor	500	C-020095-01	1	81	INT	40	30	105,877	-------
70	Juneau - Channel Interceptor	490	C-020048-02	3	83	INT	600	450	106,327	-------
71	Soldotna - Funney R. Road	490	C-020095-02	2 & 3	82	INT	1,400	1,050	107,377	-------
72	Willow	455	C-020089-01	1	82	STP - INT	180	135	107,512	-------
73	Willow	445	C-020089-02	2	83	STP - INT	1,800	1,350	108,862	-------

74	Willow	435	C-020089-03	3	84	STP - INT	15,000	11,250	120,112	-------
75	Fairbanks - E. Farmers Loop	430	C-020078-01	1	82	INT	40	30	120,142	-------
76	Fairbanks - E. Farmers Loop	420	C-020078-02	2	83	INT	180	135	120,277	-------
77	Fairbanks - E. Farmers Loop	410	C-020078-03	3	84	INT	1,955	1,466	121,743	-------

*STP - Sewage Treatment Plant
INT - Interceptor Sewer
REHAB - Rehabilitation Project

Community	Probable Project	Est. Cost
Cordova	Baler & Balefill	$800 K
Yakutat	Landfill Upgrade	$25 K
Skagway	New Landfill, Incinr., or?	$150 K
Hoonah	New Landfill, Equip.	$266 K (PHS-$77)
Petersburg	Upgrade or New Disp. Sys.	$25-200 K
Wrangell	Upgrade or New Disp. Sys.	$25-250 K
Ketchikan	Landfill & Incin.	$900 K
Valdez	New Landfill & (?)	$100-1500 K
Kodiak	New Landfill, Sludge Disp.	650 K
Bristol Bay Borough	New Landfill	50 K
Bethel	?	N.A.
Nome	Landfill Upgrade	50-150
Barrow	Landfill and (?)	N.A.
Mat-Su Borough	New Landfill & Other Improvements	$400-800 K
Pelican	New Landfill	N.A.
Angoon	Upgrade Landfill	$25 K
Craig-Klawock	Upgrade Landfill	$25 K
Anchorage	Ft. Rich Boiler Upgrade, etc.	>$1 million
Large # of rural communities	Burning devices, disposal facility, sludge or honey bucket disposal, etc.	10-150 K each
Deadhorse	Additional Shredder	N.A.
Unalaska	New Landfill	N.A.
Kenai Peninsula Borough	Landfill Improvements	400,000

Bush Projects

Construction Grants

North Slope Borough
- Point Lay
- Barrow
- Wainwrigut
- Atkasook
- Anaktuvuk Pass
- Nuiqsut
- Point Hope
- Deadhorse

Nome
Bethel
Dillingham
King Salmon
Naknek
Sand Point
King Cove
Nenana
Tanana
Yakutat
Craig
Klawock
Kake
Saxman
Pelican
Unalaska

VSW

Pitkas Point
Chevak
Selawik
Council
Koyukuk
Alakanuk
Beaver
Tanana
Norhway
Kongiganak
Akiachak
Nulato
SE 49
Point Lay
Kipnuk
Hooper Bay
Kobuk
Bethel
Kotzebue
Cantwell
Shaktoolik
Kotlik
Koyuk
McGrath

Introduced: 1/24/79
Referred: Community &
Regional Affairs

IN THE HOUSE BY CHATTERTON

HOUSE BILL NO. 68

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act transferring responsibility for administration of the Village Safe Water Act; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.07.080(1) is amended to read:

(1) "commissioner" means the commissioner of transportation and public facilities [ENVIRONMENTAL CONSERVATION];

* Sec. 2. This Act takes effect July 1, 1979.

CHAT:

FROM DEF. SECTION
PASSED IN 1970
AMENDED IN 1975
FROM RHESS.
HARDWARE FROM CONTRACTED WITH FISH AND GAME
VILLAGE = 25 TO 600 WITHIN 2 MILES
INCORPORATED VILLAGES ARE SOMETIMES LESS

CLOCKSIN:

TENTATIVE
HAROLD SPARK, BETHEL
DO NOT PASS
DEC 'OUTSTANDING' IN ECONOMY AND PLANNING
COST OF TRANSFER.
ADVISORY COMMITTEE.

JOHN SCRIBNER, DEC, DIR. OF WATER

+ GREG. CAPITO, SENIOR PLANNER, DEC
BATHING, LAUNDRY, DRINKING, WASTE DISPOSAL.
2 3/4 ON STATE FUNDS ADMINISTERING PROGRAM.
TROVERS.

VSW PROGRAM

1) PLANNING

2) CONSTRUCTION $6½ MIL SO FAR (5½ BOND, 1 GENFUND)

3) OPERATION & MAINTENANCE

PUBLIC HEALTH ALSO HAS A PROGRAM

DOT NO OP & MAINT

P.H. PROGRAM 10 TIMES LARGER.

SOMETIMES A VILLAGE JUST TAKES OVER AND RUNS WITH IT

ALBUQUERQUE

OTHER TIMES THEY NEED CONTINUING TECHNICAL ASSISTANCE.

DEC OFFERS THAT SERVICE TOO.

FORCE ACCOUNTING/CONSTRUCTION MANAGEMENT.

VILLAGE SAFE WATER PROGRAM
An Update to January 20, 1977

from DEC

Introduction

The Village Safe Water Act (AS 46.07), passed in 1970, calls for "at least one facility for safe water and hygienic sewage disposal in each village" in Alaska. Little progress was made in the program until December of 1972 due to lack of funds, inability to hire someone to administer the Village Safe Water (VSW) program, and lack of operation and maintenance provisions. Since 1972, six VSW facilities have been constructed, two more are nearly complete, and another is being designed. In addition, an operation and maintenance support program and a comprehensive planning effort have been organized and initiated.

Construction

The six VSW facilities constructed to date are in the villages of Northway, Chevak, Alakanuk, Selawik, Nulato and Pitkas Point. A facility will be completed in Beaver in January, 1977, and in Koyukuk in February of 1977. A facility for Kongiganak is being designed, and construction is scheduled for summer of 1977.

At the nine locations listed above, the VSW projects consist of central sanitation facilities to which village residents can come to obtain water supply, sewage disposal, bathing and laundry services. No piped water distribution or sewage collection systems are involved except for water and sewer service lines to schools.

Construction methods used so far have included: 1) competition bid construction contracts administered by the Alaska Department of Public Works, 2) competitive bid construction contracts administered by the Alaska Department of Environmental Conservation (ADEC), and 3) force account construction by the villages through construction management contracts with engineering consultants. All facilities so far have been designed by engineering consultants.

The force account/construction management method of construction has been the most satisfactory of the three methods used. Facilities constructed that way have been built cheaper and faster than those built under competitive bid construction contracts; the quality of construction has been better; and the villages have been more intimately involved in, and satisfied with, their projects.

VSW facilities have cost from $350,000 at Pitkas Point (begun in FY 76) to almost $1,200,000 at Selawik (begun in FY 74). Villages served have ranged in size from 85 (Pitkas Point) to over 500 (Selawik).

Operation and Maintenance

Experience in the VSW program has confirmed that virtually any utility system installed in remote Alaskan villages is doomed to eventual failure unless the village is given financial, technical, and/or management assistance. Any program for providing utilities in rural Alaska must either adequately provide for long term operation and maintenance, or expect system failures that adequate operation, maintenance and management could have prevented.

In FY 76, the annual operating budgets for VSW facilities ranged from $28,000 at Northway to over $100,000 at Selawik. ADEC provided a total of about $225,000 in VSW operation and maintenance grants in FY 76 to six villages. In addition, ADEC provided technical and management assistance to the six villages. Although expensive, the VSW operation and maintenance support program has made it possible for all completed VSW facilities to serve the public as intended.

Comprehensive Planning

ADEC is developing a comprehensive plan intended to define the roles of State and federal agencies and other groups involved in providing rural sanitation services. An early step in this planning is to inventory all village sanitation facilities. Completing this inventory is viewed as the cornerstore of the VSW planning effort.

The Ninth Alaska Legislature passed a resolution suggesting that a VSW advisory committee be organized consisting of representatives from the 12 Native Regional Service Associations. This committee would assist ADEC with policy and management decisions concerning the VSW program. The Department feels the advisory committee is a good idea and welcomes increased involvement for the Regional Associations.

Several local, State, federal and private organizations participate either directly or indirectly in providing rural sanitation services. A strong working relationship must be developed among the diverse groups if a comprehensive plan for sanitation services throughout rural Alaska is to be successfully developed and implemented.

Goals and Objectives

VSW Comprehensive Planning

GOAL

To develop a statewide comprehensive program for providing sanitation services in rural Alaska.

PLAN OBJECTIVES

1. Inventory existing water supply and sewage disposal facilities in rural Alaskan villages.

2. Develop criteria for evaluating the adequacy of existing water supply and sewage disposal facilities. identified in # 1 above.

3. Identify existing agency programs providing sanitation facilities to Alaskan villages. Quantify the resources currently available. Identify and describe the technical, management and administrative approaches presently used.

4. Develop criteria to evaluate the effectiveness of these programs.

5. Evaluate the adequacy of technical, management and administrative approaches identified in #3. above.

6. Identify and evaluate alternative technical, administrative and management methods that might be used to address sanitation needs in rural Alaska.

7. Recommend changes in the activities and resources of existing programs to incorporate the alternatives noted in # 6 above. Recommend new programs and/or authority necessary for implementation.

8. Analyze existing methods of operation, maintenance and management of village sanitation facilities.

9. Develop alternative methods for operation, maintenance and management of village sanitation facilities.

10. Recommend changes in the activities and resources of existing programs to incorporate the alternative approaches noted in #9 above.

11. Integrate the findings of the above analysis with th comprehensive plan.

12. With the assistance of the appropriate governmental agencies and Native non profit regional associations, proceed to implement the plan.

PUBLIC INVOLVEMENT & PROGRAM COORDINATION

Because several local, State and federal organizations participate either directly or indirectly in developing rural sanitation facilities, this major planning effort can not be undertaken alone. To insure proper plan development and implementation, a strong working relationship must be developed among the diverse groups currently working on rural sanitation problems.

Public participation and inter-agency coordination must be an integral part of the VSW comprehensive planning process. In this regard, a maximum effort will be made to enlist the active participation of the native regional health organizations, the villages and appropriate federal and state agencies. We hope that by the time a draft of the plan has been formulated, significant public comment and coordination will have been obtained. The results of our collective efforts will be a comprehensive plan for providing rural sanitation services in Alaska.

Principal Contact

For more detailed information on the Village Safe Water comprehensive planning process, please contact:

Greg Capito
Senior Planner
Alaska Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811
Phone: 465-2664

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: ALL COMMITTEE MEMBERS

FROM: REP. BILL PARKER, Chairman

RE: HB 68 relating to the Village Safe Water Act

The following recommendations are excerpted from the Governor's Management and Efficiency Review Report

Recommendations

254. Discontinue construction of village safe water projects.

The village safe water program is financed completely by the state and there is substantial concern about its effectiveness. The program applies to villages with population ranges of from 25 to 600 persons. Approximately $5-million has been spent to complete eight projects and three more are scheduled.

A fiscal 1977 request of $2-million has been made for the program plus an additional $300,000 for annual maintenance work. The maintenance figure could double as additional projects are completed. The villages are unable to operate and maintain the facilities and a decision must be made on the future of the program.

In view of the inability of the villages to run these facilities successfully, the construction program should be discontinued. As some of the native corporations involved become more experienced, they could contract with the state for such a program, recognizing that rural water and waste disposal systems are almost never financially self-sustaining. Implementation would result in an estimated one-time cost avoidance of $2-million and an annual saving of approximately $300,000.

pp. 138, 139

The final implementation report of the Governor's Management and Efficiency Review states that this particular recommendation has not been implemented. (See p.10)

HB
69

HB 69 TITLE & SPONSOR SUMMARY 13:26 3/20/79 PAGE 1 OF 2

AMENDED TITLE:

AN ACT RELATING TO HIRING OF EMERGENCY FIRE-FIGHTING PERSONNEL

PRIME SPONSORS: HOUSE RULES COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 2/13/79 IN (H) RULES

HB 69 HOUSE ACTION 13:27 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/24/79	01	0063	FIRST READING -- COMMITTEE REPORTS
02/13/79	04	0217	CRA -- DP01, CS04 RULES
01/24/79	02	0063	GOV TRANSMITTAL LETTER
01/31/79	03	0063	FISCAL NOTE-HSE SUPPL #3
****	**	**	*** *** ***

MINUTES --C&RA COMMITTEE HEARING

Feb. 5, 1979 ALL COMMITTEE MEMBERS PRESENT

H.B. 69-- An Act relating to hiring of emergency fire-fighting personnel

By Rules Committee by Request of the Governor

Testifying:

Sheri Shelley, Attorney for Alaska Public Employees Association

Encourages adoption of APEA proposed amendment if bill passes. APEA neither supports nor opposes bill.

Ken Spray -- Vice Pres of Local 71

Gave history of fire fighters .
Discussed current wage scales and difference between wages if they are Union laborers or exempt.

Opposed to passage of bill.

See Tape #1 Side 2 Sections 670-985

Feb. 9. 1979

HB 69 -- Emergency Fire-fighting

COMMITTEE MEMBERS PRESENT	MEMBERS ABSENT
Branson	O'Connell
Carney	Zharoff
Parr	
Parker	
Metcalfe	

Testifying:

Ted Smith, Director Division of Forest, Land and Water Management
Supports removal of man hour limitations.

Committee passes CS including 60 day limitation with exempt language in.

See Tape #1 Side 2 Sections 1300-1410

(7)

COMMITTEE REPORT

HOUSE

FURTHER:

1-24-79

Date: 1 Feb 79

Mr. Speaker:

The Committee on C&RA has had HB 69

"An Act relating to hiring of emergency fire-fighting personnel."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 69 [ ] same title [ ] new title

and recommends DO PASS IF AMENDED

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
Bill Dal Do Pass if amended	
[illegible]	
[illegible]	
[illegible] Do Pass	
Ray Metcalfe Do if amended	

Bill Dal

CHAIRMAN

H 60 (Rev. 12/78)

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y, STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

February 9, 1979

SUBJECT: CSHB 69, relating to emergency fire-fighting personnel

TO: Representative Bill Parker
ATTN: Marge Corsuch, A.A.

FROM: John B. Chenoweth
Legislative Counsel

I have taken the liberty of excising all reference to the language which you provided to me from the draft Committee Substitute. When I finally figured out what was being said, I could not help but think that a limitation on emergency employment expressed in terms which refer to "conditions necessitating immediate action to provide for carrying on work that must be continued in the public interest" had absolutely no applicability in the context of fighting fires. However, if you think that it ought to go back in, let me suggest something like

> ". . .only if his employment is critical if work that is in the public interest is to be continued."

You might also wish to consider inclusion of an immediate effective date. If this bill becomes effective in its present form, the effective date might well be mid-summer, when hiring activity for fire-fighting is at its height. An immediate effective date clause could alleviate problems arising out of a summer implementation.

JBC:jdn

Enclosure

HB 69

* Section 1. AS 39.25.110 is amended by adding a new paragraph to read:

(22) emergency fire-fighting personnel hired by the commissioner of natural resources under AS 41.15.030(b). Individuals hired as an emergency appointment may be hired for a period not to exceed thirty (30) calendar days, and must be made under conditions necessitating immediate action to provide for carrying on work that must be continued in the public interest.

No. 4

BILL WORK SHEET

(for optional use of committee aides)

COMMITTEE ON _____

Received from _____ DATE _____

BILL NO. HB69 ORIGINAL SPONSOR Rules - Request of Gov OTHER _____

THIS COMMITTEE RECOMMENDED --

Majority Recommendation: _____

Supported by _____

Minority Recommendation: _____

Supported by _____

Other: _____

Brief/flag title: Emergency Fire Fighters

What bill does:

OUR COMMITTEE AMENDMENTS (what they are and what they do (attach if lengthly))

Fiscal Impact -- Is there a fiscal note for the original bill and one which reflects changes made by the amendments: (attach details).

LAA Legal/Research contact:	Research/supporting information
	Attached (?) _____

PERSONS/ORGANIZATIONS:

Supporting bill: Ken Spray 586-6993; Pat Hunt 4421; George Howlett 279-5577; Natl Resources Pat Conheady 2400

Opposing bill. A.P.E.A. 6-2334; George Hollett 279-5577 Div of Land

REMARKS: (use reverse side if necessary)

Hollett - no man hr. limitation in original bill. Usually no one stays longer than 3 wks. Village crews come & go together. BLM has pay scale comparable to lower "48" so conflict with state workers. Concern Carson if pay is high enough. Seasonal people on payroll (Div of Land) sometimes do work. BLM still protects Native lands - then C becomes state responsibility after 20 yrs. Have taken over urban areas. John Sackett may know ~ about 30,000 hrs.

Sec. 41.15.010. Intent. It is the intent of §§ 10 — 170 of this chapter to provide protection for the timber resources and watersheds on all lands in the state. (§ 1 ch 138 SLA 1961)

Am. Jur. reference. — 34 Am. Jur., Logs and Timber, §§ 4, 53.

Sec. 41.15.020. Regulations. The commissioner shall, by regulation, make provision for the protection of forested lands in the state from fire and other destructive agents. (§ 2 ch 138 SLA 1961)

Sec. 41.15.020. Commissioner may make contracts for forest protection. (a) The commissioner may enter into protection contracts which he considers necessary.

(b) The commissioner may hire emergency fire-fighting personnel up to a total of 30,000 man-hours each year, and shall establish classifications and rates of pay for the emergency fire-fighting personnel consistent with the compensation paid by other fire-fighting agencies. The commissioner may adjust the classifications and rates based on findings of the federal Bureau of Land Management for Alaska. (§ 2 ch 138 SLA 1961; am § 1 ch 100 SLA 1976)

Effect of amendment. — The 1976 amendment added present subsection (b).

Editor's note. — Section 119, ch. 218, SLA 1976, provides an effective date for ch. 100, SLA 1976.

Sec. 41.15.040. Right of entry to control and suppress fires. [illegible] approval by the commissioner or his authorized agent, employees of the division of lands, or of any organization authorized to prevent, control or suppress fires or destructive agents, and others assisting in the control or suppression of fires upon request of an officer or employee of the United States or the state may at any time enter upon any land, whether publicly or privately owned, for the purpose of preventing, suppressing or controlling forest fires and destructive agents. (§ 4 ch 138 SLA 1961)

Am. Jur. and ALR references. — 22 Am. Jur., Fires, § 2.

Constitutionality of fire prevention provisions of forest [illegible] legislation, 13 ALR3d 1127

Sec. 41.15.050. Fire season. The period from May 1 to September [illegible] inclusive, of each year is designated the fire season. The commissioner may designate other periods as fire season. The commissioner may proclaim an additional period for all or any portion of the state if weather or other conditions require action for the protection of forested lands. The commissioner may also, during the fire season, prohibit or allow only by permit, the setting of fires, smoking, entry or [illegible] on the land, when, in his judgment, the activities would [illegible] the fire danger. (§ 3 ch 138 SLA 1961; am § 1 ch 27 SLA 1973)

Title 39 Public Officers and Employees
Title 40 Public Records and Recorders
Title 41 Public Resources

HB

70

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

1-24-79

Date: 12 Fe 79

Mr. Speaker:

The Committee on C&RA has had HB 70

"An Act making a special appropriation to the Department of Community and Regional Affairs for the purchase of public safety and public works equipment for the cities of Craig and Klawock; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
Bill Payne Do Pass	
[illegible] Do Pass	
[illegible] Do Pass	
[illegible]	

Bill Payne
CHAIRMAN

H 60 (Rev. 12/78)

HB 70 TITLE & SPONSOR SUMMARY 13:37 3/20/79 PAGE 1 OF 2

AMENDED TITLE:

AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR THE PURCHASE OF PUBLIC SAFETY AND PUBLIC WORKS EQUIPMENT FOR THE CITIES OF CRAIG AND KLAWOCK; AND PROVIDING FOR AN EFF. DATE $133,600 (APEGOP).

PRIME SPONSORS: FREEMAN.

CO-SPONSORS: GARDINER.

CURRENT STATUS: 2/13/79 IN (H) FINANCE

HB 70 HOUSE ACTION 13:39 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/24/79	01	0064	FIRST READING -- COMMITTEE REPORTS
02/13/79	02	0217	CRA -- DP04
			FINANCE
			RULES
****	**	**	*** *** ***

MINUTES -- CRA COMMITTEE

2/12/79

HB 70 -- Making a special appropriation tothe Department of Community and Regional Affairs for the purchase of public safety and public works equipment for the cities of Craig and Klawock

COMMITTEE MEMBERS PRESENT	MEMBERS ABSENT
Parker	O'Connell
Branson	Carney
Parr	Zharoff
Metcalfe	

Testifying:

Rep. Oral Freeman -- Sponsor
Bob Speed -- Administrative Assistant for Rep. Gardinar (co-sponsor)

(See attached comments)

Bill was passed out of C&RA with the four present members voting "Do Pass"

See TAPE #3 -- Section 2-200 for recorded minutes of hearing.

BILL:

HB 70 Appropriation Craig and Klawock

Sponsors: Freeman and Gardiner

This appropriation was introduced last year--was vetoed by Hammond.

Craig--crawler tractor needed for road work.

Klawock-- now they are using vintage fire truck (circa '39)
The fire alarm system proposed would be an electrical one. They presently use a bell and telephones. KLawock is spread out so an alarm system is vital.
Backhoe is needed for city construction work...primarily for putting in sewers required by Federal law.

Contacted: Freeman 4993
Gardiner 3720

C&RA Lynn Wagener contacted. Dept. has no objection to bill

Underground Man

Destruction

HB
83

CITY OF KODIAK
ALASKA

March 12, 1979

Mr. Bill Parker, Chairman
House Community and Regional Affairs Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Gentlemen:

The Council took action at their meeting of March 8, opposing HB 83. The Council definitely feels that a higher percentage of the raw fish tax should be returned to the municipalities. However, Kodiak is in a unique situation in that the major portion of the revenue is produced inside the boundaries of the City of Kodiak. Yet the Borough receives twice the amount of refund.

I do not know how the amendment to the Statutes, giving the borough an additional percentage, was passed several years ago or which area was in favor of it, but it is certainly unfair.

The City of Kodiak has 15 year-round processing plants and the Kodiak Island Borough has 3 or 4 seasonal plants. The City provides all services to the canneries; fire protection, police, water, sewer, streets, etc. For all these services necessary to obtain the revenue, the City of Kodiak has received only 10% and the Kodiak Island Borough has received 20% of the monies collected.

To explain the extent the City assists the canneries and fishermen, I would like to address certain services. The City pays the Borough for personal property tax and does not levy any City personal property tax. This is a real advantage to canneries with a great deal of equipment and boat owners, who may be residents of the Borough or another State, with boats stored inside the City limits.

The real emergency on the Monashka Dam repair was to provide water to the canneries. If it had not been for the canneries' need, the City could have waited and attempted to obtain State or federal grants. It now appears that the City is stuck with a $250,000 repair bill.

Several years ago the canneries were directed to provide for the disposal of their fish wastes. The City not only coordinated a necessary study to entice a private company to establish a plant and process the waste, but also leased land from the State and provided it for locating the plant at a subsidized rental. To this day, the City provides a reduced rental for the waste plant.

POST OFFICE BOX 1397, KODIAK, ALASKA 99615 PHONE (907) 486-3224

The City of Kodiak also operates the boat harbor and for many years, as you know, has attempted to obtain federal funding for a larger boat harbor (Dog Bay).

For the reasons stated above and others that could be mentioned, it is felt that the city or borough providing the services to those generating the revenues should receive the largest share of the raw fish tax.

Thank you for your consideration and attention in this matter.

Sincerely,

CITY OF KODIAK

Gary Stevens
Mayor

GS/yb

cc: Members of the House Community and Regional Affairs Committee
House Finance Committee
Representative Fred Zharoff

04-D3LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

February 12, 1979

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska

Re: House Bull No. 83

Dear Mr. Osterback:

House Bill No. 83, an Act relating to the raw fish tax, was introduced in the House on January 25, 1979 and was referred to the House Resources and Finance Committees. The bill was given a further referral on January 30, 1979 to the House Community and Regional Affairs Committee.

For the consideration of the House Resources Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Phil Wall, Director, Administrative Services Division, Department of Revenue concerning the proposed legislation.

Sincerely

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Miles
Co-Chairman
House Resources Committee

The Honorable Bill Parker
Chairman
House Community & Regional Affairs Committee

The Honorable Russ Meekins
Chairman
House Finance Committee

John Messenger
Acting Commissioner
Department of Revenue

Phil Wall, Director
Administrative Services Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 83

Title Raw Fish Tax

Requested by House Resources Committee Date 1/25/79

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Development

Budget Request Unit(s) Affected Shared Taxes

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There is no additional cost to administer the Bill. The General Fund will decrease in the amount shown as the additional raw fish tax revenue is shared.

IV. DATE 2/13/79 PREPARED BY P. A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

Fisheries Tax

Cities	FY 77 Actual	Actual FY77 @ 30%	FY 78 Actual	Actual FY78 @ 30%	FY 79 Authorized	Est. FY79 @ 30%	FY 80 Request	Est FY 80 @ 30%
Cordova	86477	259,431	111791	335,373	69500	208500	89988	269,964
Craig	4260	12,780	3273	9,819	5000	15000	4433	13,299
Dillingham	29669	89,007	32792	98,376	30000	90000	30874	92,622
Fairbanks	15	45	3	7	15	45	16	48
Haines	-0-	-0-	5	15	-0-	-0-	-0-	-0-
Hoonah	1952	5,856	2249	6,747	2000	6000	2031	6,093
Homer	2697	8,091	6475	19,425	2000	6000	2806	8,418
Hydaburg	1659	4,977	1564	4,692	2000	6000	1726	5,178
Kake	391	1,173	-0-	-0-	500	1500	407	1,221
Kenai	35639	106,917	34010	102,030	30000	90000	37086	111,258
Ketchikan	14860	44,580	27290	81,870	15000	45000	15463	46,389
King Cove	85810	257,430	11593	34,779	80000	240000	89294	267,882
Klawock	10858	32,574	22716	68,148	10000	30000	11299	33,897
Kodiak	74439	223,317	98465	295,395	70000	210000	77461	232,383
Nenana	92	276	79	237	100	300	96	288
Pelican	12447	37,341	13153	39,459	12000	36000	12952	38,856
Petersburg	36904	110,712	99651	298,953	35000	105,000	38402	115,206
Seldovia	1233	3,699	1151	3,453	1000	3000	1283	3,849
Seward	21220	63,660	26850	80,550	20000	60,000	22081	66,243
St. Marys	-0-	-0-	235	705	-0-	-0-	-0-	-0-
Unalaska	101417	304,251	154901	464,703	90000	270,000	105534	316,602
Valdez	-0-	-0-	5	15	-0-	-0-	-0-	-0-

AGENCY Revenue BRU Shared Taxes COMPONENT Fisheries Tax DATE REVISED

CONTINUED

page 1 of 2 pages, Form

Fisheries Tax (Con't.)

Cities	FY 77 Actual	Actual FY 77 @ 30%	FY 78 Actual	Actual FY 78 @ 30%	FY 79 Authorized	Est. FY 79 @ 30%	FY 80 Request	Est. FY 80 @ 30%
Wrangell	6482	19,446	11571	34,713	5000	15,000	6745	20,235
Yakutat	1227	3,681	1456	4,368	2000	6,000	1277	3,831
Total Cities	529748	1,589,244	661279	1,983,837	481115	1,443,345	551254	1,653,762
Boroughs								
North Star	15	45	3	9	100	300	16	48
Anchorage	25367	76,101	40525	121,575	35000	105,000	26397	79,191
Bristol Bay	93101	279,303	92881	278,643	100000	300,000	96881	290,643
Fairbanks	-0-	-0-	-0-	-0-	100	300	-0-	-0-
Haines	4669	14,007	35467	106,401	6000	18,000	4859	14,577
Juneau	7054	21,162	8159	24,477	10000	30,000	7340	22,020
Kenai	68248	204,744	133925	401,775	75000	225,000	71019	213,057
Ketchikan	34018	102,054	81946	245,838	40000	120,000	35399	106,197
Kodiak	251716	755,148	182348	547,044	232685	698,055	261968	785,904
Mat-Su	-0-	-0-	-0-	-0-	10000	30,000	-0-	-0-
Sitka	5734	17,202	8289	24,867	10000	30,000	5967	17,901
Total Boroughs	489922	1,469,766	583544	1,750,632	518885	1,556,655	509846	1,529,538
Total Cities & Boroughs	1019670	3,059,010	1244821	3,734,463	1000000	3,000,000	1061100	3,183,300

AGENCY Revenue BRU Shared Taxes COMPONENT Fisheries Tax DATE REVISED

CONTINUED

page 2 of 2 pages, Form

HB
95

MINUTES -- C&RA

February 7, 1979

HB95 -- Relating to sanitary landfills

ALL COMMITTEE MEMBERS PRESENT

Sponsor: Rep. Nels Anderson

Testifying:

Rep. Anderson -- Read into record letter from constituent who has been experiencing problems which led to introduction of bill.

Dick Stokes -- D.E.C. representative
Spoke of pollution problems, particularly in Dillingham where there are open burns. a stream being polluted. as well as problems between sea gulls and jet aircraft due to the placement of the sanitary landfill and the airport. Relocation problems discussed as well as Dillingham's problems in meeting D.E.C.'s compliance schedule.

Bill to be taken up again.

See Tape 1 Side 2 Sections 925-1300 for taped recording of hearing.

February 9. 1979

HB 95

MEMBERS PRESENT	MEMBERS ABSENT
Branson	
Carney	
Parr	Zharoff
Parker	O'Connell
Metcalfe	

Due to new information received subsequent to a meeting held in Dillingham on Feb. 8, (see attached memo) the Committee decided to take no action on HB 95.
Rep. Anderson conveyed this information to the Committee re changing circumstances in Dillingham.

See Tape 1 Side 2 Sections 1433-1475

HB. 95

2/15/78 Telephone message from Laura Schroder, Mgr. City of Dillingham

Chagion Limited-Bristol Bay Native Corp.
Agreement reached for use of part of gravel pit for sanitary landfill.
Lease arrangement or part of 14C settlement (latter agreed to)
Problem with flooding out of road to gravel pit site so$ might be needed.

Dillingham might still need an appropriation. Extra equipment needed -

No. 4

BILL WORK SHEET

(for optional use of committee aides)

COMMITTEE ON _____

Received from _____ DATE _____

BILL NO. 95 ORIGINAL SPONSOR _____ OTHER _____

THIS COMMITTEE RECOMMENDED --

Majority Recommendation: _____

Supported by _____

Minority Recommendation: _____

Supported by _____

Other: _____

Brief/flag title: Sanitary Landfills

What bill does:

OUR COMMITTEE AMENDMENTS (what they are and what they do (attach if lengthly))

Fiscal Impact -- Is there a fiscal note for the original bill and one which reflects changes made by the amendments: (attach details).

LAA Legal/Research contact:	Research/supporting information Attached (?) _____

PERSONS/ORGANIZATIONS:

Supporting bill: Rep. Nels Anderson 3738
municipal League - doesn't oppose
Dept. E.C.

Opposing bill: Dick Stokes 2635
~~Dale Wellington (to testify)~~

REMARKS: (use reverse side if necessary)
Laura Schroder

STATE of ALASKA

MEMORANDUM

TO: Mr. Keith Specking
Legislative Assistant
Office of the Governor

DATE: February 6, 1979

FILE NO:

TELEPHONE NO:

FROM: Ernst W. Mueller
Commissioner
Department of Environmental Conservation

SUBJECT: HB 95

House Bill 95 relating to sanitary landfills, is the same as HB 707 introduced during the last session. The remarks which follow are substantially the same as our previous comments. The immediate focus of the bill appears to be to assist the City of Dillingham in its opposition to the department's attempts to alleviate the public safety and environmental hazards created by that city's dump. That matter has long been in the courts. In the long run, however, this bill could preclude approval of Alaska's solid waste management plan by the U. S. Environmental Protection Agency. Aside from being an embarrassment to a state trying to demonstrate its environmental responsibility, EPA disapproval would also involve a loss of federal solid waste management funds to the state, and, in the future, local governments, and may very well result in increased federal involvement in solid waste management in Alaska.

In analyzing the bill, it is important to understand the concept of a "sanitary landfill." A sanitary landfill has been universally defined as a solid waste facility sited to avoid safety, health and environmental hazards, confined to the smallest practicable area, and covered on a daily basis. Over the past several years, the Department of Environmental Conservation has worked closely with Alaska municipalities to convert their "dumps" to "sanitary landfills." Normally, this can be accomplished without requiring the closing of the existing facility. The program, I believe, has met with a substantial amount of success.

In some cases, however, cooperation has not been enough and enforcement action is necessary. The City of Dillingham provides a case in point. Because of its location, the Dillingham dump creates both water pollution and public safety hazards. The proximity of the dump to the airport is the department's greatest concern. Dumps--particularly poorly operated ones--attract birds, which in turn threaten air safety. A near catastrophe in Homer in September, 1976, which was disclosed at hearings on the Dillingham facility, illustrates well the magnitude of that threat. A Wien 737 jet with 52 passengers encountered a flock of seagulls upon takeoff. One engine exploded and another stalled as several birds were ingested into the jet engines. Thankfully, the pilot was able to restart one engine and return to Homer without crashing into the sea. The cost to Wien from this one incident exceeded $250,000.

Because of this hazard, dumps located close to airports must, in certain circumstances, be relocated. Dillingham has recognized that this is the case with their facility, but has been, in our view, less than aggressive

in finding other sites. HB 95, by precluding the department from directing relocation in the event that eminent domain is necessary, would substantially impair the department's ability to reduce adverse impacts associated with local dumps. While we are confident that relocation of the Dillingham facility can be accomplished without the use of eminent domain, the bill may well thwart necessary remedial action in future cases.

This is particularly true in light of the Resource Conservation and Recovery Act, passed by Congress in 1976 (PL 94-580). The Act authorizes the establishment of minimum standards for both hazardous waste disposal and solid waste management in general (secs. 3004, 4002), and provides states with the opportunity to develop solid waste programs to implement those standards (secs. 3006, 4007). My department is working hard to develop such a state program. The primary consequences of failure to develop an adequate program are (1) loss of solid waste management grant funds (sec. 4007(b)); and (2) direct U. S. Environmental Protection Agency involvement in local solid waste management (secs. 3005, 3006). EPA, it should be noted, can directly enforce its guidelines for solid waste management if an imminent environmental or public health hazard is present (sec. 7003).

The fundamental goal of the federal Act is to convert existing dump facilities to sanitary landfills--which will be defined by EPA according to criteria scheduled for promulgation this summer. The Act also mandates the closure of open dumps. To accomplish this, relocation of municipal facilities will sometimes be required. The draft EPA guidelines, for example, require relocation where the facility is in close proximity to an airport--as is the case in Dillingham, unless it can be determined that the facility does not cause a conflict between birds and air traffic. Because HB 95 would deny the department the enforcement authority necessary to carry out the federal guidelines, and because the bill defines "sanitary landfill" to include open dumps--no matter how great the hazards they pose to the environment and human life--the likely consequence of its enactment would be substantial direct federal control over Alaska's solid waste problems. This would not only make solid waste control substantially more onerous on Alaska's municipalities, but would add considerable ammunition to the assertion that Alaska is incapable of managing its own affairs.

Bill's notes
(Hold in committee)

Introduced: 1/30/79
Referred: Community &
Regional Affairs

IN THE HOUSE BY ANDERSON

HOUSE BILL NO. 95

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to sanitary landfills."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.03.020 is amended by adding a new paragraph to read:

(12) require relocation of municipal sanitary landfills; if the municipality has not received patent to the total amount of land for which it is eligible under AS 29.18.201 - 29.18.213, and if exercise of the municipality's power of eminent domain would be required to provide a suitable relocation site, the department may not require relocation until a suitable relocation site becomes available without requiring the use of the power of eminent domain.

* Sec. 2. AS 46.03.900 is amended by adding a new paragraph to read:

(26) "sanitary landfill" means a land area used for the disposal of solid waste.

Was HB 707 last year
went nowhere

tapes from previous year

Dick Stokes:
Solid Waste Management. DEC

of ALASKA

MEMORANDUM

TO: Mr. Keith Specking
Legislative Assistant
Office of the Governor

DATE: February 6, 1979

FILE NO:

TELEPHONE NO:

FROM: Ernst W. Mueller
Commissioner
Department of Environmental Conservation

SUBJECT: HB 95

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In analyzing the bill, it is important to understand the concept of a "sanitary landfill." A sanitary landfill has been universally defined as a solid waste facility sited to avoid safety, health and environmental hazards, confined to the smallest practicable area, and covered on a daily basis. Over the past several years, the Department of Environmental Conservation has worked closely with Alaska municipalities to convert their "dumps" to "sanitary landfills." Normally, this can be accomplished without requiring the closing of the existing facility. The program, I believe, has met with a substantial amount of success.

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Because of this hazard, dumps located close to airports must, in certain circumstances, be relocated. Dillingham has recognized that this is the case with their facility, but has been, in our view, less than aggressive

in finding other sites. HB 95, by precluding the department from directing relocation in the event that eminent domain is necessary, would substantially impair the department's ability to reduce adverse impacts associated with local dumps. While we are confident that relocation of the Dillingham facility can be accomplished without the use of eminent domain, the bill may well thwart necessary remedial action in future cases.

This is particularly true in light of the Resource Conservation and Recovery Act, passed by Congress in 1976 (PL 94-580). The Act authorizes the establishment of minimum standards for both hazardous waste disposal and solid waste management in general (secs. 3004, 4002), and provides states with the opportunity to develop solid waste programs to implement those standards (secs. 3006, 4007). My department is working hard to develop such a state program. The primary consequences of failure to develop an adequate program are (1) loss of solid waste management grant funds (sec. 4007(b)); and (2) direct U. S. Environmental Protection Agency involvement in local solid waste management (secs. 3005, 3006). EPA, it should be noted, can directly enforce its guidelines for solid waste management if an imminent environmental or public health hazard is present (sec. 7003).

The fundamental goal of the federal Act is to convert existing dump facilities to sanitary landfills--which will be defined by EPA according to criteria scheduled for promulgation this summer. The Act also mandates the closure of open dumps. To accomplish this, relocation of municipal facilities will sometimes be required. The draft EPA guidelines, for example, require relocation where the facility is in close proximity to an airport--as is the case in Dillingham, unless it can be determined that the facility does not cause a conflict between birds and air traffic. Because HB 95 would deny the department the enforcement authority necessary to carry out the federal guidelines, and because the bill defines "sanitary landfill" to include open dumps--no matter how great the hazards they pose to the environment and human life--the likely consequence of its enactment would be substantial direct federal control over Alaska's solid waste problems. This would not only make solid waste control substantially more onerous on Alaska's municipalities, but would add considerable ammunition to the assertion that Alaska is incapable of managing its own affairs.

Taken from Departmental Regulations

18 AAC 60.130. DEFINITIONS. Unless the context indicates otherwise, in this chapter:

(1) "commissioner" means the commissioner of the Department of Environmental Conservation;

(2) "department" means the Department of Environmental Conservation;

(3) "hazardous waste" means waste that is capable of causing injury, disease or impairment of health, or property damage, including but not limited to poisons, pesticides, acids, caustics, infectious or pathological wastes, radioactive materials, explosive materials and oil and petroleum products;

(4) "incineration" means the process of burning solid, liquid or gaseous combustible wastes to gases and a residue, within an incinerator;

(5) "incinerator" means any equipment, device or contrivance excluding fireplaces and burn barrels, used for the controlled thermal reduction of solid waste;

(6) "landfill" means a land area used for the disposal of solid waste;

(7) "leachate" means water that has percolated through solid waste and contains dissolved or suspended portions from the solid waste;

(8) "lift" means a compacted layer of solid waste and its overlying earth cover in a landfill;

(9) "open burning" means the burning of any material such that the products of combustion are emitted directly into the ambient air without passing through a stack or flare;

(10) "permit" means written authorization from the department;

(11) "person" means any individual, public or private corporation, political subdivision, government agency, municipality, industry, copartnership, association, firm, trust, estate, or any other entity whatsoever;

(12) "public litter receptacle" means a container provided for the public, as a convenience, in order to dispose of solid waste;

(13) "putrescible waste" means material capable of being decomposed so as to cause nuisance or obnoxious odors;

(14) "reclamation facility" means a facility in which solid waste is stored, dismantled or reprocessed to recover salvageable materials for purposes of sale or reuse.

Introduced: 1/30/79
Referred: Community &
Regional Affairs

3738

IN THE HOUSE BY ANDERSON

HOUSE BILL NO. 95

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to sanitary landfills."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.03.020 is amended by adding a new paragraph to read:

(12) require relocation of municipal sanitary landfills; if the municipality has not received patent to the total amount of land for which it is eligible under AS 29.18.201 - 29.18.213, and if exercise of the municipality's power of eminent domain would be required to provide a suitable relocation site, the department may not require relocation until a suitable relocation site becomes available without requiring the use of the power of eminent domain.

* Sec. 2. AS 46.03.900 is amended by adding a new paragraph to read:

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(14) "reclamation facility" means a facility in which solid waste is stored, dismantled or reprocessed to recover salvageable materials for purposes of sale or reuse.

[illegible] landfill has been introduced | HB 95 "Sanitary Landfills" Sponsor: Nels Anderson

[Main problem is $ for providing an adequate landfill in Dillingham]

(12) Citation AS 29.18.201 - 29.18.213 Refers to General Grant Lands (municipal entitlements due from the State)

Says the Department of Environmental Conservation may not require relocation of a sanitary landfill if a municipality has not received patent to all the land to which it is entitled from the State and if eminent domain powers would be required to provide a suitable relocation site.

Sec. 2 AS 46.03.900

(26) There is currently no definition for "sanitary landfill" in the statutes. However, the Administrative Code defines "land fill" in (AAC 18.60.130) the same way as Anderson Definitions should be consistent!

HB
97

MINUTES

HB 97 Relating to historical artifacts

Feb. 9. 1979

MEMBERS PRESENT	MEMBERS ABSENT
Branson	O'Connell
Carney	Zharoff
Barr	
Parker	
Metcalfe	

Testifying:

Rep. Nels Anderson, Sponsor

Dick Engen, Director of State Library and Museaum
Problem with definition of "excavation and fragmen". Opposed to bill as it "opens the door" to many problems.

Pat Conheady -- representing Dept. of Natural Resources-- Opposed

Bill JOrgenson--Opposed

Many concerns and problems with HB 97. NOt ready to pass it out of Committee

See Tape 1 Side 2 Sections 1475-1730

Introduced: 1/30/79
Referred: Community &
Regional Affairs

IN THE HOUSE BY ANDERSON

HOUSE BILL NO. 97

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to historic, prehistoric, and archeological resources."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 41.35.230(4) is amended to read:

(4) "historic, prehistoric and archeological resources" includes deposits, structures, ruins, sites, buildings, graves, artifacts, fossils, or other objects of antiquity which provide information pertaining to the historical or prehistorical culture of people in the state as well as to the natural history of the state <u>but does not include fragments of fossilized ivory which can be removed without excavation and which are not located on state monuments or historic sites</u>.

Bill Hanable 274-4676 - Opposed
Terry M. Williams
Fossilized fragment can provide archeological info
often associated with early finds
Legal! state lands - wouldn't change Antiquities
so on Fed + private lands it would still
be illegal. Likely to cause enforcement
problems on other lands.
Vague as to what "fragment" is - Could
be important find.
Amendment w lead to deletions other
provisions Historic Preservation Act.

Fed. solicitor requested - take action on sale
"equity" & "in sel artififats on Fed. lands

No. 4

BILL WORK SHEET

(for optional use of committee aides)

COMMITTEE ON _____

Received from _____ DATE _____

BILL NO. 97 ORIGINAL SPONSOR _____ OTHER _____

THIS COMMITTEE RECOMMENDED --

Majority Recommendation: _____

Supported by _____

Minority Recommendation: _____

Supported by _____

Other: _____

Brief/flag title: Historic, prehistoric + archeological resources

What bill does:

OUR COMMITTEE AMENDMENTS (what they are and what they do (attach if lengthly))

Fiscal Impact -- Is there a fiscal note for the original bill and one which reflects changes made by the amendments: (attach details).

LAA Legal/Research contact:
Jim McKenzie

Research/supporting information

Attached (?) _____

PERSONS/ORGANIZATIONS:

Supporting bill:
Don Clarkson - 586-6425

Opposing bill:
Dick Engen 2910-
Bill Hannibal 274-4676

Bill Yorgansen HSS 465-3388 (W)
Former Pres Ak 6-3221 (H)
Historical Society

REMARKS: (use reverse side if necessary)
Jim McKenzie 41-35-020

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M January 20, 1979

SUBJECT: Criminal penalties for possession of artifacts (Work Order No. 5826)

TO: Representative Nels A. Anderson, Jr.

FROM: James A. McKenzie
Legislative Counsel

In this work order I was asked to construct a solution to the problem of administrative approval being required for removal of relatively insignificant artifacts from state land. The enclosed bill amends the definition of "historic, prehistoric, and archeological resources" in the Alaska Historic Preservation Act to exclude fragments of fossilized ivory which can be removed without excavation and which are not located on state monuments or historic sites.

It can be expected that this type of exception will cause some problems in enforcement of the Act. According to the House Resources committee report on the Act, a copy of which is enclosed, "Testimony was presented to the committee indicating that in the absence of this or similar legislation, an increasing number of tourists, souvenir hunters, and amateur artifact diggers can soon be expected to seriously disturb the existing archeological remains of Alaska's indigenous cultural groups." Richard Engen, Director of Libraries and Museums, feels that a complete ban on removal of artifacts from state land without a permit is necessary to discourage souvenir hunters from digging up and possibly damaging artifacts of substantial historical value. Proving that someone obtained an artifact by excavation is difficult unless the excavating is observed, but proof of possession is much easier. Hence, even though the exception in this bill does not apply to the excavation of fossilized ivory, it could increase the risk that excavation will occur. It is possible as well that some fragments of fossilized ivory may be of historical value. Finally, it should be noted that existing law provides that nothing in the Alaska Historic Preservation Act diminishes the cultural rights and responsibilities of persons of aboriginal descent or infringes upon

their right of possession and use of those resources which may be considered of historic, prehistoric, or archeological value. AS 41.35.020.

In sum, I was unable to construct a wholly satisfactory solution to the problem you raised because the basic policy of the Alaska Historic Preservation Act is to discourage souvenir hunters, while the likely result of any exception is to encourage them.

JAMcK:jdn

Enclosure

Chapter 35 Alaska Historic Preservation Act

Section
220. Enforcement authority
230. Definitions
240. Title of chapter

Legislative committee report. — For report on ch. 130, SLA 1971 (HCSSB 119 am H), see 1971 House Journal, p. 579.

Sec. 41.35.010. Declaration of policy. It is the policy of the state to preserve and protect the historic, prehistoric and archeological resources of Alaska from loss, desecration and destruction so that the scientific, historic and cultural heritage embodied in these resources may pass undiminished to future generations. To this end, the legislature finds and declares that the historic, prehistoric and archeological resources of the state are properly the subject of concerted and coordinated efforts exercised on behalf of the general welfare of the public in order that these resources may be located, preserved, studied, exhibited and evaluated. (§ 1 ch 130 SLA 1971)

Sec. 41.35.020. Title to historic, prehistoric and archeological resources; local display. (a) The state reserves to itself title to all historic, prehistoric and archeological resources situated on land owned or controlled by the state, including tideland and submerged land, and reserves to itself the exclusive right of field archeology on state-owned or controlled land. However, nothing in this chapter diminishes the cultural rights and responsibilities of persons of aboriginal descent or infringes upon their right of possession and use of those resources which may be considered of historic, prehistoric or archeological value.

(b) Although title to historic, prehistoric and archeological resources is in the state, local cultural groups may obtain from the state, or retain, for study or display, artifacts and other items of these resources from their respective cultures or areas if the advisory committee created in § 110 of this chapter finds that (1) the group has a durable building with weatherproof and fireproof construction and humidity control and other factors necessary to serve as a museum which will assure safe preservation of the items, (2) the item sought to be obtained is not one for which there is an undue risk of damage during transportation, and (3) the item sought to be obtained or retained is not one requiring special treatment or care beyond the ability or means of the group requesting it. A group retaining such an item or obtaining one from the state shall house it in the museum building and shall make every reasonable effort to assure its safe preservation. If the advisory committee finds that a local cultural group is not properly taking care of an item the group shall return it to the department. (§ 1 ch 130 SLA 1971)

Sec. 41.35.030. Designation of monuments and historic sites. Upon the recommendation of the Historic Sites Advisory Committee, the governor may declare by public order any particular historic, prehistoric or archeological structure, deposit, site or other object of scientific or historic interest that is situated on land owned or controlled by the state to be a state monument or historic site and he may designate as a part of the monument or site as much land as is considered necessary for the proper access, care and management of the object or site to be protected. When an object or site is situated on land held in private ownership, it may be declared a state monument or historic site in the same manner, with the written consent of the owner. (§ 1 ch 130 SLA 1971)

Sec. 41.35.040. Administration and financial support of monuments and historic sites. State-owned monuments, sites and other historic, prehistoric or archeological properties owned or purchased by the state are under the control of the Department of Natural Resources and their maintenance shall be covered in the appropriations made to that department. Privately owned state monuments or historic sites are eligible to receive state support for their maintenance, restoration and rehabilitation if they are kept accessible to the general public and application for support is made in conformity with regulations adopted by the commissioner of natural resources. (§ 1 ch 130 SLA 1971)

Sec. 41.35.050. Regulations. The commissioner of natural resources shall adopt regulations to carry out the purposes of this chapter. (§ 1 ch 130 SLA 1971)

Sec. 41.35.060. Power to acquire historic, prehistoric or archeological properties. (a) The department, with the recommendation of the Historic Sites Advisory Committee, may acquire real and personal properties that have statewide historic, prehistoric or archeological significance by gift, purchase, devise or bequest. The department shall preserve and administer property so acquired. The department may acquire property adjacent to the property having historic, prehistoric or archeological significance when it is determined to be necessary for the proper use and administration of the significant property.

(b) If an historic, prehistoric or archeological property which has been found by the department, upon the recommendation of the Historic Sites Advisory Committee, to be important for state ownership is in danger of being sold or used so that its historic, prehistoric or archeological value will be distroyed or seriously impaired, or is otherwise in danger of destruction or serious impairment, the department may establish the use of the property in a manner necessary to preserve its historic, prehistoric or archeological character or value. If the owner of the property does not wish to follow the restrictions of the department, the department may acquire the property by eminent domain under AS 09.55.240 — 09.55.460. (§ 1 ch 130 SLA 1971)

Sec. 41.35.070. Preservation of historic, prehistoric and archeological resources threatened by public construction. (a) The department shall locate, identify and preserve in suitable records information regarding historic, prehistoric and archeological sites, locations and remains. The information shall be submitted to the heads of the executive departments of the state.

(b) Before public construction or public improvement of any nature is undertaken by the state, or by a governmental agency of the state or by a private person under contract with or licensed by the state or governmental agency of the state, the department may survey the affected area to determine if the area contains historic, prehistoric or archeological values.

(c) If the department determines that historic, prehistoric or archeological sites, locations or remains will be adversely affected by the public construction or improvement, the proposed public construction or improvement may not be commenced until the department has performed the necessary investigation, recording and salvage of the site, location or remains. All investigation, recording and salvage work shall be performed as expeditiously as possible so that no state construction project will be unduly impaired, impeded or delayed.

(d) If in the course of performing public construction or improvements, historic, prehistoric or archeological sites, locations, remains or objects are discovered, the department shall be notified and its concurrence shall be requested in continuing the construction or improvement. Upon receipt of this notice, the department shall survey the area to determine whether the area contains historic, prehistoric or archeological data which should be preserved in the public interest. The survey shall be conducted as expeditiously as possible. If, as a result of the survey, it is determined that (1) this data exists in the area, (2) the data has exceptional historic, prehistoric or archeological significance, and should be collected and preserved in the public interest, and (3) it is feasible to collect and preserve the data, the department shall perform the necessary work to collect and preserve the data. This work shall be performed as expeditiously as possible.

(e) If the concurrence of the department, required under (b) and (c) of this section, is not obtained after 90 days from the filing of a request for its concurrence to proceed with the project, the agency or person performing the construction or improvement may apply to the governor for permission to proceed without that concurrence and the governor may take the action he considers best in overruling or sustaining the department.

(f) The costs of investigation, recording and salvage of the site shall be reimbursed by the agency sponsoring the construction project.

(g) Notwithstanding (a) — (f) of this section, all actions to stop any project must first be approved in writing by the commissioner of natural resources. (§ 1 ch 130 SLA 1971; am § 1 ch 112 SLA 1974)

Revisor's note (1971). — In ch. 130, SLA 1971, subsection (g) referred to "(a) and (f)." However, the 1974 amendment adding (g) read "(a) — (f)," and the text has been corrected here. (See 1974 House Journal, p. 1251).

Effect of amendment. — The 1974 amendment substituted "department" for "state archeologist" throughout the section, deleted "in cooperation with the state archeologist" in the first sentence of subsection (c) and in the fourth sentence of subsection (d), substituted "its concurrence" for "his concurrence" in the first sentence of subsection (d) and in subsection (e), and deleted "of the archeologist" following "all actions" in subsection (g).

Sec. 41.35.080. Permits. The commissioner may issue a permit for the investigation, excavation, gathering or removal from the natural state, of any historic, prehistoric or archeological resources of the state. A permit may be issued only to persons or organizations qualified to make the investigations, excavations, gatherings or removals and only if the results of these authorized activities will be made available to the general public through institutions and museums interested in disseminating knowledge on the subjects involved. If the historic, prehistoric or archeological resource involved is one which is, or is located on a site which is, sacred, holy or of religious significance to a cultural group, the consent of that cultural group must be obtained before a permit may be issued under this section. (§ 1 ch 130 SLA 1971; am § 2 ch 112 SLA 1974)

Effect of amendment. — The 1974 amendment deleted "with the advice and concurrence of the state archeologist" following "commissioner" near the beginning of the first sentence.

Sec. 41.35.090. Notice required of private persons. Before any construction, alteration or improvement of any nature is undertaken on a privately owned, officially designated state monument or historic site by any person, he shall give the department three months notice of intention to construct on, alter or improve it. Before the expiration of the three-month notification period, the department shall either begin eminent domain proceedings under § 60(b) of this chapter or undertake or permit the recording and salvaging of any historic, prehistoric or archeological information considered necessary. (§ 1 ch 130 SLA 1971; am § 3 ch 112 SLA 1974)

Effect of amendment. — The 1974 amendment deleted "and the state archeologist" following "department" in the first sentence.

Sec. 41.35.100. Excavation and removal of historic, prehistoric or archeological remains on private land. Before any historic, prehistoric or archeological remains are excavated or removed from private land by the department, the written approval of the owner shall first be secured. When the value of the private land is diminished by the excavation or removal, the owner of the land shall be compensated for the loss at a monetary sum mutually agreed on by the department and

the owner or at a monetary sum set by the court. (§ 1 ch 130 SLA 1971; am § 4 ch 112 SLA 1974)

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Sec. 41.35.110. Historic sites advisory committee. There is created in the Department of Natural Resources the Historic Sites Advisory Committee. (§ 1 ch 130 SLA 1971)

Sec. 41.35.120. Composition of committee. The committee consists of the following persons:

(1) the director of the Alaska State Museum;

(2) the state liaison officer appointed under the National Historic Preservation Act of 1966, Public Law 89-665 (80 Stat. 915);

(3) three persons with professionally relevant backgrounds appointed from each of the following fields: history, architecture and archeology; and

(4) two persons appointed to represent indigenous ethnic groups. (§ 1 ch 130 SLA 1971; am §§ 5, 6 ch 112 SLA 1974)

Effect of amendment. — The 1974 amendment substituted "director of the Alaska State Museum" for "state archeologist" in paragraph (1), and in paragraph (3) inserted "each of" and deleted anthropology, paleontology, geology and natural history from the list of fields.

Sec. 41.35.130. Appointment of members. Members of the committee are appointed by the governor and confirmed by the legislature meeting in joint session. The members of the committee shall serve at the pleasure of the governor. (§ 1 ch 130 SLA 1971)

Sec. 41.35.140. Term of membership. The term of office for a member of the committee is three years, except for those who are members by virtue of their positions with the state. They serve for as long as they remain in the position by virtue of which they are members of the committee. A member appointed to fill a vacancy serves for the unexpired term of the member he succeeds. Of those members listed under § 120(3) and (4) of this chapter, upon initial appointment, one shall serve for one year, two for two years, and two for three years. (§ 1 ch 130 SLA 1971)

Sec. 41.35.150. Compensation. The members of the committee serve without compensation but are entitled to per diem and travel expenses authorized by law for other boards and commissions. (§ 1 ch 130 SLA 1971)

Cross reference.— As to transportation and per diem expenses for members of boards, commissions, etc., see AS 39.20.180.

Sec. 41.35.160. Officers. At the first meeting of each year, the committee shall elect a chairman from among its members. (§ 1 ch 130 SLA 1971)

Sec. 41.35.170. Meetings and quorum. The committee shall meet at least twice a year. Additional meetings may be called by the chairman or by petition of at least five members. Five members of the committee constitutes a quorum. (§ 1 ch 130 SLA 1971)

Sec. 41.35.180. Duties of the committee. The Historic Sites Advisory Committee shall

(1) develop criteria for the evaluation of state monuments and historic sites and all real and personal property which may be considered to be of historic, prehistoric or archeological significance as would justify their acquisition and ownership by the state;

(2) cooperate with the Department of Natural Resources in formulating and administering a statewide historic sites survey under the National Historic Preservation Act of 1966, Public Law 89-665 (80 Stat. 915);

(3) review those surveys and historic preservation plans that may be required, and approve properties for nomination to the National Register as provided for in the National Historic Preservation Act of 1966, Public Law 89-665 (80 Stat. 915);

(4) provide necessary assistance to the governor and the legislature for achieving balanced and coordinated state policies and programs for the preservation of the state's historic, prehistoric and archeological resources.

(5) consult with local historical district commissions regarding the establishment of historical districts under AS 29.48.108 — 29.48.110 and the approval of project alterations under AS 45.98.040; recommend, if appropriate, the formulation of additional criteria for the designation of historical districts under AS 29.48.110(b); approve plans for and evaluate the suitability of specific structures for purposes of loan eligibility and continuance under the historical district revolving loan fund (AS 45.98); and consult with the Department of Commerce and Economic Development relative to the adoption of regulations for historical district loans under AS 45.98. (§ 1 ch 30 SLA 1971; am § 7 ch 112 SLA 1974; am § 4 ch 139 SLA 1977)

Effect of amendments. — The 1974 amendment deleted "and the state archeologist" following "Department of Natural Resources" in paragraph (2).

The 1977 amendment added paragraph (5).

Editor's note. — Section 1, ch. 139, SLA 1977, provides: "INTENT. It is the intent of the legislature to foster an awareness of the need to preserve our historic past to protect those visible aspects of our invaluable heritage so that present and future generations may continue to be enriched by the originality and strength of Alaska's architectural and cultural beginnings."

Sec. 41.35.190. Powers of chairman. Subject to available appropriations the chairman may, with the concurrence of a majority of the committee, employ necessary personnel and may contract for the services of experts and other persons who may be needed. (§ 1 ch 130 SLA 1971)

Sec. 41.35.200. Unlawful acts. (a) It is unlawful for a person to appropriate, excavate, remove, injure, or destroy, without a permit from the commissioner, any historic, prehistoric or archeological resources of the state.

(b) It is unlawful for a person to possess, sell, buy or transport within the state, or offer to sell, buy or transport within the state, historic, prehistoric or archeological resources taken or acquired in violation of this section or 16 U.S.C. 433.

(c) No person may unlawfully destroy, mutilate, deface, injure, remove or excavate a gravesite or a tomb, monument, gravestone or other structure or object at a gravesite, even though the gravesite appears to be abandoned, lost or neglected.

(d) An historic, prehistoric or archeological resource which is taken in violation of this section shall be seized by any person designated in § 220 of this chapter wherever found and at any time. Objects seized may be disposed of as the commissioner determines by deposit in the proper public depository. (§ 1 ch 130 SLA 1971; am § 8 ch 112 SLA 1974)

Effect of amendment. — The 1974 amendment deleted "knowingly" preceding "possess, sell, buy or transport" near the beginning of subsection (b).

Sec. 41.35.210. Penalties. A person who violates a provision of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of $1,000, or by imprisonment for not more than six months, or by both. (§ 1 ch 130 SLA 1971)

Sec. 41.35.220. Enforcement authority. The following persons are peace officers of the state and shall enforce this chapter:

(1) an employee of the department authorized by the commissioner;

(2) a peace officer in the state;

(3) any other person authorized by the commissioner. (§ 1 ch 130 SLA 1971)

Cross reference. — For definition of "peace officer," see AS 01.10.060(6).

Sec. 41.35.230. Definitions. In this chapter, unless the context otherwise requires,

(1) "commissioner" means the commissioner of natural resources;

(2) "committee" means the Historic Sites Advisory Committee;

(3) "department" means the Department of Natural Resources;

(4) "historic, prehistoric and archeological resources" includes deposits, structures, ruins, sites, buildings, graves, artifacts, fossils, or other objects of antiquity which provide information pertaining to the historical or prehistorical culture of people in the state as well as to the natural history of the state. (§ 1 ch 130 SLA 1971)

Sec. 41.35.240. Title of chapter. This chapter may be cited as the Alaska Historic Preservation Act. (§ 1 ch 130 SLA 1971)

1979 FEB 8 AM 1 01

02069 POM ANCHORAGE ALASKA 15 02-07 1045P AST

PMS REP NELS ANDERSON

JUN

I SUPPORT HOUSE BILL 97

PAULINE FARR

9427 JEWELL LAKE RD

ANCHORAGE AK 99502

1979 FEB 8 AM 12 41

02067 POM ANCHORAGE ALASKA 15 02-07 1024P AST

PMS REP NELS ANDERSON

JUN

I SUPPORT HOUSE BILL 97

BERTHA MIDYETT

1011 WEST 12TH APT 3

ANCHORAGE ALASKA 99501

Bill -

You might ask Dick or Bill Youngsen how Sec. 41.35.020 (marked section) is applied.?

Chapter 35 Alaska Historic Preservation Act

Section
220. Enforcement authority
230. Definitions
240. Title of chapter

Legislative committee report. — For report on ch. 130, SLA 1971 (HCSSB 119 am H), see 1971 House Journal, p. 579.

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Sec. 41.35.020. Title to historic, prehistoric and archeological resources; local display. (a) The state reserves to itself title to all historic, prehistoric and archeological resources situated on land owned or controlled by the state, including tideland and submerged land, and reserves to itself the exclusive right of field archeology on state-owned or controlled land. However, nothing in this chapter diminishes the cultural rights and responsibilities of persons of aboriginal descent or infringes upon their right of possession and use of those resources which may be considered of historic, prehistoric or archeological value.

(b) Although title to historic, prehistoric and archeological resources is in the state, local cultural groups may obtain from the state, or retain, for study or display, artifacts and other items of these resources from their respective cultures or areas if the advisory committee created in § 110 of this chapter finds that (1) the group has a durable building with weatherproof and fireproof construction and humidity control and other factors necessary to serve as a museum which will assure safe preservation of the items, (2) the item sought to be obtained is not one for which there is an undue risk of damage during transportation, and (3) the item sought to be obtained or retained is not one requiring special treatment or care beyond the ability or means of the group requesting it. A group retaining such an item or obtaining one from the state shall house it in the museum building and shall make every reasonable effort to assure its safe preservation. If the advisory committee finds that a local cultural group is not properly taking care of an item the group shall return it to the department. (§ 1 ch 130 SLA 1971)

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Sec. 41.35.050. Regulations. The commissioner of natural resources shall adopt regulations to carry out the purposes of this chapter. (§ 1 ch 130 SLA 1971)

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(b) If an historic, prehistoric or archeological property which has been found by the department, upon the recommendation of the Historic Sites Advisory Committee, to be important for state ownership is in danger of being sold or used so that its historic, prehistoric or archeological value will be distroyed or seriously impaired, or is otherwise in danger of destruction or serious impairment, the department may establish the use of the property in a manner necessary to preserve its historic, prehistoric or archeological character or value. If the owner of the property does not wish to follow the restrictions of the department, the department may acquire the property by eminent domain under AS 09.55.240 — 09.55.460. (§ 1 ch 130 SLA 1971)

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(b) Before public construction or public improvement of any nature is undertaken by the state, or by a governmental agency of the state or by a private person under contract with or licensed by the state or governmental agency of the state, the department may survey the affected area to determine if the area contains historic, prehistoric or archeological values.

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(e) If the concurrence of the department, required under (b) and (c) of this section, is not obtained after 90 days from the filing of a request for its concurrence to proceed with the project, the agency or person performing the construction or improvement may apply to the governor for permission to proceed without that concurrence and the governor may take the action he considers best in overruling or sustaining the department.

(f) The costs of investigation, recording and salvage of the site shall be reimbursed by the agency sponsoring the construction project.

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Sec. 41.35.130. Appointment of members. Members of the committee are appointed by the governor and confirmed by the legislature meeting in joint session. The members of the committee shall serve at the pleasure of the governor. (§ 1 ch 130 SLA 1971)

Sec. 41.35.140. Term of membership. The term of office for a member of the committee is three years, except for those who are members by virtue of their positions with the state. They serve for as long as they remain in the position by virtue of which they are members of the committee. A member appointed to fill a vacancy serves for the unexpired term of the member he succeeds. Of those members listed under § 120(3) and (4) of this chapter, upon initial appointment, one shall serve for one year, two for two years, and two for three years. (§ 1 ch 130 SLA 1971)

Sec. 41.35.150. Compensation. The members of the committee serve without compensation but are entitled to per diem and travel expenses authorized by law for other boards and commissions. (§ 1 ch 130 SLA 1971)

Cross reference.— As to transportation and per diem expenses for members of boards, commissions, etc., see AS 39.20.180.

Sec. 41.35.160. Officers. At the first meeting of each year, the committee shall elect a chairman from among its members. (§ 1 ch 130 SLA 1971)

Sec. 41.35.170. Meetings and quorum. The committee shall meet at least twice a year. Additional meetings may be called by the chairman or by petition of at least five members. Five members of the committee constitutes a quorum. (§ 1 ch 130 SLA 1971)

Sec. 41.35.180. Duties of the committee. The Historic Sites Advisory Committee shall

(1) develop criteria for the evaluation of state monuments and historic sites and all real and personal property which may be considered to be of historic, prehistoric or archeological significance as would justify their acquisition and ownership by the state;

(2) cooperate with the Department of Natural Resources in formulating and administering a statewide historic sites survey under the National Historic Preservation Act of 1966, Public Law 89-665 (80 Stat. 915);

(3) review those surveys and historic preservation plans that may be required, and approve properties for nomination to the National Register as provided for in the National Historic Preservation Act of 1966, Public Law 89-665 (80 Stat. 915);

(4) provide necessary assistance to the governor and the legislature for achieving balanced and coordinated state policies and programs for the preservation of the state's historic, prehistoric and archeological resources.

(5) consult with local historical district commissions regarding the establishment of historical districts under AS 29.48.108 — 29.48.110 and the approval of project alterations under AS 45.98.040; recommend, if appropriate, the formulation of additional criteria for the designation of historical districts under AS 29.48.110(b); approve plans for and evaluate the suitability of specific structures for purposes of loan eligibility and continuance under the historical district revolving loan fund (AS 45.98); and consult with the Department of Commerce and Economic Development relative to the adoption of regulations for historical district loans under AS 45.98. (§ 1 ch 30 SLA 1971; am § 7 ch 112 SLA 1974; am § 4 ch 139 SLA 1977)

Effect of amendments. — The 1974 amendment deleted "and the state archeologist" following "Department of Natural Resources" in paragraph (2).

The 1977 amendment added paragraph (5).

Editor's note. — Section 1, ch. 139, SLA 1977, provides: "INTENT. It is the intent of the legislature to foster an awareness of the need to preserve our historic past to protect those visible aspects of our invaluable heritage so that present and future generations may continue to be enriched by the originality and strength of Alaska's architectural and cultural beginnings."

Sec. 41.35.190. Powers of chairman. Subject to available appropriations the chairman may, with the concurrence of a majority of the committee, employ necessary personnel and may contract for the services of experts and other persons who may be needed. (§ 1 ch 130 SLA 1971)

Sec. 41.35.200. Unlawful acts. (a) It is unlawful for a person to appropriate, excavate, remove, injure, or destroy, without a permit from the commissioner, any historic, prehistoric or archeological resources of the state.

(b) It is unlawful for a person to possess, sell, buy or transport within the state, or offer to sell, buy or transport within the state, historic, prehistoric or archeological resources taken or acquired in violation of this section or 16 U.S.C. 433.

(c) No person may unlawfully destroy, mutilate, deface, injure, remove or excavate a gravesite or a tomb, monument, gravestone or other structure or object at a gravesite, even though the gravesite appears to be abandoned, lost or neglected.

(d) An historic, prehistoric or archeological resource which is taken in violation of this section shall be seized by any person designated in § 220 of this chapter wherever found and at any time. Objects seized may be disposed of as the commissioner determines by deposit in the proper public depository. (§ 1 ch 130 SLA 1971; am § 8 ch 112 SLA 1974)

Effect of amendment. — The 1974 amendment deleted "knowingly" preceding "possess, sell, buy or transport" near the beginning of subsection (b).

Sec. 41.35.210. Penalties. A person who violates a provision of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of $1,000, or by imprisonment for not more than six months, or by both. (§ 1 ch 130 SLA 1971)

Sec. 41.35.220. Enforcement authority. The following persons are peace officers of the state and shall enforce this chapter:

(1) an employee of the department authorized by the commissioner;

(2) a peace officer in the state;

(3) any other person authorized by the commissioner. (§ 1 ch 130 SLA 1971)

Cross reference. — For definition of "peace officer," see AS 01.10.060(6).

Sec. 41.35.230. Definitions. In this chapter, unless the context otherwise requires,

(1) "commissioner" means the commissioner of natural resources;

(2) "committee" means the Historic Sites Advisory Committee;

(3) "department" means the Department of Natural Resources;

(4) "historic, prehistoric and archeological resources" includes deposits, structures, ruins, sites, buildings, graves, artifacts, fossils, or other objects of antiquity which provide information pertaining to the historical or prehistorical culture of people in the state as well as to the natural history of the state. (§ 1 ch 130 SLA 1971)

Sec. 41.35.240. Title of chapter. This chapter may be cited as the Alaska Historic Preservation Act. (§ 1 ch 130 SLA 1971)

HB
103

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

January 31, 1979 Date: ~~[illegible]~~

Mr. Speaker:

The Committee on C&RA has had HB103

"An Act increasing the optional residential real property tax exemption; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Patrick [illegible] Do Pass

[illegible] Do Rec

Bill Paul Do Pass

MEMBERS HAVING OTHER RECOMMENDATIONS:

Do Not Pass [illegible]

Charles [illegible] Do Not Pass

[illegible] Do Rec

Ray [illegible] Do Not Pass

Bill Paul

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/15/79

BILL NUMBER AND TITLE: HB 103 Increasing the optional residential real property tax exemption

ORIGINAL SPONSOR : Randolph & Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Members passed out HB103 with the following recommendations:

DO PASS

O'Connell
Parker

Carney- No Recommendation
Branson-Do NOt Pass
Parr- Do Not Pass
Zharoff-No recommendation
Metcalfe-Do Not Pass

COMMITTEE ACTION: See above

TAPE # 4 SIDE 1 Sections 1102-1120

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill #103

Title An Act increasing the optional Residential Real Property Tax Exemption

Requested by Representatives Randolph and Malone Date 2-23-79

II. FISCAL DETAIL

Agency Affected General Fund

Program Category Affected All

Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES	N/A					
200	TRAVEL	N/A					
300	CONTRACTUAL	N/A					
400	COMMODITIES	N/A					
500	EQUIPMENT	N/A					
600	LAND & STRUCTURES	N/A					
700	GRANTS, CLAIMS, ETC.	N/A					

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 2/19/79

BILL NUMBER AND TITLE: HB 103 Increasing the optional residential real property tax exemption; and providing for an effective date

ORIGINAL SPONSOR : Randolph & Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT:

Parker
Zharoff
O'Connell
Parr
Branson

MEMBERS ABSENT: Carney
Metcalfe

INDIVIDUALS CONTACTED:

Rep. Malone

WITNESSES TESTIFYING:

Rep. Malone-- Raising the limit to $50,000 increases the value of the bill to those communities which can use it. (Initiative in Kenai enables residents to take advantage of exemption) Lines 13-15 were added in 1973. The entire Section (a) was originally added to give local governments increased flexibility re taxing.

Concerns were expressed related to what the net effect of this change would be fiscally. Fiscal note was requested of Palmer McCarter representing the Dept. of Community and Regional Affairs. Parr pointed out that the main concern was the effect it could have on pipeline related monies.

"Alaska Taxable" was consulted. It was determined that presently North Slope, Valdez,Fairbanks North Star Borough (and Kenai by Initiative) are presently used AS29.53.025 (a)

COMMITTEE ACTION: Held pending receipt of Fiscal NOte from CRA

TAPE # 2 SIDE 1 2165- to end Sections

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 2/28/79

BILL NUMBER AND TITLE: HB 103 Increasing the optional residential real property tax exemption

ORIGINAL SPONSOR : Randolph & Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT: Parker, Metcalfe, Zharoff, Parr, Branson, Carney

MEMBERS ABSENT: O'Connell

INDIVIDUALS CONTACTED:

Malone	3799	Dept. of C&RA	Marilyn Miller
Randolph	4955	Lee Sharp	

WITNESSES TESTIFYING:

Randolph -- Sees bill as self explanatory.

Terry Earley, State Assessor, Dept. of C&RA Fiscal not for $850,000 includes NOrth Pole, North Slope and Valdez.

Rep. Parr questions re letter from Kenai Borough and non-inclusion of Kenai in fiscal note.

COMMITTEE ACTION: No action (pending written copy of fiscal note)

TAPE # 2 SIDE 2 Sections 958-1083

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Received from Referred to Finance

BILL NO. HB103 re Optional residential real property tax exemption

Original Sponsor Malone & Randolph

Fiscal Note Requested of C.R.A. $50,000 -

Contacts:

LAA Legal Research contact: _____

✓ Malone 3799
✓ Randolph 4955 > Notified re 2/28 Hearing
✓ C+R A
✓ L. Stamp
✓ M. Miller

HB 103
cc. CAKA

KENAI PENINSULA BOROUGH

BOX 850 · SOLDOTNA, ALASKA 99669
PHONE 262-4441

February 22, 1979

DON GILMAN
MAYOR

The Honorable Hugh Malone
House of Representatives
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Representative Malone:

This letter is written to provide you with an analysis of the fiscal implications to the Borough of a $50,000 real property exemption. Representative Branson and I have talked about this concept via telephone, and at her suggestion the following information is provided:

1. Currently there are approximately 5,000 owner occupied residences within this Borough. The Assembly has declared that trailer units, multi-family dwelling units, living areas attached to or included in a business, are considered to be residential for the purposes of exemption as long as the owner resides at that address. There are about 4,500 hundred single family residences occupied by the owner.

2. The average assessment on land and improvements is well over $50,000, therefore we must assume that nearly all of the 4,500 residences would qualify.

3. 4,500 x $50,000 = $225,000,000 reduction of current assessed value - ($1,800,000,000 approximately).

4. With current mill rate (4.5) a loss of revenue of $1,012,500.

5. A mill rate increase of .64 mill would need to be levied on remaining assessed value ($1,575,000,000) to make up lost revenue, or 5.14 mill equivalent.

6. Oil and gas properties subject to 20 mill gas tax equals $450,000,000. With .64 mill rate increase the State would receive $288,000 less than at current rate.

In fairness it must be pointed out that businesses, vacant land, and those portions of multi-family dwellings over and above the $50,000 exemption would be having an increase in taxes both from increased assessments and increase in rates.

If I can be of further assistance please contact my office.

Sincerely,

Donald E. Gi'man, Mayor
Kenai Peninsula Borough

DEG:mw

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill #103

Title An Act increasing the optional Residential Real Property Tax Exemption

Requested by Representatives Randolph and Malone Date 2-23-79

II. FISCAL DETAIL

Agency Affected General Fund

Program Category Affected All

Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	N/A					
200 TRAVEL	N/A					
300 CONTRACTUAL	N/A					
400 COMMODITIES	N/A					
500 EQUIPMENT	N/A					
600 LAND & STRUCTURES	N/A					
700 GRANTS, CLAIMS, ETC.	N/A					
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	N/A					
FEDERAL FUNDS	N/A					
OTHER (Specify)	N/A					
	N/A					
	N/A					

POSITIONS

FULL TIME	N/A					
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Based on the assumption that those units that grant the optional $10,000 exemption would also grant the $50,000 authorized in this bill. The State would lose approximately $850,000 in revenue. Currently three of the taxing jurisdictions that grant the $10,000 current exemptions have their taxing ability limited by AS 29.53.045 & 50 and also AS 43.56.010. Therefore, any additional exemptions would decrease locally generated revenue but be offset by Oil and Gas Tax revenues. This increase in oil and gas tax revenues would be a direct dollar for dollar reduction in State General Fund.

IV. DATE 2-23-79 PREPARED BY Terry L. Earley, State Assessor

AGENCY Department of Community and Regional Affairs

PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

HB 103 TITLE & SPONSOR SUMMARY 14:01 3/20/79 PAGE 1 OF 2

AMENDED TITLE:
AN ACT INCREASING THE OPTIONAL RESIDENTIAL REAL PROPERTY TAX EXEMPTION;
AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSORS: RANDOLPH.

CO-SPONSORS: MALONE.

CURRENT STATUS: 3/15/79 IN (H) FINANCE

HB 103 HOUSE ACTION 14:02 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/31/79	01	0106	FIRST READING --- COMMITTEE REPORTS
03/15/79	02	0593	CRA --- DP02, DNP03, NR02
			FINANCE
			RULES
****	**	**	*** *** ***

HB

127

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 9

Official Business

DATE: 4/23/79

BILL NUMBER AND TITLE: CSSB201 Relating to the Salaries of elected municipal officials

ORIGINAL SPONSOR : Community and Regional Affairs Committee by request

OTHER SPONSORS: (Rules)CS

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Ginny Chitwood, Municipal League

Refers to Senate rationale for removing reference to mayor's salary not being able to be reduced. The only public officials at the present time who can't have salaries reduced are judges. Senate did not want to include mayors.

Parr- Concerned about the need for balance. O'Connell agrees with Parr. Sees that the Seante wording might alllow the Coun cil or Assembly to use mayor's salary as a weapon. Would like to see the assurance that the mayor's salary not be reduced back in the bill as it was contained in HB 127. Allows mayors to keep up with the cost of living. Parr says leave statute as is or use HOuse version.

Concensus is that the House version of the bill, HB 127, replace CSSB201 as a House Committee Substitute.

Passed out with a unanimous DO PASS recommendation.

COMMITTEE ACTION: Passed out DO PASS

TAPE # 7 SIDE 2 Sections 1150-1235

3/2/79 Workshop with Municipal League

Ron Larson--Mayor, Mat-Su Borough- on Municipal League Legislative Committee
HB 127 Top priority of Municipal League
Local level would amke the decisions themselves
If you establish a salary are you "changing" a salary?

Tom Bearup--Mayor, Soldotna
Supports HB 127

Jim NOrdale -- Attorney, North Star Borough. On Municipal League Leg. Committee
Home Rule communities are (aren't) under the bill.
Supports HB 127.

Dr. Mike Emmick--Kodaik (POrt Lions)
Supports HB 192 (Revenue Sharing)
On 40% bill--In KOdaik they take total number of votes and divide by # of people who voted. Expense to local government should be considered.
This is a problem if you are voting in a fire service area. Perhaps 300 people live in the area. You need 40% and only 100 people vote.
It should be local option to allow municipality to retain the 40% provision in elections.

Martin Tengs-- Haines Borough Mayor.

Mike Emmick--Anchorage had been supportive of HB 192 when it was being drafted.

Re HB 192 suggests using 17Million rather than 27Million $ to get realistic formula.

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Referred to --
Received from --

BILL NO. HB 127 re Salaries of elected municipal officials

Original Sponsor (H)C&RA Committee

Fiscal Note Received from C&RA ($0 impact)

Contacts:
Lee Sharp
Marilyn Miller
Dept. of D&RA

LAA Legal Research contact: Chenoweth

873

Bill was introduced last year ('78) as HB ~~125 or 127~~.
Introduced this yr. at request of Municipal League.

Mayor of Soldotna doesn't receive salary. Wanted to give him some compensation so bill being introduced to say you can raise amount but not change it.(reduce it)

Hearing to be held on March 2 when Municipal League Legislative Committee and Mayors are in Juneau.

3/2/79 Workshop with Municipal League

Ron Larson--Mayor, Mat-Su Borough- on Municipal League Legislative Committee
HB 127 Top priority of Municipal League
Local level would amke the decisions themselves
If you establish a salary are you "changing" a salary?

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It should be local option to allow municipality to retain the 40% provision in elections.

Martin Tengs-- Haines Borough Mayor.

Mike Emmick--Anchorage had been supportive of HB 192 when it was being drafted.

Re HB 192 suggests using 17Million rather than 27Million $ to get realistic formula.

I. REQUEST

Bill/Resolution No. Senate Bill No. 201 (HB 127)

Title "An Act relating to the salaries of elected municipal officials."

Requested by Community & Regional Affairs Committee Date 2-27-79

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected

Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		-0-	-0-	-0-		
200 TRAVEL		-0-	-0-	-0-		
300 CONTRACTUAL		-0-	-0-	-0-		
400 COMMODITIES		-0-	-0-	-0-		
500 EQUIPMENT		-0-	-0-	-0-		
600 LAND & STRUCTURES		-0-	-0-	-0-		
700 GRANTS, CLAIMS, ETC.		-0-	-0-	-0-		
		-0-	-0-	-0-		
TOTAL		-0-	-0-	-0-		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

NO FISCAL IMPACT TO THE STATE

IV. DATE February 27, 1979 PREPARED BY Palmer McCarter, Director

AGENCY Community & Regional Affairs, LGAD

PHONE 465-4707

Original: Legislative Finance

I. REQUEST

Bill/Resolution No. Senate Bill No. 201 (HB 127)

Title "An Act relating to the salaries of elected municipal officials."

Requested by Community & Regional Affairs Committee Date 2-27-79

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected

Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES		-0-	-0-	-0-		
200	TRAVEL		-0-	-0-	-0-		
300	CONTRACTUAL		-0-	-0-	-0-		
400	COMMODITIES		-0-	-0-	-0-		
500	EQUIPMENT		-0-	-0-	-0-		
600	LAND & STRUCTURES		-0-	-0-	-0-		
700	GRANTS, CLAIMS, ETC.		-0-	-0-	-0-		
			-0-	-0-	-0-		
	TOTAL		-0-	-0-	-0-		

FUNDING (Thousands of Dollars)

GENERAL FUND							
FEDERAL FUNDS							
OTHER (Specify)							

POSITIONS

FULL TIME							
PART TIME							
TEMPORARY							

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

NO FISCAL IMPACT TO THE STATE

IV. DATE February 27, 1979 PREPARED BY Palmer McCarter, Director

AGENCY Community & Regional Affairs, LGAD

PHONE 465-4707

Original: Legislative Finance

HB

132

HB 132 TITLE & SPONSOR SUMMARY 13:29 3/20/79 PAGE 1 OF 2

AMENDED TITLE:

AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR A GRANT TO THE CITY OF DILLINGHAM FOR RELOCATING A SANITARY LANDFILL; AND PROVIDING FOR AN EFFECTIVE DATE $250,000 (APPROP)

PRIME SPONSORS: ANDERSON.

CO-SPONSORS:

CURRENT STATUS: 3/14/79 IN (H) FINANCE

HB 132 HOUSE ACTION 13:31 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/06/79	01	0146	FIRST READING -- COMMITTEE REPORTS
03/14/79	02	0574	CRA -- CS03, NR03
			FINANCE
			RULES
****	**	**	*** *** ***

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/14/79

BILL NUMBER AND TITLE: HB132 Appropriation to DEC re grant to City of Dillingham for relocating a sanitary landfill

ORIGINAL SPONSOR : Anderson

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT: Branson, Parker, Carney, Metcalfe, Zharoff, O'Connell, Parr

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Anderson -- Reduce appropriation to $225,000

Branson -- Have bailer operations been looked into as a reasonable alternative?

Parr -- Can the community fund it themselves?

DO PASS

Parker
Branson
O' Connell

No Recommendation

Carney
Parr
Metcalfe

COMMITTEE ACTION: Bill amended to $225,000 appropriation and passed out.

TAPE # 4 SIDE 1 Sections 861-905

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

February 6, 1979 Date: 14 Mar 79

Mr. Speaker:

The Committee on C&RA has had HB 132

"An Act making a special appropriation to the Department of Community and Regional Affairs for a grant to the City of Dillingham for relocating a sanitary landfill; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[x] replace with CS for HB 132 [x] same title [ ] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[illegible]

[illegible]

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

[illegible]

[illegible]

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

COMMITTEE SUBSTITUTE

AMENDMENT

OFFERED IN THE HOUSE: BY: _____

TO: _____ HOUSE BILL No. 132

SENATE BILL No. _____

PAGE: 1 LINE: 11

Change $250,000 to $225,000

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Referred to Finance

Received from

BILL NO. HB132 re Dillingham Sanitary Landfill

Original Sponsor Anderson

Fiscal Note

Contacts: Contacted re 2/14 hearing
Anderson

LAA Legal Research contact:

Anderson indicated he was lowering the appropriation request to $225,000.

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576
TELEPHONE (907) 842-5211 or 842-5212

Support for HB132

February 3, 1979

The Honorable Nels A. Anderson, Jr.
Representative District 16
Pouch V
Juneau, Alaska 99811

Dear Nels:

The Choggiung, Ltd. Board, at a meeting February 7, 1979, agreed to give the City of Dillingham X number of acres at the 9 Mile pit site. This acreage will be determined by a future joint Land Selection Committee meeting. This, to the best of my knowledge, will provide an acceptable landfill site for the city. Soil Conservation Service and State Department of Environmental Conservation have both looked at the site and a ground water level test hole has been bored which proved satisfactory.

We are still under a state court Compliance Order Action 77-7216 which required that we have our landfill in operation by September 15, 1978, with final grading of old site accomplished by October 15, 1978. The civil penalty specified in this court order could amount to $225.00 per day plus an initial penalty of $1,600.00.

Our amended budget provides $30,000 towards our landfill location. The following breakdown shows the funding we still must have to operate a landfill some nine miles from our townsite area.

1. Landfill Compactor — Request $118,500.

Model	Caterpillar 170 HP 20 ton 816 -	$115,000.
Options	or	
	John Deere JD646-B's	105,000.
	Freight 32,000 # Seattle/Dlg	3,500.

Justification:

Presently a D7 Bulldozer provides both snow removal on townsite streets as well as twice weekly cover of refuse. The relocation of landfill will require one additional piece of equipment. The models above are designed for landfills.

2. Equipment Storage Building - New Site — Request $25,000.

Type — Pole construction, wood frame, insulated, concrete floor, metal skin. Size 24x30 with large garage door.

Building delivered to Dillingham	$ 9,000.
Erection	6,000.
Insulation, floor, etc.	10,000.
	$25,000.

Justification:

The new site must have adequate protection for the equipment which will allow heating during winter months and year around maintenance as required.

3. Covering Old Landfill Site — Request $70,000.

Final graveling to consist of diversion of all surface runoff water and cover of two (2) feet compacted soil.
Note: This estimate is substantially lower than previously submitted, but we plan a cheaper type of fill such as overburden. Also, the site has had another year's fill.

Justification:

State Compliance Order

4. Assistance New Site — Request $11,500.

Item — Incinerator dome type structure, approximate 40x50, construction pipe frame, chain link fence or metal skin enclosure, moveable, home built by maintenance crew.

Justification:

Department of Environmental Conservation will allow controlled burning of cardboard, etc. We must have adequate protection due to forest setting. Mr. Cherry, DEC, feels our foreman's idea is feasible. This will be also partially funded within our $30,000. local effort.

TOTAL REQUEST: $ 225,000.

Until we receive funding of some type to finance our closing of the old site and efficient operation of a new one, we will still have problems complying with the requirements of the compliance order.

Sincerely,

Laura M. Schroeder

Laura M. Schroeder
City Manager

LMS/lrh

Enclosures:
- Proposed Operating Plan for 9 Mile Landfill
- Caterpillar Brochure
- John Deere Brochure
- Soil reports from Soil Conservation
- Budget page - Solid Waste Disposal
- Compliance Order - Stipulated Settlement

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576

TELEPHONE (907) 842-5211 or 842-5212

PROPOSED OPERATING PLAN FOR 9 MILE LANDFILL

PLANS FOR SITE

1. Fence surrounding area with chain link fence not less than 6 ft. height and gate.

2. Burm to be created with over-burden material creating a dike of at least 10 feet in height for screening as well as containment purposes. Outcome horseshoe type area.

3. Floor of area to be lined with a landfill lining material then pad of over-burden, these will prohibit any possible ground water pollution by infiltration through floor of pit.

4. Drainage ditch and culverts on right side of road to eliminate any ground water crossing into pit area.

5. Vehicle unloading area on top bank of pit with guards to protect against any danger of going over edge.

6. Enforce city ordinance requiring closed vehicles for transportation on city streets.

Have state litter statutes enforced.

OPERATING PROCEDURES

1. Site to be covered at least twice weekly. (This is current procedure.)

2. Daily attendent during summer months and Monday through Friday during period August 15th through May 30th. Seven day attendance depends on successfull recruitment.

3. Fire pump to be set up using either lake or stream for source.

4. Burnable items to be burned in dome type structure somewhere near size of 40 x 50 feet. Vehicles or trucks fully loaded with burnables could back inside. Other loads would be separated and moved inside by hand or machine.

5. Machine storage and attendent building to be built in general area. We are looking at regular cat or John Deere type equipment with compactor wheels.

COMMENTS

Department of Environmental Conservation again today approved burning. States dome type or any incinerator type permissable. Materials to be segregated such as no tires.

Current water table within allowances and by creating a higher pad with over-burden even more acceptable.

Fish & Game has stated no objections before I first approached Choggiung mid January.

Education of general public on hauling and litter control will be started immediately upon site approval.

PREDICTED START UP DATE

Request to have our compliance order set ahead to August 79 as proposed during September 78.

This will allow for evaluation of known spring breakup problem and correction by drainage and culverts.

The time extension will also allow time to erect fence, prepare site and establish an acceptable operation of new site.

UNITED STATES DEPARTMENT OF AGRICULTURE RECEIVED SEP 18 1978
SOIL CONSERVATION SERVICE

2221 East Northern Lights Blvd., Suite 129, Anchorage, Alaska 99504

SUBJECT: RB - Trip Report, Dillingham Land Fill Investigation DATE: September 15, 1978

TO: Sterling E. Powell
Water Resource Specialist
Soil Conservation Service
Anchorage, Alaska 99504

As was requested, I investigated the possibility of installing a sub-surface drainage system for land fill sites selected by the officials of the City of Dillingham. I investigated the soils and the slope of the land and it is my opinion that both sites - Tower Road and Wood River Road - can be drained. Cost of installation and operation of both sites would be high.

I also made a reconnaissance investigation of several gravel pits:

Gravel pit no. 1 - adjacent to Squaw Creek
Good site for land fill but stream pollution may develop after the pit has been used for a period of time.

7-Mile Gravel Pit
Very good site for land fill. It appears that it is away from streams and houses and it is dry.

9-Mile Gravel Pit
Good site in portion that has not been excavated deep enough to intercept underground water flow. This site can be developed for a land fill site.

Dan Conners Gravel Pit
Fair site but is adjacent to Squaw Creek. Could be developed for land fill site.

Conclusions and Recommendations:

All of the sites can be utilized for land fill sites but I feel that 7-Mile gravel pit is the best site. Cost estimates should be made on each site to determine which site would be the least costly to develop and maintain.

Before final designs are developed, a more detailed sub-surface investigation should be made to determine the need for sub-surface drains, drain depth, drain size, distance between drains, slope, outlet conditions, etc.

If for some reason the gravel pits cannot be utilized for solid waste disposal sites, I recommend that a soil scientist be requested to make an investigation in the Dillingham area to locate a better site than the Towers Road and the Wood River Road sites. I feel that sites can be located that would be much less costly to install and operate.

Edward G. Grey

Edward G. Grey
Hydraulic Engineer

cc: Laura Schroeder, Dillingham City Manager, Dillingham, AK
Allen Koester, District Conservationist, Palmer, AK

UNITED STATES DEPARTMENT OF AGRICULTURE
SOIL CONSERVATION SERVICE
P. O. Box F, Palmer, Alaska 99645

RECEIVED OCT 3 1978

SUBJECT: Trip Report - Dillingham Landfill Investigation DATE: September 29, 1978

TO: Louis A. Fletchar
State Soil Scientist
Soil Conservation Service
2221 E. Northern Lights Blvd.
Anchorage, Alaska 99504

In response to the request by the City of Dillingham, I located several areas that have the potential for development as landfill sites. After investigating the soil properties, drainage patterns, and accessibility of the sites it is my opinion that the city has several options open for consideration.

Site #1 - Located 1/4 to 1/2 mile east of 9-Mile Quarry Road along BLM survey trail. Area is 200 feet to the south of survey line on elevated ground, adjoining Lars Nelson's property. Depth to apparent water table exceeds 15 feet and most of the area has 12 to 15 feet of soil material that would provide excellent daily cover for a landfill. Site is nearly level and leachates would not pose a hazard to the local water quality. Access to the site would require that a road be built along the present survey trail. The road would be 1/2 mile or less in length and would cross a short segment of bog soils.

Disadvantages to this site include the distance from the city and the proximity to a proposed subdivision.

Site #2 - Dolly Herman's proposed native allotment (#5528) across from south entrance to Mile-7 Gravel Pit. This area has good potential for development. Depth to the water table is deep and there is sufficient soil material overlying gravel to provide good cover for a landfill. Depth to gravel is less than 3 feet near the road, but depth increases to 12 feet 150 feet east of road. Site #2 is smaller in usable size than site #1 and potential for pollution of Squaw Creek, although slight, is more of a consideration. Access to the area would require only a short access road with no real construction difficulties.

Site #3 - Located on Native Corporation land adjoining Dolly Herman's native allotment (the eastern boundary). This wooded area would be an excellent location. Water table, depth of soil material over gravel, and slope are all well suited for a landfill. Access could be acquired by building a road along Dolly Herman's and Richard Clark's property line. Road would have to be 1/2 to 3/4 miles long and would cross 100 to 150 yards of very wet muskeg. The muskeg could be avoided if a right-of-way could be obtained on Herman's allotment.

Site #4 - Located 3/4 mile NW on Lake Road from junction with highway on left hand side of road. Native Allotment Lot 1 #4982 and Lot 5 #4980. This site was not looked at in detail, but it appears to be an excellent location. It is well drained, nearly level, deep to gravel, and is close in to the city. Little access road would need to be built.

The suitable areas for a landfill site that are away from the airport, the Squaw Creek drainage, and with easy access, are for the most part located along the lake road. If it is not possible to acquire a site near the road, the next best location would be the higher ground 1/2 to 3/4 miles east of the lake road. The only disadvantage to locating a landfill site in that area would be the added expense of building and maintaining an access road.

Upon final selection of a solid waste disposal site I would recommend further investigations with a backhoe, the input of the Fish and Wildlife Service, and the Department of Environmental Conservation.

Ted E. Cox
Soil Scientist

cc: Laura Schrooder, Dillingham City Manager, Dillingham, AK
Bob Kapolka, PHS Hospital, Dillingham, Ak 99576

Site 1
Site 3
Polly Herman
Mile 7 Quarry
Most of This Area is Suitable
Lake Road
Creek
#4

7-13-63
GP128
Surveyline
1
3
2

14 Mar 78

CROFT, THURLOW, LOUTREL & DUGGAN
ATTORNEYS AT LAW
SUITE 710 FIRST NATIONAL BUILDING
425 "G" STREET
ANCHORAGE, ALASKA 99501

CHANCY CROFT
GARY THURLOW
DAVID B. LOUTREL
JOHN E. DUGGAN

TELEPHONE 272-3508
AREA CODE 907

WILLIAM J. BAILEY
OF COUNSEL

March 13, 1978

John Gissberg
Assistant Attorney General
State of Alaska
Department of Law
360 "K" Street, Suite 105
Anchorage, Alaska 99501

Re: Dillingham Public Landfill

Dear John:

Attached is the executed original of the stipulation.

The City of Dillingham will have to move fast to get its application into ADEC before April 1, 1978, the date set forth in the first paragraph of the revised Article III.

Sincerely,

CROFT, THURLOW, LOUTREL & DUGGAN

Gary Thurlow

Gary Thurlow

GT:kc:enclosure

cc: Gordon Ryan
City Manager
City of Dillingham
P.O. Box 191
Dillingham, Alaska 99576

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT

AT ANCHORAGE

STATE OF ALASKA,
Petitioner,
vs.
CITY OF DILLINGHAM,
Respondent.

No. 77-7216

STIPULATED SETTLEMENT

Whereas, the City of Dillingham (hereinafter "City") has not complied with Alaska Department of Conservation (hereinafter "ADEC") Compliance Order 77-5 dated March 21, 1977 and subsequent amendments, and

Whereas, the City desires to comply with the Compliance Order and is ready, willing, able and has in part already undertaken to comply in part, and

Whereas, the parties are desirous of an amicable settlement without the necessity of a trial,

Therefore the parties agree:

I. The City pays to ADEC the sum of Eight Hundred and Ninety Dollars ($890.00) in reimbursement to the State of Alaska for certain costs incurred by the State of Alaska in connection with review of matters set forth in the compliance order and with respect to the establishment of a new public landfill site.

II. City and ADEC agree to the following compliance dates:

1. July 15, 1978: Select and acquire property necessary for solid waste disposal site.
2. July 30, 1978: Submit completed application for solid waste disposal facility permit.
3. September 15, 1978: Commence operation of solid waste disposal facility.

4. October 15, 1978: Final grading of old dump site, including diversion of all surface run-off water around the site to present run-off water from passing through the refuse, cover with minimum of two (2) feet compacted soil, restoration and rehabilitation; written sign-off approval from ADEC.

ADEC shall review the City's Solid Waste Disposal Management Permit application promptly upon receipt and shall conduct any required on-site inspections of the proposed area without delay. If requested, ADEC shall omit and advise the City in preparation of permit applications.

III. City shall conduct a regular shoot-scare program as follows:

1. PERSONNEL - The city shall designate one or more persons to carry out the shoot-scare program.
2. TIME - The shoot-scare program will be initiated by shooting or scaring birds at the existing dumpsite and in the vicinity of the airport at least thirty minutes to the scheduled or amended touchdown time of all scheduled jet aircraft and landings of all non-scheduled jets for which the City has been given at least two hours prior notice. The program shall continue with active shooting or scaring while all such jet aircraft are on the ground and shall terminate not sooner than ten minutes after the departure of each such jet aircraft described above. The dump site and vicinity of the airport shall be monitored after the dispersal of birds during the times described in this section to prevent their return to the area.

3. NOTICE - City is responsible for determining the scheduled touchdown time or amended touchdown time for all scheduled jet aircraft. City shall provide a 24 hour contact for notification of all non-scheduled landings and shall make reasonable attempts to activate the shoot-scare program for the benefit of those nonscheduled aircraft for which two hour prior notice has not been provided.

4. METHODS - The City's shoot-scare program shall be conducted to keep birds away from the dump site and vicinity of the airport during the times provided in paragraph III - 2 and shall include shooting at birds or using noises or visual effects to frighten birds. City shall have sole discretion regarding the necessity of actually destroying birds.

5. MATERIALS - to be selected by the City in conformity with applicable laws and regulations.

IV. City shall pay the following unliquidated, civil penalty for any failure to comply with the dates given which has not been approved by the court for good cause shown.

1. Acquisition of property - $250.00 plus $50.00 for each additional day of delay.
2. Submission of application - $100.00 plus $25.00 for each additional day of delay.
3. Commencement of operation - $1,000.00 plus $100.00 for each additional day of delay.
4. Final Grading - $250.00 plus $50.00 for each additional day of delay.
5. Failure to control birds in accordance with any requirement of Part III - $100.00 for each day in which one or more violations occur.

DATED this ____ day of _____, 1978, at Anchorage, Alaska.

John G. Gissberg
Assistant Attorney General
for Alaska Department of
Environmental Conservation

Gary Thurlow
Attorney at Law
for City of Dillingham

O R D E R

Pursuant to the stipulation of these parties, the civil penalty, revised compliance dates and schedule of penalties is approved and ordered.

DATED this ____ day of _____, 1978.

_____
Judge of the Superior Court

CAT PLUS™

Gives You More For Your Landfill Equipment Dollar

Before, during, and **after** your purchase of a Cat-built machine for your sanitary landfill, CAT PLUS is working for you.

Right at the start, your Cat dealer provides a wide range of CAT PLUS product application services to help you select the right equipment match for your operation. Services that run the gamut from landfill planning and technological assistance to aid in custom engineering equipment to do your job more efficiently.

And once you know the machine you need, your Cat dealer helps you buy it, with flexible equipment financing programs that can be tailored to your individual requirements.

After delivery of your equipment, CAT PLUS works to keep it running at the lowest cost possible. Custom Track Service, Scheduled Oil Sampling and other preventive maintenance programs help you avoid trouble by warning in advance, so you can schedule service at the most convenient time. Fast, expert shop and field service. Parts Exchange Service and Major Component Exchange minimize delay and expense to get you running again if downtime does occur.

And that's not all. CAT PLUS includes operator and serviceman training courses, Cat Care Seminars, assistance in setting up maintenance and cost record systems and a lot more. Whatever it takes to give you the highest total value for your machine investment is available in your Caterpillar Dealer's exclusive CAT PLUS program.

Give your Cat dealer a call while your sanitary landfill is still in the planning stages and get this CAT PLUS "extra value" system working for you right from the start. We'd like to make you another in our long list of sanitary landfill success stories.

Cat Landfill Compactors—2 models—the 170 HP, 20 ton 816 and the 300 HP, 32 ton 826B.

Cat track-type Tractors—7 models —62 to 410 HP.

Cat Wheel Loaders—8 models— 65 to 550 HP; 1 to 12 cu. yd. buckets. (Including landfill type.)

Cat Wheel Tractor-Scrapers—12 models—standard, elevating, or tandem-powered. 150 to 950 HP. Heaped capacities 11 to 54 cu. yd.

You get more from a Caterpillar product. Because more goes into it.

CATERPILLAR

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FOR MORE DATA CIRCLE #12 ON REPLY COUPON

JD646-Bs Battle Sandstone in Santa Fe Landfill

SANTA FE, N.M.—Better compaction, reduced maintenance, and fuel savings were three benefits realized when owners and operators of a sanitary landfill serving the city of Santa Fe switched from crawlers to JD646-B Compactors.

The landfill serves 55,000 people, with only ½-acre open for dumping. Andy Roybal, assistant director of environmental services, estimates the total 10-acre tract, open since 1976, will be usable until 1980. "By that time, we should have a real good park-site," says Roybal.

Two John Deere Compactors handle 176 tons of refuse per day, from junked cars to paper waste. Roybal finds they use about 30 percent less fuel than the crawlers they replaced.

"With the sandstone present on this site, and our seven-day work week, service is everything; and our John Deere dealer is great," say Roybal. "He's 85 miles away, but if I called him right now, I could set my watch by him. He'd be here in two hours."

Alaska State Legislature

House

JUNEAU ALASKA

February 27, 1978

MEMORANDUM

TO: Lisa Rudd, Chairman
Community and Regional Affairs

FROM: Representative Nels A. Anderson, Jr. ah/for NAA

SUBJECT: Back up material for HB 677

Enclosed for your information is Back up material for HB 677.

The $250,000.00 appropriation is the $144,334.00 under Landfill Closeout (Cost) plus the costs of relocation of existing dump which is $105,000.00. Together the total is $249,334.00.

The cost of maintenance of the dump is $45,800.00 which the city should take care of.

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576

TELEPHONE (907) 842-5211 or 842-5212

January 10, 1978

Freeman:

Enclosed is a summary of the figures you asked for with regard to landfill, and sewage treatment costs.

As you know, the legislation has been passed regarding primary treatment for communities having a direct ocean outfall. We should qualify under these guidelines. Rob Spring of IHS was in yesterday and said it would take 6-9 months to write the regs and suggested we hold off on any decision regarding treatment plants until they are finalized. I told him we already had agreed to that.

Consequently he said IHS doesn't want to install sewer in Windmill Hill until we know what type of system to use. I can see his point.

Anyway, the time delay should aid in giving you time to work on this bill.

The enclosures are as follows:

1. Basic cost estimates from WinceCorthell for Sewage Treatment. (Perhaps now negated.)

2. Rough summary from Don Caswell on costs for landfill and treatment plant.

3. Dana Birch's estimated costs regarding landfill close out.

4. Letter from Ivan Widom to Senator Gravel about sewage treatment in Dillingham.

The staff has worked well to complete these facts. I wish you a lot of success in your venture.

Gordon

GORDON W. RYAN
City Manager

GWR/lrh

LANDFILL CLOSE-OUT

field length - 140 yards/420 feet	420 ft.
field width - 75 yards/225 feet	X 225 ft.
	94,500 sq. ft.
fill depth - 2.5 feet	X 2.5 ft.
(compaction rate 25%)	236,250 cu. ft.
	÷ 27
cubic yards fill needed to cover landfill	8,750 cu. yd.
@ $7.50 per cubic yard	$7.50
cost of fill to cover landfill site	$65,625

POND

length - 40 yards/120 feet	120 ft.
width - 30 yards/90 feet	X 90 ft.
	10,800 sq. ft.
depth - 20 feet	X 20 ft.
	216,000 cu. ft.
	÷ 27
cubic yards needed to fill pond	8,000 cu. yd.
@ $7.50 per cubic yard	$7.50
cost of fill for pond	$60,000

TRUCK TIME

loading time	5 min.
dump time	10 min.
travel time - 15 miles @ 30 m.p.h	30 min.
round trip travel time	45 min.

10 loads @ 10 cubic yards = 100 cu. yd. daily
9000 cu. yards @ 100 cu. yd. daily @ 3 trucks = 30 working days

COST

gravel for landfill	$65,625
gravel for pond	$60,000
D - 7 @ $593 per day X 30 days	$17,790
Grader @ $313 per day X 3 days	$919
	$144,334 ✓

MEMO TO: GORDON RYAN

FROM: DON CASWELL

DATE: 1/9/78

SUBJECT: Costs of relocation of existing dump.

1. Clearing the new dump area

   2 weeks work by use of a Bulldozer @ 8 hrs a day
   (80 hrs x $75.00/hr) $60,000

2. Access Road construction - 1,320 feet (1/4 mile)
   1,320 feet long x 20 feet wide x 4 feet deep =
   Approximately 7,000 yds @ $10.00 yd delivered
   & spread= $40,000 + some right-of-way work $5,000 45,000

   TOTAL $105,000 ✓

SUBJECT: Costs for maintenance of any dump, existing or new.

1. Dump personnel - 2 people @ $10,000/yr each $ 20,000

2. Equipment for backfill operators
   2 hrs twice a week x 52 weeks = 104 hrs @ $75.00 7,800

3. Trenching equipment - 10 hrs/mo x 12=120 hrs @ $150/hr 18,000

   TOTAL $ 45,800

SUBJECT. Costs for sewage disposal and affiliated plant

1. Planned Sewage Plant Construction for an estimated 50,000 G.P.D. capacity for the use of both Windmill Hill area and Dillingham proper.

   Construction cost $ 1,000,000 +

2. Annual maintenance costs
   A. 2-8 hr. shifts x 7 days/wk= 112 manhours
   x $8.50/hr = $952/wk x 52 wks= $49,504/yr
   plus overtime or differential in Swing Shift
   Estimated maintenance costs $75,000 - $100,000/yr.

In all probability a minimum of 3 men would be needed to operate a full size sewage treatment plant, considering yearly vacations, extra maintenance and weekends.

The plant I supervised in the lower 48 employed 5 men on a regular basis on two 8 hr shifts, however it is a fairly complicated plant where one man doubled as a Labratory Technician to do the required sewage testing.

01-432-3

SOLID WASTE DISPOSAL

		BUDGET FY 79	AMENDED BUDGET FY 79
	PERSONNEL SERVICES		
.100	Salaries	3,700.	3,700.
.115	Overtime	-0-	500.
.110	Contribution to CETA Salaries	2,000.	4,000.
.170	Retirement	407.	407.
.120	Health/Accident	120.	120.
.140	FICA	80.	80.
.150	Contribution to CETA FICA	121.	121.
.160	ESC	24.	24.
.130	Workman's Compensation	641.	641.
.131	Contribution to CETA W.C.	348.	348.
	Total Personnel Services	7,441.	9,941.
	CONTRACTURAL SERVICES		
.210	Contract Labor/Equipment	2,500.	2,500.
.220	Telephone	150.	150.
	Postage/Air Freight	-0-	-0-
.282	Lease-Landfill Site	7,500.	7,500.
	Total Contractural Services	10,150.	10,150.
	COMMODITIES		
.310	Miscellaneous Supplies	500.	500.
.320	Gas, Oil, Grease	1,000.	500.
	Total Commodities	1,500.	1,000
	CAPITAL OUTLAY		
.405	Repairs to Equip./Buildings	3,000.	3,000.
.406	Improvements Other Than Buildings	2,000.	2,000.
.410	New Equipment	-0-	-0-
.411	Relocate Site	3,000.	3,000.
.500	Contingency Relocation	-0-	20,000.
	Total Capital Outlay	8,000.	28,000.
	TOTAL SOLID WASTE	27,091.	49,091.

HB

134

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

February 6, 1979 Date: _____

Mr. Speaker:

The Committee on C&RA has had HB 134

"An Act making a special appropriation to the Department of Community and Regional Affairs for a grant to the City of Dillingham for the purchase of an ambulance; eff. date."

under consideration and (a majority of the committee, (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

Corr to C & RA

BRISTOL BAY AREA HEALTH CORPORATION
P. O. BOX 233
DILLINGHAM, ALASKA 99576

PHONE: (907) 842-5266
(907) 842-5267

March 7, 1979

Honorable Nels Anderson, Jr.
Pouch V
Juneau, Alaska 99811

RE: Ambulance appropriation request for Dillingham

Dear Nels:

We wish to thank you for your support in funding for a Dillingham ambulance. We appreciate your work especially in getting legislative approval of the ambulance during last session. Last fall, we received approval from Indian Health Service to obtain a G.S.A. ambulance; this has been delayed in procurement proceedings but we are hopeful delivery will be made by the end of the year.

Realizing that this region has many pressing needs requiring State financial assistance we withdraw our request at this time.

Sincerely,

BRISTOL BAY AREA HEALTH CORPORATION

Robert J. Clark

Robert Clark
Executive Director

RJC/mff

cc: Laura Schroeder, City Manager
Mark Johnson, State EMS Coordinator
Steve Levinson, BBAHC Deputy Director
Connie Ryan, BBAHC EMS Coordinator

POSITION PAPER/Department of Health and Social Service

POSITION PAPER

HOUSE BILL NO. 134

"An Act making a special appropriation to the Department of Community and Regional Affairs for a grant to the City of Dillingham for the purchase of an ambulance; and providing for an effective date."

The Emergency Medical Services Section of the Division of Public Health agrees that the City of Dillingham is in need of an ambulance. It should be noted however, that the use of the ambulance should be possible outside of the city limits, especially since the hospital is not within the city limits. It also should be noted that IHS funds will probably be available to the hospital for an ambulance within a year; this ambulance has been "promised" for over a year now and probably will not be available another year.

We are also aware that because of the needs in the area, two ambulances could easily be used, especially in the summer season with fishing accidents and with the frequency which ambulances and other vehicles in small communities breakdown and are periodically disfunctional.

Recommended by: Robert Fraser Date: 3/12/79

Robert I. Fraser, M.D.
Director
Division of Public Health

Approved by: Helen D. Beirne Date: 3/13/79

Helen D. Beirne, Commissioner
Department of Health & Social Services

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 134
Title ...a grant to the City of Dillingham for the purchase of an ambulance;...
Requested by Anderson Date 2/6/79

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES		0	0	0		
200	TRAVEL		0	0	0		
300	CONTRACTUAL		0	0	0		
400	COMMODITIES		0	0	0		
500	EQUIPMENT		0	0	0		
600	LAND & STRUCTURES		0	0	0		
700	GRANTS, CLAIMS, ETC.		0	0	0		
	TOTAL		0	0	0		

FUNDING (Thousands of Dollars)

GENERAL FUND		0	0	0		
FEDERAL FUNDS		0	0	0		
OTHER (Specify)						

POSITIONS

FULL TIME		0	0	0		
PART TIME		0	0	0		
TEMPORARY		0	0	0		

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 3-15-79 PREPARED BY Doug Griffin
AGENCY Community & Regional Affairs - LGAD
PHONE 465-3918

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

HB

146

(7)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

February 7, 1979 Date: 7 April 80

Mr. Speaker:

The Committee on C&RA has had HB 146

"An Act amending boundary change procedures of the Local Boundary Commission."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for HB 146 [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	

_____
CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 146 Amending Boundary Change Procedures

ORIGINAL SPONSOR: Malone
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Judiciary

HEARING DATE: 4/2/80

MEMBERS PRESENT:			
Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Discussion of work draft for CSHB146. Committee questions wording of p. 1. line 26 and entire section (e). Directs that the CS be rewritten to include an election in both the area to be annexed and the area annexing.

Committee approves redrafting of such a CS.

COMMITTEE ACTION: New CS to be drafted.

TAPE # 6 SIDE 1 Footage 973-586 226-655

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB146 Related to boundary change procedures of the Local Boundary Commission

ORIGINAL SPONSOR: Malone
OTHER SPONSORS:
RECEIVED FROM:
FURTHER REFERRALS: Judiciary

HEARING DATE: 3/24/80

MEMBERS PRESENT:				
Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Rep. Malone
Points out that the bill would legislate an "advisory" vote on the question of boundary changes. First class cities already have the authority to hold such an election.

Committee discussion centers on having such an advisory vote in both the area annexing and the area to be annexed.

Malone - People in area to be annexed or excluded could vote. Doesn't address extending vote beyond area but the municipalities could already do this.

Parr - Salchuk area is trying to secede from the Fairbanks borough. A certain amount of the pipeline tax money would go with it. The rest of the people in the borough have a stake in this decision. Parr prefers that the advisory vote be both inside and outside of the annexed area.

Malone - Has no objection to Parr's recommendation. Suggestion made that the election should be a state election and that the costs should be borne by the state.as decisions on boundaries are state decisions.

Palmer McCarter, Director of Local Assistance,Dept. of C&RA
Refers to position delivered by the dept. in 1979 (see minutes in file).

COMMITTEE ACTION: CS to be drafted which includes above suggestion.

TAPE # 6 SIDE 1 Footage 226-655

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 2/14/79

BILL NUMBER AND TITLE: HB 146 Related to advisory vote re Local Boundary Commission Recommendations

ORIGINAL SPONSOR : Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT: Parker, Garney, Zharoff, Parr, Metcalfe, O'Connell, Branson

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED:
Dept. of C&RA
Local Boundary Commission Members
Rep. Malone
Marilyn Miller
Patty Ann Polley (Dir. of Elections)
Jack Chenoweth

WITNESSES TESTIFYING:

Rep. Malone--Bill wasintroduced last session and passed HOuse. Needed because it gives an additional element of information and helps to raise the level of public debate on an annexation issue.

On question of whom would be voting on issue--those inside as well as outside? Would you need a majority of both? Just those in annexed areas? This point is unclear in the bill.

Joan Katz --Attorney for Kodiak Borough. More information is needed before the issue is submitted to voters. Economic data, service analysis, revenue lost if annexation occurs...etc. The Advisory vote should be controlling unless there is clear and convincing evidence of need in major portion of area to be annexed. Who will be voting?

Patty Ann Polley, Director of the Division of Election

Says the state should be given responsibility for administering election. Estimated that the bill would require approximately 6 elections per year at a cost of $5000 each so approximately $30,000 would be needed. Since it is a state agency being given responsibility (Boundary Commission), the state should adminsiter the election.

Sig Strandberg , member of the Local Boundary Commission

Opposed to the passage of HB146. Apprehensive of the results. The bill would seriously erode the authority of the Local Boundary Commission as given in the Constitution. Current state law gives the state an opportunity to establish sensible boundaries. Commission should be able to determine extent of "boundaries". Boundary changes are both "political" and "economic" in nature.

Commission might be able to make the process more democratic. Annexation plan should be given more attention by the Commission.An impartial, careful review by the Local Boundary Commission is helpful. A more comprehensive report to the Legislature by the Commission would help legislature understand.

(con't)

COMMITTEE ACTION: No Action--

TAPE # 2 SIDE 1 Sections 120-1870

Vic Fischer--Gave historical background on local government. New concept of Boroughs which were seen as evolving concepts.1964 Mandatory Borough enacted. Forced incorporaton of areas into boroughs. Much controversey over this.. Further progress was made with city/borough unification allowed. Issues and problems different now than in 1968.There needs to be an evaluation of local government. Is there a need for both cities and boroughs? Boroughs were conceived as larger areas of representational government..'71 report recommends Borough Commission changed to Local Boundary Commission to keep idea of local government in mind. Take a look at whole rural issue. ...unorganized borough concept to give leeway for local governments to form slowly.There would be a gradual assumption of services. Unorganized boroughs NOT formed for taxation purposes. Hopes that Senate and House CRA committees will use an interim committee to look at needs, issues, etc. of rural communities.

Marilyn MIller -- opposed to local government handling election as outlined in HB 146. Feels that it should be a state function.

WO#6302 ✓
Chenoweth

Version adopted as CS

Original sponsor: Malone

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 146

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act amending boundary change procedures of the Local Boundary Commission."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.68.010 is amended by adding new subsections to read:

(d) If 10 percent of the qualified voters of an area proposed to the Local Boundary Commission to be annexed or excluded under (a) of this section or 10 percent of the qualified voters of the city or borough to which an annexation is proposed or from which an exclusion is proposed under (a) of this section submit to the Local Boundary Commission a petition requesting an advisory vote on the proposed boundary change, the commission, after public hearing conducted in the area, shall require the city or borough to conduct an advisory vote on the proposed boundary change before rendering its decision on the proposed boundary change. When a petition requesting an advisory vote is submitted under this subsection, the Local Boundary Commission shall advise the mayor of the city or borough to which annexation is proposed or from which an exclusion is proposed that the commission has received a petition asking that an advisory vote on the proposed boundary change be conducted, and request the city council or borough assembly to conduct an advisory vote on the proposed boundary change.

(e) When the Local Boundary Commission requests a city or borough to conduct an advisory vote under (d) of this section, the city or borough shall present to the voters within the city or borough and, separately, to the voters in the area proposed for annexation or

exclusion, a ballot setting out a proposition phrased so that a voter may indicate whether he favors or opposes the proposed boundary change. The ballots shall be canvassed by the city council or borough assembly and the results certified to the Local Boundary Commission in separate classifications indicating the vote by residents of the city or borough and the vote by residents of the area which is the subject of the boundary change petition.

(f) An advisory vote may be submitted to the voters by the borough assembly or city council only

(1) at a regular election; or

(2) at a special election if that election has been called by the borough assembly or city council for the purpose of placing before the voters a question other than the proposition to be submitted under this section.

(g) When presenting a proposed boundary change to the legislature as provided under (a) of this section, the Local Boundary Commission shall also present the result of an advisory vote related to that boundary change held under this section.

(h) Subject to appropriations for the purpose, the state shall reimburse a city or borough for its costs of conducting an election held under this section in areas located outside a city or borough.

(i) The Local Boundary Commission shall adopt by regulation procedures for submitting a petition and for conducting an election under this section.

Hearing 8:30 A.M. 4/2/80

Malone

WO 6302
Chenoweth
3-28

Original sponsor: Malone

Hous

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

IN THE HOUSE

CS FOR HOUSE BILL NO. 146

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act amending boundary change procedures of the Local Boundary Commission."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.68.010 is amended by adding new subsections to read:

(d) If 10 percent of the qualified voters of an area proposed to the Local Boundary Commission to be annexed or excluded under (a) of this section petition for a vote on the proposed boundary change, the commission, after public hearing conducted in the area as prescribed by regulation, shall conduct an advisory vote on the proposed boundary change before rendering its decision on the proposed boundary change. The commission shall adopt by regulation procedures for submitting a petition and for conducting an election under this subsection.

(e) If a petition requesting an advisory vote is submitted under (d) of this section, the Local Boundary Commission shall advise the mayor of the municipality to which annexation is proposed or from which an exclusion is proposed that the commission has received a petition asking that an advisory vote on the proposed boundary change be conducted. If, within 60 days of receipt of notice of the Local Boundary Commission by the mayor under this subsection, 10 percent of the qualified voters of the municipality petition for a vote on the proposed boundary change, the commission shall conduct an advisory vote in that municipality on the proposed boundary change before making its decision on the proposed boundary change. An election under this subsection shall be held at the same time as an election under (d) of this section.

The Local Boundary Commission

(1) shall adopt by regulation procedures for submitting a petition and for conducting an election under this subsection;

(2) may request the lieutenant governor to enter into an agreement with a municipality by which the municipality will conduct the election under this subsection.

(f) When presenting a proposed boundary change to the legislature as provided under (a) of this section, the Local Boundary Commission shall also present the result of an advisory vote related to that boundary change held under (d) or (e) of this section.

(g) Subject to appropriations for the purpose, the state shall pay the costs of elections held under (d) and (e) of this section.

Introduced: 2/7/79
Referred: Community & Regional Affairs and Judiciary

IN THE HOUSE BY MALONE

HOUSE BILL NO. 146

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act amending boundary change procedures of the Local Boundary Commission."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.68.010 is amended by adding a new subsection to read:

(d) If 10 per cent of the qualified voters of an area proposed to the Local Boundary Commission to be annexed or excluded under (a) of this section petition for a vote on the question, the commission, after public hearing conducted in the area as prescribed by regulation, shall conduct at its expense a single advisory vote on the question before rendering its decision on the question, under procedures for petition and election developed by the commission. When presenting a proposed boundary change to the legislature as provided under (a) of this section, the commission shall also present the result of any advisory vote held under this subsection.

* The advisory vote ~~shall~~ may be conducted in both the area proposed to be annexed or excluded, and in the city or borough to which the area would be annexed. All qualified voters ~~resident~~ may vote. Ballots ~~shall be tabulated separately in each~~ in the city ~~and~~ or borough shall be tabulated separately from ballots in the area proposed to be annexed.

state pay for 2nd election

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 146

Title An Act amending boundary change procedures

Requested by Representative Parker Date

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Local Government Assistance

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Discussion with the Division of Elections indicates the costs of the prescribed elections would be insignificant.

IV. DATE 3-21-80 PREPARED BY Terry L. Earley

AGENCY Community & Regional Affairs

PHONE 465-4730

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33–001 (Rev. 12/77)

Article 2. Service Areas.

Section
90. Service areas

Sec. 29.63.090. Service Areas. (a) Service areas to provide special services within a borough may be established, operated, altered or abolished by the assembly by ordinance. Special services include services not provided on an areawide basis within the borough or the borough area outside cities or a higher or different level of service than that provided on an areawide basis or in the borough area outside cities. In a first class borough the assembly may exercise within a service area any power granted a first class city by general law; in a second class borough an exercise of the powers must be approved by a majority of the qualified voters residing within the service area and voting on the question at a regular or special election.

(b) The assembly may levy or authorize the levying of taxes, charges, or assessments in service areas to finance the special services.

(c) The assembly may provide for appointed or elected boards to supervise the furnishing of special services in service areas.

(d) A new service area may not be established if, consistent with the purposes of art. X of the state constitution, the new service can be provided by an existing service area, by annexation to a city, or by incorporation as a city.

(e) The assembly may exercise or delegate to a service area any powers which may be exercised by a first class borough in the area outside cities. In a second class borough, each exercised or delegated power must be approved by a majority vote at a regular or special election held within the service area. The rate of taxation and the issuance of bonds are subject to assembly approval. (§ 2 ch 118 SLA 1972)

Chapter 68. Alteration of Boundaries.

Article
1. Annexation and Exclusion (§ 29.68.010)
2. Merger and Consolidation (§§ 29.68.030—29.68.110)
3. Unification of Local Governments (§§ 29.68.240—29.68.440)
4. Dissolution (§§ 29.68.500—29.68.580)

Article 1. Annexation and Exclusion.

Section
10. Local boundary commission

Sec. 29.68.010. Local boundary commission. (a) The Local Boundary Commission may consider any proposed local government boundary change. It may present proposed changes to the

legislature during the first 10 days of any regular session. The change shall become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

(b) In addition to the regulations governing annexation by local action adopted under AS 44.19.260, the Local Boundary Commission shall, within 90 days of September 10, 1972, establish procedures for annexation and exclusion of territory by cities and boroughs by local action. The procedures established under this subsection shall include

(1) a provision requiring that a proposed annexation and exclusion must be approved by a majority of the voters voting on the question residing within the area proposed to be annexed or excluded;

(2) provisions that municipally-owned property adjoining the municipality may be annexed by ordinance without voter approval; and

(3) provisions that an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters within the area petition the assembly or council.

(c) A boundary change effected under (a) of this section prevails over a boundary change initiated by local action, without regard to priority in time. (§ 2 ch 118 SLA 1972)

Defining boundaries is a legislative function.—The creation of municipalities, and the defining of the extent of the boundaries thereof, involve the exercise of legislative, not judicial, power. Town of Fairbanks v. Barrack, 282 F. 417 (9th Cir. 1922); In re Annexation to City of Anchorage, 16 Alaska 519, 146 F. Supp. 98 (D. Alas. 1956).

Expansion of municipal boundaries is matter of statewide concern. — Those who reside or own property in the area to be annexed have no vested right to insist that annexation take place only with their consent. The subject of expansion of municipal boundaries is legitimately the concern of the state as a whole, and not just that of the local community. Fairview Pub. Util. Dist. No. 1 v. City of Anchorage, Sup. Ct. Op. No. 61 (File Nos. 69, 71), 368 P.2d 540 (1962).

Annexation procedure may be changed.—The state may permit residents of local communities to determine annexation questions at an election. But when this has been done, the state is not irrevocably committed to that arrangement. If the citizens of the state, in adopting a constitution, decide that it is in the public interest to establish another election procedure, there is no constitutional obstacle to that course of action. Fairview Pub. Util. Dist. No. 1 v. City of Anchorage, Sup. Ct. Op. No. 61 (File Nos. 69, 71), 368 P.2d 540 (1962).

One proceeding for annexing several tracts.—See In re Town of Sitka, 11 Alaska 201 (1946).

Areas in public utility district may be annexed.—The fact that the areas are embraced within a public utility district constitutes no bar to annexation. In re Annexation to City of Anchorage, 15 Alaska 504, 129 F. Supp. 551 (D. Alas. 1955). See Fairview Pub. Util. Dist. No. 1 v. City of Anchorage, Sup. Ct. Op. No. 61 (File Nos. 69, 71), 368 P.2d 540 (1962).

Consent of voters in district required if annexation proceeds under this article. — The provision of AS 42.35.370 providing for dissolution of a utility district with the consent of the voters when "the whole or the integral part of a district becomes

annexed to an incorporated city" has application only where annexation takes place under the petition-election procedure of this article and has no application where annexation takes place under a different method established by Alaska Const., art. X, § 12. Fairview Pub. Util. Dist. No. 1 v. City of Anchorage, Sup. Ct. Op. No. 61 (File Nos. 69, 71), 368 P.2d 540 (1962).

Article 2. Merger and Consolidation.

Section		Section	
30.	Methods of merger or consolidation	70.	Report and hearing
40.	Petition	80.	Decision
50.	Review	90.	Election
60.	Investigation	100.	Assets and liabilities
		110.	Ordinances

Sec. 29.68.030. Methods of merger or consolidation. Two methods may be used to initiate merger or consolidation of home rule and general law municipalities:

(1) petition to the Local Boundary Commission under regulations adopted by the commission, or

(2) the local option method specified in §§ 40—110 of this chapter. (§ 2 ch 118 SLA 1972)

Sec. 29.68.040. Petition. (a) Residents of two or more municipalities may file a merger or consolidation petition with the Department of Community and Regional Affairs. The petition must be signed by a number of municipal voters of each municipality equal to at least 25 per cent of the number of votes cast in its last regular election.

(b) The petition includes

(1) the name and class of each municipality;

(2) the name and class of the proposed municipality;

(3) the proposed composition and apportionment of the assembly or council;

(4) maps, documents, and other information which show that the proposed municipality meets the standards for municipal incorporation. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the first sentence of subsection (a).

Sec. 29.68.050. Review. The Department of Community and Regional Affairs shall review a petition for content and signatures and shall return a deficient petition for correction or completion. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.68.060. Investigation. If the petition contains the required information and signatures, the Department of Community

and Regional Affairs shall investigate the proposal. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.68.070. Report and hearing. (a) The Department of Community and Regional Affairs shall report its findings to the Local Boundary Commission with its recommendations regarding the merger or consolidation.

(b) The Local Boundary Commission shall hold at least one public hearing in each of the municipalities included in the merger or consolidation petition, unless officials of the municipalities agree to a single hearing. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" near the beginning of subsection (a).

Sec. 29.68.080. Decision. If the Local Boundary Commission determines that the proposed municipality fails to meet the standards for incorporation, it shall reject the petition. If the commission determines that the proposed municipality meets these standards, it shall accept the petition. If the commission determines that the proposed boundaries or the composition and apportionment of the assembly or council can be altered to meet the standards, it may change the proposal and accept the petition. The decision may be appealed under the Administrative Procedure Act (AS 44.62). (§ 2 ch 118 SLA 1972)

Sec. 29.68.090. Election. (a) The Local Boundary Commission shall immediately notify the lieutenant governor of its acceptance of a merger or consolidation petition. Within 30 days after notification, the lieutenant governor shall order an election within the area to be included in the new municipality to determine whether the voters desire merger or consolidation. The election is held not less than 30 nor more than 90 days after the election order.

(b) A voter who is a resident of the area to be included within the proposed municipality may vote.

(c) The lieutenant governor shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15.05—15.60). The state shall pay all election costs.

(d) The lieutenant governor shall certify the election results. If merger or consolidation is approved, he shall, within 10 days, set a date for election of officers of the new municipality under AS 29.18.120. The election date is not less than 60 nor more than 90 days after the election order. This date is the effective date for the merger or consolidation. (§ 2 ch 118 SLA 1972)

Sec. 29.68.100. Assets and liabilities. (a) When two or more municipalities merge, one municipality succeeds to the rights, powers, duties, assets and liabilities of the others.

(b) When two or more municipalities consolidate, the newly-incorporated municipality succeeds to the rights, powers, duties, assets and liabilities of the consolidated municipalities. (§ 2 ch 118 SLA 1972)

Sec. 29.68.110. Ordinances. The ordinances, resolutions, rules, regulations, procedures and orders of the former municipalities remain in force within their respective territories until superseded by the action of the successor municipality. (§ 2 ch 118 SLA 1972)

Article 3. Unification of Local Governments.

Section
240. Unification of local governments authorized
250. Unification to be proposed by petition
260. Petition requirements
270. Review of petition
280. Call for charter commission nominations
290. Nomination of charter commission candidates
300. Qualifications of charter commission candidates
310. Composition of charter commission
320. Election
330. Requirements for approval of unification and election of charter commission
340. Charter commission organization and procedure
350. Charter preparation
360. Public hearings
370. Filing of proposed charter
380. Publication and posting of proposed charter
390. Election on charter
400. Effect of the charter after ratification
410. Assets and liabilities
420. Ordinances
430. Right to state and federal funds preserved
440. Powers of a unified municipality

Sec. 29.68.240. Unification of local governments authorized. An organized borough and all cities within the borough may unite to form a single unit of home rule local government by complying with this chapter. (§ 2 ch 118 SLA 1972)

Unification is consistent with the purpose expressed in Alaska Const., art. X, § 1, of minimizing the number of local government units. City of Douglas v. City & Borough of Juneau, Sup. Ct. Op. No. 672 (File No. 1379), 484 P.2d 1040 (1971).

Coexistence of cities and boroughs not required.—Alaska Const., art. X, § 2, merely authorizes but does not require the coexistence of cities and boroughs. City of Douglas v. City & Borough of Juneau, Sup. Ct. Op. No. 672 (File No. 1379), 484 P.2d 1040 (1971).

Sec. 29.68.250. Unification to be proposed by petition. (a) Formation of a charter commission to propose a unification charter shall be proposed by resolution of the assembly or by petition. An assembly resolution for the purpose may be adopted not more often than once every 12 months.

HB

172

(7)

COMMITTEE REPORT

HOUSE

FURTHER:

February 12, 1979

Date: 15 Mar 79

Mr. Speaker:

The Committee on C&RA has had HB 172

"An Act limiting the authority of the Dept. of Environmental Conservation to require submission, review and approval of subdivision & development plans within municipalities; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 172 [X] same title [ ] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[illegible]

[illegible]

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible] Do Not Pass

[illegible] Do Not Pass [illegible]

[illegible]

Do Not Pass unless amended, Rep [illegible]

[illegible] Do Not Pass [illegible]

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

HB 172 TITLE & SPONSOR SUMMARY 13:32 3/20/79 PAGE 1 OF 2

AMENDED TITLE:

AN ACT LIMITING THE AUTHORITY OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION TO REQUIRE SUBMISSION, REVIEW AND APPROVAL OF SUBDIVISION AND DEVELOPMENT PLANS WITHIN MUNICIPALITIES; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSORS: FREEMAN.

CO-SPONSORS:

CURRENT STATUS: 3/15/79 IN (H) RULES

HB 172 HOUSE ACTION 13:34 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/12/79	01	0204	FIRST READING -- COMMITTEE REPORTS
03/15/79	02	0594	CRA -- DNR04, CS02, NR01
			RULES
****	**	**	*** *** ***

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/15/79

BILL NUMBER AND TITLE: HB 172 Limiting authority of DEC to require submission review and approval of subdivision & development plans within municipalities

ORIGINAL SPONSOR: Freeman

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: All members present

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

The C&RA committee passed out CSHB172 with the following recommendations:

Do Pass	Branson-Do not Pass
	Parr-Do Not Pass unless amended
Carney	O-Connell-No Recommendation
Zharoff	Metcalfe-Do not pass unless amended
	Parker - Do not pass unless amended

COMMITTEE ACTION: See Above-

TAPE #4 SIDE 1 Sections 1068-1078

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE:

BILL NUMBER AND TITLE: CSHG 172 (continued)

ORIGINAL SPONSOR :

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Discussion of mandatory tone of CS continued.

COMMITTEE ACTION:

TAPE # SIDE

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FOREST, LAND AND WATER MANAGEMENT

323 E. 4TH AVENUE
ANCHORAGE, ALASKA 99501

March 30, 1979

Honorable Bill Parker, Chairman
Community & Regional Affairs Committee
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Bill:

I have a copy of Commissioner Mueller's letter to you of March 6, regarding House Bill 172.

He rightly notes that we have found the requirement for developing off-site sewage facilities in many places to be a significant obstacle to development of State owned subdivisions. The problems that Ernie cites with the absence of off-site sewage I think are very significant and ones that should not be overlooked in designing any program. The problem is actually lack of funding to develop sewage systems that would comply with State and local regulations. We have proposed to solve that problem through an enterprise bond fund which would be authorized to issue revenue bonds to develop the necessary roads, streets, sewers, etc. If this bill passes, the problems of disposal of State lands in those areas where there is insufficient on-site sewage capability will be solved.

I would like to make the point as strongly as possible that I believe that it is the responsibility of the developer regardless of whether or not it is the State to make the initial investment in the improvements to the land that makes the subdivision a benefit to the community rather than a menace.

Yours truly,

THEODORE G. SMITH
Director

cc: Ernie Mueller
Pat Conheady

10-J12LH

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 3/14/79

BILL NUMBER AND TITLE: HB ~~172 Li~~miting authority of DEC re subdivision review

ORIGINAL SPONSOR : Freeman

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, Carney, Branson, O'Connell, Parker, Zharoff, Metcalfe

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Ernie Mueller, Commissioner of DEC

Objects to drafting of CS which requires that program be mandatory. At the present time no municipality performs all of the services they would be required to cover under CSHB172. The State would ultimately have to provide back up. Many communities have expressed concern that they would not be able to provide the services the state now does.

The bill implies that construction standards for sewage treatment systems would be set by the municipalities. There is a need for uniformity of standards statewide. Municipalities could end up suing each other. The program should have voluntary rather than mandatory involvement. CSHB172 implies repeal of plumbing codes.
Broad approach of the bill is very objectional to the Dept.
Original bill did not deal with sewerage treatment facilities.,rather just on-lot review.

Freeman -- Provisions need to be made for a community such as Ketchikan which is 1 block wide and 3 miles long. A sewer system is not practical here.

Mueller - Enforcement should not be used instead of prevention. On-lot waste disposal is the problem. Communities should be given the right to develop viable options. Restrict bill to on-site problem. There should be minimum standards to be met
John Scribner -- refers to come of the implications of the bill.

Rep. Branson suggests that the problem be handled in 29.33.090.

Jack Chenoweth -- Stated that 46.03.720 be amended at the suggestion of Scribner.

COMMITTEE ACTION:

TAPE # SIDE Sections

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 3/12/79

BILL NUMBER AND TITLE: HB 172 Limiting the authority of DEC to require submission, review and approval of subdivision and development plans within municipalities

ORIGINAL SPONSOR : Freeman

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, Parr, Carney, Branson, O'Connell, Zharoff, Metcalfe

MEMBERS ABSENT: NONE

INDIVIDUALS CONTACTED:
Freeman
Municipal League
DEC (John Scribner)

WITNESSES TESTIFYING:

Freeman -- Rep. Parker, Rep. Freeman and Jack Chenoweth have worked together on a CS for HB 172 following the direction of the CRA Committee. CSHB 172 before the committee for discussion at this time.

Freeman feels it meets the needs of the municipalities by removing the veto power of DEC.

Joh Scribner -- Testifying for DEC. Sees problems in the proposed CS HB 172. There are no minimum standards other than those set by the municipalities.

The bill deals with more areas than just "on-site" disposal concerns as had been the original concern. Sewerage systems discussed and the implications of the bill are broader.

Problem with p. 2 Lines 20-23. Federal standards apply here and would conflict with municipalities setting standards.

COMMITTEE ACTION: Will take up bill when all members have had chance to digest CS. March 14 --Jack Chenoweth will be invited.

TAPE # 3 SIDE 2 Sections 1430-1665

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 2/28/79

COMMITTEE MINUTES

BILL NUMBER AND TITLE: HB 172 limiting authority of DEC to require submission, review, etc. of subdivision & development plans

ORIGINAL SPONSOR : Freeman

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, Metcalfe, Zharoff, Parr, Carney, Branson

MEMBERS ABSENT: O'Connell

INDIVIDUALS CONTACTED:

Freeman (4993) Marilyn Miller Dept. Environmental Conservation
Lee Sharp Chenoweth

WITNESSES TESTIFYING:

Freeman -- Cites references to DEC's role in holding up land transmission and use from "Alaska Land, A Report to the Legislature". DEC is stopping subdivisions. Land isn't getting to the people. Let municipalities handle own affairs.
Mistake on Line 20 prompts rewrite in form of Committee Substitute. (eliminates word "not")

John Scribner-- Water Program , DEC
Only 9% of cost of getting land out to the public is traceable to DEC.Local gov't can have option of reviewing subdivisions for compliance now with a request for a waiver from DEC. If the municipalities are given this responsibility, minimum standards should be set.Local governments don't have expertise and money so waiver has not been requested except in Anch.
AS 46.03.720 refers to DEC's responsibility re individual plats--this portion of statutes may also be involved in a change of approach.

Freeman -- Problem should be solved on local level. Legislature gets "heat" as DEC is a state agency. "Big Brother" approach not acceptable. Decision should be made on local level. Rep. Metcalfe thinks local gov't should have right to shoose to have DEC review rather than making it mandatory. Freeman --DEC should have advisory capacity only.

Chenoweth -- Mentioned error of "not" being included on Line 20 of HB 172

Rep. Parr suggests that Committee Substitute be drafted giving DEC review responsibility for compliance and that the municipalities be responsible for developing their own standards and that the local government have veto power.

COMMITTEE ACTION:Committee Substitute to be drafted including concepts discussed.

TAPE # 2 SIDE 2 Sections1084-1690

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Received from _____

BILL NO. HB 172 re Limiting authority of DEC to require submission, review etc. of subdivision & development plans

Original Sponsor _____

Fiscal Note Requested ~~C&RA~~ DEC Eagle 2604

Contacts: Freeman 4993 ✓ Lee Sharp ✓ M. Miller ✓

LAA Legal Research contact: Chenoweth

✓ John Scribner- DEC 2~~604~~ 110 - 2640

Says this bill originated as a result of publication of "Alaska Land-A Report To The Legislaute" published by the Dept. of Natural Resources Jan. 1979 (see attached) Says that in researching problem, DEC found that in 2 areas DEC regs had seeminly caused a problem: Glen Allen--a plot of land proposed for subdividing intersected 3 regional boundaries. Div. of Lands got 3 different interpretations of DEC regs. Problem was resolved. Ted Smith doesn't feel there is a problem with the regs, according to Scribner. He was pleased with the response of DEC.

Ketchikan- parcels of state owned land was to be subdivided. There was no topsoil, only bedrock in this area. No on-site waste disposal was possible. Div. of Lands has proposed a collection system which will work.

According to Scribner, Russ Meekins appointed Oral Freeman to look into this.

Sec. 46.03.720 (a) States no person may construct, extend, install or operate a sewerage system or treatment works, or any part of a sewerage syste or treatment works, until plans for it are submitted to the department for review and the department approves them in writing and issues a written permit.

Requirement for DEC can be waived if the local government takes the responsibility. (See 18AAC 72.068

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Referred to _____
Received from _____

BILL NO. ~~CSHB172~~ re DEC
Original Sponsor _____

Fiscal Note _____

Contacts:

LAA Legal Research contact: _____

John Scribner -- (Telephone information)
Federal Water Pollution Control Act is in fact controlling. State qualifies to administer but the municipalities still have to meet state standards.

Would like to amend CS references to sewer treatment to say "individual on-lot waste treatment and disposal system"
p. 1 l. 28
p.2 l. 15
p.2 l. 9
p. 3 l. 5
p. 3 l. 3

Should be amended to specifically exclude water from the CS

p. 2 Lines 19-23 as problem area re Feds. (see above)

Telegrams should be arriving from Cordova, Valdez

CRA Opposed. Small Communities are not in a position to handle the structures. No means to operate and enforce. EPA will be involved if municipal regs aren't stringent enough

Contacted re 3/14 Hearing
✓ C+RA
✓ DEC
✓ Municipal League
✓ Freeman

Original sponsor: Freeman

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 172

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to review and approval of subdivision and development plans by municipalities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.03.090 is amended to read:

Sec. 46.03.090. PLANS FOR POLLUTION DISPOSAL. The department may require the submission of plans

(1) for sewage and industrial waste disposal or treatment or both for a publicly or privately owned or operated industrial establishment[,]; and

(2) for a community, public or private property subdivision or development only

(A) if that subdivision or development is located outside a municipality which exercises platting and subdivision approval authority under AS 29.33.150 - 29.33.240; or

(B) if, in a municipality which exercises platting and subdivision approval authority, standards applicable to the review and approval of subdivision plats have not been adopted and filed with the Department of Community and Regional Affairs in accordance with AS 29.33.155.

* Sec. 2. AS 46.03.720(a) is amended to read:

(a) Except when construction, extension or installation of a sewerage system or treatment works receives approval by the platting board of a municipality in conjunction with the review and approval of

a subdivision or dedication under AS 29.33.150 and 29.33.155, no [N.] person may construct, extend, install or operate a sewerage system or treatment works, or any part of a sewerage system or treatment works, until plans for it are submitted to the department for review and the department approves them in writing and issues a written permit.

* Sec. 3. AS 29.33.150(1) is amended to read:

(1) form, size, and other aspects of subdivisions, dedications, and vacations of land, including but not limited to, standards for review and approval of proposed subdivisions having sewerage and wastewater treatment and disposal systems, including on-lot treatment and disposal systems;

* Sec. 4. AS 29.33 is amended by adding a new section to read:

Sec. 29.33.155. STANDARDS FOR SUBDIVISIONS. The municipality shall adopt standards applicable for the review and approval of subdivisions with respect to type and location of water sources and sewerage treatment and disposal systems. A copy of the municipality's current ordinance defining standards applicable for the review and approval shall be filed with the commissioner of community and regional affairs. The municipality's ordinance shall provide that a proposed subdivision may not be approved if the subdivision does not contain soils suitable for effective absorption of discharged wastewater or if treatment and disposal results in the release of wastewater which does not meet water quality criteria defined by the municipality.

* Sec. 5. AS 29.33.160 is amended by adding a new subsection to read:

(c) The platting board may request the Department of Environmental Conservation to review and advise on proposed type and location of water sources and sewerage treatment and disposal systems for proposed subdivisions submitted for platting board review and approval.

* Sec. 6. AS 46.03.020 is amended by adding a new paragraph to read:

(12) when requested to do so by a municipality exercising platting and subdivision authority under AS 29.33.150, review proposed type and location of water sources and sewerage treatment and disposal systems for proposed subdivisions by application of the municipality's ordinances for water supply and sewerage treatment and disposal.

* Sec. 7. AS 44.47.050(5) is amended to read:

(5) maintain a library or reference file of municipal ordinances required to be kept by the department by law, serve as a clearinghouse for information useful in solution of community and regional problems, and channel to the appropriate authority requests for documents, information and services;

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-070(c).

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O – JUNEAU 99811

March 6, 1979

The Honorable Bill Parker
Chairman, Community and Regional
Affairs Committee
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairman Parker:

Currently being considered by the Committee on Community and Regional Affairs is House Bill 172. This bill would restrict the authority of the Department of Environmental Conservation to review and approve subdivision plans for suitability for on-site waste disposal to only those areas outside the boundaries of organized municipalities. Presumably, municipalities would have the option of requiring subdivisions to meet requirements similar to those currently imposed by our regulations, or to allow them to be developed and sold without any assurance that a homebuilder can construct an on-lot sewage disposal system.

If this bill were to become law, Alaska can expect severe economic, public health, and environmental consequences. While we fully agree that local governments should take the lead in implementing land use controls through their local planning and zoning programs, many simply do not have the financial or staff resources to conduct technical review of subdivisions for their suitability for on-site waste disposal. Thus, we can expect a number will not undertake this additional task, thus assuring that many subdivisions in organized areas will not be suitable for on-site waste disposal. The present statewide review program has resulted in numerous platting changes to subdivisions to ensure that such disposal is possible, or that an alternative waste collection and disposal system is provided.

Attempts at construction of on-site waste disposal systems on inadequate soils will result in contaminated ground water, a flow of raw human body wastes across the surface of the land, or an untreated discharge to nearby waterways. Substantial threat to public health can result from direct contact with these uncontrolled sewage discharges, or by ingestion of contaminated well water.

In addition to the public health implications, passage of this bill could severely stall new housing starts in Alaska. Presently, Federal home loan financing and guarantee programs require certification by a State or local government agency that land is suitable for on-lot waste disposal before a loan will be approved for a home without community sewer service. Alaskan banks, which administer these Federal funds, inform us that approximately 50 percent of new home loans in Alaska have some Federal funding or guarantee. Naturally, other home loan programs are available, but usually at a substantially higher interest rate.

Review and certification for on-lot waste disposal suitability can occur at either the subdivision-wide level, or on an individual lot basis. Because soil borings must be taken, and analysis must be made by qualified persons, it is far more economical to conduct these investigations on a subdivision-wide basis. If this Department's review and approval of waste disposal capability on a subdivision-wide basis is eliminated in organized municipalities, lending institutions will simply require an investigation on each and every lot before granting a Federal home loan. This will result in greater expense to the home buyer. The Department of Environmental Conservation currently performs single-lot reviews in those areas where subdivision-wide review was not conducted, generally on small or older subdivisions. Because of the additional workload associated with a change from a subdivison-wide to a lot-by-lot review, I anticipate that it will be necessary to add five to ten additional staff to conduct the reviews required by banks handling Federal lending and guarantee programs. I must emphasize that the banks with which we have discussed this program simply will not make such home loans unless they can be assured by a responsible government agency that on-site waste disposal is feasible. Neither they, nor the Federal Government, will take the risk of losing an investment because of a failing waste disposal system, or a contaminated water supply.

If a builder is able to finance his home in another manner, and constructs a waste disposal system which subsequently fails, he may find himself with a home he cannot sell. This situation exists in Eagle River near Anchorage, where homes with contaminated wells and failing sewage systems cannot be sold.

This latter situation has occurred many times in the past--on several occasions to entire subdivisions--where wells will become contaminated from failing sewage systems sometimes affecting hundreds of lots. In some cases, entire families have become seriously ill--even death may result. Eventually, the State and local governments must step in to help, through the construction of complete new community water and sewer

systems. These systems will cost many times what would have been required if they had been installed when the property was first developed; in some cases, even with State and Federal grant funding assistance, the sewer and water assessments far exceed the total original cost of the lots. Just a few examples where this has occurred include Lemeta in Fairbanks, Deborah Subdivision in Eagle River, Mendenhall Valley in Juneau, Island Lake in Kodiak, and Robe River Subdivision in Valdez. Many millions of dollars in State funds have been spent to correct the problems in Lemeta and the Mendenhall Valley. Many others are not yet solved, but are scheduled to cost tens of millions of State and Federal funds.

Apparently, the impetus behind this bill relates to alleged problems the Department of Natural Resources has in disposing of State-owned lands. A recent report by the Division of Lands implies that compliance with subdivision review regulations is an obstacle to the State's land disposition program, especially as regards homesites. Unfortunately, the report tells only part of the story. The Department of Environmental Conservation does not have any requirements concerning private water systems, only regarding waste disposal. Further, regardless of the subdivision review regulations, a small proportion of State-owned lands simply cannot be used for on-site sewage disposal because of bedrock, high water table, muskeg, or other similar problems.

Further, it has been alleged by some that meeting our subdivision waste disposal requirement is overly costly. A review of the Division of Lands' cost analyses indicates that this is simply not the case. The Division of Lands has estimated that, over the next few years, $618 million will be needed to dispose of State-owned lands. The vast majority of these costs are for road and street construction--only 9 percent is for sewer and water improvements. Roughly one-half of the 9 percent is for community water systems--an improvement which is not required by the Department of Environmental Conservation. The other one-half is for sewage collection and disposal systems proposed by private consultants to the Division of Lands because the soil cannot be used successfully for on-site sewage disposal.

My staff and I are committed to working with the Department of Natural Resources to resolve difficult problem areas, as indeed we are with any land developer. In one case, near Glennallen, our joint efforts actually resulted in more developable lots than originally proposed by DNR's consultant. Except for coordination problems which existed several months ago between my field staff and the Division of Lands and which has since been resolved, DNR has been quite complimentary of our assistance in this unprecedented land disposal effort.

This bill would very possibly result in more stringent requirements being imposed on subdivisions outside municipal boundaries than those inside, unless every municipality chose to undertake the expense of establishing a subdivision review program similar to ours. In our view, this is somewhat anomalous--in most cases, municipal requirements are more strict than State requirements.

As you know, DEC regulations presently provide for local governments to carry out subdivision plan review in lieu of the Department. The Municipality of Anchorage is the only municipality to apply for the program and receive approval. No other municipality has even applied for the program in spite of our active encouragement to do so. The requirements are extremely minimal and anything less stringent cannot responsibly be said to protect public health or prevent pollution problems.

As an alternative to this bill, and the other proposal discussed during your February 28 hearing, I would suggest that local governments be specifically granted the authority and the responsibility for controlling on-site sewage disposal problems within their boundaries. This would require that municipalities develop and implement a program which is at least as stringent as the State's in a manner similar to that of Anchorage. Only in this manner can we ensure that even a minimal level of protection is afforded to those who buy land in Alaska, protection against severe threats to public health, some assurance they can finance their new homes, and protection against the loss of a portion of their substantial investment.

Sincerely,

Ernst W. Mueller
Commissioner

cc: Committee Members
Mr. Keith Specking

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B – JUNEAU 99811

March 13, 1979

The Honorable Bill Parker
Chairman, Community and Regional Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

The Department of Community and Regional Affairs has reviewed The House Community and Regional Affairs Committee's substitute for House Bill 172. The draft substitute addresses many of the concerns we had with the original bill, specifically new responsibilities the bill would delegate to municipalities which exercise platting power.

Section 4 of the committee substitute requires all municipalities which exercise platting authority to adopt standards for review and approval of subdivisions with respect to the type and location of water sources and sewerage treatment and disposal systems. Sections 5 and 6 support local enforcement of subdivision ordinances through technical assistance from the Department of Environmental Conservation.

Taken together, Sections 4, 5, and 6 of CSHB 172 create a potentially effective system for delegating to local governments certain of the State's police powers, particularly those pertaining to the protection of the public health. There are three points we would like the committee to consider in its deliberation on the bill.

1. Before the State delegates to local governments responsibilities so vital as the prevention of public health hazards produced through pollution by inadequate on-site sewerage disposal, and the assurance for prospective landowners or leaseholders that they will be able to obtain financing to purchase or construct a home (many financing institutions require assurance of adequate water supply and sewerage disposal before issuing a loan), it should ensure that municipal standards of review and approval will be adequate to provide the public the protection to which they are entitled. Two ways for CSHB 172 to do this would be to (1) modify Sec. 4 (p.2, line 23) to require that local standards meet minimum standards presently applied by the Department of Environmental Conservation or (2) to require municipalities to submit standards to the Department of Environmental Conservation for approval.

2. Local subdivision ordinances in many small municipalities in the State are administered solely by a planning commission, consisting of volunteers, and sometimes assisted by a city foreman or engineer. In such instances, the cities may prefer for the Department of Environmental Conservation to retain the responsibility of review and approval of subdivisions for the adequacy of water supply and sewerage treatment and disposal. Section 4 makes the assumption of the Department of Environmental Conservation's previous responsibilities in this regard mandatory for local governments which must exercise platting powers (i.e., boroughs of all classes but the third class, first class cities, and home rule cities). Changing "SHALL" on page 2, line 14 to "may" would clarify the voluntary nature of municipal assumption of the responsibility for review and approval of subdivisions with respect to the type and location of water supply and sewerage treatment and disposal.

3. The Department of Environmental Conservation's technical assistance program would have to be adequately funded in order to insure the bill's promise to offer municipalities the technical expertise they need to properly review subdivisions.

We appreciate your consideration of points raised in this letter.

Sincerely,

Lee McAnerney
Commissioner

By:

Don Argetsinger
Deputy Commissioner

cc: The Honorable Ernst Mueller
Commissioner
Department of Environmental Conservation

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION
JAY S. HAMMOND, GOVERNOR
POUCH O – JUNEAU 99811

March 15, 1979

The Honorable William Parker
Chairman
House Committee on Community
& Regional Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

The committee substitute for House Bill 172 that was prepared on March 14, 1979 addresses few of the concerns expressed in our testimony before you.

One of our major concerns is that the bill gives local government exclusive authority over water and sewerage systems for subdivisions without assigning them adequate responsibility to insure protection of public health and prevent pollution of State waters. We have a great deal of respect for the abilities of local government, given a fair chance, but, as written, CS HB 172 is in effect "throwing them to the wolves" by also abrogating the State's responsibilities in this matter. By not setting some kind of minimum standards for local governments to fall back on when reviewing and approving water and sewage aspects of subdivisions, some will be virtually helpless to deal with extraordinary political and development pressures to approve the installation of systems on unsuited sites. The consequences of this action will result in public health problems; loss of financing opportunities for development; pollution of State waters; and unnecessary expenditure of State, federal and local monies for clean-up.

The State of New York, after over 40 years of exclusive local control, developed so many serious sewage problems that minimum state standards for on-lot waste disposal were recently adopted. Other states have taken similar actions. Alaska is in a unique position to assist local government by requiring them to meet certain minimum standards for protection of public health and prevention of pollution of State waters and we should not step backward as dictated by this bill.

Another major concern expressed before your committee still has not been addressed adequately. There remains a substantial conflict with State and federal law with respect to construction of sewerage systems and sewage treatment and disposal systems; and setting of sewage treatment standards and water quality standards. This conflict can be resolved substantially by limiting review of subdivisions by local government specifically to individual on-lot disposal of wastewater.

The March 14 draft exempts any jurisdiction from responsibility for reviewing and approving of on-site sewage disposal systems in subdivisions previously approved by local government. We believe the Committee does not intend that these individual systems within approved subdivisions be exempted from review altogether and suggest that appropriate assignment of responsibility be added.

There are several lesser concerns with wording that should be addressed by the committee for clarification:

1. Sec. 1. The additions on lines 27-29 of page 1 are vague and will lead to problems of interpretation. We suggest integration of this introductory phrase into the more specific wording on page 2, lines 4-7 by the addition of "under authority of AS 29.33.150-AS 29.33.240" after "municipality" on line 4, and the elimination of lines 27-29 down to, no.

2. The term "sewerage system or treatment works" should be substituted for the similar terms on page 2, lines 11, 12, 17 and 26 and page 3, lines 2 and 3.

3. Beginning on page 2, line 29, delete the phrase "exercising platting and subdivision authority under AS 29.33.155" and on page 3, line 3 and 4 the phrase "by application of the municipality's ordinances for water supply and sewerage treatment and disposal." The first phrase is unnecessary and confusing. It is our view that the communities power to request assistance from this Department, and our responsibility to respond to these requests, should not be unduly limited. The language in the proposed committee substitute would preclude a long standing practice between the Fairbanks North Star Borough and this Department. An Ad Hoc Subdivision Review Committee has been in existance for a number of years, by which federal, State and local agencies provide advice to the Borough on a broad variety of matters relating to subdivision development. This approach has been very valuable to the Borough in its subdivision review program. The proposed language would prohibit this program for no discernable reason.

Thank you for this opportunity to comment on this bill. We enthusiastically support the concept of local control, but feel it is important to also provide municipalities with the necessary tools to do the job effectively. The present draft falls short of that goal.

Sincerely,

Ernst W. Mueller
Commissioner

cc: Committee Members
Dept. of Community & Regional Affairs

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O — JUNEAU 99811

March 15, 1979

The Honorable William Parker
Chairman
House Committee on Community
& Regional Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

The committee substitute for House Bill 172 that was prepared on March 14, 1979 addresses few of the concerns expressed in our testimony before you.

One of our major concerns is that the bill gives local government exclusive authority over water and sewerage systems for subdivisions without assigning them adequate responsibility to insure protection of public health and prevent pollution of State waters. We have a great deal of respect for the abilities of local government, given a fair chance, but, as written, CS HB 172 is in effect "throwing them to the wolves" by also abrogating the State's responsibilities in this matter. By not setting some kind of minimum standards for local governments to fall back on when reviewing and approving water and sewage aspects of subdivisions, some will be virtually helpless to deal with extraordinary political and development pressures to approve the installation of systems on unsuited sites. The consequences of this action will result in public health problems; loss of financing opportunities for development; pollution of State waters; and unnecessary expenditure of State, federal and local monies for clean-up.

The State of New York, after over 40 years of exclusive local control, developed so many serious sewage problems that minimum state standards for on-lot waste disposal were recently adopted. Other states have taken similar actions. Alaska is in a unique position to assist local government by requiring them to meet certain minimum standards for protection of public health and prevention of pollution of State waters and we should not step backward as dictated by this bill.

Thank you for this opportunity to comment on this bill. We enthusiastically support the concept of local control, but feel it is important to also provide municipalities with the necessary tools to do the job effectively. The present draft falls short of that goal.

Sincerely,

Ernst W. Mueller
Commissioner

cc: Committee Members
Dept. of Community & Regional Affairs

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6142
JUNEAU, ALASKA 99802

1979 MAR 9 PM 5 52

02076 NL TDA CORDOVA ALASKA 50 03-09 220P AST

PMS REP BILL PARKER

COMMITTEE OF REGIONAL AFFAIRS

JUNEAU

THE CITY OF CORDOVA STRONGLY OBJECTS TO HB172 AND ASKS THE ADEC SUBDIVISION PLAN REVIEW COMPLEMNTS OUR CITY REGULATIONS AND WE HAVE A VERY GOOD WORKING RELATIONSHIP WITH ADEC ON POLLUTION DISPOSAL PROBLEMS WHERE THEY LEND TECHNICAL SUPPORT THAT WE ARE NOT QUALIFIED TO GIVE

CITY OF CORDOVA

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

March 8, 1979

The Honorable Representative William Parker
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

My staff has reviewed the possible implications of HB 172 and the following comments are provided for your information:

The principle of local control and local regulation embodied in the proposed amendment to Alaska Statute 46, Chapter 3, is one that should be supported. It has been recognized by Ketchikan Gateway Borough Planning staff, the KGB Planning Commission and even the local Environmental Conservation Officer that waste water disposal regulations, formulated for a statewide average, are not suitable for Ketchikan with its poor soils, high precipitation and high water table. I assume HB 172 does not question the value of good environmental safeguards but addresses only the inequities that have arisen from ADEC comprehensive regulations. Unfortunately in devesting ADEC of the power to review subdivision or development plans where the municipality has subdivision authority (such as Ketchikan) there is no guarantee the local community will have the funds and expertise to carry the job through. It seems to me, at least as far as Ketchikan is concerned, that the problem is the relative insensitivity of the regulations to local conditions not the contention that Alaska Statute 46 violates the rights of municipal self rule. If a mechanism can be designed to allow local government to draft local waste water regulations for adoption into State law and let ADEC provide technical and enforcement services the result would be very beneficial. Special skills are needed to write and enforce environmental regulations, even those designed for local conditions, and I think HB 172 as presented will create a vacuum into which the municipality will be unable to step without State assistance.

HB 172

City Council of Sand Point

Box 16
Sand Point, Alaska 99661

February 28, 1979

Marilyn Miller
Alaska Municipal League
204 N. Franklin St.
Juneau, Alaska 99801

Dear Marilyn:

This letter follows our brief conversation today. Recall that I mentioned concern over a recent bill or proposal in the legislature to limit the State Department of Environmental Conserv ation from exercising subdivision control within municipal jurisdictions. I understand the intent of the proposed legislation but would not wish to see a strict prohibition placed upon DEC to exercise subdivision control.

The City of Sand Point has by ordinance set forth procedures for subdivision which includes DEC review and assistance.

The city would wish any new legislation relating to DEC and subdivisions have language that would optionally permit municipalities to by ordinance include or permit DEC review, assistance or regulatory overv iew of subdivision plans and construction.

Thank you.

Sincerely yours,

David A. Jensen
City Manager

DAJ:alp

WO#6340
Chenoweth

Original sponsor: Freeman

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 172

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to review and approval of subdivision and development plans by municipalities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

* Section 1. AS 46.03.090 is amended to read:

Sec. 46.03.090. PLANS FOR POLLUTION DISPOSAL. The department may require the submission of plans

(1) for sewage and industrial waste disposal or treatment or both for a publicly or privately owned or operated industrial establishment[,]; and

(2) for a community, public or private property subdivision or development only

(A) if that subdivision or development is located outside a municipality which exercises platting and subdivision approval authority under AS 29.33.150 - 29.33.240; or

(B) if, in a municipality which exercises platting and subdivision approval authority, standards applicable to the review and approval of subdivision plats have not been adopted and filed with the Department of Community and Regional Affairs in accordance with AS 29.33.155.

* Sec. 2. AS 46.03.720(a) is amended to read:

(a) Except when a plat receives approval by the platting board of a municipality in conjunction with the review and approval of a subdivision or dedication under AS 29.33.155, no [NO] person may construct,

extend, install or operate a sewerage system or treatment works, or any part of a sewerage system or treatment works, until plans for it are submitted to the department for review and the department approves them in writing and issues a written permit. The review and approval of a plat of a subdivision or dedication by a municipality exempts the department from review of individual subdivision lots under this subsection.

* Sec. 3. AS 29.33.150(1) is amended to read:

(1) form, size, and other aspects of subdivisions, dedications, and vacations of land, including but not limited to, standards for review and approval of proposed subdivisions having on-lot sewerage and wastewater treatment and disposal systems;

* Sec. 4. AS 29.33 is amended by adding a new section to read:

Sec. 29.33.155. STANDARDS FOR SUBDIVISIONS. A municipality which requires subdivision approval may adopt standards applicable for the review and approval of subdivisions with respect to type and location of water sources and sewerage treatment and disposal systems. A copy of the municipality's current ordinance defining standards applicable for the review and approval shall be filed with the commissioner of community and regional affairs. The municipality's ordinance shall provide that a proposed subdivision may not be approved if the subdivision does not meet the standards defined by the municipality.

* Sec. 5. AS 29.33.160 is amended by adding a new subsection to read:

(c) The platting board may request the Department of Environmental Conservation to review and advise on proposed type and location of water sources and sewerage, sewerage treatment and disposal systems for proposed subdivisions submitted for platting board review and approval.

* Sec. 6. AS 46.03.020 is amended by adding a new paragraph to read:

(12) when requested to do so by a municipality exercising

platting and subdivision authority under AS 29.33.155, review proposed type and location of water sources and sewerage, sewerage treatment and disposal systems for proposed subdivisions by application of the municipality's ordinances for water supply and sewerage treatment and disposal.

* Sec. 7. AS 44.47.050(5) is amended to read:

(5) maintain a library or reference file of municipal ordinances required to be kept by the department by law, serve as a clearinghouse for information useful in solution of community and regional problems, and channel to the appropriate authority requests for documents, information and services;

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-070(c).

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O – JUNEAU 99811

Mueller 2600

March 6, 1979

The Honorable Bill Parker
Chairman, Community and Regional
Affairs Committee
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairman Parker:

Currently being considered by the Committee on Community and Regional Affairs is House Bill 172. This bill would restrict the authority of the Department of Environmental Conservation to review and approve subdivision plans for suitability for on-site waste disposal to only those areas outside the boundaries of organized municipalities. Presumably, municipalities would have the option of requiring subdivisions to meet requirements similar to those currently imposed by our regulations, or to allow them to be developed and sold without any assurance that a homebuilder can construct an on-lot sewage disposal system.

If this bill were to become law, Alaska can expect severe economic, public health, and environmental consequences. While we fully agree that local governments should take the lead in implementing land use controls through their local planning and zoning programs, many simply do not have the financial or staff resources to conduct technical review of subdivisions for their suitability for on-site waste disposal. Thus, we can expect a number will not undertake this additional task, thus assuring that many subdivisions in organized areas will not be suitable for on-site waste disposal. The present statewide review program has resulted in numerous platting changes to subdivisions to ensure that such disposal is possible, or that an alternative waste collection and disposal system is provided.

Attempts at construction of on-site waste disposal systems on inadequate soils will result in contaminated ground water, a flow of raw human body wastes across the surface of the land, or an untreated discharge to nearby waterways. Substantial threat to public health can result from direct contact with these uncontrolled sewage discharges, or by ingestion of contaminated well water.

In addition to the public health implications, passage of this bill could severely stall new housing starts in Alaska. Presently, Federal home loan financing and guarantee programs require certification by a State or local government agency that land is suitable for on-lot waste disposal before a loan will be approved for a home without community sewer service. Alaskan banks, which administer these Federal funds, inform us that approximately 50 percent of new home loans in Alaska have some Federal funding or guarantee. Naturally, other home loan programs are available, but usually at a substantially higher interest rate.

Review and certification for on-lot waste disposal suitability can occur at either the subdivision-wide level, or on an individual lot basis. Because soil borings must be taken, and analysis must be made by qualified persons, it is far more economical to conduct these investigations on a subdivision-wide basis. If this Department's review and approval of waste disposal capability on a subdivision-wide basis is eliminated in organized municipalities, lending institutions will simply require an investigation on each and every lot before granting a Federal home loan. This will result in greater expense to the home buyer. The Department of Environmental Conservation currently performs single-lot reviews in those areas where subdivision-wide review was not conducted, generally on small or older subdivisions. Because of the additional workload associated with a change from a subdivison-wide to a lot-by-lot review, I anticipate that it will be necessary to add five to ten additional staff to conduct the reviews required by banks handling Federal lending and guarantee programs. I must emphasize that the banks with which we have discussed this program simply will not make such home loans unless they can be assured by a responsible government agency that on-site waste disposal is feasible. Neither they, nor the Federal Government, will take the risk of losing an investment because of a failing waste disposal system, or a contaminated water supply.

If a builder is able to finance his home in another manner, and constructs a waste disposal system which subsequently fails, he may find himself with a home he cannot sell. This situation exists in Eagle River near Anchorage, where homes with contaminated wells and failing sewage systems cannot be sold.

This latter situation has occurred many times in the past--on several occasions to entire subdivisions--where wells will become contaminated from failing sewage systems sometimes affecting hundreds of lots. In some cases, entire families have become seriously ill--even death may result. Eventually, the State and local governments must step in to help, through the construction of complete new community water and sewer

systems. These systems will cost many times what would have been required if they had been installed when the property was first developed; in some cases, even with State and Federal grant funding assistance, the sewer and water assessments far exceed the total original cost of the lots. Just a few examples where this has occurred include Lemeta in Fairbanks, Deborah Subdivision in Eagle River, Mendenhall Valley in Juneau, Island Lake in Kodiak, and Robe River Subdivision in Valdez. Many millions of dollars in State funds have been spent to correct the problems in Lemeta and the Mendenhall Valley. Many others are not yet solved, but are scheduled to cost tens of millions of State and Federal funds.

Apparently, the impetus behind this bill relates to alleged problems the Department of Natural Resources has in disposing of State-owned lands. A recent report by the Division of Lands implies that compliance with subdivision review regulations is an obstacle to the State's land disposition program, especially as regards homesites. Unfortunately, the report tells only part of the story. The Department of Environmental Conservation does not have any requirements concerning private water systems, only regarding waste disposal. Further, regardless of the subdivision review regulations, a small proportion of State-owned lands simply cannot be used for on-site sewage disposal because of bedrock, high water table, muskeg, or other similar problems.

Further, it has been alleged by some that meeting our subdivision waste disposal requirement is overly costly. A review of the Division of Lands' cost analyses indicates that this is simply not the case. The Division of Lands has estimated that, over the next few years, $618 million will be needed to dispose of State-owned lands. The vast majority of these costs are for road and street construction--only 9 percent is for sewer and water improvements. Roughly one-half of the 9 percent is for community water systems--an improvement which is not required by the Department of Environmental Conservation. The other one-half is for sewage collection and disposal systems proposed by private consultants to the Division of Lands because the soil cannot be used successfully for on-site sewage disposal.

My staff and I are committed to working with the Department of Natural Resources to resolve difficult problem areas, as indeed we are with any land developer. In one case, near Glennallen, our joint efforts actually resulted in more developable lots than originally proposed by DNR's consultant. Except for coordination problems which existed several months ago between my field staff and the Division of Lands and which has since been resolved, DNR has been quite complimentary of our assistance in this unprecedented land disposal effort.

This bill would very possibly result in more stringent requirements being imposed on subdivisions outside municipal boundaries than those inside, unless every municipality chose to undertake the expense of establishing a subdivision review program similar to ours. In our view, this is somewhat anomalous--in most cases, municipal requirements are more strict than State requirements.

As you know, DEC regulations presently provide for local governments to carry out subdivision plan review in lieu of the Department. The Municipality of Anchorage is the only municipality to apply for the program and receive approval. No other municipality has even applied for the program in spite of our active encouragement to do so. The requirements are extremely minimal and anything less stringent cannot responsibly be said to protect public health or prevent pollution problems.

As an alternative to this bill, and the other proposal discussed during your February 28 hearing, I would suggest that local governments be specifically granted the authority and the responsibility for controlling on-site sewage disposal problems within their boundaries. This would require that municipalities develop and implement a program which is at least as stringent as the State's in a manner similar to that of Anchorage. Only in this manner can we ensure that even a minimal level of protection is afforded to those who buy land in Alaska, protection against severe threats to public health, some assurance they can finance their new homes, and protection against the loss of a portion of their substantial investment.

Sincerely,

Ernst W. Mueller
Commissioner

cc: Committee Members
Mr. Keith Specking

Taken From "Alaska Land" A Report To The Legislature -- Alaska Department of Natural Resources January 1979

SUMMARY

Among other things, Chapter 181 SLA 1978 (HB 720) required the Division of Lands to dispose of 30,000 acres of Homesite and Open-to-Entry lands during Fiscal Year 1979. This report describes how this will be accomplished and discusses options for this and future years.

A number of problems have been encountered by the Division in meeting this requirement: (1) The fiscal note that accompanied House Bill 720 (the precursor to Chapter 181 SLA 1978) did not contain sufficient money to survey the 30,000 acres of subdivisions required if the land is to be made available where the public wants it -- generally in organized boroughs. (2) The Cook Inlet Land Exchange and the Municipal Selection Act which also passed in 1978 have temporarily complicated existing title problems. Much land slated by the Division for disposal was selected either by municipalities or the Cook Inlet Regional Corporation under those two authorizations. (3) Land to be disposed of in small parcels (under 40 acres) within boroughs must be subdivided in accord with Borough subdivision regulations. In most boroughs these regulations include development of physical access, which requires not only money but time. (4) Department of Environmental Conservation regulations require review of any subdivision to ensure that onsite sewage disposal is possible. In some cases inside boroughs this results in substantial requirements for investment in sewer and/or water systems before the subdivision is approved.

The program that the Division has undertaken for the remainder of the fiscal year will meet the 30,000 acre requirement and surmount the problems listed above. The disposals will be made in three general categories:

1. Existing and planned subdivisions - 11,500 acres. These subdivisions are principally outside the boroughs so that the subdivision regulations do not apply.

2. Miscellaneous lots and large parcels open-to-entry - 8,000 acres. On surveyed lands there is no limit to the size of parcel that may be offered under the open-to-entry program. This category includes parcels of 40 acres or more for which there is no basic reason for retention in state ownership as well as various odd lots in existing subdivisions.

3. Dispersed open-to-entry - 16,750 acres. This is a modification of the existing open-to-entry program which limits the density of settlement, as requested by many Alaskans. This acreage represents in excess of 3,300 parcels which will be offered to individuals.

In sum this plan totals approximately 36,250 acres (to allow for shrinkage during review processes) which will be made available in approximately 5,000 individual parcels during the months of April to June 1979.

Other requirements of Chapter 181 include development of a needs assessment program, the redesignation of mental health land, presentation of a three level budget and an extensive revision of the regulations. All of these have been completed and are described in this report.

(c) The department will, in its discretion, require that the designs for sewerage systems and treatment works in remote areas have a history of successful operation in comparable environmental situations. Sewerage systems or treatment works also must be designed to successfully operate under the conditions of seasonal frost or perennial frost encountered in the areas where the construction is proposed.

(d) If any construction or other activity is intended which might render water of the state inaccessible or uninhabitable for spawning or propagation of salmon, or cause violations of the Water Quality Standards in ch. 70 of this title, the required submission of plans shall contain the following information:

(1) a detailed description of and timetable for the proposed construction or other activity; and

(2) other information the department requires to fully assess the impact of the proposed activity upon the waters.

(e) The department will, within 30 days of receipt of complete plans, approve plans submitted under this section if the applicant demonstrates that the sewerage system or treatment works will meet the requirements of this chapter and ch. 70 of this title.

(f) The department will, in its discretion, attach terms and conditions to approved plans necessary to insure compliance with the requirements of this chapter and ch. 70 of this title.

(g) For the purpose of reviewing plans required to be submitted under this section, the department will use, where applicable, the design criteria contained in the following:

(1) Sewage Treatment Plant Design, Manual of Practice Number 8, 1976, and Design and Construction of Sanitary and Storm Sewers, Manual of Practice Number 9, 1970; Water Pollution Control Federation, 3900 Wisconsin Avenue, Washington, D.C. 20016;

(2) Glossary -- Water and Wastewater Control Engineering, Joint Editorial Board, American Public Health Association, American Society of Civil Engineers, American Water Works Association and Water Pollution Control Federation, 1969; available from Water Pollution Control Federation, 3900 Wisconsin Avenue, Washington, D.C. 20016;

(3) Wastewater Engineering: Collection, Treatment, Disposal; Metcalf and Eddy, Inc., 1972, McGraw-Hill Book Company, New York, N.Y.;

(4) Recommended Standards for Sewage Works, Great Lakes-Upper Mississippi River Board of State Sanitary Engineers, Health Education Service, P.O. Box 7283, Albany, New York 12224.

(h) Copies of the referenced materials are on file in the lieutenant governor's office, and may be reviewed in any of the regional offices of the department.

(i) No person may install a package aerobic sewage treatment plant unless the plant, or a similar model in a series of plants, has been certified by the National Sanitation Foundation, unless it can be demonstrated to the department's satisfaction that the plant meets or exceeds the National Sanitation Foundation certification criteria. Approval of package plants will be made only on receipt of acceptable proof of satisfactory operation of similar systems under conditions of proposed use. A list of approved package aerobic sewage treatment plants is available from any of the regional offices of the department. (Eff. 8/10/73, Reg. 47; am 2/3/77, Reg. 61; am 3/4/78, Reg. 65)

Authority: AS 16.10.010
AS 46.03.020(10)(A)
AS 46.03.050
AS 46.03.090
AS 46.03.720

18 AAC 72.065. SUBDIVISION PLAN REVIEW. (a) Before or within five days after the time of the filing of a proposed subdivision plat with a platting authority, or, where no subdivision plat is filed with a platting authority, at least 60 days before subdividing, the person proposing the subdivision, unless the subdivision is an isolated subdivision, shall submit to the department the following information:

(1) a map of the proposed subdivision

showing lot and street layout with lot dimensions and areas, contours sufficient to show topography, drainage, all marshy or muskeg areas, and any existing or proposed improvements or bodies of water within 200 feet of the proposed subdivision;

(2) recommended or proposed type and location of water sources and sewage treatment and disposal systems on a typical lot diagram in relation to water sources and sewage treatment and disposal systems on adjacent lots;

(3) to the extent ascertainable, a statement concerning the possibility of any future community water or sewerage systems and an approximate timetable for their development;

(4) representative soil testing, logs, and borings, prepared by a professional engineer registered in the State of Alaska, in an area sufficient to determine whether soils are suitable for on-site sewage disposal and to determine the area required for soil absorption systems; however, soil tests, logs, and borings are not required if the subdivision plat clearly indicates that the area for which representative tests, logs, and borings will not be made will not be used for residential or other development which would necessitate domestic sewage treatment and disposal; moreover, representative tests, logs, and borings are not required if a means of sewage treatment and disposal other than soil absorption systems is proposed under (2) of this subsection; and

(5) a statement concerning responsibility for construction, operation and maintenance of water supply and sewage treatment and disposal facilities in the proposed subdivision.

(b) No person creating a subdivision after the effective date of this section, except an isolated subdivision, may sell, contract to sell, lease, or otherwise convey an interest in any lot or lots within that subdivision if plan approval has not previously been granted for that subdivision by the department under this section.

(c) It is the responsibility of the subdivider to provide evidence of plan approval under this section to prospective buyers, lessees or promisees.

(d) Within 30 days of submission of complete plans, the department will approve the plans if the applicant demonstrates that

(1) where the person proposing the subdivision assumes responsibility for sewage treatment and disposal within the subdivision, the proposed manner of sewage treatment and disposal will meet the requirements of this chapter and ch. 70 of this title; or

(2) where the person proposing the subdivision does not assume responsibility for sewage treatment and disposal within the subdivision, there will exist practicable means of sewage treatment and disposal within the subdivision which will meet the requirements of this chapter and ch. 70 of this title.

(e) The department will, in its discretion, attach terms and conditions to approved plans necessary to insure compliance with the requirements of this chapter and ch. 70 of this title. (Eff. 2/3/77, Reg. 61; am 3/4/78, Reg. 65)

Authority: AS 46.03.020(10)(A)
AS 46.03.050
AS 46.03 090

18 AAC 72.068. WAIVER OF SUBDIVISION PLAN REVIEW IN QUALIFIED JURISDICTIONS. (a) A platting authority may petition the department to waive the exercise of sec. 65 of this chapter within its jurisdiction. The petition shall contain

(1) a copy of all pertinent ordinances relating to the review of sewage treatment and disposal matters for subdivisions;

(2) a statement of all pertinent administrative and judicial enforcement processes available to the platting authority; and

(3) a statement of administrative organization, staff, funding and other resources available to the platting authority to administer and enforce its sewage treatment and disposal requirements.

(b) Within 90 days of receipt of a completed petition, the department will grant the petition if the applicant demonstrates that, based upon the information submitted under (a) of this

section and in light of the department's own investigation

(1) the ordinances of the platting authority governing sewage treatment and disposal matters in subdivisions are at least as stringent as the requirements of this chapter and ch. 70 of this title; and

(2) the platting authority possesses sufficient resources and enforcement authorities to insure uniform compliance with sewage treatment and disposal requirements, and is in fact consistently and uniformly applying and enforcing its ordinances regarding sewage treatment and disposal matters in subdivisions.

(c) A preliminary decision by the department to deny a petition will be served upon the platting authority in the manner prescribed by AS 44.62.370. A denial of a petition entitles the platting authority to an adjudicatory hearing which will be conducted under the Administrative Procedure Act (AS 44.62.350 et seq.).

(d) If the department has reason to believe that a platting authority for which a petition has been granted under this section is no longer meeting a requirement of (b) of this section, the department will, in its discretion, reassert the authority exercised through sec. 65 of this chapter within the jurisdiction of the platting authority. A preliminary decision to reassert authority will be served upon the platting authority in the manner prescribed by AS 44.62.360. A decision to reassert authority entitles the platting authority to an adjudicatory hearing which will be conducted under the Administrative Procedure Act.

(e) Upon final departmental action reasserting authority under (d) of this section, the requirements of sec. 65 of this chapter apply to any person proposing a subdivision who has not subdivided before the effective date of the reassertion of authority. (Eff. 2/3/77, Reg. 61)

Authority: AS 46.03.020(10)(A)
AS 46.03.090

18 AAC 72.070. OPERATIONAL REPORTS. The department may require that persons who own or operate a wastewater treatment works submit routine operational reports on forms supplied by the department. (Eff. 8/10/73, Reg. 47)

Authority: AS 46.03.020(10)(A)
AS 46.03.020(10)(D)

18 AAC 72.080. EMERGENCY NOTIFICATION. (a) The owner or operator of community or industrial liquid sewerage systems or treatment works shall report to the department within 24 hours by telephone or telegraph or, in the absence of both, by mail, in the event of

(1) treatment works out of operation for a period greater than six hours;

(2) chlorine accident, spill, or outage;

(3) treatment works flooding;

(4) sludge carry-over, washout, or overflow;

(5) any bypass of treatment works or part thereof during periods of high flow or equipment breakdown.

(b) A follow-up written report shall be sent to the department within seven days of the event reported.

(c) The written report shall contain but not be limited to

(1) times and dates of the event;

(2) a detailed description of the event, including quantities of sewage involved;

(3) details of any damage to receiving waters;

(4) actions taken to correct the causes of the event. (Eff. 8/10/73, Reg. 47)

Authority: AS 46.03.020(10)(A)
AS 46.03.020(10)(D)
AS 46.03.710

18 AAC 72.090. PENALTY. Repealed. (Eff. 4/1/77, Reg. 61)

18 AAC 72.100. DEFINITIONS. Unless the context indicates otherwise, in this chapter

(1) "cesspool" means a subsurface pit which receives untreated sewage;

of quality and purity or group the designated waters of the state into classes as to minimum quality and purity, or both. The department shall classify waters in accordance with considerations of best usage in the interest of the public. The department may alter and modify classifications after hearing. (§ 3 ch 120 SLA 1971)

ALR references. — Statute prescribing standard of purity of water furnished for human consumption, 6 ALR 475.

Sec. 46.03.090. Plans for pollution disposal. The department may require the submission of plans for sewage and industrial waste disposal or treatment or both for a publicly or privately owned or operated industrial establishment, community, public or private property subdivision or development. (§ 3 ch 120 SLA 1971)

Sec. 46.03.100. Waste disposal permit. (a) A person who conducts an operation which results in the disposal of solid or liquid waste material or heated process or cooling water into the waters or onto the land of the state must procure a permit from the department before disposing of the waste material or water. The permit must be obtained for direct disposal and for disposal into publicly operated sewerage systems.

(b) This section does not apply to a person discharging only domestic sewage into a sewerage system. (§ 3 ch 120 SLA 1971; am § 3 ch 220 SLA 1976)

Effect of amendment. — The 1976 amendment in the first sentence of subsection (a), substituted "an operation" for "a commercial or industrial operation," inserted "or heated process or cooling water" and "or onto the land," and added "or water" to the end of the sentence.

Sec. 46.03.110. Waste disposal permit procedure. (a) An application for a permit shall be made on forms prescribed by the department or on forms prescribed by the United States Environmental Protection Agency and shall contain the name and address of the applicant, a description of his operations, the quantity and type of waste material sought to be disposed of, the proposed method of disposal, and any other information considered necessary by the department. Application for permit shall be made at least 60 days before commencement of a proposed discharge.

(b) Upon receipt of a proper application the department shall publish notice of the application in two separate publications of a newspaper of general circulation within the general area in which the disposal of waste material is proposed to be made. The notice may also be published in other appropriate information media. The notice shall include a statement that a person who wants to present his views to the department in regard to the application may do so in writing to the

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PMS REP MARGARET BRANSON

COMMITTEE FOR REGIONAL AFFAIRS

JUNEAU

THE CITY OF CORDOVA STRONGLY OBJECTS TO HB172 AND ASKS THE ADEC SUBDIVISION PLAN REVIEW COMPLEMNTS OUR CITY REGULATIONS AND WE HAVE A VERY GOOD WORKING RELATIONSHIP WITH ADEC ON POLLUTION DISPOSAL PROBLEMS WHERE THEY LEND TECHNICAL SUPPORT THAT WE ARE NOT QUALIFIED TO GIVE

CITY OF CORDOVA

TELEGRAM
ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]442
JUNEAU, ALASKA 99802
1978 MAR 9 PM 5 50

Original sponsor: Freeman

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 172

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to review and approval of subdivision and development plans by municipalities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.03.090 is amended to read:

Sec. 46.03.090. PLANS FOR POLLUTION DISPOSAL. The department may require the submission of plans

(1) for sewage and industrial waste disposal or treatment or both for a publicly or privately owned or operated industrial establishment[,]; and

(2) for a community, public or private property subdivision or development only

(A) if that subdivision or development is located outside a municipality which exercises platting and subdivision approval authority under AS 29.33.150 - 29.33.240; or

(B) if, in a municipality which exercises platting and subdivision approval authority, standards applicable to the review and approval of subdivision plats have not been adopted and filed with the Department of Community and Regional Affairs in accordance with AS 29.33.155.

* Sec. 2. AS 46.03.720(a) is amended to read:

(a) Except when construction, extension or installation of a sewerage system or treatment works receives approval by the platting board of a municipality in conjunction with the review and approval of

a subdivision or dedication under AS 29.33.150 and 29.33.155, no [NO] person may construct, extend, install or operate a sewerage system or treatment works, or any part of a sewerage system or treatment works, until plans for it are submitted to the department for review and the department approves them in writing and issues a written permit.

* Sec. 3. AS 29.33.150(1) is amended to read:

(1) form, size, and other aspects of subdivisions, dedications, and vacations of land, including but not limited to, standards for review and approval of proposed subdivisions having sewerage and wastewater treatment and disposal systems, including on-lot treatment and disposal systems;

* Sec. 4. AS 29.33 is amended by adding a new section to read:

Sec. 29.33.155. STANDARDS FOR SUBDIVISIONS. The municipality shall adopt standards applicable for the review and approval of subdivisions with respect to type and location of water sources and sewerage treatment and disposal systems. A copy of the municipality's current ordinance defining standards applicable for the review and approval shall be filed with the commissioner of community and regional affairs. The municipality's ordinance shall provide that a proposed subdivision may not be approved if the subdivision does not contain soils suitable for effective absorption of discharged wastewater or if treatment and disposal results in the release of wastewater which does not meet water quality criteria defined by the municipality.

* Sec. 5. AS 29.33.160 is amended by adding a new subsection to read:

(c) The platting board may request the Department of Environmental Conservation to review and advise on proposed type and location of water sources and sewerage treatment and disposal systems for proposed subdivisions submitted for platting board review and approval.

* Sec. 6. AS 46.03.020 is amended by adding a new paragraph to read:

(12) when requested to do so by a municipality exercising platting and subdivision authority under AS 29.33.150, review proposed type and location of water sources and sewerage treatment and disposal systems for proposed subdivisions by application of the municipality's ordinances for water supply and sewerage treatment and disposal

* Sec. 7. AS 44.47.050(5) is amended to read:

(5) maintain a library or reference file of municipal ordinances required to be kept by the department by law, serve as a clearinghouse for information useful in solution of community and regional problems, and channel to the appropriate authority requests for documents, information and services;

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-070(c).

HB

174

(7)

COMMITTEE REPORT

HOUSE

FURTHER: STATE AFFAIRS

February 12, 1979

Date: 5 Mar 79

Mr. Speaker:

The Committee on C&RA has had HB 174

"An Act relating to the participation of elected officials and former elected officials in the public employees' retirement system."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 174 [X] same title [ ] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Bill Poole

Margaret A. Brennan as amended

Chark Pan

Fred T. Schmitt

Patrick H. O'Connell

Ray Petersen

MEMBERS HAVING OTHER RECOMMENDATIONS:

Bill Poole

CHAIRMAN

H 60 (Rev. 12/78)

HB 174 TITLE & SPONSOR SUMMARY 13:40 3/20/79 PAGE 1 OF 2

AMENDED TITLE:
AN ACT RELATING TO THE PARTICIPATION OF ELECTED OFFICIALS AND FORMER ELECTED OFFICIALS IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

$13,500 (F. NOTE)

PRIME SPONSORS: HOUSE STATE AFF COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 3/15/79 IN (H) RULES

HB 174 HOUSE ACTION 13:42 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/12/79	01	0204	FIRST READING -- COMMITTEE REPORTS
03/06/79	02	0456	CRA -- CS07
03/15/79	03	0581	FIN -- CRA CS05, NR04
03/14/79	04	0564	FISCAL NOTE-HSE SUPPL *27
03/15/79	05	0594	FIN -- CS05, NR04
03/15/79	06	0595	FISCAL NOTE-HSE SUPPL *28
			STATE AFF.
			RULES
****	**	**	*** *** ***

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 3/5/79

BILL NUMBER AND TITLE: HB 174 Participation of elected officials and former elected officials in the Public Employees' Retirement System

ORIGINAL SPONSOR : State Affairs Committee OTHER SPONSORS:

RECEIVED FROM: FURTHER REFERRALS: State Affairs

MEMBERS PRESENT: Carney, Metcalfe, Zharoff, O'Connell, Parr, Branson, Parker

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED: Lee Sharp ,City Boro Juneau Attorney
M. Miller
P. Arnoldt , Director Div. of Retirement

WITNESSES TESTIFYING:

Mike Miller -- Committee Substitute for HB 174 takes a new approach having all people automatically in program when they become elected officials.

Lee Sharp -- Cited problems which led to drafting of bill. Juneau Assemblyman wnated to op into program. Fbks. employee also had problem.

Arnoldt -- From an actuary standpoint, the CS HB 174 is a great improvement.. You can identify who is out there and start setting aside benefits. More sound than original bill.

Suggests the following amendments which were accepted as part of the Committee Substitute:

1. P. 1 LIne 17, 24 Change "Commissioner of Administration" to "administrator"
2. P. 2 Lines throughout -- remove references to "interest"
3. P. 2 Line 16 Change date to Jan. 31

Members signing DO PASS CS HB 174
Parker
Branson (as amended)
Carney
Parr
Zharoff
O'Connell
Metcalfe

COMMITTEE ACTION: Committee recommended DO PASS of CS174 as amended. CS being prepared.

TAPE # 3 SIDE 1 Sections 1896-2100

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

COMMITTEE MINUTES

DATE: 2/19/79

BILL NUMBER AND TITLE: HB 174 relating to the participation of elected officials and former elected officials in the public employees' retirement system

ORIGINAL SPONSOR : State Affairs Committee

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: State Affairs

MEMBERS PRESENT: Parker, Parr, Zharoff, O'Connell, Branson

MEMBERS ABSENT: Metcalfe, Carney

INDIVIDUALS CONTACTED:

Lee Sharp, Mike Miller, Marilyn Miller, Paul Arnoldt (Fiscal Note) — Talked with Bruce Cummings, Div. of Retirement also.

WITNESSES TESTIFYING:

Rep. Mike Miller -- Basically explained what the bill would do. Rep. O'Connell discussed his personal problem with p. 2 lines 10-13 as a teacher/legislator and felt that the wording might preclude his option of being able to go in and out of the PERS when serving as a legislator for half the year.

COMMITTEE ACTION: Held over until Rep. Miller has answers to questions.

TAPE # 2 SIDE 1 Sections 2010-2165

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Received from

BILL NO. HB 174 re participation of elected officials and former elected officials in the public retirement system

Original Sponsor Mike Miller

Fiscal Note Requested - Div. of Retirement

Contacts: State Affairs Committee

LAA Legal Research contact: McKenzie 4626

Lee Sharp
Marilyn Miller 1325
Mike Miller 4964

Bruce Cummings - Div. of Retirement Employer would not have contributed to system so the bill creates a problem.

McKenzie thinks employer contributions are covered under 39.35.250 (a) Discusses employee contribution rate. It appears that 39.35.125 (d) would only cover state contributions to system rather than municipal. The state may need to put in the retroactive am't to cover for the municipalities' contributions. (PERS-Public Employee Retirement System)

Last section of bill drafted to deal with problem of state employee who retires from state employment and who is an elected official in local gov't in Fbks.

39.35.250 Calculated employer's contrib. rate effected by HB 174.

Paul Arnoldt (4460)
Problems with the bill. 1. Won't know who is out there to come in under coverage. 2. Retroactivity as problem.
Miller, Sharp, McKenzie working on this to come up with a CS..Would include following con epts: 1. Employee would have to come into system but could waive coverage. If waived could not come back into servcie.

2. One year period any former offical can come into service 3.Teacher problem. Statutes says that if you are covered under teacher's system, you are not under PERS.

Bob Van HOute (6-3090) See HB 260 (referred to HSS)

Contacted re Hearing 3/28/79
✓ M. Miller
✓ L. Sharp
✓ McKenzie
CS will be available for 3/28 but fiscal note & not
Not heard 3/28 - rescheduled for 3/15/79

TO: Bill

DATE: 2/16/78

RE: HB 174 Participation of elected officials and former elected officials in the Public Employees' retirement system

This bill covers both state and municipal employees who participate in the state retirement system.

On p. 2 the (g) section is to deal with a situation similar to what happened in Fairbanks where a state employee who was a member of the City Council was told that he would have to relinquish his Council seat when he had retired from State employeement in order to receive his benefits. Then he could be reappointed to the Council seat.

Persons contacted:

Lee Sharp

Marilyn Miller

Paul Arnoldt,(Director Division of Retirement & Benefits

Talked with Bruce Cummings of the Div. of Retirement. Said he thought the Dept. would be opposed as the retroactive retirement did not provide for employer contributions during the retroactive period. I asked for a fiscal note which the Dept. may or may not have available.

AMENDMENT

OFFERED IN THE HOUSE: BY: Community & Regional Affairs

To: State Affairs HOUSE BILL No. HB 174(CS work draft)

SENATE BILL No. _____

PAGE: _____ LINE: _____

Changes made in CS work draft

p. 1 Line 17 Eliminate "Commissioner of Administration" and replace with"administrator".

p. 1 Line 23 Eliminate "commissioner of administration" and replace with "administrator"

p. 2 Lines 2-3 Eliminatee "together with interest as prescribed by regulations"

p. 2 Lines 5-6 Eliminate "INterest accrues retroactively from the date each contribution would have been made."

p. 2 Line 9 Eliminate "together with int est"

p. 2 Line 16 Change January 1 to January 31

H 70

McKenzie
4626

HB 260

Bob Van Houte 6-3090

Leave Absence - pay all benefits (employee & state contrib.) NOW

If he is not working in district, state would assume role School district employee. State would pay in for teacher

State pays matching S.S. for him - wouldn't pay in for
4 1/2 % PERS
Social Security 6%

State worker - S.S deducted 1 check
State puts into SS
State puts into 4 1/2 PERS
16% as public employee

7% to retirement as teacher

14% to

Combined contrib

Roy Haddington
Veteran's Hospital
Beacon Hill

financial institution until the delinquency is reduced to less than one-half of one per cent.

(g) Notwithstanding any other provisions, the pension fund may purchase any assets of the retirement system of any participating municipality as of the effective date of participation in any amount mutually agreed upon by the participating municipalities and the commissioner of revenue. (§ 37 ch 143 SLA 1960; am § 1 ch 129 SLA 1961; am § 1 ch 150 SLA 1962; am § 2 ch 4 SLA 1964; am §§ 1 — 3 ch 80 SLA 1964; am § 1 ch 111 SLA 1964; am § 1 ch 56 SLA 1967; am § 4 ch 73 SLA 1969; am §§ 3, 4 ch 17 SLA 1970; am § 2 ch 112 SLA 1972; am §§ 3, 4 ch 25 SLA 1974)

Effect of amendments. — The 1972 amendment added paragraph (9) in subsection (a).

The 1974 amendment added paragraphs (10)—(15) in subsection (a) and added subsections (e)—(g).

Legislative committee reports. — For report on ch. 73, SLA 1969 (CSHB 278 am), see 1969 House Journal, p. 745. For report on ch. 25, SLA 1974 (CSHB 253 [Jud] am S), see 1974 House Journal, p. 481.

Article 2. Membership.

Section
120. Commencement of participation
125. Participation of elected officials
130. Termination of participation
140. Re-employment of former employees
150. Re-employment of retired employees
153. Army and air national guard employees

Sec. 39.35.120. Commencement of participation. (a) An employee of the state shall be included in this system upon commencement of his employment with the state, or on January 1, 1961, whichever is later. An employee of a political subdivision or public or quasi-public organization which becomes an employer shall be included in the system on the effective date of the employer's participation or the date of the employee's commencement of employment with the employer, whichever is later.

(b) Inclusion in the system is a condition of employment for an employee except an elected official. (§ 4 ch 143 SLA 1960; am § 1 ch 155 SLA 1966)

Sec. 39.35.125. Participation of elected officials. (a) An elected official may be included in the system if, within 60 days after taking the oath of his office or within 60 days after May 12, 1966

(1) he directs his employer in writing to make the necessary deductions from his salary and to pay into the system the contributions required by and for an employee under this chapter and

(2) notice is given the commissioner of administration in writing.

(b) After an elected official has elected to be included in the system he and his employer are liable for contributions whenever he is a qualified elected official of a participating employer.

(c) An elected official may be included retroactively in the system if he makes retroactive contributions equal to what he would have made if he had elected to be included when he became eligible under (a) of this section. (§ 2 ch 155 SLA 1966; am § 3 ch 159 SLA 1972)

Effect of amendment. — The 1972 amendment added subsection (c).

Legislative committee report. — For report on ch. 159, SLA 1972 (FCCS HCS CSSB 264), see 1972 House Journal, p. 924.

Sec. 39.35.130. Termination of participation. An employee shall be excluded from the system upon termination of his employment with the employer, unless he is eligible for a retirement benefit at that time. If the employee does not receive a refund of his contributions at the time of his termination, his contribution accounts, including voluntary contributions shall continue to be held in the system, earn interest at the prescribed rate and according to the prescribed method of allocation under § 100 of this chapter, and are available to the employee, his beneficiary, or his estate in one of the alternative settlement options under § 220 of this chapter within 60 days of an application for their withdrawal. (§ 5 ch 143 SLA 1960)

Sec. 39.35.140. Re-employment of former employees. If an employee's employment is terminated before the employee becomes eligible for a retirement benefit and the employee is subsequently re-employed by an employer, he is considered a new employee and may not receive credit for a prior period of employment, except as provided in § 350 of this chapter. (§ 6 ch 143 SLA 1960)

Sec. 39.35.150. Re-employment of retired employees. (a) If a retired employee is re-employed on a regular full-time basis by an employer, no pension payments may be made during the period of re-employment. During the period of re-employment, deductions from salary may be made at the option of the retired employee for contributions to the retirement fund as provided in § 160 of this chapter. Upon the subsequent retirement of the retired employee, he is entitled to receive a pension based on his credited service and compensation before the date of his previous retirement. If a previously retired employee makes contributions to the fund during his re-employment, his additional credited service and compensation during the period of re-employment shall be included to determine his final retirement benefit.

(b) In the case of re-employment of an employee who retires under § 370(c) or 380 of this chapter, the pension payable upon the employee's subsequent retirement shall be reduced by the actuarial equivalent of early retirement benefits previously received by the employee. (§ 7 ch

(16) bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by the government of the Dominion of Canada, or by any province of Canada, or by any municipality of Canada which has a population of not less than 150,000, if (A) the full faith and credit of the issuer, guarantor, or assumer of the bonds, debentures, notes, or other obligations is pledged for the payment of principal and interest on them, (B) the principal and interest on them is payable in United States currency, either unconditionally or at the option of the holder, and (C) these obligations are rated A or an equivalent quality by a nationally recognized rating organization;

(17) bankers' acceptances which are eligible for discount at the Federal Reserve Bank and negotiable time certificates of deposit issued by commercial banks.

(am §§ 3, 4 ch 59 SLA 1977)

Effect of amendments.

The 1977 amendment, in subsection (a), inserted "private mortgage insurance" in paragraph (11), added the language beginning "however, (A) no mortgage insurance is necessary" to the end of th[illegible] paragraph, and added paragraphs (16) and (17).

As the rest of the section was not affected by the amendment, it is not set out.

Article 2. Membership.

Section
125. Participation of elected officials
130. [Repealed]
140. [Repealed]
150. Re-employment of retired employees
154. North Pacific Fishery Management Council employees
155. Former magistrates

Sec. 39.35.125. Participation of elected officials.

(b) After an elected official has elected to be included in the system he and his employer are liable for contributions whenever he is a qualified elected official of an employer.

(d) A former elected state official whose latest term of office expired before May 12, 1966 may be included retroactively in the system and receive credit for time previously served as an elected state official if he makes retroactive contributions equal to what he would have made if he had been eligible for membership in the system.

(e) Former elected state officials whose latest term of office expired before May 12, 1966 must claim prior legislative service and make retroactive contributions before July 1, 1977.

(am § 1 ch 254 SLA 1976; am § 19 ch 128 SLA 1977)

Effect of amendments.

The 1976 amendment, effective July 1, 1976, added subsections (d) and (e).

The 1977 amendment, effective July 1, 1977, substituted "an employer" for "a participating employer" at the end of subsection (b).

As the rest of the section was not affected by the amendments, it is not set out.

Original sponsor: State Affairs Committee

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 174

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the participation of elected officials and former elected officials in the public employees' retirement system; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 39.35.120(b) is amended to read:

(b) Inclusion in the system is a condition of employment for an employee except as otherwise provided for an elected official.

* Sec. 2. AS 39.35.125 is repealed and re-enacted to read:

Sec. 39.35.125. PARTICIPATION OF ELECTED OFFICIALS. (a) An elected official is included in the system unless he files a written waiver of coverage with the ~~commissioner of~~ administration. A waiver under this subsection waives coverage of future employment as an elected official, regardless of any change of employer. An elected official may file a waiver under this subsection at any time after his election to office, including the period before he takes the oath of his office. An elected official may revoke a waiver under this subsection by filing a written revocation with the ~~commissioner of~~ administration. A revocation under this subsection operates prospectively only, and the elected official may not receive credited service for service as an elected official while the waiver was in effect. There is no limit on the number of times an elected official may file a waiver or revocation under this subsection.

(b) Service as an elected official before January 1, 1980 with a

employer may be included retroactively if the elected official or former elected official makes retroactive contributions, ~~together with interest as prescribed by regulation~~, equal to what he would have made if he had been included when he took the oath of his office as an elected official. ~~Interest accrues retroactively from the date each contribution would have been made~~. The rate used to calculate the retroactive contributions may not be less than the rate in effect on January 1, 1961. An elected official or former elected official must claim prior service and make retroactive contributions, ~~together with interest,~~ before ~~January 31~~ Feb. 1 1981. An elected official or former elected official may not receive credited service under this subsection for any period in which he was receiving a retirement benefit from the system. An elected official or former elected official receiving a retirement benefit from the system ~~on January 31, 1981~~ Jan. 1, 1981 is not eligible to claim credited service under this subsection unless he is reemployed as an active member and claims the credited service before ~~January 1, 1981~~ Feb. 1, 1981. Service as an elected official with an employer constitutes employment as an active member so long as no waiver of coverage under (a) of this section is in effect.

(c) An elected official included in the system and his employer are liable for contributions whenever he is an elected official unless waiver of coverage under (a) of this section is in effect.

* Sec. 3. AS 39.35.680(14) is amended to read:

(14) "elected official" means a person [MEMBER] whose compensation results from personal services rendered to an employer as an elected representative [AND WHO ELECTS COVERAGE UNDER AS 39.35.125];

* Sec. 4. AS 39.35.360(c) is repealed.

* Sec. 5. AS 39.35.125(a), as re-enacted in sec. 1 of this Act, applies to an elected official holding office on or after January 1, 1980, even though he may have assumed office before that date.

* Sec. 6. This Act takes effect January 1, 1980.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 174
Title Participation of Elected Officials and Former Elected Officials in the PERS
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Retirement and Benefits (PERS)
BRU, Program, or Subprogram(s) Affected J2-96-8-01-01-01
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	TRS STATE MATCH						
100	BENEFITS		53.5	58.9	64.8	71.3	78.4
	TOTAL		53.5	58.9	64.8	71.3	78.4

FUNDING (Thousands of Dollars)

GENERAL FUND		43.8	48.2	53.1	58.4	64.1
FEDERAL FUNDS		2.5	2.7	3.0	3.3	3.6
VETERAN'S FUND		0.1	0.1	0.1	0.2	0.2
FISH & GAME FUND		0.3	0.4	0.4	0.4	0.5
HIGHWAY FUND		0.7	0.8	0.8	0.9	1.0
AIRPORT FUND		1.6	1.7	1.9	2.1	2.3
CAPITAL FUND		4.5	5.0	5.5	6.1	6.7
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Of the identified 60 former elected State officials who did not participate in the PERS, it is estimated that 20 will elect participation under this bill. Proportionate similar elections are anticipated for future "former elected" State officials.

2. Estimate FY 80 covered State payroll to be $241,000,000.

3. Estimate future State payrolls will increase at 10% annually.

4. Increase in State employer contribution rate would be .0222% of covered payroll.

Paul B. Arnoldt

IV. DATE 3/02/79 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Office of the Governor (Keith Specking)

33-001 (Rev. 12/78)

financial institution until the delinquency is reduced to less than one-half of one per cent.

(g) Notwithstanding any other provisions, the pension fund may purchase any assets of the retirement system of any participating municipality as of the effective date of participation in any amount mutually agreed upon by the participating municipalities and the commissioner of revenue. (§ 37 ch 143 SLA 1960; am § 1 ch 129 SLA 1961; am § 1 ch 150 SLA 1962; am § 2 ch 4 SLA 1964; am §§ 1 — 3 ch 80 SLA 1964; am § 1 ch 111 SLA 1964; am § 1 ch 56 SLA 1967; am § 4 ch 73 SLA 1969; am §§ 3, 4 ch 17 SLA 1970; am § 2 ch 112 SLA 1972; am §§ 3, 4 ch 25 SLA 1974)

Effect of amendments. — The 1972 amendment added paragraph (9) in subsection (a).

The 1974 amendment added paragraphs (10)—(15) in subsection (a) and added subsections (e)—(g).

Legislative committee reports. — For report on ch. 73, SLA 1969 (CSHB 278 am), see 1969 House Journal, p. 745. For report on ch. 25, SLA 1974 (CSHB 253 [Jud] am S), see 1974 House Journal, p. 481.

Article 2. Membership.

Section
120. Commencement of participation
125. Participation of elected officials
130. Termination of participation
140. Re-employment of former employees
150. Re-employment of retired employees
153. Army and air national guard employees

Sec. 39.35.120. Commencement of participation. (a) An employee of the state shall be included in this system upon commencement of his employment with the state, or on January 1, 1961, whichever is later. An employee of a political subdivision or public or quasi-public organization which becomes an employer shall be included in the system on the effective date of the employer's participation or the date of the employee's commencement of employment with the employer, whichever is later.

(b) Inclusion in the system is a condition of employment for an employee except an elected official. (§ 4 ch 143 SLA 1960; am § 1 ch 155 SLA 1966)

Sec. 39.35.125. Participation of elected officials. (a) An elected official may be included in the system if, within 60 days after taking the oath of his office or within 60 days after May 12, 1966

(1) he directs his employer in writing to make the necessary deductions from his salary and to pay into the system the contributions required by and for an employee under this chapter and

(2) notice is given the commissioner of administration in writing.

(b) After an elected official has elected to be included in the system he and his employer are liable for contributions whenever he is a qualified elected official of a participating employer.

(c) An elected official may be included retroactively in the system if he makes retroactive contributions equal to what he would have made if he had elected to be included when he became eligible under (a) of this section. (§ 2 ch 155 SLA 1966; am § 3 ch 159 SLA 1972)

Effect of amendment. — The 1972 amendment added subsection (c).

Legislative committee report. — For report on ch. 159, SLA 1972 (FCCS HCS CSSB 264), see 1972 House Journal, p. 924.

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Sec. 39.35.140. Re-employment of former employees. If an employee's employment is terminated before the employee becomes eligible for a retirement benefit and the employee is subsequently re-employed by an employer, he is considered a new employee and may not receive credit for a prior period of employment, except as provided in § 350 of this chapter. (§ 6 ch 143 SLA 1960)

Sec. 39.35.150. Re-employment of retired employees. (a) If a retired employee is re-employed on a regular full-time basis by an employer, no pension payments may be made during the period of re-employment. During the period of re-employment, deductions from salary may be made at the option of the retired employee for contributions to the retirement fund as provided in § 160 of this chapter. Upon the subsequent retirement of the retired employee, he is entitled to receive a pension based on his credited service and compensation before the date of his previous retirement. If a previously retired employee makes contributions to the fund during his re-employment, his additional credited service and compensation during the period of re-employment shall be included to determine his final retirement benefit.

(b) In the case of re-employment of an employee who retires under § 370(c) or 380 of this chapter, the pension payable upon the employee's subsequent retirement shall be reduced by the actuarial equivalent of early retirement benefits previously received by the employee. (§ 7 ch

(16) bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by the government of the Dominion of Canada, or by any province of Canada, or by any municipality of Canada which has a population of not less than 150,000, if (A) the full faith and credit of the issuer, guarantor, or assumer of the bonds, debentures, notes, or other obligations is pledged for the payment of principal and interest on them, (B) the principal and interest on them is payable in United States currency, either unconditionally or at the option of the holder, and (C) these obligations are rated A or an equivalent quality by a nationally recognized rating organization;

(17) bankers' acceptances which are eligible for discount at the Federal Reserve Bank and negotiable time certificates of deposit issued by commercial banks.

(am §§ 3, 4 ch 59 SLA 1977)

Effect of amendments.

The 1977 amendment, in subsection (a), inserted "private mortgage insurance" in paragraph (11), added the language beginning "however, (A) no mortgage insurance is necessary" to the end of that paragraph, and added paragraphs (16) and (17).

As the rest of the section was not affected by the amendment, it is not set out.

Article 2. Membership.

Section
125. Participation of elected officials
130. [Repealed]
140. [Repealed]
150. Re-employment of retired employees
154. North Pacific Fishery Management Council employees
155. Former magistrates

Sec. 39.35.125. Participation of elected officials.

(b) After an elected official has elected to be included in the system he and his employer are liable for contributions whenever he is a qualified elected official of an employer.

(d) A former elected state official whose latest term of office expired before May 12, 1966 may be included retroactively in the system and receive credit for time previously served as an elected state official if he makes retroactive contributions equal to what he would have made if he had been eligible for membership in the system.

(e) Former elected state officials whose latest term of office expired before May 12, 1966 must claim prior legislative service and make retroactive contributions before July 1, 1977.

(am § 1 ch 254 SLA 1976; am § 19 ch 128 SLA 1977)

Effect of amendments.

The 1976 amendment, effective July 1, 1976, added subsections (d) and (e).

The 1977 amendment, effective July 1, 1977, substituted "an employer" for "a participating employer" at the end of subsection (b).

As the rest of the section was not affected by the amendments, it is not set out.

HB

184

(7)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

February 13, 1979 Date: 12 Mar 79

Mr. Speaker:

The Committee on C&RA has had HB 184

"An Act relating to the delegation of planning and zoning authority by boroughs."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

Ben Poulsen
CHAIRMAN

H 60 (Rev. 12/78)

HB 184 TITLE & SPONSOR SUMMARY 13:44 3/20/79 PAGE 1 OF 2

AMENDED TITLE:
AN ACT RELATING TO THE DELEGATION OF PLANNING AND ZONING
AUTHORITY BY BOROUGHS

PRIME SPONSORS: MALONE.

CO-SPONSORS:

CURRENT STATUS: 3/12/79 IN (H) JUDICIARY

HB 184 HOUSE ACTION 13:45 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/13/79	01	0218	FIRST READING -- COMMITTEE REPORTS
03/12/79	02	0539	CRA -- DP07
			JUDICIARY
			RULES
****	**	**	*** *** ***

HB184 Bill passed as part of HCS CSSB 137am H

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Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/12/79

BILL NUMBER AND TITLE: HB 184 Delegation of Planning and Zoning Powers

ORIGINAL SPONSOR : Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parr, Parker, Carney, Branson, Zharoff, Carney, Metcalfe, O'Connell

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Malone Allows assembly to delegate all or part of planning and zoning power vested by State law. There are five first class cities in Kenai..Borough is now in a position of needing to approve zoning in the cities. Borough has delegated enforcing authority. Zoning ordinances make planning work and the cities have the major responsibility for planning within city boundaries.Practically speaking, responsibility in some cases rests in cities rather than in boroughs.

Parr -- Are planning and zoning considered legislative powers? You can't delegate legislative power to a non-elected body (such as the Planning Commissions) City Council would have to be the final body of review.

Veronica Clark Planning supervisor for C&RA

Dept. has some reservations on HB 184:

1.Planning, platting, and zoning are mandatory powers of the Borough even though these powers are not always exercised.

2. Makes good sense to exercise planning on an areawide basis. A city plan might effect neighboring area or have regional impact. Some local entity should be responsible. Regional perspective needed.

Palmer McCarter and Veronica Clark

Suggested addition of 2 amendments. Palmer referring to p.1 Line 18 of amendments speaks to concern that city would know what standards were expected.

Various amendments to the amendments proposed by C&Ra were discussed. It was decided to support the original bill in unamended form.

COMMITTEE ACTION: Passed out of Committee HB184 passed as part of HCS CS SB137am H

TAPE #3 SIDE 2 Sections 1665-2350

Introduced: 2/13/79
Referred: Community & Regional Affairs and Judiciary

IN THE HOUSE BY MALONE

HOUSE BILL NO. 184

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the delegation of planning and zoning authority by boroughs."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.33.070(b)(2) and (3) are amended to read:

(2) delegate other planning and zoning powers conferred by this chapter [ADMINISTRATIVE AND ENFORCEMENT RESPONSIBILITIES] to a [THE] city within the borough [, PROVIDED THAT BOROUGH JURISDICTION IS NOT IMPAIRED];

(3) revoke or modify any part or all of the [WITHDRAW] powers delegated under this subsection.

(c) Before a borough may delegate to a city within the borough planning and zoning powers conferred by this chapter, it must notify the city in writing of borough standards for the exercise of delegated powers.

(d) If a borough delegates to a city within the borough legislative powers conferred under this chapter, the city must submit to the borough assembly for approval the city's planning and zoning ordinances. If disapproval by resolution of the borough assembly is not received within 90 days from the date the ordinance was submitted to the borough assembly, the city's planning and zoning ordinances shall be considered approved.

CRA Amendments

Introduced: 2/13/79
Referred: Community & Regional Affairs and Judiciary

IN THE HOUSE BY MALONE

HOUSE BILL NO. 184

IN THE LEGISLATURE OF THE STATE OF ALASKA

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CRA Amend.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 184
Title "An Act relating to the delegation of planning and zoning authority by boroughs."
Requested by Malone Date March 12, 1979

II. FISCAL DETAIL
Agency Affected Community and Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		0	0	0		
200 TRAVEL		0	0	0		
300 CONTRACTUAL		0	0	0		
400 COMMODITIES		0	0	0		
500 EQUIPMENT		0	0	0		
600 LAND & STRUCTURES		0	0	0		
700 GRANTS, CLAIMS, ETC.		0	0	0		
TOTAL		0	0	0		

FUNDING (Thousands of Dollars)

GENERAL FUND		0	0	0		
FEDERAL FUNDS		0	0	0		
OTHER (Specify)						

POSITIONS

FULL TIME		0	0	0		
PART TIME		0	0	0		
TEMPORARY		0	0	0		

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 12, 1979 PREPARED BY Doug Griffin
AGENCY Community & Regional Affairs - LGAD
PHONE 465-3918

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

Article 4. Planning, Platting and Zoning.

Section
70. Planning, platting and zoning
90. Zoning

Sec. 29.33.070. Planning, platting and zoning. (a) First and second class boroughs shall provide for planning, platting and zoning on an areawide basis.

(b) The assembly by ordinance may

(1) designate the council of a city within the borough as a board of adjustment within the city;

(2) delegate other planning and zoning administrative and enforcement responsibilities to the city, provided that borough jurisdiction is not impaired;

(3) withdraw powers delegated under this subsection. (§ 2 ch 118 SLA 1972; am § 1 ch 17 SLA 1977; am § 7 ch 93 SLA 1977)

Effect of amendments. — The first 1977 amendment, in subsection (b) deleted "If a city within a borough is located more than 25 miles from a boundary of the borough seat" from the beginning of the introductory language and substituted "a city within the borough" for "the city" in paragraph (1).

The second 1977 amendment substituted "First and second class boroughs" for "Boroughs" at the beginning of subsection (a).

Cited in Moore v. State, Sup. Ct. Op. No. 1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976).

Sec. 29.33.090. Zoning. (a) In accordance with the comprehensive plan, the assembly shall regulate and restrict the use of land and improvements by districts or contract zoning to permit specific uses provided for in the contract. Regulations shall be uniform for each class or kind of building, structure, land or water area within each district, but the regulations may differ among districts and exceptions may be made in order to provide for the preservation, maintenance and protection of historic sites, buildings and monuments. In this section, "contract zoning" means a zoning reclassification to a less restricted use when the owner of the rezoned property, either through an agreement with the assembly or a covenant in favor of the borough, places restrictions on the use of the land beyond the zoning requirements generally attaching to the new district in which the property has been placed. The assembly shall hold a public hearing on the proposed contract zoning.

(d) The assembly shall regulate and restrict the use of state land within the borough which is vacant, unappropriated and unreserved and which is found suitable for classification and disposal for homesite entry under AS 38.08.010. Compliance with the provisions of this subsection is a prerequisite to issuance of homesite entry permits for land within the borough.

(am § 1 ch 104 SLA 1974; am § 3 ch 142 SLA 1977)

HB

192

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

February 13, 1979 Date: 9 Mar 79

Mr. Speaker:

The Committee on C&RA has had HB 192

"An Act providing for equalization of the tax resources of municipalities, continuing a portion of the program of state aid for municipal purposes, and providing for minimum entitlements; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 192 [X] same title [ ] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
[illegible] Do Pass [illegible]	
[illegible]	[illegible]
[illegible] Do [illegible] amended	[illegible] Do not Pass
[illegible] — Do Pass [illegible]	Margaret [illegible]
Do Pass as amended	Do not pass as amended
[illegible]	

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

HB 192 TITLE & SPONSOR SUMMARY 13:47 3/20/79 PAGE 1 OF 2

AMENDED TITLE:
AN ACT PROVIDING FOR EQUALIZATION OF THE TAX RESOURCES OF MUNICIPALITIES, CONTINUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES, AND PROVIDING FOR MINIMUM ENTITLEMENTS; AND PROVIDING FOR AN EFFECT DATE

PRIME SPONSORS: GARDINER.

CO-SPONSORS: ANDERSON, MILLER.

CURRENT STATUS: 3/12/79 IN (H) FINANCE

HB 192 HOUSE ACTION 13:49 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/13/79	01	0224	FIRST READING -- COMMITTEE REPORTS
03/12/79	02	0529	CRA -- DP01, DNP02, CS03, NR01
			FINANCE
			RULES
****	**	**	*** *** ***

Original sponsors: Gardiner, Anderson and Miller

Offered: 4/21/80
Referred: Rules

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 192 (Finance) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for equalization of the tax resources of municipalities, continuing a portion of the program of state aid for municipal purposes, and providing for minimum entitlements; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. PURPOSE. It is the purpose of this Act to

(1) improve the revenue raising and distribution system for the benefit of residents of home rule and general law municipalities by providing for more equitable allocation of financial resources among municipalities to improve their fiscal capacities; and

(2) assure that no municipality suffers impoverishment of necessary public services, relative to other municipalities, because of the chance location of taxable wealth in the state.

* Sec. 2. AS 29 is amended by adding a new chapter to read:

CHAPTER 88. MUNICIPAL TAX RESOURCE EQUALIZATION.

Sec. 29.88.010. STATE EQUALIZATION OF TAX RESOURCES FOR LOCAL GOVERNMENT SERVICES. (a) During each fiscal year the state shall compute an equalization entitlement for local government services provided by a taxing unit.

(b) The equalization entitlement computed for each taxing unit is based on the population, relative ability to generate revenue, and local tax burden of the taxing unit and is determined by the application of the formula

Entitlement = P x R

where P = population, and

R = millage rate equivalent, determined by dividing the sum of the locally generated revenue of the taxing unit by one-tenth of one percent (0.1) of the full and true value of assessed property of the taxing unit determined under AS 29.88.020(d); however, the property value used under this subsection may not be less than 15 percent of the statewide average per capita full and true assessed property value.

(c) For purposes of this section, locally generated revenue

(1) includes,

(A) the actual revenue derived from the levy and collection of local taxes in the taxing unit for local government services during the preceding fiscal year of the taxing unit;

(B) motor vehicle payments received by the municipality during the preceding fiscal year under AS 28.10.431;

Amend

(C) revenue from fees, rentals, leases, penalties, licenses or permits received during the preceding fiscal year by the municipality for a function or service over which it has control, including revenues derived from utilities, parks and recreation services, mass transit, offstreet parking, and garbage and solid waste disposal services; and

TO

(D) special assessments received during the preceding fiscal year;

(2) excludes,

(A) revenue derived from the levy and collection of municipal taxes and appropriated for the operating expenses and debt service of utilities;

(B) revenue from interest earned on investments and from

cipality which does not qualify for inclusion in or recognition as locally generated revenue for local government purposes under AS 29.88.-010(c)(1). The adjustment shall be made by deducting an amount equa' to the department's estimate of revenue which is not recognized for those purposes. add value of municipal utilities [illegible] utilities

(d) The full and true assessed property value shall be determined by the department in the manner provided for the computation of state aid to education under AS 14.17.140. In addition to the computation for municipalities which levy and collect a property tax, the department shall determine an estimated full and true assessed property value for

(1) each municipality which is a school district and w..ch does not levy and collect a property tax; and

(2) each second class city in which the population of the city equals or exceeds 750 persons; however, a computation may not be required under this paragraph more often than once during a period of three successive calendar years; and

(3) all other second class cities, by determining the average per capita full and true assessed property value of all cities having a population of less than 750 in which an assessment is completed by a municipality or for which a determination is not made under (1) or (2) of this subsection.

(e) The department shall annually compute a statewide average per capita full and true assessed property value.

Sec. 29.88.025. REPORTS. No payment may be made to a municipality under AS 29.88 until the municipality has first submitted its certificate of estimated revenue and its financial report to the department for the fiscal year preceding the year for which the equalization entitlement is sought, together with a budget for the municipality's current fiscal year. The financial report shall include a listing of general

the sale and lease of land or equipment; and

(C) all other revenue from whatever service derived.

Sec. 29.88.015. DETERMINATION OF POPULATION. (a) For purposes of this chapter, the population of a taxing unit shall be determined annually by the latest figures of the United States Bureau of the Census or other population data which, in the judgment of the department, is reliable.

(b) The population of the taxing unit includes the population of any military reservation which is a part of the taxing unit.

Sec. 29.88.020. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a) The department may require a municipality to return a certification, signed by the municipal treasurer or manager and the mayor, which provides an estimate of the locally generated revenue received by the municipality during the preceding fiscal year.

(b) Not later than October 15 of each year, the department shall make an initial determination of the millage rate equivalent of each taxing unit which will be used as the basis for computation and distribution of equalization entitlements for the fiscal year under this chapter. The department shall make the determinations based upon the certification returned by the municipality under (a) of this section.

(c) At the earliest possible date, but not later than December 15 of each year, the department shall make a final determination of the millage rate equivalent of each taxing unit which will be used as the basis for computation and distribution of equalization entitlements under this chapter. The department shall make the determinations based upon all audits, financial statements and other financial reports prepared and submitted by the municipality. The department shall adjust to the locally generated revenue reported by municipalities to exclude the portion of the municipal revenue-generating effort claimed by the muni-

revenue collected from taxes levied and assessed by the municipality and any other revenue which, in the opinion of the municipal officials, is eligible for inclusion in computations of the locally-generated revenue of the taxing unit.

Sec. 29.88.030. LIMITATION ON COMPUTATION AND USE OF PAYMENTS. (a) An equalization entitlement generated by the general tax levy of a taxing unit may be expended only for legally authorized expenditures of that taxing unit, but up to 15 percent of the payment of an equalization entitlement determined with reference to the areawide locally generated revenue of a municipality may be expended by the municipality at the discretion of its assembly or council.

(b) An equalization entitlement determined with reference to revenue other than revenue obtained from the levy and collection of taxes may be used for areawide or nonareawide purposes, at the discretion of the assembly or council.

Sec. 29.88.035. TAX EQUALIZATION ACCOUNT. The tax equalization account is established. Funds to carry out the provisions of this chapter shall be allocated by the department to the account. The amount allocated to the account shall be fully distributed by the department as payments to municipalities for the purpose of fulfilling each municipality's share authorized under AS 29.88.010, and the amount allocated to the account shall be distributed by the department pro rata among eligible municipalities.

Sec. 29.88.040. ADMINISTRATION. (a) The department may adopt regulations necessary to implement the provisions of this chapter. The regulations shall include, among other provisions, (1) procedures and filing dates for submitting financial reports; (2) procedures for obtaining information required to compute and determine the municipality's millage rate equivalent; and (3) procedures by which the department

shall notify a municipality in writing of the reasons for a proposed disallowance or adjustment of any factor bearing upon the determination of the municipality's entitlement and by which the municipality will be provided reasonable time in which to respond or to challenge the department's determination.

(b) The department shall make reasonable efforts to advise and assist municipalities in collecting information and completing reports necessary for the determination of entitlements under this chapter.

(c) The department shall, by regulation, classify for inclusion or exclusion as a component of a muncipality's millage rate equivalent under AS 29.88.010, any tax revenue appropriated for a utility not included in the definition set out in AS 29.88.045(4).

Sec. 29.88.045. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

(2) "municipality" means a city, borough or unified municipality incorporated under the laws of the state;

(3) "taxing unit" means a municipality and

(A) in a borough or unified municipality, a service area or the entire area outside cities;

(B) in a city, a differential tax zone;

(4) "utilities" means electricity, water, sewer, gas, heat, or telephone services, and refuse and garbage collection services.

* Sec. 3. AS 29 is amended by adding a new chapter to read:

CHAPTER 89. STATE AID FOR MISCELLANEOUS MUNICIPAL PURPOSES.

Sec. 29.89.005. REVENUE SHARING PAYABLE. In addition to the entitlements under AS 29.88, during each fiscal year the state shall pay aid to a municipality or other eligible recipient which has the power to

provide the services described in this chapter and exercises the power in the manner required by this chapter.

Sec. 29.89.010. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The state shall pay to a municipality which has power to provide for road maintenance and exercises that power, a sum equal to $2,500 a mile for each mile of road, street or highway maintained by the local government, excluding (1) the official state highway system, (2) roads, streets or highways not dedicated to public use, (3) roads, streets or highways maintained under the local service road program (AS 19.30.111 - 19.30.-251), and (4) alleyways, in accordance with regulations adopted by the Department of Transportation and Public Facilities. No payments may be made for maintenance of roads not used by automotive equipment.

(b) Frozen waterways and connections from inhabited areas to waterways which may be safely used for public transportation by automotive equipment and are so used during a portion of a year are eligible for payments of $1,500 per mile if the waterways and connections are maintained during the period of use by a municipality or combination of municipalities. The Department of Community and Regional Affairs, after consultation with the Department of Transportation and Public Facilities, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipalities shall receive the payments under this subsection unless the municipalities involved have agreed in writing to a particular distribution.

Sec. 29.89.015. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The state shall pay

(1) to a municipality which has the power to provide hospital facilities and services and which exercises that power, $1,000 per bed

for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the hospital, or $75,000 a hospital for those hospitals with 10 or more beds, or $25,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; money received under this paragraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality may determine;

(2) on the basis set out in (1) of this subsection to a municipality for a nonprofit hospital not operated by a municipality if the municipality first certifies to the department that the nonprofit hospital is in compliance with all standards for hospitals which have been adopted by the municipality; money may not be paid on behalf of a nonprofit hospital in the absence of this certification; payments to the municipality shall be transferred to the nonprofit hospital in accordance with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(3) to a municipality in which a health facility is operated, $1,000 per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or $4,000 per health facility as the municipality may determine.

(b) A hospital may not receive payment under both (a)(1) and (a)(2) of this section.

(c) Money received by a municipality under (a)(3) of this section shall be used for expenses of health services or operation and maintenance of health facilities as the municipality may determine.

(d) Before money may be distributed under this section, the com-

missioner of health and social services shall certify to the distributing agency that any accumulation of assets by nonprofit corporations or other recipients under this section are dedicated irrevocably to a public purpose.

Sec. 29.89.020. STATE AID FOR HOSPITAL CONSTRUCTION. (a) If construction of a facility began after January 1, 1968, and state matching aid for construction approved for payment to the municipality or other facility sponsor constitutes less than 25 percent of the total project cost, the state shall pay to the municipality or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility or five percent of the total project cost, whichever is greater. State aid provided for in this section shall continue until the municipality or other facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 percent of the total project cost Money received for construction may not be used for any other purpose.

(b) In this section, "total project cost" includes, in addition to costs directly related to the project, the total of all costs of financing and carrying out the project. These include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property, and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative and operating expenses of the municipality or other facility sponsor; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indem-

nity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary.

Sec. 29.89.025. STATE AID TO VOLUNTEER FIRE DEPARTMENTS. (a) The state shall pay to a volunteer fire department registered with the state fire marshal a sum for protection purposes equal to $7.50 per capita for the population served by the department, as determined by the state fire marshal.

(b) A grant shall be made as set out in (a) of this section to facilitate the organization of a volunteer fire department upon application of the proposed fire protection group to the state fire marshal and approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal.

(c) In this section, "fire protection" includes, but is not limited to, fire protection provided by a volunteer fire department registered with the state fire marshal which has official recognition and financial support from the community or area in which it is located.

Sec. 29.89.030. POPULATION DETERMINATION. For purposes of this chapter, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls.

Sec. 29.89.035. AREA COST-OF-LIVING DIFFERENTIAL. (a) State payments to a municipality or other eligible recipient under AS 29.89.010 and AS 29.89.015 shall reflect area cost-of-living differentials. Amounts distributed shall be based upon the sum of per capita, per mile and per bed or facility grants due each municipality or other recipient multiplied by the appropriate area cost-of-living differential. The

area cost-of-living differential for each recipient shall be determined annually by election district under the provisions of AS 39.27.030; however, the area cost-of-living differential to be applied may not result in an amount to be distributed less than the base allocation.

(b) The election districts used in (a) of this section are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

Sec. 29.89.040. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous services account is established. Money to carry out the provisions of this chapter shall be allocated by the department to the account in accordance with AS 29.90.010. If amounts in the account are insufficient for the purpose of each municipality's or other recipient's share authorized under this chapter, the amounts which are available shall be distributed pro rata among eligible municipalities and other recipients.

Sec. 29.89.045. REGULATIONS. The Department of Community and Regional Affairs shall adopt regulations necessary to carry out the purposes of this chapter. The regulations shall include minimum standards required to qualify a municipality for grants for each service and provisions for a performance report adequate to demonstrate to the department that each service for which credit was allowed was actually performed by the municipality, at least at the prescribed minimum level.

Sec. 29.89.050. DEFINITIONS. In this chapter

(1) "health facility"

(A) means a facility which is licensed, when required, by the state under AS 18.20.010 - 18.20.130 and which is owned or operated or both by a municipality or by a nonprofit corporation or other nonprofit sponsor;

(B) includes a public health center, maternity home,

community mental health center, facility for the mentally or physically handicapped, nursing home or convalescent center;

(C) excludes a facility operated or wholly supported by the state or the federal government;

(2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general hospital; the term excludes a facility operated or wholly supported by the state or the federal government.

* Sec. 4. AS 29 is amended by adding a new chapter to read:

CHAPTER 90. ADMINISTRATION OF MUNICIPAL FINANCIAL ASSISTANCE PROGRAMS.

Sec. 29.90.010. ALLOCATION AND DISTRIBUTION. (a) The Department of Community and Regional Affairs shall allocate money appropriated to the accounts established in AS 29.88 and AS 29.89 in amounts determined by the legislature. Money in the miscellaneous services account established in AS 29.89.040 which exceeds the amount required to fully distribute entitlements authorized by AS 29.89 shall be reallocated to the tax equalization account established in AS 29.88.035 and distributed according to the provisions of AS 29.88.

(b) Payments under AS 29.90.020 and AS 29.88 shall equal the amount allocated to the equalization account (AS 29.88.035), adjusted in accordance with this section. Payments under AS 29.90.020 and AS 29.88 shall be adjusted by proration in accordance with this subsection. Adjustments shall be determined by prorating amounts payable under AS 29.90.020 and amounts payable under AS 29.88 by a factor which, when applied, reduces all payments in equal proportion so that payments under AS 29.90.020 and payments under AS 29.88 total the amount allocated to the account established in AS 29.88.035, adjusted in accordance with this section.

Sec. 29.90.020. QUALIFICATION FOR MINIMUM ENTITLEMENT. (a) A municipality qualifying for an entitlement under AS 29.88 or AS 29.89 shall receive a minimum payment of $25,000 plus an area cost-of-living differential for each fiscal year if:

(1) the municipality has conducted a regular election under AS 29.28.010 - 29.28.050 during the fiscal year preceding the year for which payment of an entitlement is authorized and has reported the results of the election to the commissioner of the Department of Community and Regional Affairs;

(2) regular council meetings are held in the municipality in accordance with the requirements of AS 29.23.210 during the fiscal year preceding the year for which payment of an entitlement is authorized and a record of the proceedings is maintained;

(3) a municipal budget has been adopted for the fiscal year during which payment of an entitlement is authorized and an audit or financial statement, as applicable, for the preceding fiscal year has been prepared and furnished to the Department of Community and Regional Affairs in accordance with AS 29.23.560(a); and

(4) local ordinances adopted by the governing body of the municipality have been codified in accordance with AS 29.48.130.

(b) The area cost-of-living differential of each municipality payable under this section shall be determined annually by election district under the provisions of AS 39.27.030. However, except as provided in AS 29.90.010(b), application of the area cost-of-living differential may not result in an amount which is less than the minimum entitlement determined under (a) of this section. For purposes of this subsection, the election districts used are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the

governor September 3, 1965.

(c) The Department of Community and Regional Affairs shall pay to each municipality eligible to receive payment of a minimum entitlement under this section an amount equal to the difference between the minimum entitlement determined under (a) and (b) of this section and the sum of the amounts determined as payable for the same fiscal year under AS 29.88 and AS 29.89, except that a payment may be prorated and reduced under AS 29.90.010(b).

(d) If payments are required under this section, the payments shall be made from the money allocated to the equalization account established in AS 29.88.035.

* Sec. 5. AS 29.23.560(a)(3) is amended to read:

(3) tax assessment and tax levy figures as requested;

* Sec. 6. AS 29.23.560(a) is amended by adding new paragraphs to read:

(5) a copy of the current annual budget of the municipality;

(6) a summary of the optional property tax exemptions authorized in the municipality, together with the municipality's estimate of the revenues lost to it by operation of each of the exemptions.

* Sec. 7. AS 29.23.560(b) is amended to read:

(b) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.88 and state aid for miscellaneous municipal services under AS 29.89 [STATE-SHARED REVENUES UNDER AS 43.18]. The Department of Community and Regional Affairs [STATE] shall withhold annual allocations under those chapters [THAT CHAPTER] in the event of noncompliance until such time as the report requirements are met [COMPLIED WITH].

* Sec. 8. AS 29.73 is amended by adding a new section to read:

Sec. 29.73.060. TAXPAYER NOTICE. (a) If a municipality levies and collects real or personal property taxes, the governing body shall

provide the following notice:

"NOTICE TO TAXPAYER

For the current fiscal year the (city) (borough) has been allocated the following amount of state aid for school and municipal purposes under the applicable financial assistance Acts:

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE (AS 14.17) $

STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 4[illegible].18.100) $

MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE (AS 29.88) $

STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES (AS 29.89) $

TOTAL AID $

The millage equivalent of this state aid, based on the dollar value of a mill in the municipality during the current assessment year and for the preceding assessment year, is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	.... MILLS	.... MILLS
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT	.... MILLS	.... MILLS
MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE	.... MILLS	.... MILLS
STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES	.... MILLS	.... MILLS
TOTAL MILLAGE EQUIVALENT	.... MILLS	.... MILLS"

Notice shall be provided

(1) by furnishing a copy of the notice with tax statements mailed for the fiscal year for which aid is received; or

(2) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget.

(b) If the municipality levies and collects only a sales tax, the governing body shall provide a notice substantially in the form set out in (a) of this section. In providing notice under this subsection, the council or assembly shall substitute for the millage equivalency its estimate of the equivalent sales tax rate for each of the categories of financial assistance set out in (a) of this section. Notice shall be provided

(1) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget; or

(2) if there is no newspaper of general circulation in the municipality, by posting a copy of the notice for at least 20 days in at least two public places within the municipality, with posting to occur not later than 45 days after the final adoption of the municipality's budget.

(c) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.88 and state aid for miscellaneous municipal services under AS 29.-89. The Department of Community and Regional Affairs shall withhold annual allocations under those chapters until municipal officials demonstrate that the requirements of this section have been met.

* Sec. 9. AS 29.13.100 is amended by adding new paragraphs to read:

(40) AS 29.73.060 (taxpayer notice)

(41) AS 29.88 (municipal tax resource equalization assistance)

(42) AS 29.89 (state aid for miscellaneous municipal services)

* Sec. 10. AS 43.18.010 - 43.18.045 are repealed.

* Sec. 11. (a) Notwithstanding other provisions of this Act,

(1) a municipality may not receive less than $25,000 plus an area cost-of-living differential during the first fiscal year in which this Act is effective; and

hh (2) a municipality which would receive less money under the provisions of this Act than it received for the last fiscal year under the provisions of AS 43.18 repealed by this Act shall, for the first five fiscal years during which this Act is effective, be entitled to receive an amount equal to that received for the last fiscal year under the former provisions of AS 43.18, in accordance with those provisions.

TC

amt orig. approp. for FY80 (prorated settlement)

(b) For the first ~~three~~ Seven fiscal years during which this Act is effective, if the amount appropriated to pay entitlements under this Act is insufficient for the purpose of paying the full entitlement due each municipality or other recipient, entitlements determined under AS 29.88, AS 29.89 and AS 29.90, together with the additional sums required by (a) of this section, shall be equally prorated and the prorated amounts distributed to municipalities and other recipients.

* Sec. 12. This Act takes effect on the first day of the fiscal year for which not less than $31,000,000 is appropriated and allowed by the governor for distribution to municipalities and other recipients under the provisions of this Act, or on July 1, 1983, whichever is earlier.

125% = 94% of fully funded full entitlement

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 3/9/79

BILL NUMBER AND TITLE: HB 192 Revenue Sharing (Joint House C&RA and Finance Hearing)

ORIGINAL SPONSOR : Gardiner

OTHER SPONSORS: Anderson & Miller

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT:

Parker
Carney Branson
O'Connell Parr
Zharoff Metcalfe

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Gardiner -- Bill introduced last year. Modernizes revenue sharing. More equitable distribution. The wealth of a community is recognized. p. 13 Municipal League suggestions incorporated--that a community show some sign of effort in order to receive basic $25,000 appropriation.

Meekins -- Questions whole revenue sharing concept. HB192 seems to put pressure on local governments to raise taxes. There would be no impetus to decrease reliance on sales and property taxes. Sales and property taxes are regressive

Rep. Brian Rogers asks if an evaluation of the current program has been done. Questions how municipalities are currently using the revenue sharing program.

Rep. Moss-- Could the basic $25,000 entitlement be seen as an attempt to pressure villages into organizing?

Mitch Gravo -- Representing Anchorage. Anchorage opposed to passage of HB192. Would like to see full funding of revenue sharing program. Anchorage has 42% of revenue but has 47% of the state's population. Has revenue sharing decreased local taxes? This bill as disincentive to decrease local taxes.

If there are special problems and specail needs in a community, they should be met separately.

Parr asks for information on ratio of income taxes paid to State vs. amount actually received . Asked if a group of 45 people could incorporate and receive $25,000?

Rep. Guy asks if snow mobiles could be covered under road appropriations? Told that HB 192 doesn't change current practice on this point.

John Williams -- testifies re Meekin's concern that HB192 would serve to encourage municipalities to raise taxes. In fact, it would require that Municipalities raise taxes by $14 for every $1 they would be receiving from the state.

COMMITTEE ACTION:

HBC 79-62 Side 2 79-69 : 539-End Side 1 -590 539-

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Hearing resumed by C&RA after Daily House Session
3/9/79

HB192 Continued

Parr request re proportion of income tax re population of each municipality response discussed. (see attached)

Parr offers amendment to bill which provides that the amount of distribution of revenue sharing funds will be inproportion to the population figures of that municipality.

Amendment accepted.

CS HB 192 passed out of CRA to Finance. (CS will include above amendment)

DATE: 3/9/79

RE: Request for income tax information relating amounts of income paid by the boroughs to the State of Alaska relative to population figures and total state income taxes collected.

2313

CONTACT: Phil Wall, Director of Administrative Services Division.

Some problems related to request:

1. Some rural outlying areas have the same zips as boroughs they are in proximity to but not part of (Ex. Some Whittier residents have Anchorage zips)
2. Often businesses and individuals file their income tax from the address where they reside out of state and the income tax form does not have a requirement that an instate address be given. (Airlines and Oil companies as a case in point)

The collection of this information would take at least a week to 10 days although Phil Wall would like to sit down and actually calculate the real time involved.

Requested phone info re municipalities with breakdown for businesses and individuals. 3/12/79

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: Feb. 23

BILL NUMBER AND TITLE: HB 192 Shared Revenue

ORIGINAL SPONSOR : Gardiner, Anderson, Miller OTHER SPONSORS:

RECEIVED FROM: FURTHER REFERRALS: Finance

MEMBERS PRESENT: Parker, O'Connell, Metcalfe, Parr, Carney, Zharoff, Branson

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Gardiner -

Bill introduced last year. Municipal League did alot of work on the bill. Basically, it (1) modernizes revenue sharing program better fitting the needs of all communities. (2) provides for a more equitable distribution of dollars.

The wealthier communities have a tax base already. It attempts to help provide for those areas where an industry base is missing where there is no state employment.

P. 1. Line 21--preplaces existing system. Reviewed factors in formula to be used.
Ch. 89 p. 6 Line 25 -- reiterated existing program for unorganized borough Minimum funding of $25,000 for all communities.
P. 17 Line 7 "Hold Harmless" clause
P. 9 Line 5 Total Project Costs (SB222) 1978

John Williams

Proposed revenue sharing plan doesn't prioritize services as does present law.
No service provided is exempt as long as there is local revenue.
Formular reduces to amount taxed by 1 mil. Full and true property value--never less than 15% for communities which have no taxable property . Proposal would not go into effect until there is $27 MIllion..

Lee Sharp Worked on bill with Legislative Committee of Municipal League.

COMMITTEE ACTION: No action taken. Bill will be heard again.

TAPE # 3 SIDE 1 Sections 435-1255

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 2/21/79

BILL NUMBER AND TITLE: _____ SHARED REVENUE WORKSHOP

ORIGINAL SPONSOR :

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: ALL MEMBERS

MEMBERS ABSENT:

INDIVIDUALS CONTACTED: Mary Foster, Administrative Assistant Revenue Sharing
John William, Milt Barker

WITNESSES TESTIFYING:

Mary Foster -- Outlined existing revenue sharing program. Dramatic growth from $2 Million and 61 municipalities, 2 fire depts. in 1970 to $21 Million 131 municipalities, 30 fire departments in 1979. 20% of funds received must be used for indicated purposes. Appropriated 100% funding through legislature-- Gov. vetoed to 90% funding. Ambulance is health service expense but not funded by shared revenue. (AS43.18.010 defines health facilities)

Milt Barker, Leg. Finance Div. p. 83 Budget-Revenue Sharing
p. 69 Administration of Program
FY 80 -- last pages
Doug Griffin, Revenue Sharing Administrator
Population increases as factor.
HB 919 Ch. 173 SLA'78. Section 43 changes paragraph J. Add 5% as option rather than $2,500 per bed Paragraph L--changes definition of total project cost. Hospitals may be able to go back and claim revenue sharing for all costs in addition to construction. THis could increase revenue sharing amount significantly. $18,688,000 Gov's figure . This is 85.5% of full funding.
'79 HOuse Finance Committee set figure of $16,819.000 in budget. This is 75% of full funding without funding for paragraph L. Hous Finance says all programs have to take 15%. 15% of $21 Million. Too 10%. Didn't want to go full 15%.

Carney -- Across the board cut is not desirable. Find 10%-15% expendable.

Communities with boundaries within National forest??
Copyof audit for 20 % per category required only. All exta $ now goes into municipalities general fund. Cities are required to submit financial statement. 50% prepayment may be received but must be returned. Applicant must be incorporated.
What are the main problems with the program? Has there been an evaluation?
Municipal League and CRA Dept. support HB 192..Unknown factor in hospital financing.

COMMITTEE ACTION: A.G.'s office needs to make ruling on hospital costs.

TAPE # SIDE Sections

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Reps Carney
Metcalfe
Zharoff
O'Connell
Branson
Parr

DATE: 3/7/79

FROM: Rep. Bill Parker, Chairman

RE: Revenue Sharing

On Friday, March 9, the C&RA Committee will meet with the House Finance Committee on the Revenue Sharing Budget and HB 192 at 8:30 A.M. Room 421, Capitol.

The following information might aid you in reviewing the proposed revenue sharing budget and in evaluating the implications of the various funding levels in terms of municipal entitlements.

For purposes of this analysis for the House Community and Regional Affairs Committee, the following municipalities are included: Anchorage, Fairbanks, Kenai, Kodiak Island, Mat-Su, Cordova and Valdez.

This review deals with the four projected funding levels under the current revenue sharing method based on FY '79 funding figures and with the entitlement projections based on passage and funding of HB 192.

TOTAL FUNDING LEVEL	BUDGET
Reduction 10% $16,819,200.	House Finance Committee
18,688,000.	Governor
17% or 21,857,300.	Agency Request
30% or 24,382,700.	Revised Agency Figure (see attached explanation of this request)
27,000,000.	HB 192

LOCAL GOV'T.	(H)FINANCE	GOV'S BUDGET	AGENCY BUDGET	REVISED AGENCY	HB 192
ANCHORAGE	$7,979,451.3	$8,866,057.	$10,373,286.	$11,525,874.	$11,404,644.
FAIRBANKS	986,319.9	1,095,911.	1,282,215.8	1,424,684.3	1,274,382.
KENAI	260,148.6	289,054.	338,193.18	375,770.20	557,287.
KODIAK	111,268.8	123,632.	144,649.44	160,721.60	513,446.
MAT-SU	166,479.3	184,977.	216,423.09	240,470.10	513,446.
CORDOVA	182,233.8	202,482.	236,903.94	263,226.60	270.98?
VALDEZ	243,579.6	270,644.	316,653.48	351,837.20	268,343.

DATE: 3/9/79

RE: Request for income tax information relating amounts of income paid by the boroughs to the State of Alaska relative to population figures and total state income taxes collected.

CONTACT: Phil Wall, Director of Administrative Services Division.

Some problems related to request:

1. Some rural outlying areas have the same zips as boroughs they are in proximity to but not part of (Ex. Some Whittier residents have Anchorage zips)
2. Often businesses and individuals file their income tax from the address where they reside out of state and the income tax form does not have a requirement that an instate address be given. (Airlines and Oil companies as a case in point)

The collection of this information would take at least a week to 10 days although Phil Wall would like to sit down and actually calculate the real time involved.

3/2/79 Workshop with Municipal League

Ron Larson--Mayor, Mat-Su Borough- on Municipal League Legislative Committee
HB 127 Top priority of Municipal League
Local level would amke the decisions themselves
If you establish a salary are you "changing" a salary?

Tom Bearup--Mayor, Soldotna
Supports HB 127

Jim NOrdale -- Attorney, North Star Borough. On Municipal League Leg. Committee
Home Rule communities are (aren't) under the bill.
Supports HB 127.

Dr. Mike Emmick--Kodaik (POrt Lions)
Supports HB 192 (Revenue Sharing)
On 40% bill--In KOdaik they take total number of votes and divide by # of people who voted. Expense to local government should be considered.
This is a problem if you are voting in a fire service area. Perhaps 300 people live in the area. You need 40% and only 100 people vote.
It should be local option to allow municipality to retain the 40% provision in elections.

Martin Tengs-- Haines Borough Mayor.

Mike Emmick--Anchorage had been supportive of HB 192 when it was being drafted.

Re HB 192 suggests using 17Million rather than 27Million $ to get realistic formula.

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

DOCUMENTS RELATED TO HB 192
(Shared Revenue)

1. HB 192
2. Fiscal Note HB 192
3. Administrative Procedures, Chapter 30
   State Aid to Local Governments
4. Memorandum (February 2, 1979)
   Sectional Analysis of the Municipal League's Revenue Sharing Reform Proposal
5. FY '79 State Revenue Sharing Entitlement Amounts
   Municipalities
6. Analytic Statement, FY '80 Community and Regional Affairs, BRU LGAD - Grants
7. FY '80 Revised Agency Request BRU:LGAD - Grants
   Component: State Revenue Sharing
8. Memorandum (March 1, 1979) Revenue Sharing for Hospital Construction
9. Supplement Alaska Statutes Chapter 18 re "total project costs"
10. Correspondence to Clair Dalton, Municipal Finance Department, Anchorage, from E.E. Webb, Administrator, Alaska Hospital and Medical Center, Inc.
11. Portion of brief of the Attorney General, State of Alaska re Beirne Case
12. Computer printout -- Percentage Breakdown of Population and Entitlements
13. Computer printout -- House Bill 192
14. Operating Budget Development
15. Final Annual Report, Fiscal Year 1978 - State Aid to Local Governments

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

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FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 192
Title Equalization of the Tax Resources of Municipalities
Requested by House Community & Regional Affairs Date 2/28/79

II. FISCAL DETAIL
Agency Affected Community and Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected Local Government Assistance - Grants

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.	0	27,000.0	27,000.0	27,000.0	27,000.0	
	TOTAL	0	27,000.0	27,000.0	27,000.0	27,000.0	

FUNDING (Thousands of Dollars)

GENERAL FUND	0	27,000.0	27,000.0	27,000.0	27,000.0	
FEDERAL FUNDS	0	0	0	0	0	
OTHER (Specify)	0	0	0	0	0	

POSITIONS

FULL TIME	0	0	0	0	0	
PART TIME	0	0	0	0	0	
TEMPORARY	0	0	0	0	0	

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

House Bill No. 192 would repeal AS 43.18.010 - 43.18.045 which provides for State Aid to Local Governments. The Governor's FY 80 request for maintenance of this grant program is $18,688,000.

House Bill No. 192, which calls for reform of the State Revenue Sharing Program and a minimum appropriation of $27,000,000, would cost $8,312,000 above the Governor's request to fund in FY 80.

The agency request for FY 80 to fund the existing Revenue Sharing Program at 100% was $21,857,290. As the implications of the new definition of "total project cost" for construction aid [AS 43.18.010(1)] are still unclear, even this figure may be insufficient for full funding

IV. DATE 2-22-79 PREPARED BY Mary Foster
AGENCY CRA - LGAD
PHONE 4733

Original - Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

(3)

PART 2.
MUNICIPAL SERVICES REVENUE SHARING PROGRAM.

Chapter
30. State Aid to Local Governments

CHAPTER 30.
STATE AID TO LOCAL GOVERNMENTS.

Section
10. Scope of regulations
20. Standards for payments of entitlements under AS 43.18 and this chapter
30. Date of eligibility
40. Application
50. Appeal
60. Population data
70. Financial reports
80. Prepayment and budgets
90. Overpayment and adjustment
100. Prorating the annual appropriation for the program
110. Incorporation or dissolution of an applicant
120. Unified municipalities
130. Final determination for the program
140. Definitions

19 AAC 30.010. SCOPE OF REGULATIONS. The regulations in this chapter are prescribed for implementing, interpreting, and making specific the act providing state aid to local governments, AS 43.18.010 – 43.18.045. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.020. STANDARDS FOR PAYMENTS OF ENTITLEMENTS UNDER AS 43.18 AND THIS CHAPTER. Applicants for payments under AS 43.18.010 – 43.18.045 will demonstrate to the department that they are qualified for payments in the following categories of service for which they have power and exercise the power with a minimum level of financial support:

(1) POLICE PROTECTION: An applicant is eligible for payment if the following minimum standards are met:

(A) the applicant must provide police protection with one or more police officers on duty or on call at all times;

(B) a police officer must be at least 19 years of age and must not have been convicted by a court of a crime which is classified as a felony in this state within the past 10 years;

(C) an applicant will not be eligible to receive revenue sharing funds unless a police officer within 12 months after his appointment has satisfactorily completed a basic course in police training approved by the Department of Public Safety. The commissioner may grant an extension of time for the completion of the basic program by a police officer upon presentation of evidence by the municipality that a police officer is unable to complete the basic program within 12 months of his appointment due to illness, injury, family emergency, military service or special duty assignment. An extension may also be made when the commissioner determines that it would be in the public interest.

(D) notwithstanding the provisions of (A) and (B) of this section, the commissioner may waive the requirements set forth in paragraph (C) on presentation of evidence by the municipality and acceptance of the evidence by the Police Standards Council that a police officer is otherwise qualified based on work experience, education, or training;

(E) recognition of the applicant by the Police Standards Council as a "participating police department" is evidence of eligibility under this section.

(2) FIRE PROTECTION:

(A) a municipal applicant is eligible for payment if it provides fire protection. Fire protection includes, but is not limited to, fire protection provided by a volunteer fire department which is currently registered with the State Fire Marshal and which has official recognition and financial support from the municipality in which it is located;

(B) a volunteer fire department located

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outside a municipality is eligible if it meets the following criteria:

(i) it is currently registered with the State Fire Marshal; and

(ii) minimum financial support as defined in 19 AAC 30.020(10) is provided; and

(iii) unexpended funds are dedicated irrevocably for the operation and maintenance of fire protection services;

(C) organizational grants shall be made on the same basis to facilitate the organization of a volunteer fire department in an area not in a municipality upon apolication of the proposed fire protection group to the State Fire Marshal and approval of an application according to standards of organization and service prescribed by regulations promulgated by the State Fire Marshal, and upon submitting an application for state aid to the department.

(3) AIR OR WATER POLLUTION CONTROL. An applicant is eligible for payment under this category if it meets either of the following minimum standards:

(A) the municipality is engaged in a comprehensive study of an air pollution control program or implementing an air pollution control program; or

(B) the municipality has a sanitary sewage treatment facility and sewage disposal system which is in compliance with state law or the sewage treatment facility is under construction and will meet state requirements.

(4) LAND USE PLANNING: An applicant is eligible for payment if the following minimum standards are met:

(A) the municipality shall be in the process of preparing or updating a comprehensive land use plan or be implementing a comprehensive land use plan through exercise of platting or zoning powers; and

(B) if a municipality has a population over 12,000 persons, the municipality, to qualify for aid under this paragraph, shall employ a staff planner charged with the primary responsibility for land use planning and plan implementation; or

(C) if the municipality has a population fewer than 12,000 persons, the municipality shall qualify for aid under this paragraph by availing itself of planning assistance through one of the following:

(i) a staff planner charged with the primary responsibility of land use planning and plan implementation or a planning commission engaged in the preparation or implementation of a comprehensive land use plan; or

(ii) an annual contract with a recognized planning firm to provide land use planning and plan implementation on a consulting basis with a work program outline approved by the Department of Community and Regional Affairs; or

(iii) participation in the state's continuing planning advisory service program of the Department of Community and Regional Affairs through assistance in the preparation or implementation of a comprehensive planning program.

(5) PARKS AND RECREATION: An applicant is eligible for payment if one or more of the following minimum standards are met:

(A) a municipality must provide a park or recreational facility available to the public; or

(B) the municipality provides a recreational program on a regular and continuing basis available to the public.

(6) TRANSPORTATION FACILITIES: An applicant is eligible for payment under this category if it operates one or more of the following facilities:

(A) a small boat harbor which provides deep water shelter, either natural or artificial, on the coast of a sea, lake, river or other body of water; or

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(B) a port or dock which has the capability of receiving cargo from and discharging cargo to commercial vessels; or

(C) an airport for the convenience of private and commercial aircraft. Excluded are airports exclusively operated and maintained by a federal or state agency or by a private party, airports maintained on a seasonal basis, and natural landing strips; or

(D) a transit system for the transportation of people in accordance with established tariffs by rail and monorail, or buses specifically designed and constructed to accommodate the general public.

(7) ROAD MAINTENANCE: An applicant is eligible for payment under these categories if one or both of the following minimum standards are met:

(A) a public road, street or highway maintained by an applicant must be dedicated to public use by licensed automotive equipment; specifically excluded are roads, streets or highways maintained by a federal or state agency or maintained by the applicant pursuant to an agreement with a federal or state agency;

(B) an ice road maintained by an applicant must connect two or more inhabited areas and be used by licensed automotive equipment.

(8) HEALTH FACILITIES AND HOSPITALS: An applicant is eligible for payment under these categories if one or more of the following minimum standards are met:

(A) Municipal Health Services: an applicant shall have and exercise the health power and have within its boundaries a qualifying hospital under (B) or (C) of this section;

(B) Municipal Hospitals: an applicant must have and exercise the power to provide hospital facilities and services. Payment shall be based on the number of beds actually set up for patient care limited to the number of beds licensed as of July 1 of the entitlement year by the Department of Health and Social Services and provided for in the current construction design of the hospital. Funds received under this subparagraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the applicant determines;

(C) Nonprofit Hospitals: an applicant shall certify to the department before June 30 of the entitlement year that the hospital is in compliance with all standards for hospitals which have been adopted by the applicant. Payments to the applicant shall be transferred immediately to the hospital in accord with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(D) to be eligible under (B) or (C) of this section, the hospital must be licensed as a general hospital by the Department of Health and Social Services; hospitals wholly operated or wholly supported by a federal or state agency are ineligible under (B) and (C) of this section;

(E) Health Facilities: an applicant must have and exercise the power of health service. Payment shall be based on the number of beds set up for patient care, or payment shall be made per health facility as the applicant determines;

(F) to be eligible under (E) of this section, a health facility shall be a public health center, maternity home, community mental health center, facility for the mentally or physically handicapped, nursing home, or convalescent center which is licensed, when required, by the state under AS 18.20.010 - 18.20.130 or if licensing is not required, approved by the department, and is owned or operated by an applicant or by a nonprofit corporation or other nonprofit sponsor. Facilities wholly operated or wholly supported by a federal or state agency are ineligible;

(G) financial eligibility for hospitals and health facilities and health services shall be based on the financial support provided by

the applicant and excludes those services that are actually provided or wholly funded by a federal or state agency. Any unexpended entitlement received shall be dedicated irrevocably for the service, operation, or maintenance of the health facility or health service;

(H) funds received by a municipality under (A) or (E) of this section shall be used for expenses of health services or operation and maintenance of facilities as the applicant determines.

(9) CONSTRUCTION AID: an applicant is eligible for payment if the following minimum standards are met:

(A) if construction of a hospital or health facility began after January 1, 1968, and state matching aid for construction approved for payment to the municipality or other facility sponsor constitutes less than 25 percent of the total project cost, the state shall pay to the municipality or other facility sponsor each fiscal year a sum equal to $2,500 per bed for the maximum number of beds provided for in the construction design of the hospital or health facility. State aid provided for in this section shall continue until the municipality or other facility sponsor has received an amount which, combined with state matching money for construction of the hospital or health facility, equals 25 percent of the total project cost. No funds received for construction shall be used for any other purpose;

(B) state matching aid for construction means any construction aid program administered by the Department of Health and Social Services;

(C) project or construction costs shall be those contracted costs that are eligible for financial participation under the Hill-Burton Construction Program for construction of new buildings, including, but not limited to, the expansion, replacement and modernization of existing buildings and initial equipment of any such buildings; including architect and consultant fees, but not including the cost of land acquisition and offsite improvements;

(D) other facility sponsor shall refer to a public or nonprofit corporation which owns or operates, or both, a hospital or health facility which is located outside the corporate limits of a municipality.

(10) FINANCIAL BASIS FOR ELIGIBILITY: (a) A determination that a service was provided or a power was exercised shall be based on the financial support provided during an applicant's fiscal year containing July 1, 1976. Subsequently, the financial support shall be determined from the applicant's previous fiscal year containing July 1 of the previous entitlement period.

(b) Financial support is defined as a minimum cash disbursement of not less than 20 percent of the amount received for a category of service funded during the previous fiscal year or, in the case of a newly acquired power, a budget appropriation not less than 20 percent of the amount to be received for the eligible category of service. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010 AS 44.47.050(14)
AS 43.18.040 AS 44.47.160

19 AAC 30.030. DATE OF ELIGIBILITY. Eligibility for receipt of state aid provided by AS 43.18.010 – 43.18.045 is predicated upon the possession and exercise of a power or provision of a service by an applicant as of July 1 of the entitlement period. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.040. APPLICATION. (a) Application for state aid to local governments under AS 43.18.010 – 43.18.045 shall be made on forms prescribed by the commissioner.

(b) Not later than August 15 of the entitlement period, the department will forward application forms to each municipality incorporated before July 1 of the entitlement period and to every other potential applicant incorporated before July 1 of the entitlement period which the department is aware of and which it believes may be eligible for state aid.

(c) As a condition to participation in the program, application for state aid under AS

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43.18.010 – 43.18.045 shall be returned to the department mailed no later than November 1 of the entitlement period. Based on information certified by the municipal officials and contained in the application submitted, the commissioner will prepare an initial determination of entitlement no later than December 15 and will mail notice of the amount of entitlement to each applicant determined eligible. However, if the commissioner determines that an applicant has failed to comply substantially with AS 43.18.010 – 43.18.045 and the regulations of this chapter or failed to provide the category of service or failed to exercise the power funded during a previous entitlement year, the commissioner will reduce the current entitlement of the applicant by the difference between the sum of the prior year payments and the proper entitlements, or demand the sum of payment and prepayment amount be repaid to the department if the current entitlement is insufficient. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.050. APPEAL. (a) Within 10 days after receipt of the notice of entitlement from the department, an applicant may appeal the determination of initial entitlement to the commissioner. The appeal shall be in writing and shall identify the particular category or categories to which the applicant takes exception, the determination of entitlement to which the applicant takes exception, and the reasons for its exception. The appeal shall include all relevant supporting evidence.

(b) The commissioner shall review the record of appeal and enter the final determination of entitlement. The commissioner may affirm or modify the determination of entitlement previously entered, and shall notify the applicant of the decision.

(c) If the applicant fails to appeal an initial determination within the time set forth in subsection (a) of this section, the determination of entitlement entered pursuant to sec. 40(c) of this chapter constitutes the final determination of the department.

(d) The manner of computation of population may not be made the subject of an appeal. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.060. POPULATION DATA. (a) The date for determination of population of an applicant is July 1 of the entitlement year.

(b) The population data used in determination of allocations of state aid and adjustments to those allocations will be the official report of the United States Bureau of the Census. However, an applicant may substitute for the official report of the United States Bureau of the Census

(1) an enumeration, certified as true and correct by the governing body of the municipality or chief administrative officer of a volunteer fire department located outside a municipality, specifying the names of residents of the municipality, service area, or area served by a fire department, prepared according to the criteria established by the department; or

(2) an estimate of population based upon other reliable data such as public school enrollment figures, public utility connections, registered voters, and certified employment payrolls; or

(3) the latest military population supplied by the adjutant general for the military population residing on a military reserve; or

(4) the latest available population estimate prepared by the Division of Employment Security, Alaska Department of Labor.

(c) The commissioner may require each applicant which offers an estimate of its population to submit such evidence as may be necessary to verify computation of the population estimate. The commissioner may require the applicant to provide further information within 10 days of the date of receipt of notification, or the estimate will be rejected and allocations made on the basis of the best data available to the department. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010(c) AS 44.47.050(14)
AS 43.18.040 AS 44.47.160

19 AAC 30.070. FINANCIAL REPORTS. (a) Each unified municipality, organized borough, home rule city, city of the first class, hospital, nonmunicipal health facility, or other facility sponsor shall submit one copy of its annual audit for the fiscal year preceding the entitlement period. Preparation of the audit shall be by a licensed accountant.

(b) Each city of the second class and each volunteer fire department located outside a municipality shall submit an audit or certified statement of income and expenditures of the accounts and financial transactions for the fiscal year preceding the entitlement period in a form approved by the commissioner.

(c) No payment of a final entitlement for the applicant will be made until an audit or statement of income and expenditures is filed by the applicant with the department. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010(c)
AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.080. PREPAYMENT AND BUDGETS. (a) The commissioner may provide for prepayment to an applicant a sum not to exceed 50 percent of the previous year's entitlement computed without regard to any proration and not to exceed the current year's entitlement.

(b) Prepayments will be allowed to an applicant upon receipt by the department of a completed application and approved budget mailed no later than October 1 of the entitlement year.

(c) Prepayments shall be deducted from the entitlement prior to transmittal of the balance of the entitlement due. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.090. OVERPAYMENT AND ADJUSTMENT. (a) After mailing of prepayments, if the commissioner determines that the prepayment mailed to an applicant exceeds the entitlement payable to an applicant during the entitlement period, the commissioner shall

(1) request that the difference between the amount of prepayment and the proper entitlement be repaid to the department; or

(2) reduce, in the next entitlement period, the entitlement to an applicant by the difference between the sum of the payments and the proper entitlement.

(b) After mailing of the balance of the entitlement due to an applicant, if the commissioner determines that the sum of the prepayment and final payment exceeds the entitlement payable to the applicant during an entitlement period, the commissioner shall

(1) request that the difference between the sum of the payments and the proper entitlement be repaid to the department; or

(2) reduce, in the next entitlement period, the entitlement to an applicant by the difference between the sum of the payments and the proper entitlement. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.020
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.100. PRORATING THE ANNUAL APPROPRIATION FOR THE PROGRAM. If the amount appropriated is insufficient for the purpose of each applicant's share authorized under AS 43.18.010 – 43.18.045, such funds as are available shall be distributed pro rata among the applicants based upon the notices of final entitlement. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.110. INCORPORATION OR DISSOLUTION OF AN APPLICANT. (a) An applicant which is incorporated during the entitlement period is not eligible to receive state aid for the entitlement period during which it was incorporated.

(b) An applicant which is to be dissolved pursuant to AS 29.68.500 during the entitlement period will receive an entitlement payment prorated over the number of days in the entitlement period during which it has been in existence.

(c) Grants shall be made to facilitate the organization of volunteer fire departments located outside a municipality from the funds available. Requests may be made any time during the entitlement year on a proper application form. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.120. UNIFIED MUNICIPALITIES. For purposes of AS 43.18.010 – 43.18.045 and the regulations of this chapter, a unified municipality shall be treated as an organized borough. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.130. FINAL DETERMINATION FOR THE PROGRAM. The Department of Community and Regional Affairs will finally approve or disapprove entitlements based upon information provided by the applicant and other departments of the state. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.140. DEFINITIONS. Unless the context indicates otherwise, in this chapter

(1) "commissioner" means the Commissioner of the Department of Community and Regional Affairs;

(2) "department" means the Department of Community and Regional Affairs;

(3) "applicant" means any municipality, volunteer fire department located outside a municipality, or other facility sponsor;

(4) "facility" means a permanent improvement constructed, operated or maintained for the convenience of the public. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

(4)

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 2, 1979

SUBJECT: Sectional Analysis of the Municipal League's Revenue Sharing Reform Proposal (Work Order No. 6162)

TO: Representative Terry Gardiner

FROM: John B. Chenoweth
Legislative Counsel

John Williams
Policy Analyst

In response to your request of the Legislative Council on July 21, 1978, we have participated with a special committee of the Alaska Municipal League in drafting a revenue sharing reform bill, which is now complete. The Board of Directors of the League approved the draft at its meeting in Juneau on January 19, 1979 (copy enclosed).

Following is a sectional analysis of the committee's product.

*Section 1. PURPOSE.

Three purposes are stated: (1) equity of allocation of state resources with municipalities; (2) basic support to municipalities for public services irrespective of physical location of taxable wealth; and (3) improvement of the administrative capacity of less populous municipalities.

*Section 2. CHAPTER 88.

This chapter contains the major revision of the revenue sharing program. In the most general terms, it provides for the computation and distribution of an "equalization entitlement" for local government services in accordance with a formula and schedules set out in the sections incorporated in the chapter.

Sec. 29.88.010 specifies the method that is utilized to distribute revenues under the chapter. Three factors are

applicable: population, revenue generation, and property value base.[1] The formula multiplies the population of the taxing unit[1] by the mill rate equivalent of allowed revenues[2] generated by the municipality. The sum of allowed revenues is divided by one-thousandth of the full and true taxable property value within the taxing jurisdiction. The resultant quotient is referred to as the "local effort" for the municipality: it is equal to the full and true mill rate equivalent of all allowed revenues generated by each municipality.

Sec. 29.88.015 specifies the means whereby population numbers shall be determined. Generally, Bureau of the Census data will be utilized; however, other reliable data in the judgment of the Department of Community and Regional Affairs may be used. The provision for population count is not unlike the provision of the current state aid program. Unlike the current program, however, no separate treatment is given the counting of persons who are residents of military reservations.

Sec. 29.88.020 describes the means whereby mill rate equivalent determinations will be made. Initially, a certified statement submitted by each municipality, on a form provided by the department, will specify the revenues generated in each municipality. This shall be accomplished by all municipalities by

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1/ A "taxing unit" is defined, for purposes of this program as "a city, borough, unified municipality, or service area or differential tax zone."

2/ Allowed revenues include tax revenues plus other revenues which will diminsh the necessity of incremental tax revenues, including inspection fees, permits, fines, penalties, use fees, and income from mass transit, offstreet parking, and recreation programs. Revenues not allowed for inclusion are tax revenues used to subsidize utilities commonly run by private businesses (as defined in sec. 45 of this chapter), interest on investments, income from the sale or lease of land or equipment, and revenues from any other source.

October 15. By December 15, the department is to make a final determination for each municipality, after reviewing all financial audits and statements submitted by the municipalities. Any adjustments made to the figures initially submitted by a municipality shall be reported to the municipality along with the revised figures.

Full and true property values shall be determined in the manner provided in AS 14.17.140 (state aid to education). In municipalities which are not school districts and thus not covered by the provisions of AS 14.17, the state assessor shall, at least once each three years, estimate the property value for all cities with populations of 750 or more. For cities which are not school districts, and which have populations less than 750, estimated property values will be determined by averaging the per capita property values of all cities having populations less than 750 and for which assessments are completed.

Sec. 29.88.025 specifies the necessary documentation that would be supplied to the department by each municipality in support of its application. The fiscal information is to be for the fiscal year which precedes the fiscal for which the entitlement is sought.

Sec. 29.88.030: As with present law, the bill provides for entitlements to be returned to the taxing unit for which the entitlement was earned. There are two exceptions: 15 percent of an area-wide entitlement may be used for non area-wide purposes, and, the local government may decide the taxing jurisdiction that is to receive the entitlement generated by non-tax revenues (fees, permits, etc).

Sec. 29.88.035 establishes the tax equalization account from which entitlements earned under this chapter will be paid. The total appropriation to the account is to be distributed by prorating entitlements.

Sec. 29.88.040 gives the department authority to adopt, amend and repeal regulations necessary to implement the chapter. The regulations would contain provisions for obtaining information, set filing dates, providing notification to municipalities with respect to changes made by the department with regard to any entitlement, and a reasonable time for a municipality to respond to decisions of the department. In response

to some specific complaints by several of the Municipal League representatives who worked on the draft, language has been inserted by which the department is directed to supply application assistance to municipalities. Additionally, the department is empowered to extend the definition of utilities (section 045 of this chapter) to cover additional enterprise activities for which no working classification has been provided by statute.

Sec. 29.88.045 defines terms used in the chapter, including 'taxing unit' and 'utilities'.

*Section 3. CHAPTER 89.

Chapter 89 is, in substance, a restatement of present law regarding entitlements earned for road maintenance, health facilities and hospitals, construction aid, and volunteer fire departments in the unorganized borough. The following changes have been made from present law: (1) public road maintenance entitlements are based on $2500/mile (present law is $1500/mile); (2) ice road maintenance is based on $1500/mile (present law is $900/mile); (3) construction aid for hospitals is not multiplied by the cost of living factor, as is the case in present law; and (4) municipalities which exercise a health power will not receive a $2 per capita distribution.

Generally, this portion of present law which is saved in the Municipal League's draft bill provides for health related entitlements according to the following: (1) for hospitals with 10 or more beds -- the greater of $1,000 per bed or $75,000 per facility, (2) for hospitals with fewer than 10 beds -- the greater of $1,000 per bed or $25,000 per facility; (3) for health facilities -- $1,000 pe bed or $4,000 per facility; (4) the entire entitlement received for health purposes must be used for health purposes; (5) for hospitals which were begun after January 1, 1968, the greater of $2,500 per bed or 5 percent of the construction cost annually until the total payment equals 25 percent of the total construction cost; and (6) for volunteer fire departments in the unorganized borough, $7.50 per capita. Entitlements earned under this section (except for hospital construction) are multiplied by an area cost of living differential, determined under AS 39.27.030.

Section 29.89.040 establishes a miscellaneous services account, from which payments are made under this chapter.

*Section 4. CHAPTER 90.

Sec. 29.90.010 precludes an interpretation of the general administrative provisions of the state aid program to create of a debt to the state.

Sec. 29.90.020 directs the department to allocate funds from the two accounts established (AS 29.88.035 and AS 29.89.040) and further provides that any excess funds existing in the miscellaneous services account (Chapter 89) shall then be added to the tax equalization account (Chapter 88).

Subsection (b) describes the means for determining proration of funds allocated under the equalization formula of Chapter 88 and under the minimum entitlement provisions of AS 29.90.030. After the Chapter 88 and Chapter 89 entitlements have been determined, the amount necessary to guarantee the minimum entitlement provided for in Sec. 29.90.030 is calculated and all Chapter 88 municipal entitlements are proportionally reduced so that the sum of payments under Chapter 88 and under AS 29.90.030 equal the amount available in the tax equalization account.

Sec. 29.90.030 provides for payment of minimum entitlements. All municipalities are guaranteed a minimum of $25,000 (plus the cost of living allowance for their area) if (1) a regular election has been held; (2) regular council meetings have been conducted; (3) the municipality has adopted a budget; (4) local ordinances have been codified; and (5) some degree of municipal administration is provided for through a manager, clerk, or other part-time or full-time officer.

*Sections 5 - 9.

These sections make correlative changes in AS 29 required by the state aid program changes, and are generally self-explanatory.

*Section 10.

The section repeals the statutory basis of the present program of state aid to local governments.

*Section 11: "Hold Harmless"

Section 11 specifies that, for three years after this act becomes effective, no municipality will receive less than its actual entitlement earned in the last year that the present law is applied.

*Section 12

The section specifies that the act becomes effective when $27,000,000 is appropriated to the program, or July 1, 1982, whichever is earlier.

JBC:JW:jdn

Enclosure

FY 79 State Revenue Sharing Entitlement Amounts
Municipalities

(5)

UNIFIED HOME RULE MUNICIPALITIES

	Full Entitlement	Pro-rated Entitlement (88.712%)
City and Borough of Juneau	$851,188	$755,106
City and Borough of Sitka	$423,798	$375,960
Municipality of Anchorage	$9,980,666	$8,854,048

ORGANIZED BOROUGHS

Bristol Bay Borough	$39,217	$34,790
Fairbanks North Star Borough	$1,228,600	$1,089,916
Haines Borough	$2,927	$2,597
Kenai Peninsula Borough	$324,052	$287,473
Ketchikan Gateway Borough	$96,620	$85,714
Kodiak Island Borough	$218,227	$194,481
Matanuska-Susitna Borough	$312,991	$277,661
North Slope Borough	$299,755	$265,919

HOME RULE CITIES

Cordova	$226,999	$201,375
Fairbanks	$1,728,487	$1,533,375
Kenai	$252,089	$223,633
Ketchikan	$406,130	$360,286
Kodiak	$218,516	$193,850
North Pole	$29,891	$26,517
Palmer	$168,884	$149,820
Petersburg	$213,797	$189,664
Seward	$149,425*	$132,558
Valdez	$303,413	$269,164
Wrangell	$215,383	$191,071

FIRST CLASS CITIES

Barrow	$45,392	$40,268
Craig	$30,070	$26,676
Dillingham	$64,716	$57,411
Galena	$51,458	$45,649
Haines	$66,028	$58,575
Homer	$87,804	$77,893
Hoonah	$52,062	$46,185
Hydaburg	$14,950	$13,262
Kake	$18,669	$16,562
King Cove	$27,559	$24,448
Klawock	$15,741	$13,964
Nenana	$36,886	$32,722
Nome	$392,581	$348,267
Pelican	$10,707	$9,498
Saint Mary's	$45,588	$40,442
Sand Point	$48,758	$43,254
Seldovia	$34,157	$30,301
Skagway	$49,317	$43,750
Soldotna	$121,817	$108,066
Unalaska	$104,530	$92,731
Yakutat	$19,853	$17,612

FY 79 State Revenue Sharing Entitlement Amounts
Municipalities

SECOND CLASS CITIES

	Full Entitlement	Pro-rated Entitlement (88.712%)
Akhiok	$1,291	$1,145
Akiachak	$30,905	$27,416
Akiak	$8,100	$7,186
Akolmiut	$86,074	$76,358
Alakanuk	$31,363	$27,823
Allakaket	$9,028	$8,009
Ambler	$24,657	$21,874
Anderson	$18,270	$16,208
Angoon	$26,378	$23,401
Aniak	$25,209	$22,363
Atmautluak	$28,674	$25,437
Bethel	$286,316	$253,997
Buckland	$7,701	$6,832
Chefornak	$7,189	$6,378
Chevak	$10,188	$9,038
Chuathbaluk	$9,568	$8,488
Deering	$8,402	$7,454
Delta Junction	$34,292	$30,421
Diomede	$6,419	$5,694
Eagle	$9,384	$8,325
Eek	$9,779	$8,675
Emmonak	$22,408	$19,879
Fort Yukon	$58,784	$52,149
Fortuna Ledge	$10,524	$9,336
Gambell	$15,528	$13,775
Golovin	$8,958	$7,947
Goodnews Bay	$5,553	$4,926
Grayling	$484	$429
Holy Cross	$19,232	$17,061
Hooper Bay	$18,533	$16,441
Houston	$41,645	$36,944
Hughes	$1,638	$1,453
Huslia	$40,776	$36,173
Kaktovik	$3,210	$2,848
Kaltag	$8,997	$7,981
Kasaan	$4,575	$4,059
Kiana	$22,256	$19,744
Kivalina	$12,789	$11,345
Kotlik	$11,941	$10,593
Kotzebue	$141,774	$125,771
Koyuk	$10,296	$9,134
Koyukuk	$7,423	$6,585
Nupreanof	$414	$367
Kwethluk	$19,341	$17,158
Manokotak	$11,836	$10,500
McGrath	$22,275	$19,761
Mekoryuk	$11,608	$10,298
Mountain Village	$52,826	$46,863
Napakiak	$19,815	$17,578

FY 79 State Revenue Sharing Entitlement Amounts
Municipalities

SECOND CLASS CITIES (continued)

	Full Entitlement	Pro-rated Entitlement (88.712%)
Napaskiak	$12,510	$11,098
New Stuyahok	$12,174	$10,800
Newtok	$4,905	$4,351
Nightmute	$4,300	$3,815
Nikolai	$8,212	$7,285
Nondalton	$4,137	$3,670
Noorvik	$28,336	$25,137
Nulato	$11,736	$10,411
Old Harbor	$17,789	$15,781
Ouzinkie	$3,508	$3,112
Pilot Station	$12,320	$10,929
Platinum	$1,847	$1,639
Port Alexander	$1,310	$1,162
Port Heiden	$56,829	$50,414
Port Lions	$11,791	$10,460
Quinhagak	$13,757	$12,204
Ruby	$3,662	$3,249
Russian Mission	$9,955	$8,831
Saint Michael	$14,214	$12,610
Saint Paul	$85,755	$76,075
Savoonga	$15,569	$13,812
Saxman	$6,254	$5,548
Scammon Bay	$8,139	$7,220
Selawik	$10,965	$9,727
Shageluk	$15,800	$14,017
Shaktoolik	$24,457	$21,696
Shishmaref	$21,223	$18,827
Shungnak	$5,350	$4,746
Stebbins	$5,540	$4,915
Tanana	$33,515	$29,732
Teller	$12,123	$10,755
Tenakee Springs	$5,657	$5,018
Togiak	$13,543	$12,014
Toksook Bay	$16,775	$14,881
Tuluksak	$10,305	$9,142
Tununak	$12,780	$11,337
Unalakleet	$45,004	$39,924
Wasilla	$66,996	$59,434
Whittier	$33,962	$30,128
Subtotal	$20,998,328	$18,628,040

*Hospital and health facility monies applied for by the Kenai Peninsula Borough are being paid directly to Seward, as the City has and exercises the health power.

FY 79 Revenue Sharing Entitlement Amounts
Volunteer Fire Department's

	Full Entitlement	Pro-rated Entitlement (88.712%)
Akutan	$663	$588
Arctic Village	$1,284	$1,139
Atka	$768	$681
Birch Creek	$345	$306
Cordova	$3,839	$3,406
Crooked Creek	$1,074	$953
Delta Junction	$6,254	$5,548
Glennallen	$9,936	$8,814
Kipnuk	$3,471	$3,079
Koliganek	$1,364	$1,210
Levelock	$900	$798
Metlakatla	$8,393	$7,446
Meyers Chuck	$293	$260
Minto	$1,846	$1,638
Nenana	$2,80[illegible]	$2,492
Nome	$2,457	$2,180
Pelican	$250	$222
Rampart	$642	$570
Saint George Island	$1,667	$1,479
Skagway	$387	$343
Telida	$321	$285
Tok	$7,366	$6,535
Tri-Valley	$7,182	$6,371
Tuntutuliak	$2,340	$2,076
Twin Hills	$720	$639
Yakutat	$1,016	$901
Subtotal	$67,587	$59,959
TOTAL	$21,065,915	$18,637,999

RATIONALE FOR STATE FUNDING OF THIS BRU

Each of the following programs is authorized by state law and in the case of the National Forest Receipts Program, by both state and federal statutory mandate:

AS 41.15.180. requires that the Commissioner of Administration receives national forest income under 16 U.S.C. 500 pay every organized borough and unified municipality "in which national forest land is located, a share of income from that forest... proportional to the area of national forest located within its boundaries."

AS 43.18.010 - .045. provides for the annual payment to any eligible "city or organized borough of any class which has power to provide the following services and exercise that power." Cost-breakdowns follow.

DESCRIPTION: Efforts aimed at achieving these goals are accomplished by providing State Revenue Sharing Grants payable from the amounts annually appropriated to boroughs, cities, and volunteer fire departments, possessing and exercising the following powers:

Policy Protection	$ 12 per capita	Road Maintenance	$ 1,500 per mile - Public Roads
Fire Protection	$7.50 per capita		900 per mile - Ice Roads
Air/Water Pollution Control	$ 2 per capita	Health Services	$ 2 per capita
Land Use	$ 2 per capita	Health Facilities	$ 1,000 per bed; $4,000 per facility
Parks and Recreation	$ 5 per capita		$ 2,500 per bed (construction)
Transportation Facilities	$ 5 per capita	Hospitals	$25,000/75,000 per hospital
			$ 1,000 per bed; 2,500 per bed (construction) over a 5 year period (applicant's option)

A cost-of-living differential is also provided.

Further provisions are made for payments to "volunteer fire departments registered with the state fire marshal and serving an area not in an organized borough or a city a sum for protection purposes equal to $7.50 per capita for the population served by the department."

18 LAND, GRANTS MISCELLANEOUS

FY 80

	CODE	EXPENDITURE CLASSIFICATION	PRIOR YEAR FY 78 ACTUAL	CURRENT YEAR FY 79 AUTHORIZED	BUDGET YEAR FY80 AGENCY CONTINUATION	AGENCY ADDITION	AGENCY REQUEST	GOVERNOR'S BUDGET
	1	2	3	4	5	6	7	8
1.	600	LAND, BUILDING, NON-STRUCTURAL IMPROVEMENTS						
2.	600	LAND, BUILDING, ETC. (EXCLUDING ASHA PAY)						
3.	628	ASHA PAYMENT						
4.	280	INTER-AGENCY TRANSFERS (NON-ADD)						
5.	700	ASSISTANCE GRANTS AND BENEFITS						18,688.0
6.	720	LOCAL ASSISTANCE, STATE SOURCES						
7.	730	BENEFITS TO INDIVIDUALS						
8.	740	GRANTS AND AWARDS TO INDIVIDUALS						
9.	750	GRANTS, OTHER AGENCIES		18,688.0	21,857.3			18,688.0
10.	970	INTER-AGENCY TRANSFERS (NON-ADD)						
11.	980	INTER-AGENCY TRANSFERS (NON-ADD)						
12.	800	MISCELLANEOUS						
13.	810	DEBT SERVICE						
14.								

15. EXPLANATION:

700 - STATE AID TO LOCAL GOVERNMENTS

AS 43.18.010 - AS 43.18.045 provides for assistance to municipalities and volunteer fire departments in communities of the unorganized borough. Requested funding at 100% of the estimate prepared by the department excluding any prior adjustments which may be collected by the state.

AGENCY Community & Regional Affs BRU LCAD - Grants COMPONENT State Revenue Sharing DATE REVISED

$18,688.0	GF	FY 79 Legislature Appropriation
1,743.0	GF	Restoration of Veto 100% Funding
500.0	GF	Population Increases Statewide down 9,000 to 18
518.2	GF	Service Increases and Service Area Increases
390.0	GF	HB 919 Ch. 173 SLA 78
18.1	GF	New Volunteer Fire Departments and Cities
$21,857.3	GF	Total FY 80 Continuation Level

AGENCY Community & Regional Affs. BRU LGAD - Grants COMPONENT State Revenue Sharing DATE REVISED

(7)

FY 80 Revised Agency Request
BRU: LGAD - Grants
Component: State Revenue Sharing

$18,688.0	GF	FY 79 Appropriation
1,743.0	GF	Restoration of Veto (estimated 100% funding)
634.9	GF	Increase needed for actual 100% funding in FY 79
119.8	GF	Applicants who did not meet the FY 79 reporting deadline
250.0	GF	Population Increases Statewide
518.2	GF	Service Increases and Service Area Increases
55.0	GF	New Volunteer Fire Departments and Cities
2,373.8	GF	New definition of "total project cost" for construction aid
$24,382.7	GF	Total FY 80 Continuation Level

EXPLANATION

As entitlements have been determined for all municipalities and volunteer fire departments participating in the FY 79 State Revenue Sharing Program, the Department is in a better position to estimate grant monies needed to fully fund the FY 80 Program.

The impact of the alternative method of making construction aid payments (5% of the construction cost if it is higher than $2,500 per bed) was not fully anticipated when projections were made for the FY 79 Program. The $634.9 needed in addition to restoration of the vetoed $1,743.0 can be exclusively attributed to payments made under the 5% method. For example, the Municipality of Anchorage would have received approximately $947,500 under the $2,500 per bed method. At 5% of the construction cost, the FY 79 construction aid entitlement for Anchorage was $1,959,543.

Five cities and volunteer fire departments did not meet the November 1, 1978 deadline for submission of revenue sharing applications. These applicants will be eligible for the FY 80 Program, and it is certain that all or most of them will meet the FY 80 reporting deadline.

Although Statewide projections of Alaska's population do not show any increase, there is movement within the State, as evidenced by special censuses conducted by the U. S. Census Bureau. This means that those communities experiencing growth will request a population increase, while those that may actually decline will not show any decrease. Unless a special census is conducted by the U. S. Census Bureau, we cannot arbitrarily reduce the populations of communities where we think there has been a decline. Generally, our population figures are higher than those prepared by other sources. By requiring detailed estimates from applicants, it is believed we can keep increases to a minimum; and, as a result, provide more accurate estimates of the populations in Alaskan municipalities.

Beginning January 1, 1979, Anchorage extended Police Protection to Eagle River and Chugiak. This in itself entitles the Municipality to approximately $180,000 in additional State shared revenue in FY 80. The City and Borough of Juneau is planning to build an alcoholism treatment facility and will probably be receiving $35,000 for construction aid. The Boroughs continue to create new Fire Service Areas and most municipalities are continually increasing road maintenance mileage. An approximate breakdown of service increases follows:

$180.0	Police Protection for Municipality of Anchorage
166.4	New Road Mileage @ Current Rate
50.0	New Fire Service Areas
86.8	Various increases in services by all classes of cities including Land Use Planning, Water Pollution Control, Health Facilities, etc.
35.0	Construction Aid for City & Borough of Juneau
$518.2	

Participation in the State Revenue Sharing Program increases every year. It is the Department's goal that every eligible applicant participate in this program. Approximately 20 volunteer fire departments and 19 municipalities did not participate this year. It is anticipated that half of these will participate in the FY 80 Program. The populations of these applicants are generally low and few services are being provided by the cities. A breakdown of this request is:

10 VFD's @ $500 ea.	= $ 5,000
10 Cities @ $5,000 ea.	= $50,000
	$55,000

The implications of the new definition of "total project cost" are difficult to evaluate at this point. However, it appears that construction aid payments would increase substantially and possibly even double. In fact, $2,373.8 is the total amount currently being paid to the major recipients of construction aid. Doubling current payments is the best estimate the Department can provide at this time. If this costly definition were repealed by July 1, 1979, $2,373.8 should be deleted from the agency's request. If the expanded definition is not repealed and no funds are appropriated to cover it, all municipalities and volunteer fire departments will be paying a portion of hospital construction costs in Anchorage and Fairbanks through a low proration factor.

HB 919 has been adequately planned for by restoring the vetoed amount and adding $634.9 to arrive at full funding for FY 79.

Rep. Parker (8)

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

M E M O R A N D U M

DATE: March 1, 1979

TO: Honorable Russ Meekins, Chairman
House Finance Committee

FROM: Milt Barker, MB Fiscal Analyst
Legislative Finance Division

SUBJ: Revenue Sharing for Hospital Construction

Attached are the amendments to the Municipal Services Revenue Sharing statutes, AS 43.18, passed during the 1978 Session.

The amendment to paragraph (j) gives as an annual payment to a health facility sponsor the greater of $2,500 per bed or 5% of total project costs until these amounts, combined with any state matching funds for construction, total 25% of total project costs. Formerly only a payment of $2,500 per bed would be made until the 25% was reached.

This amendment to paragraph (j) affected four projects for FY 79, Providence Hospital, Alaska Hospital, Norton Sound Hospital in Nome, and Fairbanks Memorial Hospital. The FY 79 budget made no allowance for this speed-up in project payments -- the fiscal note for HB 919 which made the amendment had no funds included for that section of the bill. However, these hospitals did receive a partial speed-up since that is now the law, although suffering a pro-ration of their entitlement along with everyone else since this speed-up was not funded.

The cost of this amendment has been included in the FY 80 budget. The attached revised agency request estimates the additional cost to fully fund the 5% alternative at $643,900. Only Providence, Fairbanks Memorial, and Alaska Hospital will receive funds becau Norton Sound was paid off in FY 79.

31-01LH

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The other 1978 amendment is reflected in paragraph (1) of AS 43.18.010 and changes the definition of project costs eligible for revenue sharing to include land acquisition, financing costs, architectural and engineering costs, machinery and equipment, and all other costs besides actual construction costs.

The revised agency request estimates that this definition will double the amount being paid for hospital construction revenue sharing; that is, it will add an additional $2,373,800 to entitlements. This is a rough estimate based on the example of an attached letter from Alaska Hospital that indicates their reimbursable costs would go from 25% of $16,137,400 to 25% of $40,550,136.

The cost of paragraph (1) could be less if it were construed to allow only costs incurred after the effective date of Chapter 168 SLA 1978 which was October 15, 1978. On the other hand it could be much more if it were determined to be retroactive to January 1, 1968 which is established in paragraph (j) as the beginning date of the program. This latter proposition has been made by Dr. Mike Beirne in his suit against the state. The state's arguments on that point are attached.

A strong argument against retroactivity not mentioned in the state's brief is that the last sentence of paragraph (j) requires that "no funds received for construction shall be used for any other purpose". Any completed hospital has presumably already paid all its construction costs. For that matter, strict adherence to this provision might allow only new projects to be reimbursed under the "total project cost" definition since any project that is begun will usually have its financing already arranged.

In fact, there are strong indications that this hospital reimbursement does not go for construction in many cases. Norton Sound recently inquired of Community and Regional Affairs if they could use their revenue sharing funds for operations. The 5% speed-up apparently came after they had covered their construction costs.

Of course, under either method of reimbursement the payments may extend beyond the construction period. Thus, there are strong pressures to use these funds for other than construction purposes. Community and Regional Affairs doesn't police this activity.

cc: Representative Bill Parker

MB:bf

payees. (§ 7-1-6 (c) ACLA 1949; am § 20 ch 186 SLA 1957; am § 1 ch 44 SLA 1969; am § 5 ch 143 SLA 1978)

Effect of amendment. — The 1978 amendment added the present second sentence.

Chapter 18. State Aid to Local Governments.

Article
2. Aid for School Construction (§§ 43.18.100 — 43.18.135)

Article 1. Aid for Miscellaneous Municipal Purposes.

Section
10. State aid to local governments
30. Local tax levy reduction

Sec. 43.18.010. State aid to local governments.

(j) If construction of a facility began after January 1, 1968 and state matching aid for construction approved for payment to the local government or other facility sponsor constitutes less than 25 per cent of the total project cost, the state shall pay to the local government or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility or five per cent of the total project cost, whichever is greater. State aid provided for in this subsection shall continue until the local government or other facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost. No funds received for construction shall be used for any other purpose.

(k) A city or borough may not receive state shared revenue based on the population residing on that portion of a military reservation annexed to a city or borough after January 1, 1973, except as provided in this subsection. If a military reservation is located within a city or borough, the city or borough is limited in its entitlement to state shared revenue, based on the population residing on the reservation, as follows: 50 per cent of the amount paid per capita for police protection under (a)(1) of this section; 25 per cent of the amount paid per capita for parks and recreation under (a)(5) of this section; and 50 per cent of the amount paid per capita for transportation facilities or services under (a)(6) of this section.

(l) For the purposes of (j) of this section, "total project cost" includes, in addition to costs directly related to the project, the sum total of all costs of financing and carrying out the project. These include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative

and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary.
(am § 24 ch 168 SLA 1978; am § 3 ch 173 SLA 1978)

Effect of amendments.
The first 1978 amendment added subsection (l).
The second 1978 amendment, effective July 1, 1978, added "or five per cent of the total project cost, whichever is greater" to the end of the first sentence of subsection (j).
As the rest of the section was not affected by the amendment, it is not set out.
Editor's note. — Subsection (k) is set out above to correct a typographical error in the main pamphlet.

Sec. 43.18.030. Local tax levy reduction. (a) The intent of §§ 10—100 of this chapter in authorizing state aid for educational purposes and municipal services is that municipalities which levy taxes reduce those levies in reasonable proportion to the amount of state aid received by the municipality for a given fiscal year.

(b) If the municipality levies and collects real or personal property taxes, the governing body shall furnish the following notice with tax statements mailed for the fiscal year for which aid is received under AS 14.17 and §§ 10—100 of this chapter:

"NOTICE TO TAXPAYER

For the current fiscal year the (city) (borough) has been allocated the following amount of state aid for school and municipal purposes under the public school foundation program (Alaska Statutes 14.17), the municipal services revenue sharing program of Alaska Statutes 43.18.010 — 43.18.050, and the program of state aid for retirement of school construction debt (Alaska Statute 43.18.100):

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	$
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT	$
AID BASED ON MUNICIPAL SERVICES FURNISHED (fire protection, police protection, air or water pollution control, land use planning, road maintenance, parks and recreation, transportation facilities and services, hospital operation)	$
Total Aid	$

(10)

THE ALASKA HOSPITAL AND MEDICAL CENTER, Inc.

January 17, 1979

Mr. Clair Dalton
Municipal Finance Department
3500 Tudor Road
Anchorage, Alaska 99507

Dear Sir:

Attached is a copy of a letter from Bert Hall, which was hand carried to me yesterday.

This letter indicates the amount of money the Municipality is requesting from the State of Alaska to pass through to The Alaska Hospital and Medical Center under the provision of AS 43.18.010, State Aid to Local Government. Mr. Hall indicates that any disagreement with the amounts shown therein must be conveyed to you this date, to be included in the Municipality's appeal to the State.

We are in agreement with the total of $154,000 shown under General Purpose Revenue Sharing, but wish to amend and appeal the amount shown as "Construction Aid."

AS 43.18.010 previously provided for aid to construction of a hospital in the amount of $2500 per designed bed, annually, until 25 percent of the cost of construction had been paid. Under the original bill, only direct building costs were allowable, and, on that basis, our construction cost was shown as $16,137.400.

In the 1978 legislative session, AS 43.18.010 was amended by FCCS-SCS-HB 222, which was subsequently signed into law by the Governor. This amendment provided for an annual payment of $2500 per bed, or 5 percent of the total cost of construction, whichever is greater, payments to continue until 25 percent of the total project cost had been paid.

This amendment allowed costs of financing, purchase of equipment, legal and administrative fees, and many other associated costs not previously acknowledged. Under the provisions of this amendment, we have computed our total project cost to be $40,550,136.56, and are therefore requesting annual payment of $2,027,506.83 under the Construction Aid section.

new definition of construction costs not in effect
6.1.1 10-15-78
5% method of computation was in effect on 7-1-??

2801 DeBarr Road • Pouch S-All • Anchorage, Alaska 99508 • Phone: (907)276-1131

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A listing of our total project cost and a copy of the amendment to AS 43.18.010 are attached for your information.

Sincerely,

E E Webb

E. E. Webb
Administrator

EEW:drl

Enclosures

cc: Bert Hall

THE ALASKA HOSPITAL AND MEDICAL CENTER, INC.
PROJECT COSTS

Operating Fixed Asset Balances as of November 30, 1978 (per General Ledger Trial Balance):

Building	$12,828,575.77
Fixed Equipment	12,286,365.97
Major Movable Equipment	6,852,640.68
Minor Equipment	220,453.38
Vehicles	26,620.00
Grounds Improvements	551,098.96
Leasehold Improvements	440,054.80
	$33,205,809.56

Interest on Mortgage Charged Against Operations During the Period 11/1/76 - 11/30/78:

11/1/76 - 12/31/76	$ 492,207.00
1/1/77 - 12/31/77	3,344,743.00
1/1/78 - 11/30/78	3,225,305.00
Moving Costs	103,932.00
Computerized Fixed Assets	9,730.00
Post Road Laundry	40,363.00
Computer Software	42,742.00
Legal and Accounting Cost Regarding Bond Issue Feasibility	85,305.00
Total	$40,550,136.56

(11)

grants for sports facilities. These two do not exhaust the examples to be found in the three provisions Beirne cites.

In other words, these provisions establish precisely the contrary of the proposition for which Beirne cites them: the legislature, by enacting separate and dissimilar definitions of the term "total project cost" or its equivalent, expressed its intention that the terms were to have different meanings for different types of construction.

If the legislature had intended that the term was to have the same meaning for many different types of construction, it is reasonable to assume that it would have enacted a single definitional provision and given it broad application. As will be discussed next, this is precisely what it did in 1978, too late to lend any support to Beirne's arguments in this case.

Beirne's final argument is based on part of a legislative enactment, § 24 of FCCS SCS HB 222, § 24 Ch. 168 SLA 1978, amending AS 43.18.010 to define "total project cost" as used in AS 43.18.010(j). That enactment was signed by the Governor in July, 1978. Beirne states that "there can now be no question of the legislative intent to take the broadest possible view of what is included in "total project cost" (emphasis added). Not only is Beirne's characterization of what "legislative intent" now happens to be incorrect, but that is not an issue in this lawsuit. The question remains, what does the term mean for purposes of Beirne's applications for public funds for FY's 75 through 77, prior to the enactment of Ch. 168 SLA 1978?

The bill constitutes a major departure from the legislature's previous policy respecting state funding of construction projects, in that it adopts a single definition of "project costs" or its equivalent for purposes of state

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financial participation in practically all construction projects, including airports (§ 19; "project costs"), agricultural and industrial fairs (§ 21; "project costs for capital improvement"), disaster assistance (§ 22; "costs of the project"), access roads to mineral resources (§ 23; "cost of construction"), hospital construction (§ 24; "total project cost"), school construction (§ 25; "costs of school construction"), convention and recreation facilities (§ 26; "costs of construction"), sports facilities (§ 27; "cost of construction"), tourist attractions (§ 29; "cost of construction"), municipal water and sewer systems (§ 31; "eligible costs"), village safewater systems (§ 32; "cost of the construction of a facility"), and alcoholism facilities (§ 34; "costs of improvement, renovation or new construction of facilities"). 9/ While the new legislation may create new rights, that issue is not before this court.

As previously discussed, the legislature declined the opportunity Beirne had earlier given it, in the form of SCR 13, to nullify the interpretation given by C&RA to the term "total project cost" as it applied only to hospital construction. If Beirne's argument is correct, that the legislature intended Ch. 168 SLA 1978 to apply retroactively to his hospital project, then it must have intended retroactive application to practically every construction project in the areas enumerated above in which there has been financial participation by the State. The implications of that argument are unsettling, to say the least: if it is correct, then any previous legislative, administrative, or judicial definition of or limitation on construction costs

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9/ Only §§ 25, 26 and 27 deviate in any respect from the basic definition.

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eligible for state financial participation, which defined eligibility more narrowly than the definition adopted, for twelve different types of construction projects, by Ch. 68 SLA 1978, would arguably be invalid.

If the legislature intended this result, it could have said so. It did not say so, for obvious reasons: not only would retroactive application have created an administrative nightmare, but legislative and judicial ones as well.

There is, however, a much more straightforward answer to Beirne's argument that the new statute creates new rights retroactively. AS 01.10.090 provides:

> No statute is retrospective unless expressly declared therein.

Not only did the legislature not provide for retroactive application, but it expressly provided for a future effective date of October 15, 1978.

F. The Undisputed Facts Show That Beirne is in No Event Entitled to the Relief He Requests.

Beirne has asked the court, in a factual vacuum, to interpret "total project costs" as that term is used in AS 43.18.010(j) to mean "the totality of all the costs of the project," not excluding even those that are wasteful or extravagant. As has been demonstrated, his arguments are without merit. The most compelling reasons against granting the relief he requests, however, ultimately rest on the facts of this dispute. Beirne's claims for public funds are not only misleading but, as discovered in the course of the two audits performed on the project and in discovery during this lawsuit, those claims contain serious misrepresentations of fact.

Beirne claimed an entitlement to public funds

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PERCENTAGE BREAKDOWN OF POPULATION AND ENTITLEMENTS

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
FEBRUARY 23, 1979

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MUNICIPAL POPULATION = 437,807

	LOCAL GOV'T	POPULATION	PERCENTAGE	PRESENT LAW ENTITLEMENT	PERCENTAGE	HB 192 ENTITLEMENT	PERCENTAGE
BOROUGHS AND SERVICE AREAS							
1	ANCHORAGE A.W.	202,101	46.15%	$4,457,601	23.97%	$7,143,711	26.45%
2	CITY S.A.	81,082	18.51%	$272,755	1.46%	$225,444	0.83%
3	EAGLE RIVER	7,921	1.80%	$52,991	0.28%	$18,180	0.06%
4	CHUGIAK	6,481	1.48%	$43,358	0.23%	$4,825	0.01%
5	GIRDWOOD	608	0.13%	$6,779	0.03%	$2,509	0.00%
6	GLEN ALPS	65	0.01%	$0	0.00%	$452	0.00%
7	FIRE S.A.	184,216	42.07%	$1,131,988	6.08%	$580,509	2.15%
8	ROADS & DRAINAGE	155,995	35.62%	$520,321	2.79%	$1,130,759	4.18%
9	POLICE S.A.	163,258	37.28%	$1,561,039	8.39%	$1,448,806	5.36%
10	PARKS & REC.	201,616	46.04%	$754,658	4.05%	$323,689	1.19%
11	P & R/CHUGIAK	14,476	3.30%	$64,552	0.34%	$12,439	0.04%
12	SOLID WASTE S.A.	184,230	42.03%	$0	0.00%	$58,943	0.21%
13	CHUGIAK/SOLID WASTE	14,476	3.30%	$0	0.00%	$1,930	0.00%
14	BUILDING SAFETY	184,216	42.07%	$0	0.00%	$71,117	0.26%
15	SPECIAL ASSESSMENT	155,995	35.62%	$0	0.00%	$381,325	1.41%
			TOTAL	$8,866,057	47.68%	$11,404,544	42.23%
16	BRISTOL BAY BOROUGH	1,685	0.38%	$27,515	0.14%	$74,288	0.27%
17	SOUTH NAKNEK S.A.	225	0.05%	$7,466	0.04%	$8,940	0.03%
			TOTAL	$34,981	0.18%	$83,229	0.30%
18	FAIRBANKS BOROUGH	66,222	15.12%	$956,404	5.14%	$1,161,892	4.30%
19	BALLAINE LAKE	168	0.03%	$476	0.00%	$1,278	0.00%
20	DIANE	66	0.01%	$2,461	0.01%	$4,678	0.01%
21	WILDVIEW ACRES	77	0.01%	$4,308	0.02%	$8,106	0.03%
22	SMITH RANCH	438	0.10%	$4,092	0.02%	$9,010	0.03%
23	ENGINEER CREEK	144	0.03%	$4,385	0.02%	$8,678	0.03%
24	ESTER LUMP	10	0.00%	$3,185	0.01%	$5,930	0.02%
25	NORTH STAR F.P.	6,500	1.48%	$50,007	0.26%	$11,752	0.04%
26	BECKER RIDGE	108	0.02%	$10,109	0.05%	$19,244	0.07%
27	UNIVERSITY F.P.	7,177	1.63%	$55,216	0.29%	$32,411	0.12%
28	LAKLOEY HILL	50	0.01%	$4,292	0.02%	$9,373	0.03%
29	SPRUCE ACRES	50	0.01%	$969	0.00%	$2,024	0.00%
			TOTAL	$1,095,911	5.89%	$1,274,382	4.71%
30	HAINES BOROUGH	1,934	0.43%	$2,611	0.01%	$24,268	0.08%
31	JUNEAU BOROUGH A.W.	22,105	5.04%	$447,077	2.40%	$1,088,575	4.03%
32	S.A. 1	7,416	1.69%	$148,033	0.79%	$248,195	0.91%
33	S.A. 2	1,664	0.38%	$35,218	0.18%	$31,119	0.11%
34	S.A. 3	199	0.04%	$43,123	0.23%	$87,255	0.32%
35	S.A. 4	1,478	0.33%	$9,887	0.05%	$5,623	0.02%
36	S.A. 5	9,623	2.19%	$64,378	0.34%	$26,078	0.09%
37	S.A. 6	747	0.17%	$4,396	0.02%	$1,359	0.00%
38	S.A. 7	441	0.10%	$2,949	0.01%	$530	0.00%
39	S.A. 8	537	0.12%	$3,598	0.01%	$569	0.00%
			TOTAL	$759,259	4.08%	$1,489,307	5.51%
40	KENAI PENINSULA BOROUGH	25,281	5.77%	$96,967	0.52%	$310,923	1.15%

42	SOUTH HOSPITAL	6,282	1.43%	$71,917	0.[illegible]%	$112,492	0.41%
43	NIKISKI F.P.	3,489	0.79%	$25,092	0.13%	$12,241	0.04%
44	NORTH KENAI REC.	3,800	0.86%	$18,219	0.09%	$3,110	0.01%
45	BEAR CREEK F.P.	687	0.15%	$4,940	0.02%	$2,147	0.00%
			TOTAL	$289,054	1.55%	$557,287	2.06%
46	KETCHIKAN BOROUGH	13,071	2.98%	$81,615	0.43%	$178,608	0.66%
47	SHORELINE S.A.	683	0.15%	$4,569	0.02%	$1,252	0.00%
			TOTAL	$86,185	0.46%	$179,861	0.66%
48	KODIAK ISLAND BOROUGH	8,926	2.0[illegible]%	$88,730	0.47%	$215,556	0.79%
49	FIRE DISTRICT I	1,853	0.[illegible]2%	$13,326	0.07%	$7,409	0.02%
50	ROAD DISTRICT	352	0.08%	$21,575	0.11%	$40,468	0.14%
			TOTAL	$123,632	0.66%	$263,435	0.97%
51	MAT-SU BOROUGH	20,360	4.65%	$119,309	0.64%	$491,813	1.82%
52	WASILLA F.P.	3,619	0.82%	$25,119	0.13%	$10,259	0.03%
53	BUTTE F.P.	2,122	0.48%	$14,728	0.07%	$2,470	0.00%
54	GREATER PALMER F.P.	3,027	0.69%	$21,009	0.11%	$18	0.00%
55	SUTTON F.P.	693	0.15%	$4,810	0.02%	$1,140	0.00%
56	NON AREA-WIDE	15,595	3.56%	$0	0.00%	$6,753	0.02%
57	TALKEETNA FLOOD S.A.	271	0.06%	$0	0.00%	$697	0.00%
58	GARDEN TERRACE	69	0.01%	$0	0.00%	$294	0.00%
			TOTAL	$184,977	0.99%	$513,446	1.90%
59	NORTH SLOPE BOROUGH	8,187	1.86%	$267,381	1.43%	$265,107	0.98%
60	SITKA BOROUGH	8,787	2.00%	$378,027	2.03%	$374,813	1.38.
	FIRST CLASS CITIES						
61	BARROW	2,715	0.62%	$40,489	0.21%	$40,145	0.14%
62	CORDOVA	2,780	0.63%	$202,482	1.08%	$270,983	1.00%
63	CRAIG	587	0.13%	$26,822	0.14%	$28,526	0.10%
64	DILLINGHAM	1,360	0.31%	$57,726	0.31%	$67,508	0.25%
65	FAIRBANKS	36,457	8.32%	$1,541,810	8.29%	$2,400,223	8.88%
66	GALENA	985	0.22%	$41,887	0.22%	$41,531	0.15%
67	HAINES	1,366	0.31%	$58,896	0.31%	$87,979	0.32%
68	HOMER	2,055	0.46%	$74,485	0.40%	$73,852	0.27%
69	HOONAH	1,093	0.24%	$46,439	0.24%	$46,044	0.17%
70	HYDABURG	380	0.08%	$13,935	0.07%	$22,928	0.08%
71	KAKE	679	0.15%	$18,068	0.09%	$22,850	0.08%
72	KENAI	5,364	1.22%	$224,863	1.20%	$372,556	1.37%
73	KETCHIKAN	8,233	1.89%	$362,267	1.94%	$514,740	1.90%
74	KING COVE	566	0.12%	$24,582	0.13%	$28,031	0.10%
75	KLAWOCK	323	0.07%	$14,040	0.07%	$22,722	0.08%
76	KODIAK	5,754	1.31%	$194,916	1.04%	$244,247	0.90%
77	NENANA	503	0.11%	$35,323	0.19%	$52,823	0.19%
78	NOME	2,892	0.66%	$340,050	1.82%	$456,743	1.69%
79	NORTH POLE	461	0.10%	$26,662	0.14%	$36,427	0.13%
80	PALMER	2,141	0.48%	$160,550	0.86%	$202,834	0.75%
81	PELICAN	221	0.05%	$9,126	0.04%	$24,231	0.08%
82	PETERSBURG	3,197	0.73%	$190,706	1.02%	$285,952	1.05%
83	SAND POINT	773	0.17%	$43,491	0.23%	$65,875	0.24%
84	SAINT MARY'S	436	0.09%	$39,454	0.21%	$39,118	0.14%
85	SELDOVIA	612	0.13%	$30,468	0.16%	$30,209	0.11%
86	SEWARD	2,130	0.48%	$133,287	0.71%	$218,576	0.80%
87	SKAGWAY	877	0.20%	$43,930	0.23%	$62,536	0.23%
88	SOLDOTNA	2,365	0.54%	$108,651	0.58%	$148,991	0.55%
89	UNALASKA	619	0.14%	$93,240	0.50%	$169,495	0.62%
90	VALDEZ	4,481	1.02%	$270,644	1.45%	$268,343	0.99%

92 ZONE II	419	0.09%	$0	0.00%	$0	0.00%
		TOTAL	$270,644	1.45%	$268,343	0.99%
93 WRANGELL	3,725	0.75%	$192,121	1.03%	$190,563	0.70%
94 ZONE II	997	0.22%	$0	0.00%	$13,347	0.04%
96 ZONE IV	2,328	0.53%	$0	0.00%	$43,358	0.16%
		TOTAL	$192,121	1.03%	$247,269	0.91%
97 YAKUTAT	442	0.10%	$17,708	0.09%	$24,962	0.09%
SECOND CLASS CITIES						
98 AKHIOK	118	0.02%	$1,414	0.00%	$23,338	0.08%
99 AKIACHAK	354	0.08%	$32,205	0.17%	$31,931	0.11%
100 AKIAK	192	0.04%	$8,423	0.04%	$28,863	0.10%
101 AKOLMIUT	608	0.13%	$107,913	0.58%	$154,512	0.57%
102 ALAKANUK	533	0.12%	$32,149	0.17%	$31,876	0.11%
103 ALEKNAGIK	227	0.05%	$0	0.00%	$27,409	0.10%
104 ALLAKAKET	216	0.04%	$8,053	0.04%	$30,148	0.11%
105 AMBLER	273	0.06%	$21,993	0.11%	$31,671	0.11%
106 ANAKTUVUK PASS	173	0.03%	$0	0.00%	$29,037	0.10%
107 ANDERSON	584	0.13%	$16,297	0.08%	$31,095	0.11%
108 ANGOON	527	0.12%	$23,529	0.12%	$24,178	0.08%
109 ANIAK	355	0.08%	$22,486	0.12%	$31,383	0.11%
110 ANVIK	102	0.02%	$0	0.00%	$29,037	0.10%
111 ATMAUTLUAK	186	0.04%	$25,577	0.13%	$34,157	0.12%
112 BETHEL	3,608	0.82%	$242,387	1.30%	$286,376	1.06%
113 BREVIG MISSION	134	0.04%	$0	0.00%	$27,409	0.10%
114 BUCKLAND	176	0.04%	$8,341	0.04%	$29,696	0.10%
115 CHEFORNAK	204	0.04%	$6,412	0.03%	$28,863	0.10%
116 CHEVAK	461	0.10%	$9,087	0.04%	$28,223	0.10%
117 CHUATHBALUK	119	0.02%	$8,535	0.04%	$29,696	0.10%
118 CLARK'S POINT	98	0.02%	$0	0.00%	$27,409	0.10%
119 DELTA JUNCTION	892	0.20%	$30,588	0.16%	$30,328	0.11%
120 DIOMEDE	125	0.02%	$5,560	0.02%	$28,031	0.10%
121 EAGLE	124	0.02%	$8,370	0.04%	$26,368	0.09%
122 EEK	307	0.07%	$8,722	0.04%	$28,223	0.10%
123 EKWOK	111	0.02%	$0	0.00%	$27,409	0.10%
124 ELIM	288	0.06%	$0	0.00%	$27,409	0.10%
125 EMMONAK	556	0.12%	$19,988	0.10%	$29,187	0.10%
126 FORT YUKON	637	0.14%	$52,435	0.28%	$56,294	0.20%
127 FORTUNA LEDGE	210	0.04%	$9,386	0.05%	$28,863	0.10%
128 GAMBELL	447	0.10%	$24,158	0.12%	$30,128	0.11%
129 GOLOVIN	118	0.02%	$7,760	0.04%	$28,031	0.10%
130 GOODNEWS BAY	248	0.05%	$7,487	0.04%	$28,523	0.10%
131 GRAYLING	181	0.04%	$431	0.00%	$29,037	0.10%
132 HOLY CROSS	302	0.06%	$17,154	0.09%	$31,342	0.11%
133 HOOPER BAY	648	0.14%	$16,501	0.08%	$28,223	0.10%
134 HOUSTON	440	0.10%	$39,183	0.21%	$63,160	0.23%
135 HUGHES	98	0.02%	$1,461	0.00%	$29,037	0.10%
136 HUSLIA	216	0.04%	$36,372	0.19%	$56,923	0.21%
137 KACHEMAK	151	0.03%	$0	0.00%	$23,338	0.08%
138 KAKTOVIK	192	0.04%	$2,868	0.01%	$29,037	0.10%
139 KALTAG	257	0.05%	$8,025	0.04%	$29,860	0.11%
140 KASAAN	46	0.01%	$4,080	0.02%	$22,202	0.08%
141 KIANA	331	0.07%	$19,852	0.10%	$30,339	0.11%
142 KIVALINA	227	0.05%	$11,407	0.06%	$29,696	0.10%
143 KOBUK	176	0.04%	$0	0.00%	$29,037	0.10%
144 KOTLIK	305	0.06%	$10,650	0.05%	$28,863	0.10%
145 KOTZEBUE	2,526	0.57%	$126,462	0.68%	$146,756	0.54%
146 KOYUK	160	0.03%	$8,919	0.04%	$28,031	0.10%
147 KOYUKUK	124	0.02%	$6,621	0.03%	$29,696	0.10%
148 KUPREANOF	42	0.00%	$369	0.00%	$22,524	0.08%
149 KWETHLUK	444	0.10%	$17,252	0.09%	$28,863	0.10%

151	UPPER KALSKAG	218	0.04%	$0	0.00%	$29,037	0.10%
152	MANOKOTAK	250	0.05%	$10,557	0.05%	$28,031	0.10%
153	MCGRATH	382	0.08%	$18,957	0.10%	$32,087	0.11%
154	MEKORYUK	186	0.04%	$10,354	0.05%	$28,863	0.10%
155	MOUNTAIN VILLAGE	573	0.13%	$25,012	0.13%	$30,263	0.11%
156	NAPAKIAK	307	0.07%	$13,036	0.07%	$29,215	0.10%
157	NAPASKIAK	215	0.04%	$9,992	0.05%	$28,863	0.10%
158	NEWHALEN	105	0.02%	$0	0.00%	$27,409	0.10%
159	NEW STUYAHOK	297	0.06%	$10,859	0.05%	$28,031	0.10%
160	NEWTOK	154	0.03%	$4,375	0.02%	$28,223	0.10%
161	NIGHTMUTE	135	0.03%	$3,835	0.02%	$28,223	0.10%
162	NIKOLAI	152	0.03%	$7,325	0.03%	$30,074	0.11%
163	NONDALTON	226	0.05%	$3,690	0.01%	$27,409	0.10%
164	NOORVIK	524	0.11%	$20,503	0.11%	$29,043	0.11%
165	NULATO	382	0.08%	$17,806	0.09%	$31,383	0.11%
166	NUIQSUT	182	0.04%	$0	0.00%	$29,037	0.10%
167	OLD HARBOR	342	0.07%	$15,867	0.08%	$24,612	0.09%
168	OUZINKIE	177	0.04%	$3,128	0.01%	$23,570	0.08%
169	PILOT STATION	301	0.06%	$10,389	0.05%	$28,623	0.10%
170	PLATINUM	58	0.01%	$1,647	0.00%	$28,223	0.10%
171	POINT HOPE	464	0.10%	$0	0.00%	$29,037	0.10%
172	PORT ALEXANDER	101	0.02%	$1,168	0.00%	$22,524	0.08%
173	PORT HEIDEN	89	0.02%	$50,691	0.27%	$88,249	0.32%
174	PORT LIONS	232	0.05%	$10,517	0.05%	$24,145	0.08%
175	QUINHAGAK	451	0.10%	$11,783	0.06%	$29,063	0.10%
176	RUBY	219	0.05%	$3,266	0.01%	$29,037	0.10%
177	RUSSIAN MISSION	167	0.03%	$8,880	0.04%	$29,215	0.10%
178	SAINT MICHAEL	283	0.06%	$12,313	0.06%	$28,031	0.10%
179	SAINT PAUL	550	0.12%	$75,721	0.40%	$113,597	0.42%
180	SAVOONGA	409	0.09%	$13,486	0.07%	$28,031	0.10%
181	SAXMAN	272	0.06%	$7,398	0.03%	$22,602	0.08%
182	SCAMMON BAY	193	0.04%	$12,744	0.06%	$29,363	0.10%
183	SELAWIK	554	0.12%	$12,838	0.06%	$29,037	0.10%
184	SHAGELUK	223	0.05%	$14,093	0.07%	$31,074	0.11%
185	SHAKTOOLIK	163	0.03%	$26,526	0.14%	$38,491	0.14%
186	SHELDON POINT	143	0.03%	$0	0.00%	$28,223	0.10%
187	SHISHMAREF	353	0.08%	$15,601	0.08%	$28,800	0.10%
188	SHUNGNAK	198	0.04%	$4,772	0.02%	$29,696	0.10%
189	STEBBINS	326	0.07%	$8,994	0.04%	$27,409	0.10%
190	TANANA	499	0.11%	$29,895	0.16%	$36,634	0.13%
191	TELLER	248	0.05%	$10,501	0.05%	$29,075	0.10%
192	TENAKEE SPRINGS	134	0.03%	$5,046	0.02%	$22,843	0.08%
193	TOGIAK	455	0.10%	$15,619	0.08%	$29,351	0.10%
194	TOKSOOK BAY	336	0.07%	$14,9[illegible]	0.08%	$28,863	0.10%
195	TULUKSAK	231	0.05%	$4,5[illegible]	0.02%	$28,223	0.10%
196	TUNUNAK	299	0.06%	$11,400	0.06%	$28,863	0.10%
197	UNALAKLEET	632	0.14%	$40,363	0.21%	$40,020	0.14%
198	UPPER KALSKAG	164	0.03%	$0	0.00%	$29,037	0.10%
199	WAINWRIGHT	423	0.09%	$0	0.00%	$29,037	0.10%
200	WALES	130	0.02%	$0	0.00%	$27,409	0.10%
201	WASILLA	2,184	0.43%	$69,866	0.37%	$110,711	0.41%
202	WHITE MOUNTAIN	115	0.02%	$0	0.00%	$27,409	0.10%
203	WHITTIER	356	0.08%	$0	0.00%	$24,967	0.09%
204	DEERING	117	0.02%	$7,494	0.04%	$29,696	0.10%
205	EXT FIRE AREAS	1	0.00%	$60,287	0.32%	$67,012	0.24%
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			TOTAL	$18,502,973		$27,000,000	

HOUSE BILL NO. 194

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
FEBRUARY 23, 1979

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CHAPTER 88 PRORATION FACTOR IS 2.6136487047
MINIMUM ENTITLEMENT PRORATION FACTOR IS 0.8758661501
HOLD HARMLESS PRORATION FACTOR IS 0.9914967014

LOCAL GOV'T	POPULATION	LOCAL EFFORT	CHAPTER 88 ENTITLEMENT	CHAPTER 39 ENTITLEMENT	MINIMUM ENTITLEMENT	HOLD HARMLESS ADD ON	PROPOSED ENTITLEMENT	PRESENT ENTITLEMENT
BOROUGHS AND SERVICE AREAS								
1 ANCHORAGE A.W.	202,101	9.62	$5,083,464	$2,752,543	$0	$0	$7,143,711	$4,457,601
2 CITY S.A.	81,082	1.22	$259,603	$0	$0	$0	$225,444	$272,755
3 EAGLE RIVER	7,921	1.01	$20,935	$0	$0	$0	$18,180	$52,991
4 CHUGIAK	6,481	0.32	$5,557	$0	$0	$0	$4,825	$43,358
5 GIRDWOOD	608	1.01	$2,889	$0	$0	$0	$2,509	$6,779
6 GLEN ALPS	65	3.06	$520	$0	$0	$0	$452	$0
7 FIRE S.A.	184,216	1.38	$668,468	$0	$0	$0	$580,509	$1,131,988
8 ROADS & DRAINAGE	155,995	0.47	$132,103	$972,200	$0	$0	$1,130,759	$520,321
9 POLICE S.A.	163,258	3.90	$1,668,327	$0	$0	$0	$1,448,806	$1,561,039
10 PARKS & REC.	201,616	0.70	$372,734	$0	$0	$0	$323,603	$754,658
11 P & R/CHUGIAK	14,476	0.37	$14,323	$0	$0	$0	$12,439	$64,562
12 SOLID WASTE S.A.	184,290	0.14	$67,874	$0	$0	$0	$58,943	$0
13 CHUGIAK/SOLID WASTE	14,476	0.05	$2,222	$0	$0	$0	$1,930	$0
14 BUILDING SAFETY	184,216	0.17	$81,893	$0	$0	$0	$71,117	$0
15 SPECIAL ASSESSMENT	155,995	1.07	$439,102	$0	$0	$0	$381,325	$0
					TOTAL		$12,404,644	$8,866,057
16 BRISTOL BAY BOROUGH	1,685	19.42	$85,545	$0	$0	$0	$74,288	$27,515
17 SOUTH NAKNEK S.A.	225	1.25	$738	$8,370	$0	$0	$8,940	$7,466
					TOTAL		$83,229	$34,981
18 FAIRBANKS BOROUGH	66,222	6.99	$1,210,055	$172,010	$0	$0	$1,161,892	$956,404
19 BALLAINE LAKE	168	1.03	$454	$891	$0	$0	$1,278	$476
20 DIANE	66	0.78	$135	$4,600	$0	$0	$4,678	$2,461
21 WILDVIEW ACRES	77	0.71	$143	$8,050	$0	$0	$8,106	$4,308
22 SMITH RANCH	438	1.43	$1,644	$7,647	$0	$0	$9,010	$4,092
23 ENGINEER CREEK	144	1.69	$638	$8,193	$0	$0	$8,678	$4,385
24 ESTER DOMP	10	1.32	$34	$5,951	$0	$0	$5,930	$3,185
25 NORTH STAR F.P.	6,500	0.79	$13,533	$0	$0	$0	$11,752	$50,007
26 BECKER RIDGE	108	2.10	$594	$18,888	$0	$0	$19,244	$10,109
27 UNIVERSITY F.P.	7,177	1.98	$37,322	$0	$0	$0	$32,411	$55,216
28 LAKLOEY HILL	50	12.51	$1,635	$8,021	$0	$0	$9,373	$4,292
29 SPRUCE ACRES	50	2.01	$263	$1,811	$0	$0	$2,024	$969
					TOTAL		$1,274,382	$1,095,911
30 HAINES BOROUGH	1,924	3.55	$27,946	$0	$0	$0	$24,268	$2,611
31 JUNEAU BOROUGH A.W.	22,705	18.75	$1,083,398	$149,000	$0	$0	$1,088,575	$447,077
32 S.A. 1	7,416	12.64	$245,185	$35,575	$0	$0	$248,195	$148,033
33 S.A. 2	1,664	5.16	$22,448	$11,725	$0	$0	$31,119	$35,218
34 S.A. 3	199	16.30	$8,481	$80,575	$0	$0	$87,255	$43,123
35 S.A. 4	1,478	1.67	$6,475	$0	$0	$0	$5,623	$9,887
36 S.A. 5	9,623	1.19	$30,029	$0	$0	$0	$26,078	$64,378
37 S.A. 6	747	0.80	$1,564	$0	$0	$0	$1,359	$4,996
38 S.A. 7	441	0.53	$611	$0	$0	$0	$530	$2,949
39 S.A. 8	537	0.46	$655	$0	$0	$0	$569	$3,592

40 KENAI PENINSULA BOROUGH	25,281	5.41	$357,975	$0	$0	$0	$210,872	$56,967
41 CENTRAL HOSPITAL	15,998	1.00	$42,012	$30,625	$0	$0	$116,423	$71,917
42 SOUTH HOSPITAL	6,282	2.28	$37,485	$30,625	$0	$0	$112,492	$71,917
43 NIKISKI F.P.	3,489	1.54	$14,095	$0	$0	$0	$12,241	$25,092
44 NORTH KENAI REC.	3,800	0.36	$3,582	$0	$0	$0	$3,110	$18,219
45 BEAR CREEK F.P.	687	1.37	$2,472	$0	$0	$0	$2,147	$4,940
					TOTAL		$557,287	$289,054
46 KETCHIKAN BOROUGH	13,071	6.02	$205,670	$0	$0	$0	$178,608	$81,615
47 SHORELINE S.A.	683	0.80	$1,442	$0	$0	$0	$1,252	$4,569
					TOTAL		$179,861	$86,185
48 KODIAK ISLAND BOROUGH	8,926	8.21	$191,759	$49,450	$0	$0	$215,556	$88,730
49 FIRE DISTRICT I	1,853	1.76	$8,532	$0	$0	$0	$7,409	$13,326
50 ROAD DISTRICT	352	0.62	$574	$40,312	$0	$0	$40,468	$21,575
					TOTAL		$263,435	$123,632
51 MAT-SU BOROUGH	20,360	7.37	$392,204	$152,512	$0	$0	$491,813	$119,309
52 WASILLA F.P.	3,619	1.24	$11,813	$0	$0	$0	$10,259	$25,119
53 BUTTE F.P.	2,122	0.51	$2,845	$0	$0	$0	$2,470	$14,728
54 GREATER PALMER F.P.	3,027	0.00	$21	$0	$0	$0	$18	$21,009
55 SUTTON F.P.	693	0.72	$1,313	$0	$0	$0	$1,140	$4,810
56 NON AREA-WIDE	15,595	0.19	$7,776	$0	$0	$0	$6,753	$0
57 TALKEETNA FLOOD S.A.	271	1.13	$802	$0	$0	$0	$697	$0
58 GARDEN TERRACE	69	1.87	$338	$0	$0	$0	$294	$0
					TOTAL		$513,446	$184,977
59 NORTH SLOPE BOROUGH	8,187	6.00	$128,419	$111,580	$0	$43,322	$265,107	$267,381
60 SITKA BOROUGH	8,787	10.13	$232,863	$134,382	$0	$39,688	$374,313	$378,027
FIRST CLASS CITIES								
61 BARROW	2,715	6.48	$45,982	$0	$0	$215	$40,145	$40,489
62 CORDOVA	2,780	23.70	$172,209	$122,475	$0	$0	$270,983	$202,482
63 CRAIG	587	10.49	$16,093	$14,675	$0	$0	$28,526	$26,822
64 DILLINGHAM	1,300	18.01	$64,043	$11,993	$0	$0	$67,508	$57,726
65 FAIRBANKS	36,457	18.22	$1,736,606	$899,773	$0	$0	$2,400,223	$1,541,810
66 GALENA	985	6.07	$15,627	$24,008	$0	$4,132	$41,531	$41,887
67 HAINES	1,366	19.40	$69,275	$28,057	$0	$0	$87,979	$58,896
68 HOMER	2,055	9.03	$48,536	$23,193	$0	$8,780	$73,852	$74,485
69 HOONAH	1,033	4.03	$11,537	$19,350	$0	$16,983	$46,044	$46,439
70 HYDABURG	380	0.00	$0	$9,900	$15,100	$0	$22,928	$13,335
71 KAKE	679	4.30	$7,645	$2,645	$15,648	$0	$22,850	$18,068
72 KENAI	5,364	21.03	$294,948	$117,416	$0	$0	$372,556	$224,863
73 KETCHIKAN	8,293	18.83	$408,344	$161,500	$0	$0	$514,740	$362,267
74 KING COVE	566	5.98	$8,846	$5,050	$17,666	$0	$28,031	$24,582
75 KLAWOCK	323	0.00	$0	$8,225	$16,775	$0	$22,722	$14,040
76 KODIAK	5,754	15.70	$236,611	$39,452	$0	$0	$244,247	$194,916
77 NENANA	503	15.89	$20,900	$34,970	$0	$0	$52,823	$35,923
78 NOME	2,492	30.50	$230,582	$258,701	$0	$0	$456,743	$340,050
79 NORTH POLE	461	5.60	$6,759	$30,820	$0	$0	$36,427	$26,662
80 PALMER	2,141	16.42	$91,896	$124,085	$0	$0	$202,834	$160,550
81 PELICAN	221	18.63	$10,764	$7,256	$8,854	$0	$24,231	$9,126
82 PETERSBURG	3,197	25.00	$208,900	$105,435	$0	$0	$285,952	$190,706
83 SAND POINT	773	13.28	$26,848	$42,925	$0	$0	$65,875	$43,491
84 SAINT MARY'S	436	0.00	$0	$22,847	$9,652	$8,152	$39,118	$30,454
85 SELDOVIA	612	0.00	$0	$21,715	$5,160	$4,233	$30,209	$30,468
86 SEWARD	2,130	14.56	$81,092	$149,425	$0	$0	$218,576	$133,287
87 SKAGWAY	877	16.55	$37,952	$29,831	$0	$0	$62,536	$43,390
88 SOLDOTNA	2,365	14.90	$92,155	$69,552	$0	$0	$148,991	$108,651

90 VALDEZ	4,481	4.32	$50,711	$128,309	$0	$87,219	$268,343	$270,644
91 ZONE I	4,008	0.00	$0	$0	$0	$0	$0	$0
92 ZONE II	419	0.00	$0	$0	$0	$0	$0	$0
						TOTAL	$268,343	$270,644
93 WRANGELL	3,325	12.08	$105,010	$100,222	$0	$0	$130,562	$192,121
94 ZONE II	997	5.89	$15,370	$0	$0	$0	$13,347	$0
96 ZONE IV	2,328	8.20	$48,928	$0	$0	$0	$43,358	$0
						TOTAL	$247,269	$192,121
97 YAKUTAT	442	0.00	$0	$13,195	$13,679	$0	$24,962	$17,708
SECOND CLASS CITIES								
98 AKHIOK	118	0.00	$0	$0	$26,875	$0	$23,338	$1,414
99 AKIACHAK	354	0.00	$0	$29,250	$3,250	$109	$31,931	$32,205
100 AKIAK	192	0.00	$0	$5,200	$27,300	$0	$28,863	$8,423
101 AKOLMIUT	608	0.00	$0	$155,837	$0	$0	$154,512	$107,913
102 ALAKANUK	533	0.00	$0	$26,000	$6,500	$456	$31,876	$32,149
103 ALEKNAGIK	227	0.00	$0	$0	$31,562	$0	$27,409	$0
104 ALLAKAKET	216	0.00	$0	$9,028	$24,409	$0	$30,148	$8,053
105 AMBLER	273	0.00	$0	$21,400	$12,037	$0	$31,671	$21,293
106 ANAKTUVUK PASS	173	0.00	$0	$0	$33,437	$0	$29,037	$0
107 ANDERSON	584	0.00	$0	$16,718	$16,718	$0	$31,095	$10,297
108 ANGOON	527	0.00	$0	$13,435	$12,501	$0	$24,178	$23,529
109 ANIAK	355	0.00	$0	$19,059	$14,378	$0	$31,383	$22,486
110 ANVIK	102	0.00	$0	$0	$33,437	$0	$29,037	$0
111 ATMAUTLUAK	186	0.00	$0	$34,450	$0	$0	$34,157	$25,577
112 BETHEL	3,608	14.25	$134,404	$171,112	$0	$0	$286,376	$242,387
113 BREVIG MISSION	194	0.00	$0	$0	$31,562	$0	$27,409	$0
114 BUCKLAND	176	0.00	$0	$5,350	$28,087	$0	$29,696	$8,341
115 CHEFORNAK	204	0.00	$0	$5,200	$27,300	$0	$28,863	$6,412
116 CHEVAK	461	0.00	$0	$0	$32,500	$0	$28,223	$9,087
117 CHUATHBALUK	119	0.00	$0	$5,350	$28,087	$0	$29,696	$8,535
118 CLARK'S POINT	98	0.00	$0	$0	$31,562	$0	$27,409	$0
119 DELTA JUNCTION	892	0.00	$0	$29,296	$0	$1,297	$30,328	$30,588
120 DIOMEDE	125	0.00	$0	$5,050	$26,512	$0	$28,031	$5,560
121 EAGLE	124	1.86	$605	$11,385	$16,759	$0	$26,368	$8,370
122 EEK	307	0.00	$0	$0	$32,500	$0	$28,223	$8,722
123 EKWOK	111	0.00	$0	$0	$31,562	$0	$27,409	$0
124 ELIM	288	0.00	$0	$0	$31,562	$0	$27,409	$0
125 EMMONAK	555	0.00	$0	$7,832	$24,667	$0	$29,187	$19,988
126 FORT YUKON	637	0.00	$0	$56,776	$0	$0	$56,294	$52,435
127 FORTUNA LEDGE	210	0.00	$0	$5,200	$27,300	$0	$28,863	$9,386
128 GAMBELL	447	0.00	$0	$22,093	$9,468	$0	$30,128	$24,158
129 GOLOVIN	118	0.00	$0	$5,050	$26,512	$0	$28,031	$7,760
130 GOODNEWS BAY	248	0.00	$0	$2,437	$30,062	$0	$28,523	$7,487
131 GRAYLING	181	0.00	$0	$0	$33,437	$0	$29,037	$431
132 HOLY CROSS	302	0.00	$0	$18,725	$14,712	$0	$31,342	$17,154
133 HOOPER BAY	648	0.00	$0	$0	$32,500	$0	$28,223	$16,531
134 HOUSTON	440	0.00	$0	$63,702	$0	$0	$63,160	$39,183
135 HUGHES	98	0.00	$0	$0	$33,437	$0	$29,037	$1,451
136 HUSLIA	216	0.00	$0	$57,412	$0	$0	$56,923	$36,372
137 KACHEMAK	151	0.00	$0	$0	$26,875	$0	$23,338	$0
138 KAKTOVIK	192	0.00	$0	$0	$33,437	$0	$29,037	$2,863
139 KALTAG	257	0.00	$0	$6,687	$26,750	$0	$29,180	$8,025
140 KASAAN	46	0.00	$0	$4,000	$21,000	$0	$22,202	$4,080
141 KTANA	331	0.00	$0	$15,448	$17,989	$0	$30,939	$19,852
142 KIVALINA	227	0.00	$0	$5,350	$28,087	$0	$29,696	$11,407
143 KOBUK	176	0.00	$0	$0	$33,437	$0	$29,037	$0
144 KOTLIK	305	0.00	$0	$5,200	$27,300	$0	$28,863	$10,650
145 KOTZEBUE	2,526	15.40	$101,725	$58,916	$0	$0	$146,756	$126,462
146 KOYUK	150	0.00	$0	$5,050	$26,512	$0	$28,031	$8,919

146	KUPREANOF	42	0.00	$0	$0	$25,937	$0	$22,524	$369
147	KWETHLUK	444	0.00	$0	$5,200	$27,300	$0	$28,863	$17,252
148	LARSEN BAY	137	0.00	$0	$0	$26,875	$0	$23,338	$0
149	LOWER KALSKAG	219	0.00	$0	$0	$33,437	$0	$29,037	$0
150	MANOKOTAK	250	0.00	$0	$5,050	$26,512	$0	$28,031	$10,557
151	MCGRATH	382	0.00	$0	$24,777	$8,660	$0	$32,087	$18,957
152	MEKORYUK	186	0.00	$0	$5,200	$27,300	$0	$28,863	$10,354
153	MOUNTAIN VILLAGE	573	0.00	$0	$16,575	$15,925	$0	$30,263	$25,012
154	NAPAKIAK	307	0.00	$0	$8,060	$24,440	$0	$29,215	$13,036
155	NAPASKIAK	215	0.00	$0	$5,200	$27,300	$0	$28,863	$9,999
156	NEWHALEN	105	0.00	$0	$0	$31,562	$0	$27,409	$0
157	NEW STUYAHOK	297	0.00	$0	$5,050	$26,512	$0	$28,031	$10,859
158	NEWTOK	154	0.00	$0	$0	$32,500	$0	$28,223	$4,375
159	NIGHTMUTE	135	0.00	$0	$0	$32,500	$0	$28,223	$3,835
160	NIKOLAI	152	0.00	$0	$8,426	$25,011	$0	$30,074	$7,325
161	NONDALTON	226	0.00	$0	$0	$31,562	$0	$27,409	$3,690
162	NOORVIK	524	0.00	$0	$7,356	$26,081	$0	$29,943	$20,503
163	NULATO	382	0.00	$0	$19,059	$14,378	$0	$31,383	$17,806
164	NUIQSUT	182	0.00	$0	$0	$33,437	$0	$29,037	$0
165	OLD HARBOR	342	0.00	$0	$10,346	$16,528	$0	$24,612	$15,867
166	OUZINKIE	177	0.00	$0	$1,881	$24,993	$0	$23,570	$3,128
167	PILOT STATION	301	0.00	$0	$9,250	$29,250	$0	$28,623	$10,989
168	PLATINUM	58	0.00	$0	$0	$32,500	$0	$28,223	$1,647
169	POINT HOPE	464	0.00	$0	$0	$33,437	$0	$29,037	$0
170	PORT ALEXANDER	101	0.00	$0	$0	$25,937	$0	$22,524	$1,168
171	PORT HEIDEN	89	0.00	$0	$89,006	$0	$0	$88,249	$50,691
172	PORT LIONS	232	0.00	$0	$6,557	$20,317	$0	$24,145	$10,517
173	QUINHAGAK	451	0.00	$0	$6,825	$25,675	$0	$29,063	$11,783
174	RUBY	219	0.00	$0	$0	$33,437	$0	$29,037	$3,266
175	RUSSIAN MISSION	167	0.00	$0	$8,060	$24,440	$0	$29,215	$8,880
176	SAINT MICHAEL	283	0.00	$0	$5,050	$26,512	$0	$28,031	$12,313
177	SAINT PAUL	550	0.00	$0	$114,571	$0	$0	$[illegible],597	$75,721
178	SAVOONGA	409	0.00	$0	$5,050	$26,512	$0	$[illegible],031	$13,486
179	SAXMAN	272	0.00	$0	$7,250	$17,750	$0	$22,602	$7,398
180	SCAMMON BAY	193	0.00	$0	$9,262	$23,237	$0	$29,363	$12,744
181	SELAWIK	554	0.00	$0	$0	$33,437	$0	$29,037	$12,888
182	SHAGELUK	223	0.00	$0	$16,551	$16,385	$0	$31,074	$14,093
183	SHAKTOOLIK	153	0.00	$0	$38,821	$0	$0	$38,491	$26,526
184	SHELDON POINT	143	0.00	$0	$0	$32,500	$0	$28,223	$0
185	SHISHMAREF	353	0.00	$0	$11,299	$20,263	$0	$28,800	$15,601
186	SHUNGNAK	198	0.00	$0	$5,350	$28,087	$0	$29,696	$4,772
187	STEBBINS	326	0.00	$0	$0	$31,562	$0	$27,409	$8,994
188	TANANA	499	0.00	$0	$36,948	$0	$0	$36,634	$29,895
189	TELLER	258	0.00	$0	$13,540	$18,022	$0	$29,075	$10,501
190	TENAKEE SPRINGS	134	0.00	$0	$2,593	$23,343	$0	$22,843	$5,046
191	TOGIAK	455	0.00	$0	$15,781	$15,781	$0	$29,351	$15,619
192	TOKSOOK BAY	236	0.00	$0	$5,200	$27,300	$0	$28,863	$14,963
193	TULUKSAK	231	0.00	$0	$0	$32,500	$0	$28,223	$4,553
194	TUNUNAK	299	0.00	$0	$5,200	$27,300	$0	$28,863	$11,400
195	UNALAKLEET	632	0.00	$0	$34,150	$0	$6,212	$40,020	$40,363
196	UPPER KALSKAG	164	0.00	$0	$0	$33,437	$0	$29,037	$0
197	WAINWRIGHT	429	0.00	$0	$0	$33,437	$0	$29,037	$0
198	WALES	130	0.00	$0	$0	$31,562	$0	$27,409	$0
199	WASILLA	2,184	0.00	$0	$111,660	$0	$0	$110,711	$69,866
200	WHITE MOUNTAIN	115	0.00	$0	$0	$31,562	$0	$27,409	$0
201	WHITTIER	356	0.00	$0	$0	$28,750	$0	$24,967	$0
202	DEERING	117	0.00	$0	$5,350	$28,087	$0	$29,696	$7,494
203	EXT FIRE AREAS	1	0.00	$0	$67,587	$0	$0	$67,012	$60,287
			TOTAL	$17,753,155	$9,246,844	$2,516,100	$231,559	$27,000,000	$18,502,973

OPERATING BUDGET DEVELOPMENT

STATE OF ALASKA -- OPERATING BUDGET SUMMARY 14:17 1/23/79

* * * * * DEVELOPMENT * * * * *

SHORT FORM PAGE	BUDGET COMPONENT	FY78 ACT	FY79 ADJ	MAINT	REQUEST	GOVERNOR	GOVERNOR - FY79 ADJ COMPARISON	
	OFFICE OF THE GOVERNOR							
2	ASIAN OFFICE	110.0	206.0	198.8	198.8	198.8	-7.2	-3.5%
4	POLICY DEVELOPMENT & PLANNING	149.8	290.0	290.0	300.0	300.0	10.0	3.3%
	*** AGENCY TOTAL ***	259.8	496.0	488.8	498.8	498.8	2.8	0.5%
	DEPARTMENT OF ADMINISTRATION							
6	SURPLUS PROPERTY	122.1	243.3	252.7	252.7	252.7	9.4	3.8%
	DEPARTMENT OF REVENUE							
8	AK. RENEWABLE RESOURCES CORP.		400.0	859.7	859.7	859.7	459.7	114.8%
	SHARED TAXES							
12	MUNICIPAL ASSISTANCE	10571.5	12000.0	19500.0	19500.0	12000.0		
14	AMUSEMENT AND GAMING TAX	35.3	74.1	36.0	36.0	36.0	-38.1	-51.3%
16	AVIATION FUEL TAX	102.8	134.0	110.0	110.0	110.0	-24.0	-17.8%
18	ELECTRIC & TELEPHONE COOP TAX	1242.2	1190.5	1250.0	1250.0	1250.0	59.5	5.0%
20	LIQUOR LICENSE TAX	554.1	608.0	555.0	555.0	555.0	-53.0	-8.6%
22	FISHERIES TAX	1244.8	1010.5	1066.1	1066.1	1066.1	55.6	5.5%
	*** PROGRAM TOTAL ***	13750.7	15017.1	22517.1	22517.1	15017.1		
24	MUNICIPAL BOND BANK AUTHORITY	154.7	246.4	257.7	257.7	257.7	11.3	4.5%
	*** AGENCY TOTAL ***	13905.4	15663.5	23634.5	23634.5	16134.5	471.0	3.0%
	DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT							
26	ECONOMIC ENTERPRISE	548.0	2310.5	1349.9	1720.7	1327.3	-983.2	-42.5%
28	LOAN FUND ADMINISTRATION	500.0	888.6	932.5	932.5	932.5	43.9	4.8%
30	VETERANS LOAN FUND	1179.1	1495.0	1559.9	1688.3	1688.3	193.3	12.8%
32	TOURISM	1274.0	1674.7	1814.9	2006.5	1789.9	115.2	6.8%
	ENERGY & POWER DEVELOPMENT							
36	ENERGY PLANNING & ASSISTANCE	453.4	1063.6	378.9	420.7	312.7	-750.9	-70.5%
38	STATE ENERGY CONSERV. PROG.	139.8	385.9	330.0	330.0	330.0	-55.9	-14.5%
40	ENERGY EXTENSION SERVICE				296.7	296.7	296.7	100.0%
	*** PROGRAM TOTAL ***	593.2	1449.5	708.9	1047.4	939.4	-510.1	-35.1%
42	ALASKA POWER AUTHORITY	173.6	489.7	504.1	522.8	504.1	14.4	2.8%
44	FISH ENHANCEMENT GTS	900.0	700.0				-700.0	-100.0%
	*** AGENCY TOTAL ***	5567.9	9008.0	6870.2	7924.2	7181.5	-1826.5	-20.2%
	DEPARTMENT OF NATURAL RESOURCES							
	AGRICULTURAL DEVELOPMENT							
48	STATE FAIRS	124.7	165.5	162.3	162.3	162.3	-3.2	-1.8%
50	PLANT MATERIALS CENTER	358.7	408.5	396.6	539.0	380.5	-28.0	-6.8%
52	ADMINISTRATION AND SUPPORT	187.4	130.7	145.3	252.5	144.4	5.7	4.0%
54	AGRICULTURAL LOAN FUND	108.8	160.2	168.7	168.7	168.5	8.3	5.1%
	*** PROGRAM TOTAL ***	779.6	872.9	872.9	1122.5	855.7	-17.2	-2.0%
	DEPARTMENT OF FISH & GAME							
56	KING CRAB QUALITY CONTROL BD	325.0	312.4	305.2	305.2	305.2	-7.2	-2.2%
	DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS							
	LOCAL GOVERNMENT ASSISTANCE							
60	TRAINING & DEVELOPMENT	405.4	815.9	514.5	682.3	469.2	-346.7	-42.5%
62	STATE ASSESSOR	233.8	249.8	263.9	318.9	261.8	12.0	4.7%
64	LOCAL BOUND. COMM-ADMIN	77.9	87.8	105.5	105.5	91.7	3.9	4.3%
66	LOCAL BOUNDARY COMM.-GRANTS	25.0	100.0	25.0	25.0	25.0	-75.0	-75.0%
68	REVENUE SHARING ADMINISTRATION	73.3	86.0	85.5	90.0	74.9	-11.1	-12.8%
70	COAST ENERGY IMPACT PROGRAM		364.7	382.1	382.1	382.1	17.4	4.7%
72	COMMUNITY LEGAL ASSISTANCE	6.4	20.0	21.2	21.2	18.7	-1.3	-6.5%
	*** PROGRAM TOTAL ***	821.8	1724.2	1397.7	1625.0	1323.4	-400.8	-23.1%
	COMMUNITY PLANNING SERVICES							
76	COMMUNITY PLANNING ASSISTANCE	1137.4	2669.2	1941.8	5887.0	5887.0	3217.8	120.5%
78	MUNICIPAL LANDS TRST	61.9	148.6	141.0	298.1	241.7	93.1	62.6%
	*** PROGRAM TOTAL ***	1199.3	2817.8	2082.8	6185.1	6128.7	3310.9	117.5%
	COMMUNITY ASSISTANCE GRANTS							
82	MUNICIPAL REVENUE SHARING	18184.2	18688.0	21857.3	21857.3	18688.0		
84	AGRICULTURAL LAND EXEMPTION	118.6	215.2	249.6	249.6	249.6	34.4	16.0%
86	NATIONAL FOREST RECEIPTS	762.8	900.0	910.1	910.1	910.1	10.1	1.0%
	*** PROGRAM TOTAL ***	19065.6	19803.2	23017.0	23017.0	19847.7	44.5	0.1%
88	STATE ASSESSOR	192.7	212.2		250.0	234.6	22.4	10.5%
	ADMINISTRATION							
92	OFFICE OF THE COMMISSIONER	174.8	201.7	211.1	214.6	187.9	-13.8	-6.7%
94	ADMINISTRATIVE SERVICES	298.6	380.3	384.2	419.0	384.2	3.9	1.0%
	*** PROGRAM TOTAL ***	473.4	582.0	595.3	633.6	572.1	-9.9	-1.6%
	COMMUNITY & RURAL DEVELOPMENT							

STATE OF ALASKA -- OPERATING BUDGET SUMMARY 14:18 1/23/79

* * * * * DEVELOPMENT * * * * *

SHORT FORM PAGE	BUDGET COMPONENT	FY78 ACT	FY79 ADJ	MAINT	REQUEST	GOVERNOR	GOVERNOR - FY79 ADJ COMPARISON	
98	GRANTS	847.9	842.1	892.6	892.6	841.9	-0.2	0.0%
100	ADMINISTRATION	760.4	619.0	633.3	633.3	610.8	-8.2	-1.2%
	*** PROGRAM TOTAL ***	1608.3	1461.1	1525.9	1525.9	1452.7	-8.4	-0.5%
	*** AGENCY TOTAL ***	23361.1	26600.5	28618.7	33236.6	29559.2	2958.7	11.0%
	STATE BOND COMMITTEE							
	DEBT SERVICE							
104	REMOTE HOUSING	238.0	232.4	227.6	227.6	227.6	-4.8	-2.0%
106	PORT FACILITIES	1403.9	1782.5	2296.4	2296.4	2296.4	513.9	28.7%
108	WATERS AND HARBORS	534.9	890.8	1054.0	1054.0	1054.0	163.2	18.2%
110	NATURAL DISASTER	385.0	385.0	384.5	384.5	384.5	-0.5	0.0%
	*** PROGRAM TOTAL ***	2561.8	3290.7	3962.5	3962.5	3962.5	671.8	20.3%
**********	TOTAL EXPENDITURES	46882.7	56487.3	65005.5	70937.0	58750.1	2262.8	4.0%
**********	FUNDING							
	FED. RECEIPT	835.1	3661.8	2855.3	4140.1	4140.1	478.3	13.0%
	GENERAL FUND	43602.5	48635.7	58754.5	60305.7	47259.3	-1376.4	-2.7%
	OTHER FUNDS	2445.1	4189.8	3395.7	6491.2	7350.7	3160.9	75.3%

1/23/79

STATE OF ALASKA -- PROGRAM CATEGORY SUMMARY

OPERATING BUDGET
DEVELOPMENT

AGENCY-DESCRIPTION	FY78 ACT	FY79 ATH	RP & SUP	FISCAL YEAR 1980 REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.
OFFICE OF THE GOVERNOR	259.8	496.0		498.8		498.8			
DEPARTMENT OF ADMINISTRATION	122.1	241.7	1.6	252.7		252.7			
DEPARTMENT OF REVENUE	13905.4	15663.5		23634.5		16134.5			
DEPARTMENT OF COMMERCE & ECONO	5567.9	7541.6	1466.4	7924.2		7181.5			
DEPARTMENT OF NATURAL RESOURCE	779.6	869.8	3.1	1122.5		855.7			
DEPARTMENT OF FISH & GAME	325.0	312.4		305.2		305.2			
DEPARTMENT OF COMMUNITY & REGI	23361.1	25426.5	1174.0	33236.6	311.6	29559.2			
STATE BOND COMMITTEE	2561.8	3290.7		3962.5		3962.5			
TOTALS	46882.7	53942.2	2645.1	70937.0	311.6	58750.1			
BUDGET PERCENTAGE CHANGE OVER FISCAL YEAR 1979 AUTHORIZED:				31.7	-99.4	9.1			
OBJECTS OF EXPENDITURE:									
PERS. SERV.	5243.6	6759.8	400.6	8375.2	201.8	7717.8			
TRAVEL	442.8	795.3	155.9	918.3	11.3	852.0			
CONTRACTUAL	3018.2	4481.5	1376.7	8386.7	90.9	7775.8			
COMMODITIES	90.3	129.8	7.4	165.6	5.4	147.1			
EQUIPMENT	91.3	122.7	5.6	90.5	1.1	29.2			
LANDS/BLDGS	153.7	146.4		154.9	1.1	158.1			
GRANTS, CLMS	35279.4	37969.5	698.9	48756.7		37981.0			
MISC.	2563.4	3437.2		4089.1		4089.1			
FUNDING SOURCES:									
FEDERAL RECEIPTS	835.1	1983.2	1678.6	4140.1		4140.1			
GENERAL FUND MATCH	126.3	249.5		249.6		249.6			
GENERAL FUND	43476.2	48325.6	60.6	60056.1	311.6	47009.7			
INTER-AGENCY RECEIPTS	555.4	843.7	972.0	3818.6		3818.6			
AGRICULTURAL LOAN FUND	108.8	160.2		168.7		168.5			
PROGRAM RECEIPTS	479.7	558.8	16.8	562.9		562.9			
SURPLUS PROPERTY	122.1	241.7	1.6	252.7		252.7			
VETERANS LOAN FUND	1179.1	1479.5	15.5	1688.3		1688.3			
RENEWABLE RESOURCE FUND						859.7			
GENERAL FUND PERCENTAGE CHANGE OVER FISCAL YEAR 1979 AUTHORIZED:				24.2	-99.3	-2.7			
POSITIONS:									
FULL-TIME	167.1	231.0	1.0	252.5	5.0	232.0			
PART-TIME	18.0	13.5	2.0	21.0	6.0	20.0			
TEMPORARY	6.0	6.0		7.0		6.0			
MAN-MONTHS	2132.2	2789.5	24.0	3194.0	90.0	2950.0			

CATEGORY: DEVELOPMENT
AGENCY: OFFICE OF THE GOVERNOR

PROGRAM: ASIAN OFFICE
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	101.5	100.0%	TRANSFER FROM CONTRACTUAL FOR 3 EXEMPT POSITIONS, 83.7; ADDITION IN CONTINUATION FOR EXEMPT BENEFITS, 17.8.
02 TRAVEL	11.3	100.0%	TRANSFER FROM CONTRACTUAL, 11.3.
03 CONTRACTUAL	-126.0	-61.2%	ONE-TIME ITEMS, (73.7); TRANSFER TO: PERS SVCS, (83.7); TRAVEL, (11.3); COMMODITIES, (6.0); INFLATION, 4.6; DEVALUATION ADJUSTMENT, 44.1.
04 COMMODITIES	6.0	100.0%	TRANSFER FROM CONTRACTUAL, 6.0.
** TOTAL	-7.2	-3.5%	

THE DEVALUATION ADJUSTMENT IS BASED ON THE YEN/DOLLAR RATIO AS OF SEPT. 25, 1978 WHEN THE RATIO WAS APPROXIMATELY 200:1.

CATEGORY: DEVELOPMENT
AGENCY: OFFICE OF THE GOVERNOR

PROGRAM: ASIAN OFFICE
SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.					101.5	101.5		101.5					
02 TRAVEL					11.3	11.3		11.3					
03 CONTRACTUAL	110.0	206.0			80.0	80.0		80.0					
04 COMMODITIES					6.0	6.0		6.0					
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	110.0	206.0			198.8	198.8		198.8					
09 I-A TRANSFER	5.7												
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	110.0	206.0			198.8	198.8		198.8					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME					3.0	3.0		3.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS					36.0	36.0		36.0					

CATEGORY: DEVELOPMENT
AGENCY: OFFICE OF THE GOVERNOR

PROGRAM: POLICY DEVELOPMENT & PLANNING
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION GOVERNOR VERSUS FY79 ATH
03 CONTRACTUAL	10.0	3.4%	INCREASE IN FEDERAL FUNDING AVAILABILITY, 10.0.
** TOTAL	10.0	3.4%	

CATEGORY: DEVELOPMENT
AGENCY: OFFICE OF THE GOVERNOR

PROGRAM: POLICY DEVELOPMENT & PLANNING
SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) PP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL	149.8	290.0			290.0	300.0		300.0					
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	149.8	290.0			290.0	300.0		300.0					
09 I-A TRANSFER													
10 FED. RECEIPT	149.8	290.0			290.0	300.0		300.0					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF ADMINISTRATION

PROGRAM: SURPLUS PROPERTY
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	8.8	4.3%	SALARY INCREASE, 1.6; SALARY ADJUSTMENT, 7.2.
02 TRAVEL	0.1	5.3%	INFLATION, .1.
03 CONTRACTUAL	1.5	6.1%	INFLATION, 1.5.
04 COMMODITIES	0.6	5.9%	INFLATION, .6.
** TOTAL	11.0	4.6%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF ADMINISTRATION

PROGRAM: SURPLUS PROPERTY
SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	109.4	204.7		1.6	213.5	213.5		213.5					
02 TRAVEL	.3	1.9			2.0	2.0		2.0					
03 CONTRACTUAL	7.1	24.7			26.2	26.2		26.2					
04 COMMODITIES	5.3	10.2			10.8	10.8		10.8					
05 EQUIPMENT		.2			.2	.2		.2					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	122.1	241.7		1.6	252.7	252.7		252.7					
09 I-A TRANSFER	1.0												
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS	122.1	241.7		1.6	252.7	252.7		252.7					
15 FULL-TIME	8.1	8.0			8.0	8.0		8.0					
16 PART-TIME													
17 TEMPORARY	2.0	2.0			2.0	2.0		2.0					
18 MAN-MONTHS	109.2	108.0			108.0	108.0		108.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: AK. RENEWABLE RESOURCES CORP.
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	216.6	112.9%	FUND 9 POSITIONS FOR FULL YEAR, 216.6 (ADDITIONAL 58.5 MONTHS).
02 TRAVEL	25.1	109.1%	INFLATION, 1.4; COSTS ASSOCIATED WITH ADDITIONAL MAN MONTHS, 23.7.
03 CONTRACTUAL	230.0	136.9%	INFLATION, 10.0; COSTS ASSOCIATED WITH ADDITIONAL MAN MONTHS, 220.0.
04 COMMODITIES	3.0	142.9%	INFLATION, .1; COSTS ASSOCIATED WITH ADDITIONAL MAN MONTHS, 2.9.
05 EQUIPMENT	-15.0	-100.0%	
** TOTAL	459.7	114.9%	

FUNDING SOURCE CHANGED TO ALASKA RENEWABLE RESOURCE FUND.

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

1978 LEGISLATION - CH. 179 RENEWABLE RESOURCES FUNDS $400.0 F[illegible] NOTE.

UNAUTHORIZED POSITIONS - CH. 179 AUTHORIZED ONLY 6 FULL-TIME P[illegible]ITIONS.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: AK. RENEWABLE RESOURCES CORP.
SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	FISCAL YEAR 1980 (05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.		191.9			408.5	408.5		408.5					
02 TRAVEL		23.0			48.1	48.1		48.1					
03 CONTRACTUAL		168.0			398.0	398.0		398.0					
04 COMMODITIES		2.1			5.1	5.1		5.1					
05 EQUIPMENT		15.0											
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND		400.0			859.7	859.7		859.7					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND		400.0			859.7	859.7							
13 PGM RECEIPTS								859.7					
14 OTHER FUNDS													
15 FULL-TIME		9.0			9.0	9.0		9.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS		49.5			108.0	108.0		108.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE
PROGRAM: SHARED TAXES

COMPONENT DESCRIPTION	FY79 ATH	RP & SUP	MAINT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
MUNICIPAL ASSISTANCE	12000.0		19500.0	19500.0		12000.0					
AMUSEMENT AND GAMING TAX	74.1		36.0	36.0		36.0					
AVIATION FUEL TAX	134.0		110.0	110.0		110.0					
ELECTRIC & TELEPHONE COOP TAX	1190.5		1250.0	1250.0		1250.0					
LIQUOR LICENSE TAX	608.0		555.0	555.0		555.0					
FISHERIES TAX	1010.5		1066.1	1066.1		1066.1					
** TOTAL	15017.1		22517.1	22517.1		15017.1					
** CHANGE VERSUS FY79 ATH				49.9%	-100.0%		-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
GRANTS, CLMS	15017.1		22517.1	22517.1		15017.1					
FUNDING SOURCE											
GENERAL FUND	15017.1		22517.1	22517.1		15017.1					
** GENERAL FUND CHANGE VS. FY79 ATH				49.9%	-100.0%		-100.0%	-100.0%	-100.0%		
POSITIONS											

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: MUNICIPAL ASSISTANCE

* * * * GOVERNOR ANALYSIS * * * *

IF AMOUNT APPROPRIATED IS INSUFFICIENT FOR DISTRIBUTION OF FULL BASE AMOUNT, APPROPRIATION IS TO BE PRORATED PER CH. 144, SLA 1978.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: MUNICIPAL ASSISTANCE

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	10571.5	12000.0			19500.0	19500.0		12000.0					
08 MISC.													
** TOTAL EXPEND	10571.5	12000.0			19500.0	19500.0		12000.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	10571.5	12000.0			19500.0	19500.0		12000.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: AMUSEMENT AND GAMING TAX

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	-38.1	-51.4%	REDUCTION TO MORE ACCURATELY ALIGN WITH HISTORICAL SHARINGS, (38.1).
** TOTAL	-38.1	-51.4%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: AMUSEMENT AND GAMING TAX

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) [illegible] AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	35.3	74.1			36.0	36.0		36.0					
08 MISC.													
** TOTAL EXPEND	35.3	74.1			36.0	36.0		36.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	35.3	74.1			36.0	36.0		36.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: AVIATION FUEL TAX

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 AT
07 GRANTS, CLMS	-24.0	-17.9%	REDUCTION TO MORE ACCURATELY ALIGN WITH HISTORICAL SHARINGS, (24.0).
** TOTAL	-24.0	-17.9%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: AVIATION FUEL TAX

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	102.8	134.0			110.0	110.0		110.0					
08 MISC.													
** TOTAL EXPEND	102.8	134.0			110.0	110.0		110.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	102.8	134.0			110.0	110.0		110.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: ELECTRIC & TELEPHONE COOP TAX

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLAS	59.5	5.0%	INCREASE TO MORE ACCURATELY REFLECT HISTORICAL SHARINGS, $59.5.
** TOTAL	59.5	5.0%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: ELECTRIC & TELEPHONE COOP TAX

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	1242.2	1190.5			1250.0	1250.0		1250.0					
08 MISC.													
** TOTAL EXPEND	1242.2	1190.5			1250.0	1250.0		1250.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1242.2	1190.5			1250.0	1250.0		1250.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: LIQUOR LICENSE TAX

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	-53.0	-8.7%	REDUCTION TO MORE ACCURATELY REFLECT HISTORICAL SHARINGS, (53.0).
** TOTAL	-53.0	-8.7%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: LIQUOR LICENSE TAX

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	554.1	608.0			555.0	555.0		555.0					
08 MISC.													
** TOTAL EXPEND	554.1	608.0			555.0	555.0		555.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	554.1	608.0			555.0	555.0		555.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: FISHERIES TAX

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	55.6	5.5%	INCREASE TO MORE ACCURATELY REFLECT HISTORICAL SHARINGS, 55.6.
** TOTAL	55.6	5.5%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES
SUB-PROGRAM: FISHERIES TAX

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTO	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	1244.8	1010.5			1066.1	1066.1		1066.1					
08 MISC.													
** TOTAL EXPEND	1244.8	1010.5			1066.1	1066.1		1066.1					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1244.8	1010.5			1066.1	1066.1		1066.1					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: MUNICIPAL BOND BANK AUTHORITY
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
02 TRAVEL	1.0	5.7%	INFLATION, 1.0.
03 CONTRACTUAL	9.6	6.0%	INFLATION, 9.6.
04 COMMODITIES	0.1	5.0%	INFLATION, .1.
05 EQUIPMENT	0.6	100.0%	COSTS ASSOCIATED WITH REPLACING EQUIPMENT, .6.
** TOTAL	11.3	4.6%	

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

AUDITS - A REVIEW OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY JULY 14, 1978 BY LEGISLATIVE AUDIT. SIGNIFICANT FINDINGS - BOND BANK IS PERFORMING EFFECTIVELY AND EFFICIENTLY.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: MUNICIPAL BOND BANK AUTHORITY
SUB-PROGRAM:

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	50.2	66.9			66.9	66.9		66.9					
02 TRAVEL	9.1	17.5			18.5	18.5		18.5					
03 CONTRACTUAL	92.8	160.0			169.6	169.6		169.6					
04 COMMODITIES	1.1	2.0			2.1	2.1		2.1					
05 EQUIPMENT	1.5				.6	.6		.6					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	154.7	246.4			257.7	257.7		257.7					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS	154.7	246.4			257.7	257.7		257.7					
14 OTHER FUNDS													
15 FULL-TIME	2.0	2.0			2.0	2.0		2.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	24.0	24.0			24.0	24.0		24.0					

CATEGORY: DEVELOPMENT PROGRAM: ECONOMIC ENTERPRISE
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	86.9	15.9%	SALARY INC, 4.3; SALARY ADJ, 20.7; REINSTATEMENT OF 1% SALARY VETO, 5.0; TRANSFER OF 6 MONTHS OF SALARY COSTS IN FY 79 FOR DEP DIR OF ASIAN OFFICE FROM CONTRACTUAL, 22.3; ADDITIONAL 6 MONTHS OF SALARY FOR DEP DIR OF ASIAN OFFICE, 34.6.
02 TRAVEL	6.5	6.0%	INFLATION, 6.5.
03 CONTRACTUAL	-125.2	-19.1%	ONE-TIME ITEMS, (204.2); INFLATION, 35.9; COSTS ASSOCIATED DIRECTLY WITH DEP DIR OF ASIAN OFF, 22.3; TRANSFER OF 6 MONTHS OF SALARY COSTS FOR FY 79 OF DEP DIR OF ASIAN OFFICE & ADMIN ASST IN ASIAN OFFICE TO PERS SERVICES, (22.3); OTHER COSTS ASSOCIATED WITH DEP DIR OF ASIAN OFFICE (TRAVEL, 13.7; COMMODITIES, 1.0; COMMUNICATIONS, 7.6); OTHER COSTS ASSOCIATED WITH ASIAN OFFICE (PRINTING & ADVERTISING, 31.6; PROFESSIONAL FEES & SERVICES, 19.4); DELETE FUNDING FOR ADMIN ASST FOR 6 MONTHS OF FY 79, (8.2), DELETE FUNDS FOR WASTE HEAT AND FORAGE CUBING STUDY, (22.0).
04 COMMODITIES	0.4	5.5%	INFLATION, .4.
05 EQUIPMENT	-0.5	-16.1%	REDUCED NEED, (.5).
06 LANDS/BLDGS	4.4	12.5%	TRANSFER OF ASHA PAYMENT FROM WEIGHTS & MEASURES BRU, 4.4.
07 GRANTS, CLMS	-145.0	-100.0%	ONE-TIME ITEMS, (145.0).
08 MISC.	-100.0	-100.0%	ONE-TIME ITEM, (100.0).
** TOTAL	-272.5	-17.6%	

NO NEW POSITIONS AUTHORIZED.

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

1978 LEGISLATION - CH. 163 MISCELLANEOUS APPROPRIATIONS AND TRANSFERS $360.0.

1978 LEGISLATION - CH. 125 ALASKA ARTS AND CRAFTS IDENTIFICATION $108.7 FISCAL NOTE (SB444).

1978 LEGISLATION - CH. 159 COMMERCIAL FISHING & AGRICULTURE $150.0 FISCAL NOTE.

FY 79 INTENT - THE ALLOCATION INCLUDES A GRANT OF $90,700 FOR THE BRISTOL BAY REGIONAL DEVELOPMENT COUNCIL AND A GRANT OF $500,000 FOR THE ALASKA NATIVE FOUNDATION FOR THE VILLAGE MANAGEMENT ASSISTANCE PROJECT. COMPLIANCE: BRISTOL BAY GRANT REDUCED BY VETO TO $45,000 IS BEING PAID ON A MONTHLY REIMBURSEMENT BASIS. ALASKA NATIVE FOUNDATION GRANT REDUCED BY VETO TO $100,000 HAS BEEN PAID.

UNAUTHORIZED POSITIONS - GENERAL APPROPRIATIONS ACT AUTHORIZED 14 POSITIONS; SB444 FISCAL NOTE 1 POSITION; CH. 163 APPROPRIATION FOR BOTTOMFISH INDUSTRY DEVELOPMENT WAS ALLOCATED TO MISCELLANEOUS WITH NO POSITIONS SPECIFICALLY AUTHORIZED.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
PROGRAM: ECONOMIC ENTERPRISE
SUB-PROGRAM:

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) PP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	496.4	548.0		44.5	656.3	761.5		634.9					
02 TRAVEL	52.1	107.5		47.5	114.0	118.2		114.0					
03 CONTRACTUAL	345.2	653.8		618.5	530.1	795.3		528.6					
04 COMMODITIES	4.4	7.3		.2	7.7	8.1		7.7					
05 EQUIPMENT	4.8	3.1			2.6	4.1		2.6					
06 LANDS/BLDGS	35.1	36.1			39.5	39.5		39.5					
07 GRANTS, CLMS	10.0	145.0											
08 MISC.		101.0											
** TOTAL EXPEND	948.0	1599.8		710.7	1349.9	1726.7		1327.3					
09 I-A TRANSFER	78.5	14.6			57.9	57.9		57.9					
10 FED. RECEIPT				152.0									
11 G. F. MATCH													
12 GENERAL FUND	948.0	1599.8		4.3	1349.9	1726.7		1327.3					
13 PGM RECEIPTS													
14 OTHER FUNDS				554.4									
15 FULL-TIME	14.0	17.0			17.0	20.0		16.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	168.0	204.0			204.0	228.0		192.0					

NEW POSITIONS

	TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1	DEVELOPMENT SPECIALIST III	ANCHORAGE	FULL	1	39.0	7.9	46.9		46.9						
2	DIR., OF EUROPE OFFICE	EUROPE	FULL	1	26.1	59.4	85.5		85.5						
3	ASSISTANT TO DIRECTOR	EUROPE	FULL	1	13.1		13.1		13.1						
**	NEW POSITION TOTALS			3	78.2	67.3	145.5		145.5						

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT PROGRAM: LOAN FUND ADMINISTRATION
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	37.8	5.8%	SALARY INC, 6.0; SALARY ADJUST, 27.8; REINSTATE 1% FY 79 REDUCTION, 4.0.
02 TRAVEL	7.3	6.0%	INFLATION, 7.3.
03 CONTRACTUAL	11.6	16.3%	INFLATION, 11.2; TRANSFER OF FIRE INSURANCE FROM WEIGHTS & MEASURES BRU, .4.
04 COMMODITIES	0.4	5.7%	INFLATION, .4.
05 EQUIPMENT	-11.3	-85.2%	ONE-TIME ITEMS, (13.3); REPLACEMENT EQUIPMENT, 2.0.
06 LANDS/BLDGS	4.1	17.5%	INCREASE IN JUNEAU ASHA, .4; TRANSFER OF ASHA FOR FAIRBANKS OFFICE FROM WEIGHTS & MEASURES, 3.0 AND VETERANS AFFAIRS, .7.
** TOTAL	49.9	5.7%	

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

1978 LEGISLATION - CH. 83 COMMERCIAL FISHING LOANS $119.9 FISCAL NOTE.

AUDITS - LEGISLATIVE AUDIT COMPLETED INDIVIDUAL AUDITS DATED JULY 18 AND 19, 1978 ON EACH LOAN FUND. SIGNIFICANT FINDINGS: (1) ACCOUNTS FOR BAD DEBTS SHOULD BE ESTABLISHED. (2) FORECLOSURE EXPENDITURES SHOULD NOT BE CHARGED AGAINST OPERATIONS. INTERNAL AUDIT JUNE 12, 1978 ON HENRY CAMAROT TOURISM LOAN.

CATEGORY: DEVELOPMENT PROGRAM: LOAN FUND ADMINISTRATION
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) PP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	366.8	646.9		6.0	684.7	684.7		684.7					
02 TRAVEL	44.1	121.0			128.3	128.3		128.3					
03 CONTRACTUAL	46.2	71.0			82.6	82.6		82.6					
04 COMMODITIES	4.4	7.0			7.4	7.4		7.4					
05 EQUIPMENT	18.0	13.3			2.0	2.0		2.0					
06 LANDS/BLDGS	20.5	23.4			27.5	27.5		27.5					
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	500.0	882.6		6.0	932.5	932.5		932.5					
09 I-A TRANSFER	11.3	5.0			31.4	31.4		31.4					
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	500.0	882.6		6.0	932.5	932.5		932.5					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME		23.0			23.0	23.0		23.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS		276.0			276.0	276.0		276.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT PROGRAM: VETERANS LOAN FUND
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	94.5	8.3%	SALARY INC, 15.5; SALARY ADJUST, 38.0; ALLOW 3.2% REDUCTION IN UNDERFUNDING, 41.0).
02 TRAVEL	2.4	6.0%	INFLATION, 2.4.
03 CONTRACTUAL	25.4	10.0%	INFLATION, 25.4.
04 COMMODITIES	0.6	6.0%	INFLATION, .6.
05 EQUIPMENT	-1.4	-46.7%	REDUCTION IN NEED, (1.4).
06 LANDS/BLDGS	-0.1	-0.3%	INCREASED ASHA NEED, .6; TRANSFER OF ASHA SPACE COSTS TO BUSINESS LOANS, (.7).
08 MISC.	87.4	100.0%	APPROPRIATION FOR OVERHEAD TO BE DEPOSITED INTO THE GENERAL FUND, 87.4.
** TOTAL	208.8	14.1%	

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

AUDITS - A REVIEW OF THE DIVISION OF VETERANS AFFAIRS JUNE 7, 1978 BY LEGISLATIVE AUDIT. SIGNIFICANT FINDINGS: (1) DELINQUENT LOANS TOTAL 11% OF RECEIVABLES. (2) NO LOAN PROCEDURE MANUAL HAS BEEN DEVELOPED ALTHOUGH RECOMMENDED BY TWO PRIOR AUDITS. (3) NON-VETERANS HAVE BEEN PERMITTED TO ASSUME DELINQUENT VETERANS LOANS. INTERNAL AUDIT #0806 JUNE 26, 1978 RECOMMENDATION: PROPERTY SELLING PRICES SHOULD BE CONFIRMED.

CATEGORY: DEVELOPMENT PROGRAM: VETERANS LOAN FUND
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	942.2	1133.4		15.5	1186.9	1227.9		1227.9					
02 TRAVEL	23.7	40.3			42.7	42.7		42.7					
03 CONTRACTUAL	149.8	252.8			278.2	278.2		278.2					
04 COMMODITIES	5.8	10.0			10.6	10.6		10.6					
05 EQUIPMENT	4.2	3.0			1.6	1.6		1.6					
06 LANDS/BLDGS	51.8	40.0			39.9	39.9		39.9					
07 GRANTS, CLMS													
08 MISC.	1.6					87.4		87.4					
** TOTAL EXPEND	1179.1	1479.5		15.5	1559.9	1688.3		1688.3					
09 I-A TRANSFER	16.4	11.6			16.4	16.4		16.4					
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS	1179.1	1479.5		15.5	1559.9	1688.3		1688.3					
15 FULL-TIME	41.0	47.0			47.0	47.0		47.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	492.0	564.0			564.0	564.0		564.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
PROGRAM: TOURISM
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	26.2	6.3%	SALARY INCREASE, 8.2; SALARY ADJUST, 13.8; REINSTATEMENT OF FY 79 1% REDUCTION, 4.2.
02 TRAVEL	2.2	5.9%	INFLATION, 2.2.
03 CONTRACTUAL	119.3	13.2%	INFLATION, 119.3.
04 COMMODITIES	0.8	5.6%	INFLATION, .8.
05 EQUIPMENT	-0.8	-34.8%	REDUCTION IN NEED, (.8).
06 LANDS/BLDGS	0.7	1.8%	INCREASED NEED, .7.
07 GRANTS, CLMS	-25.0	-9.6%	REDUCE STATE INVOLVEMENT IN CONVENTION GRANTS, (25.0).
** TOTAL	123.4	7.4%	

CATEGORY: DEVELOPMENT PROGRAM: TOURISM
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	351.1	414.6		8.2	440.8	477.4		440.8					
02 TRAVEL	39.0	37.3			39.5	44.5		39.5					
03 CONTRACTUAL	677.6	930.5			1019.8	1144.8		1019.8					
04 COMMODITIES	7.0	13.8			14.6	14.6		14.6					
05 EQUIPMENT	6.1	2.3			1.5	1.5		1.5					
06 LANDS/BLDGS	35.1	38.0			38.7	38.7		38.7					
07 GRANTS, CLMS	158.1	260.0			260.0	285.0		235.0					
08 MISC.													
** TOTAL EXPEND	1274.0	1666.5		8.2	1814.9	2006.5		1789.9					
09 I-A TRANSFER	10.0				6.6	6.6		6.6					
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1274.0	1666.5		8.2	1814.9	2006.5		1789.9					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	15.0	15.0			15.0	15.0		15.0					
16 PART-TIME													
17 TEMPORARY	4.0	4.0			4.0	4.0		4.0					
18 MAN-MONTHS	228.0	228.0			228.0	228.0		228.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
PROGRAM: ENERGY & POWER DEVELOPMENT

COMPONENT DESCRIPTION	FY79 ATH	RP & SUP	MAINT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
ENERGY PLANNING & ASSISTANCE	356.9	706.7	378.9	420.7		312.7					
STATE ENERGY CONSERV. PROG.	385.9		330.0	330.0		330.0					
ENERGY EXTENSION SERVICE				296.7		296.7					
** TOTAL	742.8	706.7	708.9	1047.4		939.4					
** CHANGE VERSUS FY79 ATH				41.0%	-100.0%	26.4%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	425.2	166.3	441.5	568.2		528.0					
TRAVEL	49.8	70.6	39.4	48.4		38.4					
CONTRACTUAL	252.1	458.6	220.2	400.7		344.5					
COMMODITIES	6.5	6.8	6.3	7.3		7.1					
EQUIPMENT	9.2	4.4	1.5	4.8		3.4					
GRANTS, CLMS											
MISC.				18.0		18.0					
FUNDING SOURCE											
FED. RECEIPT	385.9	702.6	330.0	626.7		626.7					
GENERAL FUND	356.9	2.3	378.9	420.7		312.7					
PGM RECEIPTS		1.8									
** GENERAL FUND CHANGE VS. FY79 ATH				17.8%	-100.0%	-12.3%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	14.0	1.0	14.0	18.0		17.0					
TEMPORARY				1.0							
MAN-MONTHS	168.0	12.0	168.0	219.0		204.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
PROGRAM: ENERGY & POWER DEVELOPMENT
SUB-PROGRAM: ENERGY PLANNING & ASSISTANCE

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	14.2	6.3%	SALARY INC, 2.3; SALARY ADJUST, 9.6; REINSTATEMENT OF 1% VETO, 2.3.
02 TRAVEL	-17.4	-54.7%	INFLATION, 1.9; TRANSFER OF FUNDS TO CONTRACTUAL, (5.4); REDUCTION IN NEED, (3.9); REDUCTION DUE TO FEDERAL FUND AVAILABLITY, (10.0).
03 CONTRACTUAL	-41.3	-44.1%	INFLATION, 9.5; TRANSFER FROM TRAVEL, 5.4; DELETE MISCELLANEOUS STUDIES, (13.3), RURAL ENERGY PROBLEM ANALYSIS AND ASSISTANCE, (25.4). ANNUAL ENERGY DEMAND STUDY, (7.0), ANNUAL POWER DEVELOPMENT PLAN UPDATE, (10.0), SINCE IT IS EXTREMELY LIKELY THAT FEDERAL FUNDING FOR THESE STUDIES WILL BE AVAILABLE.
04 COMMODITIES	0.2	5.4%	INFLATION, .2.
05 EQUIPMENT	0.1	20.0%	INCREASED NEED, .1.
** TOTAL	-44.2	-12.4%	

CATEGORY: DEVELOPMENT PROGRAM: ENERGY & POWER DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM: ENERGY PLANNING & ASSISTANCE

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	196.7	227.2		166.3	241.4	281.6		241.4					
02 TRAVEL	10.7	31.8		70.6	24.4	24.4		14.4					
03 CONTRACTUAL	102.8	93.7		458.6	108.6	108.6		52.4					
04 COMMODITIES	2.0	3.7		6.8	3.9	4.1		3.9					
05 EQUIPMENT	2.2	.5		4.4	.6	2.0		.6					
06 LANDS/BLDGS													
07 GRANTS, CLMS	135.0												
08 MISC.													
** TOTAL EXPEND	453.4	356.9		706.7	378.9	420.7		312.7					
09 I-A TRANSFER		.3											
10 FED. RECEIPT				702.6									
11 G. F. MATCH													
12 GENERAL FUND	453.4	356.9		2.3	378.9	420.7		312.7					
13 PGM R CEIPTS				1.8									
14 OTHER FUNDS													
15 FULL-TIME	7.0	7.0		1.0	7.0	8.0		7.0					
16 PART-TIME													
17 TEMPORARY						1.0							
18 MAN-MONTHS	84.0	84.0		12.0	84.0	99.0		84.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT PROGRAM: ENERGY & POWER DEVELOP
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM: STATE ENERGY CONSERV. PROG.

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	2.1	1.1%	SALARY ADJUSTMENT, 2.1.
02 TRAVEL	-3.0	-16.7%	REDUCED NEED, (3.0).
03 CONTRACTUAL	-46.8	-29.5%	REDUCED NEED, (46.8).
04 COMMODITIES	-0.4	-14.3%	REDUCED NEED, (.4).
05 EQUIPMENT	-7.8	-89.7%	ONE TIME, (7.8), NEW EQUIPMENT, .9.
** TOTAL	-55.9	-14.5%	

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

UNAUTHORIZED POSITIONS - RP77-358 CREATED 3 POSITIONS; RP78-205 CREATED ONE POSITION; 3 POSITIONS WERE ESTABLISHED BY CH. 163 1978. NONE OF THESE POSITIONS HAVE BEEN DETAILED AS NEW POSITIONS FOR AUTHORIZATION IN THE REGULAR BUDGET PROCESS.

CATEGORY: DEVELOPMENT PROGRAM: ENERGY & POWER DEVELOP
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM: STATE ENERGY CONSERV. PROG.

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	98.9	198.0			200.1	200.1		200.1					
02 TRAVEL	9.3	18.0			15.0	15.0		15.0					
03 CONTRACTUAL	27.9	158.4			111.6	111.6		111.6					
04 COMMODITIES	1.7	2.8			2.4	2.4		2.4					
05 EQUIPMENT	2.0	8.7			.9	.9		.9					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	139.8	385.9			330.0	330.0		330.0					
09 I-A TRANSFER													
10 FED. RECEIPT	139.8	385.9			330.0	330.0		330.0					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	1.0	7.0			7.0	7.0		7.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	12.0	84.0			84.0	84.0		84.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
PROGRAM: ENERGY & POWER DEVELOPMENT
SUB-PROGRAM: ENERGY EXTENSION SERVICE

* * * * GOVERNOR ANALYSIS * * * *

DESCRIPTION: GOVERNOR VERSUS FY79 ATH

OBJECT GROUP	VARIATION	
01 PERS. SERV.	86.5	100.0%
02 TRAVEL	9.0	100.0%
03 CONTRACTUAL	180.5	100.0%
04 COMMODITIES	0.8	100.0%
05 EQUIPMENT	1.9	100.0%
08 MISC.	18.0	100.0%
** TOTAL	296.7	100.0%

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

PROGRAM: ENERGY & POWER DEVELOPMENT
SUB-PROGRAM: ENERGY EXTENSION SERVICE

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	FISCAL YEAR 1980 (06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.						86.5		86.5					
02 TRAVEL						9.0		9.0					
03 CONTRACTUAL						180.5		180.5					
04 COMMODITIES						.8		.8					
05 EQUIPMENT						1.9		1.9					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.						18.0		18.0					
** TOTAL EXPEND						296.7		296.7					
09 I-A TRANSFER						3.0		3.0					
10 FED. RECEIPT						296.7		296.7					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME						3.0		3.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS						36.0		36.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
PROGRAM: ALASKA POWER AUTHORITY
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	9.6	6.3%	SALARY INC, 4.3; SALARY ADJUST, 3.9; REINSTATEMENT OF 1% VETO, 1.5.
02 TRAVEL	2.2	5.9%	INFLATION, 2.2.
03 CONTRACTUAL	16.7	6.3%	INFLATION, 16.7.
04 COMMODITIES	0.2	5.9%	INFLATION, .2.
05 EQUIPMENT	5.0	100.0%	NEW EQUIPMENT, 5.0.
** TOTAL	33.7	7.2%	

08-08-06-00-00 (08-71-7-13-00-00) STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY 13:44 1/23/79

CATEGORY: DEVELOPMENT PROGRAM: ALASKA POWER AUTHORITY
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	40.8	152.3		4.3	161.9	180.6		161.9					
02 TRAVEL	12.2	37.0			39.2	39.2		39.2					
03 CONTRACTUAL	113.0	277.7		15.0	294.4	294.4		294.4					
04 COMMODITIES	2.7	3.4			3.6	3.6		3.6					
05 EQUIPMENT	4.9				5.0	5.0		5.0					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	173.6	470.4		19.3	504.1	522.8		504.1					
09 I-A TRANSFER	.7												
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	173.6	470.4		4.3	504.1	522.8		504.1					
13 PGM RECEIPTS				15.0									
14 OTHER FUNDS													
15 FULL-TIME	7.0	5.0			5.0	5.0		5.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	84.0				60.0	60.0		60.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

PROGRAM: FISH ENHANCEMENT GTS
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	-700.0	-100.0%	
** TOTAL	-700.0	-100.0%	

CATEGORY: DEVELOPMENT PROGRAM: FISH ENHANCEMENT GTS
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
						FISCAL YEAR 1980							
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	900.0	700.0											
08 MISC.													
** TOTAL EXPEND	900.0	700.0											
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	900.0	700.0											
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: AGRICULTURAL DEVELOPMENT

COMPONENT DESCRIPTION	FY79 ATH	RP & SUP	MAINT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
STATE FAIRS	165.5		162.3	162.3		162.3					
PLANT MATERIALS CENTER	406.2	2.3	396.6	539.0		380.5					
ADMINISTRATION AND SUPPORT	137.9	.8	145.3	232.5		144.4					
AGRICULTURAL LOAN FUND	160.2		168.7	168.7		168.5					
** TOTAL	869.8	3.1	872.9	1122.5		855.7					
** CHANGE VERSUS FY79 ATH				29.0%	-100.0%	-1.6%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	469.4	3.1	506.2	697.9		506.2					
TRAVEL	35.2		41.6	50.4		39.0					
CONTRACTUAL	110.7		127.3	131.0		118.1					
COMMODITIES	27.7		34.7	36.7		29.3					
EQUIPMENT	61.3		.8	44.2		.8					
GRANTS, CLMS	165.5		162.3	162.3		162.3					
FUNDING SOURCE											
GENERAL FUND	709.6	3.1	704.2	953.8		687.2					
OTHER FUNDS	160.2		168.7	168.7		168.5					
** GENERAL FUND CHANGE VS. FY79 ATH				34.4%	-100.0%	-3.1%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	14.0		14.0	19.0		13.0					
PART-TIME	6.0		6.0	8.0		6.0					
MAN-MONTHS	196.0		196.0	263.0		148.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCES
PROGRAM: AGRICULTURAL DEVELOPMENT
SUB-PROGRAM: STATE FAIRS

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	-3.2	-1.9%	REDUCTION IN STATE FAIR ASSOCIATION REQUEST, (3.2).
** TOTAL	-3.2	-1.9%	

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

FY 79 INTENT - THE APPROPRIATION INCLUDES A GRANT OF $5,000 FOR THE SITKA FAIR. COMPLIANCE: NO RESPONSE.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: AGRICULTURAL DEVELOPMENT
SUB-PROGRAM: STATE FAIRS

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	124.7	165.5			162.3	162.3		162.3					
08 MISC.													
** TOTAL EXPEND	124.7	165.5			162.3	162.3		162.3					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	124.7	165.5			162.3	162.3		162.3					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: AGRICULTURAL DEVELOPMENT
SUB-PROGRAM: PLANT MATERIALS CENTER

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	25.9	10.1%	SALARY INC., 2.3; SALARY ADJUST, 23.0; REINSTATEMENT OF 1% VETO, .6.
02 TRAVEL	2.7	57.4%	INFLATION, 2.7.
03 CONTRACTUAL	4.3	7.4%	INFLATION, 4.3.
04 COMMODITIES	1.5	5.8%	INFLATION, 1.5.
05 EQUIPMENT	-60.1	-100.0%	ONE-TIME ITEMS, (60.1).
** TOTAL	-25.7	-6.3%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: AGRICULTURAL DEVELOPMENT
SUB-PROGRAM: PLANT MATERIALS CENTER

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	252.6	257.6		2.3	283.5	377.8		283.5					
02 TRAVEL	3.5	4.7			10.0	14.8		7.4					
03 CONTRACTUAL	41.5	58.1			70.7	71.7		62.4					
04 COMMODITIES	26.0	25.7			32.4	33.4		27.2					
05 EQUIPMENT	35.1	60.1				41.3							
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	358.7	406.2		2.3	396.6	539.0		380.5					
09 I-A TRANSFER	11.1	16.6			19.1	19.6							
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	358.7	406.2		2.3	396.6	539.0		380.5					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	7.0	7.0			7.0	10.0		7.0					
16 PART-TIME	6.0	6.0			6.0	8.0		6.0					
17 TEMPORARY													
18 MAN-MONTHS	112.0	112.0			112.0	155.0		112.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: AGRICULTURAL DEVELOPMENT
SUB-PROGRAM: ADMINISTRATION AND SUPPORT

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	5.0	5.5%	SALARY INC, .8; SALARY ADJ, 3.3; REINSTATEMENT OF 1% VETO, .9.
02 CONTRACTUAL	1.9	5.9%	INFLATION, 1.9.
05 EQUIPMENT	-0.4	-57.1%	ONE-TIME ITEMS, (.7); REPLACEMENT, .3.
** TOTAL	6.5	4.7%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: AGRICULTURAL DEVELOPMENT
SUB-PROGRAM: ADMINISTRATION AND SUPPORT

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENAT	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	111.0	91.3		.8	96.3	193.7		96.3					
02 TRAVEL	3.5	12.7			12.7	16.7		12.7					
03 CONTRACTUAL	71.2	32.1			34.9	37.6		34.9					
04 COMMODITIES	1.3	1.1			1.1	2.1		1.1					
05 EQUIPMENT	.4	.7			.3	2.4		.3					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	187.4	137.9		.8	145.3	252.5		144.4					
09 I-A TRANSFER	6.7	5.5											
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	187.4	137.9		.8	145.3	252.5		144.4					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	3.0	3.0			3.0	5.0		3.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	36.0	36.0			36.0	60.0		36.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: AGRICULTURAL DEVELOPMENT
SUB-PROGRAM: AGRICULTURAL LOAN FUND

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	5.9	4.9%	SALARY ADJUSTMENT, 5.9.
02 TRAVEL	1.1	6.2%	INFLATION, 1.1.
03 CONTRACTUAL	1.2	5.9%	INFLATION, 1.2.
04 COMMODITIES	.1	11.1%	INFLATION, .1.
** TOTAL	8.3	5.2%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: AGRICULTURAL DEVELOPMENT
SUB-PROGRAM: AGRICULTURAL LOAN FUND

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	93.7	120.5			126.4	126.4		126.4					
02 TRAVEL	8.6	17.8			18.9	18.9		18.9					
03 CONTRACTUAL	5.1	20.5			21.7	21.7		21.7					
04 COMMODITIES	1.1	.9			1.2	1.2		1.0					
05 EQUIPMENT	.3	.5			.5	.5		.5					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	108.8	160.2			168.7	168.7		168.5					
09 I-A TRANSFER	.1												
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS	108.8	160.2			168.7	168.7		168.5					
15 FULL-TIME	4.0	4.0			4.0	4.0							
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	48.0	48.0			48.0	48.0							

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF FISH & GAME

PROGRAM: KING CRAB QUALITY CONTROL BD
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
02 TRAVEL	-1.2	-9.1%	INFLATION, .7; TRANSFER TO CONTRACTUAL, (1.9)
03 CONTRACTUAL	18.8	7.5%	INFLATION, 15.4; TRANSFER FROM TRAVEL FOR PROMOTIONAL CONTRACT, 1.9; TRANSFER FROM MISCELLANEOUS FOR INCREASED FILM DISTRIBUTION, 1.5.
04 COMMODITIES	0.1	6.7%	INFLATION, .1.
05 EQUIPMENT	0.4	200.0%	REPLACEMENT OF EXISTING EQUIPMENT, .6; ONE-TIME ITEM (.2).
08 MISC.	-25.3	-54.4%	ONE-TIME FILM PRODUCTION COST, (25.0); INFLATION, 1.2; TRANSFER TO CONTRACTUAL, (1.5).
** TOTAL	-7.2	-2.3%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF FISH & GAME

PROGRAM: KING CRAB QUALITY CONTROL BD
SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	FISCAL YEAR 1980 (05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL	11.7	13.2			12.0	12.0		12.0					
03 CONTRACTUAL	312.4	251.0			269.8	269.8		269.8					
04 COMMODITIES	.9	1.5			1.6	1.6		1.6					
05 EQUIPMENT		.2			.6	.6		.6					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.		46.5			21.2	21.2		21.2					
** TOTAL EXPEND	325.0	312.4			305.2	305.2		305.2					
09 I-A TRANSFER	7.0												
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS	325.0	312.4			305.2	305.2		305.2					
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: LOCAL GOVERNMENT ASSISTANCE

COMPONENT DESCRIPTION	FY79 ATH	RP & SUP	MAINT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
TRAINING & DEVELOPMENT	473.4	342.6	514.5	682.3		469.2					
STATE ASSESSOR	247.7	2.1	263.9	318.9		261.8					
LOCAL BOUND. COMM-ADMIN	87.2	.5	105.5	105.5		91.7					
LOCAL BOUNDARY COMM.-GRANTS	100.0		25.0	25.0		25.0					
REVENUE SHARING ADMINISTRATION	85.4	.6	95.5	90.0		74.9					
COAST ENERGY IMPACT PROGRAM	364.7		382.1	382.1		382.1					
COMMUNITY LEGAL ASSISTANCE	20.0		21.2	21.2		18.7					
** TOTAL	1378.4	345.8	1397.7	1625.0		1323.4					
** CHANGE VERSUS FY79 ATH				17.8%	-100.0%	-3.9%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	719.0	7.0	764.4	904.4		741.4					
TRAVEL	119.6	11.7	124.6	130.3		103.4					
CONTRACTUAL	119.0	14.9	165.3	215.2		120.5					
COMMODITIES	13.0		13.8	21.7		12.3					
EQUIPMENT	6.5		5.6	9.4		4.3					
LANDS/BLDGS	2.4		3.1	3.1		3.1					
GRANTS, CLMS	398.0	312.2	340.9	340.9		338.4					
FUNDING SOURCE											
FED. RECEIPT	364.7	335.8	382.1	382.1		382.1					
GENERAL FUND	1013.7	10.0	1015.6	1242.9		941.3					
** GENERAL FUND CHANGE VS. FY79 ATH				22.6%	-100.0%	-7.1%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	20.0		20.0	23.0		20.0					
PART-TIME	7.0		7.0	7.0		7.0					
MAN-MONTHS	282.0		282.0	318.0		282.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: TRAINING & DEVELOPMENT

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	2.4	0.7%	SALARY INC, 6.7; SALARY ADJUST, 13.1; REINSTATEMENT OF 1% VETO, 3.5; REDUCE LGS V (PCN 6005) TO LGS III, (20.9) (CP#12/35).
02 TRAVEL	-6.0	-10.8%	INFLATION, 4.5; REDUCE ON-SITE TECHNICAL ASSISTANCE, (10.5) (CP#22/35).
03 CONTRACTUAL	-0.1	-0.2%	TRANSFER OF ADVERTISING AND SPACE EXPENSE TO LRC-ADMIN, (7.0); INFLATION, 19.1; RELATED EXPENSES TO REDUCED LGS V, (.4); SAVINGS DUE TO RELOCATION OF ANCHORAGE OFFICE, (11.8) (CP#1°/35).
04 COMMODITIES	-0.7	-12.1%	INFLATION, .4; RELATED EXPENSES TO REDUCED LGS V, (.1); REDUCTION IN SUBSCRIPTIONS, (1.0) (CP#31/35).
05 EQUIPMENT	-0.4	-13.8%	ONE-TIME ITEMS, (2.9); REPLACEMENT, 3.1; REDUCTION IN OFFICE SUPPLIES, (.6) (CP#31/35).
06 LANDS/BLDGS	0.6	66.7%	INFLATION, .6.
** TOTAL	-4.2	-0.9%	

NO NEW POSITIONS AUTHORIZED.

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

1978 LEGISLATION - CH. 178 TAX ON MOTOR VEHICLES $15.0 FISCAL NOTE.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: TRAINING & DEVELOPMENT

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	302.6	358.2		8.2	376.5	516.5		355.6					
02 TRAVEL	44.2	55.6		11.7	60.1	65.8		49.6					
03 CONTRACTUAL	51.3	55.0		10.4	67.1	77.5		54.9					
04 COMMODITIES	5.7	5.8			6.2	14.1		5.1					
05 EQUIPMENT	.6	2.9			3.1	6.9		2.5					
06 LANDS/BLDGS	1.0	.9			1.5	1.5		1.5					
07 GRANTS, CLMS				312.2									
09 MISC.													
** TOTAL EXPEND	405.4	473.4		342.5	514.5	682.3		469.2					
09 I-A TRANSFER	2.0												
10 FED. RECEIPT	35.6			335.8									
11 G. F. MATCH													
12 GENERAL FUND	369.8	473.4		6.7	514.5	682.3		469.2					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	9.0	10.0			10.0	13.0		10.0					
16 PART-TIME	1.0												
17 TEMPORARY													
18 MAN-MONTHS	114.0	120.0			120.0	156.0		120.0					

NEW POSITIONS

	TITLE	LOCATION	TYPE	PEC	S&R COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1	LOCAL GOV'T SPEC IV	BETHEL	FULL	1	47.9	12.3	60.2		60.2						
2	LOCAL GOV'T SPEC I-III	NOME	FULL	1	41.8	10.8	52.6		52.6						
3	CLERK TYPIST III	NOME	FULL	1	24.0	3.2	27.2		27.2						
**	NEW POSITION TOTALS			3	113.7	26.3	140.0		140.0						

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: STATE ASSESSOR

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	10.3	5.3%	SALARY INC, 2.1; SALARY ADJUST, 6.3; RESTATEMENT OF 1% VETO, 1.9.
02 TRAVEL	0.7	6.4%	INFLATION, .7.
03 CONTRACTUAL	4.2	13.2%	INFLATION, 4.2.
04 COMMODITIES	0.3	5.4%	INFLATION, .3.
05 EQUIPMENT	-1.5	-55.6%	ONE-TIME ITEM, (2.7); REPLACEMENT, 1.2.
06 LANDS/BLDGS	0.1	9.1%	INFLATION, .1.
** TOTAL	14.1	5.7%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: STATE ASSESSOR

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	196.5	195.6		2.1	208.0	208.0		205.9					
02 TRAVEL	7.3	11.0			11.7	11.7		11.7					
03 CONTRACTUAL	24.6	31.7			35.9	90.9		35.9					
04 COMMODITIES	1.6	5.6			5.9	5.9		5.9					
05 EQUIPMENT	2.8	2.7			1.2	1.2		1.2					
06 LANDS/BLDGS	1.0	1.1			1.2	1.2		1.2					
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	233.8	247.7		2.1	263.9	318.9		261.8					
09 I-A TRANSFER	6.7				7.8	32.8		32.8					
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	232.8	247.7		2.1	263.9	318.9		261.8					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	4.0	4.0			4.0	4.0		4.0					
16 PART-TIME	6.0	7.0			7.0	7.0		7.0					
17 TEMPORARY													
18 MAN-MONTHS	84.0	90.0			90.0	90.0		90.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT PROGRAM: LOCAL GOV'T ASSIST
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS SUB-PROGRAM: LOCAL BOUND. COMM-ADMIN

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	9.5	18.3%	SALARY INC, .6; SALARY ADJUST, 2.4; TRANSFER FROM REVENUE SHARING - ADMIN FOR UNDERFUNDING ADJUSTMENT, 6.5.
02 TRAVEL	-6.1	-23.5%	INFLATION, 1.6; REDUCTION IN FIELD TRIPS (7.7).
03 CONTRACTUAL	1.0	11.1%	ONE TIME ITEM TO RELOCATE ANCHORAGE OFFICE, (1.6); INFLATION, 1.5; TRANSFER FROM LOCAL GOV'T ASSISTANCE FOR PRINTING, ADVERTISING AND SPACE EXPENSE, 7.0; REDUCTION IN TELEPHONE AND PRINTING COSTS, (3.0) (CP#28/35); REDUCTION OF BOUNDARY DESCRIPTIONS, (2.9) (CP#26/35).
04 COMMODITIES	-0.1	-25.0%	REDUCTION RELATED TO CP#28/35, (.1).
05 EQUIPMENT	0.2	100.0%	REPLACEMENT, .3; REDUCTION RELATED TO CP#28/35, (.1).
** TOTAL	4.5	5.2%	

CATEGORY: DEVELOPMENT PROGRAM: LOCAL GOV'T ASSIST
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS SUB-PROGRAM: LOCAL BOUND. COMM-ADMIN

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTO	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	47.6	51.8		.6	61.?	61.3		61.3					
02 TRAVEL	22.1	26.0			27.6	27.6		19.9					
03 CONTRACTUAL	7.3	9.0			15.9	15.9		10.0					
04 COMMODITIES	.2	.4			.4	.4		.3					
05 EQUIPMENT	.5				.3	.3		.2					
06 LANDS/BLDGS	.2												
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	77.9	87.2		.6	105.5	105.5		91.7					
09 I-A TRANSFER	.4												
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	77.9	87.2		.6	105.5	105.5		91.7					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	2.0	2.0			2.0	2.0		2.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	24.0	24.0			24.0	24.0		24.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: LOCAL GOVERNMENT ASSIST.
SUB-PROGRAM: LOCAL BOUNDARY COMM.-GRANTS

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	-75.0	-75.0%	ONE TIME YUKON BOROUGH STUDY, (75.0).
** TOTAL	-75.0	-75.0%	

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

FY 79 INTENT - THE ALLOCATION INCLUDES A GRANT OF $100,000 FOR FORT YUKON BOROUGH STUDY. COMPLIANCE: REDUCED TO $75,000 BY VETO. EXPENDITURE - $30,000 ADVISORY COMMITTEE ON STUDY; $40,000 CONSULTANT CONTRACT; $5,000 PRINTING OF REPORT.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: LOCAL GOVERNMENT ASSIST.
SUB-PROGRAM: LOCAL BOUNDARY COM4.-GRANTS

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	25.0	100.0			25.0	25.0		25.0					
08 MISC.													
** TOTAL EXPEND	25.0	100.0			25.0	25.0		25.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	25.0	100.0			25.0	25.0		25.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: REVENUE SHARING ADMINISTRATION

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	-2.2	-3.3%	SALARY INC, .6; SALARY ADJUST, 3.0; REINSTATEMENT OF 1% GOV VETO, .7; TRANSFER TO LOCAL BOUNDARY COMMISSION, (6.5).
02 TRAVEL	-2.7	-46.6%	INFLATION, .3; TRAVEL AND PER DIEM REDUCTION PER CP#18/35, (3.0).
03 CONTRACTUAL	-4.9	-41.9%	INFLATION, 1.8; REDUCTION PER CP#18/35, (6.7).
04 COMMODITIES	-0.2	-33.3%	INFLATION, .1; REDUCTION PER CP#18/35, (.3).
05 EQUIPMENT	-0.5	-55.6%	ONE TIME, (.9); REPLACEMENT, 1.0; REDUCTION PER CP#18/35, (.6).
** TOTAL	-10.5	-12.3%	

08-18-02-05-00 (21-72-3-06-05-00) STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY 13:46 1/23/79

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: REVENUE SHARING ADMINISTRATION

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	62.2	66.0		-3.9	63.8	63.8		63.8					
02 TRAVEL	4.1	5.8			6.1	6.1		3.1					
03 CONTRACTUAL	6.3	11.7		4.5	13.5	18.0		6.8					
04 COMMODITIES	.2	.6			.7	.7		.4					
05 EQUIPMENT	.3	.9			1.0	1.0		.4					
06 LANDS/BLDGS	.2	.4			.4	.4		.4					
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	73.3	85.4		.6	85.5	90.0		74.9					
09 I-A TRANSFER	29.5				3.2	7.7		3.2					
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	73.3	85.4		.6	85.5	90.0		74.9					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	2.0	2.0			2.0	2.0		2.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	24.0	24.0			24.0	24.0		24.0					

REV. PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

2 persons
Mary Foster
Doug Griffith (Assmt?)

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: COAST ENERGY IMPACT PROGRAM

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	2.4	4.6%	SALARY ADJUSTMENT, 2.4.
02 TRAVEL	-2.1	-9.9%	ONE TIME ITEM, (2.1).
03 CONTRACTUAL	0.4	3.2%	INFLATION, .4.
07 GRANTS, CLMS	16.7	6.0%	INFLATION, 16.7.
** TOTAL	17.4	4.8%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: COAST ENERGY IMPACT PROGRAM

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.		52.4			54.8	54.8		54.8					
02 TRAVEL		21.2			19.1	19.1		19.1					
03 CONTRACTUAL		12.5			12.9	12.9		12.9					
04 COMMODITIES		.6			.6	.6		.6					
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS		278.0			294.7	294.7		294.7					
08 MISC.													
** TOTAL EXPEND		364.7			382.1	382.1		382.1					
09 I-A TRANSFER													
10 FED. RECEIPT		364.7			382.1	382.1		382.1					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME		2.0			2.0	2.0		2.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS		24.0			24.0	24.0		24.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: COMMUNITY LEGAL ASSISTANCE

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	-1.3	-6.5%	REDUCTION PER CP#29/35, (2.5); INFLATION, 1.2.
** TOTAL	-1.3	-6.5%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: LOCAL GOVERNMENT ASSISTANCE
SUB-PROGRAM: COMMUNITY LEGAL ASSISTANCE

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTO	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLAS	6.4	20.0			21.2	21.2		18.7					
08 MISC.													
** TOTAL EXPEND	6.4	20.0			21.2	21.2		18.7					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	6.4	20.0			21.2	21.2		19.7					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT PROGRAM: COMMUNITY PLANNING SERVICES
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

COMPONENT DESCRIPTION	FY79 ATH	SP & SUP	MAINT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
COMMUNITY PLANNING ASSISTANCE	1882.0	787.2	1941.8	5887.0		5887.0					
MUNICIPAL LANDS TRST	147.3	1.3	141.0	298.1		241.7					
** TOTAL	2029.3	788.5	2082.8	6185.1		6128.7					
** CHANGE VERSUS FY79 ATH				204.7%	-100.0%	202.0%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	699.2	123.0	733.3	905.7		891.3					
TRAVEL	75.5	26.1	78.5	94.0		93.3					
CONTRACTUAL	598.9	251.1	617.6	3627.3		3587.4					
COMMODITIES	10.9	.4	14.6	13.2		13.0					
EQUIPMENT	3.0	1.2		3.1		1.9					
LANDS/BLDGS	3.2					3.2					
GRANTS, CLMS	638.6	386.7	641.8	1541.8		1538.6					
FUNDING SOURCE											
FED. RECEIPT	658.6	469.6	659.1	1637.2		1637.2					
G. F. MATCH	164.5		167.5	167.5		167.5					
GENERAL FUND	406.2	1.3	437.4	594.5		538.1					
OTHER FUNDS	800.0	317.6	818.8	3785.9		3785.9					
** GENERAL FUND CHANGE VS. FY79 ATH				46.3%	-100.0%	32.4%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	21.0	1.0	21.5	26.5		26.2					
PART-TIME	.5					1.0					
MAN-MONTHS	258.0	12.0	258.0	318.0		312.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: COMMUNITY PLANNING SERVICES
SUB-PROGRAM: COMMUNITY PLANNING ASSISTANCE

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 4TH
01 PERS. SERV.	151.8	24.8%	SALARY ADJUSTMENT, 24.8; TRANSFER OF 1/2 PFT CT III FROM MUNICIPAL LANDS TRUSTEE, 9.3; REINSTATEMENT OF 1% VETO, 3.0; NEW SENIOR PLANNER, 36.5; NEW ASSOCIATE PLANNER, 31.9; NEW CEIP GRANT ADMINISTRATOR, 46.3.
02 TRAVEL	15.9	28.2%	INFLATION, 3.4; ASSOCIATED COSTS OF NEW POSITIONS, 12.5.
03 CONTRACTUAL	2935.7	522.2%	ONE-TIME ITEM, (1.4); INFLATION, 12.5; DATA PROCESSING CHARGEBACK, 5.2; TRANSFERRED COSTS ASSOCIATED WITH CT III, 2.2; COSTS ASSOCIATED WITH NEW POSITIONS, 661.0; COASTAL MANAGEMENT GRANT ADMINISTRATION, 2,256.2.
04 COMMODITIES	1.6	16.3%	INFLATION, .6; TRANSFERRED COSTS ASSOCIATED WITH CT III, .2; COSTS ASSOCIATED WITH NEW POSITIONS, 1.6.
07 GRANTS, CLMS	900.0	140.9%	ADDITIONAL COASTAL ENERGY IMPACT GRANTS, 900.0.
** TOTAL	4005.0	212.8%	

POSITIONS AUTHORIZED

	TITLE	LOCATION	TYPE	APP	SEB COSTS	FED.FUND	GEN.FUND	OTH.FUND
1	PUBLIC WORKS PLANNER I	JUNEAU	FULL	1	46.3	46.3		
2	SENIOR	ANCHORAGE	FULL	1	36.5			36.5
3	ASSOCIATE PLANNER	ANCHORAGE	FULL	1	31.9			31.9
**	TOTALS			3	114.7	46.3		68.4

THE ADDITIONAL INTERAGENCY RECEIPTS REPRESENT $710.9 FROM DOT/PF FOR EXPANDED COMMUNITY PROFILE DEVELOPMENT FOR APPROXIMATELY 65 RURAL COMMUNITIES, WHILE $2256.2 WILL BE RECEIVED FROM THE COASTAL ZONE MANAGEMENT PROGRAM IN THE OFFICE OF THE GOVERNOR FOR IMPLEMENTATION OF THE COASTAL ZONE PLANS PREVIOUSLY FUNDED FOR THE PAST 4 YEARS. AN ADDITIONAL $978.1 IN FEDERAL RECEIPTS WILL BE MADE AVAILABLE FOR COASTAL ENERGY IMPACT PROGRAM GRANTS AND ADMINISTRATION OF THE CEIP PROGRAM. BOTH THE CZM AND CEIP GRANTS REQUIRE A 20% COMMUNITY MATCH.

CATEGORY: DEVELOPMENT PROGRAM: COMMUNITY PLANNING SERVICES
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS SUB-PROGRAM: COMMUNITY PLANNING ASSISTANCE

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	524.0	611.9		121.7	649.0	763.7		763.7					
02 TRAVEL	56.5	56.3		26.1	59.7	72.2		72.2					
03 CONTRACTUAL	515.8	562.2		251.1	580.7	3497.9		3497.9					
04 COMMODITIES	4.9	9.8		.4	10.6	11.4		11.4					
05 EQUIPMENT	2.7			1.2									
06 LANDS/BLDGS	3.5	3.2						3.2					
07 GRANTS, CLMS	30.0	638.6		386.7	641.8	1541.8		1539.6					
08 MISC.													
** TOTAL EXPEND	1137.4	1882.0		787.2	1941.9	5887.0		5887.0					
09 I-A TRANSFER								9.3					
10 FED. RECEIPT	225.9	658.6		469.6	659.1	1637.2		1637.2					
11 G. F. MATCH	55.3	164.5			167.5	167.5		167.5					
12 GENERAL FUND	300.8	258.9			296.4	296.4		296.4					
13 PGM RECEIPTS													
14 OTHER FUNDS	555.4	800.0		317.6	818.8	3785.9		3785.9					
15 FULL-TIME	21.0	19.0		1.0	19.5	22.5		22.0					
16 PART-TIME								1.0					
17 TEMPORARY													
18 MAN-MONTHS	219.0	228.0		12.0	234.0	270.0		270.0					

NEW POSITIONS

	TITLE	LOCATION	TYPE	REC	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1	PUBLIC WORKS PLANNER I	JUNEAU	FULL	1	46.3	11.8	58.1	58.1			1				
2	SENIOR	ANCHORAGE	FULL	1	36.5	6.7	43.2			43.2	1				
3	ASSOCIATE PLANNER	ANCHORAGE	FULL	1	31.9	8.3	40.2			40.2	1				
4	CLERK TYPIST III	ANCHORAGE	PART	1	9.3	2.4	11.7		11.7						
**	NEW POSITION TOTALS			4	124.0	29.2	153.2	58.1	11.7	83.4	3				

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: COMMUNITY PLAN SVCS
SUB-PROGRAM: MUNICIPAL LANDS TRST

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	40.3	46.2%	SALARY INC, 1.3; SALARY ADJUST, 4.1; TRANSFER OF 1/2 PFT CT III TO COMMUNITY PLANNING, (9.4); RECORDS CLERK III, 17.7, 49 MONTHS); LAND MANAGEMENT OFFICER III, 25.6, (9 MONTHS).
02 TRAVEL	1.9	9.2%	ONE-TIME ITEM, (1.5); INFLATION, 1.1; COSTS ASSOCIATED WITH LMO III, 2.3.
03 CONTRACTUAL	52.8	143.9%	ONE-TIME, (.4); INFLATION, 2.8; COSTS ASSOCIATED WITH TRANSFERRED CT III, (2.2); TRESPASS AND LAND USE STUDIES DELETED, (10.2) (CP#24/35); COSTS ASSOCIATED WITH RECORDS CLERK, 3.7; COSTS ASSOCIATED WITH LMO III, 4.1; PUBLIC RECORDS SYSTEM, 26.0; BASE MAPS, 29.0.
04 COMMODITIES	0.5	45.5%	INFLATION, .1; COSTS ASSOCIATED WITH TRANSFERRED POSITION, (.2); COSTS ASSOCIATED WITH RECORDS CLERK, .3; COSTS ASSOCIATED WITH LMO, .3.
05 EQUIPMENT	-1.1	-36.7%	ONE TIME ITEM, (3.0); COSTS ASSOCIATED WITH RECORDS CLERK, 1.1; COSTS ASSOCIATED WITH LMO, .8.
** TOTAL	94.4	64.1%	

POSITIONS AUTHORIZED	TITLE	LOCATION	TYPE	APP	S&B COSTS	FED.FUND	GEN.FUND	OTH.FUND
1	RECORDS CLERK	ANCHORAGE	FULL	1	23.6		23.6	
2	LAND MANAGEMENT OFFICER III	ANCHORAGE	FULL	1	34.2		34.2	
** TOTALS				2	57.8		57.8	

THE RECORDS CLERK AND THE LAND MANAGEMENT OFFICER WERE APPROVED FOR ONLY 9 MONTHS EACH.

CATEGORY: DEVELOPMENT PROGRAM: COMMUNITY PLAN SVCS
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS SUB-PROGRAM: MUNICIPAL LANDS TRST

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	FISCAL YEAR 1980 (05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	47.7	87.3		1.3	84.3	142.0		127.6					
02 TRAVEL	8.7	19.2			18.8	21.8		21.1					
03 CONTRACTUAL	4.4	36.7			36.9	129.4		89.5					
04 COMMODITIES	.4	1.1			1.0	1.8		1.6					
05 EQUIPMENT	.7	3.0				3.1		1.9					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	61.9	147.3		1.3	141.0	298.1		241.7					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	61.9	147.3		1.3	141.0	298.1		241.7					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	1.0	2.0			2.0	4.0		4.0					
16 PART-TIME		.5											
17 TEMPORARY													
18 MAN-MONTHS	12.0	30.0			24.0	48.0		42.0					

NEW POSITIONS

	TITLE	LOCATION	TYPE	REC	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1	RECORDS CLERK	ANCHORAGE	FULL	1	23.6	6.5	30.1		30.1		1				
2	LAND MANAGEMENT OFFICER III	ANCHORAGE	FULL	1	34.2	9.3	43.5		43.5		1				
**	NEW POSITION TOTALS			2	57.8	15.8	73.6		73.6		2				

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY ASSISTANCE GRANTS

COMPONENT DESCRIPTION	FY79 ATH	RP & SUP	MAINT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
MUNICIPAL REVENUE SHARING	18688.0		21857.3	21857.3		18698.1					
AGRICULTURAL LAND EXEMPTION	215.2		249.6	249.6		249.6					
NATIONAL FOREST RECEIPTS	900.0		910.1	910.1		910.1					
** TOTAL	19803.2		23017.0	23017.0		19847.7					
** CHANGE VERSUS FY79 ATH				16.2%	-100.0%	0.2%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
GRANTS, CLMS	19803.2		23017.0	23017.0		19847.7					
FUNDING SOURCE											
FED. RECEIPT			910.1	910.1		910.1					
GENERAL FUND	19803.2		22106.9	22106.9		18937.6					
** GENERAL FUND CHANGE VS. FY79 ATH				11.6%	-100.0%	-4.3%	-100.0%	-100.0%	-100.0%		
POSITIONS											

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: COMMUNITY ASSISTANCE GRANTS
SUB-PROGRAM: MUNICIPAL REVENUE SHARING

* * * * GOVERNOR ANALYSIS * * * *

REVENUE SHARING GRANTS TO BE FUNDED AT SAME DOLLAR LEVEL AS IN FY 79 WHICH FOR FY 80, IS 85.50% OF FULL FUNDING. FURTHER, ADDITIONAL FUNDS WOULD BE APPROVED PENDING CHANGES TO THE CURRENT REVENUE SHARING REQUIREMENTS TO BE INTRODUCED BY THE GOVERNOR DURING THE 1ST SESSION OF THE 11TH LEGISLATURE.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY ASSISTANCE GRANTS
SUB-PROGRAM: MUNICIPAL REVENUE SHARING

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	FISCAL YEAR 1980 (05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	18184.2	18688.0			21857.3	21857.3		18688.0	85%	16819.0			
08 MISC.													
** TOTAL EXPEND	18184.2	18688.0			21857.3	21857.3		18688.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	18194.2	18688.0			21857.3	21857.3		18688.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: COMMUNITY ASSISTANCE GRANTS
SUB-PROGRAM: AGRICULTURAL LAND EXEMPTION

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	34.4	16.0%	INCREASE REQUIRED TO FULLY FUND EXEMPTION PAYMENTS, 34.4.
** TOTAL	34.4	16.0%	

AN AVERAGE OVERALL INCREASE IN THE TOTAL TAX OF 16 PERCENT HAS BEEN PROJECTED FOR FY 80.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: COMMUNITY ASSISTANCE GRANTS
SUB-PROGRAM: AGRICULTURAL LAND EXEMPTION

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) PP & SUP	FISCAL YEAR 1980 (05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	118.6	215.2			249.6	249.6		249.6					
08 MISC.													
** TOTAL EXPEND	118.6	215.2			249.6	249.6		249.6					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	118.6	215.2			249.6	249.6		249.6					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY ASSISTANCE GRANTS
SUB-PROGRAM: NATIONAL FOREST RECEIPTS

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	10.1	1.1%	ANTICIPATED INCREASE IN PROJECTED REIMBURSABLE RECEIPTS, 10.1.
** TOTAL	10.1	1.1%	

FUNDING SOURCE CHANGED TO MORE ACCURATELY REFLECT THE SOURCE OF RECEIPTS, WHICH ARE FEDERAL FUNDS.

08-18-04-03-00 (21-72-3-07-03-001) STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY 13:48 1/23/79

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY ASSISTANCE GRANTS
SUB-PROGRAM: NATIONAL FOREST RECEIPTS

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	762.8	900.0			910.1	910.1		910.1					
08 MISC.													
** TOTAL EXPEND	762.8	900.0			910.1	910.1		910.1					
09 I-A TRANSFER													
10 FED. RECEIPT					910.1	910.1		910.1					
11 G. F. MATCH													
12 GENERAL FUND	762.8	900.0											
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
19 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: STATE ASSESSOR
SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	19.1	11.3%	SALARY INCREASE, 12.2; SALARY ADJUSTMENT, 6.9.
02 TRAVEL	1.6	20.5%	INFLATIO, .9; EXPANDED SERVICES CONTRACTS, .7.
03 CONTRACTUAL	1.6	5.7%	COSTS FOR PUBLICATION NOTICES FOR HEARINGS, 1.6
04 COMMODITIES	1.8	50.0%	INFLATION, 1.8
05 EQUIPMENT	-1.7	-60.7%	REDUCED NEED, <1.7>
** TOTAL	22.4	10.6%	

NO NEW POSITIONS AUTHORIZED.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: STATE ASSESSOR
SUB-PROGRAM:

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
						FISCAL YEAR 1980							
01 PERS. SERV.	145.2	168.7	3.0%			190.2	201.8	187.8					
02 TRAVEL	7.5	7.8	17.9%			11.3	11.3	9.4					
03 CONTRACTUAL	35.7	28.2	20.5%			40.9	90.9	29.8					
04 COMMODITIES	2.0	3.6	66.6%			5.4	5.4	5.4					
05 EQUIPMENT	2.0	2.8	17.8%			1.1	1.1	1.1					
06 LANDS/BLDGS	.3	1.1	9.0%			1.1	1.1	1.1					
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	192.7	212.2	7.2%			250.0	311.6	234.6					
09 I-A TRANSFER	5.1												
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	192.7	212.2				250.0	311.6	234.6					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	4.0	7.0		-1.0		4.0	5.0	4.0					
16 PART-TIME	5.0			2.0		6.0	6.0	6.0					
17 TEMPORARY													
18 MAN-MONTHS	78.0	84.0				84.0	90.0	84.0					

NEW POSITIONS

	TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1	RESEARCH ANALYST I	JUNEAU	PART	1	11.6		11.6		11.6						
**	NEW POSITION TOTALS			1	11.6		11.6		11.6						

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT PROGRAM: ADMINISTRATION
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

COMPONENT DESCRIPTION	FY79 ATH	RP & SUP	MAINT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
OFFICE OF THE COMMISSIONER	200.0	1.7	211.1	214.6		187.9					
ADMINISTRATIVE SERVICES	368.4	11.9	384.2	419.0		384.2					
** TOTAL	568.4	13.6	595.3	633.6		572.1					
** CHANGE VERSUS FY79 ATH				11.4%	-100.0%	).6%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	494.5	13.6	512.1	535.4		494.1					
TRAVEL	17.9		18.9	22.9		15.7					
CONTRACTUAL	44.5		50.1	52.3		48.9					
COMMODITIES	6.1		6.4	6.5		5.6					
EQUIPMENT	2.8		3.6	12.3		3.6					
LANDS/BLDGS	2.6		4.2	4.2		4.2					
FUNDING SOURCE											
G. F. MATCH	14.0		11.1	11.1		11.1					
GENERAL FUND	510.7	13.6	551.5	589.8		528.3					
OTHER FUNDS	43.7		32.7	32.7		32.7					
** GENERAL FUND CHANGE VS. FY79 ATH				15.4%	-100.0%	3.4%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	15.0		15.0	16.0		14.0					
MAN-MONTHS	180.0		180.0	192.0		168.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: ADMINISTRATION
SUB-PROGRAM: OFFICE OF THE COMMISSIONER

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	-10.6	-6.5%	SALARY INC, 1.7; SALARY ADJUST, 4.0; REINSTATEMENT OF 1% VETO 1.7; DELETE CT (1) (PCN 1004), (18.0) (CP#32/35).
02 TRAVEL	-2.3	-14.7%	INFLATION, .9; REDUCTION FOR COMMISSIONER AND DEPUTY COMMISSIONER, (3.2) (CP#33/35).
03 CONTRACTUAL	0.9	5.6%	INFLATION, 2.1; DELETE DEPARTMENTAL BROCHURE AND NEWSLETTER, (1.2) (CP#32/35).
04 COMMODITIES	-0.7	-25.2%	INFLATION, .1; GENERAL REDUCTION, (.8) (CP#32/35).
05 EQUIPMENT	0.3	60.0%	ONE TIME ITEMS, (.5); REPLACEMENT, .8.
06 LANDS/BLDGS	0.3	27.3%	INFLATION, .3.
** TOTAL	-12.1	-6.1%	

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

AUDITS - A REVIEW OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS MARCH 3, 1978 BY LEGISLATIVE AUDIT. SIGNIFICANT FINDINGS: YEAR END ENCUMBRANCES OVERSTATED.

CATEGORY: DEVELOPMENT PROGRAM: ADMINISTRATION
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS SUB-PROGRAM: OFFICE OF THE COMMISSIONER

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	145.7	164.3		1.7	171.7	175.2		153.7					
02 TRAVEL	13.9	15.6			16.5	16.5		13.3					
03 CONTRACTUAL	12.6	16.1			18.2	18.2		17.0					
04 COMMODITIES	.8	2.4			2.5	2.5		1.7					
05 EQUIPMENT	.4	.5			.8	.8		.8					
06 LANDS/BLDGS	1.4	1.1			1.4	1.4		1.4					
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	174.8	200.0		1.7	211.1	214.6		187.9					
09 I-A TRANSFER	.6												
10 FED. RECEIPT													
11 G. F. MATCH		3.1			3.6	3.6		3.6					
12 GENERAL FUND	174.8	186.0		1.7	196.6	200.1		173.4					
13 PGM RECEIPTS													
14 OTHER FUNDS		10.9			10.9	10.9		10.9					
15 FULL-TIME	4.0	4.0			4.0	4.0		3.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	48.0	48.0			48.0	48.0		36.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: ADMINISTRATION
SUB-PROGRAM: ADMINISTRATIVE SERVICES

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	10.2	3.1%	SALARY INC, 11.9; SALARY ADJUST, 10.7; DELETE PFT PSE CLERK IV, (15.3); REINSTATEMENT OF 1% VETO, 2.9.
02 TRAVEL	0.1	4.3%	INFLATION, .1.
03 CONTRACTUAL	3.5	12.3%	ONE TIME ITEM, (.6); INFLATION, 4.1.
04 COMMODITIES	0.2	5.4%	INFLATION, .2.
05 EQUIPMENT	0.5	21.7%	ONE TIME ITEMS, (2.3); REPLACEMENT, 2.8.
06 LANDS/BLDGS	1.3	86.7%	INFLATION, 1.3.
** TOTAL	15.8	4.3%	

NO NEW POSITIONS AUTHORIZED.

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: ADMINISTRATION
SUB-PROGRAM: ADMINISTRATIVE SERVICES

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
					FISCAL YEAR 1980								
01 PERS. SERV.	270.4	330.2		11.9	340.4	360.2		340.4					
02 TRAVEL	1.3	2.3			2.4	6.4		2.4					
03 CONTRACTUAL	21.5	28.4			31.9	34.1		31.9					
04 COMMODITIES	2.6	3.7			3.9	4.0		3.9					
05 EQUIPMENT		2.3			2.8	11.5		2.8					
06 LANDS/BLDGS	2.8	1.5			2.8	2.8		2.8					
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	298.6	368.4		11.9	384.2	419.0		384.2					
09 I-A TRANSFER	3.0												
10 FED. RECEIPT													
11 G. F. MATCH		10.9			7.5	7.5		7.5					
12 GENERAL FUND	298.6	324.7		11.9	354.9	389.7		354.9					
13 PGM RECEIPTS													
14 OTHER FUNDS		32.8			21.8	21.8		21.8					
15 FULL-TIME	11.0	11.0			11.0	12.0		11.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	132.0	132.0			132.0	144.0		132.0					

NEW POSITIONS

	TITLE	LOCATION	TYPE	REC	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1	SUPPLY CLERK I	JUNEAU	FULL	1	18.7	.3	19.0		19.0						
**	NEW POSITION TOTALS			1	18.7	.3	19.0		19.0						

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: COMMUNITY & RURAL DEVELOPMENT

COMPONENT DESCRIPTION	FY79 ATH	PP & SUP	MAINT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
GRANTS	842.1		892.6	892.6		841.9					
ADMINISTRATION	592.9	26.1	633.3	633.3		610.8					
** TOTAL	1435.0	26.1	1525.9	1525.9		1452.7					
** CHANGE VERSUS FY79 ATH				6.3%	-100.0%	1.2%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	425.1	7.5	450.9	450.9		428.4					
TRAVEL	90.8		96.2	96.2		97.2					
CONTRACTUAL	71.7	18.6	80.4	80.4		79.4					
COMMODITIES	4.7		4.9	4.9		4.9					
EQUIPMENT											
LANDS/BLDGS	.6		.9	.9		.9					
GRANTS, CLMS	842.1		892.6	892.6		841.9					
FUNDING SOURCE											
FED. RECEIPT	284.0	18.6	284.0	284.0		284.0					
G. F. MATCH	71.0		71.0	71.0		71.0					
GENERAL FUND	1080.0	7.5	1170.9	1170.9		1097.7					
** GENERAL FUND CHANGE VS. FY79 ATH				8.4%	-100.0%	1.6%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	14.0		14.0	14.0		13.0					
MAN-MONTHS	168.0		168.0	168.0		156.0					

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: COMMUNITY & RURAL DEVELOPMENT
SUB-PROGRAM: GRANTS

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
07 GRANTS, CLMS	-0.2	0.0%	INFLATION, 50.5; MAINTAIN GRANTS AT CURRENT FY 79 LEVEL, (50.7) (CP#17/35).
** TOTAL	-0.2	0.0%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: COMMUNITY & RURAL DEVELOPMENT
SUB-PROGRAM: GRANTS

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	847.9	842.1			892.6	892.6		841.9					
08 MISC.													
** TOTAL EXPEND	847.9	842.1			892.6	892.6		84 .9					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	847.9	842.1			892.6	892.6		841.9					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY & RURAL DEVELOPMENT
SUB-PROGRAM: ADMINISTRATION

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
01 PERS. SERV.	3.3	0.8%	SALARY INC, 7.5; SALARY ADJUST, 16.9; RESTATEMENT OF 1% VETO, 1.4; CLOSE FAIRBANKS FIELD OFFICE BY TRANSFERRING ONE FIELD TRAINING OFFICER TO ANCHORAGE AND DELETING A CLERK TYPIST II - PCN 5010, (22.5) (CP#35/35).
02 TRAVEL	6.4	7.0%	INFLATION, 5.4; INCREASE DUE TO ADDITIONAL COST IN TRAVEL FROM ANCHORAGE TO FAIRBANKS, 1.0.
03 CONTRACTUAL	7.7	10.7%	INFLATION, 8.7; REDUCED COSTS ASSOCIATED WITH CLOSURE OF FAIRBANKS OFFICE, (1.0).
04 COMMODITIES	0.2	4.3%	INFLATION, .2.
06 LANDS/BLDGS	0.3	50.0%	INFLATION, .3.
** TOTAL	17.9	3.0%	

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
PROGRAM: COMMUNITY & RURAL DEVELOPMENT
SUB-PROGRAM: ADMINISTRATION

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
						FISCAL YEAR 1980							
01 PERS. SERV.	391.9	425.1		7.5	450.9	450.9		428.4					
02 TRAVEL	49.4	90.8			96.2	96.2		97.2					
03 CONTRACTUAL	86.3	71.7		18.6	80.4	80.4		79.4					
04 COMMODITIES	4.2	4.7			4.9	4.9		4.9					
05 EQUIPMENT	1.8												
06 LANDS/BLDGS	.8	.6			.9	.9		.9					
07 GRANTS, CLMS	226.0												
08 MISC.													
** TOTAL EXPEND	760.4	592.9		26.1	633.3	633.3		610.8					
09 I-A TRANSFER	16.5												
10 FED. RECEIPT	284.0	284.0		18.6	284.0	284.0		284.0					
11 G. F. MATCH	71.0	71.0			71.0	71.0		71.0					
12 GENERAL FUND	405.4	237.9		7.5	278.3	278.3		255.8					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME		14.0			14.0	14.0		13.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS		168.0			168.0	168.0		156.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

CATEGORY: DEVELOPMENT
AGENCY: STATE BOND COMMITTEE
PROGRAM: DEBT SERVICE

COMPONENT DESCRIPTION	FY79 ATH	RP & SUP	MAINT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
REMOTE HOUSING	232.4		227.6	227.6		227.6					
PORT FACILITIES	1782.5		2296.4	2296.4		2296.4					
WATERS AND HARBORS	890.8		1054.0	1054.0		1054.0					
NATURAL DISASTER	385.0		384.5	384.5		384.5					
** TOTAL	3290.7		3962.5	3962.5		3962.5					
** CHANGE VERSUS FY79 ATH				20.4%	-100.0%	20.4%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
MISC.	3290.7		3962.5	3962.5		3962.5					
FUNDING SOURCE											
GENERAL FUND	3290.7		3962.5	3962.5		3962.5					
** GENERAL FUND CHANGE VS. FY79 ATH				20.4%	-100.0%	20.4%	-100.0%	-100.0%	-100.0%		
POSITIONS											

CATEGORY: DEVELOPMENT
AGENCY: STATE BOND COMMITTEE

PROGRAM: DEBT SERVICE
SUB-PROGRAM: REMOTE HOUSING

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
08 MISC.	-4.8	-2.1%	REDUCTION IN REQUIREMENT, (4.8).
** TOTAL	-4.8	-2.1%	

CATEGORY: DEVELOPMENT
AGENCY: STATE BOND COMMITTEE

PROGRAM: DEBT SERVICE
SUB-PROGRAM: REMOTE HOUSING

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.	238.0	232.4			227.6	227.6		227.6					
** TOTAL EXPEND	238.0	232.4			227.6	227.6		227.6					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	238.0	232.4			227.6	227.6		227.6					
13 P&M RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: STATE BOND COMMITTEE

PROGRAM: DEBT SERVICE
SUB-PROGRAM: PORT FACILITIES

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
08 MISC.	513.9	28.8%	INCREASE IN RECUIREMENT, 513.9.
** TOTAL	513.9	28.8%	

CATEGORY: DEVELOPMENT
AGENCY: STATE BOND COMMITTEE

PROGRAM: DEBT SERVICE
SUB-PROGRAM: PORT FACILITIES

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.	1403.9	1782.5			2296.4	2296.4		2296.4					
** TOTAL EXPEND	1403.9	1782.5			2296.4	2296.4		2296.4					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1403.9	1782.5			2296.4	2296.4		2296.4					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: STATE BOND COMMITTEE

PROGRAM: DEBT SERVICE
SUB-PROGRAM: WATERS AND HARBORS

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
08 MISC.	163.2	18.3%	INCREASE IN REQUIREMENT, 163.2.
** TOTAL	163.2	18.3%	

08 .1-01-03-00 (35-79-1-01-03-00) STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY 13:50 1/23/79

CATEGORY: DEVELOPMENT
AGENCY: STATE BOND COMMITTEE

PROGRAM: DEBT SERVICE
SUB-PROGRAM: WATERS AND HARBORS

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) RP & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG. REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.	534.9	890.8			1054.0	1054.0		1054.0					
** TOTAL EXPEND	534.9	890.8			1054.0	1054.0		1054.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	534.9	890.8			1054.0	1054.0		1054.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

CATEGORY: DEVELOPMENT
AGENCY: STATE BOND COMMITTEE

PROGRAM: DEBT SERVICE
SUB-PROGRAM: NATURAL DISASTER

* * * * GOVERNOR ANALYSIS * * * *

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY79 ATH
08 MISC.	-0.5	-0.1%	REDUCTION IN REQUIREMENT, (.5).
** TOTAL	-0.5	-0.1%	

CATEGORY: DEVELOPMENT
AGENCY: STATE BOND COMMITTEE

PROGRAM: DEBT SERVICE
SUB-PROGRAM: NATURAL DISASTER

FISCAL YEAR 1980

EXPENDITURES & FUNDING	(01) FY78 ACT	(02) FY79 ATH	(03) FY79 YTD	(04) & SUP	(05) MAINT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.	385.0	385.0			384.5	384.5		384.5					
** TOTAL EXPEND	385.0	385.0			384.5	384.5		384.5					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	385.0	385.0			384.5	384.5		384.5					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

LGAD Staff Members

December 28, 1978

Thru: William Pritchard
Local Government Supervisor

Mary Foster
Administrative Assistant

FY 79 State Revenue
Sharing Program

Attached is a list of all municipalities and VFD's that submitted FY 79 State Revenue Sharing applications, and the initial entitlement amount for each. Currently, the entitlements total $20,848,528 while the FY 79 appropriation is only $14,698,000.

Attachments

cc: Dee Derr, Anchorage
w/Attachments

FY 79 State Revenue Sharing Initial Entitlement Amounts
Municipalities

City and Borough of Juneau	$851,188
City and Borough of Sitka	$423,798
Municipality of Anchorage	$9,939,526
North Slope Borough	$296,722
Bristol Bay Borough	$29,651
Fairbanks North Star Borough	$1,228,600
Kenai Peninsula Borough	$324,052
Ketchikan Gateway Borough	$96,620
Kodiak Island Borough	$219,227
Matanuska-Susitna Borough	$207,373
Haines Borough	$2,927
Cordova	$226,999
Fairbanks	$1,728,487
Kenai	$252,089
Ketchikan	$406,130
Kodiak	$218,516
North Pole	$29,891
Palmer	$179,990
Petersburg	$213,797
Seward (late)	$149,425*
Valdez	$303,413
Wrangell	$215,383
Barrow	$45,392
Craig	$30,070
Dillingham	$64,716
Galena	$42,344
Haines	$66,028
Homer	$83,504
Hoonah	$52,062
Hydaburg	$14,950
Kake	$20,256
King Cove	$27,559
Klawock	$15,741
Nenana	$36,886
Nome	$392,581
Pelican	$10,232
Saint Mary's	$45,588
Sand Point	$48,758
Seldovia	$34,157
Skagway	$49,317
Soldotna	$121,817
Unalaska	$104,530
Yakutat	$19,853
Akhiok	$1,291
Akiachak	$30,905
Akiak	$8,109
Akolmiut	$86,074
Alakanuk	$31,363
Aliakaket	$9,028
Ambler	$24,657
Anderson	$18,270
Angoon	$26,373
Aniak	$25,209
Atmautluak	$28,674
Bethel	$271,735
Buckland	$9,352
Chefornak	$7,189
Chevak	$10,188
Chuathbaluk	$9,563
Deering	$8,402
Delta Junction	$34,292
Diomede	$6,419
Eagle	$9,384
Eek	$9,779
Emmonak	$22,408
Fort Yukon	$58,784
Fortuna Ledge	$10,524
Gambell	$15,528
Golovin	$8,958
Goodnews Bay	$7,819
Grayling	$484
Holy Cross	$19,232
Hooper Bay	$18,553
Houston	$43,928
Hughes	$1,638
Huslia	$40,776
Kaktovik	$3,210
Kaltag	$8,997
Kasaan	$4,575
Kiana	$22,256
Kivalina	$12,789
Kotlik	$11,941
Kotzebue	$141,774
Koyuk	$10,296
Koyukuk	$7,423
Kupreanof	$414
Kwethluk	$19,341
Manokotak	$11,836
McGrath	$21,253
Mekoryuk	$11,608
Mountain Village	$28,041
Napakiak	$14,615
Napaskiak	$12,510
New Stuyahok	$12,174
Newtok	$4,905
Nightmute	$4,300
Nikolai	$8,212
Nondalton	$4,137
Noorvik	$22,986
Nulato	$19,962
Old Harbor	$17,739
Ouzinkie	$3,503

FY 79 State Revenue Sharing Initial Entitlement Amounts
Municipalities

Pilot Station	$12,320
Platinum	$1,847
Port Alexander	$1,310
Port Heiden	$56,829
Port Lions	$11,791
Quinhagak	$9,359
Ruby	$3,662
Russian Mission	$9,955
Saint Michael	$14,214
Saint Paul	$85,145
Savoonga	$15,569
Saxman	$6,254
Scammon Bay	$14,287
Selawik	$10,965
Shageluk	$15,800
Shaktoolik	$24,457
Shishmaref	$18,010
Shungnak	$5,350
Stebbins	$5,540
Tanana	$33,515
Teller	$12,123
Tenakee Springs	$5,657
Togiak	$13,543
Toksook Bay	$16,775
Tuluksak	$5,105
Tununak	$12,780
Unalakleet	$46,595
Wainwright	Entitlement Denied
Wasilla	$78,326

*The City of Seward's application was not considered. However, hospital and health facility monies applied for by the Kenai Peninsula Borough are being paid directly to Seward, as the City has and exercises the health power.

FY 79 Revenue Sharing Initial Entitlement Amounts
Volunteer Fire Department's

Akutan	$663
Arctic Village	$1284
Atka	$768
Birch Creek	$345
Chalkyitsik	Entitlement Denied
Chignik Lake	Entitlement Denied
Copper Center (late)	Application Not Considered
Cordova	$3839
Crooked Creek	$1074
Delta Junction	$6254
Glennallen	$9936
Kipnuk	$3471
Koliganek	$1364
Kongiganak	Entitlement Denied
Levelock	$900
Metlakatla	$8393
Meyers Chuck	$293
Minto	$1846
Nenana	$2809
Nome	$2457
Pelican	$250
Rampart	$642
Saint George Island	$1667
Skagway	$387
Stevens Village	Entitlement Denied
Telida	$321 (organizational grant)
Tok	$7366
Tri-Valley	$7182
Tuntutuliak	$2340
Twin Hills	$720
Yakutat	$1016

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Received from _____

BILL NO. HB192 re Revenue Sharing

Original Sponsor Gardiner, Anderson, Miller Fiscal Note _____

Contacts:
Lee Sharp 6-3300
Jenny Chitwood
Chenault 3738

LAA Legal Research contact: _____

Kuskokwim Native Association

February 25, 1980

The Honorable Bill Parker
Pouch V
Juneau AK 99811

Dear Representative Parker:

I have been working in local government for the Kuskokwim Native Association villages over the past three years. During that time I have seen much development in each village's capability to handle its own affairs. However, one continuing problem is that of generating local revenue. This problem is extremely sever in those villages that are unincorporated, or lacking city status.

These unincorporated villages receive no state revenue sharing money, other than for their Volunteer Fire Department, a mere $7.50/capita. Yet many of these same villages maintain their own village clinic, and have CETA paid police and recreation directors but are not eligible for state revenue sharing in these areas.

As you are probably aware, the incorporated cities at the same time, receive state revenue sharing payments for the following services

- Police Protection
- Fire Protection
- Water or Air Pollution Control
- Land Use Planning
- Parks and Recreation
- Transportation Facilities
- Public and Ice Road Maintenance
- Health Facilities (such as village clinics)
- Health Services
- Hospitals
- State Construction Aid

What I am proposing is that the legislature look into the possibility of providing state revenue sharing monies to village serving an area not in an organized borough or city. These unincorporated villages, of which there are over 100 in Alaska should also be entitled to state revenue to manage their own local government affairs.

BOX 106, ANIAK, ALASKA 99557 PHONE (907) 675-4384

Most of the villages would not be eligible for the full range of payments since many may not have a public road system, sewer or water systems, or sophisticated transportation facilities; however, most do operate their own health clinics and attempt to provide police or recreation services, in addition to the already funded fire protection programs.

I believe the fiscal note attached to such an amendment to Chapter 18 of the Alaska Statutes would be small, especially considering the local government management experience that these villages would be encountering by administering these state revenue sharing funds.

At a time when the legislature is considering establishing regional units within the Unorganized Borough, I believe that we need to first strengthen the village local government capabilities.

I would appreciate your consideration of this proposal. If you would like to discuss it further with me, please write or call.

Thank you.

Sincerely,

Cheryl Jerabek

Cheryl Jerabek
Self-Determination/Local Government
Director

cc: Members of the Bush Caucus
Members of the Senate & House Committee on
Community & Regional Affairs

(15)

F I N A L
A N N U A L R E P O R T

FISCAL YEAR 1978

STATE AID TO LOCAL GOVERNMENTS

MUNICIPAL SERVICES REVENUE SHARING PROGRAM

(AS 43.18.010 - 045)

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
POUCH B
JUNEAU, ALASKA 99811
AUGUST 1978

Expenditures for the State Aid to Local Governments Municipal Services Revenue Sharing Program during the period July 1, 1977 to June 30, 1978 are as follows:

GRANT ENTITLEMENTS BY CLASSIFICATION OF MUNICIPAL SERVICES

	Applicants Participating	Approved Entitlements
Police Protection	85	$ 3,006,690
Fire Protection	125	2,649,333
Air/Water Pollution	46	743,802
Land Use Planning	29	737,622
Parks and Recreation	100	1,877,997
Transportation Facilities	39	2,179,793
Road Maintenance		
Public Roads	77	1,856,273
Ice Roads	6	106,389
Health Services	11	545,622
Hospitals	13	1,522,000
Health Facilities	59	997,000
Construction Aid Matching Funds	3	947,500
Entitlements		$17,170,021
Cost-of-Living Allowance (COLA)		1,168,919
Total Entitlements		$18,338,940
Less Prior Year Adjustments		154,730
Final Entitlements		$18,184,210

GRANT ENTITLEMENTS BY CLASSIFICATION OF RECIPIENT

	Applicants Participating	Approved Entitlements
Organized Boroughs	7	$ 2,296,982
Unified Governments	3	9,499,734
Home Rule Cities	11	3,004,872
First Class Cities	20	935,776
Second Class Cities	80	1,381,646
Unorganized Borough Fire Protection Groups	23	51,011
Entitlements	144	$17,170,021
Cost-of-Living Allowance (COLA)		1,168,919
Total Entitlements		$18,338,940
Less Prior Year Adjustments		154,730
Final Entitlements		$18,184,210

RATES USED TO COMPUTE GRANT ENTITLEMENTS
UNDER THE STATE AID TO LOCAL GOVERNMENTS
MUNICIPAL SERVICES REVENUE SHARING PROGRAM

Municipal Services	Rates
Police Protection	$12 per capita
Military	6 per capita
Fire Protection	$7.50 per capita
Air/Water Pollution	$2 per capita
Land Use Planning	$2 per capita
Parks and Recreation	$5 per capita
Military	1.25 per capita
Transportation Facilities	$5 per capita
Military	2.50 per capita
Road Maintenance	
Public Roads	$1,500 per mile*
Ice Roads	900 per mile**
Health Services	$2 per capita
Hospitals	$75,000 per hospital*
	25,000 per hospital**
	1,000 per bed***
Health Facilities	$4,000 per facility*
	1,000 per bed**
Construction Aid	$2,500 per bed

DEFINITIONS

COLA - means cost-of-living allowance used in computing total grant entitlements.

FY 78 - means the fiscal year ending June 30, 1978.

FY 77 - means the fiscal year ending June 30, 1977.

	Total for Boroughs & Unified Govt's	Total for Cities	Total for Fire Protect-ion Groups	Total FY 1978 Entitlements
Police	$ 1,693,878	$ 1,312,812		$ 3,006,690
Fire	1,774,434	823,888	$ 51,011	2,649,333
Air/Water	576,848	166,954		743,802
Land Use Planning	680,342	57,280		737,622
Parks & Recreation	1,472,743	405,254		1,877,997
Transportation	1,889,378	290,415		2,179,793
Roads	837,255	1,125,407		1,962,662
Health Services	433,338	112,284		545,622
Hospitals	929,000	593,000		1,522,000
Health Facilities	687,000	310,000		997,000
Construction Aid	822,500	125,000		947,500
Entitlements	11,796,716	5,322,294	51,011	17,170,021
COLA	311,660	848,039	9,220	1,168,919
Total Entitlements	$12,108,376	$ 6,170,333	$60,231	$18,338,940
Less Prior Year Adjustments				154,730
Final Entitlements				$18,184,210
TOTAL APPROPRIATED TO THE REVENUE SHARING ACCOUNT				$18,656,800
FINAL DISBURSEMENT				18,184,210
BALANCE				$ 472,590

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
BOROUGHS & UNIFIED GOV'TS																	
Anchorage, Municipality of	180,653	(1,386,030)	(1,351,620)	(361,306)	(361,306)	(922,499)	(1,329,535)	562,455*	(361,306)	404,000***	40,000*	822,500	8,378,557	-0-	8,378,557	3,941,947	4,436,610
Chugiak	5,876		44,070	11,752	11,752	29,380	29,380		11,752		476,000**						
City Service Area	68,119	817,428	510,893	136,238	136,238	340,595	681,190		136,238								
Girdwood	600		4,500	1,200	1,200	3,000	3,000		1,200								
Glenn Alps	65			130	130		325		130								
Eagle River	7,182		53,865	14,364	14,364	35,910	35,910		14,364								
Muldoon	23,345		175,087	46,690	46,690	116,725	116,725		46,690								
Rabbit Creek	6,532		48,990	13,064	13,064	32,660	32,660		13,064								
Sand Lake	18,915		141,863	37,830	37,830	94,575	94,575		37,830								
Hillside	8,937		67,027	17,874	17,874	44,685	44,685		17,874								
Spenard	38,816	465,792	291,120	77,632	77,632	194,080	194,080		77,632								
Outside All Serv. Areas	372			744	744		1,860		744								
Oceanview	1,894		14,205	3,788	3,788	9,470	9,470		3,788								
Military	17,135	102,810				21,419	85,675										
Juneau, City and Borough of	20,465	(106,380)	(152,010)	(38,062)	(40,930)	(102,325)	(102,325)	74,100*	(40,930)	75,000*	4,000*		751,062	-0-	751,062	357,179	393,883
Service Area #1	7,259	87,108	54,443	14,518	14,518	36,295	36,295		14,518		15,000**						
Service Area #2	1,606	19,272	12,045	3,212	3,212	8,030	8,030		3,212								
Service Area #3	197				394	985	985		394								
Service Area #4	1,370		10,275	2,740	2,740	6,850	6,850		2,740								
Service Area #5	8,369		62,767	16,738	16,738	41,845	41,845		16,738								
Service Area #6	719		5,393		1,438	3,595	3,595		1,438								
Service Area #7	427		3,202	854	854	2,135	2,135		854								
Service Area #8	518		3,885		,,036	2,590	2,590		1,036								
Sitka, City and Borough of	7,650	91,800	57,375		15,300	38,250	38,250	21,840*	15,300	75,000*	4,000*		370,115	13,879	383,994	173,551	210,443
											13,000**						
Bristol Bay Borough	1,311		9,833		2,622	6,555		6,630*					25,640	6,731	32,371	-0-	,371
Fairbanks North Star Borough	60,227		(102,578)	120,454	120,454	301,135	301,135	75,795*					1,044,033	156,605	1,200,638	554,893	645,745
Military Annex	5,995					7,494	14,988										
North Star Fire Area	6,500		36,750														
University Fire Area	7,177		53,828														
Kenai Peninsula Borough	24,611			49,222	49,222					225,000*	4,000*		437,759	32,832	470,591	-0-	470,591
Nikiski Fire Area	3,512		26,340								64,000**						
North Kenai Rec. Area	3,995					19,975											
Ketchikan Gateway Borough	11,490				22,980		57,450						84,555	-0-	84,555	41,479	43,076
Shoreline Fire Area	550		4,125														
Kodiak Island Borough	7,901		(12,300)		15,802	9,890		13,500*	15,802	75,000*	20,000*		193,294	14,497	207,791	726	207,065
Fire District #1	1,546		11,595								31,000**						
Karluk Fire Area	94		705														
Matanuska-Susitna Borough	16,724		(58,253)		33,448	64,620		53,955		75,000*			285,276	10,698	295,974	-0-	295,974
Butte Fire Area	1,742		13,065														
Palmer Fire Area	2,485		18,638														
Sutton Fire Area	569		4,267														
Wasilla Fire Area	2,971		22,283														
North Slope Borough	9,139	109,668		(7,804)	18,278		45,695	28,980*			16,000*		226,425	76,418	302,843	173,867	128,976
Wainwright Sewer Area	398			796													
Deadhorse Sewer Area	3,504			7,008													
TOTALS		1,693,878	1,774,434	576,848	680,342	1,472,743	1,889,378	837,255	433,338	929,000	687,000	822,500	11,796,716	311,660	12,108,376	5,243,642	6,864,734

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payment
CITIES																	
Akhiok	102	DID NOT SUBMIT AN APPLICATION															
Akiachak	354	4,248	2,655			1,770		3,000* 8,100**			4,000*		23,773	7,132	30,905	-0-	30,905
Akiak	165	DID NOT SUBMIT FINANCIAL STATEMENT															
Akolmiut	608	7,296	4,560			3,040		40,275**			8,000*		63,171	18,951	82,122	68,784	13,338
Alakanuk	527	6,324	3,953			2,635		6,000* 3,600**					22,512	6,754	29,266	4,910	24,356
Aleknagik	227	DID NOT SUBMIT AN APPLICATION															
Allakaket	164		1,230			820							2,050	692	2,742	-0-	2,742
Ambler	217	2,604	1,628	434		1,085		7,095*			4,000*		16,846	5,686	22,532	1,389	21,143
Anaktuvuk Pass	150	DID NOT SUBMIT AN APPLICATION															
Anderson Military	470 228	5,640 1,368	3,525			2,350 285	2,350 570	7,500*					23,588	7,961	31,549	10,755	20,794
Angoon	287	3,444	2,153	574	574	1,435	1,435	7,770*					17,385	652	18,037	-0-	18,037
Aniak	323	3,876	2,423			1,615		6,150*			4,000*		18,064	6,097	24,161	-0-	24,161
Anvik	87	DIO NOT SUBMIT AN APPLICATION															
Atmautluak	169	2,028	1,268			845					4,000*		8,141	2,442	10,583	-0-	10,583
Barrow	2,306		17,295			11,530							28,825	9,728	38,553	-0-	38,553
Bethel	3,409	40,908	25,568	6,818	6,818	17,045	17,045	10,050* 43,200**			36,000**		203,452	61,036	264,488	118,333	146,155
Brevig Mission	120	1,440	900					420*			4,000*		6,760	1,775	8,535	1,596	6,939
Buckland	172	DID NOT SUBMIT AN APPLICATION															
Chefornak	192		1,440										1,440	432	1,872	-0-	1,872
Chevak	447	5,364				2,235							7,599	2,280	9,879	-0-	9,879
Chuathbaluk	118	1,416	885			590					4,000*		6,891	2,326	9,217	-0-	9,217
SUBTOTALS		85,956	69,483	7,826	7,392	47,280	21,400	143,160	-0-	-0-	68,000	-0-	450,497	133,944	584,441	205,767	378,674

See Page 7 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Clark's Point	98	DID NOT SUBMIT AN APPLICATION															
Cordova	2,406	28,872	18,045	4,812	4,812	12,030	12,030	11,700*	4,812	75,000*	12,000*		184,113	27,617	211,730	102,731	108,999
Craig	467	5,604	3,503	934	934	2,335	2,335	6,405*			4,000*		26,050	-0-	26,050	11,025	15,025
Deering	100	1,200	750			500					4,000*		6,450	2,177	8,627	-0-	8,627
Delta Junction	892		6,690			4,460		12,330*			4,000*		27,480	4,122	31,602	21,315	10,287
Dillingham	1,269	15,228	9,518	2,538	2,538	6,345	6,345	5,610*					48,122	12,632	60,754	-0-	60,754
Diomede	135		1,013								4,000*		5,013	1,316	6,329	-0-	6,329
Eagle	145					725		3,540*					4,265	640	4,905	-0-	4,905
Eek	195	2,340	1,463			975							4,778	1,433	6,211	-0-	6,211
Ekwok	109	DID NOT SUBMIT AN APPLICATION															
Elim	205	DID NOT SUBMIT FINANCIAL STATEMENT															
Emmonak	545	6,540				2,725		3,615*					12,880	3,864	16,744	13,082	3,662
Fairbanks Military Annex	30,462 5,995	365,544 35,970	228,465	60,924				127,875*	60,924	126,000***	4,000* 25,000**	70,000	1,104,702	165,705	1,270,407	-0-	1,270,407
Fort Yukon	637	7,644	4,778		1,274	3,185		23,070*					39,951	13,483	53,434	25,865	27,569
Fortuna Ledge	200	2,400	1,500								4,000*		7,900	2,370	10,270	8,868	1,402
Galena Military	631 267	7,57. 1,602	4,733	1,262		3,155 334		8,370*			4,000*		31,028	10,472	41,500	19,045	22,455
Gambell	412	4,944											4,944	1,298	6,242	6,242	-0-
Golovin	118	DID NOT SUBMIT AN APPLICATION															
Goodnews Bay	248		1,860	496		1,240							3,596	1,079	4,675	4,675	-0-
Grayling	189	DID NOT SUBMIT FINANCIAL STATEMENT															
Haines	1,366	16,392	10,245	2,732	2,732	6,830	6,830	15,375*					61,136	4,685	65,721	31,772	33,949
SUBTOTALS		501,862	292,563	73,698	12,290	44,839	27,540	217,890	65,736	201,000	65,000	70,000	1,572,408	252,793	1,825,201	244,620	1,580,581

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Holy Cross	212		1,590	424		1,060		6,000*			4,000*		13,074	4,412	17,486	-0-	17,486
Homer	1,802	21,624	13,515	3,604		9,010	9,010	12,795*					69,558	5,217	74,775	32,288	42,487
Hoonah	848	10,176	6,360	1,696		4,240	4,240						26,712	2,003	28,715	-0-	28,715
Hooper Bay	590	DID NOT SUBMIT AN APPLICATION															
Houston	375		2,813			1,875		35,175*					39,863	1,495	41,358	-0-	41,358
Hughes	98		735			490							1,225	413	1,638	-0-	1,638
Huslia	216		1,620	432		1,080		23,355*			4,000*		30,487	10,289	40,776	29,906	10,870
Hydaburg	380		2,850	760		1,900	1,900	3,240*			4,000*		14,650	-0-	14,650	7,322	7,328
Kachemak	151	DID NOT SUBMIT AN APPLICATION															
Kake	679	8,148		1,358		3,395		1,530*					14,431	541	14,972	-0-	14,972
Kaktovik	123		923			615							1,538	519	2,057	-0-	2,057
Kaltag	240		1,800	480		1,200		1,665*					5,145	1,736	6,881	4,436	2,445
Kasaan	38		285			190					4,000*		4,475	-0-	4,475	-0-	4,475
Kenai	5,364	64,368	40,230	10,728		26,820	26,820	59,955*					228,921	17,169	246,090	115,288	130,802
Ketchikan	7,928	95,136	59,460			39,640	39,640	24,900*	15,856	92,000***	8,000* 19,000**		393,632	-0-	393,632	188,057	205,575
Kiana	314	3,768				1,570		3,760*			4,000*		13,118	4,427	17,545	-0-	17,545
King Cove	408	4,896	3,060	816		2,040	2,040				4,000*		16,852	4,424	21,276	3,629	17,647
Kivalina	208	2,496	1,560			1,040		1,500*			4,000*		10,596	3,576	14,172	5,417	8,755
Klawock	323	3,876	2,423			1,615		2,535*			4,000*		14,449	-0-	14,449	4,710	9,739
Kobuk	60	DID NOT SUBMIT FINANCIAL STATEMENT															
Kodiak	4,960	59,520	37,200	9,920		24,800	24,800	21,420*					177,660	13,325	190,985	94,985	96,000
Kotlik	284	3,408				1,420					4,000*		8,828	2,648	11,476	-0-	11,476
SUBTOTALS		277,416	176,424	30,218	-0-	124,000	108,450	197,850	15,856	92,000	63,000	-0-	1,085,214	72,194	1,157,408	486,038	671,370

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Heal Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Kotzebue	2,526	30,312	18,945	5,052	5,052	12,630	12,630	23,280*					107,901	36,417	144,318	-0-	144,318
Koyuk	160	1,920	1,200			0					4,000*		7,920	2,079	9,999	-0-	9,999
Koyukuk	124					620					4,000*		4,620	1,559	6,179	-0-	6,179
Kupreanof	42	DID NOT SUBMIT AN APPLICATION															
Kwethluk	444	5,328	3,330								4,000*		12,658	3,797	16,455	-0-	16,455
Larsen Bay	137	DID NOT SUBMIT FINANCIAL STATEMENT															
Lower Kalskag	195	2,340	1,463	390		975					4,000*		9,168	3,094	12,262	-0-	12,262
McGrath	296	3,5[illegible]	2,220			1,480		8,835*					16,087	5,429	21,516	9,173	12,343
Manokotak	225	2,700	1,688										4,388	1,152	5,540	544	4,996
Mekoryuk	184	2,208	1,380	368		920					4,000*		8,876	2,663	11,539	1,792	9,747
Mountain Village	513	DID [illegible]T SUBMIT FINANCIAL STATEMENT															
Napakiak	276	3,312	2,070			1,380		3,720*			4,000*		14,482	4,345	18,827	-0-	18,827
Napaskiak	210	2,520	1,575										4,095	1,229	5,324	-0-	5,324
Nenana	521	6,252	3,908			2,605	2,605	16,140*					31,510	9,453	40,963	3,068	37,895
New Stuyahok	230	2,760											2,760	725	3,485	-0-	3,485
Newhalen	89	DID NOT SUBMIT AN APPLICATION															
Newtok	124	DID NOT SUBMIT AN APPLICATION															
Nightmute	123	1,476				615							2,091	627	2,718	-0-	2,718
Nikolai	85					425		1,380*			4,000*		5,805	1,959	7,764	-0-	7,764
Nome	2,585	31,020	19,388	5,170	5,170	12,925		15,420*	5,170	75,000*		55,000	224,263	58,869	283,132	206,848	76,284
Nondalton	226	DID NOT SUBMIT AN APPLICATION															
SUBTOTALS		95,700	57,167	10,980	10,222	35,375	15,235	68,775	5,170	75,000	28,000	55,000	456,624	133,397	590,021	221,425	368,596

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Noorvik	527	6,324	3,953	1,054		2,635		3,300*			4,000*		21,266	7,177	28,443	408	28,035
North Pole	461	5,532	3,458	922				16,080*					25,992	3,899	29,891	14,755	15,136
Nuiqsut	152	DID NOT SUBMIT AN APPLICATION															
Nulato	331					1,655		6,150*					7,805	2,634	10,439	-0-	10,439
Old Harbor	327	3,924	2,453	654		1,635	1,635	5,775*					16,076	1,206	17,282	-0-	17,282
Ouzinkie	170		1,275			850							2,125	159	2,284	-0-	2,284
Palmer	1,859	22,308	13,943	3,718		9,295	9,295	25,275*					83,834	3,144	86,978	35,832	51,146
Pelican	169		1,268		338	845	845	1,650*			4,000*		8,946	671	9,617	348	9,269
Petersburg	2,126	25,512	15,945	4,252		10,630	10,630	13,245*	4,252	75,000*	4,000*		163,466	6,130	169,596	84,798	84,798
Pilot Station	301	3,612	2,258	602		1,505		1,500*					9,477	2,843	12,320	2,810	9,510
Platinum	59	708	443			295							1,446	434	1,880	-0-	1,880
Point Hope	384	DID NOT SUBMIT AN APPLICATION															
Port Alexander	51		383				255						638	24	662	-0-	662
Port Heiden	89		668			445		39,900*					41,013	10,766	51,779	-0-	51,779
Port Lions	227	2,724	1,703			1,135	1,135	3,660*					10,357	777	11,134	1,137	9,997
Quinhagak	395	4,740	2,963					240*			4,000*		11,943	3,583	15,526	3,688	11,838
Ruby	219		1,643			1,095							2,738	924	3,662	1,089	2,573
Russian Mission	158			316				1,320*					1,636	491	2,127	-0-	2,127
Saint Mary's	415	4,980	3,113	830		2,075	2,075	8,145* 9,189**			4,000*		34,407	10,322	44,729	2,583	42,146
Saint Michael	206	2,472	1,545			1,030					4,000*		9,047	2,375	11,422	-0-	11,422
Saint Paul	522	6,264	4,125			2,610		54,450*					67,652	17,759	85,411	41,575	43,836
Military	28	168				35											
SUBTOTALS		89,268	61,139	12,348	338	37,770	25,870	189,879	4,252	75,000	24,000	-0-	519,864	75,318	595,182	189,023	406,159

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Sand Point	544		4,080	1,088	1,088	2,720	2,720	16,350*			4,000*		32,046	8,412	40,458	17,820	22,638
Savoonga	409	4,908	3,068			2,045					4,000*		14,021	3,681	17,702	-0-	17,702
Saxman	272		2,040	544		1,360		4,350*					8,294	-0-	8,294	-0-	8,294
Scammon Bay	193	2,316	1,448			965							4,729	1,419	6,148	-0-	6,148
Selawik	521	6,252	3,908			2,605							12,765	4,308	17,073	4,356	12 717
Seldovia	612	7,344	4,590				3,060	9,315*					24,309	1,823	26,132	12,978	13,154
Seward	2,279	27,348	17,093			11,395	11,395	22,568*					89,799	6,735	96,534	-0-	96,534
Shageluk	169		1,268			845		3,000* 2,025**			4,000*		11,138	3,759	14,897	-0-	14,897
Shaktoolik	160	DID NOT SUBMIT AN APPLICATION															
Sheldon Point	136	DID NOT SUBMIT AN APPLICATION															
Shishmaref	326	3,912	2,445		652	1,630		2,760*			4,000*		15,399	4,042	19,441	-0-	19,441
Shungnak	182	2,184				910					4,000*		7,094	2,394	9,488	-0-	9,488
Skagway	854	10,248	6,405	1,708		4,270	4,270	14,250*			4,000*		45,151	3,386	48,537	23,475	25,062
Soldotna	2,586	31,032	19,395	5,172		12,930	12,930	36,405*					117,864	8,840	126,704	-0-	126,704
Stebbins	298	3,576	2,235			1,490							7,301	1,917	9,218	6,462	2,756
Tanana	499					2,495		16,575*					19,070	6,436	25,506	-0-	25,506
Teller	219	2,628						4,035*			4,000*		10,663	2,799	13,462	-0-	13,462
Tenakee Springs	140	1,680	1,050		280	700	700	1,500*					5,910	222	6,132	2,560	3,572
Togiak	419	5,028	3,143										8,171	2,145	10,316	-0-	10,316
Toksook Bay	317	3,804	2,378	634		1,585					4,000*		12,401	3,720	16,121	2,972	13,149
Tuluksak	202	DID NOT SUBMIT AN APPLICATION															
Tununak	299	3,588	2,243								4,000*		9,83	2,949	12,780	1,458	11,322
SUBTOTALS		115,848	76,789	9,146	2,020	47,945	35,075	133,133	-0-	-0-	36,000	-0-	455,956	68,987	524,943	72,081	452,862

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Unalakleet	630	7,560			1,260			13,830*			4,000*		26,650	6,996	33,646	-0-	33,646
Unalaska	510	6,120	3,825		1,020	2,550		57,630*			4,000* 6,000**		81,145	21,301	102,446	42,493	59,953
Upper Kalskag	164	1,968	1,230			820							4,018	1,356	5,374	-0-	5,374
Valdez	7,483	89,796	56,123	14,966	14,966	37,415	37,415	10,650*	14,966	75,000*			351,297	65,868	417,165	164,523	252,642
Wainwright	341	DID NOT SUBMIT AN APPLICATION															
Wales	109	DID NOT SUBMIT AN APPLICATION															
Wasilla	1,566					7,830		63,435*					71,265	2,672	73,937	23,803	50,134
White Mountain	98	NOT ELIGIBLE FOR CATEGORIES															
Whittier	292	3,504	2,190	584	584	1,460	1,460	15,750*			4,000*		29,532	4,430	33,962	16,310	17,652
Wrangell	3,152	37,824	23,640	6,304	6,304	15,760	15,760	10,560*	6,304	75,000*	4,000*		201,456	7,555	209,011	101,056	107,955
Yakutat	442		3,315	884	884	2,210	2,210	2,865*			4,000*		16,368	1,228	17,596	-0-	17,596
SUBTOTALS		146,772	90,323	22,738	25,018	68,045	56,845	174,720	21,270	150,000	26,000	-0-	781,731	111,406	893,137	348,185	544,952
TOTAL CITIES		1,312,817	823,888	166,954	57,280	405,254	290,415	1,125,407	112,284	593,000	310,000	125,000	5,322,294	848,039	6,170,333	1,767,139	4,403,194

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Volunteer Fire Departments	Pop.	Fire Protection	Entitlement	COLA	Total Entitlement	Prepayments	Final Entitlement
Akutan	65	488	488	128	616	308	308
Angoon (prorated @ .45205%)	150	509	509	19	528	-0-	528
Arctic Village	118	885	885	299	1,184	-0-	1,184
Atka	88	NO APPLICATION RECEIVED					
Beaver	82	NO APPLICATION RECEIVED					
Belkofski	58	NO APPLICATION RECEIVED					
Birch Creek	40	300	300	45	345	173	172
Chalkyitsik	92	NO APPLICATION RECEIVED					
Chignik	52	NO APPLICATION RECEIVED					
Chignik Lake	134	1,005	1,005	264	1,269	-0-	1,269
Circle	45	NO APPLICATION RECEIVED					
Copper Center	433	3,248	3,248	487	3,735	-0-	3,735
Cordova	340	2,550	2,550	383	2,933	1,467	1,466
Crooked Creek	107	NO APPLICATION RECEIVED					
Delta Junction	725	5,438	5,438	816	6,254	3,127	3,127
Dot Lake	83	NO APPLICATION RECEIVED					
Glennallen	1,152	8,640	8,640	1,296	9,936	-0-	9,936
Gulkana	75	NO APPLICATION RECEIVED					
Haines	558	4,185	4,185	314	4,499	2,229	2,270
Iliamna	112	840	840	221	1,061	-0-	1,061
Kipnuk	351	2,633	2,633	790	3,423	1,711	1,712
Klukwan	145	NO APPLICATION RECEIVED					
Koliganek	136	1,020	1,020	268	1,288	-0-	1,288
Kongiganak	200	NO APPLICATION RECEIVED					
SUBTOTAL		31,741	31,741	5,330	37,071	9,015	28,056

Volunteer Fire Departments	Pop.	Fire Protection	Entitlement	COLA	Total Entitlement	Prepayments	Final Entitlement
Levelock	95	NO APPLICATION RECEIVED					
Mentasta Lake	80	NO APPLICATION RECEIVED					
Metlakatla	1,051	NO APPLICATION RECEIVED					
Minto	211	WRONG APPLICATION RECEIVED					
Myers Chuck	46	345	345	-0-	345	-0-	345
Nelson Lagoon	43	NO APPLICATION RECEIVED					
Nenana	267	2,003	2,003	676	2,679	-0-	2,679
Noatak	261	NO APPLICATION RECEIVED					
Nome		NO APPLICATION RECEIVED					
Northway Village	198	NO APPLICATION RECEIVED					
Pelican	31	233	233	17	250	-0-	250
Perryville	101	NO APPLICATION RECEIVED					
Petersburg	488	3,660	3,660	137	3,797	-0-	3,797
Pitka's Point	84	NO APPLICATION RECEIVED					
Rampart	64	480	480	162	642	-0-	642
Saint George Island	144	NO APPLICATION RECEIVED					
Skagway	15	113	113	8	121	-0-	121
Sleetmute	121	NO APPLICATION RECEIVED					
Stevens Village	80	NO APPLICATION RECEIVED					
Tok	854	6,405	6,405	961	7,366	3,683	3,683
Tri-Valley (Healy)	503	3,773	3,773	1,273	5,046	-0-	5,046
Tuntutuliak	225	1,688	1,688	506	2,194	-0-	2,194
Twin Hills	76	570	570	150	720	-0-	720
Yakutat		NO APPLICATION RECEIVED					
SUBTOTAL		19,270	19,270	3,890	23,160	3,683	19,477
TOTAL VOLUNTEER FIRE DEPTS.		51,011	51,011	9,220	60,231	12,698	47,533

HB

223

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affair

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/7/79

BILL NUMBER AND TITLE: HB 223 Exemption of disabled veterans from payment of real property taxes

ORIGINAL SPONSOR : McKinnon,Buchholdt,Meekins Munson

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT: Parker, Carney, Zharoff, O'Connell, Branson, Metcalfe, Parr

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED:

FISCAL NOTE: C&RA $279.5

WITNESSES TESTIFYING:

McKinnon -- Basically the philosophy of this kind of exemption should be considered. Modeled after exemption for Senior Citizens. Intorduced last year.

Terry Earley, State Assessor

Senate Bill 154 introduced to provide the same type exemption but covers rentors. (Fiscal Note would probably be for approximately $132,000 more for coverage of rentors) Questions were asked concerning the relationship of pensions to the proposed bill.

William Kelm, Department Adjtant, The American Legion, Dept. of Alaska

Veterans who are rater 10% receive "compensation" (not called "pension"). This compensation is not taxable. If a person has a 40% rating it usually means that his earning capacity is impaired.

If you are considering a renters exemption, you have an open-ended situation--how would you determine how much of the rent is going for taxes.

Committee requests fiscal impact of the following:

1. Changing gross income limit to $10,000 and including unremarried widows of veterans in exemption

2. Include renters in bill

3. Take income tax credit approach as alternative (circuit breaker?approach)

COMMITTEE ACTION: C&RA asked to prepare fiscal notes on above options.

TAPE # 3 SIDE 2 716-1025

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B – JUNEAU 99811

March 14, 1979

The Honorable Bill Parker
Chairman
House Community and Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

RE: HOUSE BILL NO. 223

At the request of the members of the House Community and Regional Affairs Committee, State Assessor Terry Earley has attempted, given information available from the Federal Veterans Administration, to analyze the cost of alternatives to House Bill No. 223. The five requested alternatives are recapped on the attached summary sheet; an individual fiscal note is also attached for each alternative.

I would like to again call your attention to the position stated by the State Assessor in his testimony before your committee on March 7, 1979. The Department is strongly opposed to the "piece-meal" approach of providing property tax relief to certain groups of taxpayers in Alaska (i.e., senior citizens and farmers). House Bill No. 223 would extend this type of tax relief program to disabled veterans.

Property tax relief should be made available to those in need throughout the State of Alaska but should not be provided those residents who do not have a demonstrated need for State refunded property tax relief payments. We believe a more comprehensive program of property tax relief ought to be made available by the Legislature, preferably in the form of a reimbursement or rebate based upon income as determined through the filing of Alaska State income tax returns.

The Department, through the Office of the State Assessor, is prepared to pursue a more equitable approach to providing residents of Alaska with property tax relief - particularly those in need of relief as a result of limited incomes. Proposed legislation could be made available for consideration by the next session of the State Legislature. We would appreciate an expression from your committee as to whether or not this is a worthwhile endeavor for the Department to pursue prior to the next session.

P2L11

If you have questions regarding the attached alternatives to House Bill No. 223, Mr. Earley or I will be pleased to respond.

Sincerely,

Lee McAnerney
Commissioner

By: Palmer McCarter
Director
Local Government Assistance Division

Attachments

cc: Senator Arliss Sturgulewski, Chair
Senate Community and Regional Affairs Committee

Representative Joe McKinnon (Sponsor of HB 223)

Senator Brad Bradley (Sponsor SB 154)

During the meeting of the House Committee on Community and Regional Affairs of March 7, 1979 property tax exemptions for Disabled Veterans were discussed. The following is a recap of fiscal impacts of the several proposals discussed.

	TOTAL ELIGIBLE	TOTAL COST
1. Exempting veterans over 40% disabled both homeowners and renters and leaving the $20,000 income limit.	670	$311,280
2. Exempting veterans over 40% disabled both homeowners and renters and reducing income limit to $10,000.	424	$197,948
3. Exempting veterans over 40% disabled both homeowners and renters and also including veteran's widows and reducing income limit to $10,000.	544	$253,698
4. Exempting veterans over 40% disabled both homeowners and renters and eliminating income restrictions.	681	$317,044
5. Exempting veterans over 40% disabled both homeowners and renters, also including veteran's widows and eliminating income restrictions.	876	$407,902

Prepared by:

Department of Community and Regional Affairs
Office of the State Assessor

Other Approaches & Comments

An eligible veteran shall be exempt from a portion of his local property taxes or rent equivalent based on the following chart:

Percent of Disability	Taxes Payable as a Percentage of Income
10% to 30%	5%
30% to 40%	4%
40% to 50%	3%
50% to 60%	2%
60% to 70%	1%
70% and up	0%

Examples -

A veteran who is 25% disabled and has total income of $15,000 would be required to pay the first $750 of the tax bill on his residence.

A veteran who is 55% disabled and has an income of $10,000 would be required to pay the first $200 of the tax bill on his residence.

This approach ties the exemption to both income and percent of disability.

Because of the reliance on income there is some difficulty in administration.

The simplest way to administer this approach would be as a credit on state income tax. This is, of course, a refund that requires taxpayer outlay of cash and then a refund.

This program could also be administered much in the same manner as the senior citizen renters equivalency program with the Department of Community & Regional Affairs making the refunds directly to the disabled veteran.

Yet another approach would be to make the reimbursement completely contingent on income. Something to the effect: "disabled veterans with a disability greater than _____% shall be entitled to a refund of property taxes in the amount that the annual property tax bill or rent equivalent exceeds the appropriate percentage of their income based on the following table":

Income	Percentage
Under $4,000	0%
$4,000 but under $5,000	1%
$5,000 but under $6,000	2%
$6,000 but under $7,000	3%
$7,000 but under $10,000	4%
$10,000 and up	5%

Examples -

An eligible veteran has an income of $9,000 and pays taxes of $800.
$9,000 X 4% = $360 $800 - $360 = $440 refund

An eligible veteran has an income of $4,500 and pays taxes of $1,000.
$4,500 X 1% = $45 $1,000 - $45 = $955 refund

The easiest approach to administration of this type of reimbursement is an income tax rebate, but could be handled like the senior citizen renters program, with rebates by the Department to the eligible applicant.

One of the major complaints about the property tax over the years is that it is not responsive to the earning power of the taxpayer. The two alternatives mentioned do make property taxes more responsive to the taxpayers ability to pay.

However, it should also be pointed out that every class of taxpayers exempted increases the burden on the balance of the taxpayers.

There are approximately 380,000 people living in areas of the state where property taxes are levied. There are currently 5,400 senior citizens and 200 farmers being exempted; that is a total of 5,600 or 1 1/2 percent of the total population being subsidized. Although 5,600 residents does not sound like a lot when considered independently, the addition of the more standard type of exempt properties such as governmental, churches, charitable institutions, and property of veterans organizations make properties that are currently tax exempt a very substantial part of the property tax base throughout Alaska.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

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21-P2LH

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Prepared by:

Department of Community and Regional Affairs
Office of the State Assessor

If you have questions regarding the attached alternatives to House Bill No. 223, Mr. Earley or I will be pleased to respond.

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There are approximately 380,000 people living in areas of the state where property taxes are levied. There are currently 5,400 senior citizens and 200 farmers being exempted; that is a total of 5,600 or 1 1/2 percent of the total population being subsidized. Although 5,600 residents does not sound like a lot when considered independently, the addition of the more standard type of exempt properties such as governmental, churches, charitable institutions, and property of veterans organizations make properties that are currently tax exempt a very substantial part of the property tax base throughout Alaska.

AS IF AMENDED TO INCLUE RENTERS IN EXISTING BILL

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 223 PROPOSED SUBSTITUTE

Title Provides for exemption from property taxes for Disabled Veterans

Requested by Community and Regional Affairs Committee Date

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Grants

Budget Request Unit(s) Affected Senior Citizens Homeowners and Renters Equivalency - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		310.3				
TOTAL		311.3				

FUNDING (Thousands of Dollars)

GENERAL FUND		311.3				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

According to the Federal Veterans Administration there are 706 Veterans receiving compensation for 40% disability or greater. Assuming 25% of that number are renters, we would have 530 homeowners and 176 renters. Further assuming 30 of the homeowners and 6 of the renters would be ineligible for either income reasons or being 65 years of age and therefore already exempt leaves 500 eligible homeowners and 170 eligible renters.

500 (Homeowners) @ $558 (average senior citizen savings) 279,000

170 (Renters) @ $184 (average renters equivalency payment) = 31,280

670 TOTAL $310,280

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor

AGENCY Department of Community and Regional Affairs

PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

AS IF AMENDED TO REDUCE INCOME LIMIT TO $10,000 AND INCLUDE RENTERS

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 223 PROPOSED SUBSTITUTE

Title Provides for exemption from property taxes for disabled Veterans

Requested by Community and Regional Affairs Committee Date

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Grants

Budget Request Unit(s) Affected Senior Citizen Homeowners and Renters Equivalency - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		196.9				
TOTAL		197.9				

FUNDING (Thousands of Dollars)

GENERAL FUND		197.9				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

According to the Federal Veterans Administration there are 706 veterans receiving compensation for 40% disability or greater. Assuming 25% of that number to be renters, we then have 176 renters and 530 homeowners. Further assuming that 40% of these numbers are ineligible due to either exceeding income limit or being over 65 years of age and already eligible for exemption. Therefore we end up with 318 eligible homeowners and 106 eligible renters.

318 homeowners @ $558 (average senior citizens savings) = 177,444

106 renters @ $184 (average renters equivalency payment) = 19,504

424 TOTAL $196,948

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor

AGENCY Department of Community and Regional Affairs

PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

AS IF AMENDED TO INCLUDE RENTERS AND WIDOWS AND A $10,000 INCOME LIMIT

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 223 PROPOSED SUBSTITUTE

Title Provides for exemption from property tax for disabled Veterans

Requested by House Community & Regional Affairs Committee Date

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Grants

Budget Request Unit(s) Affected Senior Citizens Homeowners and Renters Equivalency - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		252.7				
TOTAL		253.7				

FUNDING (Thousands of Dollars)

GENERAL FUND		253.7				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

According to the Federal Veterans Administration there are 706 veterans receiving compensation for 40% disability or greater. Our best estimate is that there are 200 additional unremarried widows of disabled veterans. This makes a total of 906 persons initially eligible. Assuming 25% of these people rent, we would have 226 renters and 80 homeowners. If we assume 40% of those are ineligible for exceeding the income limitation or being over 65 years of age and already eligible for exemptions, we end up with 408 homeowners and 136 renters.

408 homeowners @ $558 (average senior citizens savings) = $227,664

136 renters @ $184 (average senior citizen renter reimbursement) = 25,024

544 TOTAL $252,688

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor

AGENCY Department of Community and Regional Affairs

PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

AS IF AMENDED TO INCLUDE RENTERS AND EXCLUDE INCOME RESTRICTIONS

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No House Bill 223 PROPOSED SUBSTITUTE
Title Provided for exemption from property taxes for disabled Veterans
Requested by Community and Regional Affairs Committee Date

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizen Homeowners and Renters Equivalency - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		316.0				
TOTAL		317.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		317.0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
According to the Federal Veterans Administration, there are 706 veterans receiving compensation for 40% disability or greater. Assuming 25% of these are renters, we have 176 renters and 530 homeowners. Assuming 20 homeowners and 5 renters are 65 years of age and already exempt, we have 510 homeowners and 171 renters.

510 (homeowners) @ $558 (average senior citizens savings) = $284,580

171 (renters) @ $184 (average senior citizen renter reimbursement) = 31,464

681 TOTAL $316,044

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community and Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

AS IF AMENDED TO INCLUDE RENTERS AND WIDOWS AND EXCLUDE INCOME LIMITATIONS

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 223 PROPOSED SUBSTITUTE
Title Provides for exemption from property taxes for disabled Veterans
Requested by Community and Regional Affairs Committee Date

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizen Homeowners and Renters Equivalency - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL		1.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		406.9				
	TOTAL		407.9				

FUNDING (Thousands of Dollars)

GENERAL FUND		407.9				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

According to the Federal Veterans Administration, there are 706 veterans receiving compensation for 40% disability or greater. Our best estimate is that there are an additional 200 unremarried widows of disabled veterans. Assuming 30 of these 906 are over 65 years of age and already are eligible for exemption, leaves 876 eligible. If we assume 25% of these are renters we end up with 219 renters and 657 homeowners.

657 (homeowners) @ $558 (average senior citizens savings) = $366,606

219 (renters) @ $184 (average senior citizens renter reimbursement) = 40,296

876 TOTAL $406,902

IV. DATE 3-7-79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community and Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B – JUNEAU 99811

March 14, 1979

The Honorable Bill Parker
Chairman
House Community and Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

RE: HOUSE BILL NO. 223

At the request of the members of the House Community and Regional Affairs Committee, State Assessor Terry Earley has attempted, given information available from the Federal Veterans Administration, to analyze the cost of alternatives to House Bill No. 223. The five requested alternatives are recapped on the attached summary sheet; an individual fiscal note is also attached for each alternative.

I would like to again call your attention to the position stated by the State Assessor in his testimony before your committee on March 7, 1979. The Department is strongly opposed to the "piece-meal" approach of providing property tax relief to certain groups of taxpayers in Alaska (i.e., senior citizens and farmers). House Bill No. 223 would extend this type of tax relief program to disabled veterans.

Property tax relief should be made available to those in need throughout the State of Alaska but should not be provided those residents who do not have a demonstrated need for State refunded property tax relief payments. We believe a more comprehensive program of property tax relief ought to be made available by the Legislature, preferably in the form of a reimbursement or rebate based upon income as determined through the filing of Alaska State income tax returns.

The Department, through the Office of the State Assessor, is prepared to pursue a more equitable approach to providing residents of Alaska with property tax relief - particularly those in need of relief as a result of limited incomes. Proposed legislation could be made available for consideration by the next session of the State Legislature. We would appreciate an expression from your committee as to whether or not this is a worthwhile endeavor for the Department to pursue prior to the next session.

If you have questions regarding the attached alternatives to House Bill No. 223, Mr. Earley or I will be pleased to respond.

Sincerely,

Lee McAnerney
Commissioner

By: Palmer McCarter
Director
Local Government Assistance Division

Attachments

cc: Senator Arliss Sturgulewski, Chair
Senate Community and Regional Affairs Committee

Representative Joe McKinnon (Sponsor of HB 223)

Senator Brad Bradley (Sponsor SB 154)

During the meeting of the House Committee on Community and Regional Affairs of March 7, 1979 property tax exemptions for Disabled Veterans were discussed. The following is a recap of fiscal impacts of the several proposals discussed.

	TOTAL ELIGIBLE	TOTAL COST
1. Exempting veterans over 40% disabled both homeowners and renters and leaving the $20,000 income limit.	670	$311,280
2. Exempting veterans over 40% disabled both homeowners and renters and reducing income limit to $10,000.	424	$197,948
3. Exempting veterans over 40% disabled both homeowners and renters and also including veteran's widows and reducing income limit to $10,000.	544	$253,698
4. Exempting veterans over 40% disabled both homeowners and renters and eliminating income restrictions.	681	$317,044
5. Exempting veterans over 40% disabled both homeowners and renters, also including veteran's widows and eliminating income restrictions.	876	$407,902

Prepared by:

Department of Community and Regional Affairs
Office of the State Assessor

Other Approaches & Comments

An eligible veteran shall be exempt from a portion of his local property taxes or rent equivalent based on the following chart:

Percent of Disability	Taxes Payable as a Percentage of Income
10% to 30%	5%
30% to 40%	4%
40% to 50%	3%
50% to 60%	2%
60% to 70%	1%
70% and up	0%

Examples -

A veteran who is 25% disabled and has total income of $15,000 would be required to pay the first $750 of the tax bill on his residence.

A veteran who is 55% disabled and has an income of $10,000 would be required to pay the first $200 of the tax bill on his residence.

This approach ties the exemption to both income and percent of disability.

Because of the reliance on income there is some difficulty in administration.

The simplest way to administer this approach would be as a credit on state income tax. This is, of course, a refund that requires taxpayer outlay of cash and then a refund.

This program could also be administered much in the same manner as the senior citizen renters equivalency program with the Department of Community & Regional Affairs making the refunds directly to the disabled veteran.

Yet another approach would be to make the reimbursement completely contingent on income. Something to the effect: "disabled veterans with a disability greater than ____% shall be entitled to a refund of property taxes in the amount that the annual property tax bill or rent equivalent exceeds the appropriate percentage of their income based on the following table":

Income	Percentage
Under $4,000	0%
$4,000 but under $5,000	1%
$5,000 but under $6,000	2%
$6,000 but under $7,000	3%
$7,000 but under $10,000	4%
$10,000 and up	5%

Examples -

An eligible veteran has an income of $9,000 and pays taxes of $800.
$9,000 X 4% = $360 $800 - $360 = $440 refund

An eligible veteran has an income of $4,500 and pays taxes of $1,000.
$4,500 X 1% = $45 $1,000 - $45 = $955 refund

The easiest approach to administration of this type of reimbursement is an income tax rebate, but could be handled like the senior citizen renters program, with rebates by the Department to the eligible applicant.

One of the major complaints about the property tax over the years is that it is not responsive to the earning power of the taxpayer. The two alternatives mentioned do make property taxes more responsive to the taxpayers ability to pay.

However, it should also be pointed out that every class of taxpayers exempted increases the burden on the balance of the taxpayers.

There are approximately 380,000 people living in areas of the state where property taxes are levied. There are currently 5,400 senior citizens and 200 farmers being exempted; that is a total of 5,600 or 1 1/2 percent of the total population being subsidized. Although 5,600 residents does not sound like a lot when considered independently, the addition of the more standard type of exempt properties such as governmental, churches, charitable institutions, and property of veterans organizations make properties that are currently tax exempt a very substantial part of the property tax base throughout Alaska.

HB

245

(7)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

February 19, 1979

Date: 2 Mar 1

Mr. Speaker:

The Committee on C&RA has had HB 245

"An Act relating to recall of municipal officials; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title

[ ] replace with CS for [ ] new title

and recommends

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

C (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 4/2/79

BILL NUMBER AND TITLE: HB245 Recall of municipal officials

ORIGINAL SPONSOR : Moss by request

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT: Parker
Parr
Branson
Zharoff Metcalfe

MEMBERS ABSENT:
O'Connell
Carney

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Committee reviewed proposed amendments. Decided to adopt suggestions of Patty Ann Polley, as proposed, and additional clarifying amendments.

Bill passed out as CS.

COMMITTEE ACTION: CS passed out of Committee.

TAPE # 6 SIDE k Sections 784-850

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/28/79

BILL NUMBER AND TITLE: HB 245 Recall of Municipal Officials

ORIGINAL SPONSOR : Moss by Request

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT: Parker, Carney, Parr, O'Connell, Branson, Metcalfe

MEMBERS ABSENT: Zharoff

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Patty Ann Polley, Director of Elections

Suggested amendments:

p. 2 Line 6 "Resident and mailing address should be included.
p. 3 Lines 14, 15 Duplicate copy should be deleted as it is not clear what that reference is to.
p. 4 Line 4 Certifying on each petition would be an onerous problem. Is that the intent of this wording?
p.4 Line 26 Delete "on supplemental petition"
p. 6 Line 1 $100 too high
p. 6 Line 13 The number of sponsors should be specified. You need to know how many petition sheets to include in each of the sponsor books.
p. 8 Lines 6,7 ":Duplicate copy" deleted.
p. 9 Line 11 "on the petition" should be omitted
p. 10 Line 1 "on the supplemental" should be omitted

COMMITTEE ACTION: Continue action.

TAPE # 5 SIDE 2 Sections 1056-1071

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 3/16/79

BILL NUMBER AND TITLE: CSHB 245 Relating to recall of municipal officials

ORIGINAL SPONSOR: Moss by request

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT: Parker, Parr, Carney, Metcalfe, Branson, O'Connell, Zharoff

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Jim McKenzie, draftor of HB245
Reviews CS section by section

Parr--Questions if resident as well as street address should be included.
O'Connell sees p. 1 lines 14 as problem area. Would municipality be prompted to throw out petition?

McKenzie- Criminal Code p. 3. Warning conforms with 1980 enactment of Criminal Code.
p. 4 "rejecting" cleaner language
Sect. 10 l. 19 and p. 4 "within" 180 days / not later than at least 180
p.5 line 16, p. 5 line 19 p. 3 l.2
O;cOnnell -- Has probelm with putting statement on the ballot. Itakes too long to read and slows down the voting process.
Parr: $100 too high on local level .
McKenzie -- Nusance vale of time involved
Metcalfe-- Non-return of deposit may be unconstituional.

At the present time in municipal law, if you have an unsuccessful recall attempt, then you couldn't recall again for sic months.

Line 8 p. 16
p. 7 line 7-8
Doesn't the waring restrict fraud enough? Why do you have to have circution only by sponsors?

Parr: p. 8 l 21-26 OK but #4 is an unfair burden
p. 10 l. 2 Petition submitted to voters. When is that? Is it once results are certified?

Polley-- State has computer capability to review signatures for double signatures.
O'Connell- If there is a chalienge of the petiton, what time period does the court have to respond? The election should take place anyway.

COMMITTEE ACTION: Action continued. Hearing to be held March 23, 1979

TAPE # 4 SIDE 2 Sections 1-848

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/5/79

BILL NUMBER AND TITLE: HB 245 Recall of Municipal Officials

ORIGINAL SPONSOR : Moss by Request

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT: Carney, Branson, Metcalfe, O'Connell, Zharoff, Parr, Parker

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Moss -- Introduced at request of School Bd. Association. 5 or 6 School Board Officials have been recalled. Title must be changed or it should be checked to see if the proposed bill covers REAA school officials. Officials don't have chance to defend themselves.
Parr - shouldn't be too protective. Aren't entitled to special protection

Larry Nyland, Supt. of Railbelt Schools
School Sup't Ass'n and School Bd. Ass'n support concepts. Charge must be prefiled. Gives official opportunity to submit statement.
Three members have been recalled on 1 petition. July '77 Recall election in the bush. Nine new school bd. members since then . Extended vacancies as additional problem related to recall.

Rep. Parr cites state recall provisions AS15.45.510. Grounds compared with Municipal officer grounds.

Bob Green Testifying on behalf of School Board Assn. Charges and responses on same petition. Time line should be looked at. 30 days might be better than 20 days. Municipal clerks respond within 30 days.

Patty Ann Polley --Preparation of petition might require that the Procedures Act be looked at. Fiscal note shouldn't be more than $1,000. Title 14 refers to Title 29 so REAAs would be covered. Petitions from REAAs go to Commissioner of Administration but then they go to the Division of Elections.

Doug Griffin -- Dept. of CRA
Opposed ..Lt. Gov's office being involved with what had been a local perogative. Chance should be there for voters to change their

(over)

COMMITTEE ACTION: Awaiting info from P.Polley. Should be worked on.

TAPE # 3 SIDE 1 Sections 2100- end

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Referred to Judiciary
Received from

BILL NO. HB 245 re Recall of municipal officials

Original Sponsor Moss by Request

Fiscal Note Requested 3/1/79 Div. of Elections

LAA Legal Research contact: McKenzie

Contacts: Notified re Hearing 2/5/79

3/21 ✓✓✓ Lee Sharp
✓✓✓ P. Moss 4970 Mark Widow
3/28 ✓✓✓ M. Miller
✓✓✓ B. Greene, School Bd. Ass'n. 6-1083
✓✓✓ Patty Ann Polley 6-6181
✓✓✓ NEA - 6-3090
✓ LWV 6-6952

Info received from McKenzie and Moss:
BILL TITLE MUST BE AMENDED TO INCLUDE SCHOOL BOARD MEMBERS (In the REAAs School Board members are not considered municipal officials.)

MOSS -- School Bd. and other officials should have a chance to rebutt charges. School Bd. Ass'n. requests this. Gives incumbent a chance. New items are statement by official being recalled; affidavit of circulator.

Basic authority for Recall provisions in State Constitution:
Article XI Section 8 : All elected public officials, in the State, except jujudicial officers, are subject to recall by the voters of the State or political subdivision from which elected. Procedures and grounds for recall shall be prescribed by the legislature.

Note petitions - Polley p.4 l4
"was properly or improperly filed"
Eliminate it or narrow it to 1 copy NCP satisfy
Reasons for rejecting be listed in l 5-6

Ch. 1 petitions (each person to be recalled?

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 245
Title "An Act relating to recall of municipal officials; and providing for an effective
Requested by Moss Date 3/6/79 date."

II. FISCAL DETAIL
Agency Affected Office of the Governor-Division of Elections
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	1.0	0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	1.0	0				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

For promulgation of regulations $500.00

For printing and mailing of petition $500.00

IV. DATE 3/6/79 PREPARED BY Patty Ann Polley, Director
AGENCY Division of Elections
PHONE 586-6181

Original: Legislative Finance
cc. Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

AMENDMENT

Offered in the HOUSE
TO: DRAFT CS FOR HOUSE BILL NO. 245

By the Community and Regional Affairs Committee

Page 3, Lines 14, 15,
Delete reference to "duplicate copy"

Page 6, Line 1
Change $100 to $50

Page 6, Line 21 Add "There shall be a minimum of ten sponsors.

Page 8, Line 6,7
Delete reference to "duplicate copy"

Page 4, Line 5
Add notify "by certified mail"

Page 6, Line 29
Add notify "by certified mail"

Proofed 3-15

Original sponsor: Moss by request

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 245

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to recall of public officials; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 15.45.480 is amended to read:

Sec. 15.45.480. FILING APPLICATION. The recall of the governor or a member of the state legislature is proposed by filing an application with the lieutenant governor. The recall of the lieutenant governor is proposed by filing an application with the attorney general, who shall perform the duties imposed on the lieutenant governor in the recall of other elected state officials. A deposit of $100 must accompany the application. This deposit shall [WILL] be retained if a petition is not accepted [PROPERLY FILED]. If a petition is accepted, [PROPERLY FILED] the deposit shall be refunded.

* Sec. 2. AS 15.45.490 is amended to read:

Sec. 15.45.490. TIME OF FILING APPLICATION. No application may be filed during the first 120 days of the term of office of a [ANY] state public official subject to recall or within less than 180 days of the termination of the term of office of a state public official subject to recall.

* Sec. 3. AS 15.45.500 is amended to read:

Sec. 15.45.500. FORM OF APPLICATION. The application shall include (1) the name and office of the official [PERSON] to be recalled, (2) the grounds for recall described in particular in not more than 200 words, (3) a statement that the sponsors are qualified voters who signed

the application with the statement of grounds for recall included [ATTACHED], (4) the designation of a recall committee of three sponsors who shall represent all sponsors and subscribers in matters relating to the recall, (5) the appointment of at least 100 qualified voters who subscribe to the application as sponsors for purposes of circulation, and (6) the signatures and resident addresses of qualified voters equal in number to 10 per cent of those who voted in the preceding general election in the state or in the senate or electoral district of the official sought to be recalled.

* Sec. 4. AS 15.45.510 is repealed and re-enacted to read:

Sec. 15.45.510. GROUNDS FOR RECALL. Grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties.

* Sec. 5. AS 15.45.560 is repealed and re-enacted to read:

Sec. 15.45.560. PREPARATION OF PETITION. (a) If the lieutenant governor certifies the application, he shall prescribe the form of, and prepare, a petition containing

(1) the name and office of the official sought to be recalled;

(2) the statement of the grounds for recall included in the application;

(3) a space in which the official may make a statement of 200 words or less;

(4) the warning required in AS 15.45.570;

(5) sufficient space for signatures, resident addresses, and dates of signing; and

(6) other specifications prescribed by the lieutenant governor to assure proper handling and control.

(b) The lieutenant governor shall have a copy of the petition

served on the official subject to recall in the same manner as civil process. The official shall have 30 days after service of the petition to file a statement of 200 words or less with the lieutenant governor. If the statement of the official is received on time, the lieutenant governor shall have it set out on the petition. If no statement of the official is received on time, the lieutenant governor shall note that on the petition.

(c) The lieutenant governor shall prepare a number of petitions reasonably calculated to allow full circulation throughout the state or throughout the senate or election district of the official sought to be recalled. The lieutenant governor shall number each petition and shall keep a record of the petitions delivered to each sponsor.

* Sec. 6. AS 15.45.570 is amended to read:

Sec. 15.45.570. STATEMENT OF WARNING. Each petition and duplicate copy shall include a statement of warning that a person who signs a name other than his own to the petition, or who knowingly signs his name more than once for the same proposition <u>or question</u> at one election, or who signs the petition knowing he is not a qualified voter, upon conviction is punishable by a fine of not more than <u>$5,000</u> [$1,000] or by imprisonment for not more than one year, or by both.

* Sec. 7. AS 15.45.610 is amended to read:

Sec. 15.45.610. FILING OF PETITION. No petition may be filed within less than 180 days of the termination of the term of office of a state public official subject to recall. <u>A petition may be filed only by a member of the recall committee. A member of the recall committee</u> [THE SPONSOR] may file the petition only if signed by qualified voters equal in number to 25 per cent of those who voted in the preceding general election in the state or in the senate or election district of the official sought to be recalled.

* Sec. 8. AS 15.45.620 is repealed and re-enacted to read:

Sec. 15.45.620. REVIEW OF PETITION. Within 30 days after the petition is filed, the lieutenant governor shall (1) review the petition, (2) certify on the petition whether it is accepted or rejected, and (3) notify the recall committee and the official subject to recall whether the petition is accepted or rejected.

* Sec. 9. AS 15.45.630 is amended to read:

Sec. 15.45.630. BASES FOR REJECTING [DETERMINING THE] PETITION [WAS IMPROPERLY FILED]. The lieutenant governor shall reject [NOTIFY THE COMMITTEE THAT] the petition [WAS IMPROPERLY FILED] if he determines that (1) there is an insufficient number of qualified subscribers, or (2) the petition was filed within less than 180 days of the termination of the term of office of the official subject to recall.

* Sec. 10. AS 15.45.640 is repealed and re-enacted to read:

Sec. 15.45.640. SUPPLEMENTED PETITION. (a) If the petition is rejected because of insufficient signatures, it may be supplemented by additional signatures within 20 days after the recall committee is notified of rejection, so long as the supplemented petition is filed within 180 days of the termination of the term of office of the official subject to recall. If the petition was rejected because it was filed too late, the lieutenant governor shall file the rejected petition as a public record. If no supplemented petition is filed on time, the lieutenant governor shall file the rejected petition as a public record.

(b) Within 10 days after a supplemented petition is filed, the lieutenant governor shall (1) review the supplemented petition, (2) recertify on the supplemented petition whether it is accepted or rejected, and (3) notify the recall committee and the official subject to recall whether the supplemented petition is accepted or rejected. The lieutenant governor shall file a rejected supplemented petition as a

public record.

* Sec. 11. AS 15.45.650 is amended to read:

Sec. 15.45.650. CALLING SPECIAL ELECTION. If the lieutenant governor accepts [DETERMINES] the petition [IS PROPERLY FILED] and if the office is not vacant, he shall prepare the ballot and shall call a special election to be held on a date not less than 60, nor more than 90, days after the date that notification is given that the petition was accepted [PROPERLY FILED]. If a primary or general election is to be held no less than 60, nor more than 90, days after the date that notification is given that the petition was accepted [PROPERLY FILED], the special election shall be held on the date of the primary or general election.

* Sec. 12. AS 15.45.660 is repealed and re-enacted to read:

Sec. 15.45.660. FORM OF RECALL BALLOTS. A recall ballot contains:

(1) the grounds as stated in the recall petition;

(2) the official's statement contained on the recall petition or, if none, the official's statement of 200 words or less, if that statement is filed with the lieutenant governor for publication and public inspection within 10 days after notification to the official that the recall petition was accepted;

(3) the following question: "Shall (name of person) be recalled from the office of (office)? Yes [ ] No [ ]".

* Sec. 13. AS 29.28.130 is amended to read:

Sec. 29.28.130. RECALL. An elected official of a home rule or general law municipality may be recalled by the voters after he has served 120 days [SIX MONTHS] in office.

* Sec. 14. AS 29.28 is amended by adding new sections to read:

Sec. 29.28.142. FILING APPLICATION. The recall of a municipal official is proposed by filing an application with the municipal clerk.

A deposit of $100 must accompany the application. This deposit shall be retained if a petition is not accepted. If a petition is accepted, the deposit shall be refunded.

Sec. 29.28.144. TIME OF FILING APPLICATION. An application may not be filed during the first 120 days of the term of office of a municipal official or within less than 180 days of the termination of the term of office of a municipal official.

Sec. 29.28.146. FORM OF APPLICATION. The application shall include

(1) the name and office of the official to be recalled;

(2) the grounds for recall described in particular in not more than 200 words;

(3) a statement that the sponsors are qualified voters of the municipality who signed the application with statement of grounds for recall included; and

(4) the designation of a recall committee of three sponsors who shall represent all sponsors and subscribers in relation to the recall.

Sec. 29.28.148. DESIGNATION OF SPONSORS. The qualified voters of the municipality who subscribe to the application are designated as sponsors. The recall committee may designate additional sponsors by giving written notice to the municipal clerk of the names and resident addresses of those so designated.

Sec. 29.28.152. MANNER OF NOTICE. Notice on all matters pertaining to the application and petition may be served on any member of the recall committee in person or by first class mail addressed to him as indicated on the application.

Sec. 29.28.154. REVIEW OF APPLICATION. The municipal clerk shall review the application and shall either certify it or notify the recall

committee of the grounds of refusal.

Sec. 29.28.156. BASES OF DENIAL OF CERTIFICATION. The municipal clerk shall deny certification if he determines that (1) the application is not substantially in the required form, (2) the application was filed during the first 120 days of the term of office of the official subject to recall or within less than 180 days of the termination of the term of office of the official subject to recall, (3) the person named in the application is not subject to recall, or (4) there is an insufficient number of qualified subscribers.

Sec. 29.28.158. PREPARATION OF PETITION. (a) If the municipal clerk certifies the application, he shall prescribe the form of, and prepare, a petition containing

(1) the name and office of the official sought to be recalled;

(2) the statement of the grounds for recall included in the application;

(3) a space in which the official may make a statement of 200 words or less;

(4) the warning required in AS 29.28.162;

(5) sufficient space for signatures and resident addresses; and

(6) other specifications prescribed by the municipal clerk to assure proper handling and control.

(b) The municipal clerk shall have a copy of the petition served on the official subject to recall in the same manner as civil process. The official shall have 20 days after service of the petition to file a statement of 200 words or less with the municipal clerk. If the statement of the official is received on time, the municipal clerk shall have it set out on the petition. If no statement of the official is received

on time, the municipal clerk shall note that on the petition.

(c) The municipal clerk shall prepare a number of petitions reasonably calculated to allow full circulation throughout the municipality. The municipal clerk shall number each petition and shall keep a record of the petitions delivered to each sponsor.

Sec. 29.28.162. STATEMENT OF WARNING. Each petition and duplicate copy shall include a statement of warning that a person who signs a name other than his own to the petition, or who knowingly signs his name more than once for the same question at one recall election, or who signs the petition knowing he is not a qualified voter, upon conviction is punishable by a fine of not more than $5,000 or by imprisonment for not more than one year, or by both.

Sec. 29.28.164. CIRCULATION BY SPONSOR. A petition may be circulated only by a sponsor and only in person throughout the municipality represented by the official sought to be recalled.

Sec. 29.28.166. MANNER OF SIGNING AND WITHDRAWING NAME FROM PETITION. A qualified voter of the municipality may subscribe to the petition by signing his name and resident address. A person who has signed the petition may withdraw his name only by giving written notice to the municipal clerk before the date the petition is filed.

Sec. 29.28.168. CERTIFICATION OF SPONSOR. Before being filed, each petition shall be certified by an affidavit by the sponsor who personally circulated the petition. The affidavit shall state in substance that (1) the person signing the affidavit is a sponsor, (2) the person is the only circulator of that petition or copy, (3) the signatures were made in his actual presence, and (4) to the best of his knowledge, the signatures are those of the persons whose names they purport to be. In determining the sufficiency of the petition, the municipal clerk may not count subscriptions on petitions not properly

certified.

Sec 29.28.172. FILING OF PETITION. A petition may not be filed within less than 180 days of the termination of the term of office of a municipal official subject to recall. A petition may be filed only by a member of the recall committee. A member of the recall committee may file the petition only if it contains the signatures and resident addresses of a number of qualified voters of the municipality as prescribed in AS 29.28.070(b) for initiative and referendum.

Sec. 29.28.174. REVIEW OF PETITION. Within 30 days after the petition is filed, the municipal clerk shall (1) review the petition, (2) certify on the petition whether it is accepted or rejected, and (3) notify the recall committee and the official subject to recall whether the petition is accepted or rejected.

Sec. 29.28.176. BASES FOR REJECTING PETITION. The municipal clerk shall reject the petition if he determines that (1) there is an insufficient number of qualified subscribers, or (2) the petition was filed within less than 180 days of the termination of the term of office of the official subject to recall.

Sec. 29.28.178. SUPPLEMENTED PETITION. (a) If the petition is rejected because of insufficient signatures, it may be supplemented by additional signatures within 20 days after the recall committee is notified of rejection, so long as the supplemented petition is filed within 180 days of the termination of the term of office of the official subject to recall. If the petition was rejected because it was filed too late, the municipal clerk shall file the rejected petition as a public record. If no supplemented petition is filed on time, the municipal clerk shall file the rejected petition as a public record.

(b) Within 10 days after a supplemented petition is filed, the municipal clerk shall (1) review the supplemented petition, (2) re-

certify on the supplemented petition whether it is accepted or rejected, and (3) notify the recall committee and the official subject to recall whether the supplemented petition is accepted or rejected. The municipal clerk shall file a rejected supplemented petition as a public record.

* Sec. 15. AS 29.28.210(2) is amended to read:

(2) the official's statement contained on the recall petition or, if none, the official's [OFFICER'S] statement of 200 words or less, if that [THE] statement is filed with the municipal clerk for publication and public inspection within 10 [20] days after notification to the official that the recall petition was accepted [BEFORE THE ELECTION];

* Sec. 16. AS 29.28 is amended by adding new sections to read:

Sec. 29.28.260. INSUFFICIENCY OF GROUNDS, APPLICATION, OR PETITION. A recall submitted to the voters may not be held void because of the insufficiency of the grounds, application, or petition by which the submission was procured.

Sec. 29.28.270. JUDICIAL REVIEW. A person aggrieved by a determination made by the municipal clerk may bring an action to have the determination reviewed within 30 days of the date on which notice of determination was given by any appropriate remedy in the superior court.

Sec. 29.28.280. IMPROPER SUBSCRIPTION TO PETITION. A person who signs a name other than his own to a recall petition, who knowingly signs his name more than once for the same question at one recall election, or who signs the petition knowing he is not a qualified voter of the municipality is guilty of a misdemeanor.

* Sec. 17. The following laws are repealed: AS 15.45.680; AS 29.28.150 - 29.28.180; and 29.28.240.

* Sec. 18. This Act takes effect January 1, 1980.

A M E N D M E N T

Offered in the HOUSE

By the Community and
Regional Affairs Committee

TO: DRAFT CS FOR HOUSE BILL NO. 245

Page 2, line 2:

After "sponsors" add ", including resident and mailing addresses,"

Page 2, between lines 13 and 14:

Insert the following:

* Sec. 5. AS 15.45.520 is amended to read:

Sec. 15.45.520. MANNER OF NOTICE. Notice on all matters pertaining to the application and petition may be served on any member of the recall committee in person or by first class mail addressed to him at his mailing address [A COMMITTEE MEMBER] as indicated on the application.

* Sec. 6. AS 15.45 is amended by adding a new section to read:

Sec. 15.45.525. DESIGNATION OF SPONSORS. The qualified voters who subscribe to the application are designated as sponsors. The recall committee may designate additional sponsors by giving written notice to the lieutenant governor of the names, resident addresses, and mailing addresses of those so designated.

Renumber the remaining sections consecutively.

Page 2, lines 25 - 26:

Delete "signatures, resident addresses, and dates of signing" and insert "signatures and resident addresses" in its place.

Page 4, lines 1 - 6:

Delete all material and insert the following.

* Sec. 10. AS 15.45.620 is amended to read:

Sec. 15.45.620. REVIEW OF PETITION. Within 30 days <u>after</u> [OF] the <u>petition is filed</u> [DATE OF FILING], the lieutenant governor shall review the petition and shall notify the recall committee and the <u>official</u> [PERSON] subject to recall whether the petition <u>is accepted or rejected and, if rejected, the grounds for rejection</u> [WAS PROPERLY OR IMPROPERLY FILED].

Page 4, line 15 - page 5, line 1:

Delete all material and insert the following:

Sec. 15.45.640. SUPPLEMENTED PETITION. (a) If the petition is rejected because of insufficient signatures, it may be supplemented by additional signatures within 20 days after the recall committee is notified of rejection so long as the supplemented petition is filed at least 180 days before the termination of the term of office of the official subject to recall.

(b) Within 10 days after a supplemented petition is filed, the lieutenant governor shall review the supplemented petition and shall notify the recall committee and the official subject to recall whether the supplemented petition is accepted or rejected and, if rejected, the grounds for rejection.

Page 6, line 16:

After "sponsors" add ", including resident and mailing addresses;"

Page 6, lines 19 - 27:

Delete all material and insert the following:

Sec. 29.28.148. MANNER OF NOTICE. Notice on all matters pertaining to the application and petition may be served on any member of the recall committee in person or by first class mail addressed to him at his mailing address as indicated on the application.

Sec. 29.28.152. DESIGNATION OF SPONSORS. The qualified voters of the municipality who subscribe to the application are designated as sponsors. The recall committee may designate additional sponsors by giving written notice to the municipal clerk of the names, resident addresses, and mailing addresses of those so designated.

Page 9, lines 9 - 13:

Delete all material and insert the following:

Sec. 29.28.174. REVIEW OF PETITION. Within 30 days after the petition is filed, the municipal clerk shall review the petition and shall notify the recall committee and the official subject to recall whether the petition is accepted or rejected and, if rejected, the grounds for rejection.

Page 9, line 19 - page 10, line 5:

Delete all material and insert the following:

Sec. 29.28.178. SUPPLEMENTED PETITION. (a) If the petition is rejected because of insufficient signatures, it may be supplemented by

additional signatures within 20 days after the recall committee is notified of rejection so long as the supplemented petition is filed at least 180 days before the termination of the term of office of the official subject to recall.

(b) Within 10 days after a supplemented petition is filed, the municipal clerk shall review the supplemented petition and shall notify the recall committee and the official subject to recall whether the supplemented petition is accepted or rejected and, if rejected, the grounds for rejection.

AMENDMENT

Offered in the HOUSE

By the Community and Regional Affairs Committee

TO: DRAFT CS FOR HOUSE BILL NO. 245

Page 5, between lines 22 and 23:

Insert the following:

* Sec. 15. AS 15.45 is amended by adding new sections to read:

Sec. 15.45.730. ADDITIONAL TIME AFTER NOTIFICATION BY MAIL. When notice is given by mail under AS 15.45.470 - 15.45.740, that notice is complete upon mailing. If a person has a right or is required to so some act within a prescribed period after being notified, and the notice is given to him by mail, three days shall be added to the prescribed period.

Sec. 15.45.740. FILING AS PUBLIC RECORD. When an application, petition, or supplementary petition is filed under AS 15.45.470 - 15.45.74, the lieutenant governor shall file it as a public record, regardless of whether it is accepted or rejected.

Page 10, between lines 26 and 27:

Insert the following:

Sec. 29.28.290. ADDITIONAL TIME AFTER NOTIFICATION BY MAIL. When notice is given by mail under AS 29.28.130 -- 29.28.300, that notice is complete upon mailing. If a person has a right or is required to do some act within a prescribed period after being notified, and the notice is given to him by mail, three days shall be added to the prescribed period.

Sec. 29.28.300. FILING AS PUBLIC RECORD. When an application, petition, or supplementary petition is filed under AS 29.28.130

- 29.28.300, the municipal clerk shall file it as a public record, regardless of whether it is accepted or rejected.

shall be suspended pending the referendum on the ordinance. During the period of suspension the assembly or council may not enact an ordinance substantially similar to the suspended ordinance but may repeal the suspended ordinance.

(c) If a majority of those voting favor the referendum legislation, it remains in effect. If a majority rejects the legislation, it is repealed. A municipal charter may be amended as provided in the charter or by initiative and referendum as provided in §§ 60—110 of this chapter. (§ 2 ch 118 SLA 1972; am § 10 ch 147 SLA 1972)

Effect of amendment. — The 1972 amendment, effective September 10, 1972, inserted "assembly or" in the last sentence of subsection (b).

Sec. 29.28.110. Effect. (a) The assembly or council may not, within two years, act in any way to modify or negate the effect of a successful initiative or referendum. If an ordinance against which a referendum is directed has been repealed by the assembly or council after a petition has been filed but before the referendum, the council or assembly may not enact substantially similar legislation for a period of one year after repeal.

(b) An unsuccessful initiative or referendum precludes the filing of a new petition for the same purpose sooner than six months after voter disapproval of the initiative or referendum. (§ 2 ch 118 SLA 1972)

Article 3. Recall.

Section	Section
130. Recall	200. Election
140. Grounds	210. Form of recall ballots
150. Petition	220. Election procedure
160. Examination for sufficiency	230. Majority required
170. Supplemental petition	240. Effect
180. New petition	250. Election of successor
190. Submission	

Sec. 29.28.130. Recall. An elected official of a home rule or general law municipality may be recalled by the voters after he has served six months in office. (§ 2 ch 118 SLA 1972)

Section applies to city school board member.—A member of a city school board is an elected public official of an incorporated municipality, within the meaning of this section, to the same extent as a city councilman, and thus is subject to the recall provisions contained in this section. Blue v. Stockton, Sup. Ct. Op. No. 15 (File No. 7), 355 P.2d 395 (1960).

Sec. 29.28.140 Grounds. Grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties. (§ 2 ch 118 SLA 1972)

Sec. 29.28.150. Petition. (a) A petition seeking recall of one or more municipal officials is filed with the municipal clerk. The petition shall contain

(1) the signatures and resident addresses of a number of voters as prescribed in § 70(b) of this chapter for initiative and referendum;

(2) the date each voter signed the petition; and

(3) a statement of the grounds of the recall stated with particularity as to specific instances.

(b) A petition for recall must be filed with the clerk within 60 days after the date of the earliest signature on the petition. (§ 2 ch 118 SLA 1972)

Sec. 29.28.160. Examination for sufficiency. The municipal clerk shall review the petition for content and signatures and shall certify on the petition within 10 days of the filing date whether it is accepted or rejected. Until the petition is accepted, a petition signer may withdraw his signature upon written application to the clerk. (§ 2 ch 118 SLA 1972)

Sec. 29.28.170. Supplemental petition. (a) If the petition is rejected because of insufficient signatures, it may be supplemented by additional signatures within 10 days after the date of rejection. If the petition is insufficient for any other reason, it shall be rejected and filed as a public record.

(b) Within 10 days after supplementary filing, the clerk shall recertify the petition. If it is still insufficient, the petition is rejected and filed as a public record. (§ 2 ch 118 SLA 1972)

Sec. 29.28.180. New petition. Failure to secure sufficient signatures does not preclude the filing of a new recall petition. However, a new petition may not be filed sooner than six months after a petition is rejected. (§ 2 ch 118 SLA 1972)

Sec. 29.28.190. Submission. If a recall petition is sufficient, the clerk shall immediately submit it to the assembly or council. (§ 2 ch 118 SLA 1972)

Sec. 29.28.200. Election. (a) If a regular election occurs within 75 days of the submission, the assembly or council shall submit the recall at that election.

(b) If no regular election will occur within 75 days, the assembly or council shall hold a special election within 75 days of submission.

(c) If a vacancy occurs in the office after a recall petition is filed, the petition shall not be submitted to the voters. (§ 2 ch 118 SLA 1972)

Sec. 29.28.210. Form of recall ballots. A recall ballot contains:

(1) the grounds as stated in the recall petition;

(2) the officer's statement of 200 words or less, if the statement is filed with the clerk for publication and public inspection within 20 days before the election;

(3) the following question: "Shall (name of person) be recalled from the office of (office)? Yes [ ] No [ ]". (§ 2 ch 118 SLA 1972)

Sec. 29.28.220. Election procedure. Procedures for conducting a recall election are those of a regular election. (§ 2 ch 118 SLA 1972)

Sec. 29.28.230. Majority required. A majority vote on the question is required to recall an officer. (§ 2 ch 118 SLA 1972)

Sec. 29.28.240. Effect. If an incumbent is not recalled at the recall election, a petition to recall the same incumbent may not be filed sooner than six months after the recall election. (§ 2 ch 118 SLA 1972)

Sec. 29.28.250. Election of successor. If the voters recall an officer, the clerk shall conduct an election for a successor to fill the unexpired term. The election shall be held at least 10 but not more than 45 days from the date of the recall election. However, if a regular or special election occurs within 75 days of the recall election, the successor to the recalled official shall be chosen at that regular or special election. The procedures and requirements for the regular election for the office from which the incumbent is recalled apply to the election conducted under this section. (§ 2 ch 118 SLA 1972)

Chapter 33. Areawide Borough Powers and Duties.

Article
1. Scope (§ 29.33.010)
2. Assessment and Collection of Taxes (§ 29.33.030)
3. Education (§ 29.33.050)
4. Planning, Platting and Zoning (§§ 29.33.070—29.33.245)
5. Additional Areawide Powers (§§ 29.33.250—29.33.290)

Article 1. Scope.

Section
10. Scope of areawide powers

Sec. 29.33.010. Scope of areawide powers. (a) Boroughs shall exercise the powers as specified and in the manner specified in this

Delta/Greely School District REAA #15

Glen Chowning, Superintendent
P.O. Box 527
Delta Junction, Alaska 99737

907-895-4658
895-4659

March 13, 1979

The Honorable Bill Parker
Alaska State House of
Representatives
Pouch V, State Capitol
Building
Juneau, AK 99811

Dear Representative Parker:

I am writing in support of H.B. 245 relating to recall of elected local officials.

I believe that there is an urgent need for an orderly process by which public officials may be recalled. The present process leaves too much to the imagination of the petitioners and the signers. Some guidelines must be set to allow public officials to do their job in the best interest of the people without fear of a small group being able to mount a recall based on other than factual evidence.

Your consideration of my view is appreciated.

Sincerely,

Glen Chowning

Glen Chowning
Superintendent

GC:lla

cc: Representative Charles Parr
Representative H. "Pappy" Moss
Senator John Sackett
Robert Greene, Executive Secretary, AASB

ARCTIC VILLAGE
99722

BIRCH CREEK VILLAGE
99740

CHALKYITSIK
99788

CIRCLE
99733

FORT YUKON
99740

RAMPART
99767

STEVENS VILLAGE
99774

VENETIE
99781

LIVENGOOD

CENTRAL
99730

CIRCLE HOT SPRINGS
99734

YUKON FLATS SCHOOL DISTRICT

James Whitt, Superintendent
P. O. Box 359
Fort Yukon, Alaska 99740
Phone: (907) 662-2515

March 15, 1979

MEMORANDUM

TO: Representative Bill Parker, Chairman
Representative Pat Carney, Vice-Chairman
Community & Regional Affairs

FROM: James P. Whitt, Superintendent

RE: HB245 relating to recall of elected officials and school board members

WE ARE UNALTERABLY OPPOSED TO THIS LEGISLATION.

James P. Whitt Supt
Lonnie K. Sanford
John Reynolds
Gilbert Slogdon
Clarence L Olanda
Gaylord J Rogers Business Mgr
Mary W. Moses Assistant Supt.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
BOX AB PALMER, ALASKA 99645 PHONE 745-4822

NORMAN S. ROUSEY
SUPERINTENDENT OF SCHOOLS

MEMO

TO: Rep. Bill Parker, Chairman
Rep. Pat Carney, Vice-Chairman
Rep. Charles Parr
Rep. Fred Zharoff
Rep. Pat O'Connell
Rep. Margaret Branson
Rep. Ray Metcalfe

DATE: March 13, 1979

SUBJECT: House Bill #245

This is to inform you that the Matanuska Susitna School Board Members strongly support House Bill number 245 relating to recall of elected local officials and school board members.

Sincerely,

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Norman Rousey

NORMAN S. ROUSEY
Superintendent

NSR:grd

cc: Robert C. Greene, Executive Secretary
Association of Alaska School Boards

YUKON FLATS SCHOOL DISTRICT

James Whitt, Superintendent
P. O. Box 359
Fort Yukon, Alaska 99740
Phone: (907) 662-2515

March 15, 1979

ARCTIC VILLAGE
99722

BIRCH CREEK VILLAGE
99740

CHALKYITSIK
99788

CIRCLE
99733

FORT YUKON
99740

RAMPART
99767

STEVENS VILLAGE
99774

VENETIE
99781

LIVENGOOD

CENTRAL
99730

CIRCLE HOT SPRINGS
99734

MEMORANDUM

TO: Representative Bill Parker, Chairman
Representative Pat Carney, Vice-Chairman
Community & Regional Affairs

FROM: James P. Whitt, Superintendent

RE: HB245 relating to recall of elected officials and school board members

WE ARE UNALTERABLY OPPOSED TO THIS LEGISLATION.

James P. Whitt Supt.
Lonnie K. Sanford
John Reynolds
Gilbert Stephen
Clarence L. Alexander
Gaylord J Rogers Business Mgr
Mary W. Moses Assistant Supt.

UPPER RAILBELT
SCHOOLBOARD RECALL PETITION

We, the undersigned registered voters of the Upper Railbelt School District (REAA #14), do request an immediate recall election of Upper Railbelt School Board Seats held by Incumbents Ed Frye, Gary Crabb, and Ruby John. The Incumbents have consistently ignored the will of the majority of the voters when presented to the Board on signed petitions and in public hearin . The Incumbents have created dissension and turmoil within the District by taking an arbitrary and uncompromising stand that has had a distinct negative impact on school operation. In addition, a new position of Assistant Superintendent has been approved by the Board; also the new school budget has allocated funds for a computer that we feel is unwarranted and reflects fiscal irresponsibility on the part of Incumbents in view of our small District having a total enrollment of approximately 380 students taught by 28 teachers. Our aim is to correct the incompetency of the School Board.

Date of first circulation: March 26, 1977

NAME OF REGISTERED VOTER Signature	Printed	HOME & MAILING ADDRESS	DAT
Charles J. Alles	CHARLES J. ALLES JR.	ASPEN ACRES, ANDERSON Box 393 CLEAR ALASKA	03/28
Joan L. Alles	JOAN L. ALLES	ASPEN ACRES, ANDERSON, Box 393 CLEAR, AK	3/28
Dale E. Miller	DALE E MILLER	BOX 4005, CLEAR, AK 99704	3/28
Paula S Standefer	Paula S Standefer	Box 4025 Clear, AK 99704 G Street Anderson	3/2
Margaret J. Nelson	Margaret J Nelson	Box 475, Clear 99704 / 102 B Street Anderson AK	28 MA
Jennie Crabtree	Jennie Crabtree	Gen Delivery Clear 99704 G Street Anderson AK	3/
Doris Nordyke	DORIS NORDYKE	503 - Clear - Alaska 99704	3/2
JoAnne Gillens	JoAnne Gillens	Box 453 Clear, Alaska 99704	3/28
Paul Gonzales	Paul Gonzales	Box 4037 Clear, Alaska 99704	3-28
Janice Gonzales	Janice Gonzales	Box 4037 Cl. Ak 99704	3-2
Sandra Dupraw	Sandra ~~Dupraw~~ Dupraw	Box 721 Clear, AK	3-2
Judy Gould	JUDY GOULD	GEN. DELIVERY CLEAR, AK 99704	3-2
Janice Story	JANICE STORY	Box 662 CLEAR AFS, AK	3-30
Anthony Story Jr	ANTHONY STORY JR	Box 662 CLEAR AFS AK	3/30
Cecelia Brooke	Cecelia Brooke	Box 679 Clear AK	3/39
Margaret E. Terwilliger	Margaret E Terwilliger	Box 732 Clear AK	3/3
Helaine K. Michaels	HELAINE K. MICHAELS	Box 481 CLEAR AK 99704	3/31
Gerald A Bennett	GERALD A BENNETT	BOX 611 CLEAR AK 99704	3/31

№ 1149

FOLD BALLOT TO THIS LINE

STATE OF ALASKA

OFFICIAL BALLOT

REAA No. 14 - Upper Railbelt Recall Election

July 19, 1977

- Mark only by use of cross marks, "X" marks, checks, or plus signs
- Marks must be inside or touching the square so as to indicate the intent of the voter. Erasures and corrections will invalidate only that part of the ballot in which they appear.
- If you spoil or mar your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

SHALL GARY CRABB BE RECALLED FROM THE OFFICE OF THE UPPER RAILBELT REGIONAL SCHOOL BOARD, SEAT F?

Yes ☐ **No** ☐

Grounds set forth in the recall petition for the recall of Gary Crabb are as follows:

(1) a new position of Assistant Superintendent has been approved by the Board;

(2) the new school budget has allocated funds for a computer.

Statement by Gary Crabb: No statement supplied.

COM. PTG. CO., INC. [redacted] 888 FAIRBANKS, AK

№ 1124

FOLD BALLOT TO THIS LINE

STATE OF ALASKA

OFFICIAL BALLOT

REAA No. 14 - Upper Railbelt
Recall Election

July 19, 1977

- Mark only by use of cross marks, "X" marks, checks, or plus signs.
- Marks must be inside or touching the square so as to indicate the intent of the voter. Erasures and corrections will invalidate only that part of the ballot in which they appear.
- If you spoil or mar your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

SHALL ED FRYE BE RECALLED FROM THE OFFICE OF THE UPPER RAILBELT REGIONAL SCHOOL BOARD, SEAT A?

Yes ☐ **No** ☐

Grounds set forth in the recall petition for the recall of Ed Frye are as follows:

(1) a new position of Assistant Superintendent has been approved by the Board;

(2) the new school budget has allocated funds for a computer.

Statement by Ed Frye: The office of the Attorney General has stated "It matters not under the law whether the charges are right, wrong, ridiculous, incredulous, or discriminatory." I firmly believe these charges to be wrong, ridiculous, incredulous and discriminatory. In the normal course of Board action, All members of the Board voted to hire an **Administrative Assistant** and All members of the Board voted to allocate funds for the **Study** of the **possible purchase** of a computer. If these two (2) Board actions cited, constitute the grounds for the Recall of only three members of the School Board without being wrong, ridiculous, incredulous and discriminatory, then my sense of values and "due process" are wrong, and I should be recalled. However, I feel the Board has taken normal Board action in matters concerning the running of the School District, and the Administration and the Office of the Attorney General, may "stick it in their ear."

COM. PTG. CO., INC. 883 FAIRBANKS, AK

№ 1150

FOLD BALLOT TO THIS LINE

STATE OF ALASKA

OFFICIAL BALLOT

REAA No. 14 - Upper Railbelt
Recall Election

July 19, 1977

- Mark only by use of cross marks, "X" marks, checks, or plus signs.
- Marks must be inside or touching the square so as to indicate the intent of the voter. Erasures and corrections will invalidate only that part of the ballot in which they appear.
- If you spoil or mar your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

SHALL RUBY JOHN BE RECALLED FROM THE OFFICE OF UPPER RAILBELT REGIONAL SCHOOL BOARD, SEAT G?

Yes ☐ **No** ☐

Grounds set forth in the recall petition for the recall of Ruby John are as follows:

(1) a new position of Assistant Superintendent has been approved by the Board;

(2) the new school budget has allocated funds for a computer.

Statement by Ruby John: No statement supplied.

COM. PTG. CO., INC. 888 FAIRBANKS, AK

NOTICE OF RECALL ELECTION

To the qualified voters of _____Precinct, Upper Railbelt Regional Educational Attendance Area (REAA #14);

Notice is given that pursuant to AS 14.08.081 and AS 29.28.130 and 28.29.250, an election will be held on

TUESDAY, JULY 19, 1977

BETWEEN THE HOURS OF 8:00 A.M. AND 8:00 P.M.

For the purpose of voting on the recall of Gary Crabb, Ed Frye, and Ruby John.

The boundaries of the _____ Precinct, Upper Railbelt Regional Educational Attendance Area are described as follows:

The polling place is _____.

Dated this _____ day of _____, 1977.

LOWELL THOMAS, JR.
Lieutenant Governor

Copies of this Notice shall be posted i[illegible] c least 3 conspicious places in the precinct not less than 10 days bef[illegible] the election.

RECALL PETITION for JULIAN PAUL WEIR, Board Member

We, the undersigned, being registered voters residing in the Copper River School District do hereby Petition for the recall of Mr. Julian Paul Weir, School Board Member and Chairman of the Copper River School Board. The grounds for seeking recall are misconduct in office, incompetence and failure to perform prescribed duties as more specifically set forth below.

1. Julian Paul Weir has, as Chairman of the Copper River School Board, held a Board meeting without giving proper notice thereof to the public or to all the Board members.

2. Julian Paul Weir has consistently throughout his term as Chairman and Board member abused the use of executive sessions and has conducted illegal discussions on topics not permitted in executive sessions thereby prohibiting proper public involvement.

3. Julian Paul Weir has actively prevented access to the public to public records such as the taped record of Board meetings.

4. Julian Paul Weir has consistently as a Board Member and Chairman of the Copper River School District Board encouraged and participated in the violation of the Copper River Valley Teachers Association Contract with the District.

5. Julian Paul Weir has constantly changed the Board meeting operating procedures without notice to the public in order to prevent public involvement and discussion.

6. Julian Paul Weir did on the 3 rd day of January, 1978 deliberately prevent and deny public input at the Board meeting.

7. Julian Paul Weir has consistently failed to perform his prescribed duties and has failed to act in the common interest of the students and parents of the District.

All of the foregoing has occurred during the term that Julian Paul Weir has served in office which term exceeds six months.

	PRINTED NAME	SIGNATURE	RESIDENT ADDRESS	DATE
1.	G. Kenneth Roberson	K S Roberson	Mile 182.3 Glenn Hiway	1/19/78
2.	Vera Roberson	Vera Roberson	Mile 182.3 Glenn Hiway	1/19/78
3.	PAUL J BLAIR	Paul J Blair	GLN SRS DIV	2/3/78
4.				
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FOLD BALLOT TO THIS LINE

STATE OF ALASKA

SAMPLE BALLOT

REAA No. 17 - Copper River
Recall Election

April 18, 1978

Mark only by use of cross marks, "X", checks, or plus signs. Marks must be inside or touching the square so as to indicate the intent of the voter.
Erasures and corrections will invalidate only that part of the ballot in which they appear.
If you spoil or mar your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

The following grounds have been submitted in petition for the recall of Julian Paul Weir from his elected office of Copper River Regional School Board, Seat C.

1. Julian Paul Weir has, as Chairman of the Copper River School Board, held a Board meeting without giving proper notice thereof to the public or to all the Board members.

2. Julian Paul Weir did on the 3rd day of January, 1978, deliberately prevent and deny public input at the Board meeting.

The following is Julian Paul Weir's rebuttal of the above grounds:

1. I have never called a meeting of the Board, all meetings are set by policy motions, the first Tuesday of each month. All special meetings and work sessions are voted by the Board as to when and where they are to be held. To my knowledge, neither did Mr. Roberson call any meetings. It is, I believe, a power of the chairman to call special meetings, but none were called by myself or Mr. Roberson.

2. Untrue. If you will take the time to check the minutes, the tapes, and or check with someone who was at the meeting, you will find that at least five people spoke out in opposition and that only four spoke in favor of the policy. Also, if you check further, I chose people from the audience who had not previously, to my knowledge, spoken before on this policy. In fact, I even let a person from Anchorage speak who, perhaps, I shouldn't have as he allegedly represented a group in direct opposition to our policy.

SHALL JULIAN PAUL WEIR BE RECALLED FROM THE OFFICE OF COPPER RIVER SCHOOL BOARD, SEAT C?

YES ☐ NO ☐

RECALL PETITION

SAM AGUIAR, School Board Member

We, the undersigned, being registered voters residing in the Copper River School District do hereby Petition for the recall of Mr. Sam Aguiar, School Board Member of the Copper River School Board. The grounds for seeking recall are misconduct in office, incompetence and failure to perform prescribed duties as more specifically set forth below.

1. Sam Aguiar has, as a Board Member of the Copper River School Board, participated in a Board meeting called without giving proper notice thereof to the public or to all the Board members.

2. Sam Aguiar has consistently throughout his term as Board Member participated in the abuse of the use of executive session and has participated in illegal discussions on topics not permitted in executive sessions thereby prohibiting proper public involvement.

3. Sam Aguiar has consistently as a Board Member of the Copper River School Board encouraged and participated in the violation of the Copper River Valley Teachers Association contract with the District.

4. Sam Aguiar has participated in the constant change of the Board meeting operating procedures without notice to the public in order to prevent public involvement and discussion.

5. Sam Aguiar did on the 3 rd day of January, 1978 participate in and lead the deliberate prevention and denial of public input at the Board meeting.

6. Sam Aguiar has consistently failed to perform his prescribed duties and has failed to act in the common interest of the students and parents in the District.

All of the foregoing has occurred during the term that Sam Aguiar has served in office which term exceeds six months.

	PRINTED NAME	SIGNATURE	RESIDENT ADDRESS	DATE
05-019	1. Kenneth Roberson	Ken J Roberson	Mile 182.3 Glenn Hiway	1/19/78
05-019	2. Vera Roberson	Vera Roberson	Mile 182.3 Glenn Hiway	1/19/78
05.019	3. PAUL J BLAIR	Paul J Blair	GLN SUBDIV	2/3/78
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FOLD BALLOT TO THIS LINE

STATE OF ALASKA

SAMPLE BALLOT

REAA No. 17 - Copper River
Recall Election

April 18, 1978

Mark only by use of cross marks, "X", checks, or plus signs. Marks must be inside or touching the square so as to indicate the intent of the voter.
Erasures and corrections will invalidate only that part of the ballot in which they appear.
If you spoil or mar your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

The following grounds have been submitted in petition for the recall of Manuel F. (Sam) Aguiar from his elected office of Copper River Regional School Board, Seat A:

1. Manuel F. (Sam) Aguiar has, as a Board Member of the Copper River School Board, participated in a Board meeting called without giving proper notice thereof to the public or to all the Board members.

2. Manuel F. (Sam) Aguiar did on the 3rd day of January, 1978, participate in and lead the deliberate prevention and denial of public input at the Board meeting.

The following is Manuel F. (Sam) Aguiar's rebuttal of the above grounds:

The charges against me are not true. They are merely an effort to unseat me on a wave of emotion caused by the Boards passing of the Morality Policy.

I believe the sponsers of the recall have badly underestimated the intelligence of the people of our valley and their basic honesty.

I feel comfortable with my fate in hands such as yours.

SHALL MANUEL F. (SAM) AGUIAR BE RECALLED FROM THE OFFICE OF COPPER RIVER SCHOOL BOARD, SEAT A?

YES ☐ NO ☐

NOTICE

OF

RECALL SCHOOL BOARD ELECTION

To the qualified voters of _____ Precinct, Copper River Regional Educational Attendance Area (REAA) #17;

Notice is given that pursuant to AS 14.08.081 AS 29.28.130 and AS 29.28.250, an election will be held on

TUESDAY, April 18, 1978

BETWEEN THE HOURS OF 8:00 A.M. AND 8:00 P.M.

For the purpose of voting on the recall of J. Paul Weir, Seat C and Manuel F. (Sam) Aguiar, Seat A.

The boundaries of the _____ Precinct, Copper River Regional Educational Attendance Area are described as follows:

The polling place is _____.

Dated this _____ day of _____ 1978.

LOWELL THOMAS, JR.
Lieutenant Governor

Copies of this Notice shall be posted in at least 3 conspicuous places in the precinct not less than 10 days before the election.

Juneau, Alaska

WE, the below signed registered voters residing in REAA #4, known as the Lower Kuskokwim School District, do hereby petition for the recall, or removal, of JOERENE HOUT from the LKSD Board. We do so for the general ground of "FAILURE TO PERFORM PRESCRIBED DUTIES." We charge that Ms. Hout has failed to perform many of the duties prescribed for board members, as stated in the LKSD Board Handbook. We feel that Ms. Hout's performance has brought about a lack of confidence in her ability and willingness to fairly represent the interests and concerns of the children, parents, and communities of this District.

It is a Board member's duty to "Seek to learn the will of the people served by the School District and, within State requirements and societal needs, represent their interest in actions taken by the Board." (LKSD Board Handbook Article III, section 8, item 2.) It is a further duty to "Represent the interests of all those being served by the School District, rather than representing any portion thereof." (item 3.) Related duties state that Board members are to "Represent the Board and the School District in such a way as to promote interest, involvement, and support among the public" (item 4); "Work harmoniously with other Board members without trying either to dominate the Board or to neglect one's share of the necessary work" (item 6); "Vote and act in Board meetings for the total good of the School District and the diverse groups it serves" (item 7); and "Accept the prevailing vote on each issue and give support to implementing the resulting policy as long as it is in force" (item 8).

We list below specific instances in support of the general charge of Ms. Hout's "FAILURE TO PERFORM PRESCRIBED DUTIES," any one of which alone would be sufficient to require her removal from the LKSD Board.

1. Ms. Hout approved the sending to Washington, in mid-August, 1977, of a bilingual education plan which had not been presented to the public or approved by the Board. Furthermore, she did not report this action either to the public or to the Board, despite the fact that a public hearing and a meeting of the Board were held on August 18 and 19. In taking this action, Ms. Hout demonstrated a total lack of concern for the will of the people and their plea for information on, and input to, bilingual-bicultural education. (items 2, 3, 4, and 7.)

2. Ms. Hout received much testimony at the August 18, 1977 public hearing, regarding the strong wishes of the people for a Class A lunch program. This program was supported in public testimony at a later Board meeting in Kwigillingok on October 26th by a local nutritionist from the Yukon-Kuskokwim Health Corporation, and resolutions in its favor were passed by the Bethel Community School Committee and the Association of Village Council Presidents. Despite overwhelming public demand for this program, Ms. Hout has spoken against it in three Board meetings. In refusing to support this program and to enable the District to qualify for federal funding provided for it, Ms. Hout did not act in the interests of the children or parents of this District. (items 2, 3, 4, and 7.)

CONTINUED

3. Under public pressure in the form of a petition bearing over 700 signatures of parents in this District, Ms. Hout voted for a terminal one year contract for District Superintendent Weinberg. The Board vote was unanimous. However, Ms. Hout has failed to implement this decision in her position as Chairperson of the LKSD Board by not soliciting, or asking for, applicants for the Superintendent's position. The hiring of a superintendent on time is one of the most important legal duties of the Board. Instead of seeking qualified applicants, Ms. Hout, at a Board meeting in Kipnuk on September 13, 1977, supported a $10,000 (or 25%) raise and increased benefits for Superintendent Weinberg. In failing to seek qualified applicants for the Superintendent's position, and supporting a raise for a Superintendent who has drawn much public criticism, Ms. Hout has shown a complete disregard for the will and best interests of the people in this District. (items 2, 3, 4, 7, and 8.)

4. During the past year, Ms. Hout has answered public requests for information with arrogance, withheld information to which the public was entitled, and misstated Board actions, reasons for Board action, and information on which Board actions were based. At Board meetings, Ms. Hout has not served as a neutral Chairperson. She has been rude and hostile to persons who have tried to speak to the Board who have opinions apparently different from her own, and she has spoken strongly for or against business being conducted without giving up chairing the meeting. Ms. Hout's conduct as a whole has served to discourage the free sharing of ideas and the taking of different positions by other Board members and of the public. (items 2, 3, 4, and 6.)

For the above reasons, we petition for the recall of Joerene Hout from the LKSD Board. We ask that you give this matter your prompt attention.

N° 00000

FOLD BALLOT TO THIS LINE

STATE OF ALASKA

SAMPLE BALLOT

REAA No. 4 - Lower Kuskokwim

Recall Election

April 18, 1978

Mark only by use of cross marks, "X", checks, or plus signs. Marks must be inside or touching the square so as to indicate the intent of the voter.

Erasures and corrections will invalidate only that part of the ballot in which they appear.

If you spoil or mar your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

The following grounds have been submitted in petition for the recall of Joerene Hout from her elected office of Lower Kuskokwim School District School Board, Seat F:

1. "Ms. Hout approved the sending to Washington, in mid-August, 1977, of a bilingual education plan which had not been presented to the public or approved by the Board. Furthermore, she did not report this action either to the public or to the Board, despite the fact that a public hearing and a meeting of the Board were held on August 18, and 19. In taking this action, Ms. Hout demonstrated a total lack of concern for the will of the people and their plea for information on, and input to, bilingual-bicultural education."

2. "Ms. Hout received much testimony at the August 18, 1977 public hearing, regarding the strong wishes of the people for a Class A lunch program. This program was supported in public testimony at a later Board meeting in Kwigillingok on October 26th by a local nutritionist from the Yukon-Kuskokwim Health Corporation, and resolutions in its favor were passed by the Bethel Community School Committee and the Association of Village Council Presidents. Despite overwhelming public demand for this program, Ms. Hout has spoken against it in three Board meetings. In refusing to support this program, and to enable the District to qualify for federal funding provided for it, Ms. Hout did not act in the interests of the children or parents of this District."

3. "Under public pressure in the form of a petition bearing over 700 signatures of parents in this District, Ms. Hout voted for a terminal, one year contract for District Superintendent Weinberg. The Board vote was unanimous. However, Ms. Hout has failed to implement this decision in her position as Chairperson of LKSD Board by not soliciting, or asking for, applicants for the Superintendent's position. The hiring of a superintendent on time is one of the most important legal duties of the Board. Instead of seeking qualified applicants, Ms. Hout, at a Board meeting in Kipnuk on September 13, 1977, supported a $),000 (or 25%) raise and increased benefits for Superintendent Weinberg. In failing to seek qualified applicants for the Superintendent's position, and supporting a raise for a Superintendent who has drawn such public criticism, Ms. Hout has shown a complete disregard for the will and best interests of the people in this District."

The following is Joerene Hout's rebuttal of the above grounds:

Joerene Hout has demonstrated her interests and concern for the Lower Kuskokwim School District and has, through University classes, workshops, and inservice board training, acquired the training and skills necessary to fulfill the prescribed duties of a school board member.

1. Ms. Hout is a strong supporter of parental rights in decisions that affect children and did not approve sending a bilingual plan to Washington D.C. last August.

2. Ms. Hout voted for a Class A lunch program at the September 13, 1977 Board meeting.

3. On August 19, 1977 the Board went on record that the decision regarding the Superintendent's contract would be made after evaluations were done. Ms. Hout acted within the limits set by the School Board.

SHALL JOERENE HOUT BE RECALLED FROM THE OFFICE OF LOWER KUSKOKWIM SCHOOL DISTRICT SCHOOL BOARD, SEAT F?

YES ☐ NO ☐

NOTICE

OF

RECALL SCHOOL BOARD ELECTION

To the qualified voters of _____ Precinct, Lower Kuskokwim Regional Educational Attendance Area (REAA) #4;

Notice is given that pursuant to AS 14.08.081, AS 29.28.130 and AS 29.28.250, an election will be held on

TUESDAY, April 18, 1978

BETWEEN THE HOURS OF 8:00 A.M. AND 8:00 P.M.

For the purpose of voting on the recall of Joerene Hout, Seat F.

The boundaries of the _____ Precinct, Lower Kuskokwim Regional Educational Attendance Area are described as follows:

The polling place is _____.

Dated this _____ day of _____ 1978.

LOWELL THOMAS, JR.
Lieutenant Governor

Copies of this Notice shall be posted in at least 3 conspicuous places in the precinct not less than 10 days before the election.

Sec. 29.28.050. Election contest and appeal. (a) The assembly or council may provide by ordinance the time and procedure for the contest of an election.

(b) Unless otherwise provided by ordinance, an election may be contested only upon the filing, before or at the time of the first canvass of ballots by the assembly or council, by a person qualified to vote in the municipality of his written affidavit specifying with particularity the grounds for the contest or invalidity of the election.

(c) Unless otherwise provided by ordinance, the assembly or council shall declare the election results at the first meeting to canvass the election and record the results in the minutes of that meeting.

(d) The contestant shall pay all costs and expenses incurred in a recount of an election demanded by the contestant if the recount fails to reverse any result of the election or the difference between the winning and a losing vote on the result contested is more than two per cent.

(e) No person may appeal or seek judicial review of a city or borough election for any cause or reason unless the person is qualified to vote in the municipality, has exhausted his administrative remedies before the assembly or council and has commenced, within 10 days after the assembly or council has finally declared the election results, an action in the superior court in the judicial district in which the municipality is located. If no such action is commenced within the 10-day period, the election and election results shall be conclusive, final and valid in all respects. (§ 2 ch 118 SLA 1972)

Article 2. Initiative and Referendum.

Section	Section
60. Reservation of powers	75. Protest
62. Petition	77. New petition
65. Contents of petition	80. Presentation of initiative
70. Required signatures	90. Presentation of referendum
73. Sufficiency of petition	110. Effect

Sec. 29.28.060. Reservation of powers. The powers of initiative and referendum are reserved to the residents of municipalities except the powers do not extend to matters restricted by § 7, art. XI, of the state constitution. (§ 2 ch 118 SLA 1972)

Borough voters may use an initiative to acquire an areawide power for a borough which cities refuse to transfer. 1965 Op. Att'y Gen., No. 6.

Sec. 29.28.062. Petition. A petition for initiative or referendum is filed with the municipal clerk and an initiative petition must be filed not less than 90 days before the next regular election. (§ 2 ch 118 SLA 1972)

Sec. 29.28.065. Contents of petition. A petition for an initiative or referendum shall

(1) embrace only a single comprehensive subject;

(2) set out fully the ordinance or resolution sought by the petition;

(3) state upon the petition, when circulated, the date of first circulation of the petition;

(4) contain the statement, when circulated, that the signatures on the petition must be secured within 90 days from the date of the first circulation;

(5) have the required signatures, dates of signatures and resident addresses of the signers. (§ 2 ch 118 SLA 1972)

Sec. 29.28.070. Required signatures. (a) The necessary signatures on a petition shall be secured within 90 days from the date of the first circulation of the petition. The petition shall be signed in ink or indelible pencil.

(b) Every petition for either the initiative or referendum in the government of a municipality shall be signed by a number of qualified voters residing within the territorial limits of the municipality, or, if the act sought to be initiated or referred pertains exclusively to the area outside cities or to a service area, by a number of qualified voters residing within the area outside cities or within the service area, as the case may be, equal to the following per cent of the total number of votes cast at the last general election in the city or borough or borough area concerned, or special election called for the purpose of electing city or borough officers:

(1) 25 per cent, when a city or borough has fewer than 7,500 persons, or

(2) 15 per cent, when a city or borough has 7,500 persons or more.

(c) When signing a petition each voter shall write or print after his signature the date of signing the petition and his resident address.

(d) Illegible signatures unless accompanied by a legible printed name may be rejected by the municipal clerk.

(e) A petition signer may withdraw his signature upon written application to the clerk within seven days after the petition has been filed with the clerk. (§ 2 ch 118 SLA 1972)

Sec. 29.28.073. Sufficiency of petition. (a) Within 10 days from the filing date, the municipal clerk shall certify on the petition whether or not it is sufficient.

(b) If the petition is insufficient, it may be amended or supplemented within 10 days after the date on which the petition is rejected as insufficient.

(c) Within 10 days after supplementary filing the clerk shall recertify the petition. If it is still insufficient, the petition is rejected and filed as a public record. (§ 2 ch 118 SLA 1972)

Sec. 29.28.075. Protest. If the municipal clerk certifies the petition is insufficient, a signer of the petition may file a protest with the municipal executive within seven days after the certification and the municipal executive shall present the protest at the next regular meeting to the assembly or council which shall hear and decide the protest. (§ 2 ch 118 SLA 1972)

Sec. 29.28.077. New petition. Failure to secure sufficient signatures does not preclude the filing of a new initiative or referendum petition. However, a new petition may not be filed sooner than six months after a petition is rejected. (§ 2 ch 118 SLA 1972)

Sec. 29.28.080. Presentation of initiative. (a) When a petition seeks enactment of an ordinance or resolution within the powers of the assembly or council and not otherwise restricted by § 60 of this chapter, the clerk shall present it to the assembly or council at its next meeting after certification. The assembly or council may reject the petition if the subject matter of the initiative or referendum is within the restrictions of § 60 of this chapter.

(b) Unless the petition is granted within 30 days of its submission to the assembly or council, the clerk shall, with the assistance of the municipal attorney, prepare an ordinance or resolution to implement the petition and shall submit it to the voters at the next regular election. The ordinance or resolution shall be published in full in the notice of election but may be summarized on the ballot to indicate clearly the proposal submitted.

(c) If a majority of those voting favor the proposal, it becomes effective when the election results are officially declared.

(d) The assembly or council may at any time not less than 10 days from the date of election adopt an ordinance or resolution to implement the petition. In that event an election shall not be held. (§ 2 ch 118 SLA 1972)

Sec. 29.28.090. Presentation of referendum. (a) When a petition seeks a referendum vote on an ordinance or resolution, the clerk shall submit the ordinance to the voters of the municipality at the next regular or special election. If no regular or special election occurs within 75 days of the filing of a sufficient petition with the clerk, the assembly or council shall hold a special election within 75 days of filing.

(b) If a sufficient petition for referendum is filed within 30 days after final passage of the ordinance, or before the effective date of the ordinance, the ordinance against which the petition is filed

shall be suspended pending the referendum on the ordinance. During the period of suspension the assembly or council may not enact an ordinance substantially similar to the suspended ordinance but may repeal the suspended ordinance.

(c) If a majority of those voting favor the referendum legislation, it remains in effect. If a majority rejects the legislation, it is repealed. A municipal charter may be amended as provided in the charter or by initiative and referendum as provided in §§ 60—110 of this chapter. (§ 2 ch 118 SLA 1972; am § 10 ch 147 SLA 1972)

Effect of amendment — The 1972 amendment, effective September 10, 1972, inserted "assembly or" in the last sentence of subsection (b).

Sec. 29.28.110. Effect. (a) The assembly or council may not, within two years, act in any way to modify or negate the effect of a successful initiative or referendum. If an ordinance against which a referendum is directed has been repealed by the assembly or council after a petition has been filed but before the referendum, the council or assembly may not enact substantially similar legislation for a period of one year after repeal.

(b) An unsuccessful initiative or referendum precludes the filing of a new petition for the same purpose sooner than six months after voter disapproval of the initiative or referendum. (§ 2 ch 118 SLA 1972)

Article 3. Recall.

Section	Section
130. Recall	200. Election
140. Grounds	210. Form of recall ballots
150. Petition	220. Election procedure
160. Examination for sufficiency	230. Majority required
170. Supplemental petition	240. Effect
180. New petition	250. Election of successor
190. Submission	

Sec. 29.28.130. Recall. An elected official of a home rule or general law municipality may be recalled by the voters after he has served six months in office. (§ 2 ch 118 SLA 1972)

Section applies to city school board member.—A member of a city school board is an elected public official of an incorporated municipality, within the meaning of this section, to the same extent as a city councilman, and thus is subject to the recall provisions contained in this section. Blue v. Stockton, Sup. Ct. Op. No. 15 (File No. 7), 365 P.2d 395 (1960).

Sec. 29.28.140. Grounds. Grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties. (§ 2 ch 118 SLA 1972)

Sec. 29.28.150. Petition. (a) A petition seeking recall of one or more municipal officials is filed with the municipal clerk. The petition shall contain

(1) the signatures and resident addresses of a number of voters as prescribed in § 70(b) of this chapter for initiative and referendum;

(2) the date each voter signed the petition; and

(3) a statement of the grounds of the recall stated with particularity as to specific instances.

(b) A petition for recall must be filed with the clerk within 60 days after the date of the earliest signature on the petition. § 2 ch 118 SLA 1972)

Sec. 29.28.160. Examination for sufficiency. The municipal clerk shall review the petition for content and signatures and shall certify on the petition within 10 days of the filing date whether it is accepted or rejected. Until the petition is accepted, a petition signer may withdraw his signature upon written application to the clerk. (§ 2 ch 118 SLA 1972)

Sec. 29.28.170. Supplemental petition. (a) If the petition is rejected because of insufficient signatures, it may be supplemented by additional signatures within 10 days after the date of rejection. If the petition is insufficient for any other reason, it shall be rejected and filed as a public record.

(b) Within 10 days after supplementary filing, the clerk shall recertify the petition. If it is still insufficient, the petition is rejected and filed as a public record. (§ 2 ch 118 SLA 1972)

Sec. 29.28.180. New petition. Failure to secure sufficient signatures does not preclude the filing of a new recall petition. However, a new petition may not be filed sooner than six months after a petition is rejected. (§ 2 ch 118 SLA 1972)

Sec. 29.28.190. Submission. If a recall petition is sufficient, the clerk shall immediately submit it to the assembly or council. (§ 2 ch 118 SLA 1972)

Sec. 29.28.200. Election. (a) If a regular election occurs within 75 days of the submission, the assembly or council shall submit the recall at that election.

(b) If no regular election will occur within 75 days, the assembly or council shall hold a special election within 75 days of submission.

(c) If a vacancy occurs in the office after a recall petition is filed, the petition shall not be submitted to the voters. (§ 2 ch 118 SLA 1972)

Sec. 29.28.210. Form of recall ballots. A recall ballot contains:

(1) the grounds as stated in the recall petition;

(2) the officer's statement of 200 words or less, if the statement is filed with the clerk for publication and public inspection within 20 days before the election;

(3) the following question: "Shall (name of person) be recalled from the office of (office)? Yes [ ] No [ ]". (§ 2 ch 118 SLA 1972)

Sec. 29.28.220. Election procedure. Procedures for conducting a recall election are those of a regular election. (§ 2 ch 118 SLA 1972)

Sec. 29.28.230. Majority required. A majority vote on the question is required to recall an officer. (§ 2 ch 118 SLA 1972)

Sec. 29.28.240. Effect. If an incumbent is not recalled at the recall election, a petition to recall the same incumbent may not be filed sooner than six months after the recall election. (§ 2 ch 118 SLA 1972)

Sec. 29.28.250. Election of successor. If the voters recall an officer, the clerk shall conduct an election for a successor to fill the unexpired term. The election shall be held at least 10 but not more than 45 days from the date of the recall election. However, if a regular or special election occurs within 75 days of the recall election, the successor to the recalled official shall be chosen at that regular or special election. The procedures and requirements for the regular election for the office from which the incumbent is recalled apply to the election conducted under this section. (§ 2 ch 118 SLA 1972)

Chapter 33. Areawide Borough Powers and Duties.

Article
1. Scope (§ 29.33.010)
2. Assessment and Collection of Taxes (§ 29.33.030)
3. Education (§ 29.33.050)
4. Planning, Platting and Zoning (§§ 29.33.070—29.33.245)
5. Additional Areawide Powers (§§ 29.33.250—29.33.290)

Article 1. Scope.

Section
10. Scope of areawide powers

Sec. 29.33.010. Scope of areawide powers. (a) Boroughs shall exercise the powers as specified and in the manner specified in this

Sec. 15.45.470. Provision and scope for use of recall. The governor, the lieutenant governor, and members of the state legislature are subject to recall by the voters of the state or the political subdivision from which elected. (§ 9.71 ch 83 SLA 1960)

Am. Jur. reference. — 28 Am. Jur., Initiative, Referendum and Recall, §§ 47 to 66.

Sec. 15.45.480. Filing application. The recall of the governor or a member of the state legislature is proposed by filing an application with the lieutenant governor. The recall of the lieutenant governor is proposed by filing an application with the attorney general, who shall perform the duties imposed on the lieutenant governor in the recall of other elected state officials. A deposit of $100 must accompany the application. This deposit will be retained if a petition is not properly filed. If a petition is properly filed the deposit shall be refunded. (§ 9.72 ch 83 SLA 1960; am § 24 ch 125 SLA 1962)

Sec. 15.45.490. Time of filing application. No application may be filed during the first 120 days of the term of office of any state public official subject to recall. (§ 9.73 ch 83 SLA 1960)

Sec. 15.45.500. Form of application. The application shall include (1) the name and office of the person to be recalled, (2) the grounds for recall described in particular in not more than 200 words, (3) a statement that the sponsors are qualified voters who signed the application with the statement of grounds for recall attached, (4) the designation of a recall committee of three sponsors who shall represent all sponsors and subscribers in matters relating to the recall, (5) the appointment of at least 100 qualified voters who subscribe to the application as sponsors for purposes of circulation, and (6) the signatures and addresses of qualified voters equal in number to 10 per cent of those who voted in the preceding general election in the state or in the senate or electoral district of the official sought to be recalled. (§ 9.74 ch 83 SLA 1960)

Sec. 15.45.510. Grounds for recall. The grounds for recall are (1) lack of fitness, (2) incompetence, (3) neglect of duties, or (4) corruption. (§ 9.75 ch 83 SLA 1960)

Sec. 15.45.520. Manner of notice. Notice on all matters pertaining to the application and petition may be served on any member of the recall committee in person or by mail addressed to a committee member as indicated on the application. (§ 9.76 ch 83 SLA 1960)

Sec. 15.45.530. Notice of the number of voters. The lieutenant governor, upon request, shall notify the recall committee of the official number of persons who voted in the preceding general election in the state or in the senate or election district of the official to be recalled. (§ 9.77 ch 83 SLA 1960)

Sec. 15.45.540. Review of application. The lieutenant governor shall review the application and shall either certify it or notify the recall committee of the grounds of refusal. (§ 9.78 ch 83 SLA 1960)

Sec. 15.45.550. Bases of denial of certification. The lieutenant governor shall deny certification if he determines that (1) the application is not substantially in the required form, (2) the application was filed during the first 120 days of the term of office of the official subject to recall or within less than 180 days of the termination of the term of office of any official subject to recall, (3) the person named in the application is not subject to recall, or (4) there is an insufficient number of qualified subscribers. (§ 9.79 ch 83 SLA 1960)

Sec. 15.45.560. Preparation of petition. If the lieutenant governor certifies the application, he shall prescribe the form of, and prepare, a petition containing (1) the name and office of the person to be recalled, (2) the statement of the grounds for recall included in the application, (3) the statement of warning required in § 570 of this chapter, (4) sufficient space for signatures and addresses, and (5) other specifications prescribed by the lieutenant governor to assure proper handling and control. Petitions, for purposes of circulation, shall be prepared by the lieutenant governor in a number reasonably calculated to allow full circulation throughout the state or throughout the senate or election district of the official sought to be recalled. The lieutenant governor shall number each petition and shall keep a record of the petitions delivered to each sponsor. (§ 9.80 ch 83 SLA 1960)

Sec. 15.45.570. Statement of warning. Each petition and duplicate copy shall include a statement of warning that a person who signs a name other than his own to the petition, or who knowingly signs his name more than once for the same proposition at one election, or who signs the petition knowing he is not a qualified voter, upon conviction is punishable by a fine of not more than $1,000 or by imprisonment for not more than one year, or by both. (§ 9.81 ch 83 SLA 1960)

Sec. 15.45.580. Circulation by sponsor. The petitions may be circulated only by a sponsor and only in person throughout the state or senate or election district represented by the official sought to be recalled. (§ 9.82 ch 83 SLA 1960)

Sec. 15.45.590. Manner of signing and withdrawing name from petition. Any qualified voter may subscribe to the petition by signing his name and address. A person who has signed the petition may withdraw his name only by giving written notice to the lieutenant governor before the date the petition is filed. (§ 9.83 ch 83 SLA 1960)

Sec. 15.45.600. Certification of sponsor. Before being filed, each petition shall be certified by an affidavit by the sponsor who personally circulated the petition. The affidavit shall state in substance that (1) the

person signing the affidavit is a sponsor, (2) the person is the only circulator of that petition or copy, (3) the signatures were made in his actual presence, and (4) to the best of his knowledge, the signatures are those of the persons whose names they purport to be. In determining the sufficiency of the petition, the lieutenant governor shall not count subscriptions on petitions not properly certified. (§ 9.84 ch 83 SLA 1960)

Sec. 15.45.610. Filing of petition. No petition may be filed within less than 180 days of the termination of the term of office of a state public official subject to recall. The sponsor may file the petition only if signed by qualified voters equal in number to 25 per cent of those who voted in the preceding general election in the state or in the senate or election district of the official sought to be recalled. (§ 9.85 ch 83 SLA 1960)

Sec. 15.45.620. Review of petition. Within 30 days of the date of filing, the lieutenant governor shall review the petition and shall notify the recall committee and the person subject to recall whether the petition was properly or improperly filed. (§ 9.86 ch 83 SLA 1960)

Sec. 15.45.630. Bases for determining the petition was improperly filed. The lieutenant governor shall notify the committee that the petition was improperly filed if he determines that (1) there is an insufficient number of qualified subscribers, or (2) the petition was filed within less than 180 days of the termination of the term of office of the official subject to recall. (§ 9.87 ch 83 SLA 1960)

Sec. 15.45.640. Submission of supplementary petition. Upon receipt of notice that the filing of the petition was improper, the committee may amend and correct the petition by circulating and filing a supplementary petition within 20 days of the date that notice was given, if filed within less than 180 days of the termination of the term of office of the person subject to recall. (§ 9.88 ch 83 SLA 1960)

Sec. 15.45.650. Calling special election. If the lieutenant governor determines the petition is properly filed and if the office is not vacant, he shall prepare the ballot and shall call a special election to be held on a date not less than 60, nor more than 90, days after the date that notification is given that the petition was properly filed. If a primary or general election is to be held not less than 60, nor more than 90, days after the date that notification is given that the petition was properly filed, the special election shall be held on the date of the primary or general election. (§ 9.89 ch 83 SLA 1960; am § 37 ch 69 SLA 1970)

Legislative committee report. — For report on ch. 69, SLA 1970 (HB 564), see 1970 House Journal Supplement No. 2, p. 7.

Sec. 15.45.660. Preparation of ballot. The ballot shall be designed with the question of whether the public official shall be recalled, placed on the ballot in the following manner: "Shall *(name of official)* be

recalled from the office of . . . . .?". Provision shall be made for marking the question "Yes" or "No." (§ 9.90 ch 83 SLA 1960)

Sec. 15.45.670. Conduct of special election. Unless specifically provided otherwise, all provisions regarding the conduct of a general election shall govern the conduct of a special election for the recall of a state public official, including but not limited to, provisions concerning voter qualification; provisions regarding duties, powers, rights and obligations of the lieutenant governor, of other election officials, and of cities and organized boroughs; provision for notification of the election; provision for the payment of election expenses; provisions regarding employees being allowed time from work to vote; provisions for counting, canvassing, and certification of returns; provision for the determination of votes and of recount contests and court appeal; and provisions for absentee voting and the use of voting machines. (§ 9.91 ch 83 SLA 1960)

Sec. 15.45.680. Display of bases for and against recall. The lieutenant governor shall provide each election board in the state or in the senate or election district of the person subject to recall with 10 copies of the statement of the grounds for recall included in the application and 10 copies of the statement of not more than 200 words made by the official subject to recall in justification of his conduct in office. The person subject to recall may provide the lieutenant governor with his statement within 10 days after the date the lieutenant governor gave notification that the petition was properly filed. The election board shall post three copies of the statements for and against recall in three conspicuous places in the polling place. (§ 9.92 ch 83 SLA 1960)

Sec. 15.45.690. Certification of election results. If a majority of the votes cast on the question of recall favor the removal of the official, the lieutenant governor shall so certify and the office is vacant on the day after the date of certification. (§ 9.93 ch 83 SLA 1960)

Sec. 15.45.700. Filling vacancy. A vacancy caused by a recall is filled as a vacancy caused by any other means is filled. (§ 9.94 ch 83 SLA 1960)

Sec. 15.45.710. Insufficiency of grounds, application, or petition. No recall submitted to the voters shall be held void because of the insufficiency of the grounds, application, or petition by which the submission was procured. (§ 9.95 ch 83 SLA 1960)

Sec. 15.45.720 Judicial review. Any person aggrieved by a determination made by the lieutenant governor may bring an action to have the determination reviewed within 30 days of the date on which notice of determination was given by any appropriate remedy in the superior court. (§ 9.96 ch 83 SLA 1960)

HB
293

(7)

COMMITTEE REPORT

HOUSE

FURTHER:

February 23, 1979

Date: 7 Mar 79

Mr. Speaker:

The Committee on C&RA has had HB 293

"An Act relating to the Alaska Right-Of-Way Leasing Act; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[x] replace with CS for HB 293 [x] same title [ ] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

AMENDMENT

OFFERED IN THE HOUSE: BY: _____

TO: _____ HOUSE BILL No. HB 293

SENATE BILL No. _____

PAGE: _____ LINE: _____

Please prepare a Committee Substitute for HB 293 with the following changes:'

P. 1 Line 21,00should read

able natural environment and its people, including measures reasonably required to assure that potential

P. 1 Line 29 Strike "or not"

P. 2 Line 2 Add "not" after "will" and before "unreasonably"

P. 2 Line 4 Add "of the State" after "interest"

Page Lines 19,20 should read:

(D) provide local impact information and planning assistance for communities located adjacent to the right-of-way which are affected by the pipeline project; and

H 'O

AMENDED TITLE:
AN ACT RELATING TO THE ALASKA RIGHT-OF-WAY LEASING ACT;
AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSORS: MOSS.

CO-SPONSORS: ROGERS.

CURRENT STATUS: 3/09/79 IN (H) RULES

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/23/79	01	0356	FIRST READING -- COMMITTEE REPORTS
03/09/79	02	0502	CRA -- CS06, NR01 RULES
****	**	**	*** *** ***

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 3/7/79

BILL NUMBER AND TITLE: HB 293 re Alaska Right of Way Leasing

ORIGINAL SPONSOR : Moss & Rogers

OTHER SPONSORS:

RECEIVED FROM: --

FURTHER REFERRALS: None

MEMBERS PRESENT: Parker, Carney, Metcalfe, Zharoff, Branson, Parr, O'Connell

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Moss introduced Bob Lohr .

Bob Lohr, Director of Upper Tanana Development Corp. Tok.
Bill attempts to deal with impact of construction in unorganized boroughs. Proposed a strategy for dealing with the impact. Defines planning necessary and sets standards.
Suggests some amendments in bill (see attached)
No fiscal impact to state.
Sees that Legislature has a role in socio/economic impact in communities.

Pat Conheady DNR. Dept. Supports bill. It spells out those things already being done.

Discussion follows on Metcalfe's suggested amendment related to "superior public interest of the state".
Amendment accepted.

Bill signed DO PASS by
Parker
Branson
Carney
Parr
Zharoff
O'Connell

Member having No Recommendation
Metcalfe

COMMITTEE ACTION: Approved a Committee Substitute with attached amendments.

TAPE # 3 SIDE 2 Sections 0-716

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Referred to _____
Received from _____

BILL NO. HB 293 re Right of Way Leasing Act

Original Sponsor Moss and Rodgers

Fiscal Note Requested; will assume "0" note (DNR)

Contacts:

Contacted re 3/7 Hearing:

LAA Legal Research contact: Rosenstein

- ✓ Brian Rogers
- ✓ Rep. Moss (contacted via Rogers)
- ✓ Bob Lohr, Director of Upper Tanana Development Corporation in Tok
- ✓ Dept. of Natural Resources (Pat Conheady)

According to Bob Lohr, it is not now clear in the regulations that this kind of socio-economic plan can be required. Federal regulatory people not sure it can be required under our exisiting statutes. Open endedness of regulations now in effect has been protested by Northwest. No minimum standards have been set by the State.

DNR -- will support bill.

Introduced: 2/23/79
Referred: Community and Regional Affairs

IN THE HOUSE BY MOSS AND ROGERS

HOUSE BILL NO. 293

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Right-Of-Way Leasing Act; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 38.35.010(a) is amended to read:

(a) The natural resources of this state in crude oil and natural gas and in its land for transportation of these resources and their products by pipeline toward markets both in and out of the state are capable of making a significant contribution to the general welfare of the people of this state. It is the policy of this state that the development, use, and control of a pipeline transportation system be directed to make the maximum contribution to the development of the human resources of this state, the increase in the standard of living for all of its residents, the advancement of existing and potential sectors of its economy, the strengthening of free competition in its private enterprise system, and the careful protection of its incomparable natural environment and the unique lifestyle of its people, including all measures reasonably required to assure that potential adverse impacts are minimized by adequate planning.

* Sec. 2. AS 38.35.100(a) is amended to read:

(a) The commissioner shall promptly determine, on an application filed with him under AS 38.35.050, whether the applicant is fit, willing and able to perform the transportation or other acts proposed in a manner that will be required by the present or future public interest. In making a determination the commissioner shall consider whether ~~or not~~

the applicant has demonstrated that

(1) the proposed use of the right-of-way will unreasonably conflict with existing uses of the land involving a superior public interest;

(2) the applicant has the technical and financial capacity to protect state and private property interests;

(3) the applicant has the technical and financial capability and has developed a plan adequate to take action to the extent reasonably practical to

(A) prevent any significant adverse environmental impact, including but not limited to, erosion of the surface of the land and damage to fish and wildlife and their habitat;

(B) undertake any necessary restoration or revegetation; [AND]

(C) protect the interests of individuals living in the general area of the right-of-way, especially those who rely on fish, wildlife and biotic resources of the area for subsistence purposes;

(D) provide local impact information and planning assistance for communities affected by the pipeline project; and

(E) avoid or minimize adverse impacts and maximize positive local and regional social impacts caused by the construction, operation, maintenance and termination of the pipeline.

(4) the applicant has the financial capability to pay reasonably foreseeable damages for which he may become liable on claims arising from the construction, operation, maintenance or termination of the pipeline.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Introduced: 2/23/79
Referred: Community and Regional Affairs

IN THE HOUSE BY MOSS AND ROGERS

HOUSE BILL NO. 293

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Right-Of-Way Leasing Act; and providing for an effective date."

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(3) the applicant has the technical and financial capability and has developed a plan adequate to take action to the extent reasonably practical to

(A) prevent any significant adverse environmental impact, including but not limited to, erosion of the surface of the land and damage to fish and wildlife and their habitat;

(B) undertake any necessary restoration or revegetation; [AND]

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(4) the applicant has the financial capability to pay reasonably foreseeable damages for which he may become liable on claims arising from the construction, operation, maintenance or termination of the pipeline.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 293
Title An Act relating to right-of-way leasing
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Natural Resources
Program Category Affected NRMEC
Budget Request Unit(s) Affected Minerals and Energy Management

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		-0-	--0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact results from this legislation.

IV. DATE 3/7/79 PREPARED BY Patrick W. Conheady
AGENCY Dept. of Natural Resources
PHONE 465-2400

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

HB

300

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 4/9/79

BILL NUMBER AND TITLE: HB 300 Minimum entitlements to communities

ORIGINAL SPONSOR : Rep. NEls Anderson

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT:

Parker, Zharoff, Carney, Branson, Metcalfe, Parr, O'Connell

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

Rep. Anderson
Municipal League

WITNESSES TESTIFYING:

Anderson -- The concept of a minimum entitlement also appears in HB 192. As fate of HB 192 was in question, Anderson is introducing idea as a separate bill. Anderson doesn't think that HB 300 would pass without the conditions sugggested by Dept. of C&RA as the administration would not be supporting the bill without these conditions. The conditions for receipt of the $25,000 are also included in HB 192 (Revenue Sharing).

Anderson describes conditions as outlined in HB 192. Suggests that the basic entitlement provisions would allow villages to hire someone to work on getting additional grants monies to the villages.

Anderson urges adoption of a CS for HB300 with the discussed restrictions.

McCarter -- The Dept. of C&RA is supportive of this bill with the restrictions contained in HB192. There is no tax base in these communities and the minimum entitlement is seen as "seed money".

#4 which requires codification of ordinances should perhaps be deleted from the conditions.

Also, the provision in the enumerated for compliance "during the fiscal year prededing" could be handled by a change of "tense" in the regulations or by rewording in the bill so that communities would not have to have had compliance in order to receive monies.

Parr -- Are these requirements in the existing statutes meaningful or not? Doesn't understand why the Dept. is so willing to waive them.

COMMITTEE ACTION: No action taken.

TAPE # 7 SIDE 1 Sections 933-1520

McCarter -- Communities would get the $25,000 minimum and then whatever else would be coming to them through the existing revenue sharing program. The presence of a "clerk" (who might be funded from the $25,000) often makes or breaks the community in terms of its ability to organize.

Standards are presently on the books which must be met before incorporation can take place.

The former classification of "third class city" (villages) provided for just the basic "town meeting". McCarter recommends that minimum entitlement be granted to see if it helps 2nd class cities get off the ground.

Chitwood -- The Municipal League is in favor of the minimum entitlements only if the distribution to the other cities is not reduced.

Alaska State Legislature

REPRESENTATIVE
NELS A. ANDERSON, JR.
BOX 234
DILLINGHAM, ALASKA 99576
HOME PHONE 842-5302

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
PHONE 465-3738 OR 3739
HOME PHONE 789-7997

REPRESENTING DISTRICT 16
BRISTOL BAY — LOWER KUSKOKWIM

HOUSE MAJORITY LEADER
VICE CHAIRMAN JUDICIARY COMMITTEE
MEMBER, RULES COMMITTEE
MEMBER, SPECIAL COMMITTEE
ON SUBSISTENCE

House of Representatives

April 20, 1979

Mr. Carl Jack, President
Association of Village Council
Presidents
P.O. Box 219
Bethel, Alaska 99559

Dear Carl:

I have introduced a bill that would grant a minimum of $25,000.00 to each municipality of the State. The bill is in House Community and Regional Affairs and I have been unable to move it at this writing.

I am hopeful that this policy will be adopted next year if it doesn't move this year.

Any help you can give to the House CRA committee members to justify the need would be appreciated.

Very Sincerely,

Nels

Nels A. Anderson, Jr.

cc: Bush Caucus Members
Representative Bill Parker

NAA/ah

STATE OF ALASKA

Inter-Department Route Slip

TO: Legislature
MAIL STATION NUMBER 3100

DEPARTMENT _____

ATTENTION House C&RA Committee

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT C&RA

BY Lynn W/ Dan DATE 3/12

02-002 (REV.10/73)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 300
Title Minimum Grant for State Aid to Local Governments
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community and Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected Local Government Assistance Grants

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	0					
200 TRAVEL	0					
300 CONTRACTUAL	0					
400 COMMODITIES	0					
500 EQUIPMENT	0					
600 LAND & STRUCTURES	0					
700 GRANTS, CLAIMS, ETC.	0	1284.9	1409.9	1409.9	1409.9	
TOTAL	0	1284.9	1409.9	1409.9	1409.9	

FUNDING (Thousands of Dollars)

GENERAL FUND	0	1284.9	1409.9	1409.9	1409.9	
FEDERAL FUNDS	0	0	0	0	0	
OTHER (Specify)	0	0	0	0	0	

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Under the FY 79 State Revenue Sharing Program, 74 municipalities received less than $25,000. A total of $1,034,936 would be required to increase each of these municipality's entitlement to $25,000. In FY 80, it is anticipated that 10 municipalities not participating in the FY 79 program will submit applications. These are small cities providing few services, therefore, they would no doubt receive the minimum grant proposed by House Bill No. 300.

$1,034,936	Increases FY 79 participants' entitlements to $25,000
250,000	Payments to applicants not participating in FY 79 program
$1,284,936	Anticipated FY 80 Need

(continued)

IV. DATE 3-7-79 PREPARED BY for Mary Foster
AGENCY Community and Regional Affairs - LGAD
PHONE 465-4733

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 10/78)

III. ANALYSIS (continued)

In FY 81, it is hoped that five more municipalities will submit revenue sharing applications; and provision is made to pay these new applicants the minimum grant.

$1,284,936
125,000
$1,409,936

This would bring the number of participants in the State Revenue Sharing Program as close to 100% of all municipalities as can be realistically expected.

House Bill No. 300 does not provide for a cost-of-living adjustment to the minimum grant.

Full funding was assumed when these figures were prepared. However, if the revenue sharing appropriation is insufficient to fund at 100% for any fiscal year, the proration factor can be applied to the above amounts.

HB
301

(7)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

February 26, 1979 Date: 5 MAR 79

Mr. Speaker:

The Committee on C&RA has had HB 301

"An Act relating to municipal service."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

B. P.
CHAIRMAN

H 60 (Rev. 12/78)

HB 301 TITLE & SPONSOR SUMMARY 13.57 3/20/79 PAGE 1 OF 2

AMENDED TITLE:
AN ACT RELATING TO MUNICIPAL SERVICE

PRIME SPONSORS: MALONE.

CO-SPONSORS:

CURRENT STATUS: 3/15/79 IN (H) RULES

HB 301 HOUSE ACTION 13:58 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/26/79	01	0382	FIRST READING -- COMMITTEE REPORTS
03/10/79	02	0522	JUD COMM REFERL DELETED BY UNAN CONSENT
03/15/79	03	0597	CRA -- DP07 RULES
****	**	**	*** *** ***

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/15/79

BILL NUMBER AND TITLE: HB 301 Relating to Municipal Service

ORIGINAL SPONSOR : Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Committee votes to pass HB 301 on to Rules with the committee unanimously voting DO PASS.

Do Pass

Parker
Branson
Carney
Parr
Zharoff
O'Connell
Metcalfe

COMMITTEE ACTION: See Above

TAPE # 4 SIDE 1 Sections 1079-1081

HB

302

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

April 27, 1979

The Honorable Bill Parker
Chairman
House Community and Regional
Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

RE: HOUSE BILL NO. 302

At the request of your staff, we have reviewed House Bill No. 302. We have four major concerns with the concepts contained in this legislation.

1) The idea of taxpayers residing in an area of a borough receiving few services, helping pay for a higher level of service in another area of the borough, appears to be unfair. It is difficult to justify a system requiring these taxpayers to finance services provided to others, even though this bill requires voter approval. High millage service areas, generally speaking, are those with concentrated populations and, therefore, concentrated voter power. It would not be difficult to obtain voter approval for an ordinance reducing the millage in highly populated areas at the expense of less populated areas receiving only minimal services. As the bill is drafted, only an areawide vote is required.

2) In order for a borough to provide the same level of service areawide, and fund service areas as contemplated by this proposed legislation, substantial millage increases would be required on an areawide basis or, ultimately, the tax base would have to be significantly increased. Again voter approval would not necessarily be an obstacle because the concentrated population centers would more than likely receive an actual decrease in millage, again at the expense of residents in the less populated areas receiving few services.

3) There could be a fiscal impact on the State if those boroughs that collect substantial oil and gas revenues and have substantial numbers of service areas were to fund those service areas by an areawide millage. The two boroughs with the greatest ability to impact State revenue collections would be the Kenai Peninsula Borough and Fairbanks North Star Borough. The following examples assume total conversion to areawide millages and are based on 1978 millage rates and values.

Example #1 - The Kenai Peninsula Borough currently levies an areawide millage of 4.50 mills; additionally, it levies additional service area millages of as much as 16.5 mills more in some areas. State assessed oil and gas properties (AS 43.56) are in areas with low millage. If this bill were to pass and one areawide rate were levied to maintain the current level of services, we estimate that rate would have to be raised to be 6.22 mills. The State of Alaska currently levies 20 mills on all state assessed oil and gas property and credits owners of this property for local property taxes paid. Any increase in local taxes on State assessed oil and gas property results in an equal decrease in State revenue. Therefore, the provision that would provide a boroughwide levy for local services could, we estimate, decrease State revenue $518,827.

Example #2 - Fairbanks North Star Borough currently levies 7.20 mills areawide and has service areas that levy as much as 8.50 mills more. Again, assuming an areawide levy to maintain current service levels, an areawide millage rate of 10.13 would be required. Applying this new millage rate to State assessed oil and gas property in this borough results in an estimated increase in local taxes from this source in the amount of $1,655,816. This, of course, would be a direct reduction in State revenues.

4) There have been several bills introduced this session that will either create or extend exemptions from property taxes (HB 103, HB 314, and SB 64, etc.). The impact of these decreases in tax base would be magnified. To illustrate this concern, assume passage of one of those bills. If the optional $10,000 residential exemption were increased to $50,000 and opted for by the Kenai Peninsula Borough and also assuming complete funding of all services at the current level by areawide levy, then the following would occur. An areawide levy of 7.22 mills and a reduction of millage from current rates of approximately 60% in cities and increase of approximately 60% in many areas outside of cities. As an example of the tax increase in low service areas under these conditions; currently the local oil and gas property owners pay $2,289,026 to the borough. Under the assumed conditions they would pay $3,269,724. Again, the difference of $971,698 is a loss of revenue to the State. This same relationship could be transferred to every non-residential property located in less populated areas of the borough.

Although expression of these concerns necessitated some assumptions, we feel these assumptions are a realistic analysis of the possible results of implementation of this legislation.

The Department appreciates the opportunity to comment.

Sincerely,

Don Argetsinger

Don Argetsinger
Deputy Commissioner

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M April 19, 1979

SUBJECT: HB 302 - Appropriations and grants to service areas

TO: Representative Bill Parker

FROM: Billy G. Berrier BGB
Director
Division of Legal Services

As you requested, I have reviewed the letter from Mr. Hartig relating to this bill. Art. X, sec. 5 of the constitution is a grant of power, not a limitation of power. Under the uniformity of taxation, principle courts have frequently held that differential taxation based on difference in service rendered is unconstitutional. The effect, and intended effect as the Constitutional Convention minutes make clear, is to allow differential taxation which is not otherwise allowed. There is no limitation expressed in the section nor do I think a limitation that no method of funding special services other than from taxes, charges or assessments within the service area may be implied.

He also cites Concerned Citizens of South Kenai Peninsula v. Kenai Peninsula Borough, 527 P.2d 447 (Alaska 1974). That case upheld the creation of a hospital service area by the borough. The court does hold that:

> Substantive due process is denied when a legislative enactment has no reasonable relationship to a legitimate governmental purpose. It is not a court's role to decide whether a particular statute or ordinance is a wise one; the choice between competing notions of public policy is to be made by elected representatives of the people. The constitutional guarantee of substantive due process assures only that a legislative body's decision is not arbitrary but instead based upon some rational policy.

> A court's inquiry into arbitrariness begins with the presumption that the action of the legislature is proper. The party claiming a denial of substantive due process has the burden of demonstrating that no rational basis for the challenged legislation exists. This burden is a heavy one, for if any conceivable legitimate public policy for the enactment is apparent on its face or is offered by those defending the enactment, the opponents of the measure must disprove the factual basis for such a justification.

Although in later cases, most specifically in State v. Erickson, 574 P.2d 1 (Alaska 1978) our court has adopted a less deferential approach, a reasonable basis test will still be applied. Since grants from a unit of government with a broader tax base to a unit with a narrower base is today a commonplace feature of government, in my opinion a reasonable basis exists.

BGB:jdn

COLE, HARTIG, RHODES, NORMAN & MAHONEY

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C. WALT EBELL

March 23, 1979

REPLY TO:
Anchorage

Representative Bill Parker
Community & Regional
Affairs Committee, Chairman
Pouch V
Juneau, AK 99811

Re: H.B.-302 "An act relating to appropriations and grants from boroughs to service areas and cities; and providing for an effective date."
Our Reference 844-19.3

Dear Representative Parker:

On behalf of my client, the City of Kodiak, Alaska, I want to express an opposition to the passage of H.B.-302 introduced on February 26, 1979 and sponsored by Representatives Hugh Malone and Margaret Branson.

The bill proposes to amend Chapter 29 of the Alaska Statutes to provide that boroughs may, by ordinance and after holding an areawide election on the question, authorize appropriations from areawide taxes or other areawide revenues to finance all or part of a special service.

The City's opposition to this proposed legislation is based upon several grounds. First, it is questionable that the legislation, if passed in its present form, is constitutional. Article X, Section 5, of the Constitution of Alaska provides:

> " Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of the article, the new

> service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services." (Emphasis added.)

The language is clear that the assembly's taxing authority is limited to that area encompassed within the established special service area. (See also Concerned Citizens of South Kenai Peninsula v. Kenai Peninsula Borough et al. 527 P2d. 447).

In addition to the constitutional prohibition against such taxing authority, it should be noted that the proposed authority if authorized, would not foster or encourage the contemplated substitution of city government for borough authority, when it would be proper to do so, but instead would continue to encourage competing and often overlapping and duplicate governmental services.

Also, such areawide taxation, because the tax base is often within the city, would have the effect of placing the tax burden on the city residents without providing accompanying benefits.

Your consideration of the City of Kodiak's opposition to this legislation will be appreciated and should any hearings on the legislation be scheduled, I would appreciate being notified so that I might have the opportunity to be present and to testify on behalf of my client.

Very truly yours,

COLE, HARTIG, RHODES,
NORMAN & MAHONEY

By: Robert L. Hartig
Robert L. Hartig

RLH:bjw

Article 2. Service Areas.

Section
90. Service areas

Sec. 29.63.090. Service Areas. (a) Service areas to provide special services within a borough may be established, operated, altered or abolished by the assembly by ordinance. Special services include services not provided on an areawide basis within the borough or the borough area outside cities or a higher or different level of service than that provided on an areawide basis or in the borough area outside cities. In a first class borough the assembly may exercise within a service area any power granted a first class city by general law; in a second class borough an exercise of the powers must be approved by a majority of the qualified voters residing within the service area and voting on the question at a regular or special election.

(b) The assembly may levy or authorize the levying of taxes, charges, or assessments in service areas to finance the special services.

(c) The assembly may provide for appointed or elected boards to supervise the furnishing of special services in service areas.

(d) A new service area may not be established if, consistent with the purposes of art. X of the state constitution, the new service can be provided by an existing service area, by annexation to a city, or by incorporation as a city.

(e) The assembly may exercise or delegate to a service area any powers which may be exercised by a first class borough in the area outside cities. In a second class borough, each exercised or delegated power must be approved by a majority vote at a regular or special election held within the service area. The rate of taxation and the issuance of bonds are subject to assembly approval. (§ 2 ch 118 SLA 1972)

Chapter 68. Alteration of Boundaries.

Article
1. Annexation and Exclusion (§ 29.68.010)
2. Merger and Consolidation (§§ 29.68.030—29.68.110)
3. Unification of Local Governments (§§ 29.68.240—29.68.440)
4. Dissolution (§§ 29.68.500—29.68.580)

Article 1. Annexation and Exclusion.

Section
10. Local boundary commission

Sec. 29.68.010. Local boundary commission. (a) The Local Boundary Commission may consider any proposed local government boundary change. It may present proposed changes to the

C&RA BILL WORK SHEET

BILL NO. HB302 re Grants to Boroughs to Service Areas

Received from _____ Original Sponsor _____
Referred to _____ Fiscal Note _____

LAA Legal Research Contact _____

CONTACTS: Contacted re 4/18
✓ Charles Cannon (Anc)
✓ Hartig 274-3576
✓ Municipal League
✓ CRA

Hartig - exclusive / grant can be finessed
Not right. Barnes

HB
314

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 9

DATE: 1/21/80 -

BILL NUMBER AND TITLE: HB 314 Optional Property Tax Exemptions

ORIGINAL SPONSOR : Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT:

Bill Parker X	Pat Carney X
Margaret Branson X	Charlie Parr X
Pat O'Connell X	Fred Zharoff X
	Ray Metcalfe X

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Malone - Representing District 18 in sponsorship of HB 314. Recommends that in line 14 the "or" be removed. The bill adds an option for local government to structure its taxes. The Kenai Assembly has requested the exemption.

Malone opposes the recommendation of the Dept.of C&RA that the State offset the amount of the exemption by reimbursing it to the municipality.

Exemptions allowed in the residential real property tax are limited. In 1973 the allowable exemption was at a higher level than the current $10,000.

*Malone will try to obtain the current cost of the existing $10,000 exemption in the Kenai Peninsula.

Parr - Suggests amendment which would provide that the state's revenues from oil and gas property tax would not be diminished as a result.

Malone - Not sure how Parr's suggestion for an amendment would be enforced. It may be hard to establish a connection between the exemption and how much property tax is offset..the mill rate could be lowered.

Don't want to apply limitation on assessment.Could extend to include all classes of property including oil and gas.

Intent is not to have state reimburse.

Branson - Questions what the implications of HB 314 for service areas.

Malone - Will get that information.

Metcalfe - What would be the effect on the owner of a $100,000 house?

Doesn't want any inequities and concerned that the proposed

COMMITTEE ACTION. No Action. Bill rescheduled for hearing on 1/25/80.

TAPE # 1 SIDE 1 Sections $$) *&#

bill would create such inequities by subsidizing the lower cost property owners.

Malone - It is necessary to find out what the percentage of other property which could be taxed it.
Data re who would end up paying taxes that the exempt group was not paying would be necessary. Malone contends that since this exemption is optional for the municipality that it should be acceptable to all.

Palmer McCarter, Dept. C&RA
Terry Early, State Assessor
Opposed to HB 314. Ordinarily the Dept. supports local control but this bill expands the inequity of the $10,000 exemption. Most municipalities can't afford this and the three boroughs and the city which has opted for the exemption have pipeline revenues.
Early and McCarter referred to a study prepared by the Dept. at the request of the House C&RA Committee(see in folder) for reference of the Committee.

Parr - Pointed out that if the other municipalities reappraised, they also could afford to take the exemption. It may be they didnt want to exempt for people who couldn't afford.
t
Branson - Would borough as well as city taxes be effected?

There was discussion of the amount of money that would actually be lost to the state if there was an exemption.

O'Connell - Indicated that other segments of the community, such as the small business man would be effected if the exemption were put into effect.

Parr - Suggests that an alternative approach might be to use the real property tax as a credit on personal income tax. This method wouldn't favor one area over anouther.

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Community & Regional Affairs

VICE-CHAIRMAN
Commerce

Health & Social Services

Senate

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3712

March 25, 1980

Mr. Dave Walsh, President
Alaska Municipal League
c/o Pouch 6-650
Anchorage, Alaska 99502

Dear Dave:

The ability for municipalities to have a fair and equitable tax base is absolutely critical to healthy local government. I would like to urge the Alaska Municipal League, possibly in conjunction with the Alaska Native Foundation, RuralCap and others, to undertake, prior to next session, a major review of the kind and amount of taxes that the various classes of municipalities can levy and collect. The current Legislature is addressing House Bill 192, dealing with municipal revenue sharing, and Senate Bill 199, dealing with the school foundation program. These two areas provide major cornerstones for municipal school revenues. A third cornerstone, real and personal property tax, is currently faced with possible erosion and decreased credibility.

The Senate Community and Regional Affairs Committee has some twelve bills pending which impact the municipal property tax by allowing certain classes of exemptions, imposing restrictions, etc. Some, but not all, of these bills allow the municipalities to be reimbursed for the changes in their ability to levy and collect real and personal property taxes. Certainly the bills carry a major fiscal impact. I am enclosing a summary of the bills currently before my Committee. Many other tax bills affecting municipalities are before the Legislature, such as changes in the amount of sales tax which can be levied in certain municipalities and elimination of the business inventory tax.

Relating specificially to real and property taxes, it seems to me that policies must be established regarding possible exemption. If such policies are not developed, we will create a hodgepodge of a program that will serve no one well. For example, should we consider exemptions on a need basis rather than exemptions for special groups of people? Should there be equality for a whole group, rather than special interest exemptions within a group? What kind of things would be better left to grant and aid programs as opposed to exemptions in the property tax approach?

The Department of Community and Regional Affairs recently completed a study of the exemption problem. Their study gives a synopsis of information developed that deals with major exemption problems, and in some cases, suggests several options that might be taken. Their broad policy statement favors few, if any, additional exemptions, and they feel that any exemption program should meet the following criteria: "any exemption granted should be either for public property or for sufficient public good to justify a transfer of burden to the balance of the community." They recognize that the credibility of property tax has been questioned continually and with increasing intensity these past few years, and that many taxpayers feel that they are paying more than their fair share.

The state has recognized certain senior citizens' exemptions, as a matter of public policy. These exemptions support a policy of encouraging age diversity in Alaskan society, show esteem for and gratitude to the pioneers of the state and give a method of helping many to afford to stay in our state, rather than have to leave family, and friends to begin a life in another state, where it might be cheaper to live. The senior citizens who are on a fixed income and cannot absorb property taxes increased by inflation certainly are in need of assistance. However, some bills are now reaching into special groups within the senior citizens; for example, allowing for surviving spouses 55 and older of those senior citizens who qualified for real property exemption to continue to benefit from the exemption. But, what about other senior citizens within that same age group who might have just as much, or a greater need for exemptions? Disabled veterans are another group being suggested for special exemptions, but what about the equity question of all other disabled people in our State? Other questions of equity need to be considered.

Each piece of proposed legislation offers a shift in public policy -- new groups which deserve special treatment, new funding approaches, and so forth. However, sound public policy decisions can be made only within the context of effects or impacts on local governments and the general public. How can we create a new special exemption, for example, unless we are certain of municipalities fiscal needs, alternative revenue sources and the impact of using those other sources?

Again, I would urge the Alaska Municipal League to take a leadership position in review of the municipal property tax, as well as the broader impact of local municipalities being able to raise adequate revenues to fund needed municipal services. I would be most pleased to have your response as to whether you feel the Alaska Municipal League finds merit

in this proposal, and if so, I sincerely hope the league will analyze the kind and amount of taxes that the various classes of municipalities can and should levy and collect.

Sincerely yours,

Arliss Sturgulewski

Arliss Sturgulewski
Senator, District 10-H

Enclosures
cc: Alaska Federation of Natives
RuralCap
Governor's Advisory Committee on Aging
Ms. Dove Kull
Commissioner Lee McAnerney
Mayor George Sullivan
Mr. Phil Younker
Senator John Sackett
Senator Bill Ray
Representative Russ Meekins
Sponsors: SB 138, 154, 296, 299, 360, 370, 427, 431, 456, 465 & 510

Taxes (home improvement exemption)

SENATE BILL NO. 138, by Senators Bradley and Stimson. Relates to establishment of tax exemption for home improvements. Amends AS 29.53 by adding section which provides that the "value of an alteration, repair, renovation, addition to, or improvement of an existing structure which is used by a taxpayer as his personal residence is exempt from assessment for purposes of levy and collection of property taxes under this chapter....." Repeals AS 29.53.025(f) & (g) relating to current exemptions for improvements. Provides Act effective January 1, 1979.

Introduced February 13 and referred to Community & Regional Affairs, then to Finance.

Veterans (disabled) (property tax exemption)

SENATE BILL NO. 154, by Senator Bradley. Amends AS 29.53.020(e) to include disabled veterans of any age to section which exempts persons 65 or over from payment of property tax. Applies to resident veterans, honorably separated from service whose service-related disability has been rated at 50% or more. Provides Act effective January 1, 1980.

Introduced February 13 and referred to Community & Regional Affairs, then to Finance.

Residential Property Ta.. (partial exemption)

SENATE BILL NO. 29[illegible], by Senator Stimson. Adds to list of exemptions from municipal property tax in AS 29.53.020(a) "the real property owned and occupied as a permanent place of abode by a resident, not exceeding $25,000 in value." Provides state shall reimburse a borough or city for revenues lost. Repeals AS 29.53.025(a) which allows municipalities to exclude or exempt or partially exempt residential property from taxation by ordinance ratified by voters, the exemption not to exceed $10,000 per residence. Provides Act effective January 1, 1981.

Introduced January 14 and referred to Community and Regional Affairs and then to Finance.

Property Tax (municipal) reduction of)

SENATE BILL NO. 299, by Senator Kerttula. Amends AS 29.53.050(a) (Tax Limitation on Municipalities) to read: "A (NO) municipality may not levy and tax for any purpose in excess of nine-tenths of one (THREE) percent of the assessed valuation of property within the municipality in any one year." Provides Act effective 1/1/81.

Introduced January 14 and referred to Community and Regional Affairs.

Property Tax (disabled Vets exempt)

SENATE BILL NO. 360, by Senators Sumner and Hackney, by request. Exempts from municipal property tax the real property owned and occupied as a permanent place of abode by a disabled veteran. Provides exemption is allowed to veteran "for a percentage of the assessed value of the real property which is the same as his percentage of disability as established by his service disability rating." Provides Act effective January 1, 1981.

Introduced January 24 and referred to Community and Regional Affairs and Finance.

Fire Prevention

SENATE BILL NO. 370, by Senators Colletta and Bradley. Adds to AS 29.53.020 (Municipal Property Tax - Required Exemptions) "Two

percent of the assessed value of a structure is exempt from taxation if the structure contains fire protection systems in operating condition incorporated as a fixture or part of the structure. The exemption is limited to 1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if fire protection systems are a fixture of the real property on January 1, 1981; or an amount equal to two percent of the value of the structure as of January 1 following the installation of the fire protection systems as fixtures of the structure after January 1, 1981.

Introduced January 31 and referred to Community & Regional Affairs.

Sr. Citizens Tax Exemp. (surviving spouse)

SENATE BILL NO. 427, by Senators Ferguson, Ray, Sackett, Meland, Colletta, Sumner, Kerttula, Hohman, Mulcahy and Bradley. Amends AS 29.53.020(e) relating to municipal property tax exemption for senior citizens by adding: "The real property exempt from taxation under this subsection continues to be exempt if owned and occupied as a permanent place of abode by the surviving spouse of the resident, if the surviiving spouse is 55 years or older and has a gross annual income of less than $20,000. Does not provide for effective date.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Property Tax Exemptions (for energy

SENATE BILL NO. 431, by the Rules Committee by request of the Legislative Council by request. Adds new section to AS 29.53 (Municipal Assessment & Taxation) which exempts from municipal property tax "The value of an alternation or improvement of an existing structure that reduces energy consumption in the structure." Section applies to mobile homes also. Provides Act effective January 1, 1981.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Municipal Property Taxes (exemp. sr. citizens--personal property)

SENATE BILL NO. 456, by Senators Stimson and Bradley. Amends Municipal Assessment and Taxation (AS 29.53), required exemptions (020) by stating that the property of certain residents of the state is exempt and further states that "(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over, and the personal property owned by a resident 65 years of age or over, is exempt from taxation of the assessed value of the (REAL) property." Deletes reference to "real" property throughout and repeals AS 29.53.020(i) which defines "real property" as property including, but not limited to mobile homes whether classified as real or personal property for municipal tax purposes. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community & Regional Affairs, then to Finance.

Property Tax (residential-partial exem. from assess)

SENATE BILL NO. 465, by Senators Ferguson, Colletta, Fahrenkamp and Sumner. Exempts from general taxation (Municipal Assessment and Taxation, required exemptions--AS 29.53.020(a)) "(7) the real property owned and occupied as a permanent place of abode by a resident, not exceeding $85,000 in value." Exempts real property owned and occupied by a resident 65 years of age or over from

taxation of the assessed value of property which exceeds $85,000 in value. Repeals AS 29.53.025(a) (Municipal Assessment and Taxation. Optional Exemptions and exclusions. Section (a) states: "Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election."), and amends AS 29.53.020(g) (relating to reimbursement of borough or city for revenue lost by exemption) by deletion of language stating that upon proper application an individual would have been granted an exemption. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community and Regional Affairs, then to Finance.

Municipal Property Tax (exempting business inventory)

SENATE BILL NO. 510, by the Rules Committee by Request (for the Interim Tax Policy Committee). Exempts business inventory from municipal property tax levy and provides for reimbursement to municipalities of tax revenues lost by operation of the exemption. Reimbursement made on the basis of the application of the tax rate of the borough or city to the value of business inventory reported to the state by businesses for the purpose of taxation under the Alaska Net Income Tax Act, and subject to legislative appropriation to the Department of Community and Regional Affairs for the purpose. State Departments may adopt regulations to carry out the provisions of chapter. Repeals sections of Municipal Assessment and Taxation (AS 29.53) relating to assessment of business inventory and reassessment in the case of cessation of business during the tax year. Provides Act takes effect January 1, 1980.

Introduced March 5 and referred to Community and Regional Affairs, then to Finance.

April 3, 1980

Betty Warren, Chairman
Governor's Committee on Aging
Box 116
Kenai, Alaska 99611

Dear Betty:

Enclosed are copies of letters I recently sent to Dave Walsh, President of the Alaska Municipal League, and to Governor Jay Hammond regarding tax exemptions from the municipal property tax. It seems to me that your Committee on Aging would have interest in taking a good look at the issue raised in my letters, particularly as they relate to older Alaskans.

With the pending change before the legislature, regarding the continuat tion of your Committee on Aging and the possible Older Alaskans Commission, I wanted to be sure to touch all bases. If you feel the issues raised have merit for consideration by your committee, I would be very delighted to have whatever follow-up information you might develop. You might wish to contact Dave Walsh to give input to the work that the Municipal League will be doing over the next year.

Thank you for your consideration of this material, and I do look forward to hearing from you.

Kindest personal regards,

Arliss Sturgulewski
Senator, District 10-H

Enclosure

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Community & Regional Affairs

VICE-CHAIRMAN
Commerce

Health & Social Services

Senate

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3712

April 2, 1980

Jay S. Hammond, Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Jay:

Re: Senior Citizens Tax Exemption from Municipal Property Tax

The legislature has under consideration, SB 328, which would establish an Older Alaskans Commission. In the event this legislation is adopted, I would like to bring to them, through you, a matter for their review and, hopefully, recommendations to the next session of the legislature. I am bringing this matter to the attention of your Advisory Committee on Aging.

The Senate Regional and Community Affairs Committee has had over twelve bills pending which impact the municipal property tax by allowing certain classes of exemptions, imposing restrictions, etc. Some, but not all, of these bills allow the municipalities to be reimbursed for the changes in their ability to levy and collect real and personal property taxes. Since real and property taxes create such a major corner stone of tax revenue source for municipalities, I have asked the Alaska Municipal League to look into the matter of establishing policies regarding possible exemptions. We will create a hodgepodge of a program in the absence of such policy. Dave Walsh, Chairman of the Alaska Municipal League, has indicated to me that the League will undertake such a study. However, I feel it would be important that a commission, dealing particularly with older Alaskans' needs, undertake a study of that part of the real and personal property tax which deals with older Alaskans.

The state has recognized certain senior citizens' exemptions as a matter of public policy. These exemptions support a policy of encouraging age diversity in Alaskan society, they show esteem for and gratitude to the pioneers of the state, and give a method of helping many to afford to stay in the state, rather than to leave family and friends to begin a life in another state where it might be cheaper to live. The senior citizens who are on a fixed income and cannot absorb property taxes increased by inflation certainly are in need of assistance. However, some bills are now reaching into special groups within the senior citizens; for example, allowing for surviving spouses 55 and older of those citizens who qualified for real property exemption to continue to benefit from the exemption. But, what about other senior citizens with the

same age group who might have just as much, or a greater need for exemptions?

Disabled veterans are another group being suggested for special exemptions, but what about the equity question of all other disabled people in our state? Other questions of equity need to be considered. Each piece of proposed legislation that we have considered offers a shift in public policy. New groups which deserve special treatment, new funding approaches, etc. However, sound public policy decisions can be made only within the context of effects or impacts on the general public, and certainly on local governments.

The Department of Community and Regional Affairs recently completed a study of the exemption problem. Their study gives a synopsis of information developed that deals with major exemption problems, and in some cases, suggests several options that might be taken. Their broad policy statement favors few, if any, additional exemptions, and they feel that any exemption program should meet the following criteria: "any exemption granted should be either for public property or for sufficient public good to justify a transfer of burden to the balance of the community." They recognize that the credibility of property tax has been questioned continually and with increasing intensity these past few years, and that many taxpayers feel that they are paying more than their fair share.

Again, I think the matter of senior citizens exemptions merits consideration by the Older Alaskans Commission. If such a commission is established by the legislature I would appreciate it if you would approach them on this subject.

Sincerely,

Arliss Sturgulewski

Arliss Sturgulewski
Senator, District 10-K

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

January 18, 1980

The Honorable William Parker, Chairman
House Community and Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

RE: OPTIONAL RESIDENTIAL EXEMPTIONS

The enclosed memo was submitted by this department to the Governor's Office in response to a request for information regarding increase of the optional $10,000 exemption which is the same topic as that addressed in House Bill 314.

I hope this information will assist your committee in its deliberation on this bill.

Sincerely,

Lee McAnerney
Commissioner

By: Palmer McCarter
Director

Enclosure

cc: Keith Specking, Legislative Assistant
Office of the Governor

21-P2LH

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Don Argetsinger
Administrative Assistant
Office of the Governor

December 24, 1979

Lee McAnerney
Commissioner

Optional Residential Exemptions

By: Terry L. Earley
State Assessor

AS 29.53.025 "Optional exemptions and exclusions. (a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. An exclusion or exemption authorized by this section may not exceed $10,000 for any one residence."

The second sentence was added by the Legislature in 1973 and took effect January 1, 1974. Prior to that time there was no limit.

Currently there are four municipalities who have opted for this exemption. They are the North Slope Borough, Kenai Peninsula Borough, Fairbanks North Star Borough, and the City of Valdez.

It is very apparent that only those municipalities with relatively high natural resource wealth have opted for this exemption. It seems a reasonable assumption that if the $10,000 limit were raised that only the above mentioned municipalities would take advantage of it.

The following paragraphs outline the expected effect if the $10,000 limit were increased.

The North Slope Borough would implement the exemption to the maximum extent possible as soon as possible. Due to the limits on taxation placed by AS 29.53.045 and AS 29.53.050 the additional exemptions would result in no loss in revenue to the borough. The limitation option currently selected by the North Slope Borough allows them to levy taxes on a value of $966,973,385 (225%; times an average per capita value statewide of 53,354; times a population of 8055). Under the current procedures this value consists of 5.75% locally assessed property and 94.25% state assessed oil and gas property. If the Optional Residential Exemption limit were raised the allowable value would remain the same. The percentage of locally assessed would decrease and the state assessed would increase. For every one thousand dollars the limit was raised the net loss to the State General Fund would be $15,320.

The Kenai Peninsula Borough would also opt for any increase allowable to the maximum extent allowed. There was an advisory vote on the question of raising the exemption to $50,000 two years ago. The voters in Kenai indicated a strong desire to have the limit increased to $50,000.

The anticipated fiscal effect in this case would be a direct reduction of operating revenues to all the municipalities in the Kenai Peninsula Borough. A probable result of that reduction would be a millage increase. This millage increase would partially negate the increase in exemption. A millage increase would be a direct tax increase to non-residential property. Over 60% of the value in Kenai is non-residential property and 21% is state assessed oil and gas property. Due to the fact that the state levies 20 mills minus the local levy the state would also lose revenue in the Kenai Peninsula Borough. For every one mill increase State General Fund revenue would be decreased by $44,462.

The Fairbanks North Star Borough would probably not opt for an increase in the residential exemption at this time.

The City of Valdez would implement the exemption to the fullest extent possible. Valdez is in nearly the same situation as North Slope. Implementation of an increased residential exemption would result in a revenue loss to the state of $6,028 for every additional 1,000 dollars that the exemption limit is raised.

Combining the possible revenue losses in all of these municipalities results in approximately $32,500 in total State General Fund revenue lost for every $1,000 the limit is increased. That is by no means a large or significant impact. It does however, only benefit a very select group of municipalities and residents thereof.

It would seem to make more sense to grant property tax relief in a form that would benefit the population in general.

During the 1978 session there were two separate bills that addressed the residential exemption question.

House Bill No. 103, sponsored by Representative Randolph and currently referred to the House Finance Committee, seeks to increase the amount optionally exemptable to $50,000.

House Bill No. 314, sponsored by Representative Malone and currently in the House Community and Regional Affairs Committee, seeks to optionally allow either the residential exemption up to $50,000 or a personal property exemption up to $10,000.

In order to make this type of tax relief available to the majority of the residents of the state it would be necessary to attach a reimbursement (by the state) to the municipalities which neither of the above mentioned bills does. This would be the only way the majority of municipalities could afford this exemption. Although relatively expensive this would be one method of property tax relief that would benefit nearly all the residents of the state.

The most progressive form of property tax relief is an approach called a "circuit breaker". This type of reform prevents property taxes from becoming disproportionate to a person's income.

I have attached some comments prepared by this office concerning the proposed $50,000 limit and a copy of a paper entitled "An Examination of Property Tax Exemptions", that was prepared at the request of the House Community and Regional Affairs Committee.

TLE:edo

Attachments

ESTIMATED REVENUE LOSSES BY MUNICIPALITY

FOR $50,000 RESIDENTIAL EXEMPTION

	NUMBER OF PARCELS	TOTAL EXEMPT VALUE	AVERAGE RATE (MILLS)	ESTIMATED REVENUE LOSS
ANCHORAGE	62,054 x 50,000	3,125,200,000	13.79	43,096,508
FAIRBANKS	31,800 x 50,000	1,590,000,000	15.68	24,931,200
HAINES	1,653 x 50,000	82,650,000	8.20	677,730
JUNEAU	8,127 x 50,000	406,350,000	12.38	5,030,613
KENAI	34,408 x 50,000	1,720,400,000	11.90	20,472,760
KETCHIKAN	5,447 x 50,000	272,350,000	16.00	4,357,600
KODIAK	4,311 x 50,000	215,550,000	12.18	2,625,399
MATANUSKA-SUSITNA	40,300 x 50,000	2,015,500,000	9.40	24,548,790
NORTH SLOPE	2,000 x 50,000	100,000,000	7.66	766,000
BRISTOL BAY	1,600 x 50,000	80,000,000	10.50	840,000
CITIES	5,200 x 50,000	260,000,000	14.50	3,770,000

TOTAL REVENUE LOSS $131,489,000

STATEWIDE COST PER $1,000 OF EXEMPTION $2,629,780

C&RA

BILL WORK SHEET

BILL NO. HB 314 re Optional Property Tax Exemptions

Received from _____
Referred to _____

Original Sponsor Malone
Fiscal Note: 3/16/79

LAA Legal Research Contact Chenoweth

CONTACTS:

Malone
F. Corley (get info - additional background material)
Municipal League

STATE OF ALASKA

Interdepartment Route Slip

TO: legislature
MAIL STATION NUMBER 3100

DEPARTMENT _____

ATTENTION House C+RA Committee

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT C+RA

BY Lynn Wilson DATE 3/24

02-002 (REV. 10/73)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 314
Title Relating to optional property tax exemptions
Requested by Representative Malone Date

II. FISCAL DETAIL
Agency Affected N/A
Program Category Affected N/A
Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill allows municipalities the option to either, 1) allow a $50,000 residential property exemption (current statute allows $10,000 residential property exemption) or, 2) allow a $10,000 personal property exemption. Currently, AS 29.53.025(d) permits municipalities now exempting personal property to continue to do so, this bill will not affect this option.

The fiscal note for HB 103 (HB 103 increases the $10,000 residential property exemption to $50,000) estimates a loss of $850,000 in state oil and gas tax revenues.

Due to the municipal options available in this bill, a meaningful estimate of the reduction in state oil and gas tax revenues cannot be provided.

(Continued on following page)

IV. DATE March 16, 1979 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community & Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

Analysis (Continued from previous page)

However, state oil and gas revenues could be reduced in two ways. The first revenue reduction would be in those municipalities currently limited by statutory property tax limits due to local oil and gas tax revenues. If, due to the exemptions contained in this bill, these municipalities choose to reduce local tax revenues, the same municipalities could increase local oil and gas revenues in proportion to the local decrease. This has the effect of reducing state oil and gas revenue.

The second revenue reduction would come from municipalities that choose to increase local mill rates to offset revenue losses generated by the optional exemptions allowed by this bill. Should the local tax base include oil and gas tax revenues, the effect would be to increase the local share, and to decrease the state share, of oil and gas tax revenues.

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

C&RA hearing on HB 314

Hugh Malone, bill sponsor	Mr. Malone was questioned as to the amount of tax base in the Kenai borough related to the oil industry. He stated that approx. 50% was not oil related. He added that the statewide property tax extends to oil, exploration and transportation but does not extend to refining. The bill would not affect the amount of revenue the state receives.
Charlie Parr	Mr. Parr wanted to know how much of the 1.8 billion tax base (Kenai borough, referred to information supplied by Malone's office) is affected by 20 mill statewide property tax.
Arness assessor(?) for Kenai Borough	400 million is affected by 20 mill property tax.
Malone	If the present tax exemption ($50,000 proposed in 314) were applied, Malone said there would probably be a loss of revenue of one-half million dollars. He added that an increase in the millage rate would make it a 20-25% loss.
Branson	Mrs. Branson noted some would not pay property tax at all.
Malone	Mr. Malone stated the exemption could be extended to all real and personal property; "A soak the rich approach, but that's basically what all property tax does."
Parr	Mr. Parr wondered where the initial $10,000 exemption came from. He said that property values have gone up tremendously (since the exemption first went into effect) and could see the justification for wanting to raise it, but questioned the $50,000 figure.

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

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Juneau, Alaska 99811

Branson	Mrs. Branson wanted to know if it wouldn't make more sense to lower the assessment of property.
Malone	Malone said no, that that action would affect the millage rate. He added that the original aim of the bill was to provide a degree of tax relief on residential property, and that there was merit in having the assessor appraise the property at market value.
	Malone said he agreed that (314) wasn't a comprehensive reform of the property tax system, in that it didn't get at the basic question of equity across the state. He siad it was designed to provide a little break for people. "To be plain, I don't think comprehensive legislation will pass this session. (314) doesn't make a bad situation that much better, but it does make it a little better. That's as much as I can say about the bill."
O'Connell	Mr. O'Connell asked what the rationale was for not enlarging the range of the bill, extanding beyond residential property.
Malone	Mr. Malone didn't have objections of the extension, but he didn't plan to add to the 1973 law change.
Parr	Mr. Parr requested an estimate of the increase in assessed valuation statewide since the $10,000 limit was put in statewide.
Metcalfe	Mr. Metcalfe also wanted C&RA to find what affect the legislation would have on owners of $50,000, 100,000 and $150,000 homes.

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

HB 314

Total property tax base of Kenai borough	$1,842,000,000
No. of persons requesting $10,000 exemption	3,360
Revenue lost	$84,000
Projected revenue lost /$50,000 exemption	$420,000

Dick Argetsinger
Administrative Assistant
Office of the Governor

January 25, 1980

Lee McAnerney
Commissioner

Optional Residential
Exemptions

By: Terry L. Earley
State Assessor

Reference is made to the memorandum to you dated December 24, regarding a $60,000 optional residential exemption. It has come to my attention that there was a mistake made in the statewide cost of such a program.

On the last page of that memorandum, under line item "Total Revenue Loss", there should have been a deduction for non-residential properties. If this deduction had been correctly made, the final analysis of "Statewide Cost Per $1,000 of Exemption" would have been $1,627,5 . This figure coincides with the one used in preparing the fiscal analysis for S.B. 296, (mandatory $25,000 residential exemption with state reimbursement).

I am sorry for any inconvenience this oversight on our part may have caused you.

CC: Representative, William Parker ✓
CC: Palmer McCarter, Director

HB

331

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

March 2, 1979 Date: 2[illegible] [illegible] 79

Mr. Speaker:

The Committee on C&RA has had HB 331

"An Act making a special appropriation for a grant to the City of McGrath for comprehensive planning; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Bill Parker

[illegible]

Patrick J. Carney

[illegible]

Patrick McDonnell

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

Bill Parker

CHAIRMAN

H 60 (Rev. 12/78)

March 16, 1979

The Honorable Vernon L. Hurlbert
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Hurlbert:

The purpose of this letter is to provide information you requested on House Bill 331 and the need for comprehensive planning in the City of McGrath.

McGrath has been growing fairly rapidly (at an average of about 4% a year) since 1970. Present population is estimated at 328; the city's population was 279 in 1970. The community's strategic location on the upper Kuskokwim River has been largely responsible for its development into a regional center for transportation, education and related services. As you are well aware, there have been considerable mineral and other resource exploration and development activities in the surrounding area. An FAA station and a BLM facility are located within the community and the U.S. Fish and Wildlife Service is considering McGrath as headquarters site for the proposed Innoko Wildlife Refuge. A HUD/BIA housing project is nearly completed.

This development has highlighted a variety of issues that should be addressed in a rational and comprehensive manner. A long-range comprehensive plan is needed to deal with the issues of: municipal land reconveyances for community expansion under Section 14(c)(3) of the Alaska Native Claims Settlement Act; housing; utilities; land use; and economic development. The plan is needed in order to establish a firm basis and continuing process for guiding development in McGrath.

By means of a $12,600 planning contract ($8,400 federal grant and $4,200 local contribution) administered through the Community Planning Division in our Department, the city has begun work on several elements of a comprehensive plan. Elements which will be completed by June 30, 1979, the expiration date for the grant, include: (1) the development of base maps; (2) a survey of residents concerning their opinions about goals and objectives for the community; and (3) a housing inventory. Additional funding of $30,000 to $40,000 will be necessary to complete the comprehensive plan. The community, with our assistance and encouragement,

has applied for an $18,000 planning grant from the Farmers Home Administration. At the present time, it is uncertain whether the Farmers Home Administration will award McGrath the planning grant it has requested. In conclusion, House Bill 331 would assure McGrath of the additional funding it needs to complete work already under way on its comprehensive plan.

We hope this information is useful to you; if you require further clarification, please feel free to contact us and we will assist as much as we are able.

Sincerely,

Lee McAnerney
Commissioner

LMcA:TL/lb

bcc: Larry Kimball/Ed Busch
Veronica Clark/Tom Lane

GF - McGrath

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/28/79

BILL NUMBER AND TITLE: HB 331 Planning appropriation for McGrath

ORIGINAL SPONSOR : Hurlbert

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, Carney, Parr, Branson, Metcalfe, O'Connell

MEMBERS ABSENT: Zharoff

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Rep. Vern Hurlbert
Cheryle Derabek. Sec't. for Hurlbert
Gave background of need for planning appropriation. (See attached letter from C&RA)

Committee passes HB331 on to Finance with the following recommendations:

DO PASS

Parker
Branson
Carney
Parr
O'Connell

Metcalfe--No Recommendation

COMMITTEE ACTION: Passed bill out of committee with above recommendations.

TAPE # 5 SIDE 2 Sections 715-796

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B—JUNEAU 99801

March 19, 1979

The Honorable Bill Parker
Chairman
House Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

Pursuant to a request from the Committee staff, I am enclosing a copy of our recent letter to Representative Hurlbert along with additional financial information for the City of McGrath.

Sincerely,

Don Argetsinger
Deputy Commissioner

Enclosures

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B – JUNEAU 99811

March 16, 1979

The Honorable Vernon L. Hurlbert
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Hurlbert:

The purpose of this letter is to provide information you requested on House Bill 331 and the need for comprehensive planning in the City of McGrath.

McGrath has been growing fairly rapidly (at an average of about 4% a year) since 1970. Present population is estimated at 328; the city's population was 279 in 1970. The community's strategic location on the upper Kuskokwim River has been largely responsible for its development into a regional center for transportation, education and related services. As you are well aware, there have been considerable mineral and other resource exploration and development activities in the surrounding area. An FAA station and a BLM facility are located within the community and the U.S. Fish and Wildlife Service is considering McGrath as headquarters site for the proposed Innoko Wildlife Refuge. A HUD/BIA housing project is nearly completed.

This development has highlighted a variety of issues that should be addressed in a rational and comprehensive manner. A long-range comprehensive plan is needed to deal with the issues of: municipal land reconveyances for community expansion under Section 14(c)(3) of the Alaska Native Claims Settlement Act; housing; utilities; land use; and economic development. The plan is needed in order to establish a firm basis and continuing process for guiding development in McGrath.

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has applied for an $18,000 planning grant from the Farmers Home Administration. At the present time, it is uncertain whether the Farmers Home Administration will award McGrath the planning grant it has requested. In conclusion, House Bill 331 would assure McGrath of the additional funding it needs to complete work already under way on its comprehensive plan.

We hope this information is useful to you; if you require further clarification, please feel free to contact us and we will assist as much as we are able.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

McGRATH PROFILE

Municipal Status: Second-class city in the unorganized borough
(Planning, platting and zoning authority optional)

Planning Efforts:

1976	Planning commission established
1977-1979	Technical assistance obtained from the Division of Community Planning in acquiring and planning for sites for 30 new housing units and in addressing reconveyance of 1,280 acres from the village corporation to the city for community expansion
FY 1979	City met the State's revenue sharing criteria for provision of land use planning services
	Initial phase of comprehensive plan conducted under a planning contract ($8,400 federal, $4,200 local)

Fiscal Data:

FY 1978	Total revenues	$ 38,533.39
	Total expenditures	27,855.00
	Land use planning expenditures	5,551.00
FY 1979	Total revenues (estimated)	43,932.00
	Total expenditures (estimated)	50,336.80*
	Land use planning entitlement (State revenue sharing)	764.00
	Land use planning budget	5,000.00

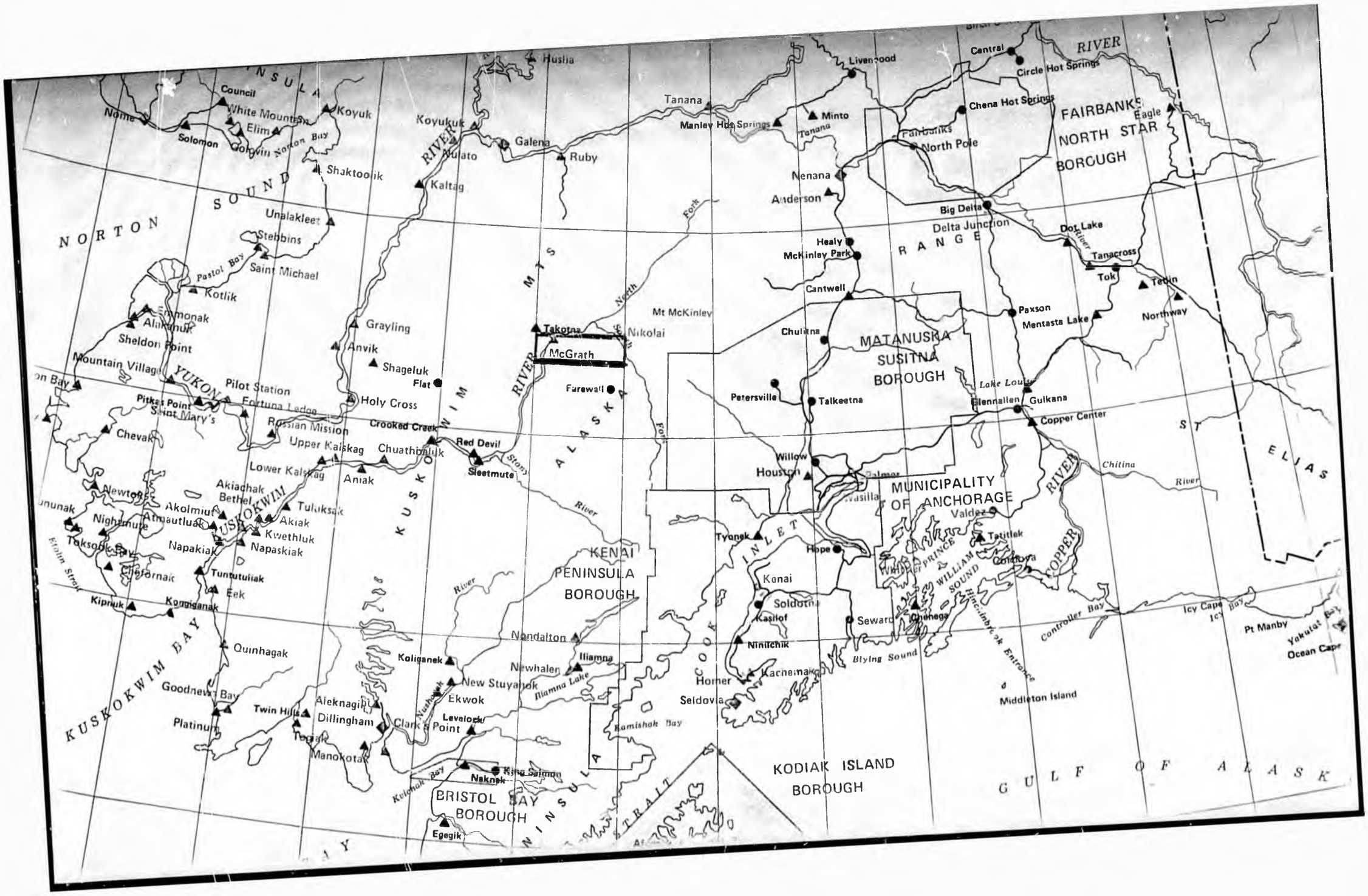
Property tax - 0 mills
Sales tax - 0%
Other revenue sources - licenses and permits, federal revenue sharing, state revenue sharing, business license refunds, anti-recession funds, charges for services

Municipal Services:
Fire protection
Land use planning
Parks and recreation
Maintenance of public roads

Demographic Data:

Population (July 1, 1978)	382
Average annual growth rate since 1970	4%
School enrollment (October 1, 1978)	92
Population (1970)	279
Families (1970)	55
Alaska Native (1970)	40%
Non-Native (1970)	60%

*Increase due in large part to employment of a full-time city administrator


Huslia
Livengood
Central
Circle Hot Springs
RIVER
Council
White Mountain
Elim
Koyuk
Nome
Solomon
Golovin
Norton Bay
Koyukuk
RIVER
Galena
Ruby
Tanana
Manley Hot Springs
Minto
Tanana
Chena Hot Springs
Fairbanks
North Pole
FAIRBANKS
NORTH STAR
BOROUGH
Eagle
Shaktoolik
Kaltag
Nenana
Anderson
NORTON SOUND
Unalakleet
Stebbins
Saint Michael
Pastol Bay
Kotlik
Big Delta
Delta Junction
Dot Lake
Healy
McKinley Park
RANGE
Tanacross
Tok
Tetlin
Cantwell
Mt McKinley
Fork
North
Nikolai
Takotna
McGrath
Grayling
Anvik
Shageluk
Flat
Farewell
Paxson
Mentasta Lake
Northway
Chulitna
MATANUSKA
SUSITNA
BOROUGH
Lake Louise
Petersville
Talkeetna
Glennallen
Gulkana
Copper Center
Sheldon Point
Mountain Village
Pilot Station
Pitka's Point
Saint Mary's
Fortuna Ledge
Holy Cross
Russian Mission
Crooked Creek
Red Devil
Sleetmute
Stony
River
Willow
Houston
Palmer
Wasilla
MUNICIPALITY
OF ANCHORAGE
Chitina
River
COPPER
RIVER
Valdez
Tatitlek
Cordova
PRINCE
WILLIAM
SOUND
Hinchinbrook Entrance
Middleton Island
Icy Cape
Icy Bay
Pt Manby
Yakutat Bay
Ocean Cape
Controller Bay
Bluing Sound
Chevak
Newtok
Nightmute
Akolmiut
Atmautluak
Akiachak
Bethel
Tuluksak
Akiak
Kwethluk
Napaskiak
Napakiak
Oscarville
Tuntutuliak
Eek
Kipnuk
Kongiganak
Quinhagak
Goodnews Bay
Platinum
Twin Hills
Aleknagik
Dillingham
Togiak
Manokotak
Aniak
Lower Kalskag
Upper Kalskag
Chuathbaluk
Akiachak
Bethel
Kuskokwim
River
KUSKOKWIM
BAY
KUSKOKWIM
MTS
YUKON
Yukon
Delta
Nunivak
Island
Etolin Strait
Kuskokwim Bay
Kuskokwim
River
Nondalton
Koliganek
New Stuyahok
Ekwok
Newhalen
Iliamna
Iliamna Lake
Levelock
Point
Clark
Nushagak
Kamishak Bay
KENAI
PENINSULA
BOROUGH
Soldotna
Kenai
Kasilof
Homer
Seldovia
Kachemak
Ninilchik
Seward
Chenega
COOK
INLET
Tyonek
Hope
Naknek
King Salmon
BRISTOL BAY
BOROUGH
Egegik
KODIAK ISLAND
BOROUGH
GULF OF ALASKA
ALASKA
PENINSULA
SHELIKOF
STRAIT
ST
ELIAS

HB

332

(7)

COMMITTEE REPORT

HOUSE

3-5-79

FURTHER: FINANCE

Date: 14 Mar 79

Mr. Speaker:

The Committee on C&RA has had HB 332

"An Act making a special appropriation to the Department of Community & Regional Affairs for grants to the cities of Palmer and Wasilla; eff. dte."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[illegible]

[illegible]

[illegible]

[illegible]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[illegible]

Ray Metcalfe " "

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

HB 332 TITLE & SPONSOR SUMMARY 13:54 3/20/79 PAGE 1 OF 2

AMENDED TITLE:

AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR GRANTS TO THE CITIES OF PALMER AND WASILLA, AND PROVIDING FOR AN EFFECTIVE DATE $66,000 (APPROP)

PRIME SPONSORS: CARNEY.

CO-SPONSORS:

CURRENT STATUS: 3/14/79 IN (H) FINANCE

HB 332 HOUSE ACTION 13:55 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/05/79	01	0445	FIRST READING --- COMMITTEE REPORTS
03/14/79	02	0576	CRA --- DP04, NR02
			FINANCE
			RULES
****	**	**	*** *** ***

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/14/79

BILL NUMBER AND TITLE: HB 332 Appropriation to CRA for grants to cities of Palmer and Wasilla

ORIGINAL SPONSOR : Carney

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT: Parker, Carney, Metcalfe, O'Connell, Parr, Zharoff(left after discussion on HB172), Branson

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Carney -- Speaking as Representative of District #6
Mat Su declared disaster area by Governor because of high winds this winter. All of Wasilla and Palmer's snow monies were used up. Governor's appropration given to National Guard. Local communities didn't really see the money.

Else O'Bryan of Wasilla --asks if Houston was considered for an appropriation. She was told that something could probably be worked out when the bill went to Finance

---

Do Pass

Parker
Branson
Carney
O'Connell

No Recommendation

Parr
Metcalfe

COMMITTEE ACTION: Passed on to Finance

TAPE # 4 SIDE 1 Sections 905-930

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Referred to Finance
Received from

BILL NO. HB 332 re Appropriation $36,000 Palmer $30,000 Nenana - snow emergency
Original Sponsor Carney

Fiscal Note

Contacts:

LAA Legal Research contact: Bannister

Carney (3878)
suggested $ come from disaster office
$45,000 DOT Gov reimburse Nat'l Guard (snow emergency)
All of Nenana snow clearing money has been used
this appropriation is for the rest of the year

HB

341

(7)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

March 6, 1979 Date: [illegible]

Mr. Speaker:

The Committee on C&RA has had HB 341

"An Act relating to the requirements for runoff elections in municipal elections."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 341 [ ] same title [ ] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 4/2/79
3/30/79

BILL NUMBER AND TITLE: HB 341 Related to runoffs in municipal elections

ORIGINAL SPONSOR :

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:
Parker
Carney
Branson
Zharoff
~~O'Connell~~
~~Metcalfe~~
Parr

MEMBERS ABSENT:
Metcalfe
O'Connell

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Ginney Chitwood, Municipal League

Favors giving option of going with 40% majority. Other bills would have repealed 40% requirement altogether. What is 40%--how is it determined? This is addressed in HB 341. Low voter turnout is a key feature of the runoff elections. Therunoff rarely changes the outcome of the original election. There is an overshadowing of state and federal campaigning when a runoff is being held. Anchorage would not be affected by this as their charter requires a runoff.

Parker suggests deleting ("unless Council or Assembly provides otherwise by ordinance")

Branson thinks that the mayor should have to be elected with the 40% support.

Chitwood- Individual municipalities could deal with this point. Initiative and referendum powers are protection for the public on this point.

O'Connell sees a certain threat to the integity of an election which is based on the fact that everyone had a chance to vote and the majority elects.

It is decided that the option is acceptable if the opt-out ordinance is ratified by the public through the ordinance process. CS incorporating this concept is passed out of committee.

COMMITTEE ACTION: CS passed out by Committee.

TAPE # 6 SIDE 1 Sections 597-600; 690-774

APR - 5 1977

ALASKA ASSOCIATION OF MUNICIPAL CLERKS

Tabulation of Data from Election Survey

Regular and Runoff Elections

Year	(1) Number of Municipalities which held Runoff Elections	(2) Number of Seats in Runoff Election	(3) Number of Seats in which Runoff Changed Results	(4) Number of those Voting in Reg. Elec.**	(5) Number of those Voting in Runoff Elections	(6) Voter Turnout Difference (4) - (5)	(7) % of Registered Voting in Reg. Elec.	(8) % of Registered Voting in Runoff Elec.	Comments
1972	4	5	0	35,580	16,070	19,510 (55%) less in runoff	41.6%	18.4%	
1973	3	6	1	6,735	4,208	2,527 (33%) less in runoff	30.2%	21.5%	
1974	4	5	1	10,951	4,546	6,405 (68.5%) less in runoff	26%	13%	
1975	4	5	1	28,035	11,936	16,099 (57.4%) less in runoff	29%	12%	
1976	5	8	1	31,307	13,919	17,388 (55.6%) less in runoff	28%	11%	$66,825 cost to municipalities for runoff**$4.80/person voting in runoff

**Figures for only those municipalities having runoffs

Note: Runoff provision applies to 12 of 19 municipalities reporting

Municipalities Reporting:

Wasilla
Nome
Fairbanks North Star Borough
Anchorage Municipality & old Boro
Soldotna
Kenai Peninsula Borough
Homer
Kodiak
Skagway
Haines
Dillingham
Ketchikan Gateway Borough
Wrangell
Valdez
Juneau-City/Boro
Cordova
Sitka-City/Boro
North Pole
Ketchikan-City

HB

342

Matanuska-Susitna Borough, Inc.
BOX B, PALMER, ALASKA 99645 • PHONE 745-3246
DEPARTMENT OF ADMINISTRATION

March 6, 1978

Re: HB342 & HB900

Ms. Lisa Rudd, Chair
Committee on Community &
Regional Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

Subject: Recordation of Property Splits Not Approved by Platting Authority

This is a follow up to Marilyn Miller's contact with you concerning the need for legislation to carry out the position of the Alaska Municipal League that proof of approval by the local platting authority should be required prior to the biling of an instrument affecting the boundaries of land.

A serious problem has arisen because Statutes do not prohibit the recording of property splits which have not been approved.

AS 29.33.190(b) provides as follows: "No person may record a plat or seek to have a plat recorded unless it bears the approval of the platting board. A person who knowingly violates this requirement is punishable upon conviction by a fine of not more than $500." This Borough is not anxious to prosecute persons who knowingly or unknowingly violate the State Statutes requiring platting authority approval of property splits. More importantly, such prosecution does not resolve the multitude of problems which stem from such recordation. Here's an example of what happens:

The owner of a 20 acre tract describes by aliquot parts 5 acres of the 20 acres and sells the 5 acres. The 5 acres may or may not be physically accessible or legally accessible.

A subsequent owner wants to split the 5 acres into 1 acre parcels. He cannot do so because the 5 acre parcel is illegally created and not recognized by the Platting Board. The new owner then has to retrace the proper platting procedure (or get a waiver of platting requirements under AS 29.33.170). It may or may not be possible for the original 5 acre split to be done in conformance with platting requirements.

A big hassle results.

Sec. 40.10.030. Certificate in form required for acknowledgment inside state. A certificate of acknowledgment of a deed or other instrument acknowledged outside the United States before any officer mentioned in § 10 of this chapter shall be valid if in the same form as now is or hereafter may be required by law for an acknowledgment within the state. (§ 23-2-3 ACLA 1949)

Sec. 40.10.040. Construction of chapter. This chapter shall be interpreted and construed as to effect its general purpose to make uniform the laws of those states and territories which enact it. (§ 23-2-4 ACLA 1949)

Sec. 40.10.050. Short title. This chapter may be cited as the Uniform Foreign Acknowledgment Act. (§ 23-2-5 ACLA 1949)

Chapter 15. Subdivisions and Dedications.

Article
1. Recording of Plats (§§ 40.15.010—40.15.060)
2. Control of Plats, Subdivisions and Dedications (§§ 40.15.070—40.15.130)
3. Vacation and Change of Plats and Streets (§§ 40.15.140—40.15.180)
4. General Provisions (§ 40.15.190)

Article 1. Recording of Plats.

Section
10. Approval and recording of subdivisions
20. Plats to be acknowledged and contain certificate that taxes and assessments are paid
30. Dedication of streets, alleys and thoroughfares
40. Certified copy of plat is evidence
50. Recorded plats legalized
60. Missing plats

Sec. 40.15.010. Approval and recording of subdivisions. Before the lots or tracts of any subdivision or dedication may be sold or offered for sale, the subdivision or dedication shall be submitted for approval to the authority having jurisdiction, as prescribed in this chapter. The regular approval of the authority shall be shown on it or attached to it and the subdivision or dedication shall be filed for record in the office of the recorder. The recorder shall not accept a subdivision or dedication for filing unless it shows this approval. If no platting authority exists as provided in §§ 70—130 of this chapter, lands may be sold without approval. (§ 1 (ch I) ch 115 SLA 1953; am § 1 ch 95 SLA 1955; am § 67 ch 69 SLA 1970)

Cross reference. — For sections dealing with inspection of public records and their use as evidence, see AS 09.25.110 and AS 09.25.120.

Effect of amendment. — The 1970 amendment deleted "platting board or" preceding "platting authority" in the last sentence.

Legislative committee report. — For report on ch. 69, SLA 1970 (HB 564), see 1970 House Journal Supplement No. 2, p. 7.

Approved plat must be filed for recording. — This section and AS 40.15.020 are sufficient authority to require the recorder to file for recording a plat when properly approved. Tullinen v.

Malone's suggested amendments (3/28/79 Hearing)

* Jan. 1, 1980 should be the effective date. This would give people an opportunity to know what is happening and to be aware that there would be a new method of enforcement of land exchanges.

* Transitional language should grandfather in existing subdivisions.

* Delete lines 20-21 of p. 1. It should read:
"The recorder may not accept a deed or contract of sale unless it exhibits evidence of subdivision approval given by the municipality , or by a certified waiver of the requirement of the plat approval under AS 29.33.170"

Rep. Carney's suggested amendment to the bill:

Sec. 29.33.170 (2) eliminate "and that the land is divided into four or fewer parcels;"(See attached statutes)

DORIS LOENNIG
A PROFESSIONAL CORPORATION
ATTORNEY AT LAW

SUITE 206, 613 CUSHMAN STREET - FAIRBANKS, ALASKA 99701
907 452-2005

March 21, 1979

Representatives:

Brian Rogers
Sally Smith
Bob Bettisworth
Fred Brown
Charlie Parr
Dick Randolph

Dear Representatives:

I have just become aware of House Bill number 342, "An Act relating to approval and recording of subdivisions;". I strongly disapprove of the propcsed amendments to the act and urge that you do everything within your power to defeat the act.

As most of you know, I have nearly thirty years experience as a title examiner for title companies both in the State of Oregon and Alaska, I have practiced law in the State of Alaska since 1970 and I am now presently a member of the Fairbanks North Star Borough Planning and Zoning Commission. I consider the act not only inherently unworkable, but it also imposes an impossible burden on the recorders office. Furthermore I consider the proposed amendment completely reprehensible with respect to a free people's right to own and deal with their real estate.

It is my observation since being a member of the Planning and Zoning commission that the present provisions for subdividing, and/or waiving of subdivision regulations is being observed by the landowners of this area. However, I am certainly not in favor of the bureaucracy imposing itself to a greater degree by further restricting the private right of landowners to freely exchange and sell their real estate. Nor do I consider that the collective wisdom of an appointed bureaucracy can, or should, replace the wisdom of the individual property owners.

I have long been critical of many of the provisions of the present Subdivision Act. Particularly am I critical of the present definition of a subdivision. It is overly simplified and inartfully drafted; therefore, it is overly restrictive in its application. It is my opinion the legislature could well propose a more artful definition of a subdivision which would relieve much of the onerous burden from land owners, as well as relieving some of the more time consuming aspects of its administration by the planning and zoning commission.

Very truly yours,

Doris Loennig

DL:dcm

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: April 3, 1979

FILE NO. 1979 Legislature - HB 342

SUBJECT: Proposed committee substitute for HB 342

Bill Parker, Chairman
House Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Parker,

I understand your committee is considering a possible committee substitute for House Bill 342 which deals with the approval and recording of subdivisions. The proposed committee substitute would delete the present language in the bill which deals with the requirement for an affidavit of the grantor or maker and would substitute for that requirement the requirement that the deed or contract merely exhibit evidence of subdivison approval. This approach, unfortunately, will not accomplish what was originally aimed at in the bill as introduced. It was the purpose of the bill as drafted to require the grantor to make an affirmative statement, under oath, that the instrument to be recorded did not have the effect of subdividing land unless the instrument contained the approval of the local platting authority. This would force the grantor or maker of the instrument to focus his or her attention on the requirement that no subdivison be created without local platting approval. It would also permit criminal sanctions to be taken against the person who makes a false statement in such an affidavit.

Under the language in the proposed committee substitute, neither of these effects would be obtained. A person owning a lot in an approved subdivision could create an unlawful subdivision and never be aware of it nor make any false affidavit. For example, if a person owns lot 7, block A of the Riverdale Subdivision, he or she could create an unlawful subdivision by conveying an unsubdivided part of that lot as follows:

> The northern one-half of lot 7, block B of the Riverdale Subdivision as shown on Plat No. 76-24, recorded on June 14, 1976 in the Juneau Recording District, First Judicial District, Juneau, Alaska.

The foregoing description would meet the requirements of the proposed committee substitute and is probably the way such a

conveyance would be described. Note that it contains ample evidence of subdivision approval, even though the unlawful subdivision created by this description is not approved. There is no way for the recording clerk to determine whether the instrument creates an unlawful subdivision and the instrument would be recordable.

Also, there are many subdivisions which occurred prior to the requirement for plat approval. These older subdivisions have been validated by statute and by ordinance and are lawful. Under the proposed language, however, a conveyance of such property could not be made inasmuch as it would not be possible to exhibit evidence of subdivision approval given by the municipality.

I urge you to pass out House Bill 342 as introduced as the language in the committee substitute appears to provide no more protection than already exists in the present statute.

Very truly yours,

Gerald L. Sharp
City-Borough Attorney

GLS/sb

cc: Ginny Kline, Director, AML

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF GENERAL SERVICES AND SUPPLY

State Recorder

941 4th Avenue
~~ROOM 810 MACKAY BUILDING~~
~~338 DENALI STREET~~
ANCHORAGE, ALASKA 99501

March 30, 1979

The Honorable Bill Parker
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Sir:

The enclosed information was sent to Richard Winchell, Deputy Director, Division of General Services and Supply, Department of Administration, last year when HB 900 was introduced.

Since HB 342 is virtually the same, this information is to inform you of the impact of this bill on the Recorder's Office as well as the honest Alaskan citizenry.

Sincerely,

Javan M. Beitinger

Javan M. Beitinger
State Recorder

cc: Barry Jackson, Assistant Director, General Services & Supply

02-8101.H

Richard Winchell, Deputy Director
Division of General Services & Supply
Juneau

March 30, 1978

Tom E. Nain, Assistant Director
Division of General Services & Supply
Anchorage

HB 900

HB 900 has been introduced to amend A.S. 40.15.010.

The addition of the words "or conveyed" and "a plat of" are desirable.

However, the addition of the penultimate sentence in the section is without merit. This would place a burden on the approximate 40,000 deeds to be recorded annually, of which a minute fraction may be conveyances of illegal subdivisions. The requirement would apply to obviously legal subdivisions. It would increase the work of the Recording Section by the addition of another requirement to be reviewed before accepting a document. If the approval, affidavit, or certificate necessitates another piece of paper, then it too must be recorded, indexed, microfilmed, etc. and the grantee must pay $2 more for the service.

A.S. 29.33.190 already provides a $500 penalty for selling land in an unapproved subdivision and the platting board ". . . may enjoin a transfer, sale, or contract to sell, and may recover the penalty by appropriate legal action. . .". The political subdivisions get copies of every recorded conveyance and can easily determine if an illegal subdivision has been established. They can take legal action against the few offending parties.

What does the affidavit provide? The law already says that you shall not sell illegally subdivided land and provides a penalty. Does the affidavit add perjury to the offense? If the political subdivisions are not willing to enforce the existing statutes, what good will more laws be? Why should all of the legal deeds and honest people be burdened because the platting boards won't prosecute the offenders?

It is not mandatory that a conveyance be recorded (A.S. 34.15.290) so it would still be the platting board's responsibility to act.

Deeds are not filed, they are recorded. (Filing applies to documents held by the Recorder. Recording applies to documents which are indexed, copied and returned to their owners.)

Last, and very important, the District Recorders should not be used as enforcement agencies when the purpose of the recording function is to be a place of public record.

cc: Javan Beitinger ✓

TELETYPE

TO: RICHARD WINCHELL, G S&S, JUNEAU
DEPT:

DATE: 4-
TIME: 8

FROM: TOM E. MAIN, G S&S, ANCHORAGE
DEPT:

WE DIDN'T RECEIVE ANY TWX REGARDING NOME, BETHEL OR HB900.

MY ORIGINAL ESTIMATE OF COST OF HB900 DIDN'T CONSIDER THE DIFFICUTLY OF APPORTIONING PARTS OF EMPLOYEES. BASED ON STATEWIDE COSTS THE $32,000 WOULD BE 100, $25,800; 300, $4,800 AND 400, $1,400. HOWEVER, THIS MEANS ONE EMPLOYEE MORE FOR ANCHORAGE, ONE-HALF FOR FAIRBANKS AND ONE-QUARTER FOR PALMER, ALL RANGE 8. I WOULD LIKE TO AMEND COST ESTIMATE FOR 100 TO $32,200 MAKING TOTAL COST $38,300. THIS IS BASED ON 20,000 ADDITIONAL DOCUMENTS WHICH IS ONLY A GUESS.

board. The board shall state on its record and in writing to the applicant its reason for disapproval of a plat.

(b) The platting board shall submit an approved plat to the district recorder in compliance with AS 40.15.010—40.15.020. (§ 2 ch 118 SLA 1972)

Sec. 29.33.170. Waiver in certain cases. (a) The platting authority shall, in individual cases, waive the preparation, submission for approval, and recording of a plat upon satisfactory evidence that

(1) each tract or parcel of land will have adequate access to a public highway or street;

(2) each parcel created is five acres in size or larger and that the land is divided into four or fewer parcels;

(3) the conveyance is not made for the purpose of, or in connection with, a present or projected subdivision development;

(4) no dedication of a street, alley, thoroughfare or other public area is involved or required.

(b) In other cases the platting authority may waive the preparation, submission for approval, and recording of a plat, if the transaction involved does not fall within the general intent of §§ 29.33.150—29.33.240 of this chapter and AS 40.15 if it is not made for the purpose of, or in connection with, a present or projected subdivision development and no dedication of a street, alley, thoroughfare, park or other public area is involved or required. (§ 2 ch 118 SLA 1972)

Sec. 29.33.180. Information required. A plat shall show initial point of survey, original or reestablished corners and their descriptions, and actual traverse showing area of closure and all distances, angles and calculations required to determine initial point, corners and distances of the plat, as well as other information which may be required by ordinance. (§ 2 ch 118 SLA 1972)

Sec. 29.33.190. Penalties. (a) The owner or agent of the owner of land located within a subdivision who transfers, sells, or enters into a contract to sell land in a subdivision before a plat of the subdivision has been prepared, approved, and recorded, is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $500 for each lot or parcel transferred, sold, or included in a contract to be sold. The platting board may enjoin a transfer, sale, or contract to sell, and may recover the penalty by appropriate legal action.

(b) No person may record a plat or seek to have a plat recorded unless it bears the approval of the platting board. A person who knowingly violates this requirement is punishable upon conviction by a fine of not more than $500 (§ 2 ch 118 SLA 1972)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. H.B. 342 C & R.A. Committee
Title " . . . Approval & Recording of Subdivisions . . . "
Requested by C & R. A. Committee Date 4/2/79

II. FISCAL DETAIL
Agency Affected
Program Category Affected
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

		FY ~~79~~ 80	FY ~~80~~ 81	FY ~~81~~ 82	FY ~~82~~ 83	FY 83	FY 84
100	PERSONAL SERVICES	35,400	38,900	42,800	47,100		
200	TRAVEL	Ø	Ø	Ø	Ø		
300	CONTRACTUAL	5,100	5,400	5,700	6,100		
400	COMMODITIES	1,450	1,500	1,600	1,700		
500	EQUIPMENT	Ø	Ø	Ø	Ø		
600	LAND & STRUCTURES	Ø	Ø	Ø	Ø		
700	GRANTS, CLAIMS, ETC.	Ø	Ø	Ø	Ø		
	TOTAL	41,950	45,800	50,100	54,900		

FUNDING (Thousands of Dollars)

GENERAL FUND	41,950	45,800	50,100	54,900		
FEDERAL FUNDS						
OTHER (Specify)						

* POSITIONS

FULL TIME	1					
PART TIME	3/4					
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

* Anchorage = 1 Range 8
Fairbanks = 1/2 Range 8
Palmer = 1/4 Range 8

This would place a burden on the approximate 40,000 deeds to be recorded annually, of which a minute fraction may be conveyances of illegal subdivisions. The requirement would apply to obviously legal subddivisions. It would increase the work of the Recording Section by the addition of another requirement to be reviewed before accepting a document. If the approval, affidavit, or certificate necessitates another piece of paper, then it too must be recorded, indexed, microfilmed, etc., and the grantee must pay $2 more for the service.

A.S. 29.33.]90 already provides a $500 penalty for selling land in an unapproved subdivision and the platting board " . . . may enjoin a transfer, sale, or contract

IV. DATE 4/2/79 PREPARED BY Richard C. Bradley
AGENCY Department of Administration, Division of Genera
PHONE 465-2250 Services & Supply

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

to sell, and may recover the penalty by appropriate legal action . . . ". The political subdivisions get copies of every recorded conveyance and can easily determine if an illegal subdivision has been established. They can take legal action against the few offending parties. It is not mandatory that a conveyance be recorded (A.S. 34.]5.290) so it would still be the platting board's responsibility to act.

Deeds are not filed, they are recorded. (Filing applies to documents held by the Recorder. Recording applies to documents which are indexed, copied and returned to their owners.)

Last, and very important, the District Recorders should not be used as enforcement agencies when the purpose of the recording function is to be a place of public record.

WO#6206
Chenoweth

BY HUGH - WANTS TO TESTIFY ON IT.

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 342

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to approval and recording of subdivisions; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 40.15.010 is amended to read:

Sec. 40.15.010. APPROVAL AND RECORDING OF SUBDIVISIONS. Before the lots or tracts of any subdivision or dedication may be sold, [OR] offered for sale, or conveyed, the subdivision or dedication shall be submitted for approval to the authority having jurisdiction, as prescribed in this chapter. The regular approval of the authority shall be shown on it or attached to it and the subdivision or dedication shall be filed for record in the office of the recorder. The recorder may [SHALL] not accept a plat of a subdivision or dedication for filing unless it shows this approval. The recorder may not accept a deed or contract of sale unless it is accompanied by this approval, or unless the deed or contract of sale exhibits a recorder's file number, a plat approval number, or other evidence of subdivision approval given by the municipality, or by a certified waiver of the requirement of plat approval under AS 29.33.170. If no platting authority exists as provided in AS 40.15.070 - 40.15.075, lands may be sold without approval.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Matanuska-Susitna Borough, Inc.
BOX B, PALMER, ALASKA 99645 • PHONE 745-3246
DEPARTMENT OF ADMINISTRATION

March 6, 1978

Re: HB342 fld
HB900

Ms. Lisa Rudd, Chair
Committee on Community &
Regional Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

Subject: Recordation of Property Splits Not Approved by Platting Authority

This is a follow up to Marilyn Miller's contact with you concerning the need for legislation to carry out the position of the Alaska Municipal League that proof of approval by the local platting authority should be required prior to the biling of an instrument affecting the boundaries of land.

A serious problem has arisen because Statutes do not prohibit the recording of property splits which have not been approved.

AS 29.33.190(b) provides as follows: "No person may record a plat or seek to have a plat recorded unless it bears the approval of the platting board. A person who knowingly violates this requirement is punishable upon conviction by a fine of not more than $500." This Borough is not anxious to prosecute persons who knowingly or unknowingly violate the State Statutes requiring platting authority approval of property splits. More importantly, such prosecution does not resolve the multitude of problems which stem from such recordation. Here's an example of what happens:

The owner of a 20 acre tract describes by aliquot parts 5 acres of the 20 acres and sells the 5 acres. The 5 acres may or may not be physically accessible or legally accessible.

A subsequent owner wants to split the 5 acres into 1 acre parcels. He cannot do so because the 5 acre parcel is illegally created and not recognized by the Platting Board. The new owner then has to retrace the proper platting procedure (or get a waiver of platting requirements under AS 29.33.170). It may or may not be possible for the original 5 acre split to be done in conformance with platting requirements.

A big hassle results.

The grantee suffers. An extraordinary amount of staff time is required to clean up the mess. The grantor who violated the platting requirements has long since sold the other 15 acres and flown to Hawaii. He does not suffer. The platting statutes are circumvented.

The proposed legislation would provide an effective means of getting compliance to Statutes which require platting authority approval of all property splits. We do not now have an effective means.

I hope you will see fit to get such legislation introduced so that Boroughs can more effectively carry out their platting mandate.

Very truly yours,

Wesley M. Howe
Borough Manager

WMH:er

cc: Alaska Municipal League

Malone's suggested amendments (3/28/79 Hearing)

* Jan. 1, 1980 should be the effective date. This would give people an opportunity to know what is happening and to be aware that there would be a new method of enforcement of land exchanges.

* Transitional language should grandfather in existing subdivisions.

* Delete lines 20-21 of p. 1. It should read:
"The recorder may not accept a deed or contract of sale unless it exhibits evidence of subdivision approval given by the municipality , or by a certified waiver of the requirement of the plat approval under AS 29.33.170"

Rep. Carney's suggested amendment to the bill:

Sec. 29.33.170 (2) eliminate "and that the land is divided into four or fewer parcels;" (See attached statutes)

Sec. 40.10.030. Certificate in form required for acknowledgment inside state. A certificate of acknowledgment of a deed or other instrument acknowledged outside the United States before any officer mentioned in § 10 of this chapter shall be valid if in the same form as now is or hereafter may be required by law for an acknowledgment within the state. (§ 23-2-3 ACLA 1949)

Sec. 40.10.040. Construction of chapter. This chapter shall be interpreted and construed as to effect its general purpose to make uniform the laws of those states and territories which enact it. (§ 23-2-4 ACLA 1949)

Sec. 40.10.050. Short title. This chapter may be cited as the Uniform Foreign Acknowledgment Act. (§ 23-2-5 ACLA 1949)

Chapter 15. Subdivisions and Dedications.

Article
1. Recording of Plats (§§ 40.15.010—40.15.060)
2. Control of Plats, Subdivisions and Dedications (§§ 40.15.070—40.15.130)
3. Vacation and Change of Plats and Streets (§§ 40.15.140—40.15.180)
4. General Provisions (§ 40.15.190)

Article 1. Recording of Plats.

Section
10. Approval and recording of subdivisions
20. Plats to be acknowledged and contain certificate that taxes and assessments are paid
30. Dedication of streets, alleys and thoroughfares
40. Certified copy of plat is evidence
50. Recorded plats legalized
60. Missing plats

Sec. 40.15.010. Approval and recording of subdivisions. Before the lots or tracts of any subdivision or dedication may be sold or offered for sale, the subdivision or dedication shall be submitted for approval to the authority having jurisdiction, as prescribed in this chapter. The regular approval of the authority shall be shown on it or attached to it and the subdivision or dedication shall be filed for record in the office of the recorder. The recorder shall not accept a subdivision or dedication for filing unless it shows this approval. If no platting authority exists as provided in §§ 70—130 of this chapter, lands may be sold without approval. (§ 1 (ch I) ch 15 SLA 1953; am § 1 ch 95 SLA 1955; am § 67 ch 69 SLA 1970)

Cross reference. — For sections dealing with inspection of public records and their use as evidence, see AS 09.25.110 and AS 09.25.120.

Effect of amendment. — The 1970 amendment deleted "platting board or" preceding "platting authority" in the last sentence.

Legislative committee report. — For report on ch. 69, SLA 1970 (HB 564), see 1970 House Journal Supplement No. 2, p. 7.

Approved plat must be filed for recording. — This section and AS 40.15.020 are sufficient authority to require the recorder to file for recording a plat when properly approved. Tullinen v.

Sec. 40.10.030. Certificate in form required for acknowledgment inside state. A certificate of acknowledgment of a deed or other instrument acknowledged outside the United States before any officer mentioned in § 10 of this chapter shall be valid if in the same form as now is or hereafter may be required by law for an acknowledgment within the state. (§ 23-2-3 ACLA 1949)

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Chapter 15. Subdivisions and Dedications.

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3. Vacation and Change of Plats and Streets (§§ 40.15.140—40.15.180)
4. General Provisions (§ 40.15.190)

Article 1. Recording of Plats.

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Cross reference. — For sections dealing with inspection of public records and their use as evidence, see AS 09.25.110 and AS 09.25.120.

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Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 4/11/79

BILL NUMBER AND TITLE: HB 342 Approval and Recording of Subdivisions

ORIGINAL SPONSOR : (H) C&RA Committee

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT: Parker
Parr
Carney
Branson
Zharoff
Metcalfe
O'Connell

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Richard Bradley, Director of Division of General Services, Dept. of Admin.
Bev Mueller, Recorder

The administration is opposed to the bill. Enforcement is already provided and it should not be the recorder's office which serves this function.

Parr--Doesn't see listing the circumstances under which recorders may or may not record as enforcement.

Ginny Chitwood - Municipal League

Doesn't see this as bringing enforcement into the hands of the recorder's office. Grandfather provisions are already in effect to a certain extent in that existing parcels are grandfathered in when subdivision ordinances are adopted by municipalities.

The basic problem this bill addresses is that land is being exchanged without being recorded.

Hugh Malone - There have been illegal subdivisions created since municipal ordinances were adopted. Those should be dealt with by a grandfathering provision. Otherwise, there will be a cloud on transactions.

Rep. Pat Carney - speaks to his suggested amendment. Sees this as an acceptable redefining of the subdivision definition.

Malone -- Doesn't see bill as essential . Thinks that the administration could handle the problem by regulations.

Carney - Sees that state will be in violation of the 4 parcel division of land waiver when disposing of state lands.

COMMITTEE ACTION: No action. Definition of subdivision might be considered in interim study.

TAPE # 7 SIDE 2 Sections 1-373

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/28/79

BILL NUMBER AND TITLE: HB 342 Relating to approval and recording of subdivisions

ORIGINAL SPONSOR : Community and Regional Affairs Committee

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, Carney, Parr, O'Connell, Metcalfe, Branson

MEMBERS ABSENT: Zharoff

INDIVIDUALS CONTACTED:

Malone
C&RA

WITNESSES TESTIFYING:

Malone -- The bill aids in better compliance with state laws. Parcels are now created and transferred in violation of local law. Background of problem discussed.

* Jan 1, 1980 should be the effective date. This would give people an opportunity to know what is happening and to be aware that there would be a new method of enforcement of land exchanges.

*Transitional language should grandfather in existing subdivisions.

*Delete lines 20-21 of p. 1. It should read:"The recorder may not accept a deed or contract of sale unless it exhibits evidence of subdivision approval given by the municipality, or by a certified waiver of the requirement of the plat approval under AS 29.33.170."

* Suggested amendments to the bill

Parr- Some subdivisions created in the early 1900's which were not under subdivisions regulations might be sold today. How would this be dealt with. Malone sees this covered under the proposed transitional provision which would grandfather in this type of land.

Metcalfe-- Perhpas a title company, as well as the recorder's office, should be involved. Malone-Title Companies now routinely exempt illegally created lots.
Malone--The procedure should be a simple as possible.

COMMITTEE ACTION:Rep. Carney appointed as sub-committee to study the bill.

TAPE # 5 SIDE 2 Sections 797-1055

Questions related to HB 342

eliminate the reference on p. 1 line 20 re "recorder's file number" (how is it used? Does a recorder always use a file number?

Chenoweth -- The use of the term conveyed, is intended to cover all transactions of real estate which would pass land from one individual to another. Close the door on handing land from one person to another.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 3/12/79

BILL NUMBER AND TITLE: HB 342 Relating to approval and recording of subdivisions

ORIGINAL SPONSOR : Community and Regional Affairs Committee

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT: Parker, Carney, Branson, Zharoff, Metcalfe, O'Connell, Parr

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Lee Sharp -- Testified as to the purpose and intent of bill. Lines 12, 16,17 clean up language

Parr -- Problem re meaning of "conveyed". Is "conveyed" really needed? If property were devided by federal decree would there be an official recording?
Would "Conveyed" include "gifts"?

Problems discussed. It was decided to hold the bill over pending development of amendments by Parr & Carney

COMMITTEE ACTION: Held over pending amendments being worked on by Parr & Carney

TAPE # 4 SIDE 1 1-190

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: April 3, 1979

FILE NO. 1979 Legislature - HB 342

SUBJECT: Proposed committee substitute for HB 342

Bill Parker, Chairman
House Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Parker,

I understand your committee is considering a possible committee substitute for House Bill 342 which deals with the approval and recording of subdivisions. The proposed committee substitute would delete the present language in the bill which deals with the requirement for an affidavit of the grantor or maker and would substitute for that requirement the requirement that the deed or contract merely exhibit evidence of subdivison approval. This approach, unfortunately, will not accomplish what was originally aimed at in the bill as introduced. It was the purpose of the bill as drafted to require the grantor to make an affirmative statement, under oath, that the instrument to be recorded did not have the effect of subdividing land unless the instrument contained the approval of the local platting authority. This would force the grantor or maker of the instrument to focus his or her attention on the requirement that no subdivison be created without local platting approval. It would also permit criminal sanctions to be taken against the person who makes a false statement in such an affidavit.

Under the language in the proposed committee substitute, neither of these effects would be obtained. A person owning a lot in an approved subdivision could create an unlawful subdivision and never be aware of it nor make any false affidavit. For example, if a person owns lot 7, block A of the Riverdale Subdivision, he or she could create an unlawful subdivision by conveying an unsubdivided part of that lot as follows:

> The northern one-half of lot 7, block B of the Riverdale Subdivision as shown on Plat No. 76-24, recorded on June 14, 1976 in the Juneau Recording District, First Judicial District, Juneau, Alaska.

The foregoing description would meet the requirements of the proposed committee substitute and is probably the way such a

conveyance would be described. Note that it contains ample evidence of subdivision approval, even though the unlawful subdivision created by this description is not approved. There is no way for the recording clerk to determine whether the instrument creates an unlawful subdivision and the instrument would be recordable.

Also, there are many subdivisions which occurred prior to the requirement for plat approval. These older subdivisions have been validated by statute and by ordinance and are lawful. Under the proposed language, however, a conveyance of such property could not be made inasmuch as it would not be possible to exhibit evidence of subdivision approval given by the municipality.

I urge you to pass out House Bill 342 as introduced as the language in the committee substitute appears to provide no more protection than already exists in the present statute.

Very truly yours,

Gerald L. Sharp
City-Borough Attorney

GLS/sb

cc: Ginny Kline, Director, AML

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 342
Title "An Act relating to approval and recording of subdivisions..."
Requested by Community & Regional Affairs Committee Date March 12, 1979

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	0	0	0			
200 TRAVEL	0	0	0			
300 CONTRACTUAL	0	0	0			
400 COMMODITIES	0	0	0			
500 EQUIPMENT	0	0	0			
600 LAND & STRUCTURES	0	0	0			
700 GRANTS, CLAIMS, ETC.	0	0	0			
TOTAL	0	0	0			

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0			
FEDERAL FUNDS	0	0	0			
OTHER (Specify)						

POSITIONS

FULL TIME	0	0	0			
PART TIME	0	0	0			
TEMPORARY	0	0	0			

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 12, 1979 PREPARED BY Doug Griffin
AGENCY Community & Regional Affairs - LGAD
Original: Legislative Finance PHONE 465-3918
cc: Budget and Management
Prime Sponsor (If : Legislator Named)

33-001 (Rev. 10/78)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

941 4th Avenue
~~ROOM 618 MACKAY BUILDING~~
~~338 DENALI STREET~~
ANCHORAGE, ALASKA 99501

DIVISION OF GENERAL SERVICES AND SUPPLY
State Recorder

March 30, 1979

The Honorable Bill Parker
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Sir:

The enclosed information was sent to Richard Winchell, Deputy Director, Division of General Services and Supply, Department of Administration, last year when HB 900 was introduced.

Since HB 342 is virtually the same, this information is to inform you of the impact of this bill on the Recorder's Office as well as the honest Alaskan citizenry.

Sincerely,

Javan M. Beitinger

Javan M. Beitinger
State Recorder

cc: Barry Jackson, Assistant Director, General Services & Supply

02-B10LH

Richard Winchell, Deputy Director
Division of General Services & Supply
Juneau

March 30, 1978

Tom E. Main, Assistant Director
Division of General Services & Supply
Anchorage

HB 900

HB 900 has been introduced to amend A.S. 40.15.010.

The addition of the words "or conveyed" and "a plat of" are desirable.

However, the addition of the penultimate sentence in the section is without merit. This would place a burden on the approximate 40,000 deeds to be recorded annually, of which a minute fraction may be conveyances of illegal subdivisions. The requirement would apply to obviously legal subdivisions. It would increase the work of the Recording Section by the addition of another requirement to be reviewed before accepting a document. If the approval, affidavit, or certificate necessitates another piece of paper, then it too must be recorded, indexed, microfilmed, etc. and the grantee must pay $2 more for the service.

A.S. 29.33.190 already provides a $500 penalty for selling land in an unapproved subdivision and the platting board ". . . may enjoin a transfer, sale, or contract to sell, and may recover the penalty by appropriate legal action. . .". The political subdivisions get copies of every recorded conveyance and can easily determine if an illegal subdivision has been established. They can take legal action against the few offending parties.

What does the affidavit provide? The law already says that you shall not sell illegally subdivided land and provides a penalty. Does the affidavit add perjury to the offense? If the political subdivisions are not willing to enforce the existing statutes, what good will more laws be? Why should all of the legal deeds and honest people be burdened because the platting boards won't prosecute the offenders?

It is not mandatory that a conveyance be recorded (A.S. 34.15.290) so it would still be the platting board's responsibility to act.

Deeds are not filed, they are recorded. (Filing applies to documents held by the Recorder. Recording applies to documents which are indexed, copied and returned to their owners.)

Last, and very important, the District Recorders should not be used as enforcement agencies when the purpose of the recording function is to be a place of public record.

cc: Javan Beitinger

TELETYPE

TO: RICHARD WINCHELL, G S&S, JUNEAU
DEPT:

DATE: 4-13-78
TIME: 8:25

FROM: TOM E. MAIN, G S&S, ANCHORAGE
DEPT:

WE DIDN'T RECEIVE ANY TWX REGARDING NOME, BETHEL OR HB900

MY ORIGINAL ESTIMATE OF COST OF HB900 DIDN'T CONSIDER THE DIFFICUTLY OF APPORTIONING PARTS OF EMPLOYEES. BASED ON STATEWIDE COSTS THE $32,000 WOULD BE 100, $25,800; 300, $4,800 AND 400, $1,400. HOWEVER, THIS MEANS ONE EMPLOYEE MORE FOR ANCHORAGE, ONE-HALF FOR FAIRBANKS AND ONE-QUARTER FOR PALMER, ALL RANGE 8. I WOULD LIKE TO AMEND COST ESTIMATE FOR 100 TO $32,200 MAKING TOTAL COST $38,300. THIS IS BASED ON 20,000 ADDITIONAL DOCUMENTS WHICH IS ONLY A GUESS.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

941 4th Avenue
~~ROOM 310 MACKAY BUILDING~~
~~338 DENALI STREET~~
ANCHORAGE, ALASKA 99501

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State Recorder

March 30, 1979

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House of Representatives
Pouch V
Juneau, Alaska 99811

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Javan M. Beitinger

Javan M. Beitinger
State Recorder

cc: Barry Jackson, Assistant Director, Ceneral Services & Supply

02-810LH

Richard Winchell, Deputy Director
Division of General Services & Supply
Juneau

March 30, 1978

Tom E. Main, Assistant Director
Division of General Services & Supply
Anchorage

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The addition of the words "or conveyed" and "a plat of" are desirable.

However, the addition of the penultimate sentence in the section is without merit. This would place a burden on the approximate 40,000 deeds to be recorded annually, of which a minute fraction may be conveyances of illegal subdivisions. The requirement would apply to obviously legal subdivisions. It would increase the work of the Recording Section by the addition of another requirement to be reviewed before accepting a document. If the approval, affidavit, or certificate necessitates another piece of paper, then it too must be recorded, indexed, microfilmed, etc. and the grantee must pay $2 more for the service.

A.S. 29.33.190 already provides a $500 penalty for selling land in an unapproved subdivision and the platting board ". . . may enjoin a transfer, sale, or contract to sell, and may recover the penalty by appropriate legal action. . .". The political subdivisions get copies of every recorded conveyance and can easily determine if an illegal subdivision has been established. They can take legal action against the few offending parties.

What does the affidavit provide? The law already says that you shall not sell illegally subdivided land and provides a penalty. Does the affidavit add perjury to the offense? If the political subdivisions are not willing to enforce the existing statutes, what good will more laws be? Why should all of the legal deeds and honest people be burdened because the platting boards won't prosecute the offenders?

It is not mandatory that a conveyance be recorded (A.S. 34.15.290) so it would still be the platting board's responsibility to act.

Deeds are not filed, they are recorded. (Filing applies to documents held by the Recorder. Recording applies to documents which are indexed, copied and returned to their owners.)

Last, and very important, the District Recorders should not be used as enforcement agencies when the purpose of the recording function is to be a place of public record.

cc: Javan Bettinger

TELETYPE

TO: RICHARD WINCHELL, G S&S, JUNEAU
DEPT:

DATE: 4-13-78
TIME: 8:25 AK

FROM: TOM E. MAIN, G S&S, ANCHORAGE
DEPT:

WE DIDN'T RECEIVE ANY TWX REGARDING NOME, BETHEL OR HB900.

MY ORIGINAL ESTIMATE OF COST OF HB900 DIDN'T CONSIDER THE DIFFICUTLY OF APPORTIONING PARTS OF EMPLOYEES. BASED ON STATEWIDE COSTS THE $32,000 WOULD BE 100, $25,800; 300, $4,800 AND 400, $1,400. HOWEVER, THIS MEANS ONE EMPLOYEE MORE FOR ANCHORAGE, ONE-HALF FOR FAIRBANKS AND ONE-QUARTER FOR PALMER, ALL RANGE 8. I WOULD LIKE TO AMEND COST ESTIMATE FOR 100 TO $32,200 MAKING TOTAL COST $38,300. THIS IS BASED ON 20,000 ADDITIONAL DOCUMENTS WHICH IS ONLY A GUESS.

DORIS LOENNIG
A PROFESSIONAL CORPORATION
ATTORNEY AT LAW

SUITE 206, 613 CUSHMAN STREET - FAIRBANKS, ALASKA 99701
907 452-2005

March 21, 1979

Representatives:

Brian Rogers
Sally Smith
Bob Bettisworth
Fred Brown
Charlie Parr
Dick Randolph

Dear Representatives:

I have just become aware of House Bill number 342, "An Act relating to approval and recording of subdivisions;". I strongly disapprove of the proposed amendments to the act and urge that you do everything within your power to defeat the act.

As most of you know, I have nearly thirty years experience as a title examiner for title companies both in the State of Oregon and Alaska, I have practiced law in the State of Alaska since 1970 and I am now presently a member of the Fairbanks North Star Borough Planning and Zoning Commission. I consider the act not only inherently unworkable, but it also imposes an impossible burden on the recorders office. Furthermore I consider the proposed amendment completely reprehensible with respect to a free people's right to own and deal with their real estate.

It is my observation since being a member of the Planning and Zoning commission that the present provisions for subdividing, and/or waiving of subdivision regulations is being observed by the landowners of this area. However, I am certainly not in favor of the bureaucracy imposing itself to a greater degree by further restricting the private right of landowners to freely exchange and sell their real estate. Nor do I consider that the collective wisdom of an appointed bureaucracy can, or should, replace the wisdom of the individual property owners.

I have long been critical of many of the provisions of the present Subdivision Act. Particularly am I critical of the present definition of a subdivision. It is overly simplified and inartfully drafted; therefore, it is overly restrictive in its application. It is my opinion the legislature could well propose a more artful definition of a subdivision which would relieve much of the onerous burden from land owners, as well as relieving some of the more time consuming aspects of its administration by the planning and zoning commission.

Very truly yours,

Doris Loennig

DL:dcm

HB

343

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 9981

Official Business

DATE: 3/30/79

BILL NUMBER AND TITLE: HB 343 Management of General Grant Lands by Municipalities.

ORIGINAL SPONSOR : Branson

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:
Parker Parr
Branson Metcalfe O'Connell
Carney Zharoff

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:
Branson
Municipal League
Lu Sharp
Dept of C+RA
Rural Cap
Dept. N.R.

WITNESSES TESTIFYING:

Alan Cromk, Fairbanks North Star Borough
Opposed strongly to the bill. Definition of a "village" is not clear. If 25 adults were living in an area, could they be considered a social unit? Objects to an advisory body being given veto power over an elected body.

Parr questions exactly what lands the bill is supposed to refer to. If is all community grant lands or just Forest Service allotments? If it is just the latter, language should be added which would specify this.

Don Argetsinger and Veronica Clark , Dept. of C&RA
Supports concept of advisory committee. However, it appears that statutory powers are being extended beyond the scopy they should be. There are technical problems with the bill which would make it confusing to implement. Petition process not clear. What number of residents would cause it to be set up? Term "village" is a problem. Perhaps "incorporated and Unincorporated" could be distinction. Assembly should probably have override powers.

Village defination needs work.. It is suggested that this concept be included in the local government interim study.

COMMITTEE ACTION: No action taken.

TAPE # 6 SIDE 1 Sections 210 - 505, 859 949

HB
344

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 3/14/79

BILL NUMBER AND TITLE: HB 344 Appropriation to DCRA for grants to municipalities and other recipients in place of entitlements under the program of state aid to local governments;

ORIGINAL SPONSOR : Branson

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Zharoff, Carney, Metcalfe, Parker, O'Connell, Parr, Branson

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Doug Griffin- Dept. of C&RA These communities didn't get applications in on time. Dept. thinks there has to be some incentive for complying with deadlines. Seward apparently had their application ready to go and doe to an error it was not mailed.

Branson -- CS SB 134 incorporates changes wanted by C&RA. That bill is presently in Senate Rules.

COMMITTEE ACTION: Action pending status of Senate bill

TAPE # 4 SIDE 1 930-996

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Referred to _____
Received from _____

BILL NO. HB 344 re _____
Original Sponsor _____

Fiscal Note _____

Contacts: M. Carter

LAA Legal Research contact: _____

SB. 134 - Dept. C+RA
Need to add amendment to make Technically correct.
Opposed. They were late so why amend. Edwards Govs.
appropriation. (Probably get vetoed except for Amend-
ment - Smith Spartanburg district)
Amend - attempted to get them to file on time

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 344
Title Special appropriation. . .for grants to municipalities
Requested by Representative Branson Date 3/6/79

II. FISCAL DETAIL
Agency Affected Community and Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	106.3	0	0	0		
TOTAL	106.3	0	0	0		

FUNDING (Thousands of Dollars)

GENERAL FUND	106.3					
FEDERAL FUNDS	0					
OTHER (Specify)	0					

POSITIONS

FULL TIME	0					
PART TIME	0					
TEMPORARY	0					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

House Bill 344 calls for $99,482 to be appropriated to make grants to the following recipients in the amounts shown on the right. Our bill analysis makes corrections in the amounts requested, adds the Illiamna VFD, and prorates at 88.712% rather than 89%.

	HB 344	Corrected 88.712% Proration
City of Lower Kalskag	11,097	11,275
City of Seward	80,413	86,165
City of Upper Kalskag	4,648	4,633
Copper Center VFD	3,324	3,313
Illiamna VFD	-0-	941

IV. DATE 3/13/79 PREPARED BY Doug Griffin
AGENCY C & RA - LGAD
PHONE 465-3918

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

HB
375

(7)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

March 12, 1979 Date: 23 April 79

Mr. Speaker:

The Committee on C&RA has had HB 375

"An Act relating to costs of attorney services provided to indigents charged with violations of municipal ordinances."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bill Parker
CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99

DATE: 4/23/79

BILL NUMBER AND TITLE: HB 375 Relating to costs of attorney services provided to indigents charged with violations of municipal ordinances

ORIGINAL SPONSOR : Rules by Request of the Governor

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Brian Shortell -Public Defender

The proposed law would clarify the stututes. Prior to '75 the municipalities assumed court costs for the defense of criminal cases prosecuted under municipal law. The system of accounting was said to be too cumbersome for the numicipalities. the impact of the trasferral to the state P D. office has been tremendous. The Anchorage P.D. office is in a desparate situation as the P.D. office had been underfunded from the beginning. Survival of Anchorage office depends on something being done to remedy the situation. Statute should be clarified to make clar that the court costs and defense costs are not the same.

1971 -- Alexander vs. City of Anchoarge
1973 - State vs. City of Anchorage
AS 22.15.270 Outlines defense court costs.

Misdemeanors classified as defendable by Public Defender if the penalty involves jail time. A person is entitled to defense if: he could lose a license; jail is a possibility; the fine is heavy enough to connote criminality.

Expenses vary from community to community.. P.D. office was funded for one lawyer and 1 sectretary. Attorneys now have to handle 70-90 cases. If bill passes, Shortell would either contract with the municipalities to perform services or would bill for services performed.

Parr:Parr- Municipal tax payers should pay for enforcement of their own laws. Presecution and defense should be municipal costs.

O'Connell - Definition of indigency is the main problem.

Present law requires that a person make repayment to the state if they are found not be be indigent.

COMMITTEE ACTION:

Passed out of committee.

TAPE # 7 SIDE 2 Sections 1236=1732

Lee Sharp, Attorney City/Borough Juneau

1. Municipalities should be able to define "indigency" for themselves if they are to be responsible for costs.

2. Repayment provision is not currently being enforced by the AG. If it isn't being enforced for the state, the municipalities would not be repaid either.

3.Supreme Court ruled that costs included P.D., jury fees, court room, etc.

4. If the municipality decides the costs are too great, they will ask the state to proscecute. So the state would then be paying for both the defense and the prosecution.

5. There is a danger that the indigent would not get the best possible defense as that state might "paper to death" and the municipalitiy would be in the position of pushing for dismissal to cut costs.

Sharp- The basic problem is the definition of indigency.

FISCAL NOTE

I. REQUEST
Bill/Resolution No. pending HOUSE BILL NO. 375
Title An act relating to costs of attorney services provided to indigents
Requested by Office of the Governor Date March 5, 1979

II. FISCAL DETAIL
Agency Affected Office of the Governor
Program Category Affected Administration of Justice
BRU, Program, or Subprogram(s) Affected Public Defender Agency
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		-0-				
400 COMMODITIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		-0-				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Since July 1, 1976 the Public Defender Agency has been charged with the defense of indigents charged with violations of municipal ordinances. Out of necessity, the age has assumed this obligation using existing personnel and resources. For FY 79 two additional positions were authorized in HB 909; one Attorney III for 6 months and one Legal Secretary for 7 months.
Transferring the responsibility for indigent defense to the municipalities is not expected to reduce the case load of the Public Defender Agency, as it is assumed the municipalities would continue to contract with this agency for such services. Any such receipts would be deposited in the general fund.

IV. DATE March 5, 1979 PREPARED BY Janet Green
AGENCY Office of the Governor
PHONE 465-3545

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

C&RA

BILL WORK SHEET

BILL NO. HB 375 re Cost of Attorney Services

Received from _____

Referred to Judiciary

Original Sponsor _____

Fiscal Note _____

LAA Legal Research Contact _____

CONTACTS:

Dan Hickey 3428 Admin.

Brian Shortell 279-7541

Frank Rothschild 4911

HB 3

March 12, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III sec. 18, of the Alaska Constitution, I am transmitting a bill transferring to municipalities the cost of providing defense counsel to indigents charged with violation of municipal ordinances.

In the past, the cost of judicial services, including the cost of defending indigent defendants, was borne by the municipality which filed the charges against the person under municipal ordinance. Because it was difficult, if not impossible, for the court system to precisely apportion the cost of judicial services, legislation was passed in 1976 amending AS 22.15.270 to have the state bear those costs. However, the transfer of responsibility for providing defense counsel for indigents charged with violations of municipal ordinances has imposed a substantial burden on the Public Defender Agency. These defense costs, unlike normal court operating costs, are easily identifiable. This bill would transfer back to the municipality bringing the charge against the indigent the responsibility for paying those costs, and thus more fairly allocate the costs to the user of the services.

Sincerely,

S/JSH

Jay S. Hammond
Governor

HB
383

DEVELOPMENT CITIES

See continuation of this HB733 CRA File 11/78

Chapter 22 includes maximum participation by state agencies in review, guidance, financial and program assistance, but gives major control to the development city. The development city has all the powers of a regular general law city of its particular class.

There is no clear designation of the responsibilities of the developer, financial or otherwise, except that he must present an approved local hire agreement as a prerequisite to incorporation, and he must show satisfactory contracts for company products to show that the whole project should succeed.

State participation:

1) Council, membership includes Commissioner of DC&RA
Members appointed by Governor and serve at his pleasure.

2) State review of preliminary planning.
(Doesn't say anything about consistency with state regulations, though I suppose that is implied.
Doesn't say anything about the final comprehensive plan.
Doesn't say who will pay for either the preliminary plan or the comprehensive plan. Just says the city shall do it. So, it seems within the city's perrogative to approach the state for at least partial funding.)

3) State review of contracts for sale of company products before city can proceed with capital plans. This seems to be the major limitation on the city.

4) State to participate in local hire agreement with developer e.g., recruitment, vocational training, relocation assistance...

5) State agencies to look out for funds to help finance city's capital improvement program.

6) Revenue sharing program, state land selection.

Major control and options to City:

1) Time limits provided forall state action, but none designated for city.

2) All provisions of Title 29 apply where consistent with Chapt. 22
Thus city has all the powers and perogatives of a general law city.

3) Council acts as own housing and urban renewal authority.

4) At least 2 council members represent the developer.

Differences from regular cities:

1) Council is 5 members instead of 6 or 7
Appointed by governor - 1 mbr = Commissioner of DC&RA
- 4 public members

2) Exec. Dir. appointed by Council instead of Mayor
Has all powers of executive under Title 29
so he can be manager and mayor

The Development City concept by itself changes the values and practices that have built our free enterprise system.

In the past, the self sufficient family farm has been accepted as the necessary first step to developing an economy in undeveloped land.

The Development Cities Act, on the other hand, allows major developers to control and develop large resources with no concern or participation to the family unit who seeks (now more than ever) the security and satisfaction of being self supporting and controlling their own destiny.

My wife and I on that basis alone object to development cities entirely.

In my presentation this morning, however, I will approach the Act solely from the viewpoint of protecting Alaska interest within the Development City context.

The law in general must separate clearly the city and the developer and their relationship to each other, allowing the city to be an entity in itself, open to the general public and commerce.

29-10-220 LEGISLATIVE FINDING

We now have new information from Afognak City's first attempt. This information has created new questions that are not adequately dealt with under the existing law. It is my opinion that law as it is written is grossly deficient in protecting Alaska's interest and dealing with social and economic needs of our State.

29-18-230 to 29-18-340

This section of the law deals with procedures of the petitioner which must be made to include financial investigation of the petitioners over the previous ten years in order to develop a reasonable assurance that the petitioner has the management experience, stability and capital to execute such an undertaking to a desirable conclusion.

29-18-340 DEVELOPMENT CITY COUNCIL

It is clear that the governor has complete control of the city, with the city council serving at his pleasure. The city council members do not have to be residents during the first five years. A developing city is going to need a city council which is present and public to deal effectively with actual growth and need of a city just getting off the ground. Further, after being appointed, the city council should serve at no one's pleasure other than their public, and all members elected after they have their first forty permanent residents with specific language used to tie down who and who is not a permanent resident.

It is important here to look down the road a bit and realize the power that would be given the governor if, perhaps, ten to fifteen of these cities are being developed and all at the control of one governor, with the possibility of major developers coming

into the State with only one person's consideration. This is clearly not in the public interest.

A city council must live in the development city and be available to the public. The law as it reads now doesn't even say the city council has to be in Alaska. This means that a citizen would be required to pay long distance rates to talk to his appointed rulers.

29-18-380 PROCEDURES

This allows no public participation of any kind. It has been suggested that the meetings be put on public address systems, but this would still severely hamper the needed exchange between the community and its appointed rulers.

29-18-390 DEVELOPMENT OF CITY CAPITAL IMPROVEMENT FUND

This should be clarified to specific purposes and be implemented in stages as required by specific development. For example, the needs for fun in a paper stage will be different from those of implementation.

29-18-400(4)

This section should read "appointed' from the public by the governor, not "nominated by the developer".

20-18-360(2) POWERS AND DUTIES

This section isolates the development city from existing borough planning if one exists. Therefore, there is no recourse for the general geographic area and existing economy to participate in decisions that might affect them, i.e., offshore experimental drilling facility in Afognak Bay, which is a reasonable assumption if Afognak City is there with the dock facility which the Afognak Native Corporation plans to build. The impact would certainly affect all of Kodiak Island Borough.

29-18-430 REVENUE BOND

Some consideration must be given to existing residence. In the initial petition, the eighty-five of us presently living there became 1/85 of the taxable tax base and 1/85 of the liability of a $2 million project. ANCSA 21(d) states that Native lands are not taxable and (22) miscellaneous states that no liens, exclusions or judgments of any kind can be executed within twenty years.

Further, each revenue bond must show its relevance to the city sector as opposed to corporation development. This particular train of thought should be questioned throughout the Act. Our purpose and tax dollars should be spent to aid in the cost of the city, and not in the development of the resource. In a case where the purpose of a facility services both, the cost should be divided between the city and the developer proportionally.

EXAMPLE

If a city dock that would serve the city alone could be built for $500, but to meet the needs of the developer must now cost $2,000. The developer should have to generate $1500 capital outside of the bonds. My concern here is the tax liability of the bond on the city should the industry fail to be profitable and the collateral not redeemable as under ANCSA (22) or not of sufficient value to satisfy its creditors. It appears to me that if the debts are kept reasonable that city could possibly survive the loss of its major developer by participating in existing economics such as fishing. On the other hand, if town liabilities are allowed to far exceed those of a realistic population projections ability to handle the city would most probably end up a ghost with many

citizens losing their shirts, as well as their dreams.

29-18-450 APPLICABILITY OF OTHER PROVISION OF THIS TITLE

This paragraph was not applied nor adhered to in Community and Regional Affairs' administration of the Act as it applied to the Afognak City's first petition, though it sheds a lot of light on the intent and composition of the Act. In its sweeping centralization, however, it creates contradiction within the law itself.

EXAMPLE

29-18-050(8) THE PROVISION FOR A FIRST CLASS CITY INCORPORATION

The signature and residence address of 50 permanent resident voters within the proposed municipality, which with eighty-five residents as applicable and Title 29-18-240 are both in Chapter 18. Hence, 29-18-240 has to be improved and clarified giving guidelines for public participation under a democratic government, as the character of its location changes from unpopulated - no existing economy - to populated with existing economies population and borough government.

First and most important, there is no provision under the law that necessitates the establishment of public sector. There must be land made available to the general public and general business community.

This land must in no way be controlled by the developers other than its original planning and zoning. Land should be sold at a fixed percentage above cost and a provision requiring development within a given time to discourage land speculation. My concern here is that the law permits the possibility of Alaska's future growth to be exactly like Prudho Bay, where a group of corporations owns

all the land and commerce. Any city in Alaska must be open to the public at the public's own discretion. Finally, I feel the State or petitioner should advertise the new city to the national business community, asking for their economic participation in fields other than that of the founding developer. For example, offshore oil exploration drilling support facilities and bottom-fishing processors are very real possibilities in the Afognak City and would go a long way in ensuring orderly development of well planned, diversified and economically sound new cities necessary to support the sound development of the State resources by both private and public sector.

CONCLUSION

In conclusion it is extremely important to consider our states goals and values as we now look at our future.

International bankers and multinational corporation have acted and planned far in advance of the political concepts of the nation_ state by cutting off our states opportunity to procceed in its family oriented past by completely stopping land transfer to public and regulating every thing from limited entry to placer mining out of reach of most of the general public. They now have created a state of mind in Alaska that believes our only future is to develop on a big scale with major multinational corporation, If we go that route the future is clear. If the only future development in Alaska is with big corporation then we will be allowing our main stream economy to be controlled by multinational corporations.

It is my opinion that we should quard our six trillion dollars of natural resource like a miser, his purse only developing them in as much as its allows us to develop a free enterprise family oriented economy in aquaculure, farming, musk ox, reindeer and small mining.

What we need is a development of family oriented business act and not a development cities act.

Presumption that) would be no residents.
Conflict >/ Boro planning powers' Development Cities
Act could be applied differently in unorganized borough.
Corporation towns (concept)
Definition "permanent" residents must be clarified

Strandberg
Flaws in Afognak Petition
Encourages industry in rural areas which — mineral potential (Last River) 147 —
Afognak — native developer 126 —
Would labor be native or imported. 127 — 146 —

Structure of govt. needs to be considered!

Dodd Shay
2913
Box Kodiak

(2) act of the legislature. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in paragraph (1).

Sec. 29.18.250. Petition for incorporation. A development city incorporation petition proposed by an industrial developer shall include the following information about the proposed city:

(1) class,

(2) name,

(3) boundaries,

(4) composition of the council,

(5) maps, documents, preliminary economic development projections, preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by the Department of Community and Regional Affairs to show that the proposed city meets the standards for incorporation,

(6) the proposed agreement required under § 330 of this chapter. (§ 19 ch 118 SLA 1972; am §§ 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in paragraph (5).

Sec. 29.18.260. Review. The Department of Community and Regional Affairs shall review the petition for content and shall return deficient petitions for correction and completion. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.270. Investigation. If the petition contains the required information, the Department of Community and Regional Affairs shall investigate the proposal to determine whether the development expenditures and proposed capital program by the developer serve the public interest and demonstrate a probability of being carried forward to a successful conclusion. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.280. Report. (a) The Department of Community and Regional Affairs shall report its findings to the Local Boundary Commission with its recommendations regarding the incorporation within 60 days of receipt of the petition for incorporation.

(b) The Local Boundary Commission shall review the petition and the findings and recommendations of the Department of Com-

Article 4. Development Cities.

Section
220. Legislative findings
230. Development cities
240. Incorporation
250. Petition for incorporation
260. Review
270. Investigation
280. Report
290. Decision on development city incorporation
300. Preliminary planning
310. Review and report
320. Limitation
330. Local hire
340. Development city council
350. Filling a vacancy
360. Powers and duties of council
370. Powers and duties of development city executive director
380. Procedures
390. Development city capital improvement funds
400. Transition
410. Housing powers
420. Land selection
430. Revenue bonds
440. Shared revenue
450. Applicability of other provisions of this title
460. Definition

Revisor's note (1972).—Provisions virtually identical to §§ 220—460 of this chapter were originally enacted as AS 29.76, in ch. 106, SLA 1972. Also see ch. 110, SLA 1972, which incorporated the development city of Lost River.

Sec. 29.18.220. Legislative findings. The legislature finds that the development of natural resources in isolated and relatively unpopulated areas requires a policy and procedure which will provide planning, financial and other assistance necessary for encouraging orderly development of well-planned, diversified and economically sound new cities necessary to support the sound development of the state's resources by both the private and public sector. It is the purpose of §§ 220—460 of this chapter to set out the mutual responsibilities of the private and public sectors to achieve these objectives with a view to securing information valuable to future legislatures so that general legislation applicable to the establishment of development cities may be perfected. (§ 19 ch 118 SLA 1972)

Sec. 29.18.230. Development cities. Subject to reclassification under § 400(c) of this chapter, a development city is a city of the class designated by the Department of Community and Regional Affairs. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.240. Incorporation. An area not served by an existing municipality which is not reasonably practicable to be served by an existing municipality may be incorporated as a development city by

(1) petition of the industrial developer to the Department of Community and Regional Affairs to be acted on by the Local Boundary Commission; or

munity and Regional Affairs within 60 days of receiving them. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in subsections (a) and (b).

Sec. 29.18.290. Decision on development city incorporation. (a) The Local Boundary Commission may reject a petition for incorporation if it finds that

(1) the area proposed for incorporation is served by an existing municipality or could be served by an existing municipality;

(2) it is improbable that the proposed development will take place;

(3) the program and activities contemplated by this chapter may be undertaken through expansion of the corporate limits of an existing city and then declares that city to be a development city for the purpose of preferential designation under §§ 10 and 340—460 of this chapter;

(4) the program and activities contemplated by this chapter may be undertaken by establishing a service area within an existing organized borough for a development project, and declares the service area to be eligible for preferential designation under §§ 410 and 450 of this chapter;

(5) the proposed development does not serve the public interest.

(b) If the Local Boundary Commission finds that a service area within an organized borough is to be designated for preferential treatment under (a) (4) of this section, the assembly may undertake the project in the manner of a development city and shall present to the Local Boundary Commission a contractual agreement outlining responsibilities assumed by the borough and the industrial developer to implement the proposed development program.

(c) The assembly may decline findings under (b) of this section to establish a service area and in the alternative request the Local Boundary Commission to approve incorporation of a development city.

(d) The Local Boundary Commission may dissolve a development city established under § 20 of this chapter if subsequent to its incorporation

(1) the major economic development projected does not occur within a period of five years; and

(2) if the development project had been reviewed as a new project the Local Boundary Commission determines it would have rejected the petition on the basis that it is improbable the proposed development would have taken place.

(e) A commission decision under this section may be appealed under the Administrative Procedure Act (AS 44.62). (§ 19 ch 118 SLA 1972)

Sec. 29.18.300. Preliminary planning. The city shall prepare and submit to the state preliminary plans in advance of completion of the final basic comprehensive plan for the city. The preliminary plans shall include

(1) maps, documents, preliminary economic development projections, preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by reviewing agencies of the state;

(2) a report on the physical and biological character of the proposed city's site and a land and water use plan and the design and siting of the community to be developed based upon these natural factors. (§ 19 ch 118 SLA 1972)

Sec. 29.18.310. Review and report. (a) The division of planning and research, in conjunction with the Departments of Community and Regional Affairs, Natural Resources, and Environmental Conservation and other departments as determined appropriate by the division of planning and research, shall review the preliminary planning and additional data may be requested.

(b) The division of planning and research shall coordinate the preparation of a report and recommendations, if any, which shall be submitted to the governor within 60 days of receipt by the state of the preliminary plans from the city. The city may proceed to the completion of the final basic comprehensive plan upon satisfying any specific recommendations contained in the report.

(c) During the course of planning toward completion of the basic comprehensive development plan the division of planning and research and the Department of Community and Regional Affairs shall be kept currently informed and the final plan shall be subject to review and recommendation by the division of planning and research, which shall act in its coordinating capacity to secure review by the Department of Environmental Conservation and other state agencies as appropriate. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, in subsection (a), deleted "Local Affairs Agency and the" following "conjunction with the" and inserted "Community and Regional Affairs" following "Departments of." In subsection (c), the amendment substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.320. Limitation. The city may not proceed with commitment of funds or formal undertakings for physical development until it has a signed contract or contracts for sale of the company's products in quantities shown in the economic data and submitted by the company to be adequate to sustain an economically viable operation. The company may submit alternative valid evidence that the projected operation will proceed. The company shall notify the

Department of Community and Regional Affairs of the meeting of this requirement. Unless the Department of Economic Development makes a determination that the data is insufficient, the city may proceed. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the third sentence.

Sec. 29.18.330. Local hire. In consideration of the incorporation of a development city under this chapter, the major developer shall enter into an agreement with the appropriate agencies of the state concerning

(1) establishing and maintaining an approved Department of Labor on-the-job training program to qualify Alaska residents lacking in the requisite technical skills of the activities to be undertaken;

(2) establishing resident hire goals in terms of per cent of employees at the end of the first year, second year and third year of operation;

(3) establishing the responsibilities of the various state agencies towards providing technical assistance, manpower procurement, relocation assistance, job opportunity services to residents in the area, supplemental vocational training, and the scope of effort each state agency has in this regard with specific commitments in terms of numbers of residents, time schedule and dollar value of training;

(4) establishing the penalties and conditions of noncompliance with the agreement. (§ 19 ch 118 SLA 1972)

Sec. 29.18.340. Development city council. The council of a development city has five members consisting of the commissioner of the Department of Community and Regional Affairs, or his designee, and four public members designated by the governor. The governor shall appoint no fewer than two public members from a list of nominees designated by the major developer providing the industrial base of the city as measured by employment and capital investment. The council shall serve at the pleasure of the governor. The designated councilmen need not be residents of the city during its development stage. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, in the first sentence, substituted "commissioner" for "director" following "consisting of the" and substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.350. Filling a vacancy. If a vacancy occurs in the council as constituted under § 340 of this chapter, the applicable appointing authority shall designate the replacement during the development stage of the city. (§ 19 ch 118 SLA 1972)

Sec. 29.18.360. Powers and duties of council. During the development stage the council of a development city may

(1) exercise the powers and duties of a school board if the city is located outside an organized borough;

(2) exercise the powers and duties of a planning commission under AS 29.33.080, except that during the first five years or until the development city has 400 permanent residents, zoning and zoning changes will be reviewed and approved by the division of planning and research and the Department of Environmental Conservation. (§ 19 ch 118 SLA 1972)

Sec. 29.18.370. Powers and duties of development city executive director. During the development stage the council shall appoint an executive director of the development city, who may be one of its members, to serve at the pleasure of the council. The executive director shall have the powers and duties of all executive and administrative city officials set out in this title in order to develop the city under a comprehensive community development plan. (§ 19 ch 118 SLA 1972)

Sec. 29.18.380. Procedures. During the development stage, the council may provide for conference telephone or radiophone meetings at times determined by the council and shall determine its own rules and order of business. (§ 19 ch 118 SLA 1972)

Sec. 29.18.390. Development city capital improvement funds. All state agencies shall, where appropriate, adopt procedures to insure that, during the development stage, the needs of a development city are carefully considered in the allocation of funds available for capital improvement projects where those funds have not otherwise been committed by the legislature. (§ 19 ch 118 SLA 1972)

Sec. 29.18.400. Transition. (a) When a development city has 400 permanent residents elections shall take place according to the following schedule:

(1) in the first year two additional councilmen who shall be city residents elected for three-year terms;

(2) in the second year two councilmen who shall be city residents elected for three-year terms to replace one of the councilmen nominated by the industrial developer and one of the public members designated by the governor;

(3) in the third year two councilmen who shall be city residents elected for three-year terms to replace the commissioner of the Department of Community and Regional Affairs and one of the councilmen nominated by the industrial developer;

(4) in the fourth year a mayor who shall be a city resident elected for a three-year term to replace the remaining councilman nominated by the industrial developer.

(b) At the time of the election under (a)(4) of this section, or any time after it, the electorate may exercise the right to become a home rule city as authorized under this title.

(c) If, within a period of five years from the incorporation of a development city, the number of permanent residents does not reach 400, the Department of Community and Regional Affairs shall order an election for city officials and designate a successor class of city based on population as provided in this title. If the department designates a successor class of city, the provisions of this title relating to that class of city apply, and the city shall be reclassified accordingly. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "commissioner of the Department of Community and Regional Affairs" for "local affairs director" in paragraph (3) of subsection (a). The amendment also substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the first sentence of subsection (c) and substituted "department" for "agency" in the second sentence of that subsection.

Sec. 29.18.410. Housing powers. From the time of the appointment of the first city council and for a period of 10 years following the first election of councilmen, the council may act as its own housing and urban renewal authority if such powers have been granted to cities under applicable provisions of law. (§ 19 ch 118 SLA 1972)

Sec. 29.18.420. Land selection. (a) The Department of Natural Resources shall attempt to secure the transfer of the available federally owned land located within the boundaries of a development city into state ownership. After the transfer, a development city may select 10 per cent of the vacant, unappropriated, unreserved state land located within its boundaries. Nothing in this section affects a valid existing claim, location, or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way or other purposes or affects the rights of an owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

(b) If land desired by the development city is unsurveyed at the time of its selection, the Department of Natural Resources shall survey or approve a survey by the city of the exterior boundaries of the area requested without interior subdivision and shall issue a patent for the selected area in terms of the exterior boundary survey. The cost of the survey is borne by the city. If land desired by the city has been surveyed at the time of its selection, the

boundaries of the areas requested must conform to the public land subdivisions established by the approval of the survey. Land selected by the city under this section is patented to the city by the Department of Natural Resources.

(c) After the selection of the land by the development city but before the issuance of final patent, the city may execute conditional leases and make conditional sales of selected land. (§ 19 ch 118 SLA 1972)

Sec. 29.18.430. Revenue bonds. Revenue bonds may be issued by a development city under the provisions of AS 29.58.200—29.58.220. However, no vote of the people is required to issue revenue bonds during the development stage. During the development stage revenue bonds may be issued by a majority vote of the city council. (§ 19 ch 118 SLA 1972)

Sec. 29.18.440. Shared revenue. A development city is entitled to shared revenue and other state funds on the same basis as a city or organized borough of the first class or, if reclassified under § 400(c) of this chapter, on the basis of the reclassification. During the development stage the Department of Community and Regional Affairs may establish an assumed population figure which shall be used to determine shared revenue based on population on per capita grants. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the second sentence.

Sec. 29.18.450. Applicability of other provisions of this title. All applicable provisions of this title consistent with the provisions of this chapter apply to development cities. Provisions of this chapter prevail over other provisions of this title which are inconsistent. (§ 19 ch 118 SLA 1972)

Sec. 29.18.460. Definition. In this chapter "development stage" means that period of time extending from the date of incorporation of a development city until such time as the city may attain a population of 400 permanent residents, or five years from the date of incorporation, whichever is earlier. (§ 19 ch 118 SLA 1972)

HB
384

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99

Official Business

DATE: 4/18/79

BILL NUMBER AND TITLE: HB384 Composition and Apportionment of Borough Assemblies

ORIGINAL SPONSOR : Branson, Malone, Parker

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Branson - Offered revised work draft for consideration by the Committee. Reviewed basic concepts of HB384.

Parr-- Suggests elimination of "elected by or appointed from" p. 2 lines 2-3. Or strike "by" and "from"

Chitwood - Municipal League has no position on the bill but suggests retaining options for municipalities to choose their own method of representation.

Palmer McCarter - Dept. of C&RA supports the concepts in the bill. Also supports options for method of local government representation.. Weighted voting needs to be removed. Court decision has declared institutionalized representation unconstitutional.

Eleven members on an Assembly should be adequate. Kenai is the only general law municipality which exceeds this number.

Questions raised as to the need for separate classifications for voter approval. (p. 2 lines 26-29)

COMMITTEE ACTION: Action to be continued.
4/27/79 HB384 Basically incorporated into H CSSB 137

TAPE # 7 SIDE 2 Sections 633-1150

Margaret.

As soon as my Committee gets its draft ord. I will forward it to you. We are addressing most of these questions. I hope that we make good progress.

OK

IN THE HOUSE BY BRANSON

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the composition and apportionment of borough assemblies; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.23 is amended by adding new sections to read:

Sec. 29.23.021. ASSEMBLY COMPOSITION AND APPORTIONMENT. (a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If a borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with AS 29.23.-C23 and prescribed by charter or ordinance.

The constitutional question has never been tested. Personally I don't think weighted voting will fly.

(c) An assembly may not provide for weighted voting.

Sec. 29.23.023. COMPOSITION AND REPRESENTATION REQUIREMENTS FOR GENERAL LAW BOROUGHS. (a) The assembly of a general law borough may not be composed of more than 11 members. OK To Large Now

(b) The assembly of a general law borough shall provide, by ordinance, that members of the borough assembly are

(1) elected at large by all qualified voters of the borough;

(2) elected at large by all qualified voters of the borough but required to live within an election district or zone established by

the borough for the election of borough assembly members; or

(3) elected by and from election districts or zones established by the borough for the election of borough assembly members.

(c) A member of the assembly of a general law borough may not be elected or appointed by and from the council of a city in the borough.

Sec. 29.23.025. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT. (a) Not later than July 31, 1981, and, thereafter, within four months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 - 29.23.023.

(b) If the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021 - 29.23.023, the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may change the composition of the assembly.

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 borough voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall make the determination requested.

(d) An ordinance adopted by the assembly under (b) or (c) of this section shall be submitted to the voters for approval. The vote on an ordinance submitted to the voters shall be tabulated in two separate classifications. One classification shall consist of all votes cast in

Could be a stand off. But is protection for one segment of population if they feel deeply about a plan.

the first class and the home rule cities in the borough. The other classification shall consist of all votes cast in the remaining areas of the borough. In order for the ordinance to be approved it must receive majority approval in each classification.

(e) Within four months of a determination by the assembly that the current apportionment does not meet the standards of AS 29.23.021 - 29.23.025; the assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the four month time period, an ordinance providing for reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 - 29.23.023.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which follows approval of a reapportionment ordinance.

* Sec. 2. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021; 29.23.025 - 29.23.050 (composition and apportionment of borough assembly; borough assembly recomposition and reapportionment; assembly representation)

* Sec. 3. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council, but the number of members of a borough assembly may not exceed 11; OK.

* Sec. 4. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. Assemblymen are selected for three-year terms and until their successors are selected and have

qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. [HOWEVER, IF UNDER A BOROUGH APPORTIONMENT CITY COUNCILMEN ARE APPOINTED AS ASSEMBLYMEN OR ELECTED TO DUAL ASSEMBLY-COUNCIL SEATS, THEY MAY NOT BE REPLACED UNTIL THEIR ASSEMBLY TERM EXPIRES AS PROVIDED BY CITY CHARTER OR ORDINANCE, OR THEY CEASE TO BE A MEMBER OF EITHER THE ASSEMBLY OR COUNCIL.] The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs.

* Sec. 5. AS 29.23.020 is repealed.

* Sec. 6. This Act takes effect January 1, 1981.

KENAI PENINSULA BOROUGH
BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

April 11, 1979

Hon. Bill Parker, Chairman
House Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: HB 343 and HB 384

Dear Mr. Parker:

Attached is an excerpt of the Kenai Peninsula Borough assembly minutes of April 3, 1979.

Please note the assembly opposes both bills.

Yours very truly,

Frances Brymer

(Mrs) Frances Brymer,
Borough Clerk

enc.

fb

(c) OEDP (Fischer/Moses)

Mr. Fischer reported the General Committee met and although the economic status of the borough is in a low, there is more activity in Seward than any other area. Mayor O'Reilly of Kenai reported there may be a chopstick factory in Kenai which will employ 40 people.

Mr. Moses reported Mr. Don Wold, Director, Alaska Royalty Oil Board, stated that Bonner and Moore is the consultant helping the Royalty Board in promotion and development program of a petrochemical industry. He indicated the first step to consider before inviting the petrochemical industry to the community is for that community to know what it wants and be ready to accept the consequences. The next step is to do the research then contact local oil companies for their help. It seems that community leaders talk too much and act too little.

(d) Finance Committee

Mr. McCloud reported the committee discussed the school budget and will have recommendations by the next meeting. The personal property taxes were also discussed. The recommendation on Ord. 79-13 is to postpone until further study.

(e) Solid Waste (no report)

(f) Roads and Trails Committee

Mr. Long reported the committee met last night and discussed the proposed legislation. At a future date, Mr. Bob Hadline, Regional Engineer from Anchorage, will be meeting with the committee and he will travel over some of the roads to be improved.

(g) Ports and Harbors Committee

Mr. Arness reported the committee has not had a meeting, but he had previously reported a representative of Woodward-Clyde would be present April 17 to make a presentation. Due to illness this representative will make his presentation May 1 instead.

(h) Local Affairs Committee

Mr. Campbell reported the work on the service area board's responsibilities and duties has been completed. The ordinance will be introduced April 17. It will be sent to all service area board members and at the public hearing anyone may make comment.

It is expected the attorneys on reapportionment will be at the next meeting of the committee on April 17.

(i) Legislative Overview Committee

Mr. Long reported HB 343 and 384 were included in the packet for study. The committee would like to receive recommendations from the asrembly to present to the legislature on these bills.

ASSEMBLYMEMBER CORR MOVED THE ASSEMBLY GO ON RECORD AS OPPOSING HB 343 AND 384.

Mr. Campbell reported he has sent Mrs. Branson his comments on the reapportionment bill and cautioned her that the assembly is addressing many of these points. It may well be that from

the legal advice received, the assembly may have to seriously consider some of these points as an avenue to provide proper apportionment.

On HB 343, Mr. Campbell did not feel the assembly could or would mandate the control of land to a village of at least 25 persons.

Mr. Arness stated that by looking at districting of the state legislature, it is obvious it does not work well. As an example, he cited the case of the senator representing the Seward area while residing in Palmer.

Mrs. Dimmick did not believe a bill which was as poorly written as HB 343 would go anywhere. It could be very detrimental to various areas of the state.

Mr. Campbell requested division of the question.

QUESTION WAS CALLED ON OPPOSING HB 343 AND THE MOTION PASSED BY A VOTE OF 106.83 "YES" TO 7.5 "NO"; Campbell voting negatively.

QUESTION WAS CALLED ON OPPOSING HB 384 AND THE MOTION PASSED BY A VOTE OF 196.83 "YES" TO 7.5 "NO"; Campbell voting negatively.

J. MAYOR'S REPORT

(a) Tentative General Government Budget FY 1979-80

Mayor Gilman reported the tentative budget is submitted at this time to assist in examining the status of the School District and General Government proposed FY 1979-80 budgets. The general government budget has not been entirely finalized, however, the data reflects where the borough stands at this time in projecting for the coming year.

K. SCHOOL CONSTRUCTION REPORT

(a) Furniture and Equipment List (Anchor Point Elem., Seward and Soldotna High Schools (Appv. 3-19-79)

ASSEMBLYMEMBER LONG MOVED TO APPROVE THE FURNITURE AND EQUIPMENT LISTS FOR ANCHOR POINT ELEMENTARY, SEWARD AND SOLDOTNA HIGH. VOTE WAS UNANIMOUS.

(b) Memo 79-63 "Minor Capital Projects Report

During the discussion of the memo, Mrs. Douglas objected to the system of budgeting items such as the $90,000 designated for relocating 6 portables and then finding only two portables need to be moved; also budgeting for paving hockey rinks that will not be paved. Then the borough decides to take these funds, which should have been returned to the general fund and plans to build a teacherage at English Bay. She protested this type of budgeting procedure and committing $125,000 to building a teacherage that the assembly has heard nothing about.

Mrs. Dimmick asked about problems with the roof of the new addition at Tustumena and Mr. Hakert explained there are design problems at the Sterling and Tustumena Schools. These are mainly caused by the addition of insulation which the borough requested and this in turn caused some glaciering and other roof problems. The administration will meet with the architect on defects in the design which may have been his responsibility.

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Chapter 23. Municipal Officers and Employees.

Article
1. Borough Assembly (§§ 29.23.010—29.23.100)
2. Borough Executive and Administrator (§§ 29.23.130—29.23.180)
3. City Council (§§ 29.23.200—29.23.220)
4. City Executive and Administrator (§§ 29.23.240—29.23.290)
5. School Boards (§ 29.23.310)
6. Utility Boards (§ 29.23.340)
7. Other Officers and Employees (§§ 29.23.360—29.23.401)
8. Adoption or Repeal of Manager Plan (§§ 29.23.410—29.23.480)
9. Miscellaneous Provisions (§§ 29.23.500—29.23.580)

Article 1. Borough Assembly.

Section
10. General power
20. Composition, apportionment, and reapportionment
30. [Repealed]
40. Regular term of office
50. Qualifications
60. Procedure
70. Departments
80. Assembly vacancies
90. [Repealed]
100. [Repealed]

HB 384

Sec. 29.23.010. General power. The legislative power of a borough is vested in the assembly. (§ 2 ch 118 SLA 1972)

Establishment of department and procedures for exercise of areawide power. — The establishment of a department and of standards and procedures to be used in the exercise of an areawide power is a task for the borough assembly, in which is vested the general legislative power. 1962 Op. Att'y Gen., No. 9.

The borough assembly may set up a board of health as an advisory board and be substantially guided by such a board of health in its exercise of the public health power, as long as the borough assembly is the body finally expressing the public health power. 1962 Op. Att'y Gen., No. 9.

Borough chairman cannot serve on borough assembly. — To permit the borough chairman to serve on the borough assembly would constitute a clear violation of this section, and would violate the common law prohibition against holding incompatible offices. 1963 Op. Att'y Gen., No. 27.

But positions of borough assemblyman and school board representative can be served concurrently. — A person elected to the positions of borough assemblyman and borough school board could properly exercise the powers, privileges and duties of both offices concurrently. 1963 Op. Att'y Gen., No. 27.

Sec. 29.23.020. Composition, apportionment, and reapportionment. (a) The assembly shall be composed of the number of members and be apportioned in a manner set out in the incorporation petition approved by the voters or, if a borough is already incorporated, the assembly shall be composed and apportioned in a manner prescribed by charter or ordinance. Assembly composition and apportionment, including voting procedures based on the apportionment, may be prescribed in any manner consistent with the equal representation standards of the Constitution of the United States.

(b) Within six months of October 14, 1972, and thereafter within six months of the official report of a federal decennial census and issuance of any supplementary data to the report necessary to

establish population distribution within the borough, the ass shall

(1) determine and declare by resolution whether the existi assembly apportionment meets the standards designated under (a) of this section;

(2) if the existing apportionment does not meet the designated standards, provide by ordinance for reapportionment and, if it chooses, changes in assembly composition, in accordance with the designated standards;

(3) submit the ordinance to borough voters for approval or rejection as provided in (c) of this section.

(c) The vote on an ordinance submitted under (b) (3) of this section shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and the home rule cities of the borough. The other classification shall consist of all votes cast in the remaining areas of the borough. In order for the ordinance to be approved it must receive majority approval in each classification. If, at the end of the time period prescribed in (b) of this section, no ordinance has been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards designated in (a) of this section.

(d) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide for its reapportionment and, if it chooses, a change in assembly composition, whenever, on the basis of federal census reports or other reliable population data, it determines that the existing apportionment does not meet the standards for apportionment designated in (a) of this section. The assembly is required to determine whether the standards are being met upon petition of 50 borough voters. The petition must include reliable evidence that the existing apportionment of the assembly does not meet the designated standards. Reapportionment under this section shall be implemented by ordinance or by act of the Department of Community and Regional Affairs in the same manner as prescribed for reapportionment in (c) of this section.

(e) Members of the assembly are selected according to assembly composition and apportionment set out in the incorporation petition approved by the voters or subsequently provided in accordance with this section. A change in assembly composition or apportionment under this section shall be effective beginning with the next regular election to the assembly.

(f) Assembly or Department of Community and Regional Affairs determinations or reapportionments made under this section are subject to judicial review. The running of time periods specified

in (b) of this section shall be tolled until a final judgment is rendered in an action brought under this subsection.

(g) This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 12 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Cross reference.—See Editor's note to AS 29.18.120.

Effect of amendments. — The first 1972 amendment rewrote this section.

The second 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the last sentence of subsections (c) and (d), and in the first sentence of subsection (f).

This section provides a convenient method for reapportioning whenever necessary. 1965 Op. Att'y Gen., No. 5.

It does not indicate what population data may be used by the reapportioning agency. 1965 Op. Att'y Gen., No. 5.

However, the agency may use population data other than official census figures in reapportioning seats or votes. 1965 Op. Att'y Gen., No. 5.

The only limit imposed by this section is that a reapportionment plan may not take effect until the next assembly election. 1965 Op. Att'y Gen., No. 5.

Sec. 29.23.030. Election and appointment.

Repealed by § 16 ch 118 SLA 1972.

Cross reference.—See Editor's note to AS 29.18.120.

Editor's note.—The repealed section derived from § 2, ch. 118, SLA 1972.

Sec. 29.23.040. Regular term of office. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. However, if under a borough apportionment city councilmen are appointed as assemblymen or elected to dual assembly-council seats, they may not be replaced until their assembly term expires as provided by city charter or ordinance, or they cease to be a member of either the assembly or council. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972)

Cross reference.—See Editor's note to AS 29.18.120.

Effect of amendment. — The 1972 amendment rewrote this section.

Editor's note.—Section 20, ch. 118, SLA 1972, provides: "The terms of elected officials who are incumbents on September 10, 1972, are not affected by this Act. Their terms expire as provided before enactment of this Act."

Sec. 29.23.050. Qualifications. A resident of the borough is eligible to be an assemblyman if he is a borough voter. An assemblyman who ceases to be a borough voter immediately forfeits his office. An assemblyman elected from or selected to represent a borough area less than the borough area at large and who becomes a resident of another area may continue to serve only until the next regular election. The assembly may by ordinance establish residence requirements for assemblymen not exceeding three years.

Chapter 23. Municipal Officers and Employees.

Article 1. Borough Assembly.

Sec. 29.23.010. General power.

Lack of a valid legislative body would not prevent the valid incorporation of a municipality. This conclusion is bolstered by noting that Alaska's newly-enacted Municipal Government Code has completely separated the statutes relating to the incorporation procedure from those relating to the borough's legislative body. Jefferson v. State, Sup. Ct. Op. No. 1084 (File No. 2000), 527 P.2d 37 (1974).

The incorporation of a municipality is a process both conceptually and functionally distinct from that of establishing a legislative body for that corporation. Jefferson v. State, Sup. Ct. Op. No. 1084 (File No. 2000), 527 P.2d 37 (1974).

Sec. 29.23.020. Composition, apportionment, and reapportionment.

Section supersedes home-rule enactments. — By AS 29.13.100 the legislature has specifically provided that this section supersedes existing and prohibits future home-rule enactments which provide otherwise. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Section is ambiguous as to when voter ratification of subsequent apportionment plan required. — This section is ambiguous as to whether there must be voter ratification of an apportionment plan when the existing plan has not been determined to be unconstitutional. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Such ratification is required when existing plan not found unconstitutional. — Voter ratification of a subsequent apportionment plan is required when the existing plan has not been determined to be unconstitutional. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Authority to alter apportionment, etc., when apportionment is unconstitutional. — The assembly is required to take action when it determines that the apportionment of its assembly fails to meet the standards of the equal protection clause of the United States Constitution. Under those circumstances, authorization is granted to the assembly to make changes in its composition as well as to make the necessary reapportionment. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

But section is ambiguous as to authority when apportionment not found unconstitutional. — This section is ambiguous as to whether the assembly may alter either its apportionment or composition when the existing arrangement has not been found by the assembly to be unconstitutional. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

This section may have several referents: (a) that the make-up of the assembly may initially be composed and apportioned in a manner prescribed by the charter or ordinance, (b) that there may be changes made in the composition and apportionment by charter or ordinance at any time or (c) such changes may only be made in the manner spelled out in subsections (b) and (d) of this section which mandate such changes when the assembly apportionment fails to meet equal representation standards. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

The words in subsection (a), "... If a borough is already incorporated, the assembly shall be composed and apportioned in a manner prescribed by charter or ordinance," while not ambiguous in themselves, refer to several different possible applications. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

This particular ambiguity is best resolved in favor of the assembly having the power of reapportion itself or alter its composition even when there has been no determination of unconstitutionality. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Section is ambiguous as to when election required for reapportionment. — Taking in conjunction this section's silence

as to whether an election is required for reapportionment with its silence on the power of the assembly to reapportion in the absence of a determination of unconstitutionality, the supreme court found ambiguity exists as to whether an election is required. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

The legislature intended that all reapportionment ordinances be submitted to the electorate. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Sec. 29.23.060. Procedure.

Cross reference.
As to abstaining from official action when there is a conflict of interests, see AS 29.23.555.

Article 2. Borough Executive and Administrator.

Section
130. Power generally

Sec. 29.23.130. Power generally.

(b) A borough voter is eligible to be borough mayor. The assembly may by ordinance establish residence requirements for candidates for borough mayor not exceeding three years.

(e) A borough adopting a manager plan may, by agreement with a city, enter into a contract providing for the manager of a city located within the borough to serve also as borough manager. A city adopting a manager plan may, by agreement with a borough, enter into a contract providing for the manager of a borough within which the city is located to serve also as city manager. Appointment and service of the manager shall be as otherwise provided for managers in §§ 130 — 150 and §§ 450 — 470 of this chapter. Nothing in this subsection affects the authority of the assembly or council to provide for other dual officeholding if the dual offices held are compatible or otherwise to appoint officers and employees in accordance with law.
(am § 1 ch 6 SLA 1975; am § 1 ch 63 SLA 1976)

Effect of amendments. — The 1975 amendment, effective February 17, 1975, added subsection (e).

The 1976 amendment added the second sentence of subsection (b).

As the rest of the section was not affected by the amendments, it is not set out.

Article 3. City Council.

Section
200. Composition, eligibility, election and term

Presented by: Committee of The Whole
Introduced: 07-20-78
Referred to:
Public Hearing: 08-03-78

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU ALASKA

Serial No. 78-25

AN ORDINANCE ESTABLISHING PROCEDURES FOR THE REAPPORTIONMENT OF ASSEMBLY SEATS AND DETERMINING THE ELECTION OF CANIDATES IN MULTI-MEMBER DISTRICTS

Section 1. This ordinance is of a general and permanent nature and shall become a part of the city and borough code.

Section 2. City and Borough of Juneau Title 11 is amended by adding a new chapter 30 reading as follows:

CHAPTER 11.30
ASSEMBLY REAPPORTIONMENT

Section 010. Definitions. (a) "Adequate census" shall be the decennial census of the United States or such other similar, comprehensive census or data as may be performed or collected more frequently by the United States, the state or the municipality which has been determined by the assembly by motion to indicate that there is a representational disparity between assembly districts of greater than 15% and to be an adequate basis for establishing appropriate districts. Except for the United States decennial census, census data must be less than 2 years old when presented to the assembly or when filed with the clerk if filed as a part of a petition under section 30.

(b) "Commission" shall be the commission appointed by the assembly or the court as provided in this chapter for the purpose of reapportioning the assembly.

(c) "Date of the determination of an adequate census" and similar terms mean the day upon which the assembly determines that a report of population distribution within the city and borough and/or other data or materials constitute an adequate census as defined in section 10 of this chapter or is the date of its receipt at a regular or special meeting of the findings, conclusions and order of the court under section 30 (c) of this chapter.

(d) "Employee of the municipality" includes all persons whose salary is paid out of appropriations made by the assembly.

Section 020. Voluntary Census Determination. The assembly may, on its own motion or the request of any resident or local organization, consider whether a designated report of

population distribution and/or other data constitutes an adequate census as defined in section 10 of this chapter.

Section 030. Census Determination Upon Petition. (a) Upon the receipt of a valid petition signed by municipal voters equal to 25% of those who voted in the last regular municipal election requesting the assembly determine certain population and/or other data to be a census as defined in section 10 of this chapter, the assembly shall, within 30 days of receipt of the petition hold a public hearing on the question and at the same or a later meeting determine whether the material accompanying the petition and any other material presented at the hearing or any combination of materials before the assembly constitutes an adequate census as defined in section 10 of this chapter.

(b) If within 60 days of the receipt of a valid petition, the assembly has not made a final determination of whether the materials before it constitute an adequate census as defined in section 10 of this chapter or if the assembly has determined that such materials do not constitute an adequate census, one or more persons who signed the petition may appeal to the Superior Court the assembly's negative determination or its failure or refusal to decide. The question on appeal shall be whether the population report and other materials filed with the petition, and offered at the hearing if a hearing was held, constitute an adequate census as defined in section 10 of this chapter.

(c) If the court finds in favor of the appellants, it shall enter its findings of fact and conclusions of law and shall order reapportionment to proceed under the ordinance as if the assembly itself had determined the relevant materials constitute an adequate census as defined in section 10 of this chapter.

(d) No petition shall be valid unless it contains sufficent signatures which conform to the requirements for signatures for city and borough initiative and referendum petitions. The petition shall be filed with the clerk and shall be accompanied by all materials and data which the petitioners believe constitute an adequate census. The data and materials need not accompany the petitions while being circulated for signatures. Signatures must be gathered within 6 months of the date of filing. No petition shall be valid if filed with the clerk within 4 years of an election at which a reapportionment was implemented. Each page of the petition shall contain a petition request reading substanially as follows: "The undersigned qualified municipal voters petition the Assembly of the City and Borough of Juneau to determine that the materials and data filed with this petition show a representational disparity between assembly districts of greater than 15% and that the materials and data are also an adequate basis for establishing appropriate districts and otherwise meet the requirements of an adequate census as

defined in City and Borough of Juneau Ordinance CBJ 11.30 and that the assembly proceed with reapportionment."

Section 040. Assembly Reapportionment. The assembly shall cause to be introduced an ordinance reapportioning the assembly in accordance with the standards provided in this chapter within 90 days of the date of determination of an adequate census.

Section 050. Appointment of Reapportionment Commission by Assembly. The assembly shall appoint a reapportionment commission immediately upon:

(1) The failure of the assembly to introduce a reapportionment ordinance within 90 days of its determination of an adequate census, or

(2) the failure of the assembly to adopt a reapportionment ordinance within 120 days after its determination of an adequate census, or

(3) a determination by the assembly that it should be reapportioned by a commission.

Section 060. Appointment of Reapportionment Commission by Court. The Superior Court having jurisdiction over the city and borough of Juneau may appoint a reapportionment commission upon the petition of any resident of the city and borough and upon a showing that:

(1) the assembly has failed or refused, for any reason, to introduce a reapportionment ordinance within 90 days of the determination of an adequate census or to adopt a reapportionment ordinance within 120 days of such determination, or

(2) the effect of an adopted reapportionment ordinance has been suspended or defeated by recision, reconsideration or other act of the assembly during the 30 day period between the adoption of the ordinance and the date upon which it becomes effective and such suspension or defeat has continued more than 180 days after the determination of an adequate census.

Section 070. Reapportionment Commission Composition, Functions and Duties. (a) The reapportionment commission appointed by the assembly or by the court under this chapter shall consist of three persons who are qualified municipal voters, none of whom may be an employee of the municipality or a member of the assembly or any municipal commission, committee or board created by ordinance, charter or statute. The commission shall meet within 30 days of the appointment of the third member and shall elect from its membership a chairman, vice-chairman, and secretary and shall adopt rules of procedure to govern the conduct of its meetings.

(b) The manager or his designee shall provide all support needed for the commission in the execution of its duties. Costs incurred by the commission shall be borne by the municipality. All purchases of goods and services in support of commission activities shall be accomplished by the manager or his designee in accordance with applicable ordinances. The assembly, by resolution, may provide for the payment of an honorarium, per diem, or compensation to members of the commission.

(c) The commission shall, within 90 days of its first meeting, adopt and transmit to the assembly, a resolution for the reapportionment of the assembly. The resolution shall be accompanied by a comprehensive report by the commission supporting its plan, which summarizes the public testimony before the commission, and which addresses the factors considered by the commission in reaching its decision. The commission shall hold at least one public hearing to receive public suggestions for reapportionment schemes prior to its proposing a plan and shall hold at least one public hearing for the purpose of receiving public comment on the reapportionment plan proposed by the commission. The first public hearing on the proposed reapportionment plan shall be held not less than two weeks nor more than four weeks after the publication by the commission of its proposed reapportionment plan and notice of the hearing. After the first public hearing on the proposed reapportionment plan, the commission may, by resolution, adopt its proposed plan with or without modification.

(d) Unless extended by the assembly by motion, the term of the commission shall expire 15 days after receipt by the assembly of both the reapportionment resolution and report adopted by the commission.

Section 080. Status of Commission Reapportionment Plan. (a) The reapportionment plan adopted by resolution by the commission shall be deemed to be an assembly-instituted plan, whether the commission is appointed by the assembly or the court.

(b) The assembly may change a commission adopted plan only by ordinance.

Section 090. Effective Date of Reapportionment. (a) A reapportionment by ordinance shall become effective on the day the ordinance takes effect.

(b) A reapportionment by commission shall become effective upon the date the commission delivers its reapportionment resolution and report to the assembly at a regular or special assembly meeting.

(c) If a reapportionment plan must be reviewed and approved by an agency of the State of Alaska or the United States before such reapportionment may take effect, the assembly shall cause the reapportionment ordinance or resolution and supporting data to be submitted to the appropriate agency immediately upon assembly adoption or receipt. Notwithstanding paragraphs (a) and (b) of this section, a reapportionment subject to state or federal review shall not take effect until the day of the meeting at which the assembly receives notice of agency approval or the day the assembly determines the agency no longer has authority to disapprove the reapportionment or it is otherwise deemed by agency inaction to be approved.

(d) A reapportionment which has become effective shall be implemented at the next regular municipal election at which assemblymen are elected which occurs 90 or more days after the reapportionment becomes effective and which is not less than the fifth regular election following the last election at which a reapportionment was implemented.

Section 100. Reapportionment Standards, Methods and Goals. (a) Reapportionment shall be for assemblyman residency purposes only. Election of assemblymen shall be at large.

(b) The assembly or commission shall give consideration to the following factors when establishing a reapportionment plan:

(1) overall population distribution, which shall be the primary factor and which shall be utilized to insure that the one person one vote standard applicable to such municipal apportionment is met,

(2) available demographic factors which affect voter behavior shall be utilized to insure that the voting strength of racial and political elements of the voting population are not minimized or cancelled out,

(3) the policy expressed by the voters in adopting a charter for the unification of all local governments in 1970,

(4) clarity of boundaries,

(5) the geographic extent of different local government functions and concerns and the extent of common municipal interests to insure that each assembly district is compact, contiguous and contains a population with common municipal interests and concerns; provided, compactness and contiguity need not exist where it is shown that common municipal interests are better served by combining areas which are not compact or are not contiguous,

(6) boundaries of historically recognized or newly developed communities within the city and borough,

(7) other appropriate factors.

(c) Reapportionment may be accomplished by the creation of new districts, the creation of one or more multi-member districts, the deletion of existing districts, the modification of existing district boundaries, or any combination of the foregoing.

Section 110. Content of Plan. A reapportionment plan, whether by ordinance or commission resolution, shall,

(1) describe the boundaries of each district,

(2) designate the number of seats to which residents of each district are to be elected, and

(3) designate the length of the initial term for each seat in order to minimize and make more uniform the number of seats open for election within the entire city and borough and within multi-member districts at any subsequent election.

Section 120. Effect of Plan on Incumbents. The term of an assemblyman representing a district which will be changed in size or shape or which will lose one or more seats shall end on the date of the election at which the reapportionment plan is implemented. The addition of one or more seats to a district which will not be changed in size or shape shall not affect the term of an incumbent elected from that district.

Section 3. CBJ 29.05.060 is hereby repealed and reenacted to read as follows:

CBJ 29.05.060 Candidate Districts. (a) School board candidates shall run and be elected at large.

(b) Candidates for the office of mayor shall run and be elected at large.

(c) Candidates for the office of assemblyman shall be elected at large but shall be residents of the district from which they run.

(d) In any election of school board members or any election of assembly members involving a multi-member district, the candidates receiving the highest number of votes shall be deemed elected to the vacant seats. If vacancies exist on the school board or within a multi-member assembly district for seats with different terms, the candidate receiving the

highest number of votes shall be deemed elected to the seat with the longest term and the candidate who was elected with the fewest number of votes shall be deemed elected to the seat with the shortest term; seats for other terms of different lengths shall be similarly determined in accordance with the number of votes received.

Adopted this 3rd day of August, 1978.

W. D. Quenteer
Mayor

Attest:

Elmer J. Emery
Clerk

Presented by: C.O.W.
Introduced: 1-4-79
Referred to:
Public Hearing:

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 79-1

AN ORDINANCE AMENDING CBJ 11.10.030
TO REAPPORTION THE SEATS ON THE ASSEMBLY

WHEREAS, the assembly, by Ordinance 78-25, has established a procedure for the reapportionment of assembly seats, and

WHEREAS, the assembly has examined the current voter registration records of each precinct within the City and Borough of Juneau, an extrapolation of population from such figures and an estimate of population made from other sources by the Planning Department of the City and Borough of Juneau, and

WHEREAS, the assembly, on December 21, 1978 determined that the data therein constitutes an adequate census as defined in CBJ 11.30.010 and

WHEREAS, the assembly deems it appropriate to reapportion itself by ordinance, and

WHEREAS, the assembly has considered the standards, methods and goals of reapportionment as set forth in CBJ 11.30.100 and finds that the standards will be best met and an appropriate balance of the goals expressed therein will be achieved by retaining the existing election district boundaries and moving one seat from District No. 1 to District No. 3,

NOW THEREFORE BE IT ENACTED by the assembly of the City and Borough of Juneau, Alaska:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the city and borough code.

Section 2. Amendment of Section. CBJ 11.10.030(b) is amended to read as follows:

> (b) Other assemblymen shall be elected at large by the qualified voters of the municipality and shall each be residents of individual districts as follows:
>
> > (1) Three assemblymen shall be residents of District No. 1;

(2) One assemblyman shall be a resident of District No. 2;

(3) Four assemblymen shall be residents of District No. 3;

Section 3. Amendment of Section. CBJ 11.10.030(c) is amended to read as follows:

(c) the term of office of the Mayor and other assemblymen shall be three years and shall begin immediately following the certification of the election at which they were elected; provided, at the election at which the reapportionment set forth in Ordinance Serial No. 79-1 is implemented, in District No. 1, one seat shall be for an initial term of one year, one seat shall be for an initial term of two years and one seat shall be for an initial term of three years; the new seat in District No. 3 shall be for an initial term of three years.

Section 4. Addition of New Section. There is adopted a new section CBJ 11.10. 030(d) reading as follows:

(d) The boundaries of the election districts shall be as follows:

(1) District No. 1 consists of the former City of Juneau including West Juneau.

(2) District No. 2 consists of all of Douglas Island which is not a part of District No. 1.

(3) District No. 3 consists of the remaining area within the boundaries of the City and Borough of Juneau.

Section 5. Renumbering of Existing Section. Existing section CBJ 11.30.030(d) is renumbered as (e).

Adopted this 18th day of January, 1979.

Mayor

Attest:

Clerk

C&RA

BILL WORK SHEET

BILL NO. HB384 re Composition Apportionment of Borough Assembly

Received from _____
Referred to Judiciary

Original Sponsor _____
Fiscal Note _____

LAA Legal Research Contact Chenoweth ✓

CONTACTS:

✓ Branson
✓ Malone
✓ Parker
✓ C+RA
✓ Municipal League

HB
417

PHONE 586-2128
OR 586-2501

DR. ROY A. BOX and DR. GILBERT H. KEMP
OPTOMETRISTS
611 WILLOUGHBY AVENUE • JUNEAU, ALASKA 99801

March 23, 1979

Rep. Parker, Chairman
Community & Regional Affairs
Pouch V
Juneau, Alaska 99811

Re: House Bill 417

Dear Rep. Parker:

I'd like to make a suggestion concerning an amendment on H.B. 417, relating to state shared revenues for support of medical and dental services in rural areas etc. A better title for the bill might be "Relating to An Act Relating to State Shared Revenues for the Support of Health Care Services in Rural Areas." The reason for this suggested title change is that many health care services are provided by practitioners other than physicians and dentists. My profession is a prime example of this and if this bill were enacted with the present language it would deprive citizens in these areas of the services of an optometrist. I'd also like to suggest that on page 2, line 16, define health care provider as a person licensed to provide health care in the state of Alaska. This would also allow doctors of optometry and other licensed health care practitioners to provide services under this legislation. If the writers of the legislation intended for just medical and dental services, then it would be my suggestion that these services be limited to conditions that are not treated by other health care providers. If this is the case, it would seem that the legislation is short sighted because one of the most common problems in remote areas of Alaska is the lack of adequate vision care services. The P.H.S. has put two optometrists on their staff in the past ten years to help alleviate this situation and an optometrist is now on the staff of the Yukon Kuskokwim Health Corp. also as an attempt to help alleviate this very serious problem. I would be interested in the progress of this bill and would appreciate it if you could give me a call at my office at 586-2501, if and when hearings are to be held. Thank you for your consideration.

Yours very truly,

Roy A. Box, O.D.

RAB:jc

cc: Rep. Miller & Rep. Duncan

COMMUNITIES IN THE UNORGANIZED BOROUGH

	HOME RULE	FIRST CLASS	SECOND CLASS	UNINCORPORATED	POPULATION	
1				ADAK	?	
2				AGUIKCHUK	?	
3			AKIACHAK		354	
4			AKIAK		192	
5			AKOLMIUT		608	
6				AKULURAK	?	
7				AKUTAN	68	
8				ALAGANIK	?	
9			ALAKANUK		533	
10			ALEKNAGIK		227	
11			ALLAKAKET		216	
12			AMBLER		273	
13				ANANDALE	?	
14			ANDERSON VILLAGE		470	
15			ANGOON		527	
16			ANIAK		355	
17				ANOGOK	?	
18			ANVIK		102	
19				ARCTIC VILLAGE	120	
20				ATKA	90	
21			ATMAUTLUAK		186	
22				ATTU	?	
23				BEAVER	85	
24				BELKOFSKI	25	
25			BETHEL		3,608	+++
26				BETTLES	84	
27				BIG DELTA	?	
28				BOUNDARY	?	
29			BREVIG MISSION		194	
30			BUCKLAND		176	
31				CALDER	?	
32				CANDLE	4	
33				CANTWELL	150	
34				CAPE FANSHAW	?	
35				CAPE POLE	250	
36				CAPE YAKATAGA	?	
37				CARO	?	
38				CENTRAL	20	
39				CHALKYITSIK	92	
40				CHANDALAR	?	
41			CHEFORNAK		204	
42				CHENEGA	?	
43			CHEVAK		461	
44				CHICHAGOF ISLAND	?	
45				CHICKEN	?	
46				CHIGNIK	68	
47				CHIGNIK LAKE	68	
48				CHISANA	?	
49				CHISTOCHINA	180	
50				CHITINA	84	
51				CHOMLY	?	
52				CHRISTIAN	?	
53			CHUATHBALUK		119	
54				CIRCLE	76	
55				CIRCLE HOT SPRINGS	10	
56			CLARKS POINT		98	
57				COLD BAY	128	
58				COPPER CENTER	384	
59	CORDOVA				2,780	+++
60				COUNCIL	15	

62			CROOKED CREEK	125
63		DEERING		117
64		DELTA JUNCTION		892
65			DIAMOND	?
66	DILLINGHAM			1,360
67		DIOMEDE		125
68			DISHKAKAT	?
69			DOT LAKE	266
70			DUNBAR	?
71			DUTCH HARBOR	?
72		EAGLE		124
73			EDNA BAY	?
74		EEK		307
75			EGAVIK	?
76			EGEGIK	100
77			EKUK	18
78		EKWOK		111
79			ELFIN COVE	55
80		ELIM		288
81			EMANGUK	?
82		EMMONAK		556
83			EUREKA LODGE	?
84			EVANSVILLE	?
85			FALSE PASS	50
86			FAREWELL	?
87			FERRY	?
88			FLAT	61
89			FORT GLEN	?
90		FORT YUKON		637
91		FORTUNA LEDGE		210
92			FUNTER	?
93			GAKONA	85
94	GALENA			631
95		GAMBELL		447
96			GEORGETOWN	?
97			GLENNALLEN	494
98			GOLDEN	?
99		GOLOVIN		118
100		GOODNEWS BAY		248
101		GRAYLING		181
102			GULKANA	58
103			GUSTAVUS	70
104			HAWK INLET	?
105			HAYCOCK	?
106			HEALY	300
107			HERENDEEN BAY	?
108			HOG RIVER	?
109			HOLOGACHAKET	?
110		HOLY CROSS		302
111	HOONAH			1,093
112		HOOPER BAY		648
113		HUGHES		98
114		HUSLIA		216
115	HYDABURG			380
116			HYDER	55
117			IDITAROD	?
118			IGIAK	?
119			IGUIGIG	52
120			IGUSHIK	?
121			ILIAMNA	204
122			INGER	?
123			ITULILIK	?
124			IVANOF BAY	26
125			JACK WADE	?
126	KAKE			679

128			KALLA	?	
129		KALSKAG (LOWER)		218	
130		KALSKAG (UPPER)		164	
131		KALTAG		257	
132			KANATAK	?	
133			KANTISHNA	?	
134			KARHEEN	?	
135		KASAAN		46	
136			KASHEGELOK	?	
137			KASHIAGAMIUT	?	
138			KASKANAK	?	
139			KATALLA	?	
140		KIANA		331	
141			KINEGAK	?	
142	KING COVE			566	
143			KIPNUK	387	
144		KIVALINA		227	
145	KLAWOK			323	
146		KOBUK		176	
147			KOGGIUNG	?	
148			KOKRINES	?	
149			KOLIGANEK	141	
150			KONGIGANAK	193	
151		KOTLIK		305	
152		KOTZEBUE		2,526	+++
153		KOYUK		160	
154		KOYUKUK		124	
155			KULIUK	?	
156		KUPREANOF		42	
157			KUSKOVAK	?	
158			KVICHAK	?	
159		KWETHLUK		444	
160			KWIGAMIUT	?	
161			KWIGILLINGOK	194	
162			KWIKPAK	?	
163			LATOUCHE	?	
164			LEVELOCK	98	
165			LIME VILLAGE	45	
166			LIVENGOOD	100	
167			LONG	?	
168			LOWER TONSINA	?	
169			MANLEY HOT SPRINGS	74	
170		MANOKOTAK		250	
171			MCCARTHY	?	
172		MCGRATH		382	
173			MCKINLEY PARK	100	
174			MEAKERVILLE	?	
175			MEDFRA	17	
176		MEKORYUK		186	
177			MENTASTA LAKE	152	
178	* METLAKATLA			1,119	
179			MEYERS CHUCK	48	
180			MILLER HOUSE	?	
181			MILLERS CAMP	?	
182			MINTO	150	
183		MOUNTAIN VILLAGE		573	
184			NABESNA	?	
185			NABESNA VILLAGE	?	
186			NAPAIMUIT	?	
187		NAPAKIAK		307	
188		NAPASKIAK		215	
189			NATION	?	
190			NELSON LAGOON	?	
191	NENANA			503	
192			NEW ILIAMNA	?	

194			NEWHALEN		105	
195			NEWTOK		154	
196			NIGHTMUTE		135	
197			NIKOLAI		152	
198				NIKOLSKI	55	
199				NIZINA	?	
200				NOATAK	280	
201				NOGAMUT	?	
202		NOME			2,892	+++
203			NONDALTON		226	
204			NOORVIK		524	
205				NORTHEAST CAPE	?	
206				NORTHWAY	?	
207				NORTHWAY JUNCTION	?	
208				NUCHEK	?	
209			NULATO		382	
210				NUNCHUAK	?	
211				NUSHAGAK	?	
212				NYAC	?	
213				OLD RAMPART	?	
214				OPHIR	?	
215				PAVLOFF HARBOR	?	
216				PAXSON	391	
217				PEDRO BAY	38	
218		PELICAN			221	
219				PERRYVILLE	90	
220	PETERSBURG				3,197	+++
221				PIKMIKTALIK	?	
222				PILGRIM SPRINGS	?	
223				PILOT POINT	60	
224			PILOT STATION		301	
225				PITKAS POINT	88	
226			PLATINUM		58	
227				POORMAN	?	
228			PORT HEIDEN		89	
229				PORT MOLLER	51	
230				PORT NELLY	?	
231				PORT SAN JUAN	?	
232				PTARMIGAN	?	
233				PUGUVILLAK	?	
234			QUINHAGEK		451	
235				RAMPART	60	
236				RAMPART HOUSE	?	
237				RAPIDS	?	
238				RED DEVIL	47	
239				REINDEER STATION	?	
240			RUBY		219	
241			RUSSIAN MISSION		167	
242				SAINT GEORGE ISLAND	?	
243		SAINT MARYS			436	
244			SAINT MICHAEL		283	
245			SAINT PAUL ISLAND		522	
246				SALMON	?	
247				SANAK	?	
248		SAND POINT			773	
249			SAVOONGA		409	
250			SCAMMON BAY		193	
251				SCOW BAY	?	
252			SELAWIK		554	
253				SERPENTINE HOT SPRINGS	?	
254			SHAGELUK		223	
255			SHAKTOOLIK		163	
256			SHELDON POINT		143	
257				SHEMYA	?	
258			SHISHMAREF		353	

260			SINUK	?	
261	SKAGWAY			877	
262			SLANA	?	
263			SLEETMUTE	175	
264			SOLOMON	?	
265			SOURDOUGH	?	
266			SQUAW HARBOR	20	
267		STEBBINS		326	
268			STERLING	1,250	
269			STEVENS VILLAGE	80	
270			STONEY RIVER	70	
271			STUYDHOK	?	
272			SUMDUM	?	
273			SUNTRANA	100	
274			TACHIKUGA	?	
275			TAKOTNA	50	
276			TANACROSS	128	
277			TANALIAN POINT	?	
278		TANANA		499	
279			TATITLEK	69	
280			TAYLOR	?	
281		TELLER		258	
282		TENAKEE SPRINGS		134	
283			TETLIN	107	
284			TETLIN JUNCTION	?	
285			THORNE BAY	500	
286		TOGIAK		455	
287			TOK	735	
288			TOKEEN	60	
289			TOKLAT	?	
290		TOKSOOK BAY		336	
291			TONGASS	?	
292			TONSINA	?	
293		TULUKSAK		231	
294			TUNTUTULIAK	221	
295		TUNUNAK		299	
296			TWIN HILLS	82	
297			TYEE	?	
298			UGASHIK	?	
299		UNALAKLEET		632	
300	UNALASKA			619	
301			UNGA	?	
302			UNIMAK ISLAND	?	
303			USIBELLI	100	
304	VALDEZ			4,481	+++
305			VENETIE	130	
306			VENETIE LANDING	?	
307		WALES		130	
308			WATERFALL	15	
309		WHITE MOUNTAIN		115	
310		WHITTIER		356	
311			WISEMAN	?	
312			WOODCHOPPER	?	
313	WRANGELL			3,152	+++
314	YAKUTAT			442	

Prepared by:
Legislative Affairs Agency

MAR 2 3 1979

Research Division

* ORGANIZED UNDER FEDERAL LAW
+++ POPULATION >= 2000 AND <= 7500
TOTAL POPULATION IN UNORGANIZED BOROUGH = 69,415
(1) OPERATIONS ON ALL COMMUNITIES IN UNORGANIZED BOROUGH

(1) OPERATIONS ON ALL COMMUNITIES IN UNORGANIZED BOROUGH

HB
429

(7)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

March 27, 1979 Date: _____

Mr. Speaker:

The Committee on C&RA has had HB 429

"An Act relating to the levy of property taxes by municipalities; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[x] replace with CS for HB 429 [x] same title [ ] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[illegible]

[illegible]

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

Do Not Pass Margaret Brown

Do Not Pass [illegible]

Charles [illegible] No Rec

Fred [illegible] Do Not Pass

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 4/27/79

COMMITTEE MINUTES

BILL NUMBER AND TITLE: HB429 HB429 Relating to the levy of propoerty taxes by municipalities;

ORIGINAL SPONSOR : Phillips

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Randy Phillips, Sponsor
Reviews provisions of bill and need for it. Suggests that is be amended on SB 137.

Metcalfe suggests rewriting by striking Lines 10-16.

Marilyn Miller, Municipal League
Opposed to bill. There is sufficient opportunity for public imput now The deadlines would hold up the process.

Don Argetsinger, Dept. of C&RA
Budget process provides for adequate opportunity for imput now. Opposes burdening the municipalities further.

Mark up done on bill. CS to be drafted.

COMMITTEE ACTION: Bill passed out with above noted changes in CS.

TAPE # 8 SIDE 1 Sections 1241-1565

C&RA

BILL WORK SHEET

BILL NO. HB429 re Levy of Property Taxes by Municipalities

Received from _____
Referred to _____

Original Sponsor _____
Fiscal Note _____

LAA Legal Research Contact _____

CONTACTS:

✓ Phillips 4949

Introduced: 3/27/79
Referred: Community & Regional Affairs and Judiciary

IN THE HOUSE BY PHILLIPS

HOUSE BILL NO. 429

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the levy or property taxes by municipalities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.53.170(b) is amended to read:

(b) The manager of a borough which has adopted a manager plan, or the mayor of a borough which has not adopted a manager plan, shall, on or before May 15, present to the assembly an estimate of the tax rate which, if applied to the value of taxable property within the borough during the current assessment year, would yield the same amount of revenue received from the levy and collection of ad valorem taxes during the preceding assessment year. A tax rate which is higher than the estimated tax rate presented by the mayor or manager may be imposed only if the assembly first advertises its intention to impose the higher tax rate by mailing to every owner of real property in the borough a notice of the proposed higher tax rate which describes the reasons for or purpose of the higher tax rate, provides notice of the time and place of a hearing on the proposed budget, and gives the name of the assembly member from the district in which the property owner resides. The assembly shall annually determine the rate of levy before June 15. By July 1 the tax collector shall mail tax statements setting out the levy, dates when taxes are payable and delinquent, and penalties and interest.

* Sec. 2. This Act takes effect January 1, 1981.

HB
574

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

C&RA Committee hearing HB 574 January 28, 1980

Pappy Moss, witness	Mr. Moss said his bill was asking for an addition of a 20 X 40 storeroom for a crisis center. He said that Delta Junction had several fires lats year where the people were "burnt out," and that the community need to have a storage facility for there belongings. Moss said he hoped to finish the building by the end of the construction season this year.
Parr	Mr. Parr wanted to know the population of Delta Junction.
Moss	Mr. Moss said the population of the town was about 800; 3,052 people lived in the area. He added that there were 100 senior citizens that would be served by the community center.
Parr	Mr. Parr asked if Delta Junction was a first or second class city.
Moss	Mr. Moss thought it wassseconд class. He said there had been many problems trying to organize the borough, and thought the interim study had done some good. Said the potential for DJ was tremendous.
Parr	Mr. Parr wanted to know what structures Delta Jct. had either paid for or owned.
Moss	Mr. Moss said none, that the community had no tax structure, but that local labor had been used in construction.
Metcalfe	Mr. Metcalfe said he thought it would be a good idea to hold the requested funds out as a "carrot" to convince the people to organize as a borough.
Moss	"I'm sure the infinate wisdom of this committee will prevail."

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

HB 574----2

Parr	Mr. Parr noted th[illegible]e money for the facility should co[illegible] from the office of the aging.
Palmer McCarter, C&RA	Mr. McCarter said that it boiled down to the fact that this was one of 56 capitol improvement projects passed last year, and the money was needed to get the building off the ground...needed to make it whole. He said that at one time the plan had been to pay off the architect and go to a pre-engineered building. McCarter said he was concerned there was no local money going in, but if additional funds were needed, he strongly supported it.
Parr	Mr. Parr wondered if the architect wasn't ripping the community off. He noted payment was for $37,500, yet he thought standard pmt. was 15%. The amount was more than the standard architect fee.
O"Connell	Mr. O'Connell said he wouldn't object to giving the money, but wanted to find out if cash was being squandered on the architect.
Moss	Moss said he would find out about that.
Branson	Mrs. Branson expressed concern that the plan for the building would change a few more times.
Moss	Mr. Moss said he didn't think that would happen. He said he would provide the committee with the information it needed: architect fee, plans, sq.footage, and the background of the project.

City of Delta Junction

Box 229

Delta Junction, Alaska 99737

The North End of the Alaska Highway

January 14, 1980

Representative Pappy Moss
District 19
Pouch V
Juneau, Alaska 99811

Dear Pappy;

Per our telephone conversation of today (January 14, 1980) the city is submitting the following list for consideration for FY81.

Multi-purpose facility $75,000.00
Senior/youth activities

1. addition 20x40 to house crisis center store room (this is for persons who are burnt out and other disasters.
2. garage for 2 vehicles, plus tool stall and arctic enterance.
3. vehicle for seniors (van for transportation of persons) plus radio (CB/VHF) and storage fuel tank.

Library $10,000.00

1. arctic enterance and replace front door.
2. storm windows and storm door for back.
3. repair railing on back door.
4. insulate underneath building and wrap pipes.
5. pressure check all pipes a plumbing and repair leaks.
6. antifreeze in heating system.
7. alarm system for low temperatures.
8. library book shelving.
9. typewriter.

Park $50,000.00

1. fencing (900 ft).

2. bleachers (2 sets)
3. back stop (baseball) 2 each.
4. maintenance equipment (mower, bush cutters etc.).
5. construction of restrooms.
6. cement slab for concession stand (14x60).
7. clearing.
8. baseball diamond, hockey rink, picnic area and exercise path.

Streets $100,000.00

1. new construction.
2. upgrading and improvements
3. streets signs (name).

Sanitary landfill site $30,000.00

1. fencing (state requires fencing around new site) for 40 acres.

Cemetery $20,000.00

1. clearing and improving.

The total the city is requesting is $300,000.00. Your help in these areas would be greatly appreciated. We all know how much you have helped us to date and thank you.

Sincerely

Estelle Schrumpf
city clerk

ROBERT H MACHADO
Mile 1414 Alaska Highway
Delta Junction, Alaska 99737

Representative H "Pappy" Moss
Delta Junction

Nov 7, 1979

As a non-elected spokesman for your constituents in this area, I have a few items for your consideration, and perhaps legislation, if you choose. As you know, I am on the building committee for the Delta Seniors, and am the President of the Delta Historical Society. My comments are after research into the subjects covered:

1. Planning for the Community Recreation Building is well under way--before construction starts, the Architect, Charles Bettisworth, requires $37,500 to firm up plans and for insurance. His first sketch was for a single-floor slab-on-grade building, which cannot be built here, due to the base gravel lying seven feet under river silt of poor compaction quality. This means that a basement is required, and expenditure of more money than provided in your line-itemed funding. May we try for another $75,00? This would repay the architect fees, and give $37,500 toward the basement, and perhaps a garage, which would be used for a Senior Citizen Bus, if you could get that at a later time.

2. You attended a meeting on the treatment of the Bison Range, and Bison in the area--during which many citizens stated the irresponsible overlooking of the Delta Land Management Agreement by Bob Palmer, in placing Agricultural Project Lands on the South side of the Alaska Highway, where it would interfere with the proper management of Bison Migration within the refuge. Unit A of the Barley Project is South of the Highway--I wrote Governor Hammond about this, and suggested that Mr Walsky be transplanted to 2,000 acres ON the Barley Project. Another transgression is planned in the same manner, but this time by Bob La Rocche, who is disposing of 1200 acres to the public, but only TWO 600 acre farms--South of the Highway, Known as the "Six Creeks area" for sale soon. May I suggest that it be revised in to smaller plots for the red-meat potential of feed-lotting, but not the possibility of turning this into Barley Project, and thus shutting out the bison herd one more time?

3. Reference Rika's Landing, which has been proceeding toward restoration. Part of the plans the Historical Society had was the building of a boat landing and ramp just North of the Roadhouse. A safer area would be provided for launching, due to the extreme speed of the Tanana River at the Bridge where the present Public Area is located--if a motor were to malfunction in the first fourteen (14) seconds, the boat can be crushed against the bridge footings. It was with this in mind that the Rika location was promulgated. The State is proceeding with restoration feasibility studies under the Direction of Bob Mitchell, but funds will be needed forthe Landing, and more cleanup before the Site can be opened to the Public as a Historical Site and the Ramp and Picnic Grounds could be used to partially support the enterprise.

4. Question could be raised as to the hiring practices of the Delta Coop and the Barley Project. Out-of-State persons have been selected, and no local advertising for positions made, which precludes the opportunity for local hire of talent which does exist in this area.

Thank you for consideration,

Robert H Machado

HB
580

(7)

COMMITTEE REPORT

HOUSE

(1/21/80)

FURTHER: FINANCE

Date: 21 Mar 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 580

"An Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for HB 580 [ ] same title [ ] new title

and recommends it do pass

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
[illegible]	[illegible]
[illegible]	[illegible]
Roy [illegible]	[illegible] Do Not Pass
	[illegible] Pass

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

0067

Proposed Amendment CSHB 580

Add a new subsection at the end of Sec. 44.17.100 as follows:

The failure of a state agency to comply with the requirements of this section does not invalidate an action taken or proposed to be taken by a state agency.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Marjorie Gorsuch MG
DATE: 3/22/80
RE: Committee Substitutes

Jack,

The Committee has approved the work draft copies of CSHB 886, CSHB 581 as prepared. Please have them run off as finals.

Also approved was the work draft for CSHB580 with the following change

p. 2 Line 8 Change 120 days to 180 days

p. 2 Lines 22-25 Eliminate this (b)

p. 3 Line 11 Eliminate "or the commissioner may request proposals on his own initiative"

p. 7 Lines 28 & following
There was a question of whether or not this wording was necessary and if (b) on p. 8 lines 3-8 didn't suffice?

p. 2 Lines 11-14 Change to "The commissioner shall, upon request, hold public hearings in each of the regional educational attendance areas and may, after such hearings establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29,03.011.
The rest of this section p. 2 lines 14-21 would remain as in CS.

WO 7657
Chenoweth

Original sponsor: Rules/Legislative Council

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

IN THE HOUSE

CS FOR HOUSE BILL NO. 580

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to unorganized boroughs, establishing unorganized boroughs, establishing a program of planning assistance for unorganized boroughs, authorizing adoption of home rule charters by unorganized boroughs, and directing submission of recommendations concerning adjustment of the boundaries of service areas of the unorganized borough; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. PURPOSE. The legislature finds that the single unorganized borough of the state has proven unworkable in accommodating demands from its residents for change and recognizes that a more systematic approach to the planning and delivery of services for residents of this area is necessary. In providing, in this Act, for identifying a common set of boundaries by which to subdivide the state's single unorganized borough into multiple unorganized boroughs, it is the purpose of the legislature to extend the opportunity to residents of unorganized boroughs to assist in planning and program development by

(1) preparing regional planning studies; and

(2) broadening the range of methods by which residents may incorporate a regional government.

* Sec. 2. INTENT. In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to

regions within unincorporated areas be made only within the boundaries for unorganized boroughs established under AS 29.03.011 - 29.03.021, added by sec. 3 of this Act.

* Sec. 3. AS 29.03 is amended by adding new sections to read:

Sec. 29.03.011. ESTABLISHMENT OF UNORGANIZED BOROUGHS. Except as the boundaries are adjusted as provided in AS 29.03.021, the geographic area within each regional educational attendance area established under AS 14.08.031 is, effective 120 days after the effective date of this Act, established as an unorganized borough.

Sec. 29.03.021. ADJUSTMENT OF BOUNDARIES BY COMMISSIONER. (a) The commissioner of community and regional affairs shall, after public hearings in regional educational attendance areas, establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29.03.011. In making adjustments, the commissioner shall consider

(1) the standards applicable to the incorporation of boroughs under AS 29.18.030;

(2) the regional boundaries adopted by the Native regional corporations established under the Alaska Native Claims Settlement Act; and

(3) census divisions of the state used for the 1980 census.

(b) The commissioner of community and regional affairs may not establish boundaries so that an unorganized borough includes territory within more than one Native regional corporation established under the Alaska Native Claims Settlement Act.

* Sec. 4. AS 44.47 is amended by adding a new section to read:

Sec. 44.47.085. ASSISTANCE FOR REGIONAL PLANNING PROGRAMS IN THE UNORGANIZED BOROUGH. (a) The commissioner may contract with a municipality, a group of municipalities, or one or more [nonprofit

corporations organized under the laws of the state, to prepare a regional planning program for an unorganized borough.

(b) The commissioner may contract for the preparation of only one regional planning program for each unorganized borough. The commissioner may contract only if he is satisfied that the party with whom he contracts is capable of preparing a regional planning program that considers the entire population of the unorganized borough.

(c) A municipality, group of municipalities, or one or more nonprofit corporations interested in preparing a regional planning program for an unorganized borough may ask the commissioner to request proposals or the commissioner may request proposals on his own initiative. The residents of an unorganized borough may petition the commissioner to request proposals for preparation of a regional planning program, and the commissioner shall request proposals if the petition is signed by a number of qualified voters equal to not less than 15 percent of the number of votes cast in the unorganized borough at the last state general election.

(d) A request for proposal made under this section shall be advertised. The advertisement of a request for a proposal for the preparation of a regional planning program for the unorganized borough shall outline the work to be completed, and contain other information which the commissioner believes will inform the public of the work to be completed under the contract, and which will assist him in evaluating proposals received. The commissioner shall advertise for a period of not less than 45 days by public notice announcements provided to newspapers and radio and television stations.

(e) After receiving the proposals for preparation of a regional planning program, the commissioner shall evaluate them. The commissioner may refuse all proposals and readvertise, or may accept a pro-

posal and enter into a contract as provided in (f) of this section.

(f) A contract entered into under this section shall

(1) require that the regional planning program include

(A) an analysis and recommendations concerning incorporation of a borough government for all or a portion of the unorganized borough;

(B) an evaluation of the economic development potential of the unorganized borough;

(C) a recommendation concerning capital facility needs of the unorganized borough;

(D) an examination of demographic, social and environmental factors affecting the unorganized borough;

(E) an examination of

(i) interrelationships among the regional educational attendance area, the coastal resource service area, and any other regional entity responsible for services in the unorganized borough; and

(ii) the interrelationships between the governments of cities within the unorganized borough and regional entities listed in (i) of this subparagraph; and

(F) a process for implementing the recommendations made as part of the regional planning program;

(2) provide

(A) a mechanism for securing public participation in the regional planning program;

(B) that the regional planning program be completed not later than the June 30 following the third anniversary of the date of the contract; and

(C) that payment for work performed under the contract

is subject to legislative appropriation to the account established in (g) of this section.

(g) There is established in the Department of Community and Regional Affairs the unorganized borough regional planning account. The account shall be administered by the commissioner and shall be used to pay for contracts entered into under this section.

(h) During each fiscal year, the commissioner may not pay to a contractor under a contract authorized by this section more than $25,000 plus $25 per capita for each person residing within the unorganized borough for which the regional planning program is to be prepared, as determined by the commissioner.

(i) In this section, "unorganized borough" means a subdivision established under AS 29.03.011 - 29.03.021.

* Sec. 5. AS 29 is amended by adding a new chapter to read:

CHAPTER 19. DIRECT INCORPORATION OF A HOME RULE BOROUGH.

Sec. 29.19.010. INCORPORATION. (a) The residents of an unorganized borough established in accordance with AS 29.03.011 - 29.03.021 may apply for the incorporation of a home rule borough. The petition for borough incorporation shall be filed with the Department of Community and Regional Affairs and shall include the information and signatures required by AS 29.18.050. Petitions for incorporation filed under this section shall be processed, reviewed and determined in accordance with AS 29.18.060 - 29.18.090.

(b) A petition submitted under (a) of this section shall

(1) specify the number of members of the charter commission, but the number of members may not exceed 15;

(2) describe the manner of election of members of the charter commission; if election is to be by district, a description of the boundaries of each district shall be included in or attached to the

petition;

(c) If the petition submitted under (a) of this section requests election of charter commission members on a basis other than at large within the unorganized borough, the manner of election of the members of the commission shall conform to standards applicable to the composition and apportionment of legislative bodies which are imposed by art. I, sec. 1 of the state constitution.

(d) The standards applicable to the incorporation of an organized borough under art. X, sec. 3 of the state constitution and AS 29.18.030 apply to the incorporation of an unorganized borough under this section.

Sec. 29.19.020. CHARTER ELECTION. (a) If the Local Boundary Commission accepts the petition filed under AS 29.19.010, it shall immediately notify the lieutenant governor. Within 30 days after notification, the lieutenant governor shall order an election within the proposed home rule borough to determine whether the voters will elect a charter commission, and to determine the persons elected to serve on the charter commission.

(b) Charter commission candidates are nominated by petition signed by at least 50 registered voters residing within the unorganized borough. The lieutenant governor shall allow not less than 20 or more than 30 days during which candidates for the charter commission may present nominating petitions.

(c) The election on the question of election of a charter commission and the determination of persons elected to serve on the charter commission shall be held not less than 60 or more than 75 days after the date of the election order.

Sec. 29.19.030. PREPARATION OF CHARTER. (a) If, at the election called by the lieutenant governor under AS 29.19.020, a majority of the voters favors election of a charter commission, the persons receiving

the highest number of votes cast at that election constitute the charter commission. The charter commission shall prepare a proposed charter and submit it to the Department of Community and Regional Affairs within one year of the first meeting of the charter commission. The commissioner of community and regional affairs shall review the proposed charter for compliance with laws applicable to home rule municipalities and, if it complies, request the lieutenant governor to submit the proposed borough incorporation petition and proposed home rule charter to residents of the proposed home rule borough. If the proposed charter does not comply with law, the commissioner of community and regional affairs shall return the proposed charter to the charter commission with a statement of the legal deficiencies.

(b) Within 90 days of the receipt of the statement of the commissioner of community and regional affairs indicating that the proposed home rule charter does not comply with law, the charter commission may prepare and submit to the commissioner an amended charter which meets the objections to the original proposed charter.

(c) Only one original and one amended charter may be submitted to the commissioner of community and regional affairs under this section.

Sec. 29.19.040. RATIFICATION OF CHARTER. The lieutenant governor shall order an election on the question of whether the unorganized borough shall be incorporated as a home rule borough in accordance with the charter approved by the commissioner of community and regional affairs. The proposed charter shall be posted throughout the proposed borough by the lieutenant governor before the election is held. The election shall be held not less than 60 or more than 90 days following the election order.

Sec. 29.19.050. RESULTS OF RATIFICATION ELECTION. (a) If a majority of the votes cast by the qualified voters of the proposed

borough is against the incorporation of a borough under the proposed home rule charter, the proposal is defeated.

(b) If a majority of the votes cast by the qualified voters of the proposed borough favors incorporation of the borough under the proposed home rule charter, the lieutenant governor shall declare that the unorganized borough in which the election was held is incorporated as an organized borough and a municipal corporation in accordance with the provisions of the home rule charter. The lieutenant governor shall provide for the election of the officers provided for in the charter.

(c) The election and qualification of officers under (b) of this section shall be completed by the lieutenant governor in accordance with AS 29.18.120 and the provisions of the home rule charter of the borough.

Sec. 29.19.060. RESUBMISSION OF CHARTER. If a proposed charter is rejected, the charter commission shall prepare, adopt and submit a second proposed charter to the voters within one year of the date of the charter election held under AS 29.19.040. If the second proposed charter is rejected, the charter commission is dissolved.

Sec. 29.19.070. VOTERS, ELECTIONS, COSTS, AND VACANCIES. (a) A person is qualified to vote in an election authorized by AS 29.19.010 - 29.19.060 if he is qualified to vote in state elections and if he is a resident of the unorganized borough proposed for incorporation as a home rule borough.

(b) The lieutenant governor shall conduct elections authorized by AS 29.19.010 - 29.19.060 substantially in the manner provided in the Alaska Election Code (AS 15.05 - 15.60), and shall certify the results of all elections under this chapter. Costs of elections under this chapter shall be paid by the office of the lieutenant governor.

(c) Costs of charter preparation under this chapter shall be paid by the Department of Community and Regional Affairs.

(d) The commissioner of community and regional affairs shall appoint a registered voter of the unorganized borough for which a charter is being prepared to fill a vacancy occurring on the charter commission established under this chapter.

Sec. 29.19.080. APPLICABILITY OF TRANSITIONAL PROVISIONS. The provisions of AS 29.18.130 - 29.18.180 apply to home rule boroughs incorporated under this chapter.

Sec. 29.19.090. STATUS OF HOME RULE BOROUGHS. (a) A home rule borough incorporated under this chapter may exercise all powers granted a first class borough.

(b) For purposes of acquisition of areawide powers, the provisions of AS 29.38.010 apply to a home rule borough incorporated under this chapter unless otherwise specifically provided in the charter of the borough.

* Sec. 6. AS 29.03.010 and 29.03.020 are repealed.

* Sec. 7. UNORGANIZED BOROUGH SERVICE AREAS. (a) The commissioner of education shall recommend to the legislature, not later than January 31, 1981, whether changes should be made in the boundaries of a regional educational attendance area organized under AS 14.08 to conform the boundaries of the regional educational attendance area to an unorganized borough of which it is a part.

(b) The Alaska Coastal Policy Council shall recommend to the legislature, not later than January 31, 1981, whether changes should be made in the boundaries of an existing coastal resource service area organized under AS 46.40 to conform the boundaries of the coastal resource service area to an unorganized borough of which it is a part.

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Original sponsor: Rules/Legislative Council

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 580

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to unorganized boroughs, establishing unorganized boroughs, establishing a program of financial assistance for the preparation of regional plans by unorganized boroughs, permitting adoption of home rule charters by unorganized boroughs, and directing submission of recommendations concerning adjustment of the boundaries of service areas of the unorganized borough; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. PURPOSE. The legislature finds that the single unorganized borough of the state has proven unworkable in accommodating demands from its residents for change and recognizes that a more systematic approach to the planning and delivery of services for residents of this area is necessary. In providing, in this Act, for identifying a common set of boundaries by which to subdivide the state's single unorganized borough into multiple unorganized boroughs, it is the purpose of the legislature to extend the opportunity to residents of unorganized boroughs to assist in planning and program development by

(1) preparing regional plans; and

(2) broadening the range of methods by which residents may incorporate a regional government.

* Sec. 2. INTENT. In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to

regions within unincorporated areas be made only within the boundaries for unorganized boroughs established under AS 29.03.011 - 29.03.021, added by sec. 3 of this Act.

* Sec. 3. AS 29.03 is amended by adding new sections to read:

Sec. 29.03.011. ESTABLISHMENT OF UNORGANIZED BOROUGHS. Except as the boundaries are adjusted as provided in AS 29.03.021, the geographic area within each regional educational attendance area established under AS 14.08.031 is, effective 180 days after the effective date of this Act, established as an unorganized borough.

Sec. 29.03.021. ADJUSTMENT OF BOUNDARIES BY COMMISSIONER. The commissioner of community and regional affairs may establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29.03.011. If requested by residents of an unorganized borough, the commissioner shall hold at least one public hearing within each regional educational attendance area before establishing boundaries for unorganized boroughs under this section. In establishing boundaries under this section, the commissioner shall consider

(1) the standards applicable to the incorporation of boroug under AS 29.18.030;

(2) the regional boundaries adopted by the Native regional corporations established under the Alaska Native Claims Settlement Act and

(3) census divisions of the state used for the 1980 census.

* Sec. 4. AS 44.47 is amended by adding a new section to read:

Sec. 44.47.085. ASSISTANCE FOR REGIONAL PLANS IN THE UNORGANIZED BOROUGH. (a) The commissioner may contract with a municipality, a group of municipalities, or one or more regional Native corporations organized as nonprofit corporations under the laws of the state to

prepare a regional plan for an unorganized borough.

(b) The commissioner may contract for the preparation of only one regional plan for each unorganized borough. The commissioner may contract only if he is satisfied that the party with whom he contracts is capable of preparing a regional plan that considers the entire population of the unorganized borough.

(c) When a municipality, group of municipalities, or one or more regional Native nonprofit corporations proposes to prepare a regional plan for an unorganized borough, the commissioner shall request proposals for preparation of a regional plan. The residents of an unorganized borough may petition the commissioner to request proposals for preparation of a regional plan, and the commissioner shall request proposals if the petition is signed by a number of qualified voters equal to not less than 15 percent of the number of votes cast in the unorganized borough at the last state general election.

(d) A request for proposal for preparation of a regional plan for an unorganized borough made under (c) of this section shall be advertised. The commissioner shall advertise for a period of not less than 45 days by public notice announcements provided to newspapers and radio and television stations. The advertisement of a request for a proposal for the preparation of a regional plan shall

(1) invite a municipality, group of municipalities or regional Native nonprofit corporation to submit a proposal for the preparation of a regional plan;

(2) outline the work to be completed; and

(3) contain other information which the commissioner believes will inform the public of the work to be completed under the contract, and which will assist him in evaluating proposals received.

(e) After receiving the proposals for preparation of a regional

plan, the commissioner shall evaluate them. In evaluating the proposals, the commissioner may request advice from residents of an unorganized borough for which the regional plan is proposed. The commissioner may refuse all proposals and readvertise, or may accept a proposal and enter into a contract as provided in (f) of this section.

(f) A contract entered into under this section

(1) shall require that the regional plan include

(A) an analysis and recommendations concerning incorporation of a borough government for all or a portion of the unorganized borough;

(B) an evaluation of the economic development potential of the unorganized borough;

(C) a recommendation concerning capital facility needs of the unorganized borough;

(D) an examination of demographic, social and environmental factors affecting the unorganized borough;

(E) an examination of

(i) interrelationships among the regional educational attendance area, the coastal resource service area, and any other regional entity responsible for services in the unorganized borough; and

(ii) the interrelationships between the governments of cities within the unorganized borough and regional entities listed in (i) of this subparagraph; and

(F) a process for implementing the recommendations made as part of the regional plan;

(2) shall provide

(A) a mechanism for securing public participation in the preparation of the regional plan;

(B) that the regional plan be completed not later than the June 30 following the third anniversary of the date of the contract; and

(C) that payment for work performed under the contract is subject to legislative appropriation to the account established in (g) of this section;

(3) may permit the contractor to subcontract parts of the work to be performed to one or more subcontractors.

(g) There is established in the Department of Community and Regional Affairs the unorganized borough regional planning account. The account shall be administered by the commissioner and shall be used to pay for contracts entered into under this section.

(h) During each fiscal year, the commissioner may not pay to a contractor under a contract authorized by this section more than $25,000 plus $25 per capita for each person residing within the unorganized borough for which the regional plan is to be prepared, as determined by the commissioner.

(i) In this section, "unorganized borough" means a subdivision established under AS 29.03.011 - 29.03.021.

* Sec. 5. AS 29 is amended by adding a new chapter to read:

CHAPTER 19. DIRECT INCORPORATION OF A HOME RULE BOROUGH.

Sec. 29.19.010. INCORPORATION. (a) The residents of an unorganized borough established in accordance with AS 29.03.011 - 29.03.021 may apply for the incorporation of a home rule borough. The petition for borough incorporation shall be filed with the Department of Community and Regional Affairs and shall include the information and signatures required by AS 29.18.050. Petitions for incorporation filed under this section shall be processed, reviewed and determined in accordance with AS 29.18.060 - 29.18.090.

(b) A petition submitted under (a) of this section shall

(1) specify the number of members of the charter commission, but the number of members may not exceed 15; and

(2) describe the manner of election of members of the charter commission; if election is to be by district, a description of the boundaries of each district shall be included in or attached to the petition.

(c) If the petition submitted under (a) of this section requests election of charter commission members on a basis other than at large within the unorganized borough, the manner of election of the members of the commission shall conform to standards applicable to the composition and apportionment of legislative bodies which are imposed by art. I, sec. 1 of the state constitution.

(d) The standards applicable to the incorporation of an organized borough under art. X, sec. 3 of the state constitution and AS 29.18.030 apply to the incorporation of an unorganized borough under this section

Sec. 29.19.020. CHARTER ELECTION. (a) If the Local Boundary Commission accepts the petition filed under AS 29.19.010, it shall immediately notify the lieutenant governor. Within 30 days after notification, the lieutenant governor shall order an election within the proposed home rule borough to determine whether the voters will elect a charter commission, and to determine the persons elected to serve on the charter commission.

(b) Charter commission candidates are nominated by petition signed by at least 50 registered voters residing within the unorganized borough. The lieutenant governor shall allow not less than 20 or more than 30 days during which candidates for the charter commission may present nominating petitions.

(c) The election on the question of election of a charter com-

mission and the determination of persons elected to serve on the charter commission shall be held not less than 60 or more than 75 days after the date of the election order.

Sec. 29.19.030. PREPARATION OF CHARTER. (a) If, at the election called by the lieutenant governor under AS 29.19.020, a majority of the voters favors election of a charter commission, the persons receiving the highest number of votes cast at that election constitute the charter commission. The charter commission shall prepare a proposed charter and submit it to the Department of Community and Regional Affairs within one year of the first meeting of the charter commission. The commissioner of community and regional affairs shall review the proposed charter for compliance with laws applicable to home rule municipalities and, if it complies, request the lieutenant governor to submit the proposed borough incorporation petition and proposed home rule charter to residents of the proposed home rule borough. If the proposed charter does not comply with law, the commissioner of community and regional affairs shall return the proposed charter to the charter commission with a statement of the legal deficiencies.

(b) Within 90 days of the receipt of the statement of the commissioner of community and regional affairs indicating that the proposed home rule charter does not comply with law, the charter commission may prepare and submit to the commissioner an amended charter which meets the objections to the original proposed charter.

Sec. 29.19.040. RATIFICATION OF CHARTER. The lieutenant governor shall order an election on the question of whether the unorganized borough shall be incorporated as a home rule borough in accordance with the charter approved by the commissioner of community and regional affairs. The proposed charter shall be posted throughout the proposed borough by the lieutenant governor before the election is held. The

election shall be held not less than 60 or more than 90 days following the election order.

Sec. 29.19.050. RESULTS OF RATIFICATION ELECTION. (a) If a majority of the votes cast by the qualified voters of the proposed borough favors incorporation of the borough under the proposed home rule charter, the lieutenant governor shall declare that the unorganized borough in which the election was held is incorporated as an organized borough and a municipal corporation in accordance with the provisions of the home rule charter. The lieutenant governor shall provide for the election of the officers provided for in the charter.

(b) The election and qualification of officers under (a) of this section shall be completed by the lieutenant governor in accordance with AS 29.18.120 and the provisions of the home rule charter of the borough.

Sec. 29.19.060. RESUBMISSION OF CHARTER. If a proposed charter is rejected, the charter commission shall prepare, adopt and submit a second proposed charter to the voters in accordance with AS 29.19.030 - 29.19.050. The second proposed charter shall be submitted to the voters within one year of the date of the charter election held under AS 29.-19.040. If the second proposed charter is rejected, the charter commission is dissolved.

Sec. 29.19.070. VOTERS, ELECTIONS, COSTS, AND VACANCIES. (a) A person is qualified to vote in an election authorized by AS 29.19.010 - 29.19.060 if he is qualified to vote in state elections and if he is a resident of the unorganized borough proposed for incorporation as a home rule borough.

(b) The lieutenant governor shall conduct elections authorized by AS 29.19.010 - 29.19.060 substantially in the manner provided in the Alaska Election Code (AS 15.05 - 15.60), and shall certify the results of all elections under this chapter. Costs of elections under this

chapter shall be paid by the office of the lieutenant governor.

(c) Costs of charter preparation under this chapter shall be paid by the Department of Community and Regional Affairs.

(d) The commissioner of community and regional affairs shall appoint a registered voter of the unorganized borough for which a charter is being prepared to fill a vacancy occurring on the charter commission established under this chapter.

Sec. 29.19.080. APPLICABILITY OF TRANSITIONAL PROVISIONS. The provisions of AS 29.18.130 - 29.18.180 apply to home rule boroughs incorporated under this chapter.

Sec. 29.19.090. STATUS OF HOME RULE BOROUGHS. (a) A home rule borough incorporated under this chapter shall exercise all powers required of a borough under AS 29.33.

(b) For purposes of acquisition of areawide powers, the provisions of AS 29.38.010 apply to a home rule borough incorporated under this chapter unless otherwise specifically provided in the charter of the borough.

* Sec. 6. AS 29.03.010 and 29.03.020 are repealed.

* Sec. 7. UNORGANIZED BOROUGH SERVICE AREAS. (a) The commissioner of education shall recommend to the legislature, not later than January 31, 1981, whether changes should be made in the boundaries of a regional educational attendance area organized under AS 14.08 to conform the boundaries of the regional educational attendance area to an unorganized borough of which it is a part.

(b) The Alaska Coastal Policy Council shall recommend to the legislature, not later than January 31, 1981, whether changes should be made in the boundaries of an existing coastal resource service area organized under AS 46.40 to conform the boundaries of the coastal resource service area to an unorganized borough of which it is a part.

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Arliss Sturgulewski
FROM: Rep. Bill Parker
DATE: 2/12/80
RE: HB 580, HB 582

* In addition to the points covered in the attached memo, the Committee raised the following issues for discussion:

HB 580

* p. 3 Lines 7-29 This section was questioned in general. It was felt that in every instance in the bill, reference should be made to the legislature rather than to the Legislative Council (see p. 3 line 10). The section should be rewritten to direct that the Governor review requests from state agencies for exemptions to AS 44.17.110. The legislature would then be empowered to override such exemptions and modifications.

* The repealers are to be checked with legislative legal staff.

* After discussion of the census lines, it was determined that mention should be made of these boundaries, along with those of the ANCSA, on page 2.

* Use of the term "substantially" (p. 6 line 17) was questioned. McCarter suggested that this was legally applied as there may be technical difficulties in complying with all the requirements of the election code if there are no election clerks in the areas.

HB 582

* If the term "may" (p. 2 line 26) is changed to "shall", the reference to housing (p. 3 line 1) should be eliminated.

* p. 2 lines 5-6. The legal meaning of the term "advertise" will be checked to see if it is adequate and "by any means which he believes will provide adequate notice etc." will be eliminated.

HB 583-586 will be reviewed Feb. 13

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RICHARD W. GARNETT, III
THOMAS F. KLINKNER
JAMES BENDELL

February 21, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

RE: Local Government Study
Legislation

Dear Arliss:

I have reviewed with great interest the legislation resulting from the local government study that you co-chaired. I believe that the legislation your committee has proposed, which I have seen in the form of House Bills 580-586, successfully addresses deficiencies in the State's municipal law that were pointed out during the course of the committee's study. As one who has had some experience practicing municipal law in Alaska, I believe that the amendments proposed in these bills make important improvements in the statutes governing Alaska's municipalities. If passed, these bills will create a better statutory framework for both urban and rural local government, affording needed flexibility to meet unique community needs.

I also would like to offer the following comments and suggestions regarding the specifics of these bills. These address technical matters which, I believe, may be resolved easily while preserving the desirable policy thrust of the legislation as proposed.

HB 580

29.03.021--If the commissioner adjusts boundaries, when does the establishment of an unorganized borough that is the subject of such an adjustment become effective? Some languge positively declaring the establishment of unorganized boroughs with adjusted boundaries, similar to that in 29.03.011, might be helpful.

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44.17--A specific requirement that districting be reflected, to the extent feasible, in agency budgets commencing with a specified fiscal year, might help move the districting process along.

29.19.020--What are the requirements for the nominating petitions referred to in this section? They might be made analogous to those in AS 29.13.020.

29.19.030--What happens if the commission fails to complete a charter in one year, or if it fails to modify a proposed charter within 90 days of rejection by the commissioner of community and regional affairs. If such a failure terminates the existence of the commission and its authority to act, the statute should so specify.

Disputes may arise as to whether particular charter provisions conform to state law. Several cases (for example, the one involving the Anchorage Charter's Notice of Claims Provision) have been litigated over this issue. A provision in Chapter 29.19 providing for judicial review of a charter rejection, the parties who may seek such review, and the procedure after such review has been completed, would be helpful.

29.19.040--Should there be a time limitiation for the ordering of an election after it has been requested by the commissioner of community and regional affairs?

29.19.070--This section may cause problems. Stating that the referenced sections apply may be interpreted to mean that other statutes not mentioned do not apply-for example, the part of AS 29.18 pertaining to land selection.

HB 585

As 29.08.010 also should be amended to read:

> A home rule municipality is a municipal corporation and political subdivision and is an organized borough [of the first class] or a city of the first class which has adopted a home rule charter. It has all legislative powers not prohibited by law or charter.

Since both first and second class boroughs may adopt a charter rule under this bill (and under HB 530, too, as I

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will discuss below), AS 29.08.010 should be consistent with that change.

STATUS OF HOME RULE BOROUGHS CREATED UNDER HB 580 OR 585

The creation of home rule boroughs under either bill creates a conceptual problem. While this problem in no way detracts from the substantive merits of this legislation, it should be addressed, and one of several policy solutions adopted.

Title 29 presently provides for first and second class boroughs. The principal distinction between them arises in AS 29.38, which specifies how first and second class boroughs, respectively, exercise non-areawide powers. First class boroughs are authorized to exercise any general law municipal power on a non-areawide basis, AS 29.38.010. Second class boroughs are limited to those powers conferred at incorporation, by AS 29.48.020, or approved at an election, AS 29.38.020-050. The labeling of a borough as "first class" or "second class" is basically shorthand for this distinction.

As HB 580 and 585 now stand, a home rule borough formed under either of those bills need not conform to the first class/second class borough distinction in AS 29.38. A new borough charter could adopt as its authority to exercise non-areawide powers one of the alternatives specified in AS 29.38, or develop its own approach, for example, by making the exercising of some, but not all non-areawide powers subject to voter approval. All of these options are open because AS 29.38 does not govern home rule boroughs, see AS 29.13.100. Since Title 29 refers throughout to "first and second class boroughs", it is important that the types of boroughs that may be created (a policy question) and the title's nomenclature (a housekeeping matter that should be resolved after the policy has been determined), be consistent.

There are several possible approaches to this problem:

1. Require each new home rule borough formed under HB 580 or HB 585 to designate itself either a first class or second class borough, by adopting the corresponding authority to exercise non-areawide powers under AS 29.38.

2. The same as (1) above, but in addition specify that a home rule borough formed under HB 585

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remains a second class borough governed by AS 29.38.020-050.

3. Provide that home rule boroughs formed under HB 580, HB 585, or both, may determine by charter the scope of their authority to exercise non-areawide powers, and are not limited to the two options provided in AS 29.38.

If (1) or (2) above is adopted, the present nomenclature is sufficient. If (3) is adopted, references to "first and second class boroughs" must be modified to take account of the hybrid home rule boroughs that may be created. In this case, if the legislation abolishing third class boroughs passes, a reference to "organized boroughs" would be sufficient. In the classification of boroughs there would be three distinct classes: home rule, first class, and second class.

Thank you for your consideration.

Yours truly,

Thomas F. Klinkner

Thomas F. Klinkner

TFK:pac

John Halterman, Deputy Director
Div. of Policy Development & Planning

February 15, 1980

J-66-464-80

AVRUM M. GROSS
ATTORNEY GENERAL

By:
Rodger W. Pegues
Assistant Attorney General

HB 580, unorganized boroughs and state agencies

This responds to your request for comments on HB 580, relating to unorganized boroughs and state agencies. Our comments follow:

1. AS 29.03.021 refers to an indefinite, undefined "commissioner." Its imprecision makes it a fitting precursor of the things to come.

2. AS 44.17.110 requires "agencies" (whatever that means, the University? the judiciary? ASHA?) to administer their "programs" (whatever that means, activities? goals? budgets?) on the "basis of" (whatever that means, pursuant to? in accordance with? coterminus with? by?) "districts," a superfluous and ultimately confusing synonym for organized boroughs, unorganized boroughs, and unified municipalities. The districts will bear only a partial relationship to many agency activities and no relationship to others. Any reporting, programming, planning, or coordinating on this basis will be correspondingly incomplete, misleading, and wasteful. Worse, because humans are rationalizing animals, bureaucrats will try to rationalize their agency's activities with the bill's requirements for administration on the basis of the districts rather than on the basis of actual needs. If a given amount of agency activity is programmed for the Kenai, rather than for southcentral, then Kenai will get the action regardless of the need.

3. AS 44.17.120 provides for the legislature to make exemptions but does not say how. Presumably, if experience is a guide, exemptions will be made by concurrent resolution on an ad hoc basis. That is not a legislative function under the constitution. In addition, not specifying how to make an exemption raises problems of equal treatment.

4. AS 29.19.010 -- 070 provides for the incorporation of unorganized boroughs as home rule boroughs. Under the present municipal code, only first class municipalities may adopt home rule charters. A sense of symmetry (and of

[illegible] the range of methods by which residents may

fairness) commands that the good citizens of our second and third class boroughs be afforded an equal opportunity. Indeed, in Alaska, the equal protection clause may dictate that result.

The Alaska courts operate on the basic premise that laws governing the administration of government are commands which may be invoked by anyone who feels adversely affected by an agency action which is arguably not consistent with the law. E.g., United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n., 489 P.2d 140 (Alaska 1971) (standards for annexation); State v. Aleut Corp., 541 P.2d 730 (Alaska 1975)(consultation on land disposal); Coghill v. Boucher, 511 P.2d 1297 (Alaska 1973)(early count of votes). The result is that vague and indefinite statutes, such as this bill, which may or may not require an agency to do something or to refrain from doing something are imposed to prevent the agency's doing anything on totally unexpected grounds and for totally unexpected reasons. The agency cannot be sure, or even reasonably comfortable about, what it is supposed to do, but the courts will tell it.

In United States Smelting, a boundary change recommended by the Local Boundary Commission in accordance with powers vested in it by the constitution was held invalid because the commission had not adopted standards which were required by a statute but which were in no way required by the constitution. In Aleut Corp., a land sale was enjoined (even though a complaint was never filed) on the grounds that the statute required consultation with traditional tribal councils when it referred to local planning authorities. In Coghill, early release of election returns was enjoined on the grounds that it could only be authorized by regulations adopted under the Administrative Procedure Act.

Under AS 44.17.110 as proposed by this bill all the "agencies" of the state government must somehow gear their programs to the districts, i.e., to organized boroughs and unified municipalities and to the unorganized boroughs the bill would establish. What that means, no one knows. Presumably, the current land disposal program must be organized on that basis in order to plan and report on that basis. Presumably, criminal prosecutions must also be on that basis. What happens if the agency fails to comply is anyone's guess. Presumably, land disposals can be enjoined and criminal prosecutions halted. Obviously, the statistics on elections will be way out of line. Campaign disclosure and lobbyists reports will be equally so. Fish and game

statistics do not have a prayer.

The only cure for these uncertainties is either (1) make the use of districts discretionary with the agency, or (2) rewrite section 44.17.110 to be precise. The latter is impossible because no one really knows what result precisely is intended. Accordingly, it must be made a matter of discretion. If it is made discretionary, section 44.17.-120 should be eliminated. If it is not, the bill, if it passes, should be vetoed.

RWP/pjg

[illegible] the range of methods by which residents may

CSHB 580

"AN ACT RELATING TO UNORGANIZED BOROUGHS, ESTABLISHING UNORGANIZED BOROUGHS, ESTABLISHING A PROGRAM OF PLANNING ASSISTANCE FOR UNORGANIZED BOROUGHS, AUTHORIZING ADOPTION OF HOME RULE CHARTERS BY UNORGANIZED BOROUGHS, AND DIRECTING SUBMISSION OF RECOMMENDATIONS CONCERNING ADJUSTMENT OF THE BOUNDARIES OF SERVICE AREAS OF THE UNORGANIZED BOROUGH"

BOUNDARIES

The bill divides the unorganized borough into "unorganized boroughs" using the boundaries of the Regional Educational Attendance Areas (REAAs). Public hearings are held, upon request, in each REAA by the Commissioner of Community and Regional Affairs and provision is made for adjustment of the boundary lines.

REGIONAL PLANNING

Each unorganized borough is eligible for regional planning program funds to study the economic, social, and environmental conditions of the area and the interrelationships between governmental units along with an examination of the feasibility of borough organization. No one is required to either undertake a study or form a borough. $25,000 plus $25 per capita is available to each unorganized borough for each of three years for regional planning programs.

HOME RULE

Title 29 is amended allowing for the incorporation, by petition to the Local Bounday Commission, of unorganized boroughs as home rule municipalities and the adoption by vote of the people of a home rule charter. Nothing in the bill requires the incorporation of a home rule borough or borough of any class. Rather, this section broadens the options currently available to residents in the unorganized borough.

CSHB 581

"AN ACT RELATING TO THE RESPONSIBILITIES OF EXECUTIVE DEPARTMENTS OF STATE GOVERNMENT FOR CERTAIN STATE PROGRAMS"

This bill addresses certain responsibilities of executive departments important to the implementation of CSHB 580. State agencies are required to collect data and information according to unorganized borough boundaries so that regional information will be available to local people and to the legislature. Certain exemptions are permitted. State agencies are also required to conduct program planning and management according to unorganized borough boundaries to facilitate coordinated service delivery. Combinations of unorganized boroughs for program planning and management purposes are permitted. Direct service delivery costs will be made available according to unorganized borough boundaries.

The Division of Policy Development and Planning (DPDP), Office of the Governor, is required to develop a data information system to facilitate state agency data collection and retrieval. Further, DPDP is required to report to the legislature alternatives and recommendations for improving coordination in state service delivery.

Alaska's Constitution establishes the policy of maximum self government for the people. This policy has been implemented through creation of boroughs and cities in urban areas and in some rural communities. However, the vast bulk of Alaska lacks any basis for self-government, and the people do not even have the means for planning and participating in the affairs of their own region. It is this problem that provided the principal focus for the interim work of the Senate and House Community and Regional Affairs Joint Local Government Study of 1979.

Legislative proposals of the Joint Committee were derived from (1) a series of studies and analyses sponsored by the Committee, (2) a two-day symposium designed to define issues and problems and suggest policies and directions, and (3) a series of public hearings held throughout rural parts of the state.

The Joint Committee found wide consensus in favor of a maximum measure of self-determination and self-rule, and establishment of regional units throughout the state to provide a basis for planning and program coordination. At the same time, the people do not want to rush into formal governmental organization; nor do they want it mandated.

Accordingly, the Joint Committee has developed an evolutionary approach that will provide people in rural areas with the means for self-government without forcing anything upon them prematurely. Choices and initiatives are left with each region.

HB 580 and HB 581 are two of the bills developed by the Joint Committee.

Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Official Business

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CSSB 348

This bill provides for sub-state regional units, called "unorganized boroughs," to be established in the unorganized borough. The Commissioner of Community and Regional Affairs is directed, after public hearings, to determine appropriate boundaries, initially based on REAA boundary lines. Provisions are made for the adjustment of boundary lines.

Each "unor-anized borough" will be eligible for regional planning program funds to assist in determinations of the economic, social, and environmental conditions of the area and the interrelationships between governmental levels, with an examination of the potential and need for borough organization. No one is required to either undertake the study or to form a borough. The planning program and future organization, if any, is up to the local area. Each year, for 3 years, $25,000 plus $25 per capita is available to each unorganized borough for regional planning.

A new chapter is added to AS 29 which allows for incorporation, by petition to the Local Boundary Commission, of unorganized boroughs as home rule boroughs and the adoption by election of a home rule charter. Dual majority votes are required for passage of the home rule charter.

CSSB 349

This bill addresses certain responsibilities of executive departments important to the implementation of CSSB 348.

State agencies are required to collect data and information according to unorganized borough boundaries so that regional information will be available to local people and to the legislature. Certain exemptions are permitted. State agencies are also required to conduct program planning and management according to unorganized borough boundaries to facilitate coordinated service delivery. Combinations of unorganized boroughs for program planning and management purposes are permitted.

Direct service delivery costs will be made available according to unorganized borough boundaries.

The Division of Policy Development and Planning (DPDP), Office of the Governor, is required to develop a data information system to facilitate state agency data collection and retrieval. Further, DPDP is required to report to the legislature alternatives and recommendations for improving coordination in state service delivery

PEOPLES VIEW

SB 348 or HB 580 goes into effect - [illegible]

Boundaries
- Within 120 days/REAA boundaries are established creating unorganized boroughs boundaries
- Objections/or problem areas - public hearings - Commissioner C/RA can establish other boundaries

QUESTION? Any Local Boundary Commission Involvement?

Regional Planning Program

Proposal request
- Munic., a group of munic, or 1 or more nonprofits interested in preparing may ask Commissioner/C/RA to request proposal [illegible]
- Commissioner may request
- 15% voters petition request (voted in last election)

Advertising - proposal
- Commissioner C/RA - 45 or more days Advertising required.

Proposal Acceptance/Rejection
- Commissioner C/RA

NOTE: Commissioner can issue only one contract per unorganized borough
Contractor cannot receive more than $25,000 plus $25 per person in area

ABOVE TWO CAN BE MANDATED

Home Rule Borough

Petition
- filed by residents with Dept. C/RA (must specify number of members of Charter Commission - cannot be more than 15-
(must state format for election of members - if district (give boundaries) or at large (be within St. Constit. guidelines)
- if Local Boundary accepts - the L.B. C. will notify Lt. Gov.

Charter Commission
- Lt. Gov. has 30 days to order election - election must be held between 60-75 days from order.
- Charter Commission candidates submit petitions signed by 50 voters to Lt. Gov. within 20/30 days
- Election - if Charter Commission is favored, persons receiving highest no. of votes gets elected

Duties
- prepares proposed Charter and submits to C/RA within 1 year of Charter Commission (if rejected Charter Commission has 90 day days to resubmit amend. charters
- C/RA reviews proposed charter and requests Lt. Gov. / election

Election
- Lt. Gov. submits election order on proposed borough incorp. petit plus proposed home rule charter within 60-90 days
- if Charter rejected at election, get one chance for amendment - to be resubmitted within one year. Rejected again=Commissio dissolves)

Election
- officers...

FISCAL NOTES

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 21, 1980

The Honorable Bill Parker
Chairman
House Community & Regional
Affairs Committee
Room 112 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Parker:

Re: House Bill No. 580

House Bill No. 580, an Act establishing boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs, was introduced in the House on January 21, 1980 and was referred to the House Community & Regional Affairs and Finance Committees.

For the consideration of the House Community & Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Joseph K. Donohue, Deputy Commissioner, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson

R. D. Stevenson
Special Assistant

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 580 (revised fiscal note)
Title An Act establishing reorganized boroughs
Requested by Rules - Request of Legislative Council Date 3/17/80

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 17, 1980 PREPARED BY Joseph K. Donohue
AGENCY Department of Revenue
PHONE 465-2300

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

I. REQUEST

Bill/Resolution No. CSHB 580

Title An Act Establishing Unorganized Boroughs

Requested by Rules Committee (By Legislative Counsel) Date 4-9-80

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Social Services

BRU, Program, or Subprogram(s) Affected Employment Security and Administrative Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	0	0	0	0	0	0
200	TRAVEL	0	0	0	0	0	0
300	CONTRACTUAL	0	0	0	0	0	0
400	COMMODITIES	0	0	0	0	0	0
500	EQUIPMENT	0	0	0	0	0	0
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.						
	TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

ASSUMTPION

This revised Fiscal Note assumes that CSHB 581 will be passed concurrently so that problems which may develop in relating unorganized borough statistics to census divisions and REAA'S statistics can be addressed later if they arise.

IV. DATE 4-9-80

PREPARED BY James Souby

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

I. REQUEST

Bill/Resolution No. H. B. 580 and S. B. 348

Title An Act Establishing Unorganized Boroughs...and Authorizing Adoption of Home Rule Charters

Requested by Community & Regional Affairs Committee Date 1-21-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	0	154.8	167.2	180.6	125.0	210.6
200	TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300	CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400	COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500	EQUIPMENT	.0	2.0	.5	0	0	0
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	TOTAL	8.8	287.2	238.7	226.6	233.4	247.1

FUNDING (Thousands of Dollars)

GENERAL FUND	8.8	287.2	238.7	226.6	233.4	247.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2)REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7)Prince William Sound (REAA 21). It is anticipated that if this bill passes this session the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

The high travel cost during FY 81 reflects the need to administer both of the main

IV. DATE 1-21-80 PREPARED BY Doug Griffin Doug Griffin

AGENCY Community & Regional Affairs

Original: Legislative Finance PHONE 465-4736

activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

The Local Boundary Commission's involvement in the incorporation of home rule boroughs under Section 4 of this bill is not budgeted for in this fiscal note. The annual appropriation received by the LBC to perform its constitutional and statutory duties may be adequate to cover the expenses incurred due to passage of this bill. If these expenses cannot be met by the LBC's annual appropriation there should be adequate lead time to secure additional funding so that the Commission may adequately participate in the borough incorporation process.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 580 (revised fiscal note)
Title An Act establishing reorganized boroughs
Requested by Rules - Request of Legislative Council Date 3/17/80

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 17, 1980 PREPARED BY Joseph K. Donohue
AGENCY Department of Revenue
PHONE 465-2300

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

February 26, 1980

The Honorable Bill Parker
Chairman
House Community and Regional Affairs
Committee
Room 112 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Parker:

Re: House Bill No. 580

House Bill No. 580, an Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs, was introduced in the House on January 21, 1980 and was referred to the House Community and Regional Affairs Committee.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Denna Cline, Special Assistant, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson

R. D. Stevenson
Special Assistant

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 580
Title An Act establishing unorganized boroughs
Requested by Rules - Request of Legislative Council Date 2/20/80

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (~~Thousands~~ Millions of Dollars)

GENERAL FUND		(25.05)	(23.85)	(22.86)	(21.98)	(20.87)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
It may be anticipated that the residents of an unorganized borough established under this bill will apply for the incorporation of a home rule borough, especially if they are so located that they would encompass the Trans-Alaska Pipeline corridor. In this case the borough would be able to impose a substantial property tax on property assessed and taxable by the state under AS 43.56. Municipal taxes levied on this type of property are a direct credit against state taxes. It is estimated that the FY 81 loss to state revenues could potentially be $25.05 million. This analysis does not include the possible effects of a gasline startup in the early 1980's.

There are no administrative costs associated with the proposed bill for the Department of Revenue.

IV. DATE 2/20/80 PREPARED BY Dennis L Cline
AGENCY Revenue
PHONE 465-2301

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P. O. BOX 1149
JUNEAU, ALASKA 99811

February 5, 1980

Marjorie Gorsuch
Administrative Assistant
Community & Regional Affairs Committee
House of Representatives
Pouch V
Juneau, Alaska 99802

Dear Ms. Gorsuch:

Please find attached a position paper and a fiscal note which support testimony that was presented by John Post, Chief of Research and Analysis, Department of Labor, on Monday, February 4, 1980.

Thank you for the opportunity to present testimony. If you have any further questions, please contact me at 465-2700.

Sincerely,

Judy DuBois

Judy G. DuBois
Legislative Liaison

Attachments

7-G9LH

Bill No. HB 580 (SB 348) Date February 4, 1980

Title An Act Establishing Unorganized Boroughs... Contact: Judy DuBois
John Post

The Department of Labor finds no fault with the purpose of this bill. Section 2 provides for the establishment of unorganized boroughs within the geographical boundries of the rural educational attendance areas (REAAs) and the adjustment of their boundaries. The bill also requires the collection of data and information about state programs with reference to a set of boundaries adopted for use by all state agencies. (Section 3). Included is a section that authorizes the adoption of home rule charters by unorganized boroughs. (Section 4).

Currently all areas of the state not part of an organized borough are classified as a single unorganized borough. Essentially this bill allows for the subdivision of this single unorganized borough into several unorganized boroughs with the option of becoming incorporated home rule boroughs.

The area of immediate interest to the Department is Section 3, which amends AS 44.17. When combined with the Provisions of Section 2 where the Commissioner of C&RA may establish/adjust the boundaries of unorganized boroughs, the bill has the potential of disrupting critical data collection and analysis. This is not only a matter of potential file revision and duplication at great cost, but also a matter of potential invalidation of or rendering useless time series of data which are key elements in any serious evaluation or planning effort. The bill, if adopted would have serious implications for the Department.

The Department of Labor (Research & Analysis) collects and disseminates data in a geographical format based on census divisions. The boundaries for the census divisions evolved from election district boundaries and the boundaries of organized boroughs. The census areas have been reclassified for the 1980 census in a plan that treats the unorganized borough similar to that described in this bill. Each organized borough in the state will coincide with a census area while the remaining sections of the state are divided into areas and subareas based on Native corporation boundaries and REAAs. This plan was adopted by the Governor's Committee on the census in conjunction with the U.S. Census Brueau. The census area concept geographically divides the state into 23 major areas and 24 subareas. Certain data collected by the Department of Labor which is required and funded by federal agencies must be transmitted to those agencies in the census area format, i.e., ES-202 employment and earnings employer reports, labor force estimates, population figures, and others. The impact of this bill on the department would be substantial. Adoption of a new geographical classification scheme would alter the census area agreement between the Governor's Census Committee and the U.S. Census Bureau. It would be necessary to convert the geographical coding of 10,000 employer files, 50,000 UI claimant files and upwards of 60,000 job applicant files.

At a minimum, an amendment to Section 2 emphasizing correlation of boundaries with the latest Census areas and subareas (or divisions), is essential to good planning and administration over time; or an amendment to Section 3 allowing census area or subarea information (aggregated to approximate unorganized/organized boroughs) to be sufficient for reporting requirements.

POSITION PAPER/Department of Labor

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 580 (SB 348)
Title An Act Establishing Unorganized Borough
Requested by Rules Committee (by Legislative Counsel) Date 2/5/80

II. FISCAL DETAIL
Agency Affected Labor
Program Category Affected Social Services
BRU, Program, or Subprogram(s) Affected Employment Securit[illegible] and Administrative Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	-0-	81.6	-0-	-0-	-0-	-0-
200	TRAVEL	-0-	2.3	-0-	-0-	-0-	-0-
300	CONTRACTUAL	-0-	36.0	-0-	-0-	-0-	-0-
400	COMMODITIES	-0-	1.0	-0-	-0-	-0-	-0-
500	EQUIPMENT	-0	.7	-0-	-0-	-0-	-0-
600	LAND & STRUCTURES	-0-	.9	-0-	-0-	-0-	-0-
700	GRANTS, CLAIMS, ETC.						
	TOTAL	-0-	122.5	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	122.5	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	2	-0-	-0-	-0-	-0-
PART TIME	-0-	3	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Assumes an effective date of July 1, 1980.
2. Personal Services at current salary schedule (1/79).
3. One time cost, federal funding is not anticipated.
4. This estimate is for the initial boundary changes only. Subsequent changes have not been estimated

IV. DATE 2/6/80 PREPARED BY Jim Souby
AGENCY Labor
PHONE 465-2720

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

FISCAL NOTE
HB 580 (SB348)

	Employment Security		Administrative Services		
	1 of 4	2 of 4	3 of 4	4 of 4	Total
100	38,994	25,386	9,946	7,295	81,621
200	790	639	600	300	2,329
300	2,750	7,000	6,800	13,400	35,950
400	310	250	300	100	960
500	375	300	-0-	-0-	675
Other (ASHA)			600	300	900
	49,219	33,575	18,246	21,395	122,435

Totals: Employment Security 82.8
Administrative Services 39.7
122.5

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION	GOV.	APPROX	DISAPP
1	Systems Analyst II			20A	GGU	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No. / PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		
2	PFT	15							

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
3				
4	PERSONAL SERVICES: SALARY	2532 p/m	30,384	
5	BENEFITS	.1542	4,685	
6	FICA	.0665	2,020	
7	HEALTH INS.	127 x 15	1,905	
8	TOTAL PERSONAL SERVICES	01		38,994
9	TRAVEL	02		790
10	CONTRACTUAL	03		8,750
11	COMMODITIES	04		310
12	EQUIPMENT	05		375
13	OTHER			
14	TOTAL COST			49,219

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	49,219
18		I-A RCPTS. 1007	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Serv. current Salary schedule 1/79.
NPS: Cost p.p. as in 1981 Detail Budget

	'81	This form 1.½p.
Travel	639	790
Contr.	7,000	8,750
Com.	250	310
Equip.	300	375

This position will design a cross match coding system, data files and report changes to produce area statistics under provisions of AS 44.17.100. The majority of Department reports are automated. Cross coding will be required for upwards of 120,000 files.

AGENCY Labor PROGRAM AREA Employment Stabilization

BRU E.S.D.

COMPONENT Data Processing Applications

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 81

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAF
1	Employment Security Specialist I			14A	GGU	Juneau	GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE		AMOUNT
	1	2 '81	3
	PERSONAL SERVICES:		
4	SALARY 1,629	19,548	
5	BENEFITS 1542	3,014	
6	FICA .0665	1,300	
7	HEALTH INS. 127 x 12	1,524	
8	TOTAL PERSONAL SERVICES		25,386
9	TRAVEL		639
10	CONTRACTUAL		7,000
11	COMMODITIES		250
12	EQUIPMENT		300
13	OTHER		
14	TOTAL COST		33,575

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17		GEN. FUND	33,575
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Serv. current salary schedule 1/79.

NPS: Cost p.p. as in FY '81 Detail Budget

	'81	This form
Travel	639	639
Contr.	14,000	7,000
Comm.	250	250
Equip.	300	300

This position will make manual changes of 20% of all applicant files creating approximately 17,000 computer transactions to adjust the area codes for those clients for which the computer can not automatically generate new area codes.

AGENCY Labor PROGRAM AREA Employment Stabilizaiton

BRU Employment Security

COMPONENT Employment Service

13 REQUEST FOR NEW POSITION.

FY 81

REVISED DATE _____

02-1012 (Rev. 7/79)

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION	APPROV	DISAP
1	Statistical Clerk III			10A		Juneau	GOV	
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	FRIORITY	FORM 12 PAGE/LINE	LEG	
2	PFT	6						

3	TYPE OF EXPENDITURE			AMOUNT
	1		2	3
	PERSONAL SERVICES:			
4	SALARY	1,254 p/m	7,524	
5	BENEFITS	.1542	1,160	
6	FICA	.0665	500	
7	HEALTH INS.	127 x 6	762	
8	TOTAL PERSONAL SERVICES	01		9,946
9	TRAVEL	02		600
10	CONTRACTUAL	03		6,800
11	COMMODITIES	04		300
12	EQUIPMENT	05		-0-
13	OTHER			600
14	TOTAL COST			18,246

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	18,246
18		I-A RCPTS. 1007	
19		PGM RCPTS 1108	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Services: Salary Schedule eff. 3/78.

Non. Pers. Serv:

Based on NPS cost per position in the research contract FY '81 Budget.

	Cost P.P.	This Form ½
Travel	1.2	.6
Contr.	13.7	6.8
Comm.	.5	.3
Equip	---	--
Lands. Bldg.	1.2	.6
	16.6	8.3

The individual would assist in developing the detailed coding systems. Using detailed maps and lists of communities and other name places, the individual would insure accurate coding within the overall boundary scheme. Would enter data through an interactive computer terminal for those data series on the University of Alaska and consultant computers. Would give technical support to various statistic l programs such as employment, unemployment, occupational information and population, in implementing the coding revisions.

AGENCY Labor PROGRAM AREA Employment Stabilization

BRU Administrative Services

COMPONENT Research Contracts

13 REQUEST FOR NEW POSITION

FY 81

REVISED DATE _____

02-1013 (Rev. 7/79)

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION		APPROV	DISAPP
1	Labor Economist II			16A	GGU		GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 3	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY	1,888	5,664	
5	BENEFITS	.1542	873	
6	FICA	.0665	377	
7	HEALTH INS.	127 p/m	381	
8	TOTAL PERSONAL SERVICES			7,295
9	TRAVEL			300
10	CONTRACTUAL			13,400
11	COMMODITIES			100
12	EQUIPMENT			-0-
13	OTHER			300
14	TOTAL COST			21,395

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	21,395
18		I-A RCPTS 1007	
19		PGM RCPTS 1008	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Services: Salary Schedule effective 3/78.

NPS: See Page 1 of

	Cost p/p	This Form ¼	
Travel	1.2	.3	
Contr.	13.7	3.4	+ $10,000 D.P. Cost
Comm.	.5	.1	
Lands	1.2	.3	
	16.6	4.1	

The individual would be responsible for designing and developing a coding system to accomodate the expected boundary changes. Would locate places and boundaries on maps, determine program and projects affected, evaluate various coding schemes and gain comments from affected divisions and sections within the Department of Labor. Woud present alternate approaches to management for their review and decision. Would prepare a detailed data processing work request to define and justify project. Would participate in quality data processing reviews through final installation of the coding system. Would prepare a publication defining approved coding scheme.

AGENCY Labor PROGRAM AREA Employment Stabilization

BRU Administrative Services

COMPONENT Research Contracts

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 81

P2-1013 (Rev. 7/79)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 580/CSSB 348

Title An Act Establishing Unorganized Boroughs...regional plans...home rule charters

Requested by Community and Regional Affairs Committee Date 4-21-80

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	0	154.8	167.2	180.6	195.0	210.6
200	TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300	CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400	COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500	EQUIPMENT	0	2.0	.5	0	0	0
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	TOTAL	8.8	287.2	238.7	241.2	254.8	269.4

FUNDING (Thousands of Dollars)

GENERAL FUND	8.8	287.2	238.7	241.2	254.8	269.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2) REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7) Prince William Sound (REAA 21). It is anticipated that if this bill passes this session, the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

IV. DATE 4-21-80 PREPARED BY Doug Griffin

AGENCY Community and Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

CSHB 580/CSSB 348 (continued)

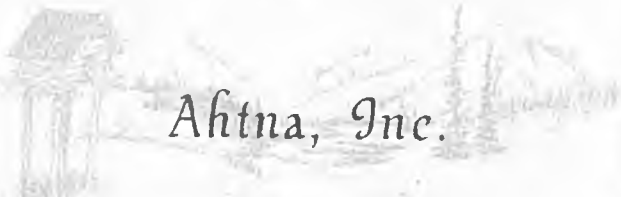
The high travel cost during FY 81 reflects the need to administer both of the main activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

There will be no fiscal impact in Sec. 4 of this bill until there is an appropriation (CSHB 886) for regional plans. The Department does anticipate the following additional cost at such time as appropriations are made.

Staff to monitor and oversee contracts.

Personnel			42,156
Local Government Specialist IV (Range 19)			32,934
Benefits @ 28% base pay			9,222
Travel 10 trips @ 600			6,000
Contractural			2,700
Communications	1,000		
Printing and Advertising	200		
Office Space 100 Sq. ft. @ 1.25 x 12	1,500		
Commodities			300
Equipment (one time only)			700
		TOTAL	51,856

CORRESPONDENCE



Ahtna, Inc.

HERBERT SMELCER
LAND MANAGER
(PRESIDENT, AHTNA
MINERALS COMPANY)

HOME PHONE 822-3424 OR 274-1358
TEL: (907) 822-3476 OR 822-3486
DRAWER G
COPPER CENTER, AK 99573

Summarization of:

Need for a Regional Planning Model
The AHTNA Region

INTRODUCTION:

As Exhibit A (Need for a Regional Planning Model) aptly demonstrates there is an urgent need for a mechanism to coordinate and integrate developmental plans, and service delivery by federal and state agencies within the AHTNA Region.

There is presently no such mechanism to coordinate inter-agency services, or the great variety of developmental schemes which are involved within, or directly and significantly impact the Region.

Some of the major forces which will impact the Region result from ANCSA d-2 stipulations, national park plans for the McKinley-Wrangell reserves, Northwest Gasline construction, state and Native land conveyances, Susitna-Salmon Gulch hydroelectric projects, mineral, oil and gas exploration/production. Additionally, the emergence of Valdez as a deepwater port of entry to interior Alaska can be anticipated to have highly significant socio-political, and economic impacts on the AHTNA Region.

It is evident that these forces involve federal, state, local and private interests, which at this time act upon the Region in their own interests absent any mechanism for coordination and integration. The immediate remedy must therefore be the urgent and timely establishments of such a mechanism.

I will send you a copy

The Regional Planning Model (Exhibit A) provides the basis for the establishment of an effective coordinating and integrating mechanism.

OBJECTIVES OF THE MODEL:

The central objectives to be realized through model formulation are as follows:

1) To provide a mechanism of implementation that will guide and direct the drafting of a regional cooperative planning organization for the area, and develop guidelines for future permanent government structure.

2) The implementation of such an organization will allow for the development and management of integrated programs, services, facilities in community development, economic growth, infrastructure and land use planning. Special attention and reference are given to social, physical, and economic issues influencing the Region. Particular emphasis will be given to the development and implementation of appropriate projects, and in the preparation of proposals for grant applications.

3) Planned and coordinated management of the region's resources is intended to approach maximum utilization/enjoyment of the resources for those who reside within, as well as those who visit the area.

4) Because citizen participation and inter-agency coordination are the essential elements that will determine the success of this innovative planning model, citizen input will be maximized during the project development.

PROGRAM PROCEDURAL FORMAT:

Upon sufficient funding, endorsement and conceptual initiation of the program, the following outlines the intended course of action, approximately one year's time:

1. Organize board of directors and/or coordinating committee.

2. Establish staff personnel for administrative organization.

3. Contact all interested/participating persons and agencies for initial introduction, review and opinion.

4. Formulate preliminary model and structural organization with state and federal agencies participation.

5. Develop and hold information workshops on local coordination and self determination. These workshops will be held in the AHTNA Region.

6. Revise and review process as needed.

7. Maintain channels of advice and opinion with state legislators and agencies.

8. Formulate mode of implementation system design for primary model alternates.

9. Provide preliminary cost analyses of necessary operational and related support facilities as required.

10. Establish communication methodology for dissemination of priority recommendations and support data to all vested parties and concerned agencies.

11. Obtain conceptual endorsement and support for model and program format, submit to proper govermental agencies for review and endorsement. Review and revise as necessary.

12. Upon endorsement and acceptance of program, organize preliminary plans for initiation of established implementation stage.

13. Begin implementation stage.

GENERAL PROCESS OF PROGRAM EVALUATION:

1. Maintain periodic citizen and agency workshops as required.

2. Establish internal review process for program consistency.

3. Review and audit program efficiency.

PRELIMINARY BUDGETARY CONSIDERATIONS:

The following estimates are anticipated expenses for program development and organization during the initial stage (estimated one year duration):

Office equipment, supplies, printing and space rental	
Equipment, supplies, printing	$ 10,000
Rental of office @ $500/mo.	6,000
Administrative Costs	
Staff	50,000
Support consultant fees (as required)	15,000
Travel and coordinating expenses (village people, others)	10,000
Miscellaneous and contingency costs	9,000
Aggregate Funding Required	$100,000

Public Hearing
HB 580 - 586
3/19/80 7:30 P.M.
Meeting with RuralCap Citizens' Participation Conference

Name	Address
Director of Community Resources - Chris [illegible]	Tanana Chief Conference Inc.
Pres. - William C. "Spud" Williams	1st & Hall Streets
	FAI, AK 99701
Palmer McCarter	Pouch B - Juneau, Ak
D. Pope	912 Ul. 6th, Anchorage
Norman A. Cohen	RURAL CAP
Patricia Petrivelli	" "
Charles Hubbard	3305 Rossella - Anch, AK 99504 (Copper River Native Assoc.)
Charles Mueller	PO Box 189 Dillingham AK 99576 (Bristol Bay Native Assoc)
DAVE WAKEFIELD	Box 276, Port Lions, AK 99550 (KANA)
Robin Brean	United Crow Band P.O. Box 121 Tok, Alaska 99780
G. Stiles	F.Y. Leg. Chairperson Box 55 FYU 99740
Jeff Smith	Mareluk, Inc
Bob Lohr	RurAL CAP 327 Eagle, Anch 99501

LISA RUDD
2827 LORE ROAD
ANCHORAGE, ALASKA 99507

February 7, 1980

Dear Arliss,

I enjoyed testifying yesterday and hope that some of my comments were useful to you. I'm sure some of them were redundant.

In follow up on my question as to whether there are, or you contemplate, any statutorily required functions of a home rule borough, I'm afraid the citation you gave me - 29.33.010(b) - does not go to my question. Let me try again:

The present practice is for boroughs or cities only to go for home rule after having already established and maintained a fairly sophisticated form of local government, those forms having been required under statute to carry out certain functions. The presumption is that those functions would continue under home rule. However, I do not think there are any particular functions statutorily required of home rule goverments. That means, I think, that an unorganized borough seeking home rule status could, if it wished, perform only the function of, say, fire protection in a service area, and still be a home rule government. In other words, it would be very much like the third class boroguhs you seek to eliminate.

Perhaps (quite likely, in fact) I am missing something in the present law. Or perhaps the result I outlined above is exactly the result you want. I don't see too much wrong with it, in fact. But I was just wondering if you had thought about it.

Love to see the Senate debating!

As you say, regards to a goodwoman!

Lisa

Lydia Selkragg 3/18/80

Project '80 Ben Isenstein

Public input in "selection" projects. No S involved.

S' Zoning Committee hasn't reviewed.

Mental Health $ needed.

Need educational program for natives

Summarization of:

Need for a Regional Planning Model
The AHTNA Region
Dr. L. Selkregg - February 1980

INTRODUCTION:

A catalyst is needed to integrate and coordinate developmental plans emerging within the AHTNA-Copper River Region.

The concern for local autonomy and regional coordination of these plans encouraged the AHTNA Regional Corporation and Copper River Native Association to further investigate feasible alternate mechanisms that will provide for orderly and planned implementation.

Therefore, upon their commission, an inventory analysis of existing and impending institutional, economic and social issues that will influence the future of the region was developed. Additional data gaps and informational deficiencies were identified as they related to the pertinent issues.

Consolidation of questions, facts and recommendations is the central format of the text "Need for a Regional Planning Model - The AHTNA Region" by Dr. L. Selkregg, 2-1980.

The absence of any such regional government (Exh. A) along with the enormity of impending developmental issues within the Unorganized Borough, indicate the degree of urgency for current action.

CENTRAL ISSUE:

There is presently no existing organizational mechanism to coordinate inter-agency services and development schemes that are involved within the region.

The number of agencies and entities concerned are as diverse as those central institutions that spawned them. Federal, state, local and private interests are represented in a myriad of departments and commissions.

Major forces of impending change are evidenced in ANCSA d-2 stipulations, national park plans for McKinley-Wrangell reserves, Northwest Gasline construction, state and Native land conveyances, Susitna-Salmon Gulch hydroelectric projects, mineral, oil and gas exploration/production in conjunction with the emergence of Valdez as a deepwater port of entry to Interior Alaska are a few of the primary and significant projects that will have an impact on the area.

The absence of any such coordinating mechanism, in view of the potential regional projects and diverse institutional/private interests within the region, suggests the need to act now.

The Regional Planning Model text provides preliminary information and structural analysis that can lead to a feasible solution.

OBJECTIVES OF MODEL:

The central objectives intended to be realized through model formulation are as follows:

1) To provide a mechanism of implementation that will guide and direct the drafting of a regional cooperative planning organization for the area, and develop guidelines for future permanent government structure.

2) The implementation of such an organization will allow for the development and management of integrated programs, services, facilities in community development, economic growth, infrastructure and land use planning. Special attention and reference are applied to the social, physical and economic issues pertaining to the people of the region. These are the people for whom the model is developed.

3) Planned and coordinated management of the region's resources is intended to approach maximum utilization/enjoyment of the resources for those who reside within, as well as those who visit the area.

Citizen participation and inter-agency coordination are the essential elements that will determine the success of this innovative planning model.

PROGRAM PROCEDURAL FORMAT:

Upon sufficient funding, endorsement and conceptual initiation of the program, the following outlines the intended course of action, approximately one year's time:

1. Organize board of directors and/or coordinating committee.

2. Establish staff personnel for administrative organization (approximately three individuals of expertise with consultant support upon need).

3. Contact all interested/participating persons and agencies for initial introduction, review and opinion.

4. Formulate preliminary model and structural organization with state and federal agencies participation.

5. Develop and hold information workshops on local coordination and self determination.

6. Revise and review process as needed.

7. Maintain channels of advice and opinion with state legislators and agencies.

8. Formulate mode of implementation system design for primary model alternates.

9. Provide preliminary cost analysis of necessary operational and related support facilities as required.

10. Establish communication methodology for dissemination of priority recommendations and support data to all vested parties and concerned agencies.

11. Obtain conceptual endorsement and support for model and program format, submit to proper governmental agencies for review and endorsement. Review and revise as necessary.

12. Upon endorsement and acceptance of program, organize preliminary plans for initiation of established implementation stage.

13. Begin implementation stage.

GENERAL PROCESS OF PROGRAM EVALUATION:

1. Maintain periodic citizen and agency workshops as required.

2. Establish internal review process for program consistency.

3. Review and audit program efficiency.

PRELIMINARY BUDGETARY CONSIDERATIONS:

The following estimates are anticipated expenses for program development and organization during the initial stage (estimated one year duration):

Office equipment, supplies, printing and space rental

Equipment, supplies, printing	$ 10,000
Rental of office @ $500/mo.	6,000

Administrative Costs

Staff @ 3 qualified individuals	50,000
Support consultant fees (as required)	15,000
Travel and coordinating expenses	10,000
Miscellaneous and contingency costs	9,000
Aggregate Funding Required	$100,000

TESTIMONY

MEMORANDUM State of Alaska

TO: John Halterman, Deputy Director
Division of Policy Development
& Planning
Office of the Governor

DATE: February 21, 1980

FILE NO: 100H

TELEPHONE NO: 465-3900

FROM: Ron Lynd, Deputy Commissioner
Administration
Department of Transportation
& Public Facilities

SUBJECT: HB 580 - State Program Line to Follow Standardized Boundaries

The impact of HB 580 upon Department of Transportation & Public Facilities (DOT/PF) for planning and management cannot be adequately assessed without a clearer idea of what is envisioned by the bill. However, a simplified reading of AS 44.17.110 would indicate that all statistics, planning, and information (including financial) would need to be on the basis of districts designated by AS 44.17.100. This would be a considerable shift from the alignments now used. While not impossible, it would be very time consuming and, in my view, counter productive until a clear picture of the benefits expected are outlined.

I would suggest that instead of passage of this bill, which mandates all information along these predetermined lines, funding be made available to one central group to identify the results desired, their benefits, and the costs associated with providing the information. If the bill were passed as it now stands, it would have a financial impact on DOT/PF because it would be necessary for us to revise our financial reporting and planning data processing systems to track the information by the new districts. We would also need to prepare our transportation plans in much finer detail, which would increase their cost.

In summary, I believe that there would be merit in a system which allowed extraction of statistical and program information in a manner which would make it compatable. I am not sure this bill has the best approach. If a central geographic coding were agreed to and sufficient data processing support provided, agencies could supply raw data by location, which is more specific than by district. Then when it would be beneficial to do planning on a district basis, it could be done, or if it were more reasonable to do the planning on a larger basis without reference to district, that could also be done.

RECEIVED
FEB 22 1980
POLICY DEVELOPMENT
& PLANNING

EDWARD HOFFMAN'S STATEMENT ON PROPOSED LEGISLATION ON

THE UN-ORGANIZED BOROUGH

THIS STATEMENT I MUST MAKE CLEAR IS NOT ONLY MADE AS CHAIRMAN OF THE BOARD OF THE ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, BUT IT REFLECTS THE VIEWS OF OTHER CONCERNED CITIZENS AND ORGANIZATIONS WHO HAVE SPENT CONSIDERABLE HOURS IN ANALYZING THESE BILLS.

FIRST, THOSE OF US IN THIS REGION WOULD LIKE TO IMPRESS ON THE LEGISLATURE SEVERAL POINTS:

1. WE CONSIDER THE ISSUES RAISED BY SENATE BILL 348 TO SENATE BILL 354 TO BE OF PARAMOUNT IMPORTANCE TO OURSELVES AND OUR CHILDREN AND WE CONSIDER THIS QUESTION OF GOVERNMENT TO BE THE SINGLEMOST IMPORTANT ISSUE WE WILL BE ADDRESSING IN THE 1980'S.

2. WE ARE DETERMINED TO RESOLVE THIS ISSUE BY 1983. IF THE OPPORTUNITY IS GIVEN TO US.

3. THE BILLS BEING PROPOSED ARE AN EXCELLENT STARTING POINT BUT PREMATURE IN THAT NO SERIOUS STUDIES HAVE BEEN MADE BY THE PEOPLE OF THIS REGION ON THE ISSUE THEREBY MAKING ACCEPTANCE OR REJECTION OF THE CONCEPTS PROPOSED IMPOSSIBLE.

AFTER CURSORY ANALYSIS OF THE PROPOSED BILLS, THESE ARE OUR VIEWS ON EACH:

1. SENATE BILL 348 IS NOT AN ANSWER TO LOCAL GOVERNMENT IN RURAL ALASKA AS IT SIMPLY CUTS THE EXISTING UN-ORGANIZED BOROUGH INTO ADMINISTRATIVE UNITS WITHOUT PROVIDING FOR LEGISLATIVE AND ENFORCEMENT POWERS BY RURAL ALASKANS. IN ESSENCE THIS BILL WOULD MERELY EXTEND THE GOVERNOR'S PLANNING POWERS TO THE LOCAL LEVEL, WHICH IS IN ITSELF A GOOD IDEA, BUT DOES NOT REQUIRE HARD AND FAST BOUNDARIES AS PROPOSED. THIS BILL MERELY FORMALIZES THE "ADVISOR" ROLE RURAL ALASKANS HAVE BEEN PLAYING FOR OVER 20 YEARS. WE FIND HOWEVER THAT THE CONCEPT ALLOWING FOR AN UNORGANIZED BOROUGH TO INCORPORATE INTO A HOME RULE BOROUGH A GOOD ONE AND ARE SUPPORTIVE OF THE CONCEPT. WE FEEL STRONGLY HOWEVER THIS LEGISLATION IS PREMATURE AS IT IS NOT BASED ON FACTS VERIFIABLE BY EXPERIENCE OR SERIOUS STUDY, AND AS SUCH SHOULD NOT BE PASSED BY THE LEGISLATURE.

2. SENATE BILL 348 HAS IN IT CERTAIN DESIRABLE ELEMENTS IF WE COULD STAY AWAY FROM SENATE BILL 348 AND THE BOUNDARIES IT PURPORTS TO CREATE. THIS BILL WOULD BE ACCEPTABLE IF THE PRINCIPLE OF LOCAL SELF-DETERMINATION IS RESPECTED AND IT WILL NOT BE IF A CONTRACTOR WERE HIRED BY THE COMMISSIONER AND RESPONSIBLE TO HIM TO DETERMINE THE ISSUE WITHOUT THE ACTUAL INVOLVEMENT OF THE LOCAL ELECTORATE. WHAT WE FIND DESIRABLE HOWEVER IS THE LEGISLATURE APPROPRIATING FUNDS TO REGIONAL ORGANIZATION FOR PURPOSES OF STUDY AND PLANNING, BUT SB 349 IS NOT ACCEPTABLE AS PRESENTLY DRAFTED AS IT GIVES TO A CONTRACTOR DECISIONS THAT ARE, AND MUST BE, RESERVED FOR THE LOCAL PEOPLE.

3. SB 350 GIVES TO THE GOVERNOR DECISIONS WHICH SHOULD BE MADE BY THE ELECTORATE AND RECIPIENTS OF STATE SERVICES. THE GOVERNOR CANNOT EVALUATE HIS OWN PERFORMANCE. WE RECOMMEND NO PASSAGE.

4. SB 351 IS ACCEPTABLE AND DESIRABLE AS THE AID PROPOSED IS NEEDED BY RURAL MUNICIPAL GOVERNMENT.

5. SB 352 IS AN EXCELLENT HOUSEKEEPING TOOL FOR THE LEGISLATURE AS LONG AS IT DOES NOT ELEVATE MONETARY CONSIDERATIONS ABOVE HUMAN NEEDS AND AS LONG AS THE LEGISLATURE DOES NOT ALLOW MONEY TO FOREGO ITS CONSTITUTIONAL RESPONSIBILITIES.

6. SB 353 IS AN ACCEPTABLE BILL AS LONG AS IT INCLUDES SECOND CLASS CITIES.

7. SB 354 IS ACCEPTABLE.

IN CLOSING, THOSE OF US IN THIS REGION WOULD LIKE TO REITERATE TO THE MEMBERS OF THE COMMITTEE THAT THE BILLS DEALING WITH THE UNORGANIZED BOROUGH ARE ALL PREMATURE AS WE ALL, INCLUDING THE LEGISLATURE, DO NOT KNOW WHAT WE ARE TALKING ABOUT. WE ALL HAVE NO BASIS TO SUPPORT THESE BILLS AS WE HAVE NOT DETERMINED FOR OURSELVES AS VOTERS AND RESIDENTS OF THIS AREA OF 56 VILLAGES, AS TO WHAT IT IS WE WOULD LIKE TO DO BECAUSE WE HAVE NOT STUDIED THE ISSUE, NOR HAVE WE CONSULTED WITH OUR VILLAGES. WE ALSO CANNOT RULE OUT INCORPORATING INTO MUNICIPAL GOVERNMENTS UNDER EXISTING LAWS SIMPLY BECAUSE WE HAVE NOT SERIOUSLY STUDIED THE ISSUE.

WE FELL THAT UNTIL WE HAVE STUDIED THIS ISSUE THAT THE STATE LEGISLATURE SHOULD NOT PRE-EMPT OUR RIGHTS TO SELF-DETERMINATION, THE VERY REASON WHY WE HAVE LOCAL GOVERNMENTS. WHAT WE WOULD LIKE THE LEGISLATURE TO DO IS TO PROVIDE FUNDS FOR US TO STUDY OUR OPTIONS AND PROVIDING AN EFFECTIVE DATE AS TO OUR DECISION. WE SHOULD AT LEAST BE GIVEN THIS OPPORTUNITY. AT PRESENT WE ALL DO NOT KNOW WHAT WE ARE TALKING ABOUT, AND FOR WE AND THE LEGISLATURE TO MAKE DECISIONS AT THIS TIME WOULD BE IRRESPONSIBLE. WE ALSO HAVE A RESPONSIBILITY TO OUR VILLAGE PEOPLE WHO TODAY DO NOT EVEN KNOW WHAT WE ARE TALKING ABOUT. GIVE US MONEY TO INFORM THEM OF THEIR OPTIONS AND THIS ARGUMENT WILL NO LONGER HOLD WATER. THEN AND ONLY THEN CAN WE MAKE OUR DECISION, AND WE WILL.

Bill No. HB 580 (SB 348) Date February 4, 1980

Title An Act Establishing Unorganized Boroughs... Contact: Judy DuBois
John Post

The Department of Labor finds no fault with the purpose of this bill. Section 2 provides for the establishment of unorganized boroughs within the geographical boundries of the rural educational attendance areas (REAAs) and the adjustment of their boundaries. The bill also requires the collection of data and information about state programs with reference to a set of boundaries adopted for use by all state agencies. (Section 3). Included is a section that authorizes the adoption of home rule charters by unorganized boroughs. (Section 4).

Currently all areas of the state not part of an organized borough are classified as a single unorganized borough. Essentially this bill allows for the subdivision of this single unorganized borough into several unorganized boroughs with the option of becoming incorporated home rule boroughs.

The area of immediate interest to the Department is Section 3, which amends AS 44.17. When combined with the Provisions of Section 2 where the Commissioner of C&RA may establish/adjust the boundaries of unorganized boroughs, the bill has the potential of disrupting critical data collection and analysis. This is not only a matter of potential file revision and duplication at great cost, but also a matter of potential invalidation of or rendering useless time series of data which are key elements in any serious evaluation or planning effort. The bill, if adopted would have serious implications for the Department.

The Department of Labor (Research & Analysis) collects and disseminates data in a geographical format based on census divisions. The boundaries for the census divisions evolved from election district boundaries and the boundaries of organized boroughs. The census areas have been reclassified for the 1980 census in a plan that treats the unorganized borough similar to that described in this bill. Each organized borough in the state will coincide with a census area while the remaining sections of the state are divided into areas and subareas based on Native corporation boundaries and REAAs. This plan was adopted by the Governor's Committee on the census in conjunction with the U.S. Census Brueau. The census area concept geographically divides the state into 23 major areas and 24 subareas. Certain data collected by the Department of Labor which is required and funded by federal agencies must be transmitted to those agencies in the census area format, i.e., ES-202 employment and earnings employer reports, labor force estimates, population figures, and others. The impact of this bill on the department would be substantial. Adoption of a new geographical classification scheme would alter the census area agreement between the Governor's Census Committee and the U.S. Census Bureau. It would be necessary to convert the geographical coding of 10,000 employer files, 50,000 UI claimant files and upwards of 60,000 job applicant files.

At a minimum, an amendment to Section 2 emphasizing correlation of boundaries with the latest Census areas and subareas (or divisions), is essential to good planning and administration over time; or an amendment to Section 3 allowing census area or subarea information (aggregated to approximate unorganized/organized boroughs) to be sufficient for reporting requirements.

POSITION PAPER/Department of Labor

(1)

Present: Co-Chairmen Senator Arliss Sturgulewski and Representative Bill Parker
Senator Terry Stimson, Repre. M. Branson, Sen. T. Kelly and Sen. B. Mulcahy

Anchorage/ Sig Strandberg, Local Boundary Commission

I have a few general comments on the House Bills 580-586. The Local Boundary Commission just received these bills through the mail so we haven't had an opportunity to meet and forumulate any consensus of opénions, but I'll suggest a few comments that I think will general position of the Boundary Commission and rather than separate my own opinions from those. HB 580 relating to the establishment of organized boroughs. I think this is a bill long overdue and I think the Boundary Commission itself would indicate that point of view. Obviously the purpose seems to be several fold, as to the conforming of the State (budget?) as to the various regions of the State, I think all of us applaud the attempt to try and get a better system as to where the State dollars are going and for what particular purpose. The Local Boundary Commission introduction in to the scheme of things, according to this bill, I think does occur at the proper point, where the unorganized boroughs seem to incorporate as municipalities. I'll look through my notes here real quick. I think I should perhaps limit the Boundary Commission's comments to those I've just given on that particular bill. We, of course, don't have any comments on HB 581, relating to the Division of Policy, Development and Planning, Office of the Governor. My own comment on that is that it certainly does tie in very well with HB 580. HB 582, an act establishing a program for planning assistance, an excellent bill, and I think the Boundary Commission would agree to that. IF there is one thing that we haven't accumulated over the years that we have had our organized boroughs ...., it's information from areas beyond the Fairbnks, Anchorage, and Southeastern urbanized areas. My own comment accumulating information through planning studies is that if you are ever going to determine the economic viability of an organized local government, in a given rural

(2)

area, I think on a Statewide basis, we ought to move ahead to map (mass?) the unorganized borough areas as to the location of an ownership of parcels of private property. I think that this is the necessary precedent to ... activities that addresses the formation of organized boroughs. That is, the unorganized boroughs established by HB 580. This program ought to be started immediately because it is going to take a long time, once boroughs are formed out in the more rural areas we will know what the tax base is. I think we all realize it is limited. A lot of communities are living hand-to-mouth so to speak, and can't afford a large mill rate, but the purpose is to identify how narrow that tax base is out there so that the State can possibly formulate legislation to help support the purpose of local government in these areas. HB 583, State aid to local governments, $25,000 adjusted to cost of living differential certainly will come in handy ~~for~~ to all local governments who are weathering heavy inflation and I think that $25,000 will be well received. HB 584, an act eliminating 3rd Class Boroughs, looking back over the past decade, I believe we had one 3rd Class Borough that was formed as a result of the 3rd class borough legislation of, I believe, 1968. There have been no other takers. It's a very narrow constitutional form of local government in this State, and I think that its elimination probably is in our best interest in order that we have a system of local government that encourages planning on a regional basis. I think that the Boundary Commission would share that point of view. HB 585, incorporation of second class boroughs as Home Rule Boroughs, I have got to think about this one for awhile, and I think the Boundary Commission would like to consider that before making any formal comment. HB 586, an act requiring fiscal notes. This is a piece of legislation that is long overdue as well, and it ties into the fiscal needs of rural areas, where they might want to incorporate as an organized borough. Obviously, within a narrow tax base, if a responsibility is thrust upon them that they cannot fund, we could have some serious problems unless we

are aware the Executive Branch and the Legislative Branch is aware of ahead of time of the cost implications.

Soldotna, Borough Mayor Don Gilman, Kenai Peninsula Borough

Good afternoon, Madam Chairman. I have the bills of the Senate version of the bills, so I'll be referring to the Senate numbers, and try to keep them in numerical sequence. SB 348, while it does not have much to do with the second class borough, which we are, you know, I would like to make some comments that deal with the service area, or special area concept. Having had some experience in the Kenai, with overlapping and proliferation of service areas, there are some built in preps that people can get into. And Senator, as you know, in the Alaska Coastal Management Act, there are special areas called Coastal Resource Districts, which are now under way and being formed by the vote of the people in those areas, and they are not necessarily, or would they become co-terminus with an REAA as this would indicate here, as one of the potentials? I feel that there should be some way built into SB 348 that Coastal Resource Districts should become a part of this bill, so that we don't end up down on the line someplace with 2 or 3 overlapping districts. If you could have, for instance, a planning area as you have defined here that is not necessarily the same size as an REAA, and you could also have a narrower coastal district, which might end up with 3 overlapping districts with 3 different boards and it will do nothing but complicate the issue. I don't have any specific suggestions of how that's done, but I think it is something that needs to be looked at. Other than that, I would just like to remark that if the unorganized boroughs go along the REAA lines, it is interesting to note that the only difference, and the only ingredient left out between the second class boroughs and these unorganized boroughs is the subject of investment? and collection of taxes. As you know, the 3 powers of the second class boroughs mandated to per-

form is education, planning and taxation. That would be all the comments I would have on both SB 348 and 349. Unless there are questions, I would go to areas.

Scn. Sturgulewski.

Mr. Mayor, I would like to make a comment. You raised a very good point regarding, we don't want to create legislation that in turn causes for boundaries that are not co-terminus and one of the things that we have noted and there will be a Committee Substitute on it, the, there is no mechanism for boundary adjustments in the coastal district plan and in the REAA, and so we will be addressing just what you are talking about, because there are some from testimony received apparently some of the REAA's would needing perhaps some minor adjustment in boundaries. And the issue has been raised by Senator Mulcahy, and others, so we will be modifying that language to speak to that issue and I do not have a specific answer for you right now, but I do appreciat that.

Mayor Gilman

Thank you. Anything I can do as Chairman of the Coastal Policy Council, please feel free to call on me. Again, not that I have any grand design for how it should work. Next, SB 350, we really have no comment on and we think that's (48) an internal process between the Legislature and the Governor's Office. In SB 351, as we read it, the $25,000 would be an additional to all cities and boroughs regardless of what the class is, and we thank you for that kind thought and additional money, and we would not be opposed to that at all. We are strongly in favor of SB 352. Not that that concept hasn't been rolling around for some time, this really does strengthen it, and of course both the local municipalities and the Legislature are always concerned about actions which may crop up, or cause problems at the local level and not only problems, but money? problems

(5)

where there is, certain legislation would pass on to the local government fiscal responsibilities that we really are not aware of, so we are strongly in favor of SB 352. SB 353, I don't think, there will be some time before the Kenai Borough, a second-class borough would be considered ... in a Charter as a Home Rule municipality, but we are in favor of that, because it just gives us just that many more options in terms of expense and municipal services or expenses? as they are needed. SB 354, elimination of the 3rd class borough, we have no official position on this because there is ... at this point. In fact there is a movement led by one assemblyman to place on the ballot, the question of whether the Kenai Peninsula would become a 3rd Class Borough. For your information, that's primarily viewed with problems that crop up with planning and zoning authorities and the issue of who controls what, between the assembly and the school board. The one factor that seems to be a major consideration in the 3rd class status if it were to be placed before the voters, is, of course, in question, that the Alaska Division of Lands becomes the planning authority and basically can enact building ordinances in what is now ~~what is~~ called the 3rd class borough, and that of course, people who land in the 2nd class borough don't relish the idea of working with the Division of Lands as a planning authority. And that basically are our comments on these series of bills.

Kotzebue/ Pam Herman from Manuluk

Good afternoon. My name is Pam Herman. I am a planner with the Maneeluk manpower which is the employment and training arm of the Maneeluk Association. I am mostly to offer testimony in support of SB 351, which provides a basic entitlement to 2nd Class city in our region. We have 11 2nd class cities incorporated in this region. Our CETA program has about $1 million this year and that's about a 50% cut from last years level of $2 million.. With that ~~money~~ funding, we operate

(b)

a city administrator, a city clerk employment training program. The reason that we are supporting SB 351, is reaction to pretty much of a crisis situation that exists in the villages right now. The City Administrator-City Clerks of this region are responsible under the direction of their City Council for operating municipal electric utilities, sewer and water facilitie, 2 or more public buildings in each village, roads, trails and airport runways. They are responsible for providing 24 hours a day law enforcement, many of the villages have jails, recoration programs and they also have special funding capital projects, like REAA, RDA, Public Health Service. In addition to that, they have CETA funds to manage, and they get funds from .. and sales tax. State Federal revenue sharing money that the villages have been receiving generally go to pay fuel bills to keep the public buildings from freezing up in the winter time and for other basic costs not ususally including personnel costs. Almost all of the village employees in this region are, not counting Kotzebue, are funded through CETA, either by Muneekluk Manpower, or from the Division of Community and Regional Affairs in Nome. This is despite the fact that CETA (47) funds are not intended to provide basic support in municipalities. It is very clear in the CETA legislation that is not an appopriate use of the money. A fluctuating funding level with CETA is subject to, or partly designed specifically to preclude dependents on CETA funds for the operation of basic municipal services. About the most that any municipality in this region receives of St-Fed. revenue sharing is about $12-15,000 a year, and that's for the larger villages, so there is no way they pick up those personnel costs on their revenue sharing .... We have about 65 employees in the villages, to give you an idea of the number, earning between $10-$12,000 a year salaries, which by the way, is just about enough to support someone living a subsistence lifestyle that is, someone who spends a great deal of their time out out gathering food. The $10,000 income in villages is really insufficient to buy their own, Food because of the cost of living out there. The $12,000 a year that the City Administrators

(7)

receive, pays them for operating municipalities that provide all of these services, with as many as 8 different funding sources. These willing and able, but basically untrained personnel are expected to manage all of these operations and comply with all the various funding requirements of these different agencies, different recording procedures and application procedures. In addition, to that the length of time CETA allows that person to participate in only 18 months, so that by the time someone has finally learned how to do all these things, they are no longer eligible for CETA, and they have to find another City Administrator to take over and start from the ground up again. For this reason, we are strongly in support of any kind of of basic entitlement that would provide the villages with enough of a budget so that they hire trained personnel, or provide their current personnel, with adequate training to do an efficient job of operating a village. I think that most people in the states should realize that the well-being of the entire State of Alaska is very dependent on the well-being of the rural residents. It's when things get bad in the villages, they are going to be reflected in a lot of.. urban areas, a lot social problems that don't have to be the case, if we just have an adequate municipal system set up in the region and bush. For that reason, we are in support of SB 351, although we would like to see a larger amount of money made availabe; but this is at least a start. Thank you for this opportunity.

Bethel/ Edward Hoffman? Sr.

Here is my statement. My name is Edward Hoffman, Sr.. (See written testimony)

One last question - I don't what you to get the best? of us in our region, that's why we had this statement prepared for you. Or, otherwise, you are doing a good job.

WE FEEL THAT UNTIL WE HAVE STUDIED THIS ISSUE THAT THE STATE LEGISLATURE SHOULD NOT PRE-EMPT OUR RIGHTS TO SELF-DETERMINATION, THE VERY REASON WHY WE HAVE LOCAL GOVERNMENTS. WHAT WE WOULD LIKE THE LEGISLATURE TO DO IS TO PROVIDE FUNDS FOR US TO STUDY OUR OPTIONS AND PROVIDING AN EFFECTIVE DATE AS TO OUR DECISION. WE SHOULD AT LEAST BE GIVEN THIS OPPORTUNITY. AT PRESENT WE ALL DO NOT KNOW WHAT WE ARE TALKING ABOUT, AND FOR WE AND THE LEGISLATURE TO MAKE DECISIONS AT THIS TIME WOULD BE IRRESPONSIBLE. WE ALSO HAVE A RESPONSIBILITY TO OUR VILLAGE PEOPLE WHO TODAY DO NOT EVEN KNOW WHAT WE ARE TALKING ABOUT. GIVE US MONEY TO INFORM THEM OF THEIR OPTIONS AND THIS ARGUMENT WILL NO LONGER HOLD WATER. THEN AND ONLY THEN CAN WE MAKE OUR DECISION, AND WE WILL.

2. SENATE BILL 348 HAS IN IT CERTAIN DESIRABLE ELEMENTS IF WE COULD STAY AWAY FROM SENATE BILL 348 AND THE BOUNDARIES IT PURPORTS TO CREATE. THIS BILL WOULD BE ACCEPTABLE IF THE PRINCIPLE OF LOCAL SELF-DETERMINATION IS RESPECTED AND IT WILL NOT BE IF A CONTRACTOR WERE HIRED BY THE COMMISSIONER AND RESPONSIBLE TO HIM TO DETERMINE THE ISSUE WITHOUT THE ACTUAL INVOLVEMENT OF THE LOCAL ELECTORATE. WHAT WE FIND DESIRABLE HOWEVER IS THE LEGISLATURE APPROPRIATING FUNDS TO REGIONAL ORGANIZATION FOR PURPOSES OF STUDY AND PLANNING, BUT SB 349 IS NOT ACCEPTABLE AS PRESENTLY DRAFTED AS IT GIVES TO A CONTRACTOR DECISIONS THAT ARE, AND MUST BE, RESERVED FOR THE LOCAL PEOPLE.

3. SB 350 GIVES TO THE GOVERNOR DECISIONS WHICH SHOULD BE MADE BY THE ELECTORATE AND RECIPIENTS OF STATE SERVICES. THE GOVERNOR CANNOT EVALUATE HIS OWN PERFORMANCE. WE RECOMMEND NO PASSAGE.

4. SB 351 IS ACCEPTABLE AND DESIRABLE AS THE AID PROPOSED IS NEEDED BY RURAL MUNICIPAL GOVERNMENT.

5. SB 352 IS AN EXCELLENT HOUSEKEEPING TOOL FOR THE LEGISLATURE AS LONG AS IT DOES NOT ELEVATE MONETARY CONSIDERATIONS ABOVE HUMAN NEEDS AND AS LONG AS THE LEGISLATURE DOES NOT ALLOW MONEY TO FOREGO ITS CONSTITUTIONAL RESPONSIBILITIES.

6. SB 353 IS AN ACCEPTABLE BILL AS LONG AS IT INCLUDES SECOND CLASS CITIES.

7. SB 354 IS ACCEPTABLE.

IN CLOSING, THOSE OF US IN THIS REGION WOULD LIKE TO REITERATE TO THE MEMBERS OF THE COMMITTEE THAT THE BILLS DEALING WITH THE UNORGANIZED BOROUGH ARE ALL PREMATURE AS WE ALL, INCLUDING THE LEGISLATURE, DO NOT KNOW WHAT WE ARE TALKING ABOUT. WE ALL HAVE NO BASIS TO SUPPORT THESE BILLS AS WE HAVE NOT DETERMINED FOR OURSELVES AS VOTERS AND RESIDENTS OF THIS AREA OF 56 VILLAGES, AS TO WHAT IT IS WE WOULD LIKE TO DO BECAUSE WE HAVE NOT STUDIED THE ISSUE, NOR HAVE WE CONSULTED WITH OUR VILLAGES. WE ALSO CANNOT RULE OUT INCORPORATING INTO MUNICIPAL GOVERNMENTS UNDER EXISTING LAWS SIMPLY BECAUSE WE HAVE NOT SERIOUSLY STUDIED THE ISSUE.

EDWARD HOFFMAN'S STATEMENT ON PROPOSED LEGISLATION ON

THE UN-ORGANIZED BOROUGH

THIS STATEMENT I MUST MAKE CLEAR IS NOT ONLY MINE AS CHAIRMAN OF THE BOARD OF THE ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, BUT IT REFLECTS THE VIEWS OF OTHER CONCERNED CITIZENS AND ORGANIZATIONS WHO HAVE SPENT CONSIDERABLE HOURS IN ANALYZING THESE BILLS.

FIRST, THOSE OF US IN THIS REGION WOULD LIKE TO IMPRESS ON THE LEGISLATURE SEVERAL POINTS:

1. WE CONSIDER THE ISSUES RAISED BY SENATE BILL 348 TO SENATE BILL 354 TO BE OF PARAMOUNT IMPORTANCE TO OURSELVES AND OUR CHILDREN AND WE CONSIDER THIS QUESTION OF GOVERNMENT TO BE THE SINGLEMOST IMPORTANT ISSUE WE WILL BE ADDRESSING IN THE 1980'S.

2. WE ARE DETERMINED TO RESOLVE THIS ISSUE BY 1983. IF THE OPPORTUNITY IS GIVEN TO US.

3. THE BILLS BEING PROPOSED ARE AN EXCELLENT STARTING POINT BUT PREMATURE IN THAT NO SERIOUS STUDIES HAVE BEEN MADE BY THE PEOPLE OF THIS REGION ON THE ISSUE THEREBY MAKING ACCEPTANCE OR REJECTION OF THE CONCEPTS PROPOSED IMPOSSIBLE.

AFTER CURSORY ANALYSIS OF THE PROPOSED BILLS, THESE ARE OUR VIEWS ON EACH:

1. SENATE BILL 348 IS NOT AN ANSWER TO LOCAL GOVERNMENT IN RURAL ALASKA AS IT SIMPLY CUTS THE EXISTING UN-ORGANIZED BOROUGH INTO ADMINISTRATIVE UNITS WITHOUT PROVIDING FOR LEGISLATIVE AND ENFORCEMENT POWERS BY RURAL ALASKANS. IN ESSENCE THIS BILL WOULD MERELY EXTEND THE GOVERNOR'S PLANNING POWERS TO THE LOCAL LEVEL, WHICH IS IN ITSELF A GOOD IDEA, BUT DOES NOT REQUIRE HARD AND FAST BOUNDARIES AS PROPOSED. THIS BILL MERELY FORMALIZES THE "ADVISOR" ROLE RURAL ALASKANS HAVE BEEN PLAYING FOR OVER 20 YEARS. WE FIND HOWEVER THAT THE CONCEPTS ALLOWING FOR AN UNORGANIZED BOROUGH TO INCORPORATE INTO A HOME RULE BOROUGH A GOOD ONE AND ARE SUPPORTIVE OF THE CONCEPT. WE FEEL STRONGLY HOWEVER THIS LEGISLATION IS PREMATURE AS IT IS NOT BASED ON FACTS VERIFIABLE BY EXPERIENCE OR SERIOUS STUDY, AND AS SUCH SHOULD NOT BE PASSED BY THE LEGISLATURE.

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Fairbanks/ Chris Anderson

My name is Chris Anderson, I am representing Tanana Chiefs Conference and would like to take this opporunity to thank you for the time that you have here, to look over these 6 or 12 bills that are before your Jt. Committee. I have prepared before me right now. I hope to rush through and following this hopefully, if there is time enough for Ray Kent and Willams to expand from the same organization, would like to expand upon the general ideas that I have from the prepared statement. The issue of local government in rural Alaska are complexed. The Jt. Senate-House Community & Regional Affairs Committee has made an admirable attempt to deal with this issue. HB 580-586 and SB 348-354 represent the colination of this groups remarkable effort to solicite the input of rural Alaska residents. We support the basic concepts of this legislation. For example, SB 348, or HB 580, prior State agencies utilized standardized service districts based on the Native regional corporation boundaries. Basic concept is crucial for effective delivery of State services. Often village projects require a high degree of intergrated coordination. When these agencies have different service centers, it is possible to achieve this needed coordination. It is, therefore, quite clear that standardized boundaries are necessary. But mere standarization of ~~boundaries does not guarantee~~ agency service district boundaries does not guarantee does not guarantee that the agency will be more responsive to local desires and needs. In the past we have proposed home rule unorganized boroughs. It is a concept designed to implement the Constitutional mandates that the Legislature "shall provide for the perforance of services deemed necessary or advisable in unorganized boroughs, along with maximum local participation or responsibilities." ... possible to create a home rule unorganized borough by adopting home rule charters, creating

assemblies, the unorganized boroughs, would in effect be organized. This is unacceptable simply because the unorganized boroughs, which are by-passed by pipeline development generally fail to meet borough incorporation standards. This concept seems impossible to fully implement the Constitutional mandate for the local participation in the local government for the unorganized borough. We believe, however, that the Alaska State Constituion can easily solve the problem it? creates. Specifically, Art. 10 thru 13? along as the State and the local government ... contacts, or agreements, or joint administration of ... and power. We wish to propose that the bill be amended to explicitly to allow the creation of consortium of local government on a regional basis within the unorganized borough. The consortium would do 2 things. First, they would provide some coordinated administration of local government by studying costs and sharing staff, the consortium would provide effective local government, or the ... government that exists now cannot operate. Secondly, the consortium that address regional concerns, provide a form for expressing those concerns and advise state agencies on a regional needs and desires. Consortium method would operate through existing local government and increase local action of state agencies. Rather than increase new layers of government, which we observed.... Often local governments and state agencies are not coordinated. Most noteably, State land disposal involves ..... State law generally favors local control, or at least local input in the organized areas of the State. The unorganized areas of the State, however, State agencies seem to .. This exists in spite of the constitutional problem of maximine local participation. The proposed bill fails to change the situation in the unorganized borough. We, therefore, move that some mechanism be inserted into the bill to provide for subsequent participation. Three alternatives exist. 1. An administrative restraint may be placed on the agency's action. Specifically, consortiums agree to agency actions and plans within the region. Asking such content basically would have to show in a lodally or mutual administrative hearing

that action represented is in the best interest of the State, requires the ... The second alternative would be a planning restraint on the agency. The consortiums would produce regional plans (for which the agency would comply?) Absent compliants, the agencies must get a waiver from the consortium, or create local neutral hearings. Thirdly, a political mechanism would be established. State law could require issues to have local plans actions approved by the local hearing officer, and he will hear it, to allow consortiums and residents the opportunity to have input, hopefully influence agency action in the area. These proposals would certainly improve local participation to the unorganized borough, but the ultimate goal is maximize local participation for ..... this means borough incorporation. As we noted above, ... incorporation is not possible for an area that does not meet incorporation standards. This does not mean, however, that the local governments can increase their involvement to service delivery. We, therefore, propose that the bills be amended to eventually allow the consortium to directly contact state services on a regionalized and areawide basis. Prior to this contact, the consortium would be required to undergo a planning process, much like that proposed in HB 582, or SB 350. The plan would have to 1) analysis the feasibility of rural incorporation versus the consortium contacting 2) make recommendations concerning incorporation, or in the alternative 3) assess base service delivery and make recommendations for possible future consortium concept. During the interim period, the proposed base level revenue sharing is 25,000 per community should be authorized. This constitutes state moeny for a consortium, for the borough, for consortium preparing for either the contracting or incorporation; but the consortium contact, under legislative scrutiny would provide an effective alternative for incorporation for those areas which fail to meet incorporation standards. It should be the Legislature's responsibility to recognize the service delivery in the unorganized borough. Finally, it would allow maximum

local participation in such service deliveries, as required by the Constitution. There is no reason why proposed consortiums cannot also involve communities having traditional or reorganized state government. Most of these communities predominently ... Native communities, and as such the Native government is truly represented. Included in the .. governments additional..... by the local government. Additionally we will provide a mechanism whereby the villages, state directly coordinate and complement their respective programs. Similiarly there is no reason these communities should not participate base level community revenue sharing. The theory of revenue sharing is to ~~increase~~ decrease the municipal dependents on local taxation. The central government collects taxes, and redistributes taxes to local government. Individuals living in the unorganized borough communities or equally .... state taxes, yet the government is not eligible for state revenue sharing. Finally, if revenue sharing is ... consortium on a contracting of a corporation operation, the communities cooperation and involvement will be necessary in order to ..... on an areawide basis. Thank you.

~~Rittingham/~~

SIDE TWO // TAPE 1.

Nome/ Bob Blodgett, Teller

Thank you very much, Sen. Sturgulewski. I just returned from a lengthy visit down in the developed areas of the North American Continent, and I only have had a brief time to browse through the legislation, HB 580-586. While I am not totally negative to this legislation, I am a long ways to being positive. I feel that the timing for introducing this legislation is awkward, in that this legislative session will sine die and there will be a new Legislature next year. Therefore, there will not be any opportunity for this legislation to be carried over legislation, which will deny us, the birds in the bush that are affected by this legislation an opportunity to study it in depth and in length and hold community meetings throughout the unorganized borough area,

or within the REAA areas, if you may. Now the least government, is the best government. Now in this area, borough government, at this time, is a way of government that this bush area can ill afford. We don't have an economic base at this time to support it. Now on other hand, perhaps other bush areas, organized within the REAA, may have a viable economic base that can adapt itself
44 - to borough government. It would be an initial unorganized borough status based on the REAA boundary system. I feel, however, that the maxivilian? philosophy to divide and conquer is being thrust upon us by establishing unorganized borough areas in the 21 REAAs. These are small unorganized borough areas cannot draw any more water than political cow tows? in a broken pump. I envision, and another approach to my envision, a large borough enbracing the area from the Canadian border westward including St. Lawrence Is. northward from the south bank of the Yukon River to the Beaufort Sea. I have no obversion to having borough assemblymen elected from communities throughout this vast area, represent me. We have some extremely competent people spread out through this area that could do a very fine job. We don't have the economic base otherwise, after all 70% of the revenues of the State, are generated from Prudhoe Bay, and then when the JUT CC? comes on and the North Basin comes on and the bottom fishery comes on, well then that economic base will be stretched further out, and then .... at some later date, afford us the opportunity to further the luxury of this additional way of government. I have no quarrel with our State Legislature serving as our borough assembly as provided by the Constitution. This borough government can hopefully divest many of the village corporations of their land. If the people are willing to borough, organized borough government, as a result of the establishment of the unorganized boroughs, then this whole thing is really going to make a big fat picnic for the professional planner. The contract planner that lives in the urban areas, that knows as much about us out here, as we know about them in their lifestyle. Twenty years after conveyance of D-2 Key? Title lands to our village corporations, then these key title lands can

become subject to taxation and the deep sea title lands have not been developed so that they bring a monetary return in paying those taxes, then the taxes are in default and the land will be taken away from our people. I object to paving the way to do that yet. We are having a lot of growing pains out here, learning how to function and people are having problems right now functioning village corporations. A number of our regional corporations have got problems, village corporations and regional corporations are working very diligently to overcome their problems, and I think that this would be another stumbling block in our way to divert the people's time away from addressing the problems already concerned with. Now as far as the REAA, who school boards go, the REAA school boards I recognize, I am very aware basically presently and am now serving as member after sitting on the sidelines and watching it for 3 years. The school boards are knocking their hearts out to develop a strong viable educational program to fulfill the needs of our people in their respective areas. There are too many legislators from the urban areas today, who do not know about rural Alaska. And I am not condemning them for this, not at all. On the other hand, we have legislators from rural areas that don't know what they really need to know about the metropoleon areas of the state. So, therefore, I feel that very strong alliance does not have to be placed in the rationale and the prudent ...knowledge of rural legislators, and we have very good rural legislators. They are getting . to the people. If they are not, we'd get rid of them. They wouldn't be there. I was there one time, and I'm gone. Maybe that tells you something. I don't know. Anyway, I urge you folks to give us an opportunity to study this intent, particularly in our communities, and evaluate and get some input back to you from the grass roots where the people will be affected by this. I thnak you for your courtesy and giving this opportunity to testify. I really urge that we be given the opportunity to participate in these teleconferences from the bush areas with telephone service so we don't have to spend $34 to fly in

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to testify and $44 to fly back and spend a whole day, or get weathered in and spend several days in doing so, and I feel you get a broader input from more people out here in rural Alaska, that's very important. Thank you.

Juneau/ Mayor Hollowell? Haines

Thank you. I have a prepared statement which I will leave with you. I only have one copy. (See Statement)

Anchorage/ Liza Rudd

Thank you very much Madam Chair. Good Afternoon all of you. It's good talking to you. I want to begin first by expressing my pleasure that you have taken on this very difficult task of trying to deal with the development of local government in the rural areas, and express how impressed I am with what you have achieved. In general, I am very much in line with your thinking in all of the bills that have introduced only some comments possibly on .. and a few that you could call on nitpicking type comments, that I'd like to make as I go through the bills with you; but as I say, in general, I think it is very much in line with what is needed in the development of rural, local self-government. SB 348, I have a question, or comment that maybe there is no need for, but if you provide for unorganized boroughs to go directly to home rule status, does that mean that a home rule borough, incorporated under that provisions, does not have to provide any particular governmental service? In other words, it doesn't have to provide planning and zoning, or it doesn't have to provide education, it doesn't have.. itself, because of the provision of a home-rule boundary. Boroughs, of course, can do anything that is not forbidden by state government, so I'm wondering if that is your intention, it will be free to do anything not forbidden by State law, but doesn't have to provide any service at all?

Senator Sturgulewski

Liza, why don't you go ahead with your testimony and we'll do a little quick checking on it. That issue was raised and frankly just yesterday, and I haven't had time to research it, so if you'll continue on, I'll check and get back on that.

Liza, I'll raise some questions, but I don't expect
Liza Rudd- I'll raise some questions, but I don't expect answers because I know you've got lots of people and I just raise them so that you will aware and if you think they are worth looking into, then you go ahead, but I don't expect any answers to these questions. On Line 19 & 20 - SB 348 - the encouraging of the development of regional responsibilities of planning and implementation of these services, that seems to me to be ... for what you are really saying which is providing for these corporations of home rule boroughs by unorganized boroughs. And, I think if that's what you are really talking about, and it certainly is according to the title of your bill, then that's what you should say and in fact you should probably put it first rather than last under the pertinent section. On page 3, SB 348, Line 17, Sec. B, boundaries may be modified by the Legislature, the last sentence there the agency requesting modification of the boundaries shall submit to the Legislative Council - I wonder how this relates to the responsibities of DPDP on the outline of SB 350, and whether or not this provision, in this bill might not be looked at as pat? by the Govenor's Office. I wonder if the Governor's Office might not want agencies independently going to the Legislative Council and asking for suggested boundaries.

Sen. Sturgulewski. The answer is right. That issue has been raised and it will be addressed.

Lize Rudd - O.K. maybe I should just shut up. I think everybody's .., or has already thought of. On page 5, (c), I'm wondering why you only-

42 ~ already thought of. On page 5, (C), I'm wondering why you only provide for one shot at a charter, instead of two, as other boroughs have. You know, when we unified here, in Anchorage, each charter commission got a chance to write the charter once and then if defeated, write it again; and that's not provided under this method of incorporation, and maybe you've thought why, but I was just wondering why. On page 6, line 16, (B?) the word substantially, I don't know if that's usual, but it seems to me that the Lt. Governor should provide the elections in the manner provided in the election code, rather than substantially in ..... ON line 26 there, the repealers, these 2 repealers refer to the powers of home rule boroughs and general .. municipalities, and I under stand the reason for repealing it, but I think you still need it on, do you not the statement that a home rule municipality can perform any functions not forbidden by State law, and you also need a state law that says general long? municipality purposes provides purposes, provided under state law, and if you repeal those 2 sections without reinstating those statements, I think something is missing in the law. SB 349 - it seems to me again there is a mutual fear that maybe this Act should be named something like the assistant to the study of the feasibility of borough incorporation, rather than talking about planning assistance, because the minute I got down to the section dealing with regional management programs, I asked myself the question, who will manage what? It doesn't say. It just says for the purpose of preparing the management program for an unorganized borough, and it doesn't say who is going to manage it, or what they are going to manage, and so on. If you are talking about ~~adding~~ managing the delivery of state services in the unorganized borough, that should be .. but it seems that is not what you are talking about, because when you get over later, you are talking about this contract, the only thing required of the contract, is the analysis and recommendation concerning the incorporation of a borough government. So that seems to be the real purpose of this bill, is to provide for assistance to groups in order to plan for the incorporation of a borough, and I think that should be

straight forwardly stated. Page 3, the provision under (H), that no more than $25,000 per year, plus $25 per capita .. under contract, I don't understand the reason for the limitation there. On SB 350, I have no particular comments. SB 351, I'm glad to see that - that's an idea that's been around the Legislature. As I recall, we added it to the revenue sharing bill ...Legislature.....so am on to that idea. The fiscal note bill - no comments - it seems like a ver y good idea. SB 353, an act relating, pretty straight forward and goes along with all the rest, SB 354 - it seems to me on page 2, Section 6, provides - if Jack Chenowetheiis
Chenoweth is there, he'll recognize my concern with the division of planning ... unorganized borough, I don't like the idea of ... It seems to me it provides disincentive to the incorporation of boroughs, as the Division of Lands provides that service anyway. So, I have that problem. I have always wanted to take ... In addition, I have a question as to whether or not this power by the Division of Lands, how it relates to the management plan that is going to be developed, and would it not be better if the Dept. C/RA ... involve managing and planning in the unorganized borough. Would it not be better, if any state agency must do planning and zoning, platting in the unorganized boroughs, should it not be done by the Dept. of C/RA, since they are going to be taking on, under your bill, some rather other heavy planning responsibilities in the unorganized borough. And the same goes for the .... planning and zoning powers that belongs to the Division of Lands. On the last page, 4, under repealers, section 29.080.040 J - relates to other 1st and 2nd class boroughs also, so possibly you shouldn't repeal it completely, I don't remember that section just now, so I don't recall my question, but I felt as though an outright repealer would do away with the provision that should be ..... And while I was looking at the repealers, I noticed that in 38.050, 378 ..... that you might want to include in these bills. And those are my comments on the specific bills. They seem to address some concerns. My

2 primary concerns have been first of all, that St. government has assumed more and more local government services, what are traditional ... unorganized borough, both in funding and deliveries, and the more this is done, the less you will find those areas are going to be wanting to establish their own boroughs and this leads to a great deal of dissatisfaction because ... and dependent ..... And the other concern, is of course the reluctant ..... to assume the financial responsibilities for local government, and I would like to see you address that somehow, by possibly putting in somewhere that when a tax base of an area ..... reaches a certain level, that that area must assume a certain level of financial responsibilities, for the delivery of local government.... for that area, I think that sounds rather cold hearted, but I don't think there is ever going to be a willingness to assume that financial burden unless it's made clear in the State law that the state expects areas to assume as much of the management responsibility as they can. Of course, in order to that we must identify with the tax base in the unorganized borough, and I think that is vital, aside from any other work that might be done in development of local government, even if we should do none .....

Senator Kelly Liza, could you identify that last provision you are talking about please? You really struck a chord here, with me in any case.

Lize Rudd

You mean about assuming responsibility? Well, it's not in any of your bills, it's a concern that I have, but, there is not, there is a pretty reluctant, perfectly understandable on the part of the people who are already receiving what are traditionally local government services from the State. And there are many areas in the unorganized borough that are receiving what are traditionally

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local government services from the state, and of course, they are receiving them "free", that is they are using state money rather than local money to pay for it, so those areas it seems to me are going to be very reluctant to take on local gov[illegible]ment responsibilities when they can already receive a lot of those services from the state. So I would like to see somewhere in the law in one of these bills, a statement that when a local area tax base has reached a certain level, then that area must assume some financial responsibility. Of course, not all, ... but some requirement of financial responsibility for the administration.

Sen Sturgulewski - We do have information on the home rule limitations. According to AS.29.33.010 (B) they would need among the other conditions to have the areawide borough powers, so that would include those mandatory functions. I appreciate your testimony and if you have any that can be telecopies down, it would certainly help us - you have a lot of background and made some very comments that will help us, and I do appreciate that.

Kotzebue, Jeff Smith / Maneeluk Assoc.

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Madam Chairman. I would like to testify on 3 bills. The first one being SB 348. Although we would prefer that the issue of establishing regional unorganized boroughs be addressed in 2 & 3 years after the completion of the regional strategy plan, I would like to stree that these lines be compatible with the Nena Regional REAA. In regards to SB 349, we support the establishment of a program for planning assistance in the unorganized boroughs more than any of the other bills presented in this legislative package. Our experience over the last 2 years in the development of the NANA regional strategy plan, has been to involve the residents of these different community ... region in the planning process of the state-federal agency. Because there are many problems that we can't resolve at the regional level, we would like to see

other regions become involved and we know that the other regions are going to find similar problems reoccuring and will provide a greater statement of needs for the resolution of problems at the state and federal level. For example, of these problems, are few local solutions to energy problems, state and wage requirements?.of construction costs, alcoholism, etc. Other regional strategy .. working together will clarify the wide expanse of these problems. A useful form for the resolution of these problems could be places like the state and federal rural development task force, legislative committees, and other joint state and federal task forces. SB 351, again we have to consider this piece of legislation to be a .... for the survival of the small municipalities of the state. They can not longer rely on external funding like CETA to provide the core administration for the municipalities. We feel that through this legislation will provide them the ability to have a well trained administrator who can coordinate the different services and activities of the municipality and can provide for the future expansion and can look at the other programs available to provide continuity and stability to the delivery of these services. Thank you for letting me testify.

Bethel, Carl Jack

First of all,I would like to thank the Committee for giving the opportunity to be involved in these teleconferences. First of all, would like to reiterate the statement that was made by Mr. Hoffman, Chairman of the Board, on the bills that are up for consideration right now. SB 348 - main concern here is the boundary question, the comment on this the boundaries established under the Claims Settlement Act, for the option for the provision to be done after the full study is completed as proposed by the chairman of the Board. SB 349 - We feel that it is salageable although its part of 348, but the concern here is again the underlying question of the continued absence of local government. We feel that the powers that will be given to the Commissioner, will certainly make the Commissioner a czar. WE won't

foreclose complete endorsement of the bill, with some modification. On SB 351, line 10, proposed amendment to that is take ... city or organized borough - replace or with "and" so the city has organized borough of any class entitled to etc., etc. SB 352, one of our concerns is line 22 thru line 25, where the Community & Regional Affairs shall prepare the fiscal notes on behalf of municipalities . We do have some concerns on that, in this regard, developing municipalities. Those are the specific comments that I have. I understand that there is supposed to be additional hearings on the 14th, and at that time, we will provide final comments. Question, when are you going to work on Committee Substitutes?

Sen. Sturgulewski - We have that scheduled for 14th in the Senate, 11th and 13th HS. 8:30 a.m.. Since we are limited to teleconference time, they will not be teleconferenced, but work is going forward. As you know, there is some sense of urgency to move forward to the next committee of referral, so I would appreciate whatever you can get to us as quickly as possible.

Fairbanks/ Ray Kent

Thank you Madam Chairman. I, too, would like to thank you for this opportunity. My testimony follows on the heels of the policy statement as stated by Chris Anderson previously. I would like to take a moment to go through the legislation. We too are not totally opposed to the legislation, with amendments, and we also agree pretty strongly with Mr. Hoffman. The position basically needs to be a much stronger involvement of rural government, i.e., Native traditional IRA? government outside the organized first and second class cities. SB 348 - I restate the purpose, again as testified to previously, the purpose seems to be to create service districts for the delivery of state services. However, the act itself does affect establish and probably will involve into boundaries or future rural governments, so in this regards, we would like to have included in the statement

of purpose, a statement to the effect that the service districts will be developed in a manner that will facilitate potential delivery of services by local .... We also would like to state boroughs? must be established for administration of local government and any look at these boundaries should take that into consideration. It seems that the Commissioner has a great deal of discretion in recommending changes. We would suggest that on page 2, line 7, that the language unless the inclusion of the territory is reasonably necessary for efficient administration of programs and services by state agencies be deleted. We feel that the boundaries should be limited to those Native corporation, but there is no provision for .... boundaries.. No mention is made in the proposed legislation concerning the involvement for Native or traditional government in the establishment of boundaries, and some combination should need to be made to recognize those needs and interests. On page 3, we are concerned about the appeals process. We feel that there should be some changes made in the appeals process to accommodate a normal administrative appeal that would perhaps stand in the Legisalture and/or the courts. We would also like to be sure that the appeals process would be initiated by both the interested government in the region as well as the Commissioner. Page 4, as also mentioned previously, the question of definition of home rule borough - as I understand the bill, home rule borough means, as stated in current enacted law,which provides mandatory provision of services, we would like to consider perhaps an alternative to that, which would allow the government to develop basic comments, financial capability to provide services, perhaps not mandate the provision of services that are not financially supportive of autonomy. Half way down the page, charter election component provides for ... election for charter commission, is in fact ... it's our feeling that the charter commission should consist of two graphically repre-senttive members, rather than members at large, which could set up a stage for domination by a local community on this particular .. Then again, as

previously stated, let them decide a need for a second chance, they can't. The finding of the charter commission to the agency? I refer now to page 5, bottom, where there seems to be no ability for the charter commission to bring back a second review for the proposed charter. SB 349 - we like the concept contracting for planning the administration and the delivery of government services, however, we feel that the Commissioner's discretion should be limited, and that the Commissioner should not be able to contract without the consent of some locally representive group in the initiation of this kind of activity is described as a one shot deal, and some areas of the State, it would be premature, and it is our feeling that it would be necessary to limit that ability for it initially to come from the local region, rather than the Commissioner. SB 350 - we have no partic

region, rather than the Commissioner. SB 350 - we have no particular comments. SB 351 - we have a lot of conern about this particular piece of legislation. It seems to discriminate against those communities that are not organized as 2nd class cities; i.e., traditional and Native governments, those just as much in need of funding as are the cities. We would recommend that additional language be added to include those villages. We feel that to not include them would be disriminatory, and we recommend "do not pass" on this bill unless those are included. SB 352 - have no comments. SB 354- no comments. SB 353 - as discussed previously the question of percentage or the numbers of peopel need to initiate the action, and after discussing that further with our people, we would like to reserve comment on that. That's the end of my testimony. Thank you.

Nome/ Andy Edge?, Nome City Manager

thank you Madam Chairman. First I would like to thank the Legislature for the provision of this service, and the legislative office you have opened here in Nome, and more particularly ..... of TAPE I, Side 2..

I would like to say first that sure the organized boroughs have been slow in implementation in rural Alaska; but the Legislature, who by law, is the establishment for the unorganized borough, for the first time seems to want to move toward this suggested local control. But like my old, old, acquaintance and very dear friend, whose my next door neighbor when I'm living over in Bethel, Lidia? Lady? Hoffman?, I would like to caution that haste makes waste. In going through the bills, I have cut my comments down considerably, so 348 and 349 needs more time, more study and more involvement on the local level; and less of the (tail wagging the doll?) 350, the same, needs lots of work, especially in the line of the people involved. You know, it's fine, committees come into our area for hearings, most of the ones that came in the past 6 or 8 months, just haven't given enough notice, and haven't provided for a consolitated hearing, one that we get together and talk about it a little before hand and then come in with a consolidated viewpoint, one that would include all of the villages, all of the organizations. 351, 352, I see no harm or objections to either one of these. 353, needs more work, again, to include consolidation hearings in the areas involved. In the passage, at this time, of any of these bills, I feel that we are invading self-determination and the rights of the local people to determine their own destiny. I speak very strongly against allowing a single board as cited in HB 584, I think, to express the views of both borough management and borough schools, or one board acting as both boards. It puts up a couple of interesting questions in the absence of Nome, which has a council, which has a school board, how does it tie in and mold with the borough board and REAA school board? I don't quite understand that. I am certain that it is taken into consideration. And, finally, Madam Chairman, and to my many friends in Juneau, I would like to remind them that my annual birthday party will be on the 26th of February, and this year will be held here in Nome, and those of you can make the party, are surely welcome.

Sen. Sturgulewski - the quesions you raised, Andy, on SB 354, or HB 584 are really right on, and that's one of the reasons we are recommending elimination of that kind. Some of the issues you have raised, seem to be causing some problem. I would hope that you take another look at the bills. As a matter of fact, the issue has been raised several times. We feel these are leading toward self-determination by an area. That's the whole intent. For instance, SB 350 changes nothing in the amount of services, etc., going toward rural Alaska. What it does do, is say that the State needs to start to recognize some common boundaries out there, so there can be a greater coordination of services. That is the intent. I would be very happy to discuss that issue with you, and I am very appreciative of your general comments.

Andy Edge - final comment - only that involve the people. I realize the unorganized borough has been here a long, long time and that nothing has been done about it, but in our haste to correct this, let me caution, a little more involvement. There are people out in our area that just don't know, and what you don't know, you go back to the oldest rule in politics - what you don't know, vote no, and we advise no.

Haines - Dave Olerud

I want to thank you for the opportunity to make a few comments on my experience with 3rd class boroughs. At the present time I am a businessman in Haines. I have had the experiences of serving as a borough Mayor, I have served on the City Council, as well as other organizations within the area of Haines. It seems as though, it always boil down that we, in Haines, are a little bit of the exception to the rule. We are the ones with a 3rd class borough and listening today to the teleconferences going throughout the St. of Alaska, we are also without that. But you knows, the 3rd class borough is something we should look at very carefully because of discrimination. Let me just make a few comments and salvage as much

time as possible. First of all, from the experience that I have had with 3rd class borough, and with government per se, I feel very strongly that the local government is the most important aspect of government for the people in the State of Alaska. We have to have the power reverting back to the people in the rural areas, or into the local government. I feel very strongly that over the years I have served on local governments, that a government should be very similar to a shoe on the foot. It would be very disastrous on the part of a parent to take look at a shoe on a foot, and let that shoe last for many, many years, without changing that shoe. It is quite obvious that that child is going to grow up and that shoe is going to start pinching. I feel very strongly that local government should be such that it can adjust to the realities developing within a community. Now, a 3rd class borough in Haines is not a just reality to the community. It is great as far as the school is concerned and as far as collecting taxes for that purpose is concerned. But going beyond this point, when our community develops to the point where, proportionally we are going to develop sooner or later, our population is increasing, and we are going to have to face the fact that our government, the 3rd class borough, is not going to do the job. I'll give you an example of where it will not do the job. With the last 5 years we've had a negative influence on our economy. We have seen our tax base erode by several millions of dollars, primarily because utilizational resource from the timber has not been made available to our community. 3rd class borough can do nothing but collect taxation. To stimulate the economy, to provide for the services that are desperately needed, schools, etc., it can do nothing. Basically, as a taker of a tax, but it cannot do anything to stimulate a tax base the prime sector that is so desperately needed. .... that the State of Alaska decrees that there should be land classifications, land claims. Well, the 3rd class boroughs .... regimented to schools and collecting of taxes. We turned to the State, Dept. of Natural Resources not necessarily interested in what

happens as far as classification and the will of the local people. We fought a little over a year, a year and a half, to have a classification through the State Dept. of Natural Resources as to the people of Haines situation. It was a very sobering experience. Anything I would like to emphasize - what is a 3rd class borough, what is it really? Because of necessity, since 1968 when the 3rd class borough came into existence, to serve our people, we have in a sense made a lasting cause under the 3rd class borough. It has been stretched to fit the needs of the people, even though possibly it is stretching the legality of the 3rd class borough, it has been stretched to the point that what we have, a lot of times, classified in a sense a monster. We have done things that basically we were not entitled to, the State of Alaska has allowed us to, we have asked them what can we do with roads and trails, they say it possibly could be construed as education we have asked them what to do about a multitude of problems and anywhere from boat harbors to museums, to culteral facilities, so the 3rd class borough of Haines has been stretched. But not only has it been stretched in the lasting sense, but it also has created a monster in our city, because a city is like a parent, as a last resort. Any time you have trouble and the child can't take care of it, you go back to the parent and the parent must accept the responsibility. Our city has been pulled to many extremes, primarily because the areawide government has not been able to adjust to the needs of it. The only thing that I find negative, is that I do not like in a sense where government mandates government. I believe the people should have enough common sense to adjust to the realities of the situation and do what is necessary. Bill 354 mandates within so many years, I believe by 1984, that the 3rd class borough will cease to exist. I would hope that this group that is working very diligently to set up an efficient government in the unorganized areas, and organized areas in the State of Alaska could possible have the intentional fortitude to make decisions that could possible be unpopular to certain segments but is necessary for a more viable rural area.

Sen. Sturgulewski - what are you suggesting?

Sen. Sturgulewski - what are you suggesting?

Mr. Olerud - What I am suggesting is possibly that I do not envy your position that you are taking at the present time because the 3rd class borough is a reality because the State government did not have the intestional fortitude of a long time ago to say now that we should be a second class borough. We were left in limbo, and because we were left in limbo, we have created many problems for the State Legislature, which has been ..... I feel very stongly now that we should as a community of Haines evaluate very carefully, a little pressure from the State would not hurt at all, I do not feel it will be necessary to mandate anything. I believe the local community in Haines will be able to take care of the problems that are coming up, if we get rid of the hysteria. At the present time we have so many traumatic things pressed upon the people of Haines, particularly the economy, long-range timber planning, etc., from this, I believe, we have become very strong in a sense. I think we are capable tackling the problem of local government to provide a decent counterpart.

Sen. Sturgulewski I appreciate your comments. I might suggest, just from some comments made when the bill was introduced that people from both sides of the aisle in Haines might wish to communicate with their Senator and representatives from their area as to their feeling on the 3rd class borough. I doappreciate your taking the time to give us your comments, and I know you'll be watching the legislation carefully.

Mr. Olerud - just a follow-up. I state now it is very nice to see that - SB 352 - it is nice to see that the State Legislature is looking at the financial ~~responsibility~~ of a particular bill in relationship to the local comm.

responsibility of a particular bill in relationship to the local communities, and I am also very negative when it comes to saying it is nice that the Legislature spends money on behalf of the local community. I feel in a sense that the majority of the money should come from the local community, but you have allocated monies on SB 351, that would be very beneficial. Now we talked the other day in relationship to implementation of these acts. Now can a 3rd class borough, in a sense, be given funds to go through the research necessary to go into a second class borough, first class borough, or what it may need. In here we have, I believe, a clear indication if you are in an unclassed area, there is financial assistance, aid, in coming to a decision as to what type of government is best for our people. I would like to make sure, now, that the 3rd class borough is included in this necessary and to do the research to move from a 3rd class to a 2nd class or whatever the people decide.

Sen. Sturgulewski - that is a good point. I appreciate that. Thank you very much for your testimony.

Anchorage/ Pat Keprcellie/ Rural Cap

Thank you for the opportunity to come in on the local government legislative package. I am from Ruralcap, and in the interst of timing to the primarily comments, and they incorporate those of Bob D..., deputy director. On behalf of Ruralcap, I urge you to schedule additional hearings on these bills during the week of March 17. The Rural Citizens Participation Conference will be meeting in Juneau that week and many of the delegates would like to testify directly on these bills after they have had a chance to study the committee substitutes thoroughly. ... developed as been a model one. Starting from the August 1979 Symposium on local government through an extensive schedule of hearings throughout rural Alaska, and finally to the draft legislation. Along these same lines, SB 348 should require State agencies to provide for public participation before

making any decisions that affect the district. The Legislative Local Government Study's final report on self government, which ought to be local invovlement. SB 349 - no provisions in A 1 and 2, requiring either group to involve anyone or any organizatic· in the region being studied, we should reiterate people's concern for more local involvement, it's lacking in that bill. 349, it provides for assistance for developing regional management programs in unorganized boroughs, but in the report the priorities seem to revert, in the Local Government STudy's Final Report, under regional strategy and planning studies, it says the strategy study fund will provide assistance for regional studies that will address economic, social and .... class for the unorganized boroughs, and provide the means from which the people in each region can participate with government in establishing policies and programs for the region. Then it says studies will also address the feasibility and viability of organized boroughs incorporations. In the bill, it seems to be reversed. Copies, which are optional, includes the ones listed first and the importance are economic development and potential, determination of housing and capital facility needs, and examination of ... graphic social and environmental factors. ..... important in planning a regional management program. The requirement to provide a analysis and recommndation concerning the incorporation of a borough government is the main required topic. That requires a conclusion which cannot intelligently be reached without considering the factors, which are currently optional. That is why they should be required in all contracts. The optional topic should be required, but where this information is available, it should be included in the report, because that 3B/ information is necessary to provide residing in the boroughs with the tools they need to make and form their opinion as to their own development. The bills in this package, especially SB 349 and 348 should be consolidated. SB 349 ought to be passed first. If it doesn't pass, than neither should SB 348. State financial support of a regional strategy planning cost for rural Alaska ought to happen before boundaries are drawn.

Sen Sturgulewsi - Thank you Pat. The point you make is very good on the optional part really being necessary as a precondition to doing the regional government. I appreciate those comments and they are valid.

Kotzebue/ Bert Griff?, NANA Regional Corp.

Thank you Madam Chairman. I would like to make a regeneralized short statement on three Senate Bills. SB 351 - state aid to local government. I, myself, have been involved in local government, and I understand perfectly this grant, because revenue sharing a lo of times has been supplemented by bingo games, raffles, and volunteers. We've been in the red several times, and this affects the delivery of services in critical times, just the absence of needed police protection during the time when we don't have the financial status to continue this service. In the past the cost of energy, transportation, electricity have gone up in substantially increases while the revenue sharing remains relatively the same. My point is keeping in mind the inflationary factor. SB 351 - this should include, if it doesn't, the unincorporated villages also. We support also SB 348, if the legislation includes language to insure that option on whether to organize as a borough is given, and not mandated. Remote areas such as ours, do not have a tax base as yet to support the local according to fiscal needs of operating a borough, and it might take years before our area to get up to that point. I would say Kotzebue, for instance, right now income per capita is well under $3,000 per year and even right now some of the villages have problems in supporting local sales tax. When other regions plan in incoporate into a borough then perhaps this should be assured that additional funds be available to form the borough. We also support the boundaries and this will conform to REAA and ....., our regional boundary. We also support 349, planning process basically educate both the federal and state agencies, as well as the local villages. It will be beneficial ..... planning process. That's all I have now. Thank you.

Sen. Sturgulewsi - Thank you very much for your testimony. I do want to assure you because I think it is a terribly important comment, that we are talking about voluntary as opposed, in other words it is optional to move ahead into the regional strategy, it's optional and up to the people of the area to move toward organized government. There are no mandatory features and I think that is a very important thing that needs to be reiterated. There is quite a difference between mandating areas to move ahead, and having the option to do so.

Bethel/ Ken Proll, City Manager of St. Mary's

I am Ken Proll, currently the City Manager of St. Mary's and I think I can speak on behalf of the Council when we say we can support some of the earlier statements of Eddy Hoffman. But I think for just right now, I would like to just specifically focus a little on SB 351. We, of course, support it, and we think the funds provided in this bill will significantly help the rural communities in the Yukon Kuskokwim-Delta. I did have 2 stylistic changes, one Carl Jackson pointed out earlier. We would like to see the "or" in line (10?) changed to "and" and also line 11, where it reads, a borough of any class
33 which is entitled to state aid under AS 43.18.010 - I have that statute before me right now, and it does set up several categories, under which municipalities can (compete?) A - have to have power to provide certain services and exercise that power. Many of the rural communities out here do not have the power to provide some of the services that are set out here 43.18.010 - some of those powers like police, fire, pollution control, parks recreation and planning - it is not really clear from this bill whether municipalities have to have the power and exercise all the powers under the category listed under43.18.010, or whether a municipality simply exercises power under only one of those categories, it will then qualify for the $25,000, and the legislative intent seems to be a little unclear and I would suggest a change in line 11 to read borough of any class that is entitled to state aid

under any of the provisions of AS 43.18.010 - which would seem to make it clear that rural communities will be included udner this bill. That's all I have. Thank you for the opportunity.

Sen. Sturgulewski - Thank you. That brings out a new point and we will check that out. It's my feeling that the fact of incoporation is adequate to meau that those would come and it is not dependent on the provision of any powers.

Fairbanks/ William C. William, Tanana Chiefs

Thank you Madam Chairman. I am glad to hear some of the comments coming from rural Alaska and the impact they see these bills having. I have one short statement and then I'll go into some comments and clarification on some of our issues. This statement I am about to make came out of a specific mountain time, a circular which comes rural organizations and communities in the West Coast. It seems to be quite pertinent that we are not the only ones having these kinds of problems of local control. The title of it is The Case for Citizen Involvement. Development will occur in rural areas regardless of anything we do, because of population pressure, and economic necessities. Impacts of development may or may not be desireable ~~to an~~ From a viewpoint of area rural residents. We need to question who will decide the nature and kind of development which takes place, and how the voice of the Council can be heard. There are a number of possible actors in the rural development decision making process, government agencies, local elected officials, property owners, corporate boards, environmentalists, and rarely the folks at large are involved. Conflicts which procede development decisions often pit exploiters against preservation. Regardless of which side wins, the primary impact of most development decisions will be on the (post?) In general, they hear about it after the fact. At best their voice is given by the clamor of strong vested interests. In the past few years there has been substantial movement from cities in the rural areas. In addition

to impact of business and industrial development, many of the ~~officials~~ individuals are seeking simpliar, more self-sufficient humane lives in the country. Some state and federal programs are supporting population ... as a solution to urban problems. This solution may satisfy the long ter. state interest, but in the short term, it places a tremendous burden on units of local government. Local government based in the past in protecting traditional lifestyle and values while expanding essential services. The factors which bring city folk to rural Alaska are those which kept rural folks at home. Coutinued quality of rural life is an issue which must concern the forces of rural economic development. Yet this quality is endangered by development. Since rural areas are bearing the
32 brunt of problems created by change, it seems the State and Federal agencies must provide support for local government. Local government needs help in shaping community attitude, building long-range plans, and providing services which should be planned in advance of development. In generally conditions have forced local government to react rather than anticipate and correct events. Local direction should start in the school, city civic groups, media and with the local officials themselves. ~~Now the agency is~~ I would hate to see us ~~building (b nds?)~~ a fence around rural Alaska to keep the vibration out, but I would also hate to see .... migrants bring the birds they are escaping with them. I would much rather share the beauty of life we enjoy. I think it can be done, but it won't happen if we fail to make the effort to involve, inform and listen to the people. My constituency is mostly left out of the decision making process. Rural Alaskans are seldom the movers or shakers of public policy. yet no ecnomic development decision should be made without an analysis of its affect on these people. The environmental impact statements are generally required before development takes place. It is time we gave people impact statement consideration. We may play a role in development, but we can't stop it. Our option is to shape and direct it by defining our goals and developing concessions as to what our communities ought to look like 5, 10, and 20 years from now. There are vast resources in the rural regions to be developed

managed, conserved or locked up. Special interests are present and prepared to do battle in each situation. The majority of folk are on sidelines vaguely aware of development impact. It is our challenge to involve them in the decisions that'll affect their lives. It is quite interesting to note that we are having the same problems, same concerns in rural Alaska, that were stated in this circular. I have changed some of the titles to say Alaska state and Alaska rural residents, names of different organizations, entities in the circular. Again, some of the basic concerns outlined by Chris Anderson, and Ray Kent. Again, I would like to reiterate in SB 351, there is no provision in this bill for funding for communities that aren't organized under State law. I think this is totally unfair. These communities are having the same problems that the organized communities are, they are taxed just like everybody else, but they don't have the benefit of receiving those taxes back in any kind of a plan now authorized by the State. I think in those instances where a lot of our communities are organized, the organization is just in name only and not in process or actuality. I think it was something told a lot of our communities, because it was told it was a good idea. I think the same thing is happening in this legislation now, with 348. You say it is an option. But a lot of the rural people aren't looking at it as a option. They read these bills and sometimes they are quite confused because it looks like the State is trying to force organized government on them. We have been into this type of activity now in trying to develop strategy planning. I heard somebody comment they would like see 349 introduced prior to 348, and I think that makes a lot of good sense. Without proper planning, without proper communication with the rural folks, it makes no sense to even pass 348. With that, I'll end my comments.

Nome/ Kalleb Bengowee?, _____, Inc.

Thank you. I'll quickly go through some of the comments on the proposed bills Senate version - SB 348, Art.2, ~~on question of~~ collection of data information, I think there should be some provision on part 4, for that information presented to the Governor

and the Legislature, some provision for public hearings since this information will be used for the consideration of the State budget and other considerations. 31 Therefore, it makes it very important that the people be involved in either of the development or the final estimation relating to the state government. The information collected by these agencies should be reviewed by the ... prior to presentation to the Legislature. Also, on Section, on the .... and exemptions? modification, part B, where it says that the boundaries of the district may be modified by the Legislature, I don't feel that the State agencies should have this power to modify any boundaries. They are set to serve the people, or they should not be served at their pleasure. On ... elections, I think there should be some provisions, for incorporation of a charter for some public hearing for that particular part. It currently just goes from the .. provision 2, C & RA for ....advise with the laws of the State of Alaska. I think there should be provisions for the public will have input into the charter. Also on the 90 day, on some of the days that are on this particular bill, I think some of them are a little short, you probably should read between 30 and 60 days, and also 60 to 90 days, particularly in the rural areas where it is sometimes difficult to get people involved, especially where you have short notice. And then on page 5 part B, 90 days may be a little short on the compliance with the laws of C/RA feel the commissioner have met. Again, I would like to reiterate that we have some problems as this is a step toward of organizing boroughs by provision of the area, you create natural areas that would become boroughs, whether it may be necessary or not. SB 349, I think the provision of requiring a recommendation for, they should be formation for incorporation .....something that I don't feel comfortable with, and also although identified in this particular bill, I .. whether a portion of the area to be organized in a borough or not. There seems to be some conflicting portions in this particular bill. On SB 350, ... sounds fine, but I think that's a little unrealistic to all theinformation to the Governor concerning whether the state agency(?) can comply with it o r not. On

SB 351 - we support this bill although I would like to point out that some of the municipalities governments have asked me (active?) and therefore they would be presently surprised if they get a check for $25,000. SB 352 - I think this might create a monster for the Legislature, but if they want to do this, its fine with me. I think the bill is good, but I think it may place a burden on the Legislature. SB 353 - no comments. SB 354, section applied to the Div. of Lands having the .... authority, I particularly have SOME problems with it and it will only say? see the coastal management programs available for the districts which may not be necessary and also on a continual? assembly or a seat of borough government and school board again would create some problems in some of the areas. I thank you for this opportunity.

Sen. Sturgulewsky---Thank you, I would like to point out to you that in fact the Div. of Lands currently has the planning and planning power in the unorganized boroughs, and this would not change the status, but it was necessary to retain that section because of doing away with the home rule boroughs, I mean 3rd class boroughs. They have the zoning power, I'm sorry, not the planning, so it's not adding to what they have. They already have that power. That is one of the major we've looked at. The whole thing of the coastal resource districts, there are problems in those areas that are not organized in the governments that have the ability to enforce the plan. Right now the only authority lies in the Div. of the Department of Natural Resources. So that is an area of concern.

Juneau/ Roger Allington

Madam Chairman, I'll make this very brief. Speaking basically as a former assemblyman and former Coastal and Policy Council member, and officially as a citizen, basically I support the package from the activities of those two bodies, and would make a couple of minor comments. One has to do with boundaries, and from our work with the Coastal Policy Council in setting up the coastal boundaries, I suggest that to the extent possible, the boundaries

be left as flexible for as long as possible, because as these plans were developed under SB 349 comes down, I think there is going to be some changes indicated. However, I should also indicate that to the extent possible, the boundaries should be coincident with the school board boundaries that exist, coastal resource boundaries that exist, and because we are talking about private lands that are basically within Native regional corporations, to that extent they should be .... addressed already. 349 appears to put into the rest of the State some of the activities that were already taken into consideration as far as planning is concerned in the coastal areas. I would concur with the comments Jan. 31, 1981, for SB 350 is probably tight. I believe under the Coastal Mgmt. Act the DPDP was required to make sure that all departments had their regulations in line with coastal mgmt. regulations by a time certain, and I don't recall the time certain, but if it hasn't passed, it is darn close to being passed, and I don't believe that's been done. The net result is having an unrealistic time frame, it doesn't get done and that means it just doesn't get done. SB 352, I appreciate the fiscal notes on the bills that relate to municipalities, to the extent that it is possible to do it. I would suggest that this be amended to require fiscal notes on departmental regulations that affect municipalities also, and I believe there is a bill in to accommodate that. A brief statement on the 3rd class borough. We know from coastal management we have a void up there, we're not exactly sure how to handle it. [Side 2 Tape II] .... management and I see that this bill is written in such a way that it gives the Commissioner more discretion and I think that's desireable, at this point.

Anchorage/ Ron Mallott

Hello, Ron Mallott here currently attending merely as an interest as a student on state and local government. I believe I will be addressing SB 351 primarily in conjunction with much of the testimony I've heard today, I have heard a lot of pros and cons, in favor of and opposition to the various bills, which reminds me and I

should remind us all that the State Dept. C/RA should have been aware of all of these pros and cons prior to the proposed bills and that their groundwork should have included people like I believe I heard Kalob Vangowee mentioning that, the people should be reached, and their consideration should be incorporated into any legislative bill even if it is a proposal. As an individual I question the constitutionality of compelling unorganized boroughs to become organized. I view the issues placed at large in the form of legislation for their consideration a form of blackmail, or the majority population ruling the lessor population. Organization of unorganized boroughs for cities prior to the resolvement of the D-2 issue, is questionable. Nobody knows what is coming or going. Identification of transient residents may need to consider an evaluation of necessities of organization of boroughs or cities, the same as they should be considered relating to regional educational attendance areas, as it is very clear also the question of transient, who is going to or coming from the educational facilities in any organized or unorganized city or borough. There is a lot more I could say, but I think I would rather listen than speak. Thank you.

Sen. Sturgulewski - Thank you very much, I appreciate your comments. I want
29 you to know that were extensive hearings made, and that's why we are having a teleconference, and as I indicated, we have mailed out many, many copies of the report, there has been a sincere effort to not do this simply with a (fly up?) It is not the Department, it is the Joint Committees of the Legislature that have carried on this study, and we're certainly attempting to be responsivle to the many interests that we do hear. I would like to repeat, as I think it is absolutely vital, that this is not a mandatory provision. We had a mandatory borough act that formed, with one exception the North Slope Borough, formed the current existing boroughs out there, Haines too was an example. This is not a mandatory bill, it is very important that that distinction be made because that is something we heard loud and clear. The people want to move ahead

at their pace and this particular bill, these set of bills, do make those provisions that people are not forced to move ahead. Hopefully it will cut out duplication of service delivery on the part of the State, but it adds no powers that presently do not exist.

Kotzebue/ Mr. Gene Moore, City Manager

Windmill report. SB 348 sets up the first step of an organization, getting them to be organized boroughs, and we realize here in Kotzebue and the NANA region that we are unique . We've done a lot of planning and looking at this. But I don't think ~~you~~ we really need SB 348, because if we do decide to become organized, we have the provisions already in the fold, and anyone else has those. I am certainly glad to hear that this is not a mandatory bill as everyone else has been led to believe it would be. We hope that no one will be the language in there that it be mandatory, because we all know the lessor amount of government, we have the better government it will be. The planning bills we strongly support as you know we have the regional strategy plan performed here in the region and I think that the whole state, particularly the unorganized borough, needs planning but, the one provision I heard today, particulary SB 350 - looks to me like this is something to tell your commissioners there in Juneau to do and not have to spend time enacting a bill. We can do coordinating out here. I think maybe need to talk to the commissioners in Juneau and not have a bill to reflect all the local governments ... probably lies in the state .. coordinating with .. We all know that happens in the state. SB 351 - I spoke on this when you were up for hearing here, and one gentlemen spoke awhile ago about the $25,000 , was it really needed. I think this is additional state aid and not something that everybody gets, because everyone would get $25,000 plus any other services performed, Alaska Statutes 43.18.10. This $25,000 plus cost of living in addition to services they now perceive from revenue sharing . strongly urge as told to the people at the hearing here that we have a small village of ... Ft. Buck? less than $6,000

a year, and that's not enough to pay for the paper work that takes place. SB 352, if I'm understanding what it is saying, I think it could be cut down and made real short. No mandating improvements that you can't provide the money for, don't put a new burden on the small municipalities, or large ones, either one
/.. when the money stops coming from the state on these programs, the program stops. A short answer to it. SB 353 really have no problem other than I think you ~~could~~ should include alternate .....incorporation, second class borough, I think everyone should have the choice of making self-determination and shouldn't be put to the expense of going through first class borough and first class city study, they should have the option of going from such class organization city or borough to home rule. Planning another ... expense wise

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election, ballots, hearings required .... take care of all of this by changing that all municipalities have the option to go straight from second class city or borough to home rule system of borough. I appreciate the opportunity to make these comments to the Committee. I know you've done a lot of work on them and I think more work still needs to be done before it's total accurate.

Sen. Sturgulewski - I think I need to make something clear, because I don't want to leave anything that creates more confusion. When I talk in terms of mandating boroughs, a form of government, but it does call for a drawing of lines in SB 348, and I just don't want to have given a false impression on that.

Mr.Moore Yes. We understand that you are drawing lines, and we don't have any objection to your drawing lines, as long as they don't ~~mean a whole lot~~ Put a (-) on to us.

Fairbanks Wolfgang(Falk?)

Anchorage/ Dave Walsh

Chairman of the Anchorage Municipality. I am just glad I made it back in time. I'm also speaking on behalf of the Alaska Municipal League today, of which I am President this year. We have not taken formal Municipal League action on these proposed bills, but I imagine that we will at our next Board meeting tentively scheduled at the end of this month, or beginning of March. I have gone through the bills, I have the Senate verious in front of me. In general, I think they are excellent. A marvelous effort these past few months to put this together and I would heartedly endorse the bills as an individual and also as an assemblyperson. And as President, hopefully in the next couple of weeks we will provide you with formal resolution from the Board. SB 348 - Two conceptual problems, generally - not as the bill is written, but perhaps the effect of it, and what could result from overreaching administrative approach. By that I certainly don't mean to imply the current Administration, because ..... (interference - mike change required)... The two conceptual problems that I have with it is that I think there is the natural tendency that once the lines are drawn, it'll make those lines concrete and make it very difficult to change and I would hate to see that happen with this approach, because I think it as a first step, it is excellent, but whether the lines that will be drawn as a result of this bill would be or should be finalized, is another question completely. It is more the problem of human inertia I think, than the bill itself. I would suggest that legislative history? or committee reasoning ... contain some pretty definite language that the lines are not meant to be set in concrete or meant to endure forever, but are essentially the first drawing of what we would hope to be a fluid approach, until the final local governmental lines in the state are established. The second problem that I see is again, not the legislation itself, but ... is that these districts essentially become an administrative tool to provide local government services through a state function. In other words, you would have the potential for the ... or co-termi

co-terminus boundaries with different ... for example in Anchorage, take Anchorage as a proposed district, would not like to see the situation arise where there were several district administrators that could have much influence or powers as the local elected representatives here. I don't think that's as much a problem in Anchorage, Fairbanks, Juneau or Ketchikan. It might be in other areas of the state. In terms of specific amendments, and these are somewhat .. and obviously as a result of my local government ... On page 3, SB 348, subparagraph 4, from municipal point of view, I think we would like to see .... (stop for static again)

Page 3, paragraph 4, my personal preference would be if it was spelled out in the legislation the part of the function would be to provide information to

27 to local government units that may exist in the larger state and service area that approach. Other than that, I think 348 is excellent. Amendment to Ch. 19, Sec. 29.19 etc. are excellent. I think it is a very fine workable approach. SB 349, I also think this is excellent. You know the League has a membership that not only includes the largest municipality, but is made up by 1/3 degree from the municipalities that are rural in nature. In fact the majority of the vote in any municipal league .... by those who are not in organized borough, and on their behalf, I would say that I think 349 is very good. In terms of 350, I would tackle? .. what Don Gilman said at the beginning, and I would have no comment of value on behalf of the League ... state matter, which had .. personally, I like it, any time the system can get support? report directly from the Legislature I think that's a positive thing. In terms of 351, I can't give.. but I think For the League that is an excellent approach, particularly to ... The lady from Kotzebue testified earlier at the hearing. I think this will provide a valuable service to the rural second class dity. SB 352 is I think the best of the package. I think ... the fiscal note requirement is something that that local government has .. for a long time. I'm sure you are all aware a lot of times the Federal government mandates programs for the state, and local government that is beyond

our ability to finance and I think this approach insures that that same kin d of problem is not going to arise in regard to ... SB 353, I'm also very much in favor of.... SB 354, I don't think the League would want to take any official position, and I certainly wouldn't personally. As Don Gilman noted previously, there is some controversy in the Kenai Borough and in other areas of the state in regards to the elimination of the 3rd class borough and so I would suggest you go directly to them for input and their viewpoint. In summary, I would say thank you in behalf of local government for. I think this is marvelous and would be glad to support it. That concludes my testimony.

Fairbanks/ Allen Busbee(?)

I would like to give testimony on HB 584, and I'm with the Salcha .. With our detachment from the North Star Borough, we have been looking over forms of government to replace what we now have. We aren't satisfied with a second class borough dur to the fact that we are a rural area..... a third class borough in reviewing what we have to chose from, fits our area more so than anything else. We find that the eliminating of it would be harmful to our community and other outlying rural and bush areas. As far as third class borough not having any planning and zoning, Salcha area is planning and has tried to develop this area for its need and has resisted in some aspects in doing through government agencies. I would like to recommend that legislators drop this bill and if they want to help the unorganized boroughs, maybe they could form a (4th?) class borough.

Sen. Sturgulewski. Thank you very much. Just out of general interest, have you petitioned the Local Boundary Commission for the deannexation, I'm just curious as to what is happening right now.

profit regional corporation and other agencies have gotten in the act by certain limited services that are typically provided on a municipal basis. The third reason, in many cases is just an inadequate tax base. In some areas of the state, there is just nothing there to tax, so there is very little in the way of support for local government, so they can form a local government all they'd like, but they wouldn't be able to support that local government, if they had the inclination; and finally probably the biggest reason, at least in my opinion, was the disincentives. The biggest one is school financing in many cases its been proven that to form of local government you actually lose money, on a regional basis. The state financing program is a disincentive, so there would have to be at leeast a equalization formula so there is no disincentive formation of regional government and that's probably the biggest stumbling block is state educational financing.

Sen. Sturgulewski - I would like to point out, as Iam sure you are aware, there is a report out now and that matter is before the House Finance and it does address that in lieu of, and we gave testimony this summer, and whether that concept will go through, but I certainly agree with you.

Mr. Aronson - very briefly, my summary would be that basically the concept of regional government, whatever you want to call it

Mr. Busbee - We have submitted a petition to the Boundary Commission and they will be reviewing it the 29th of this month, and I assume they will be setting the date for a public hearing inhouse and conduct further ....

Juneau/ Bruce Aronson

My name is Bruce Aronson, I'm City Manager of Petersburg. A little bit of background, I worked for Dept. C/RA for 4 years, my speciality would be the time law creating the recent school districts in 1975, so I have a little bit of interest in this bill, plus also being a Manager of a City in an unorganized. The package of bills is of great interest to the City of Petersburg. Very briefly, II would like to address the bills and general concepts of regional government. First question, why do we have regional governments? Whether you call it organized or unorganized boroughs, or whatever. I think the obvious answer is to provide areawide municipal services, including education, police, fire, planning, municipal services, on a regional basis. Another question would be do boroughs serve a useful purpose in Alaska? I think an examination many people would have to agree, that a borough would serve, whether organized or unorganized, does serve a useful purpose, if it is approriate to the region, and is properly structured, as the right formation and representation and provides the services required. Another question would be, why haven't additional boroughs been formed? I think the latest account is 11, and it has been at 11 for many years, it seems like. I think in my mind, 1) is that regional types agencies have been formed in lieu of boroughs to address regional type problems, for regional school districts REAAs formation provides local control educational services. Another reason why we don't have additional boroughs, would be municipal services are provided by other agencies. For example, the State Troopers here in Juneau provide municipal type police services here in the valley, so there is no incentive to provide those basic services that the state agencies provide. Also a non-

Public Hearing
HB 580 - 586
3/19/80 7:30 P.M.
Meeting with RuralCap Citizens Participation Conference

Name	Address
Commissioner of Community Resources - Chris O[illegible]	Tanana Chief Conference Inc.
Pres., - William C. "Spud" Williams	1st & Hall Streets
	FAI, AK 99701
Palmer McCarter	Pouch B - Juneau, Ak
D. Pope	912 W. 6th, Anchorage
Norman A. Cohen	RURAL CAP
Patrick Pettiwell	" "
Charles Hubbard	3305 Rossella - Anch, AK 99504 (COPPER RIVER NATIVE ASSOC.)
Charles Mueller	POBox 189 Dillingham AK 99576 (Bristol Bay Native Assoc)
DAVE WAKEFIELD	Box 276, Port Lions, AK 99550 (KANA)
Robin Brean	United Crow Band P.O. Box 131 Tok, Alaska 99780
G. Stiles	F.Y. Leg. Chairperson Box 55 FYU 99740
Jeff Smith	Marelnk, Inc
Bob Lohr	RurAL CAP 327 Eagle, Anch 99501

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A UNIT IN THE ORIGINAL FILE.

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Community & Regional Affairs

VICE-CHAIRMAN
Commerce

Health & Social Services

Senate

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811

January 4, 1980

Mr. Thomas F. Klinkner
Law Offices of Richard W.
Garnett III
900 West 5th Avenue, Suite 540
Anchorage, Alaska 99501

Dear Tom:

Thank you very much for your comments regarding the Local Government Study. Our final report is due out very soon and I will see that you are added to this mailing list. Overall, I am pleased with the results of this study. Although the proposals may seem modest, they seem to follow well the constitional directions set for local governments and certainly can bring some cohesiveness and coordination to the delivery of services to rural Alaska. Your indepth comments and support can certainly help in seeing that this needed legislation is adopted by this session of the Legislature.

Your voice adds to a growing chorus speaking to the need for thorough technical revision of Title 29 of the Alaskan Statutes. When a certain number of amendments have been made to the Statutes, a recommendation is made for a revision of the Title. This is the case, as I understand it, with Title 29 and the recommendation is being made that Title 29 be the next title to be revised. I have had preliminary discussions with Representative Bill Parker regarding this and with several other interested parties, such as the Alaska Municipal League. One possible approach might be the establishment of a short-term committee composed of chairs of the Senate and House Community and Regional Affairs, Mr. Jack Chenoweth, from the Legislative Legal Department, other attorneys who are familiar with working on the Statutes, and other interested persons. I would see this as a working group that would produce revisions to Title 29 for introduction to the next Legislature. It seems to me there needs to be a careful delineation of the so-called housekeeping aspects and other issues that may be of major policy impact. For example, issues dealing with service areas, annexation procedures, etc., may take some special review and consideration.

I will discuss this matter further with Mrs. Ginny Chitwood, Alaska Municipal League, and with Representative Bill Parker as to possible methods for best proceeding with the revision of Title 29. I am sending copies of this letter to a number of people in hopes that both you, Tom, and the ones receiving copies will send me their thoughts and comments as to how best to proceed. It would be very helpful to have some input as to the number of policy issues, in addition to overall revisions that may well need to be addressed. Again, thank you for your interest and I will look forward to hearing from you further on this.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

cc: Mr. Lee Sharp
Juneau City Attorney
Mr. Bruce Aronson
Petersburg City Manager
Mrs. Ginny Chitwood, Ex. Dir.
Alaska Municipal League
Mr. Alan Tesche
Mat-Su Borough Attorney
Mr. Jim Nordale
North Star Borough
The Honorable Bill Parker
House of Representatives
Mr. Jim Nordale
North Star Borough

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M January 14, 1980

SUBJECT: Identification of administrative regional units as "unorganized boroughs." (Work Order Nos. ~~7569~~ 7655, ~~7570~~ 7656 and ~~7571~~ 7657)

TO: Senator Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs Committee

Representative Bill Parker, Chairman
House Community and Regional Affairs Committee

FROM: John B. Chenoweth
Legislative Counsel

The designation of administrative regions as "unorganized boroughs" in the context of these bills is wrong as a matter of legislative drafting and contrary to provisions of the state's constitution.

As a drafting matter, this Agency has consistently tried to describe single purpose subdivisions of the state's unorganized borough fairly and accurately. Responsibility for schools and for resource planning in the state's coastal zone was transmitted to single-purpose unorganized borough "service areas" consistent with the directive of the constitution and state statute that "service areas" be used to accommodate provision of "special services". While uneasy with adaption of an organized borough mechanism for use in the unorganized borough, at least the choice of nomenclature fairly served to describe what was in the works. The terminology did serve to inform the citizens of the state fairly and fully of the status of the new subdivision. The choice of "unorganized borough" in this bill does not, as a matter of bill drafting, fairly describe the nature of the subdivision or unit that is being established in the accompanying bills. The "unorganized borough" authorized in these bills is clearly a single-purpose entity <u>not</u> characterized (as were earlier "service areas") by regional public participation and direction. These "unorganized boroughs" are confined to assist <u>state</u> planning efforts. "Unorganized borough" is a defective nomenclature that does not accurately identify the result embodied in the legislation.

The Constitution, at Article X, sec. 6, suggests that the term "unorganized borough" be used in conjunction with a scheme by which services are to be performed in areas not within incorporated areas, indicating that the legislature "[allow] for maximum local participation and responsibility." Since "service areas" have been used to describe the devices adopted for "special services" in the unorganized borough, and since the principal bill of the three accompanying this memo does not address "local participation and responsibility" for a function or service, use of the term "unorganized borough" -- which at least implies a delivery of multiple services with local participation and responsibility -- to describe an entity the sole purpose of which is to redirect the nature of state agency efforts is inconsistent with applicable constitutional directive.

The choice of terms in this regard is not insignificant. Fulfillment of the constitutional directive with respect to formation of unorganized boroughs -- "maximum local participation and responsibility" -- suggests to me that the three bills as presented are incomplete: the unorganized borough bill should also make provision for accommodation of existing services which involve local participation and responsibility, and, accordingly, should include transitional provisions by which the current service area responsibilities for single purpose subjects (i.e. education and coastal management planning) are folded into these new "unorganized boroughs." Your selection of the term "unorganized borough" almost certainly requires that, if adopted, the continued use of "service areas" of the unorganized borough as the structure to transfer responsibility for a service from a state agency to an entire region is no longer appropriate; hereinafter, bills drafted making such a transfer must make use of these new "unorganized boroughs."

JBC:ljb

Enclosures

Sen. Arliss Sturgulewski

Rep. Bill Parker

January 15, 1980

to Arliss S. and Bill P, CRA committees

from Vic Fischer

re Jack Chenoweth's 1/14/80 comments on "unorganized borough" nomenclature

Jack takes the position that use of 'unorganized borough' in proposed bills is wrong from standpoint of legislative drafting and contrary to provisions of state constitution.

I defer to Jack with respect to legislative drafting.

However, I cannot accept Jack's position regarding what the constitutional provisions would require.

Jack's argument revolves around section 6, Article X provision of services in the unorgani-ed borough with maximum local participation and responsibility. To deal with this matter, however, one has to look at section 3 as well as 6, plus keep in mind what the constitutional intent was as set forth quite clearly in the convention record.

The key to the issue is sec. 3: it provides that the entire state be subdivided into boroughs. Whether organized or organized, they are to meet criteria of population, geography. economy, transportation, etc. Each borough - unorganized as well as organized -- shall embrace an area and population with common interests.

The problem today is that the existing unorganized borough is patently illegal under the constitution. It does not meet the criteria or standards set forth in ~~xxxxxxxxx~~ section 3 for both organized and unorganized boroughs.

The constitution and the constitutional record are very clear that the intent was to divide the entire state into regions, using standards currently being applied to organized boroughs only. The intent always was to have regional units that would be able to move from totally unorganized status to whatever degree of organization might be appropriate.

Unlike Jack, I don't believe that sec. 6 "suggests" that the term unorganized borough be used in conjunction with service schemes entailing maximum local involvement. Note that sec 6 states: "The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs," then adding "allowing for maximum local participation and responsibility." ~~Xxxx~~ he proviso is not the other way around: it does not say that only where local participation is provided can the state provide services. Thus, the state is to provide services it decides upon, with whatever local participation is a-propriate. The principal purpose of the and proviso is to make sure that local participation be provided to maximum extent possible. And I think that the regional strategy planning provisions lay the basis for truly major local participation in all services being provided by the state in the particular region.

Note also that the first sentence of sec. 6 refers to "unorganized boroughs", using the plural -- another indication that the regional concept is basic to article X and that the present single unorganized borough is counter to both constitutional language and intent.

Thus I agree with Jack fully that the choice of terms is not insignificant. It's just that we end up on opposite sides!

The designation of regional unorganized borough would, in my opinion, carry out the mandate of the constitution. Maybe a bit late, but not too late. I do believe it should be handled now, without perpetuating an illegality and incongruity that was perpetrated twenty years ago. (By the way, this whole matter is discussed in greater detail in our draft/unpublished study on regional government in Alaska.)

I do not think that establishing unorganized boroughs would create any problem whatsever with services areas, REEAs or CMSAs. Some appropriate language can assure that their status is preserved. In doing so, the legislature would simply be exercizing its authority and jurisdiction under sec. 6. The process of folding existing service areas need be no more complex than legislative action long ago providing that independent school districts be part of organized boroughs. Since unorganized boroughs would not, under proposed legislation, have their own governing body or facsimile thereof, the relationship between the service areas and state government need not change in any way whatsoever.

Ok?

Vic

Pls give copy to Jack C. before our conference call

TO: Fran Ulmer, Director
Div. of Policy Develop. & Planning

DATE: November 13, 1979

FILE NO: J-66-220-80

ATTN: John Halterman
Deputy Director

TELEPHONE NO:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL

SUBJECT: Proposed legislation on unorganized boroughs

By:
Rodger W. Pegues
Assistant Attorney General

This responds to your request for our review of the draft bill on this subject.

Because the bill is a working draft, we will not discuss technical matters but rather will limit our review to the bill's basic aims and mechanisms.

The bill has two basic purposes: (1) Provide some reasonably systematic means of obtaining popular review of state agency operational and construction programs in rural areas on a regional basis. (2) Provide a means for incorporating home rule boroughs on a regional basis in presently unincorporated areas. The latter presents no legal problems. The former does.

The basic legal problem is that the bill, perhaps inadvertently, gives any assembly a pocket veto power over the use of any appropriation which "affects" residents of its unorganized borough. For example, the appropriations for the criminal justice system affect residents of rural Alaska. Under AS 37.07.080(b) as it would be amended by the bill, if the assembly of an unorganized borough does not comment and make recommendations on, say, the State Troopers operations plan, no appropriation in support of the plan could be expended. (We doubt if the draftsmen intended this result, but that is it.) A pocket veto of this dimension would not only be unacceptable as a matter of public policy but also as a matter of constitutional law. The governor's power to budget and to supervise the executive simply cannot be made subject to a veto without offending the constitution.

Even if the language here (lines 2-16 at page 7) were revised to eliminate the pocket veto, it is still overly broad. The appropriation for the Department of Law's civil division in the Juneau office, for example, "affects residents of the unorganized borough" because the office routinely writes legal opinions and memoranda of advice -- as well as providing oral advice -- upon which other state agencies rely in administering their programs. If unorganized boroughs are to be brought into the process of preparing the state's budget, the language must be made much more

precise than this. (That raises a related question: Legal questions aside, what is the rational basis for bringing unorganized boroughs into the budget process but not the cities and organized boroughs?)

As a practical matter, is there a reasonable way to bring the unorganized boroughs into the budget process as proposed in the bill? Assuming that it is constitutionally permissible to require this review and consultation, can it be accomplished with a favorable cost-benefit ratio? How many specialists will have to be hired by the state to translate the agency budget proposals into the bill's narratives for the assemblies to review? How many more specialists will be required to consider the assembly comments? How will proof of that review and consideration be made? By written decisions? Oral?

Given that not everyone can understand budget documents -- even if translated into a "narrative summary" as the bill proposes -- how much review and comment of practical value can reasonably be expected? Assuming that a worthwhile review can be made, how will comments be prepared and how will recommendations be made? The paperwork involved for both the state agencies and the assemblies becomes readily manageable only if there is an administrative staff on hand to do it. Given the massive amount of budget material which would have to be reviewed and the limited time available in which to review it, a large administrative staff would be required in each unorganized borough.

The REAA's (and the regional corporation's) boundaries are not coterminous with regional boundaries for budget purposes. As a result, even if the bill's language were made more precise so as to delimit the reviews to budget items for expenditures actually within an unorganized borough, the risk of error and confusion would remain great, with attendant uncertainty for spending appropriated moneys. The risk grows still greater when the review extends to budget items spent elsewhere but which affect residents of an unorganized borough.

In sum, the proposal for review and comment on the budget requires a great deal of work before it will become reasonably feasible. An appropriation for the Department of Law's civil divi[illegible] "affects

The proposal to include unorganized boroughs which have established assemblies with those entities (municipalities and village councils) which review proposed public

works projects appears to be feasible. However, if a village is within an unorganized borough which has an assembly, review by the latter should suffice, and there should not be a requirement to have review by both, any more than there is to have review by both an organized borough and a city within it.

Finally, while the stated concern here is to move away from the development of overlapping, duplicative special districts, this bill merely adds another layer. Apparently, there is an underlying hope or mild expectation that, eventually, home rule boroughs will be incorporated, thereby succeeding to and consolidating the unorganized boroughs, the REAAs, and the coastal resource service areas. Given, however, that the special districts have 100 percent state financing and that the organized boroughs do not, the hope is wishful and the expectation unrealistic.

RWP/pjg

worthwhile

WO 7573
Vassar

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid to local governments; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 43.18 is amended by adding a new section to read:

Sec. 43.18.015. ADDITIONAL ENTITLEMENT. A city or organized borough of any class which is entitled to state aid under AS 43.18.010 shall receive additional state aid for each fiscal year in the amount of $25,000 adjusted to include an area cost-of-living differential determined in accordance with AS 43.18.012.

* Sec. 2. This Act takes effect July 1, 1980.

Get Fiscal Notes!
Admin. Regions - no call reinorganized boro!
CS - purposes!
DPDP
* Call Dick Bradley -
Chenaweth review of CZM changes -
— Fiscal note for our bills!
* CZM $ - encumbered for further use. Call Jan Erickson - Sharon Sturrock

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M December 21, 1979

SUBJECT: Elimination of Third Class Boroughs
(Work Order Number 7574)

TO: Community and Regional Affairs Committee
Attn: Marge Gorsuch
Administrative Assistant

FROM: Thomas A. Sofo
Legislative Counsel TAS

In the draft of the bill to eliminate third class boroughs it was necessary to revise statutes that used the term "third class borough" which were outside the municipal code (AS 29). In particular, attention should be given to AS 14.-12.110 which is contained in that title of the Alaska Statutes reserved for education. Although AS 14.12.110 does address a topic related to education, i.e. the composition of school boards, it also quite clearly expands the potential power of the borough assembly without any parallel provision in the municipal code. It might be desirable to add such a provision to AS 29 so that reference to that title in order to examine the powers of the borough assembly would reveal this potential dual function.

TAS:ljb

Enclosure

House/Senate Bill Number or Statute	Activity	Time Required
H B 560 S B 348 pg 1	Each REAA becomes an unorganized borough 7 0	Effective 120 days after the passage of the Act.
H B 560 S B 348 pg 1-2	Commissioner reviews the boundaries of unorganized boroughs, amends them if necessary, and certifies the boundaries.	Estimates time to complete this task in 180 days.
H B 561 S B 349 pg 1	A municipality, group of municipalities, a nonprofit corporation, or the Commissioner proposes that a management plan be prepared for an unorganized borough.	This may occur at any time.
H B 561 S B 349 pg 1	Commissioner reviews the request for a management plan and accepts or rejects it.	Estimated time to complete this task is 30 days.
H B 561 S B 349 pg 1	Commissioner advertises for proposals to prepare a management plan for the unorganized borough.	The proposed act requires that requests for proposals be advertised for at least 15 days. Estimated time to complete this task is 60 days
H B 561 S B 349 pg 2	Commissioner reviews proposals and awards a contract.	Estimated time to complete this is 60 days.
H B 561 S B 349 pg 2-3	Management plan is prepared.	A maximum of 4 years is allowed to prepare the management plan. The Department may not pay more than $25,000 plus $25 per resident each year for preparation of the management plan.
H B 560 S B 348 pg 3	Residents of the unorganized borough petition for the election of a charter commission and incorporation as a home rule borough.	This activity may occur at any time.
AS 29.18.060	Department reviews the petition and determines its sufficiency.	Estimated time to complete this task in 30 days.
29.18.070	The Department investigates the proposal and prepares and submits a report with recommendations to the Local Boundary Commission.	Estimated time to complete this task is 120 days.
AS 29.18.080	The Local Boundary Commission conducts public hearings throughout the unorganized borough.	Estimated time to complete this task is 90 days.

AS 29.18.090	The Local Boundary Commission conducts a decisional meeting and enters a decision to accept the petition. The Commission could, if the area did not meet borough incorporation standards, reject the petition. A formal statement of decision is issued and sent to the Lieutenant Governor.	Estimated time to complete this 30 days.
H B 560 S B 348 pg 4	The Lieutenant Governor issues an order calling for the election of a charter commission.	The order must be issued within 30 days of receipt of notice that the LBC has accepted the petition.
H B 560 S B 348 pg 4	Local residents submit nominating petitions for the charter commission to the Lieutenant Governor	20 - 30 days are allowed for this activity.
H B 560 S B 348	Lieutenant Governor conducts an election.	The election is held not less than 60 or more than 75 days after the date of the election order.
H B 560 S B 348 pg 5	Charter commission prepares and submits a charter to the Commissioner.	One year is allowed for this activity.
H B 560 S B 348 pg 5	Community and Regional Affairs reviews the petition and accepts it. If the charter is legally deficient it is returned to the Charter Commission which has 90 days to submit a revised charter.	Estimated time to complete this task is 60 days.
H B 560 S B 348 pg 5	Community and Regional Affairs notifies the Lieutenant Governor of the acceptance of a charter. Lieutenant Governor orders an election held to consider adoption of the charter and incorporation as a home rule borough.	Estimated time to complete this task is 30 days.
H B 560 S B 348 pg 5	Lieutenant Governor conducts an election to consider approval of the charter and and incorporation as a home rule borough.	The election must be held 60 to 90 days after the date of the election order.
H B 560 S B 348 pg 6	If incorporation is approved the Lieutenant Governor issues an order calling for a second election to elect borough assembly members, a mayor, and any other elected officials called for by the charter.	Estimated time to complete this task is 30 days.

P.O. Box #1166
Fairbanks, Alaska 99707

Third Open Letter to All
Legislators of the State of Alaska

January 28, 1980

RE: Borough Powers (HBs 580, 581, 582, 584, 585 and 586)

Dear Legislator:

On January 21, 1980, the above named bills were introduced by the Rules Committee and referred to the Community and Regional Affairs Committee. These bills are interrelated and if enacted will eliminate the Borough System. The little bit of freedom reserved by the Alaska voters over local government and of local self-determination as demanded by the Alaska Constitution Article X, will be replaced by a state socialistic dictatorship under the Governor and the Department of Community and Regional Affairs.

HB 580, if enacted, will generally speaking, establish each existing regional educational attendance area (school district) as an unorganized borough and will provide for their direct incorporation as a Home Rule Borough.

HB 581, if enacted, will authorize the Office of the Governor to study and to report to the legislature recommendations requiring legislation regarding development and implementation of state services to districts. (Each existing borough and unified municipality and each unorganized borough will be considered a State Service District if HB 580 is enacted.)

HB 582, if enacted, will provide public tax dollars to a municipality or a non-profit corporation to prepare the management program for the unorganized boroughs.

HB 584 will, if enacted, eliminate the Third Class Borough.

HB 585, if enacted, will provide for direct incorporation as a Home Rule Borough for the Second Class Borough. (Last session as part of HB 66 legislation was slipped in giving the Second Class Borough powers of a First Class Borough without the consent of the voters. Presently I am challenging this legislation at the Superior Court of Alaska.)

HB 586, if enacted, will give the Department of Community and Regional Affairs sole authority to prepare a statement of expenditures or appropriations to be made by any municipality, necessitated by enactment of State legislation. In other words, the legislature may impose any State provided service on any municipality and make that municipality pay for the same, and only the Department of Community and Regional Affairs will be authorized to prepare a statement or note of the anticipated cost to be born by the people of the municipality affected.

All these bills are monuments of a state socialistic dictatorship, impairing and denying the people of Alaska rights guaranteed under both the U. S. Constitution and the Alaska Constitution. They are violating the principals of providing for maximum local self-government as set forth under Article X of the Alaska Constitution and they are ignoring the limitations of power to the legislature as set forth under Article II of the Alaska Constitution.

These bills cannot be legally enacted without first changing the Constitution of Alaska. Therefore, I urge you to devote your efforts that HBs 580, 581, 582, 584, 585 and 586 will die in committee.

Very truly yours,

Wolfgang Falke

CONFIRMATION COPY

P. O. Box 1166
Fairbanks, Ak. 99707

Senate Community & Regional Affairs Committee
Senator Arliss Sturgulewski, Chairman, and

House Community & Regional Affairs Committee
Representative Bill Parker, Chairman

Pouch V, Juneau, Alaska 99811

February 13, 1980

Dear Committee Members:

Enclosed please find a copy of my forth open letter to all legislators, which, together with my third open letter of which you have received a copy (I hope), I hereby formally ask to be entered as testimony at your next committee meeting. I hope there will be a chance for the committee to consider my suggestions and objections.

I appreciate very much the opportunity to participate in your last weeks teleconference and to listen to the problems faced elsewhere in our State. I am sure I did not address all the questions you may have regarding my comments and I would sincerely appreciate if you could drop me a short line with the specific questions why you think the law must be changed and amended to better solve the "problems", and state the problem. I will respond at once.

I thank you for your kind consideration of my comments.

Very truly yours,

Wolfgang Falke

Enclosure

CONFIRMATION COPY

P. O. Box 1166
Fairbanks, Ak. 99707

Fourth open letter to all
Legislators of the State of Alaska

February 12, 1980

Re.: Borough powers (HBs 580, 581, 582, 584, 585, 586, and the corresponding bills in the Senate)

Dear Legislator:

This letter is written in opposition to the above named bills, which will, if enacted, eliminate the borough system. Thereby the opportunity for maximum local self-government as mandated by the Alaska Constitution, article X, will no longer be provided for.

If the sole purpose for this legislation is, (as I have perceived from listening to verbal testimony by members of the Joint Senate & House Community & Regional Affairs Commettee) to streamline delivery of State provided services and to encourage local participation in the process, then nothing would prevent the legislature from simply amending present law to the extent that the existing regional school boards may also act as Regional Health and Welfare Boards. The providing of municipal services to any area of the State where people may desire them is very adequately covered by existing law in Title 29, Alaska Statutes.

Under AS 14.08.41 regional educational attendance areas were established to provide for education in the unorganized borough and to "establish and maintain a system of public schools open to all children of the State" as set forth in the Alaska Constitution, article 7. Each regional educational attendance area is operated on an areawide basis under the management and control of an elected regional school board. If a higher or different level of education than that provided by the State is desired in any part of a regional educational attendance area, or if a municipal service is desired by the people in any part thereof outside first or second class cities, the legislature

may act as the assembly for the unorganized borough and may establish, alter, or abolish service areas for that purpose (AS 29.03.020). The regional school board has no taxing authority and the Division of Lands has the zoning authority in the unorganized borough (AS 38.05.037), except that first class cities shall and second class cities may provide for planning, platting and zoning.

A Third Class Borough is an organized borough and a municipal corporation; it provides for the most local control under State law. A third class borough has an elected assembly which also serves as school board. The presiding officer of a third class borough assembly is both president of the school board and borough executive (AS 29.41.020). The presiding officer is elected from among and by the assembly and has no veto power. A third class borough is a general law municipality (AS 29.08.030) and is granted the powers applicable to all municipalities under chapter 48 of title 29. It must exercise the mandatory areawide powers of education and tax assessment and collection and may assume any municipal powers granted under chapter 48, title 29, by voter approval and may exercise the same on a service area basis only (AS 29.41.010). Planning, platting and zoning powers may be assumed after approval by a majority of the voters of the entire borough and may be exercised on a service area basis. First class cities shall and second class cities may provide for planning, platting and zoning. The State has no zoning authority within a third class borough (AS 38.05.037) except within any portion covered by the Alaska Coastal Management Program, if the municipality has not done so. The State Division of Lands may provide for platting:

> "...for only the purpose of hearing and acting on petitions for the change and vacation of plats" (AS 40.15.075).

The third class borough may well be considered the ideal form of maximum local self-government to facilitate organization of large and sparsely populated areas, such as encompassed by many of the existing regional educational attendance areas.

> "All political power is inherent in the people. All government originates with the people, is founded upon their will only, and is instituted solely for the good of the people as a whole." (Alaska Constitution, article 1, section 2)

In other words all rights of self-determination are originally retained by the people. The State assumed only the rights enumerated in the constitution of Alaska through voter approval and assumed at the same time the obligation to fulfill the responsibilities enumerated in the same. Article VII of the Alaska Constitution requires the State to provide for education, protection of public health and welfare. Article X of the Alaska Constitution requires the State to provide for maximum local self-government and to divide the State into boroughs, organized and unorganized, and that the legislature shall classify boroughs and prescribe their powers and functions and methods by which they may be organized, incorporated, reclassified and dissolved.

The legislature did that; it established 3 classes of organized boroughs and provided for their reclassification, and it did provide for regional educational attendance areas operated by elected school boards. The borough system as enacted provides for maximum local self-government on one hand and for stringent municipal rule on the other, thereby satisfactorily accommodating the needs of the various population centers as well as the sparsely populated areas of the State. The unorganized borough with its multitude of first and second class cities is evidence for the success of the local government system.

As private ownership of land will increase, population centers of various character will develop and thereby will demand increasingly more and different kind of municipal services. The third class borough will undoubtedly fill the need for a first step to organize local municipal government. The Haines third class borough very successfully proves its purpose. The majority of the people of Haines prefer to retain their right of self-determination as evidenced in recent elections by voter rejection of reclassification proposals to a different class. It also reflects their desire and need for self-determination regarding planning and zoning, the power which the people of Haines prefer to retain as evidenced in a recent election. Of course their are always people who prefer a stronger form of local government. In the case of Haines those people are in the minority, but very vocal in favor of HB 584, a bill calling for the elimination of the third class borough. On the other hand in many second class boroughs evidence is apparent of the dominence of the populated center areas over the outlying areas; specifically, over dictatorial zoning administration unjustly denying the less populated

areas their rights to self-determination. Serious attempts have been made and are currently contemplated for putting the question of reclassification to third class status for all or part of some second class boroughs on the ballot.

This flexibility of municipal government organization is absolutely necessary to insure orderly and diversified development in the future; the only way to achieve prosperity to the people and establish a sound economy. For these reasons, and because the Alaska Constitution demands it, I urge you to defeat the above named bills in committee.

Unfortunately most of the citizens of Alaska are not aware of the legislation under consideration and therefore the input you receive reflects mostly that of special interests, such as existing government bodies and government related or dependent groups, who will benefit from this legislation at the expense of the majority of the people. The current administration and the Department of Community and Regional Affairs in particular are consistently opposing and rejecting the third class borough form of local government. This is evidenced by the misleading and false statements found in the recent Yukon Flats Regional Government Study, such as: "A third class borough is little more than a local school board which must levy taxes to support its educational programs. Because it lacks planning authority, it cannot deal with important issues such as planning for public facilities, providing utility services, and planning for growth and development which best fits local needs and desires." This is of course not so. Education is provided and paid for by the State, the third class borough government can do all the planning it needs or wants to do and can establish any municipal service such as utilities, roads, fire protection, recreation, water, sewer, garbage collection, and so on, on a service area basis with the consent of the voters. In the unorganized borough, where most communities at present are not connected by road, the third class borough should be the form of government most attractive for the people to adopt.

The Joint Senate & House Community & Regional Affairs Committee's final report of the Local Government Study - 1979 states: "Creation of the Rural Education Attendance Areas throughout Alaska eliminated the purpose of the third class borough, which has education as its only authorized substantive function." This statement reflects total misinterpretation

of the law and displays arrogance and disrespect for the principals of the right for self-determination of the Alaska people as set forth in their Constitution. Agency representatives as well as members of the legislative local government study committee expressed verbally before public hearings such misinterpretations of the law purely for the benefit of enhencing the power to special interest groups and government bodies. The evidence of their misrepresentations warrants serious consideration of a legislative investigation into the misuse of power and funds by the Department of Community and Regional Affairs. The Department has worked purposely against implementation of the law as prescribed by Alaska Statutes and has unlawfully propagandized misleading facts to influence public opinion in order to change law and thereby enhence the selfserving powers to that department.

Present law very adequately serves the needs for organized and unorganized local government. Education is very well provided to the unorganized borough through the elected school boards of the Regional Educational Attendance Areas. In the same way health and welfare services could be administered by the State. If special services are desired in specific areas, first and second class cities may provide for the local needs of such services or the legislature may act as the assembly for the unorganized borough and establish service areas to satisfy those needs. A third class borough may be formed in which the assembly is also the school board and may, in addition to the mandatory functions of administering education and tax assessment and collection, exercise any or all additional municipal functions, including planning, platting and zoning, on a service area basis, after voter approval. If the need for areawide exercise of the additional services should arise or be desired, the people may by majority vote reclassify or incorporate with the powers of a borough of the second or first class, or as a home rule or unified municipality, as prescribed by law.

No purpose is cited for the enactment of the above named bills under consideration which could not be implemented under present law. The proposed legislation will substantially eliminate the opportunity for local self-government and thereby impair and deny the people of Alaska the right of self-determination as set forth under the Constitution.

These bills are contrary to the best interest of the people as a whole. Therefore they should die in committee, and in any case must never be enacted.

Very truly yours,

Wolfgang Falke

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 580-586 Legislative Package Bills

ORIGINAL SPONSOR: Joint C&RA Interim
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: ~~3/19/80 (7:30~~ P.M. Informal hearing specifically with members of RuralCap CPC

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

Also present were: Sen. Arliss Sturgulewski

Bob Lohr, Deputy Director, RuralCap

- Voluntary process contained in HB 580 should be emphasized repeatedly. Not intent to promote mandatory boroughs and this should be continuously emphasized. Insert wherever reasonable (p. 1 line 19)
  Overkill the voluntary aspects of the bill.
  Does boundary drawing encourage borough formation? This is a question which will be raised.
- p. 2 line 8 120 days not long enough
- The boundaries which are developed should be provisional for the duration of the plnaning process.
- p. 4 Add to planning process
  financing issue not addressed.
- Expressed concern tht REAA boundaries might not meet borough boundary standards.
- p. 3 line 29 Add that the commissioner would "seek public participation in the evaluation process.

Suggests that wording used in the development of coastal resource service districts could be used, i.e., by resolution by a majority of villages or petition of 15%--to ask for funds for study. Whatever entity receives the money should be representative of the community. People are deciding what should take place. People want to evaluate.

Questioned if enough money was being appropriated in HB 886? Palmer McCarter explained that the estimate was that 3-4 regions might request funding during a given year.

Spud Williams - Citizens' Participation Conference re HB 580

- No phase between organized and unorganized status of regions. Will be spending alot of money to develop plans and a "planning commission" of sorts will have been established and yet then there will be no mechanism for local followthrough.
  What will be done with the plans? p. 5 line 14

(see p. 2)

COMMITTEE ACTION: No action. Scheduled for hearing 3/21/80

TAPE # SIDE ____ Footage ____ Cassette Tape #

There will be no way to implement the recommendations of the study. There should be a phasing process allowing for planning and zoing powers. There is a need to implement what we are planning for. Allow enough time to see what works in eahc area. Check for legitimacy of planning instrument.

There should be a provision for review of the exemption provision * in HB 851 every 3 years or after provisional boundaries have been made final.

State should recognized IRA Councils as a new class of city. *

Revenue sharing for IRAs and recognition of IRAs for revenue sharing purposes has been raised by Saxman. Legal reserarch is being done in conjuntion with the Tanana Chiefs which addresses this question, according to Palmer McCarter.

Lohr pointed out that there are a number of native villages which prehaps need modification from the requirement that Native Reigonal Corporation Boundary lines be respected: Mentasa, Cantwell, Lime Village. Suggests that perhaps there should be listed in the bill. *

580-

Report adapted.

Give precedence to ~~REA~~ Regional Native Corp. boundaries

* Inside/outside city note

Concern re provisional boundaries

Fed. concept 'opting' 'out' planning areas.

Accountability comes

* Planning group perhaps no stake result. ?

Questioning effectiveness of REAA ability areas

Public Hearing
HB 580 - 586
3/19/80 7:30 P.M.
Meeting with RuralCap Citizens Participation Conference

Name	Address
[illegible] - Chris [illegible]	Tanana Chgs. Conference Inc.
Pres., - William C. "Spud" Williams	1st & Hall Streets
	FAI, AK 99701
Palmer McCarter	Pouch B - Juneau, Ak
D. Pope	912 W. 6th, Anchorage
Norman A. Cohen	RURAL CAP
Patricia Petrivelli	" "
Charles Hubbard	3305 Rossella - Anch, AK 99504 (COPPER RIVER NATIVE ASSOC.)
Charles Mueller	POBox 189 Dillingham AK 99576 (Bristol Bay Native Assoc)
DAVE WAKEFIELD	Box 276, Port Lions, AK 99550 (KANA)
Robin Brean	United Crow Band P.O. Box 121 Tok, Alaska 99780
J. [illegible]	F.Y. Leg. Chairperson Box 55 FYU 99740
Jeff Smith	Mareluk, Inc
Bob Lohr	RurAL CAP 327 Eagle, Anch 99501

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: CS HB 580/581 Establishing Unorganized Boroughs Responsibilities of DPDP

ORIGINAL SPONSOR: _____ OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: _____

HEARING DATE: 3/17/80

MEMBERS PRESENT:

Bill Parker		Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

CSHB 580
Bob Lohr, Ruralcap

Substantial improvement over original bills. Requests that action be deferred until Thursday when RuralCap Citizens' Participation Conference will have final position paper developed. RuralCap believes it is desirable to combine the drawing of the boundary lines with the planning fund for the unorganized boroughs as is done in CSHB 580. Likes the addition of the word "shall" in page 4 line 5 as was recommended during RuralCap testimony.

Parr - Suggests that the assistance being given in Sec. 44.47.085 P. 3) is really for "planning" rather than for "management" programs and suggests that this be reworded.

CSHB 581
Bob Lohr - Sees the effective dates as the key in this bill and states that the lag time between creation of the unorganized boroughs and the use of these new boundary lines by the state is too long. Also suggests that the exemption language be tightened in Sec. 44.17.130 (1) and (2)(A). Concerned that in (1) that the whole Dept. of Admin. might be exempted or that certain important programs might be exempted. Lohr sees (A) as overly broad with the current wording. Resource information will be main conern after local governments are formed. Lohr expressed concern re how agencies might combine "one or more home rule boroughs, general law boroughs, unified municipalities, and unorganized boroughs" (p. 2 lines 27-29)
p. 2 line 3 Lohr suggests that it be stated that this exemption not be renewable.
p. 2 line 5 It appears that a higher standard is implied with the use of "substantially" re increased workload and a similar higher standard should be applied to "additional expense" and "decreased efficiency".

COMMITTEE ACTION:

TAPE # SIDE _____ Footage _____

HB 580

Palmer McCarter, Director Division of Local Assistance
DC&RA
p. 3 Line 4 Questions inclusion of nonprofit in this section and suggests that it should be "corporation" while the idea of "nonprofit" should be included in (c) of this section. Asks whether DC&RA would be able to contract with a consultant with the given language? The language of A should be consistent with C. A consultant shouldn't be able to initiate a study.

Parr - Questions if ISIGR would be able to do a study under the existing wording and states that it should not preclude a group such as that which has substantial expertise.

McCarter - Suggests that corporation of whatever type should be able to do study. Should go back to the notion of nonprofit corp. as being among those who can request.

Parr - The people or C&RA should be the only ones who can request the study.

Branson - suggests that this section be reorganized to put (c) first and (a) in place of (c).

Parr - There is a need to address just the constitutional standards for borough incorporation as few REAAs would meet these standards.

Jeff Smith- Maneluk, Planning Director
Concurs with Parr that what is being addressed is a "planning" strategy. Local control should be of prime importance and it would be a mistake to allow a private consultant to request that a study be done.
Smith discussed some of the history of the NANA regional strategies and the current state of the effort.

HB 581
Jay Moor DPDP
Logical sequence of bill is good. Section 1 Requires that basic program data and information conform to specific boundaries. Feels that certain happenings in state government will be complimentary to proposdal in CSHB581:
1. automation of state budget
2. State library mandate for the data access center
3. ALARS system of Natural Resources
4. Management by objective approach

Parr - Will all of these systems be compatible?

Moor - Change wording on p. 1 line 21 to read:
(1) Information which may be required by the Office of the Governor for purposes of modeling the geographic distribution of the state's population, economic activities and public services."

Parr - Suggests that the intent in Section 1 (p. 1 lines 12-18) is not clearly stated and should instead be rewritten to be similar to statement on p. 2 lines 19-26.

Question is raised as to when the effective date of the ~~exeption~~ exemption will be? Will it be from the effective date of this section?

Parr - Suggests eliminating everything on p. 3 line 14 after the word "public".

Committee Log Book - 1979

It C/Ra Teleconference

Co-Chairman - Sen. Sturgulewski

Committee - Rep. Parker

Tape Number III IV V

Side Number 1/2 | 1/2 | 1

Dates 2-7-80 to

HS. Mbrs Present: Rep. Branson, Rep. Fuller

Sen. " " Sen. Kelly, Stimson, Mulcahy, Rodey

Bill Numbers Discussed

SB 348-354	Ha. Version	580-586						

	Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
TAPE III	2-7-80 1:30P.	005		Start - Introductions
		125		Sig Strandberg, (Anc.)
		304		Don Gilman - (Kenai)
		465		Pam Herman (Kotzebue) - Mauneluk Maxpower
		563		Edward Hoffman (Bethel) - Chairman - O F-Brd. Assoc. Village Cncl Pres
		730		Chris Anderson, (Fbx) - Tanana Chiefs Conf.
		866		Bob Blodgett, Teller (NOME)
Side 2		108		Mayor Holliwell, Haines (Anu)
		217		Lisa Rudd, (Anch.)
		484		Jeff Smith, (Kotzebue) Mauneluk Assoc.
		534		Carl Jack, (Bethel)
		615		Ray Kent, (Fbx.) Tanana Chiefs
		732		Andy Edge, City Mgr. (NOME)
TAPE IV Side 1		181		Dave Olerud, Haines (Anu)
		400		Pat ~~Kep rowellie~~ Petrivelli? (Anc.) Rural Cap
		493		Bert Criff (Kotzebue) Nenana Reg'l Corp
		560		Ken Proll, City Mgr. St. Mary's (Bethel)
		612		Wm. C. Wm. - (Fbx) Tanana Chiefs.

(Over)

722 - Kailob PEN gowee? (Nome)

828 - Roger Allington (Jnu)

Side ② — 028 - Ron Mallott (anc.)

139 - Mr. Gene? Moore, City Mgr. (Kotzebue)

305 - Wolfgang Falk? (Fbx.)

588 - - Dave Walsh - (Anc) — Muncipality & on behalf AML

744 - Allen Busbee? (Fbx.) Shalsha

800 - Bruce Aronson (Jnu) City Mgr. of Petersburg

Tape V

039 = End - 5 P.M.

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(907) 276-2221

RICHARD W. GARNETT, III
THOMAS F. KLINKNER
JAMES BENDELL

Marge

February 21, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

RE: Local Government Study
Legislation

Dear Arliss:

I have reviewed with great interest the legislation resulting from the local government study that you co-chaired. I believe that the legislation your committee has proposed, which I have seen in the form of House Bills 580-586, successfully addresses deficiencies in the State's municipal law that were pointed out during the course of the committee's study. As one who has had some experience practicing municipal law in Alaska, I believe that the amendments proposed in these bills make important improvements in the statutes governing Alaska's municipalities. If passed, these bills will create a better statutory framework for both urban and rural local government, affording needed flexibility to meet unique community needs.

I also would like to offer the following comments and suggestions regarding the specifics of these bills. These address technical matters which, I believe, may be resolved easily while preserving the desirable policy thrust of the legislation as proposed.

HB 580

29.03.021--If the commissioner adjusts boundaries, when does the establishment of an unorganized borough that is the subject of such an adjustment become effective? Some languge positively declaring the establishment of unorganized boroughs with adjusted boundaries, similar to that in 29.03.011, might be helpful.

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44.17--A specific requirement that districting be reflected, to the extent feasible, in agency budgets commencing with a specified fiscal year, might help move the districting process along.

29.19.020--What are the requirements for the nominating petitions referred to in this section? They might be made analogous to those in AS 29.13.020.

29.19.030--What happens if the commission fails to complete a charter in one year, or if it fails to modify a proposed charter within 90 days of rejection by the commissioner of community and regional affairs. If such a failure terminates the existence of the commission and its authority to act, the statute should so specify.

Disputes may arise as to whether particular charter provisions conform to state law. Several cases (for example, the one involving the Anchorage Charter's Notice of Claims Provision) have been litigated over this issue. A provision in Chapter 29.19 providing for judicial review of a charter rejection, the parties who may seek such review, and the procedure after such review has been completed, would be helpful.

29.19.040--Should there be a time limitiation for the ordering of an election after it has been requested by the commissioner of community and regional affairs?

29.19.070--This section may cause problems. Stating that the referenced sections apply may be interpreted to mean that other statutes not mentioned do not apply-for example, the part of AS 29.18 pertaining to land selection.

HB 585

As 29.08.010 also should be amended to read:

> A home rule municipality is a municipal corporation and political subdivision and is an organized borough [of the first class] or a city of the first class which has adopted a home rule charter. It has all legislative powers not prohibited by law or charter.

Since both first and second class boroughs may adopt a charter rule under this bill (and under HB 530, too, as I

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will discuss below), AS 29.08.010 should be consistent with that change.

STATUS OF HOME RULE BOROUGHS CREATED UNDER HB 580 OR 585

The creation of home rule boroughs under either bill creates a conceptual problem. While this problem in no way detracts from the substantive merits of this legislation, it should be addressed, and one of several policy solutions adopted.

Title 29 presently provides for first and second class boroughs. The principal distinction between them arises in AS 29.38, which specifies how first and second class boroughs, respectively, exercise non-areawide powers. First class boroughs are authorized to exercise any general law municipal power on a non-areawide basis, AS 29.38.010. Second class boroughs are limited to those powers conferred at incorporation, by AS 29.48.020, or approved at an election, AS 29.38.020-050. The labeling of a borough as "first class" or "second class" is basically shorthand for this distinction.

As HB 580 and 585 now stand, a home rule borough formed under either of those bills need not conform to the first class/second class borough distinction in AS 29.38. A new borough charter could adopt as its authority to exercise non-areawide powers one of the alternatives specified in AS 29.38, or develop its own approach, for example, by making the exercising of some, but not all non-areawide powers subject to voter approval. All of these options are open because AS 29.38 does not govern home rule boroughs, see AS 29.13.100. Since Title 29 refers throughout to "first and second class boroughs", it is important that the types of boroughs that may be created (a policy question) and the title's nomenclature (a housekeeping matter that should be resolved after the policy has been determined), be consistent.

There are several possible approaches to this problem:

1. Require each new home rule borough formed under HB 580 or HB 585 to designate itself either a first class or second class borough, by adopting the corresponding authority to exercise non-areawide powers under AS 29.38.

2. The same as (1) above, but in addition specify that a home rule borough formed under HB 585

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remains a second class borough governed by AS 29.38.020-050.

3. Provide that home rule boroughs formed under HB 580, HB 585, or both, may determine by charter the scope of their authority to exercise non-areawide powers, and are not limited to the two options provided in AS 29.38.

If (1) or (2) above is adopted, the present nomenclature is sufficient. If (3) is adopted, references to "first and second class boroughs" must be modified to take account of the hybrid home rule boroughs that may be created. In this case, if the legislation abolishing third class boroughs passes, a reference to "organized boroughs" would be sufficient. In the classification of boroughs there would be three distinct classes: home rule, first class, and second class.

Thank you for your consideration.

Yours truly,

Thomas F. Klinkner

Thomas F. Klinkner

TFK:pac

February 4, 1980

The Honorable Robert F. Messegee, Mayor
City of Skagway
P.O. Box 415
Skagway, Alaska 99840

Dear Mayor Messegee:

It was good to meet you when you were in Juneau at the Mayor's Conference recently.

As I mentioned, Senator Arliss Sturgulewski's staff informed me that the joint House and Senate Community and Regional Affairs Committees will be discussing the Skagway annexation on February 29, 1980, from 8 to 10 a.m. in room 11? of the Capitol Building. I informed both the House and Senate committees that you would be willing to come down and present testimony if nesessary; therefore, I am sure you will be hearing from the committees in that regard.

Sincerely yours,

Marie Pignalberi
Deputy Commissioner

cc: The Honorable Arliss Sturgulewski
The Honorable Bill Parker
Palmer McCarter

BRISTOL BAY NATIVE ASSOCIATION
P.O. BOX 179
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5257

March 3, 1980

Representative Bill Parker
Pouch V
Juneau, Alaska 99811

Dear Fellow Countryman:

The Executive Committee met last Wednesday and Thursday, February 27 & 28th, 1980. One of the times discussed was the unorganized borough.

I realize from meeting with you previously tha the unorganized Borough concept was created to help offset the peopulation explosion of the State of Alaska. (Anchorage, Fairbanks). The committee's concerns about the unorganized borough concept are the following:

1. When the State turns over its services to the unorganized borough does annual operating budgets need to have approval of the legislature?

With reapportionment coming up, most of the legislators will be from the Urban Areas. The Executive Committee's concern is budget cuts. The current bill should contain provisions to insure that operations of each unorganized borough would not be shortchanged.

2. Taxes. This isprobably the issue that would immediately turn off the bush residents. Perhaps a provision that would put a ceiling on the amount of taxes that can be collected when the borough decides to levy property taxes. What they are afraid of is losing property because someone did not pay taxes on his boat or property. Some ideas tossed around were $50,000 deductible for each household, and a limit of 10 mils tax levy.

Bristol Bay Native Association would be very much interested if these items can be addressed in the original bill.

Hopefully, I will be down Juneau, if so, I'll make it a point to look you both up.

Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION

Fred

Fred T. Angasan
Executive Director

FTA/mff

cc: Nels Anderson, Jr.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

March 3, 1980

SR 99675-Z
Fairbanks, Ak. 99701

Senator Arliss Sturgulewski
Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

RE: Opposition to SB 343, 349, 350, 351, 352, 353, 354.

Dear Senator Sturgulewski:

The intent behind some of these bills could be for the good of the people but in their present state they are very premature. In reviewing SB 343 and 349, I find that these bills need more time and study on a local level. SB 349 should be introduced prior to 343 before any type of movement is made to basically organize the unorganized borough, which SB 343 is trying to do. In SB 349 the state should not have the authority to contract, as this is a breakdown of local government in itself. In looking over the proposed boundaries for the unorganized boroughs, I find these boundaries to be grossly out of proportion and there is no way for there to be a true local government in these areas. I realize that in the future the boundaries could be changed, but feel that this might not be possible due to improper planning and the development of a standardized system that could not afford the change.

The State Constitution provides adequate means and types of municipal governments for communities to choose from in order to have a local government body. I find that changing these procedures in order to reach a higher form of government more easily could allow the majority to bedominated by a minority and/or special interest groups or people concentrated in one area.

SB 350 needs a lot of work. The State is acting as the local government and there is no provision for input from residents in the area affected.

SB 351 relating to state aid to local government has good potential but discriminates toward communities that are not recognized municipalities who need the aid just as bad. A community needing some financial assistance might form a municipal government in order to receive this aid but it not be in the best interest of the community.

SB 352. The concept of this bill is good but it does not provide for input from the municipality to assist in the preparation of the note or statement.

In SB 353 you are again trying to make a short cut to a higher form of government. If this type of government is wanted by the majority, then it is easy enough for them to attain it under

present law. This bill has not been exposed to the voters so they are not aware of the side effects it could have on their community. For these reasons alone the bill should not pass. It truly needs to be studied by the people with more input from them before passage.

SB 354. I strongly oppose this bill and have given my reason to you already in writing and in testimony. With SB 348, 349, and 353 providing for more options to choose from, I find an attempt to eliminate third class boroughs a step backwards. I fail to see any gain by this act.

Very truly yours,

Allen J. Busby

cc: Parker, Bill
Carney, Patrick J.
Zharoff, Fred F.
Branson, Margaret
Metcalfe, Ray H.
Parr, Charles E.
O'Connell, Patrick M.
Mulcahy, Bob
Kelly, Tim
Rodey, Patrick M.
Stinson, Terry

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 580 Creating Unorganized Boroughs

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 2/1/80

MEMBERS PRESENT: Bill Parker, Margaret Branson, Pat O'Connell, Pat Carney, Charlie Parr, Fred Zharoff, Ray Metcalfe

Jay Moor - DPDP

Sees prime target as service agencies. There are 3/4 ways to establish boundaries (1) by fiat (2) develop through compromise with agencies (3) objective approach-look at clientale (4) develop geocoding system. Collect information this way then build boundaries on an ad hoc basis.

Arbitrary may not be worst. State agency needs, however, should be secondary to needs of people being served. Management by objective should be considered. Agencies can ask for variances under bill and that might moot the effectiveness.

John Post, Dept. of Labor

1980 census boundaries are similar to those in HB580. Census areas and subareas (23 major areas and 24 subareas) should be taken into consideration in the creation of boundaries.

Palmer McCarter, Dept. C&RA

Dept. strongly supports. Active in working with the committee. This is a compromise bill and takes a significant step in providing some organization in the unorganized boroøugh. Questions is appeals on boundaries would go to the legislature or rather to the Governor? Suggests that appeals should go to the Governor. Otherwise, one might be jumping the normal chain of command. And the legislature could act if the Governor isn't acting responsibly.

Refers to a comment made by Parr re constitutional borough standards and indicates that this concern is met by the reference to Title 29 in the bill.

It would appear that the Dept. of C&RA would be responsible for costs associated with drafting and preparation of charter.

Asks how REAAs would be altered if it is necessary. Not sure that a process exists to do this in the bill.

Chitwood - 1 yr. as unrealistic for charter preparation.

COMMITTEE ACTION: No action

TAPE # 2 SIDE 1 Footage 1331-1750

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 580 Establishing Unorganized Boroughs

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 3/17/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Bob Lohr, Ruralcap
Sees CSHB580 as substantial improvement over original bill. Requests that the committee defer action until the Community Action group has an opportunity to work on the bill while they are in Juneau. Sees it as a good idea to combine the formation of boundaries and the allocation of planning money of the areas in one bill.

COMMITTEE ACTION: No action.

TAPE # 4 SIDE 2 Footage 874-946

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 580 Creating Unorganized Broughs

ORIGINAL SPONSOR: HOUSE C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 1/10/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Workshop:

Parr - p. 3 line 7 Regerral should be to legislature rather than to the Legislative Council. Suggests that no modifications be allowed. Final authority should be with the legislature.

Check p. 6 line 17 Use of "substantially"

p. 2 Discussion of reference to census lines. Mention areas and subareas of the US. Census Bureau.

COMMITTEE ACTION: No Action

TAPE # SIDE ____ Footage _____

Bill/Resolution No. H. B. 560 and S. B. 348

Title An Act Establishing Unorganized Boroughs...and Authorizing Adoption of Home Rule Charters

Requested by Community & Regional Affairs Committee Date 1-21-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	0	154.8	167.2	180.6	125.0	210.6
200	TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300	CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400	COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500	EQUIPMENT	.0	2.0	.5	0	0	0
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	TOTAL	8.8	287.2	238.7	226.6	233.4	247.1

FUNDING (Thousands of Dollars)

GENERAL FUND	8.8	287.2	238.7	226.6	233.4	247.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2)REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7)Prince William Sound (REAA 21). It is anticipated that if this bill passes this session the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

The high travel cost during FY 81 reflects the need to administer both of the main

IV. DATE 1-21-80 PREPARED BY Doug Griffin Doug Griffin

AGENCY Community & Regional Affairs

Original: Legislative Finance PHONE 465-4736

Budget and Management

activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

The Local Boundary Commission's involvement in the incorporation of home rule boroughs under Section 4 of this bill is not budgeted for in this fiscal note. The annual appropriation received by the LBC to perform its constitutional and statutory duties may be adequate to cover the expenses incurred due to passage of this bill. If these expenses cannot be met by the LBC's annual appropriation there should be adequate lead time to secure additional funding so that the Commission may adequately participate in the borough incorporation process.

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Marjorie Gorsuch
DATE: 3/9/80
RE: CS HB 580

Questions re CS HB 580 Work Draft:

Is the Purpose, as written, adequate for what we are doing now in this bill, that is : Establishing unorganized boroughs; allowing for direct incorporation of a home rule borough; and including the substance of CS HB 582 work draft which provides for a program of planning assistance for the unorganized boroughs?

p. 2 Work Draft
Should wording on lines 27-29 be included now that we are dealing with service delivery in HB 581?

Sould CSHB 582 be included at the end of p. 2 or should it be at the end of HB 580?

p. 4 We should deal with the questions raised by Lisa Rudd and Klinkner in this rewrite.

p. 5 line 16- Is 1 year long enough?

p. 6 lines 2,3 Is there any conflict between this section and Sec. 29.19.060 (p. 6 lines 25-29)?

p. 7 Is there any need to adjust the dates on lines 18,24 now that DPDP is talking about data collection by July 1, 1981 and implementation by July 1, 1982.

Jack, I will talk with you about CSHB 581 on Monday.

WO#7657
Chenoweth

Original sponsor: Rules/Legislative Council

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 580

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing unorganized boroughs, amending the responsibilities of executive departments for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. PURPOSE. The legislature finds that the single unorganized borough of the state has proven unworkable in accommodating demands from its residents for change and recognizes that a more systematic approach to the planning and delivery of services for residents of this area is necessary. In providing, in this Act, for the identifying of a common set of boundaries by which to subdivide the state's single unorganized borough into multiple unorganized boroughs, it is the purpose of this legislation

(1) to facilitate planning and program development by coordinating delivery of services and the collection of data; and

~~(2)~~ to extend the opportunity to residents of unorganized boroughs to assist in planning and program development by

~~(A) preparing regional management studies; and~~

(B) broadening the range of methods by which residents may incorporate a regional government.

* Sec. 2. INTENT. In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to

regions within unincorporated areas be made only within the appropriate boundaries for unorganized boroughs established under AS 29.03.011 - 29.03.021, added by sec. 3 of this Act.

* Sec. 3. AS 29.03 is amended by adding new sections to read:

Sec. 29.03.011. ESTABLISHMENT OF UNORGANIZED BOROUGHS. Except as the boundaries are adjusted as provided in AS 29.03.021, the geographic area within each regional educational attendance area established under AS 14.08.031 is, effective 120 days after the effective date of this Act, established as an unorganized borough.

Sec. 29.03.021. ADJUSTMENT OF BOUNDARIES BY COMMISSIONER. (a) The commissioner of community and regional affairs may, after public hearings in regional educational attendance areas, establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29.03.011. In making adjustments, the commissioner shall consider

(1) the standards applicable to the incorporation of boroughs under AS 29.18.030;

(2) the regional boundaries adopted by the Native regional corporations established under the Alaska Native Claims Settlement Act;

(3) the boundaries of regional educational attendance areas and coastal resource service areas; and

(4) census divisions of the state applicable to the 1980 census.

(b) The commissioner of community and regional affairs may not establish boundaries for an unorganized borough which include territory within more than one Native regional corporation established under the Alaska Native Claims Settlement Act unless the inclusion of the territory is reasonably necessary for the efficient administration of programs and services by state agencies.

Should CS HB 582 be here?

CHAPTER 19. DIRECT INCORPORATION OF A HOME RULE BOROUGH.

Sec. 29.19.010. INCORPORATION. (a) The residents of an unorganized borough established in accordance with AS 29.03.011 - 29.03.021 may apply for the incorporation of a home rule borough. The petition for borough incorporation shall be filed with the Department of Community and Regional Affairs and shall include the information and signatures required by AS 29.18.050. Petitions for incorporation filed under this section shall be processed, reviewed and determined in accordance with AS 29.18.060 - 29.18.090.

(b) A petition submitted under (a) of this section shall

(1) specify the number of members of the charter commission, but the number of members may not exceed 15;

(2) describe the manner of election of members of the charter commission; if election is to be by district, a description of the boundaries of each district shall be included in or attached to the petition;

(c) The standards applicable to the incorporation of an organized borough under art. X, sec. 3 of the state constitution and AS 29.18.030 apply to the incorporation of an unorganized borough under this section. Equal protection standards of the state constitution apply to the election of members of the charter commission under this section.

Sec. 29.19.020. CHARTER ELECTION. If the Local Boundary Commission accepts the petition filed under AS 29.19.010, it shall immediately notify the lieutenant governor. Within 30 days after notification, the

Some mention of home rule boroughs as first class as to functions/powers which must be exercised?

lieutenant governor shall order an election within the proposed home rule borough to determine whether the voters will elect a charter commission, and to determine the persons elected to serve on the charter commission. The lieutenant governor shall provide not less than 20 or more than 30 days during which candidates for the charter commission may present nominating petitions. The election on the question of election of a charter commission and the determination of persons elected to serve on the charter commission shall be held not less than 60 or more than 75 days after the date of the election order.

Sec. 29.19.030. PREPARATION OF CHARTER. (a) If, at the election called by the lieutenant governor under AS 29.19.020, a majority of the voters favors election of a charter commission, the persons receiving the highest number of votes cast at that election constitutes the charter commission. The charter commission shall prepare a proposed charter and submit it to the Department of Community and Regional Affairs within one year of the first meeting of the charter commission. The commissioner of community and regional affairs shall review the proposed charter for compliance with laws applicable to home rule municipalities and, if it complies, request the lieutenant governor to submit the proposed borough incorporation petition and proposed home rule charter to residents of the proposed home rule borough. If the proposed charter does not comply with law, the commissioner shall return the proposed charter to the charter commission with a statement of the legal deficiencies.

(b) Within 90 days of the receipt of comments from the commissioner of community and regional affairs with respect to provisions of a proposed home rule charter which are not in compliance with the laws applicable to home rule municipalities, the charter commission may prepare and submit to the commissioner an amended charter which meets

the objections in the original proposed charter.

(c) Only one original and one amended charter may be submitted to the commissioner of community and regional affairs under this section.

Sec. 29.19.040. RATIFICATION OF CHARTER. The lieutenant governor shall order an election on the question of whether the area shall be incorporated as a home rule borough in accordance with the charter approved by the commissioner of community and regional affairs. The proposed charter shall be posted throughout the proposed borough by the lieutenant governor before the election is held. The election shall be held not less than 60 or more than 90 days following the election order.

Sec. 29.19.050. RESULTS OF RATIFICATION ELECTION. (a) If a majority of the votes cast by the qualified voters of the proposed borough is against the incorporation of a borough under the proposed home rule charter, the proposal is defeated.

(b) If a majority of the votes cast by the qualified voters of the proposed borough favors incorporation of the borough under the proposed home rule charter, the lieutenant governor shall declare that the unorganized borough in which the election was held is incorporated as an organized borough and a municipal corporation in accordance with the provisions of the home rule charter. The lieutenant governor shall provide for the election of the officers provided for in the charter.

(c) The election and qualification of officers under (b) of this section shall be completed by the lieutenant governor in accordance with AS 29.18.120 and the provisions of the home rule charter of the borough.

Sec. 29.19.060. RESUBMISSION OF CHARTER. If a proposed charter is rejected, the charter commission shall prepare, adopt and submit a second proposed charter to the voters within one year of the date of the charter election held under AS 29.19.040. If the second proposed charter is rejected, the charter commission is dissolved.

Sec. 29.19.070. VOTERS, ELECTIONS AND COSTS. (a) A person is qualified to vote in an election authorized by AS 29.19.010 - 29.19.060 if he is qualified to vote in state elections and if he is a resident of the unorganized borough proposed for incorporation as a home rule borough.

(b) The lieutenant governor shall conduct elections authorized by AS 29.19.010 - 29.19.060 substantially in the manner provided in the Alaska Election Code (AS 15.05 - 15.60), and shall certify the results of all elections under this chapter. Costs of elections under this chapter shall be paid by the office of the lieutenant governor.

(c) Costs of charter preparation under this chapter shall be paid by the Department of Community and Regional Affairs.

Sec. 29.19.080. APPLICABILITY OF GENERAL TRANSITIONAL PROVISIONS. The provisions of AS 29.18.130 - 29.18.180 apply to home rule boroughs incorporated under this chapter.

* Sec. 6. AS 29.03.010 and 29.03.020 are repealed.

* Sec. 7. UNORGANIZED BOROUGH SERVICES AREAS. (a) The commissioner of education shall report to the legislature, not later than January 31, 1981, recommending whether changes should be made in the boundaries of a regional educational attendance area organized under AS 14.08 to conform the boundaries of the regional educational attendance area to an unorganized borough of which it is a part.

(b) The Alaska Coastal Policy Council shall report to the legislature, not later than January 31, 1981, recommending whether changes should be made in the boundaries of an existing coastal resource service area organized under AS 46.40 to conform the boundaries of the coastal resource service area to an unorganized borough of which it is a part.

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.070(c).

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Rep. Russ Meekins, Chairman
Finance Committee Members

FROM: Rep. Bill Parker, Chairman
House Community and Regional Affairs

RE: Amendments for CSHB580, CSHB581

CSHB580 - Establishing Unorganized Boroughs

p.2

Material for Finance

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 580/CSSB 348

Title An Act Establishing Unorganized Boroughs...regional plans...home rule charters

Requested by Community and Regional Affairs Committee Date 4-21-80

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	154.8	167.2	180.6	195.0	210.6
200 TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300 CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400 COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500 EQUIPMENT	0	2.0	.5	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	8.8	287.2	238.7	241.2	254.8	269.4

FUNDING (Thousands of Dollars)

GENERAL FUND	8.8	287.2	238.7	241.2	254.8	269.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2) REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7) Prince William Sound (REAA 21). It is anticipated that if this bill passes this session, the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

IV. DATE 4-21-80 PREPARED BY Doug Griffin

AGENCY Community and Regional Affairs

PHONE 465-4736

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

The high travel cost during FY 81 reflects the need to administer both of the main activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

There will be no fiscal impact in Sec. 4 of this bill until there is an appropriation (CSHB 886) for regional plans. The Department does anticipate the following additional cost at such time as appropriations are made.

Staff to monitor and oversee contracts.

Personnel		42,156
Local Government Specialist IV (Range 19)		32,934
Benefits @ 28% base pay		9,222
Travel 10 trips @ 600		6,000
Contractural		2,700
Communications	1,000	
Printing and Advertising	200	
Office Space 100 Sq. ft. @ 1.25 x 12	1,500	
Commodities		300
Equipment (one time only)		700
TOTAL		51,856

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 580

Title An Act Establishing Unorganized Boroughs

Requested by Rules Committee (By Legislative Counsel) Date 4-9-80

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Social Services

BRU, Program, or Subprogram(s) Affected Employment Security and Administrative Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

ASSUMTPION

This revised Fiscal Note assumes that CSHB 581 will be passed concurrently so that problems which may develop in relating unorganized borough statistics to census divisions and REAA'S statistics can be addressed later if they arise.

IV. DATE 4-9-80 PREPARED BY James Souby

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

ELEVENTH LEGISLATURE

FISCAL NOTE

REQUEST
Bill/Resolution No. HB 580 (revised fiscal note)
Title An Act establishing reorganized boroughs
Requested by Rules - Request of Legislative Council Date 3/17/80

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 17, 1980 PREPARED BY Joseph K. Donohue
AGENCY Department of Revenue
PHONE 465-2300

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: CSHB 580 Establishing Unorganized Boroughs

ORIGINAL SPONSOR: House/Senate C&RA
RECEIVED FROM: Interim Committee

OTHER SPONSORS: _____
FURTHER REFERRALS: Finance

HEARING DATE: 3/21/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

The Committee reviewed the proposed amendments (see attached) developed in response to the Citizens' Participation Conference RuralCap Local Government Workshop recommendations as contained in the Executive Summary (March 17-20, 1980), "Juneau 1980". CPC addressed each of the recommendations in a public hearing with the committee previously held on March 19, 1980.

Committee took action as follows:
Approved:
p. 2 Line 8 Change 120 to 180 days
p. 2 Lines 11-14 Hearings would be held "upon request" of those in the region

The Committee considered and rejected inclusion of the other proposed amendments and approved a CS with the amendments as noted.

COMMITTEE ACTION: CS passed out with changes as noted above.

TAPE # 5 SIDE 2 Footage 0-878

PROPOSED AMENDMENTS TO
CS HB580

p. 1 Line 9 — Insert "voluntary" before adoption

p. 2 Line 8 — Change 120 to 180 days

p. 2 Lines 11 - 14 — The Commissioner of community and regional affairs shall hold public hearings in each of the regional educational attendance areas and may, after such hearings, establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29.03.011.

p. 2 Line 27 & following — Assistance for Regional Planning Programs In the Unorganized Borough would be rewritten as follows:

(a) Upon request, funds shall be made available by the Commissioner of Community and Regional Affairs to a municipality, group of municipalities, non-profit corporation or non-profit corporations which represent the majority of the residents of the unorganized borough for the preparation of a regional planning study. A request may also be made by residents of an unorganized borough upon petiton to the Commissioner signed by a number of qualified voters equal to not less than 15% of the number of votes cast in that unorganized borough at the last state general election.
A grant will be made by the commissioner upon a finding that the municipality, group of municipalities, or non profit corporation(s) propose a study that considers the entire population of the area. Funds will be provided for only one regional planning program for each unorganized borough.

(b) Grants made in (a) may be, at the discretion of the group selected by the commissioner be further subcontracted for planning studies. If the selected representative group wishes to contract for the preparation of a regional planning study, they shall request the Department of Community and Regional Affairs to advertise a request for proposals for the preparation of the regional planning study outlining the work to be completed and containing other information which the commissioner believes will inform the public of the work to be completed under the contract. The commissioner shall advertise for a period of not less than 45 days by public notice announcements provided to newspapers and radio and television stations.

(c) A contract entered into under this section shall

(See rest of CSHB580 p. 4)

Following sections will be renumbered as appropriate.

p. 7 Line 28

This section will be rewritten to reflect that a majority of the votes cast within the incorporated cities of the unorganized borough and a majority of those cast in the areas outside of the incorporated cities must support the charter for passage.

The Workshop participants formed into two groups. One group examined the package of Bills proposed by the Joint Interim Committee. The other group looked at alternative approaches including the relationship of the Planning Process to Regional Government, options for contracting with non-profit corporations for the delivery of services and other concerns.

The full group agreed to use CSHB 580 as the vehicle for comments. Participants acknowledged the extensive work that has gone into the development of this Bill, but felt that any legislation dividing up the unorganized borough is so fundamental and so important to residents of rural Alaska that additional public involvement beyond that which has occurred already is essential before final boundaries are drawn. The changes that Workshop participants suggested are outlined below.

3. RECOMMENDATION OF BILLS CONSIDERED:

The Committee Substitute for House Bill 580 ("An Act relating to unorganized boroughs, establishing unorganized boroughs, establishing a program of planning assistance for unorganized boroughs, authorizing adoption of home rule charters by unorganized boroughs, and directing submission of recommendations concerning adjustment of the boundaries of service areas of the unorganized borough") is by far the most important and far-reaching Bill that the Workshop considered. The following amendments to the Bill were recommended:

1. The voluntary nature of the process needs to be re-emphasized in the wording of the Bill. The intent language of the Bill should include a statement that it is not the intent of this Legislation to assist in any way a move toward imposition of mandatory boroughs at a later date

2. The establishment of boundaries for unorganized boroughs is very important, and should be done more deliberately, with more checks and balances than provided for in the present version. The effective date of the boundaries should be more than 120 days after enactment of this Legislation People need more time than that to comment on the appropriateness of the boundaries. Hearings should be held in all proposed unorganized boroughs to explain the options the Legislation provides, and not simply discuss proposed boundaries.

   The boundaries that are established should remain provisional until the planning programs (provided for later in this Bill) are completed. The Regional Educational Attendence Area boundaries are ac-

ceptable as a starting point for this planning process, but a mechanism must be provided to adjust them if the regional planning programs determine them to be inappropriate in certain areas.

As drafted, the Bill would not allow an "unorganized borough" to include communities located outside of the boundaries established by the Alaska Native Claims Settlement Act, even though such communities may have been placed within the boundaries of Regional Education Attendance Areas established pursuant to SB 35. At least three such communities were identified (Mentasta, Lime Village, and Cantwell) by delegates. The Committee recommends that hearings be held in those three communities and in all other communities similarly situated in order that local desires may be honored.

3. The assistance provided for management programs in the original Committee Substitute should be amended to refer to planning programs. The language in the Bill is really talking about a planning program, and the title should reflect this. (The most recent Committee Substitute has already adopted this suggestion.)

4. The Workshop felt that local initiation of, and participation in, the selection of a contractor for the regional planning program is absolutely essential, and should be required in all cases. In order for any planning exercise to be legitimate, the active involvement of those on whose behalf the plan is drawn up is required.

5. Since the boundaries proposed in recommendation #2 are provisional, the regional planning program contract should require an additional element; the appropriateness of the provisional boundaries.

6. Onee the regional planning program is conducted, provisions should be made for an optional election to form a planning service area to continue planning and to implement the plan, without requiring the formation of organized borough government.

s Bill is recommended to the Citizen's Participation Con-ence as the highest possible priority for passage.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 580-586 Legislative Package Bills

ORIGINAL SPONSOR: Joint C&RA Interim
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: ~~3/19/80 (7:30~~ P.M. Informal hearing specifically with members of RuralCap CPC

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

Also present were: Sen. Arliss Sturgulewski

Bob Lohr, Deputy Director, RuralCap

Voluntary process contained in HB 580 should be emphasized repeatedly. Not intent to promote mandatory boroughs and this should be continuously emphasized Insert wherever reasonable (p. 1 line 19)
Overkill the voluntary aspects of the bill.
Does boundary drawing encourage borough formation? This is a question which will be raised.
p. 2 line 8 120 days not long enough
The boundaries which are developed should be provisional for the duration of the plnaning process.
p. 4 Add to planning process

Expressed concern tht REAA boundaries might not meet borough boundary standards.
p. 3 line 29 Add that the commissioner would "seek public participation in the evaluation process.

Suggests that wording used in the development of coastal resource service districts could be used, i.e., by resolution by a majority of villages or petition of 15%--to ask for funds for study.
Whatever entity receives the money should be representative of the community. People are deciding what should take place. People want to evaluate.

Questioned if enough money was being appropriated in HB 886? Palmer McCarter explained that the estimate was that 3-4 regions might request funding during a given year.

Spud Williams - Citizens' Participation Conference re HB 580
No phase between organized and unorganized status of regions.
Will be spending alot of money to develop plans and a "planning commission" of sorts will have been established and yet then there will be no mechanism for local followthrough.
What will be done with the plans? p. 5 line 14

(see p. 2)

COMMITTEE ACTION: No action. Scheduled for hearing 3/21/80

TAPE # SIDE ____ Footage _____ Cassette Tape #

There will be no way to implement the recommendations of the study. There should be a phasing process allowing for planning and zoing powers. There is a need to implement what we are planning for. Allow enough time to see what works in eahc area. Check for legitimacy of planning instrument.

There should be a provision for review of the exemption provision in HB 851 every 3 years or after provisional boundaries have been made final.

Stace should recognized IRA Councils as a new class of city.

Revenue sharing for IRAs and recognition of IRAs for revenue sharing purposes has been raised by Saxman. Legal reserarch is being done in conjuntion with the Tanana Chiefs which addresses this question, according to Palmer McCarter.

Lohr pointed out that there are a number of native villages which prehaps need modification from the requirement that Native Reigonal Corporation Boundary lines be respected: Mentasa, Cantwell, Lime Village. Suggests that perhaps there should be listed in the bill.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: CS HB 580/581 Establishing Unorganized Boroughs Responsibilities of DPDP

ORIGINAL SPONSOR: _____ OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: _____

HEARING DATE: 3/17/80

MEMBERS PRESENT:

Bill Parker		Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

CSHB 580
Bob Lohr, Ruralcap

Substantial improvement over original bills. Requests that action be deferred until Thursday when RuralCap Citizens' Participation Conference will have final position paper developed. RuralCap believes it is desirable to combine the drawing of the boundary lines with the planning fund for the unorganized boroughs as is done in CSHB 580. Likes the addition of the word "shall" in page 4 line 5 as was recommended during RuralCap testimony.

Parr - Suggests that the assistance being given in Sec. 44.47.085 P. 3) is really for "planning" rather than for "management" programs and suggests that this be reworded.

CSHB 581
Bob Lohr - Sees the effective dates as the key in this bill and states that the lag time between creation of the unorganized boroughs and the use of these new boundary lines by the state is too long. Also suggests that the exemption language be tightened in Sec. 44.17.130 (1) and (2)(A). Concerned that in (1) that the whole Dept. of Admin. might be exempted or that certain important programs might be exempted. Lohr sees (A) as overly broad with the current wording. Resource information will be main conern after local governments are formed. Lohr expressed concern re how agencies might combine "one or more home rule boroughs, general law boroughs, unified municipalities, and unorganized boroughs" (p. 2 lines 27-29)
p. 2 line 3 Lohr suggests that it be stated that this exemption not be renewable.
p. 2 line 5 It appears that a higher standard is implied with the use of "substantially" re increased workload and a similar higher standard should be applied to "additional expense" and "decreased efficiency".

COMMITTEE ACTION:

TAPE # _____ SIDE _____ Footage _____

HB 580

Palmer McCarter, Director Division of Local Assistance
DC&RA
p. 3 Line 4 Questions inclusion of nonprofit in this section and suggests that it should be "corporation" while the idea of "nonprofit" should be included in (c) of this section. Asks whether DC&RA would be able to contract with a consultant with the given language? The language of A should be consistent with C. A consultant shouldn't be able to initiate a study.

Parr - Questions if ISIGR would be able to do a study under the existing wording and states that it should not preclude a group such as that which has substantial expertise.

McCarter - Suggests that corporation of whatever type should be able to do study. Should go back to the notion of nonprofit corp. as being among those who can request.

Parr - The people or C&RA should be the only ones who can request the study.

Branson - suggests that this section be reorganized o put (c) first and (a) in place of (c).

Parr - There is a need to address just the constitutional standards for borough incorporation as few REAAs would meet these standards.

Jeff Smight- Maneluk, Planning Director
Concurs with Parr that what is being addressed is a "planning" strategy. Local control should be of prime importance and it would be a mistake to allow a private consultant to request that a study be done.
Smith discussed some of the history of the NANA regional strategies and the current state of the effort.

HB 581
Jay Moor DPDP
Logical sequence of bill is good. Section 1 Requires that basic program data and information conform to specific boundaries. Feels that certain happenings in state government will be complimentary to proposdal in CSHB581:
1. automation of state budget
2. State library mandate for the data access center
3. ALARS system of Natural Resources
4. Management by objective approach

Parr - Will all of these systems be compatible?

Moor - Change wording on p. 1 line 21 to read:
(1) Information which may be required by the Office of the Governor for purposes of modeling the geographic distribution of the state's population, economic activities and public services."

Parr - Suggests that the intent in Section 1 (p. 1 lines 12-18) is not clearly stated and should instead be rewritten to be similar to statement on p. 2 lines 19-26.

Question is raised as to when the effective date of the ~~exeption~~ exemption will be? Will it be from the effective date of this section?

Parr - Suggests eliminating everything on p. 3 line 14 after the word "public".

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Rep. Parker/Senator Sturgulewski
DATE: 2/14/80
RE: Committee Substitutes for HB 580 (SB 348) and HB 582 (SB 349)

HB 580 (SB 348) Establishing Unorganized Boroughs

P. 1 Rewrite the Purpose section of the bill as follows:

PURPOSE:

The legislature recognizes that a more systematic approach to the future of the unorganized borough is necessary. In order to accomodate future changes when desired by local residents, the state has an obligation to provide a framework within which structured change may occur. To this end, this Act provides for a common set of boundaries in the unorganized borough which divide the state's unorganized borough into unorganized boroughs. This division will facilitate planning and programming by regional management studies and by coordinating data collection and state delivery of services. Additionally, the Act allows for direct incorporation of a home rule borough by the residents of an unorganized borough thereby broadening the regional government options available.

INTENT:

In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to regions within unincorporated areas be made only within the appropriate boundaries for unorganized boroughs established under AS 29.03.011 - 29.03.021, added by section 3 of this Act.

p.3 Exemptions and Modifications

In every instance in the bill, reference will be to the legislature rather than to the Legislative Council.

The section on exemptions and modifications will be rewritten to direct that the Governor review requests from state agencies for exemptions to AS 44.17.110. The legislature would then be empowered to override such exemptions and modifications.

Additional wording will be added to the bill specifying that the Commissioner of Education and the Director of the Division of Policy Development and Planning would also report on their ability to conform the boundaries of the REAAs and Coastal Resource Service Areas to those of the unorganized boroughs.

p. 4 Lines 17-18 Committee Substitue would provide that the voters will elect a charter commission of not more than 15 members with the method of election determined in the petition and reviewed.

p. 5 The section will be amended toprovide that if the proposed charter is rejected, the charter commission shall prepare, adopt, and submit a proposed charter to the voters at a general or special election held within one year of the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved. This procedure would follow that currently used in unification procedures.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House Community & Regional Affairs Committee
FROM: Rep. Bill Parker, Chairman
DATE: 2/11/80
RE: Proposed Committee Substitute Amendments for Interim Legislative Package

HB 580 (SB 348) Establishing Unorganized Boroughs

p.1 Line 13-20 — The "Purpose" Section will be rewritten to reflect the intent of the legislation from the point of view of the people affected, rather than from a state service delivery perspective, i.e., these unorganized boroughs provide the framework within which maximum local participation and responsibility can occur and will be used for planning and programming purposes (regional strategy studies, coordination of services, coordiatnion of services, data collection, and achieving equity in allocation of state resources.

The Committee Substitute would also make note in the "Purpose" of the provisions of Chapter 19 of HB 580 (SB 348) which allow for direct incorporation of a home rule borough and of the additional flexibility this option provides for residents of unorganized boroughs.

p.2 Line 10 — Additional wording will be added to the bill dealing with the alteration of Regional Educational Attendance Area (REAA) and Coastal Resource Service Area boundaries to bring them into compliance with the unorganized borough boundaries established by HB 580 (SB 348).

p.3 Line 7 — This section will be rewritten to direct that the Governor would review requests from state agencies for exemptions to AS 44.17.110 (use of unorganized boroughs boundaries for data collection, program planning and coordinating, etc.) Further referral on the state agency use of different boundaries would

be to the Legislative Council.

p. 4 Lines 17-18 — Committee Substitute would provide that the voters will elect a "geographically representative" charter commission. The number of members on the commission would not be specified. This change would also be reflected on p. 4 line 27.

p. 5 Line 17-18 — This section will be amended to provide that if the proposed charter is rejected, the charter commission shall prepare, adopt, and submit a proposed charter to the voters at a general or special election held within one year of the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved. This procedure would follow that currently used in unification procedures.

HB 582 (SB 349) Establishing a program of planning assistance for unorganized boroughs

p. 1 — The Committee Substitute would add wording addressing who may request that a management program be developed for an unorganized borough and would include (1) a municipality or group of municipalities (2) a nonprofit corporation or non profit corporations organized under the laws of the state (3) and by petition by 15% of the voters living within the unorganized borough.

p. 1 Line 16 — Number (2) would be amended to read: "a nonprofit corporation or nonprofit corporations organized under the laws of the state.

p. 2 — A Committee Substitute would require that a contract entered into under AS44.47.085 (f) shall (rather than "may" line 26) include the four enumerated points listed on p. 2 lines 28-29, p. 3 lines 1-6. Additionally, the contract would have to specify the process to be used for regional public participation and representation in the development of the study.

p. 2 Line 15 — Add that the report would also generally address the interrelationships of:
(a) the school board for the regional educational attendance area;
(b)the coastal resource service area board, if one has been established under AS 46.40,100-46.40.160;
(c) any other regional entity responsible for services; and
(d) the governments of cities located within that unorganized borough

HB 583 (SB 351) State aid to local governments

The Committee Substitute would provide that a municipality qualifying for revenue sharing would receive a minimum payment of $25,00 plus an area cost of living differential for each fiscal year.

HB 585 (SB 353) Incorporation of second class boroughs as home rule boroughs

This bill would be amended to allow that a first class municipality or second class borough might adopt a home rule charter after petiton by 15% of the voters who voted in the last regular election of the municipality.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M January 18, 1980

SUBJECT: Alteration of Work Orders Nos. 7656 and 7657 relating to unorganized boroughs.

TO: Representative Bill Parker

FROM: John B. Chenoweth
Legislative Counsel

In response to Margo Waring's memo --

Item 1:

Work Order No. 7657: Page 1, following line 20: Insert *Sec. 2 to read:

> *Sec. 2. INTENT. In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to regions within unincorporated areas be made only within the appropriate boundaries for unorganized boroughs established under AS 29.03.011 - 29.03.021, added by section 3 of this Act.

Item 4 is covered by AS 29.03.021.

Item 6: The previous language, precluding subdivision of areas within REAA's into smaller unorganized boroughs, read:

> "Sec. . COMBINING OF SERVICE AREAS TO ESTABLISH UNORGANIZED BOROUGHS. The commissioner may, after public hearings in the areas affected, constitute the geographic area within two or more regional educational attendance areas as a single unorganized borough. . . ."

The provision was modified to the language you have in the bill (Work Order No. 7657) in response to Marge's December 8th memo and verbal clarification of some of the points in that memo.

* * *

Item 5:

Work Order No. 7656: Page 2, following line 14, insert new paragraph "(2)" to read:

(2) require that if the report does not favor incorporation of a borough, the report include an analysis and recommendations concerning a representative advisory body for the unorganized borough and an analysis and recommendations defining the relationship between that body and

(A) the school board for the regional educational attendance area;

(B) the coastal resource service area board, if one has been established under AS 46.40.110 - 46.-40.160;

(C) any other regional entity responsible for services; and

(D) the governments of cities located within that unorganized borough.

* * *

Item 2 of Margo's memo is, I think, answered by the suggested language prepared in response to item 5 in that these regional strategy contracts may not run longer than 3 - 4 years.

Item 3 in that memo was not to be acted on.

JBC:ljb

HB
581

(7)

COMMITTEE REPORT

HOUSE

3/11/80 FURTHER:

Date: 21 [illegible]

Mr. Speaker: (Taken from Rules and returned to)

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 581

"An Act relating to the responsibilities of the division of policy development and planning, Office of the Governor; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 581 [ ] same title [X] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

(7)

(Sent to Rules then returned)

COMMITTEE REPORT

HOUSE

1/21/80

FURTHER:

Date: 22 56 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 581

"An Act relating to the responsibilities of the division of policy development and planning, Office of the Governor; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
[signature]	[signature]
[signature]	
[signature]	
Ray [signature]	

[signature]

CHAIRMAN

60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 581 Responsibilities of DPDP

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 3/17/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Bob Lohr, RuralCap

Effective dates are seen as the key in the CS. Concerned about lag between formation and time state agencies begin to use consistent boundaries. Exemption language tightened. Concerned that there is an encouragement of the status quo if there is any delay. Asks if the Dept. of Administration is exempt? P. 3 line 29 is overly braod in terminology. Resource information will be a main conern after local governments are formed.

*p. 2 line 3 Don't allow for renewal of exemption. p. 2 line 5 A higher standard is indicated by "significant".

Palmer McCarter, Dept. C&RA

Discusses particular points of HB580.related to who may contract to do planning studies.

Jeff Smith, Planning Director, Haneluk

Address HB580.

Jay Moor, DPDP

Likes the logical sequence of CSHB581. Section 1 requires assessment on the basis of local government units. (1) automation of state budget (2) state library is mandated to have data access center.(3) ALARS (4) Mangaement by objective --all of these four efforts would be compatible with CSHB581.
Suggests omiting DPDP reference on pl. 1 line 22 as reference isn't in statutes. Strike "demographic" information used for modeling, etc.

Question related to exemption for 1 yr. from passage till 1982. It the 1 years from the effective date of this particular section? p. 2 line 2,3 p. 3 line 14 Strike everything after "public".

COMMITTEE ACTION: No action

TAPE # 4 SIDE 2 Footage 947-1399

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB581Responsibilities of DPDP

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 1/10/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Workshop

Review of HB 581

COMMITTEE ACTION: No Action

TAPE # SIDE _____ Footage _____

9067

Proposed Amendment CSHB 580

Add a new subsection at the end of Sec. 44.17.100 as follows:

The failure of a state agency to comply with the requirements of this section does not invalidate an action taken or proposed to be taken by a state agency.

OVERLAYS

A. LOCAL GOVERNMENT AND SERVICE AREAS

(A - 1) EXISTING BOROUGHS

(A - 2) REGIONAL EDUCATIONAL ATTENDANCE AREAS

(A - 3) COASTAL MANAGEMENT SERVICE AREAS

B. ADMINISTRATIVE DISTRICTS & REGIONS

(B - 1) DEPT. OF ENVIRONMENTAL CONSERVATION REGIONAL BOUNDARIES

(B - 2) DEPT. OF PUBLIC SAFETY - TROOPER DETACHMENT AREAS

(B - 3) DEPT. OF HEALTH & SOCIAL SERVICES - DIVISION OF SOCIAL SERVICES REGIONS

(B - 4) DEPT.OF TRANSPORTATION AND PUBLIC FACILITIES REGIONAL AND DISTRICT BOUNDARIES

(B - 5) DEPT. OF HEALTH & SOCIAL SERVICES - DIVISION OF CORRECTIONS REGIONS

(B - 6) DEPT. OF FISH AND GAME - GAME MANAGEMENT UNITS

(B - 7) DEPT. OF FISH AND GAME - SPORT FISH REGULATORY AREAS

C. GENERAL

(C - 1) ALASKA NATIVE CLAIMS SETTLEMENT ACT REGIONAL CORPORATION BOUNDARIES

(C - 2) CENSUS AREAS - 1980

(C - 3) ELECTION DISTRICTS - 1974

(C - 4) STATE PLANNING REGIONS

CSHB 581

"AN ACT RELATING TO THE RESPONSIBILITIES OF EXECUTIVE DEPARTMENTS OF STATE GOVERNMENT FOR CERTAIN STATE PROGRAMS"

This bill addresses certain responsibilities of executive departments important to the implementation of CSHB 580. State agencies are required to collect data and information according to unorganized borough boundaries so that regional information will be available to local people and to the legislature. Certain exemptions are permitted. State agencies are also required to conduct program planning and management according to unorganized borough boundaries to facilitate coordinated service delivery. Combinations of unorganized boroughs for program planning and management purposes are permitted. Direct service delivery costs will be made available according to unorganized borough boundaries.

The Division of Policy Development and Planning (DPDP), Office of the Governor, is required to develop a data information system to facilitate state agency data collection and retrieval. Further, DPDP is required to report to the legislature alternatives and recommendations for improving coordination in state service delivery.

Alaska's Constitution establishes the policy of maximum self government for the people. This policy has been implemented through creation of boroughs and cities in urban areas and in some rural communities. However, the vast bulk of Alaska lacks any basis for self-government, and the people do not even have the means for planning and participating in the affairs of their own region. It is this problem that provided the principal focus for the interim work of the Senate and House Community and Regional Affairs Joint Local Government Study of 1979.

Legislative proposals of the Joint Committee were derived from (1) a series of studies and analyses sponsored by the Committee, (2) a two-day symposium designed to define issues and problems and suggest policies and directions, and (3) a series of public hearings held throughout rural parts of the state.

The Joint Committee found wide consensus in favor of a maximum measure of self-determination and self-rule, and establishment of regional units throughout the state to provide a basis for planning and program coordination. At the same time, the people do not want to rush into formal governmental organization; nor do they want it mandated.

Accordingly, the Joint Committee has developed an evolutionary approach that will provide people in rural areas with the means for self-government without forcing anything upon them prematurely. Choices and initiatives are left with each region.

HB 580 and HB 581 are two of the bills developed by the Joint Committee.

CSHB 580

"AN ACT RELATING TO UNORGANIZED BOROUGHS, ESTABLISHING UNORGANIZED BOROUGHS, ESTABLISHING A PROGRAM OF PLANNING ASSISTANCE FOR UNORGANIZED BOROUGHS, PERMITTING ADOPTION OF HOME RULE CHARTERS BY UNORGANIZED BOROUGHS, AND DIRECTING SUBMISSION OF RECOMMENDATIONS CONCERNING ADJUSTMENT OF THE BOUNDARIES OF SERVICE AREAS OF THE UNORGANIZED BOROUGH"

BOUNDARIES

The bill divides the unorganized borough into "unorganized boroughs" using the boundaries of the Regional Educational Attendance Areas (REAAs). Public hearings are held, upon request, in each REAA by the Commissioner of Community and Regional Affairs and provision is made for adjustment of the boundary lines.

REGIONAL PLANNING

Each unorganized borough is eligible for regional planning program funds to study the economic, social, and environmental conditions of the area and the interrelationships between governmental units along with an examination of the feasibility of borough organization. No one is required to either undertake a study or form a borough. $25,000 plus $25 per capita is available to each unorganized borough for each of three years for regional planning programs.

HOME RULE

Title 29 is amended allowing for the incorporation, by petition to the Local Boundary Commission, of unorganized boroughs as home rule municipalities and the adoption by vote of the people of a home rule charter. Nothing in the bill requires the incorporation of a home rule borough or borough of any class. Rather, this section broadens the options currently available to residents in the unorganized borough.

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 580-586 Legislative Package Bills

ORIGINAL SPONSOR: Joint C&RA Interim
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: ~~3/19/80 (7:30~~ P.M. Informal hearing specifically with members of RuralCap CPC

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

Also present were: Sen. Arliss Sturgulewski

Bob Lohr, Deputy Director, RuralCap

Voluntary process contained in HB 580 should be emphasized repeatedly. Not intent to promote mandatory boroughs and this should be continuously emphasized. Insert wherever reasonable (p. 1 line 19)
Overkill the voluntary aspects of the bill.
Does boundary drawing encourage borough formation? This is a question which will be raised.
p. 2 line 8 120 days not long enough
The boundaries which are developed should be provisional for the duration of the plnaning process.
p. 4 Add to planning process

Expressed concern tht REAA boundaries might not meet borough boundary standards.
p. 3 line 29 Add that the commissioner would "seek public partici pation in the evaluation process.

Suggests that wording used in the development of coastal resource service districts could be used, i.e., by resolution by a majority of villages or petition of 15%--to ask for funds for study. Whatever entity receives the money should be representative of the community. People are deciding what should take place. People want to evaluate.

Questioned if enough money was being appropriated in HB 886? Palmer McCarter explained that the estimate was that 3-4 regions might request funding during a given year.

Spud Williams - Citizens' Participation Conference re HB 580
No phase between organized and unorganized status of regions.
Will be spending alot of money to develop plans and a "planning commission" of sorts will have been establish[illegible]d yet then there will be no mechanism for local follow[illegible].
What will be done with the plans? p. 5 line [illegible]4

(see p. 2)

COMMITTEE ACTION: No action. Scheduled for hearing 3/21/80

TAPE # SIDE _____ Footage _____ Cassette Tape #

There will be no way to implement the recommendations of the study. There should be a phasing process allowing for planning and zoing powers. There is a need to implement what we are planning for. Allow enough time to see what works in eahc area. Check for legitimacy of planning instrument.

There should be a provision for review of the exemption provision in HB 851 every 3 years or after provisional boundaries have been made final.

State should recognized IRA Councils as a new class of city.

Revenue sharing for IRAs and recognition of IRAs for revenue sharing purposes has been raised by Saxman. Legal reserarch is being done in conjuntion with the Tanana Chiefs which addresses this question, according to Palmer McCarter.

Lohr pointed out that there are a number of native villages which prehaps need modification from the requirement that Native Reigonal Corporation Boundary lines be respected: Mentasa, Cantwell, Lime Village. Suggests that perhaps there should be listed in the bill.

Public Hearing
HB 580 - 586
3/19/80 7:30 P.M.
Meeting with Rural Cap [illegible] Participation Conference

Name | Address

[illegible] — C[illegible] | T[illegible] Corp. Conference Inc.
[illegible] | 1st - Mall [illegible]
[illegible], AK 99701

Palmer McCarter | Pouch B - Juneau, Ak

D. Pope | 912 W. 6th, Anchorage

Norman A. Cohen | Rural CAP

Patricia Patrick | " "

Charles Hubbard | 3305 Rossella - Anch, AK 99504 (Copper River Native Assoc.)

Charles Mueller | PO Box 189 Dillingham AK 99576 (Bristol Bay Native Assoc)

Dave Wakefield | Box 278, Port Lions, AK 99550 (KANA)

Robin Brean | United Crow Band P.O. Box 131 Tok, Alaska 99780

G. Stiles | F.4 Leg. Chairperson Box 55 FYU 99740

Jeff Smith | Marelnk, Inc

Bob Lohr | Rural CAP | 327 Eagle, Anch 99501

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: CS HB 580/581 Establishing Unorganized Boroughs Responsibilities of DPDP

ORIGINAL SPONSOR: _____ OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: _____

HEARING DATE: 3/17/80

MEMBERS PRESENT:			
	Bill Parker		Pat Carney X
	Margaret Branson X		Charlie Parr X
	Pat O'Connell X		Fred Zharoff X
			Ray Metcalfe

CSHB 580
Bob Lohr, Ruralcap

Substantial improvement over original bills. Requests that action be deferred until Thursday when RuralCap Citizens' Participation Conference will have final position paper developed. RuralCap believes it is desirable to combine the drawing of the boundary lines with the planning fund for the unorganized boroughs as is done in CSHB 580. Likes the addition of the word "shall" in page 4 line 5 as was recommended during RuralCap testimony.

Parr - Suggests that the assistance being given in Sec. 44.47.085 P. 3) is really for "planning" rather than for "management" programs and suggests that this be reworded

CSHB 581
Bob Lohr - Sees the effective dates as the key in this bill and states that the lag time between creation of the unorganized boroughs and the use of these new boundary lines by the state is too long. Also suggests that the exemption language be tightened in Sec. 44.47.130 (1) and (2)(A). Concerned that in (1) that the whole Dept. of Admin. might be exempted or that certain important programs might be exempted. Lohr sees (A) as overly broad with the current wording. Resource information will be main conern after local governments are formed. Lohr expressed concern re how agencies might combine "one or more home rule boroughs, general law boroughs, unified municipalities, and unorganized boroughs" (p. 2 lines 27-29)
p. 2 line 3 Lohr suggests that it be stated that this exemption not be renewable.
p. 2 line 5 It appears that a higher standard is implied with the use of "substantially" re increased workload and a similar higher standard should be applied to "additional expense" and "decreased efficiency".

COMMITTEE ACTION:

TAPE # _____ SIDE _____ Footage _____

HB 580

Palmer McCarter, Director Division of Local Assistance
DC&RA
p. 3 Line 4 Questions inclusion of nonprofit in this section and suggests that it should be "corporation" while the idea of "nonprofit" should be included in (c) of this section. Asks whether DC&RA would be able to contract with a consultant with the given language? The language of A should be consistent with C. A consultant shouldn't be able to initiate a study.

Parr - Questions if ISIGR would be able to do a study under the existing wording and states that it should not preclude a group such as that which has substantial expertise.

McCarter - Suggests that corporation of whatever type should be able to do study. Should go back to the notion of nonprofit corp. as being among those who can request.

Parr - The people or C&RA should be the only ones who can request the study.

Branson - suggests that this section be reorganized to put (c) first and (a) in place of (c).

Parr - There is a need to address just the constitutional standards for borough incorporation as few REAAs would meet these standards.

Jeff Smitht- Maneluk, Planning Director
Concurs with Parr that what is being addressed is a "planning" strategy. Local control should be of prime importance and it would be a mistake to allow a private consultant to request that a study be done.
Smith discussed some of the history of the NANA regional strategies and the current state of the effort.

HB 581
Jay Moor DPDP
Logical sequence of bill is good. Section 1 Requires that basic program data and information conform to specific boundaries. Feels that certain happenings in state government will be complimentary to proposdal in CSHB581:
1. automation of state budget
2. State library mandate for the data access center
3. ALARS system of Natural Resources
4. Management by objective approach

Parr - Will all of these systems be compatible?

Moor - Change wording on p. 1 line 21 to read:
(1) Information which may be required by the Office of the Governor for purposes of modeling the geographic distribution of the state's population, economic activities and public services."

Parr - Suggests that the intent in Section 1 (p. 1 lines 12-18) is not clearly stated and should instead be rewritten to be similar to statement on p. 2 lines 19-26.

Question is raised as to when the effective date of the ~~exeption~~ exemption will be? Will it be from the effective date of this section?

Parr - Suggests eliminating everything on p. 3 line 14 after the word "public".

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

C&RA Committe hearing HB 581 January 28, 1980

Jay Moore, planner for DPDP	Mr. Moore said the DPDP had been working on a 'management by objectives' process; that system really depends on good information coming back from client groups, which means the groups should be identical in geographic area. DPDP has been trying to define local boundaries, and trying to develop a geocoding system--- codes used by all agancies through a computerized system. The question is, what are the optimum boundaries that serve the state best, and what will provide the people with the best system of services.
Parker	Mr. Parker clarified that geocoding meant programming by computer so information can be retreived by goegraphic locale.
Parr	Mr. Parr wanted to know if DPDP would have anything to do with setting boundaries.
Moore	Mr. Moore said that they would not, however they would be able to make suggestions. They recommended that the state adhere to REAA boundaries unless an area could show why that should not be done.
Parr	Mr Parr wanted to know who would define boundaries.
Moore	Mr. Moore said the boundaries would be defined by legislation.
Parr	Mr. Parr did not think the Constitution intended education to be the prime determinant of local boundaries (REAAs).
Parker	Mr. Parker said the REAAs were the most popular boundaries at the state and local level. They seemed to be the most sensible.

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen:
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

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Pouch V
State Capitol
Juneau, Alaska 99811

Moore	Mr. Moore expressed concern that 581 was extremely ambiguous, and suggested an elaboration as to why geocoding was needed. He added that varience from REAA boundaries will probably be asked by quite a few other agencies . and interagency coordination should be stressed.
Parr	Mr. Parr thought it would be best if variences were not alloweed at all. Instead, he suggested that the matter rest with the local boundary commission.
Parker	Mr. Parker asked why the local boundary commission would be involved at all.
Parr	Mr. Parr stated that once the boundaries are established, there should be no more debate about it.
McCarter	McCarter said chat the REAAs would be used as building blocks only. He thought it was appropriate for the C&RA to establish the borough boundaries, but didn't think it was appropriate to call in the local boundary commission, as they are called in when a local area is establishing a constitution.
Parr	Mr. Parr said he wouldn't vote for a bill that called for overlapping boundaries.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Arliss Sturgulewski
FROM: Rep. Bill Parker
DATE: 2/4/80
RE: Joint Committee Legislative Package

The following are the substantive points raised during the informal review of the Legislative Package by the House C&RA Committee. Please note that the Committee did not review HB 582 relating to the Program of Planning Assistance as our hearing schedule did not allow enough time although we scheduled it on two successive days.

HB 580 Establishing Unorganized Boroughs

Jay Moore, DPDP testified that although there are a number of ways to establish boundaries, the mandated approach may not be inappropriate. The positive advantage is that it will happen immediately. However, there may be a problem in allowing modifications to the boundaries once they are established, as allowed for in Sec. 44. 14.120. DPDP has a concern that the provisions of this section might not necessarily put the agency needs secondary to the needs of the people being served and it is the Division's concern that this is what should be done.

John Post, Chief Research & Analysis, Dept. of Labor
The importance of the census boundaries adopted by the Federal Government for 1980 should not be understated. Post expressed concern that if Labor had to meet the new unorganized borough boundaries it would be very difficult and very costly to come up with the employment, unemployment and population figures for the unorganized borough areas where they did not follow the area and subarea boundaries of the census boundaries. The Native Regional Corporation boundaries are the outer limits of the census boundaries.

Palmer McCarter, Director Div.Local Government Assistance,
Dept. C&RA
McCarter questions whether appeals on boundary adjustments should go to the Legislative Council and suggests that instead the appeal be to the Governor. Perhaps the legislature could have the final appeal if the Governor isn't acting responsibly.

McCarter also questions how an REAA could be altered if necessary (there is an existing REAA which overlaps two Regional Corporation boundaries and this is not allowed in HB580). Perhaps a process for changing the REAA boundaries where necessary should be included in the bill.

After the hearing, Ginny Chitwood of the Alaska Municipal League pointed out that HB 580 limits the charter writing period to 1 year and questioned if that was enough time. Also, she was concerned that unlike the provisions for unifying a municipality, there was no provision for drafting a second charter if the first one failed.

HB 581 Establishing the Responsibilities of the Division of Policy Development and Planning

Jay Moore, DPDP
Expressed concern that HB 581 was ambiguous and suggested an elaboration as to why geocoding was needed.
He also felt that variance from REAA boundaries would probably be requested by a large number of agencies and that interagency coordination should be stressed.

HB 584 Eliminating the THird Class Borough

Rep. Charlie Parr expressed reservations about the bill saying that the C&PA department talks about giving local government flexibility and yet if the third class borough is eliminated, and the people don't want to form a second class borough, there is no alternative for them. Parr said that in his district it was planning and zoning powers that people were afraid of. Third class boroughs were restricted to service areas in this regard. Also, Parr felt that in unorganized boroughs the Div. of Lands would have zoning powers and the divisions's "shoddy track record" made it a poor option. "My bias is that we ought to have a mandatory borough act, but I think we should have a third class borough option." Parr felt the step from unorganized to second calss was too large a jump. He feels there should be a proven overriding and compelling state argument against allowing the third class borough to exist if it is going to be eliminated.

HB 585 Incorporation of Second Class Boroughs

Rep. Charlie Parr questions Line 20 of the bill and the requirement that it would take only 10 percent of the voters to petition for reclassification. Wonders if the expense of an election is justified for such a small percentage of the voters. Parr also questions Line 14 which would allow for the election to be either "special" or "regular". He is not sure it would be advisable to have a special election because of the expense and because there would not apepar to be any urgency in such a reclassification. (After clarification by Ginny Chitwood, Parr drops concerns related to the timing of the election feeling perhaps it should be left up to the municipality).

Palmer McCarter, Dept. of C&RA pointed out that initiative and referendum require 25% of the voters when the city or borough has fewer than 7,500 persons or 15% when a city or borough has 7,500 persons or more. Unification requires 25% of the voters inside and outside of the city.

Rep. Charlie Parr suggests amending the percent of petitioners (line 20) to 15%. Committee concurs.

HB 586 Requiring Fiscal Notes for Bills Affecting a Municipality

Rep. Parr raises question of whether this bill is intended to deal with just "significant" impacts. Palmer McCarter, Dept. of C&RA, responded that this would be his interpretation. Perhaps the word "major" expenditure could be added on line 15. McCarter stressed that the fiscal impact figure would be an estimate.

HB 583 State Aid to Local Governments

Palmer McCarter, Dept. C&RA, testified that the Dept. opposes the bill as presently written. Although they support the $25,000 as a base figure in revenue sharing, they believe it is too costly for the state to provide that amount in addition to the entitlements.

Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

CSSB 348

This bill provides for sub-state regional units, called "unorganized boroughs," to be established in the unorganized borough. The Commissioner of Community and Regional Affairs is directed, after public hearings, to determine appropriate boundaries, initially based on REAA boundary lines. Provisions are made for the adjustment of boundary lines.

Each "unor-anized borough" will be eligible for regional planning program funds to assist in determinations of the economic, social, and environmental conditions of the area and the interrelationships between governmental levels, with an examination of the potential and need for borough organization. No one is required to either undertake the study or to form a borough. The planning program and future organization, if any, is up to the local area. Each year, for 3 years, $25,000 plus $25 per capita is available to each unorganized borough for regional planning.

A new chapter is added to AS 29 which allows for incorporation, by petition to the Local Boundary Commission, of unorganized boroughs as home rule boroughs and the adoption by election of a home rule charter. Dual majority votes are required for passage of the home rule charter.

CSSB 349

This bill addresses certain responsibilities of executive departments important to the implementation of CSSB 348.

State agencies are required to collect data and information according to unorganized borough boundaries so that regional information will be available to local people and to the legislature. Certain exemptions are permitted. State agencies are also required to conduct program planning and management according to unorganized borough boundaries to facilitate coordinated service delivery. Combinations of unorganized boroughs for program planning and management purposes are permitted.

Direct service delivery costs will be made available according to unorganized borough boundaries.

The Division of Policy Development and Planning (DPDP), Office of the Governor, is required to develop a data information system to facilitate state agency data collection and retrieval. Further, DPDP is required to report to the legislature alternatives and recommendations for improving coordination in state service delivery

PROPOSED
ADMINISTRATIVE ORDER NO. _____

The proliferation of district boundaries used by governmental agencies in Alaska is confusing, prohibits efficient delivery of services to citizens and, therefore, prevents the federal, state and local governments from fulfilling their responsibilities to Alaskans.

The Division of Policy Development and Planning in my office has conducted a study of region and district usage in the state and has recommended two sets of state subdivisions for various governmental purposes. These districts do not meet every specific need but represent a compromise between the many boundaries heretofore established.

It is my intention to have state government comply to the highest degree possible with these regions and districts and to urge federal and local governments to also conform to these boundaries. Through this cooperative effort we should be able to assure Alaskans of maximum value from their public programs.

Therefore, under authority of article III, section 1, Alaska Constitution, it is ordered that all agencies in the executive branch of the state government, conducting business at the local level through districts or regions, and planning future programs requiring a regional approach, use the regions and districts designated by this order, or use the census divisions and REAA's.

The following constitute State Planning Regions:

REGION I	Census Division 040, Barrow
REGION II	Census Division 140, Kobuk; and 130, Nome
REGION III	Census Divisions 090, Fairbanks; 240 Southeast Fairbanks; 250, Upper Yukon; and 290, Yukon-Koyukuk
REGION IV	Census Divisions 010, Aleutian Islands; 050, Bethel; 060, Bristol Bay Borough; 070, Bristol Bay; 160, Kuskokwim; and 270, Wade Hampton
REGION V	Census Divisions 020, Anchorage; 080, Cordova-McCarthy; 120, Kenai-Cook Inlet; 150, Kodiak; 170, Matanuska-Susitna; 210, Seward; and 260, Valdez-Chitina-Whittier

REGION VI — Census Divisions 030, Angoon; 100, Haines; 110, Juneau; 130, Ketchikan; 190, Outer Ketchikan; 200, Prince of Wales; 220, Sitka; 230, Skagway- Yakutat; and 280, Wrangell-Petersburg

The following constitute Substate Districts:

All Unified Home Rule Municipalities:

City and Borough of Juneau
City and Borough of Sitka
Municipality of Anchorage

All Organized Boroughs:

Bristol Bay Borough
Fairbanks North Star Borough
Haines Borough
Kenai Peninsula Borough
Ketchikan Gateway Borough
Kodiak Island Borough
Matanuska-Susitna Borough
North Slope Borough

The following districts of the Unorganized Borough:

District A	REAA #1
District B	REAA's #11, 12, 13 & 14
District C	REAA #2
District D	REAA's #15 & 16
District E	REAA #3
District F	REAA's #4 & 5
District G	REAA #17
District H	REAA's #8, 9 & 10
District J	REAA's #6 & 7
District K	REAA's #21 & #18 west of Dry Bay
District L	REAA #18 east of Dry Bay
District M	REAA's #19 & 20

Special exemptions may be granted to those agencies whose use of specific region or district boundaries would bring undue expense, hardship, or decreased efficiency to the operation of that agency. Exemptions will be granted by my office on a region-by-region or district-by-district basis. Agencies seeking exemption because of special circumstances shall submit to my office:

1. A map depicting those regions or districts which can be used and those where a modification from State Planning Regions or Substate Districts is essential;

2. An identification of statutes, federal regulations or guidelines, personnel difficulties, workload difficulties, or existing investments in field facilities which justify delay in adoption of the state regions and districts specified in this order; and

3. A timetable for eventual agency conformance with this order.

Each agency shall furnish my Office of Budget and Management with region or district map for each program submitted for funding which is administered on a regional or district basis.

Within one year from the date of this order, my Division of Policy Development and Planning shall review conformance to this order by state agencies and any exceptions which may have been granted and recommend the regions and districts for permanent status or recommend any changes that may be desirable.

Dated: _____, 197_
at Juneau, Alaska

_____
Governor

Legislative Reporting Service

510 Kennedy Street, Juneau, Alaska 99801

Phone: 586 - 6672

Kimberly L. Metcalfe Ann Gardiner Metcalfe

January 28, 1980

REPORT NO. 2

IN THE SENATE: Honorable Clem V. Tillion, President

Senator Colletta, Majority Leader
Senator Bradley, Majority Caucus Chairman
Senator Kerttula, Minority Leader
Senator Ferguson, Minority Whip
Senator Rodey, Minority Caucus Chairman

INTRODUCTION OF BILLS (Senate)

Unorganized Boroughs (establishment)

SENATE BILL NO. 348, by the Rules Committee by request of the Legislative Council (for the C&RA Interim Joint Local Government Study). Purpose "is to provide for the division of the state's single unorganized borough into unorganized boroughs to accomodate the delivery of services and programs by state agencies within common boundaries and to require the collection of data and information about state programs with reference to a set of boundaries adopted for use by all state agencies for the purpose of improving the delivery of state services and encouraging the development of regional responsibilities for the planning and implementation of these services."

Repeals statutes relating to unorganized boroughs (AS 29.03) and adds sections which establish, within 120 days of effective date of act, unorganized boroughs within boundaries of each Regional Education Attendance Area established under AS 14.08.031. Provides boundaries may be adjusted by Commissioner of Community & Regional Affairs.

Adds new sections to AS 44.17 (Admin. of Departments) which relate to collection of data and information about state services in districts. Districts are boroughs or unified municipalities and unorganized boroughs.

Adds new Ch. to AS 29 which allows for incorporation, by petition to Local Boundary Commission, of unorganized boroughs as home rule boroughs. Provides for charter elections of petition accepted. Provides Act effective immediately. Identical to HB 580, this report.

Introduced January 21 and referred to Community & Regional Affairs and Finance.

Unorganized Boroughs (planning assistance)

SENATE BILL NO. 349, by the Rules Committee by request of the Legislative Council (for the C&RA Committee Interim Joint Local Government Study). Adds new section to AS 44.47 which allows the Commissioner of Dept. of Community & Regional Affairs to contract with a municipality or group of municipalities or with a non-profit corporation for purpose of preparing a management program for an unorganized borough (only one contract for each unorg. borough). Outlines contract requirements and establishes the Unorganized Borough Planning Account in Dept. of C&RA. Limits contract awards to maximum of $25,000 plus $25 per capita. Effective on effective date of a version of SB 348. Identical to HB 582.

Introduced January 21 and referred to Community & Regional Affairs and Finance.

D.P.D.P. (responsibilities)

SENATE BILL NO. 350, by the Rules Committee by request of the Legislative Council (for the C&RA Committee Interim Joint Local Government Study). Directs the Division of Policy Development and Planning to "study and report to the legislature, not later than January 31, 1981, as to the conformity by state agencies, boards and commissions with the program requirements under AS 44.17.100 - 44.17.120, [enacted by SB 348] including but not limited to recommendations which require legislation and for the development and implementation of a master geographical coding system to report on the coordination of delivery of state services by districts." AS 44.17.100-120 relate to collection by state agencies of information about state services in districts.

Effective on effective date of a version of SB 348. Identical to HB 581.

Introduced January 21 and referred to Community & Regional Affairs and Finance.

State Aid to Local Governments

SENATE BILL NO. 351, by the Rules Committee by request of the Legislative Council (for the C&RA Committee Interim Joint Local Government Study). Provides for an additional State Aid to Local Government entitlement (AS 43.18) of $25,000 for each fiscal year for cities or organized boroughs of any class that qualify under provisions of chapter. Entitlement shall be adjusted to include area cost-of-living differential. Provides Act effective July 1, 1980. Identical to HB 583.

Introduced January 21 and referred to Community & Regional Affairs and Finance.

Fiscal Notes (for bills affecting municipalities)

SENATE BILL NO. 352, by the Rules Committee by request of the Legislative Council (for the C&RA Committee Interim Joint Local Government Study). Adds to AS 24.30.035 (Fiscal Notes on Bills): "If enactment of the bill would require an expenditure or appropriation by any municipality, a fiscal note shall be attached to the bill containing an estimate of the amount of the total expenditure or appropriation which would be required during each of the first three fiscal years by all affected municipalities." Also adds: "The fiscal note or statement...shall be prepared by the Department of Community and Regional Affairs, but that department may

MEMORANDUM State of Alaska

TO: John Halterman, Deputy Director
Division of Policy Development
& Planning
Office of the Governor

DATE: February 21, 1980

FILE NO: 100H

TELEPHONE NO: 465-3900

FROM: Ron Lind, Deputy Commissioner
Administration
Department of Transportation
& Public Facilities

SUBJECT: HB 580 - State Program Line to Follow Standardized Boundaries

The impact of HB 580 upon Department of Transportation & Public Facilities (DOT/PF) for planning and management cannot be adequately assessed without a clearer idea of what is envisioned by the bill. However, a simplified reading of AS 44.17.110 would indicate that all statistics, planning, and information (including financial) would need to be on the basis of districts designated by AS 44.17.100. This would be a considerable shift from the alignments now used. While not impossible, it would be very time consuming and, in my view, counter productive until a clear picture of the benefits expected are outlined.

I would suggest that instead of passage of this bill, which mandates all information along these predetermined lines, funding be made available to one central group to identify the results desired, their benefits, and the costs associated with providing the information. If the bill were passed as it now stands, it would have a financial impact on DOT/PF because it would be necessary for us to revise our financial reporting and planning data processing systems to track the information by the new districts. We would also need to prepare our transportation plans in much finer detail, which would increase their cost.

In summary, I believe that there would be merit in a system which allowed extraction of statistical and program information in a manner which would make it compatable. I am not sure this bill has the best approach. If a central geographic coding were agreed to and sufficient data processing support provided, agencies could supply raw data by location, which is more specific than by district. Then when it would be beneficial to do planning on a district basis, it could be done, or if it were more reasonable to do the planning on a larger basis without reference to district, that could also be done.

RECEIVED
FEB 22 1980
POLICY DEVELOPMENT
& PLANNING

02-001A(Rev.10/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 350/HB 581

Title "...relating to the responsibility of the Div. of Policy Development and Planning.."

Requested by Legislative Council (for CRA Committee) Date 1/21/80

II. FISCAL DETAIL

Agency Affected Division of Policy Development and Planning

Program Category Affected Executive Operations

BRU, Program, or Subprogram(s) Affected Policy Development and Planning

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) *(see note, below)

		FY 79	FY 80	FY 31	FY 82	FY 83	FY 84
100	PERSONAL SERVICES	x	x				
200	TRAVEL	x	x				
300	CONTRACTUAL	x	x				
400	COMMODITIES	x	x				
500	EQUIPMENT	x	x				
600	LAND & STRUCTURES	x	x				
700	GRANTS, CLAIMS, ETC.	x	x				
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	x	x				
FEDERAL FUNDS	x	x				
OTHER (Specify Fund Source)	x	x				

POSITIONS

FULL TIME	x	x				
PART TIME	x	x				
TEMPORARY	x	x				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

* DPDP has requested in its FY 81 budget, two positions which would have, as a part of their responsibilities, the development of a common geo-coding system for state agencies and the development and implementation of a process for reviewing state service delivery locations. Evaluation of agency service delivery conformity with district boundaties and evaluation of boundary variance requests (a change in wording of the bill is suggested) would fall within the purview of the latter responsibility. These were tasks independently identified during the formulation if DPDP budget and the increases have been shown only once, in the Division budget.

IV. DATE 1/23/80 PREPARED BY Jay H. Moor

AGENCY DPDP

PHONE 465-3573

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV	DISAPP
1	Policy and Program Manager I			20 A	X	Juneau		✓	
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 2	FORM 12 PAGE/LINE: 1 4	LEG		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		28,932	
5	BENEFITS		4,239	
6	FICA		1,924	
7	HEALTH INS.		1,272	
8	TOTAL PERSONAL SERVICES			36,367
9	TRAVEL			3,220
10	CONTRACTUAL			300
11	COMMODITIES			500
12	EQUIPMENT			910
13	OTHER			00
14	TOTAL COST			41,297

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17		GEN. FUND	41,297
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

There is growing concern that the increasing number of data collection and processing systems in state government are developing in such a way as to exclude possible users in favor of only catering to specific, narrow agency needs. This position will serve as a coordinator for these agency efforts in order to ensure the efficient development and utilization of these data systems.

AGENCY Office of the Governor PROGRAM AREA Executive Operations

BRU Policy Development and Planning

COMPONENT Same

13 REQUEST FOR NEW POSITION.

Page 1 of 3

REVISED DATE _____

FY 81

000175

02-1013 (Rev. 7/79)

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION			
1	Management Analyst III			18 A	X	Juneau	GOV.	APPROV ✓	DISAPP.
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 3	FORM 12 PAGE/LINE: I 7	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		24,984	
5	BENEFITS		3,660	
6	FICA		1,661	
7	HEALTH INS.		1,272	
8	TOTAL PERSONAL SERVICES			31,577
9	TRAVEL			4,466
10	CONTRACTUAL			300
11	COMMODITIES			500
12	EQUIPMENT			910
13	OTHER			00
14	TOTAL COST			37,753

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17		GEN. FUND	37,753
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

As required by statute, this position will allow the division to develop and implement a process for reviewing all proposals for the location of capital improvements by any state agency. This process will insure that applicable state policies are considered in planning for capital facilities and that interested agencies and the public are consulted prior to the locational decision.

AGENCY Office of the Governor PROGRAM AREA Executive Operations

BRU Policy Development and Planning

COMPONENT _____

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 81

000176

STATE
of ALASKA

MEMORANDUM

TO: John Halterman, Acting Director
Division of Policy Development
and Planning

DATE: January 25, 1980

FILE NO:

TELEPHONE NO:

FROM: Jay Mopr

SUBJECT: SB 350/HB 581 "...relating to the responsibilities of the Division of Policy Development and Planning

This requires DPDP to produce a report on the subject of agencies' conformity with program requirements of another bill. That bill (I don't have the number) establishes districts throughout Alaska and requires agencies to collect data, develop program planning, coordinate planning and agency activities with other agencies, and provide information on the basis of the districts. The districts are to coincide with the REAA boundaries except where individual commissioners have determined that other boundaries would be more applicable to program requirements and have requested a variance from the Legislative Council.

In reporting on conformity with these provisions, DPDP is to make recommendations which require legislation and, apparently, which relate to the development and implementation of a master geographical coding system. It is not clear from the grammar of these bills that the coding system is to be anything more than a way to report on the coordination of delivery of state services by districts.

The bill should be written to separate the coding system from the conformity issue, since basic coordination among agencies by district will come largely from adherence to a commonly adopted coding system. That system, by itself will help to insure conformity and may necessarily precede conformity.

Although DPDP may undertake evaluations of programs involving more than one agency (AS 44.19), we would not be able to do the conformance evaluation without addition of one full-time position requested in our budget as a Range 18A. The person filling that position should be prepared to do continuing analysis of program district boundaries and service delivery patterns. The bill referred to in SB 350 allows agencies to determine unilaterally the need for boundary variances, submitting requests for variance to the Legislative Council. Such variances are clearly of interagency importance; especially so since the Governor's policy to develop efficient and effective service delivery suggests that space sharing and co-delivery of services may be, overall, more effective than when each agency attempts to minimize its own costs without regard for other agencies. DPDP should commence the design and implementation of a master geocoding system--not just the evaluation of how to do it.

The only other reservation I have about the bill is that it refers to a set of pre-determined service delivery boundaries, deviation from which must be justified. This may be a good strategy where programs stand by themselves, but as mentioned above where some programs gain in effectiveness by association with others, there is no guarantee that the synergies of program delivery will be looked at. We had originally proposed that those synergies by investigated and district boundaries be determined on the basis of program clientele needs and other commonalities among programs.

I would add to the current version only the safeguard that someone be assigned the authority for insuring participation and coordination among agencies in evaluating any one agency's request for variance. To do this, someone must develop a comprehensive inventory of service delivery needs and a location model that will compute the economic and social tradeoffs of any agency's proposal for variance from established service delivery boundaries. The position we have requested would do this.

I recommend the language and grammar of the bill be edited to include the points noted above: a) DPDP will report on agencies' conformity in delivering services by district and in collecting data by district; b) DPDP will develop and implement a master geographical coding system for data collection and service delivery, and c) DPDP will have the authority to coordinate among agencies in determining the impacts of boundary variance requests.

cc: Sally Rue

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Rep. Bill Parker/Sen. Arliss Sturgulewski
DATE: 3/6/80
RE: Legislative Package (HB 580-583, SB 348-350) Redrafts

The Senate/House C&RA Committees would like Committee Substitutes drafted for HB 580-582 (SB 348-350) which would contain the following elements:

HB 580 (SB 348) Establishing Unorganized Boroughs

This CS would establish unorganized boroughs (See AS 29.03.011 in CS draft for HB 580); allow for direct incorporation of a home rule borough; and would also include the substance of HB 582, a program of planning assistance for the unorgani ed

HB 581 (SB 350) Responsibilities of DPDP

This CS would consolidate the provisions establishing the unorganized boroughs; the existing HB 581 (SB 350); AS 44.14.100 (a) as contained in the CSHB 580 work draft; and AS 44.17.100 (b) as contained in the DPDP rewrite; (c) (1) (2) (omit (c) (3); and would also include (d) and (e) of the DPDP rewrite. Additionally, Rod Pegues' suggested wording will be included in this CS.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Marjorie Gorsuch MG
DATE: 3/22/80
RE: Committee Substitutes

Jack,

The Committee has approved the work draft copies of CSHB 886, CSHB 581 as prepared. Please have them run off as finals.

Also approved was the work draft for CSHB580 with the following changes:

p. 2 Line 8 Change 120 days to 180 days

p. 2 Lines 22-25 Eliminate this (b)

p. 3 Line 11 Eliminate "or the commissioner may request proposals on his own initiative"

p. 7 Lines 28 & following
There was a question of whether or not this wording was necessary and if (b) on p. 8 lines 3-8 didn't suffice?

p. 2 Lines 11-14 Change to "The commissioner shall, upon request, hold public hearings in each of the regional educa;tional attendance areas and may, after such hearings establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29,03.011.
The rest of this section p. 2 lines 14-21 would remain as in CS.

p. 7 Eliminate lines 18, 19
p. 8 lines 13, 17 make reference back to p. 7

p. 9 lines 8, 9 - "shall" exercise powers granted to "first class borough

"Inside" outside

Get bills + Call Vic!

44, 19, 20 Rural Affairs Commission

Plan Dahr -

Admin service delivery boundaries
Display of direct & C costs by region

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Rep. Bill Parker/Sen. Arliss Sturgulewski
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"If there are no unorganized boroughs

Unorganized boroughs as building blocks - combinations of REAAs or divisions

Future Data

Vulcanization in practice of ~~[illegible]~~ communities being pitted against each other

*! Include (4) budget point

1 yr reporting period re plan for complying

Identify agencies compliance for delivery. These that don't for data

OK July 1 '81 ~~designate 2 agencies to~~ address administrative

OK July 1 '82 implement

Exemption language -

Data OK
Administrative T

Proofed 3-11-80

WO 7655
. Chenoweth

* Add establishment of UBs -

THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 581

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

an Act entitled: "An Act amending the responsibilities of executive departments of the state government for certain state programs; and providing for an effective date."

T ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 44.17 is amended by adding new sections to read:

ARTICLE 2. PLANNING AND MANAGEMENT OF STATE SERVICES.

Sec. 44.17.100. PROGRAM DATA AND INFORMATION. (a) A principal department of the executive branch of the government, including a board or commission assigned to a department for administrative purposes, shall collect and make available for display data and information and process and analyze statistics about its programs on the basis of home rule and general law boroughs, unified municipalities, and unorganized boroughs.

(b) The information, data and statistics required to be collected by this section include but are not limited to,

Use Margo's "data" definition plus "demographics info"

Add DRDP (b) 1, 2
(c) 1, 2
(d) Temporary exemption up to 1 yr.
(AK) 1, 2, 3

(c) In carrying out the provisions of (b) of this section, the Division of Policy Development and Planning shall consider, among other things,

(1) applicable new technologies for data and information referencing;

(2) existing and developing state, local, and federal management and program information systems; and

(3) the need for continued use by agencies of existing program and administrative boundaries.

omit

(d) A temporary exemption from (a) of this section may be granted for up to three years by the governor to an agency if the expense, hardship, or decreased efficiency in the development and operation of an agency program outweighs the public benefit derived from adherence to its provisions. The agency requesting the exemption shall submit to the governor

(1) a written statement naming the program for which the exemption is sought and explaining the reasons for seeking the exemption;

(2) an evaluation of the practicality of conforming to the approved data and information referencing system within a three year period; and

(3) an evaluation of impacts of the proposed exemption on the data and information collection activities of other agencies.

(e) The governor shall report to the legislature each temporary program exemption approved by him under (d) of this section.

Education

Sec. 44.17.100. DATA AND INFORMATION

(a) Effective June 30, 1981, all principal departments of the executive branch of the government, including boards and commissions assigned to departments for administrative purposes, shall, in planning, developing, implementing, and reporting program activities, provide data and information, classified by home rule and general law boroughs, unified municipalities, and unorganized boroughs. these data + info will be data base used as basis for agency prog. planning & budgeting

(b) To provide for coordination and exchange of data and information among all agencies of government, the Division of Policy Development and Planning shall, by December 31, 1980,

(1) evaluate the structural suitability, capability, and cost of alternative data and information referencing systems; and

(2) recommend to the governor for approval a system for data and information referencing to be adopted within 180 days of the governor's approval by each of the principal departments of the executive branch of government, including boards and commissions assigned to departments for administrative purposes. The recommended system shall be capable of classifying data and information by home rule and general law boroughs, by unified municipalities, and by unorganized boroughs. The recommended system shall allow for cross-referencing of data and information among the principal departments of the executive branch of government.

including a geo-coding system

Budgetary info

* Sec. 2. AS 44.17 is amended by adding new sections to read:

Sec. 44.17.110. PROGRAM MANAGEMENT. (a) A principal department of the executive branch of the government, including a board or commission assigned to a department for administrative purposes, shall provide for the management and administration of its program activities, by adjusting the ~~boundaries~~ geographical lines within which those programs are ~~conducted~~ provided to correspond to one or more home rule and general law boroughs, unified municipalities, and unorganized boroughs.

(b) For purposes of this section, management and administration of program activities of a department, board or commission includes

(1) the development of program plans;

(2) the initiation or completion of activities consistent with those program plans; and

(3) coordination of program planning with the plans and activities of other agencies, municipalities and the federal government.

Sec. 44.17.120. REPORTING OF SERVICE COSTS. (a) A principal department of the executive branch of the government, including a board or commission assigned to a department for administrative purposes, shall provide information indicating the [redacted] costs of providing for the delivery of services for each municipality and unorganized borough adopted by the department under AS 44.17.110(a) for the management and administration of its program. The information shall be provided to

(1) the division of budget and management in the Office of the Governor, for its use in making recommendations for the program budget of a department, board or commission;

(2) the legislature, for its use in consideration of the state budget and other legislation which extends stat services; and

(3) the public, upon request to the department, board or commission.

(b) In this section, "~~relative~~ direct costs" mean~~s~~:
Those costs directly ~~[illegible]~~ ~~for~~ related to providing a service, i.e. program expenses not including general administrative + support costs.

Sec. 44.17.130. EXEMPTION. The provisions of AS 44.17.110 - 44.17.120 do not apply to

(1) a program of an executive department, board or commission which provides professional or technical support services for another state department, board or commission, as determined by the governor; and

(2) a program for which exemption is specifically requested by the department, board or commission, and granted by the governor, ~~because~~ if the program concerns the conservation or development of a natural resource. and if non-exemption would prove to be a severe and substantiated hinderance to proper performance of the agencies' statutory responsibility.

* Sec. 3. RESPONSIBILITIES OF THE DIVISION OF POLICY DEVELOPMENT AND PLANNING. The division of policy development and planning shall study and report to the legislature, not later than July 1, 1983, as ~~to the~~ conformity ~~by state agencies, boards and commissions with the program requirements under AS 44.17.100 - 44.17.120, including but not limited to,~~

~~(1)~~ alternatives and recommendations for improving coordination of delivery of programs which provide direct services to people, for which an exemption has not been granted under AS 44.17.130; ~~and~~

(2) recommendations which require legislation for the development and implementation of a master geographical coding system to report on the coordination of delivery of state services.

* Sec. 4. Section 1 of this Act takes effect July 1, 1981. OK?

[illegible]

* Sec. 5. Section 2 of this Act takes effect July 1, 1982.

* Use of bill rather than resolution p.4 (l.1-4)

WO#7657
Chenoweth

Original s sor: Rules/Legislative Council

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 581

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing unorganized boroughs, amending the responsibilities of executive departments for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date."

Rewrite

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. PURPOSE. The legislature finds that the single unorganized borough of the state has proven unworkable in accommodating demands from its residents for change and recognizes that a more systematic approach to the planning and delivery of services for residents of this area is necessary. In providing, in this Act, for the identifying of a common set of boundaries by which to subdivide the state's single unorganized borough into multiple unorganized boroughs, it is the purpose of this legislation

(1) to facilitate planning and program development by coordinating delivery of services and the collection of data; and

(2) to extend the opportunity to residents of unorganized boroughs to assist in planning and program development by

~~(A) preparing regional management studies; and~~

(B) broadening the range of methods by which residents may incorporate a regional government.

* Sec. 2. INTENT. In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to

* Sec. 4. AS 44.17 is amended by adding new sections to read:

ARTICLE 2. COLLECTION OF DATA AND INFORMATION ABOUT STATE SERVICES.

Sec. 44.17.100. DATA AND INFORMATION. (a) A principal department of the executive branch of the government, including a board or commission assigned to a department for administrative purposes, shall provide for the administration of its program activities by

(1) collecting data, processing and analyzing statistics, and providing information about programs on the basis of home rule and general law boroughs, unified municipalities, and unorganized boroughs;

(2) developing program planning for home rule and general law boroughs, unified municipalities and unorganized boroughs;

(3) coordinating program planning for agency activities with the plans and activities of other agencies, municipalities, and federal departments and agencies; and

(b) To provide for coordination and exchange of data and information among all agencies of government, the Division of ~~Policy Development and~~ Planning shall, by December 31, 1980,

(1) evaluate the structural suitability, capability, and cost of alternative data and information referencing systems; and

(2) recommend to the governor for approval a system for data and information referencing to be adopted within 180 days of the governor's approval by each of the principal departments of the executive branch of government, including boards and commissions assigned to departments for administrative purposes. The recommended system shall be capable of classifying data and information by home rule and general law boroughs, by unified municipalities, and by unorganized boroughs. The recommended system shall allow for cross-referencing of data dnd information among the principal departments of the executive branch of government.

(c) In carrying out the provisions of (b) of this section, the Division of Policy Development and Planning shall consider, among other things,

(1) applicable new technologies for data and information referencing;

(2) existing and developing state, local, and federal management and program information systems; and

OMIT (3) the need for continued use by agencies of existing program and administrative boundaries.

(d) A temporary exemption from (a) of this section may be granted for up to three years by the governor to an agency if the expense, hardship, or decreased efficiency in the development and operation of an agency program outweighs the public benefit derived from adherence to its provisions. The agency requesting the exemption shall submit to the governor

(1) a written statement naming the program for which the exemption is sought and explaining the reasons for seeking the exemption;

(2) an evaluation of the practicality of conforming to the approved data and information referencing system within a three year period; and

(3) an evaluation of impacts of the proposed exemption on the data and information collection activities of other agencies.

(e) The governor shall report to the legislature each temporary program exemption approved by him under (d) of this section.

Add a new subsection at the end of Sec. 44.17.100 as follows:

The failure of a state agency to comply with the requirements of this section does not invalidate an action taken or proposed to be taken by a state agency.

BILL ANALYSIS

ASSIGNMENT DAT: _____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Fish and Game	Rules Committee/Legislative Council	SB 348

DEPARTMENT POSITION

Oppose

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Ronald J. Somerville	February 28, 1980	Ronald O. Skoog	February 28, 1980

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING) Unknown

(2) OTHER AGENCIES AFFECTED BY BILL Other regulatory agnecies of the State

(2) a. ORGANIZATIONAL SUPPORT FOR BILL	(2) b. ORGANIZATIONAL OPPOSITION TO BILL
None known	None known

(3) PROGRAM EFFECTS OF BILL Data and information acquisition and organization. For the purposes of this Department, we are extremely concerned about the impact of Sec. 1 (Purpose) and 44.17.110. These would seem to require that we base our biological data gathering (i.e., our management programs) on districts established by the Commissioner of Community and Regional Affairs, essentially the political divisions of the State. If such a requirement is established, it would necessitate a complete revamping of our data gathering and management systems, would seriously disrupt the continuity of data collected since Statehood, and would make no sense biologically. In all probability, it would require the keeping of biological and management data under two sets of criteria simultaneously, adding a considerable cost.

(4) FISCAL IMPACT: ☐ NONE ☒ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

Amend to exclude the Department of Fish and Game from provisions of 44.17.110.

(6) COMMENTS:

We recognize that this Act may be beneficial to local and state government when applied to some other state agencies. We emphasize that it would cause chaos if applied to fish and game management in the State. We realize that Section 44.17.120 may provide an exemption for this Department, but we would strongly prefer that the Department be specifically exempted by statute if this bill is adopted.

AMENDED TITLE

AN ACT RELATING TO THE RESPONSIBILITIES OF THE DIVISION OF PUBLIC DEVELOPMENT AND PLANNING, OFFICE OF THE GOVERNOR; AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: HOUSE RULES COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 3/26/80 IN (H) RULES

DATE	CH	PAGE	LEGISLATIVE ACTION
01/21/80	01	0071	FIRST READING -- COMMITTEE REPORTS
02/22/80	02	0423	CRA -- DP04, NR01
03/11/80	03	0607	RECOMMITTED TO CRA BY UNAN CONSENT
03/28/80	03	0770	CRA -- CS06
			RULES
****	**	**	*** *** ***

HB 582 (SB 349) Establishing a program of planning assistance for unorganized boroughs

p. 1 — The Committee Substitute would add wording addressing who may request that a management program be developed for an unorganized borough and would include: (1) a municipality or group of municipalities (2) a nonprofit corporation or corporations organized under the laws of the state (3) and by petition by 15% of the voters living within the unorganized borough

p. 1 Line 16 — Number (2) would be amended to read: "a nonprofit corporation or nonprofit corporations organized under the laws of the state.

p. 2 — A Committee Substitute would require that a contract entered into under AS 44.47.085 ff) shall (see present "may" on line 26) include the four enumerated points listed on p. 2 lines 28-29, p. 3 lines 1-6. Additionally, the contract would have to specify the process to be used for regional public participation and representation in the development of the study.

p. 2 Line 15 — Add that the report would also generally address the interrelationships of:
(a) The school board for the regional educational attendance area;
(b) the coastal resource service area board, if one has been established under AS 46.40.100-46.40.160;
(c) any other regional entity responsible for services; and
(d) the governments of cities localted within that unorganized borough

p.3 Exemptions and Modifications

In every instance in the bill, reference will be to the legislature rather than to the Legislative Council.

The section on exemptions and modifications will be rewritten to direct that the Governor review requests from state agencies for exemptions to AS 44. 110. The legislature would then be empowered to override such exemptions and modifications.

Additional wording will be added to the bill specifying that the Commissioner of Education and the Director of the Division of Policy Development and Planning would also report on their ability to conform the boundaries of the REAAs and Coastal Resource Service Areas to those of the unorganized boroughs.

p. 4 Lines 17-18 Committee Substitue would provide that the voters will elect a charter commission of not more than 15 members with the method of election determined in the petition and reviewed.

p. 5 The section will be amended toprovide that if the proposed charter is rejected, the charter commission shall prepare, adopt, and submit a proposed charter to the voters at a general or special election held within one year of the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved. This procedure would follow that currently used in unification procedures.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Arliss Sturgulewski
FROM: Rep. Bill Parker
DATE: 2/4/80
RE: Joint Committee Legislative Package

The following are the substantive points raised during the informal review of the Legislative Package by the House C&RA Committee. Please note that the Committee did not review HB 582 relating to the Program of Planning Assistance as our hearing schedule did not allow enough time although we scheduled it on two successive days.

HB 580 Establishing Unorganized Boroughs

Rewriting of purpose

Jay Moore, DPDP testified that although there are a number of ways to establish boundaries, the mandated approach may not be inappropriate. The positive advantage is that it will happen immediately. However, there may be a problem in allowing modifications to the boundaries once they are established, as allowed for in Sec. 44. 17.120. DPDP has a concern that the provisions of this section might not necessarily put the agency needs secondary to the needs of the people being served and it is the Division's concern that this is what should be done.

modifications - census lines were affected after REAA formations

John Post, Chief Research & Analysis, Dept. of Labor
The importance of the census boundaries adopted by the Federal Government for 1980 should not be understated. Post expressed concern that if Labor had to meet the new unorganized borough boundaries it would be very difficult and very costly to come up with the employment, unemployment and population figures for the unorganized borough areas where they did not follow the area and subarea boundaries of the census boundaries. The Native Regional Corporation boundaries are the outer limits of the census boundaries.

Palmer McCarter, Director Div.Local Government Assistance, Dept. C&RA
McCarter questions whether appeals on boundary adjustments should go to the Legislative Council and suggests that instead the appeal be to the Governor. Perhaps the legislature could have the final appeal if the Governor isn't acting responsibly.

McCarter also questions how an REAA could be altered if necessary (there is an existing REAA which overlaps two Regional Corporation boundaries and this is not allowed in HB580). Perhaps a process for changing the REAA boundaries where necessary should be included in the bill.

After the hearing, Ginny Chitwood of the Alaska Municipal League pointed out that HB 580 limits the charter writing period to 1 year and questioned if that was enough time. Also, she was concerned that unlike the provisions for unifying a municipality, there was no provision for drafting a second charter if the first one failed.

HB 581 Establishing the Responsibilities of the Division of Policy Development and Planning

Jay Moore, DPDP
Expressed concern that HB 581 was ambiguous and suggested an elaboration as to why geocoding was needed.
He also felt that variance from REAA boundaries would probably be requested by a large number of agencies and that interagency coordination should be stressed.

HB 584 Eliminating the THird Class Borough

Rep. Charlie Parr expressed reservations about the bill saying that the C&RA department talks about giving local government flexibility and yet if the third class borough is eliminated, and the people don't want to form a second class borough, there is no alternative for them. Parr said that in his district it was planning and zoning powers that people were afraid of. Third class boroughs were restricted to service areas in this regard. Also, Parr felt that in unorganized boroughs the Div. of Lands would have zoning powers and the divisions's "shoddy track record" made it a poor option. "My bias is that we ought to have a mandatory borough act, but I think we should have a third class borough option." Parr felt the step from unorganized to second calss was too large a jump. He feels there should be a proven overirding and compelling state argument against allowing the third class borough to exist if it is going to be eliminated.

HB 585 Incorporation of Second Class Boroughs

Rep. Charlie Parr questions Line 20 of the bill and the requirement that it would take only 10 percent of the voters to petition for reclassification. Wonders if the expense of an election is justified for such a small percentage of the voters. Parr also questions Line 14 which would allow for the election to be either "special" or "regular". He is not sure it would be advisable to have a special election because of the expense and because there would not apepar to be any urgency in such a reclassification. (After clarification by Ginny Chitwood, Parr drops concerns related to the timing of the election feeling perhaps it should be left up to the municipality).

Palmer McCarter, Dept. of C&RA pointed out that initiative and referendum require 25% of the voters when the city or borough has fewer than 7,500 persons or 15% when a city or borough has 7,500 persons or more. Unification requires 25% of the voters inside and outside of the city.

Rep. Charlie Parr suggests amending the percent of petitioners (line 20) to 15%. Committee concurs.

HB 586 Requiring Fiscal Notes for Bills Affecting a Municipality

Rep. Parr raises question of whether this bill is intended to deal with just "significant" impacts. Palmer McCarter, Dept. of C&RA, responded that this would be his interpretation. Perhaps the word "major" expenditure could be added on line 15. McCarter stressed that the fiscal impact figure would be an estimate.

HB 583 State Aid to Local Governments

Palmer McCarter, Dept. C&RA, testified that the Dept. opposes the bill as presently written. Although they support the $25,000 as a base figure in revenue sharing, they believe it is too costly for the state to provide that amount in addition to the entitlements.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House Community & Regional Affairs Committee
FROM: Rep. Bill Parker, Chairman
DATE: 2/11/80
RE: Proposed Committee Substitute Amendments for Interim Legislative Package

HB 580 (SB 348) Establishing Unorganized Boroughs

p.1 Line 13-20 — The "Purpose" Section will be rewritten to reflect the intent of the legislation from the point of view of the people affected, rather than from a state service delivery perspective, i.e., these unorganized boroughs provide the framework within which maximum local participation and responsibility can occur and will be used for planning and programming purposes (regional strategy studies, coordination of services, coordiatnion of services, data collection, and achieving equity in allocation of state resources.

The Committee Substitute would also make note in the "Purpose" of the provisions of Chapter 19 of HB 580 (SB 348) which allow for direct incorporation of a home rule borough and of the additional flexibility this option provides for residents of unorganized boroughs.

p.2 Line 10 — Additional wording will be added to the bill dealing with the alteration of Regional Educational Attendance Area (REAA) and Coastal Resource Service Area boundaries to bring them into compliance with the unorganized borough boundaries established by HB 580 (SB 348).

p.3 Line 7 — This section will be rewritten to direct that the Governor would review requests from state agencies for exemptions to AS 44.17.110 (use of unorganized boroughs boundaries for data collection, program planning and coordinating, etc.) Further referral on the state agency use of different boundaries would

be to the Legislative Council.

11

Substantially complying representation method of election be brought forward. Com would be reviewed RLAA

p. 4 Lines 17-18

OK

Committee Substitute would provide that the voters will elect a "geographically representative" charter commission. The number of members on the commission would not be specified. This change would also be reflected on p. 4 line 27.

re Artic - 15

p. 5 Line 17-18

OK

This section will be amended to provide that if the proposed charter is rejected, the charter commission shall prepare, adopt, and submit a proposed charter to the voters at a general or special election held within one year of the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved. This procedure would follow that currently used in unification procedures.

Avoidance of use of "district" a drafting problem

Repeater do we still want service areas allowed?

HB 582 (SB 349) Establishing a program of planning assistance for unorganized boroughs

p. 1 The Committee Substitute would add wording addressing who may request that a management program be developed for an unorganized borough and would include (1) a municipality or group of municipalities (2) a nonprofit corporation or non profit corporations organized under the laws of the state (3) and by petition by 15% of the voters living within the unorganized borough.

p. 1 Line 16 Number (2) would be amended to read: "a nonprofit corporation or nonprofit corporations organized under the laws of the state.

p. 2 A Committee Substitute would require that a contract entered into under AS44.47.085 (f) shall (rather than "may" line 26) include the four enumerated points listed on p. 2 lines 28-29, p. 3 lines 1-6. Additionally, the contract would have to specify the process to be used for regional public participation and representation in the development of the study.

p. 2 Line 15 Add that the report would also generally address the interrelationships of:
(a) the school board for the regional educational attendance area;
(b)the coastal resource service area board, if one has been established under AS 46.40,100-46.40.160;
(c) any other regional entity responsible for services; and
(d) the governments of cities located within that unorganized borough

Supplement AS 4.10.200 Use Tequesreference

p. 2 lines 4-7 Use of term advertise - does it adequately cover? Eliminate by any means which he believes will provide adequate notice

p. 2 line 26 Use of "shall", then eliminate "housing" on p. 3 l. 1

* Appropriation bill - Date right? Ck for this

Wording for purpose -

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Arliss Sturgulewski
FROM: Rep. Bill Parker
DATE: 2/12/80
RE: HB 580, HB 582

* In addition to the points covered in the attached memo, the Committee raised the following issues for discussion:

HB 580

* p. 3 Lines 7-29 This section was questioned in general. It was felt that in every instance in the bill, reference should be made to the legislature rather than to the Legislative Council (see p. 3 line 10). The section should be rewritten to direct that the Governor review requests from state agencies for exemptions to AS 44.17.110. The legislature would then be empowered to override such exemptions and modifications.

* The repealers are to be checked with legislative legal staff.

* After discussion of the census lines, it was determined that mention should be made of these boundaries, along with those of the ANCSA, on page 2.

* Use of the term "substantially" (p. 6 line 17) was questioned. McCarter suggested that this was legally applied as there may be technical difficulties in complying with all the requirements of the election code if there are no election clerks in the areas.

HB 582

* If the term "may" (p. 2 line 26) is changed to "shall", the reference to housing (p. 3 line 1) should be eliminated.

* p. 2 lines 5-6. The legal meaning of the term "advertise" will be checked to see if it is adequate and "by any means which he believes will provide adequate notice etc." will be eliminated.

HB 583-586 will be reviewed Feb. 13

STATE OF ALASKA
THE LEGISLATURE

POUCH V, STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM January 18, 1980

SUBJECT: Alteration of Work Orders Nos. 7656 and 7657 relating to unorganized boroughs.

TO: Representative Bill Parker

FROM: John B. Chenoweth
Legislative Counsel

In response to Margo Waring's memo --

Item 1:

Work Order No. 7657: Page 1, following line 20: Insert *Sec. 2 to read:

OK

> *Sec. 2. INTENT. In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to regions within unincorporated areas be made only within the appropriate boundaries for unorganized boroughs established under AS 29.03.011 - 29.03.021, added by section 3 of this Act.

Item 4 is covered by AS 29.03.021.

Item 6: The previous language, precluding subdivision of areas within REAA's into smaller unorganized boroughs, read:

> "Sec. . COMBINING OF SERVICE AREAS TO ESTABLISH UNORGANIZED BOROUGHS. The commissioner may, after public hearings in the areas affected, constitute the geographic area within two or more regional educational attendance areas as a single unorganized borough. . . ."

The provision was modified to the language you have in the bill (Work Order No. 7657) in response to Marge's December 8th memo and verbal clarification of some of the points in that memo.

* * *

Item 5:

Work Order No. 7656: Page 2, following line 14, insert new paragraph "(2)" to read:

(2) require that if the report does not favor incorporation of a borough, the report include an analysis and recommendations concerning a representative advisory body for the unorganized borough and an analysis and recommendations defining the relationship between that body and

(A) the school board for the regional educational attendance area;

(B) the coastal resource service area board, if one has been established under AS 46.40.110 - 46.-40.160;

(C) any other regional entity responsible for services; and

(D) the governments of cities located within that unorganized borough.

* * *

Item 2 of Margo's memo is, I think, answered by the suggested language prepared in response to item 5 in that these regional strategy contracts may not run longer than 3 - 4 years.

Item 3 in that memo was not to be acted on.

JBC:ljb

2/11
to Bill

Re HB 580
348

Purpose:

better wording

Rewrite 4 -
as Model framework
for future
not just services

#1

#2 ok

PURPOSE: The purpose of this Act is to provide for the division of the state's single unorganized boro into unorganized boroughs which may, in the future, provide a framework for maximum local participation and responsibility. To facilitate that purpose and for the purpose of providing coordinated services and coordinated data collection, a set of boundaries adopted for use by state agencies is mandated. It is the further intent of this legislation that all future state developed planning or service delivery boundaries conform to the boundaries established by this Act so that future local governments, if desired by the population, can subsume both these functions and use data and information collected.

INTENT: The legislature recognizes that a more systematic approach to the future of the unorganized borough is necessary. In order to accomodate future changes when desired by local residents, the state has an obligation to provide for a framework in which structured change may occur. To this end, this Act provides for a common set of boundaries in the unorganized borough which divide the state's single unorganized boro into unorganized boros. This division will facilitate planning and programming by coordinating state delivered services, coordinating data collection, regional strategy studies. It is the further intent of this Act that all future state developed planning or program boundaries conform to the boundaries established by this Act so that future local governments, if desired by local residents, can subsume functions and use data and information collected according to defined boundaries.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House Community & Regional Affairs Committee
FROM: Rep. Bill Parker, Chairman
DATE: 2/11/80
RE: Proposed Committee Substitute Amendments for Interim Legislative Package

HB 580 (SB 348) Establishing Unorganized Boroughs

p.1 Line 13-20 — The "Purpose" Section will be rewritten to reflect the intent of the legislation from the point of view of the people affected, rather than from a state service delivery perspective, i.e., these unorganized boroughs provide the framework within which maximum local participation and responsibility can occur and will be used for planning and programming purposes (regional strategy studies, coordination of services, coordiatnion of services, data collection, and achieving equity in allocation of state resources.

The Committee Substitute would also make note in the "Purpose" of the provisions of Chapter 19 of HB 580 (SB 348) which allow for direct incorporation of a home rule borough and of the additional flexibility this option provides for residents of unorganized boroughs.

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be to the Legislative Council.

p. 4 Lines 17-18 — Committee Substitute would provide that the voters will elect a "geographically representative" charter commission. The number of members on the commission would not be specified. This change would also be reflected on p. 4 line 27.

p. 3 Line 28 — This section will be amended to provide that if the proposed charter is rejected, the charter commission shall prepare, adopt, and submit a proposed charter to the voters at a general or special election held within one year of the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved. This procedure would follow that currently used in unification procedures.

HB 583 (SB 351) State aid to local governments

The Committee Substitute would provide that a municipality qualifying for revenue sharing would receive a minimum payment of $25,000 plus an area cost of living differential for each fiscal year.

HB 585 (SB 353) Incorporation of second class boroughs as home rule boroughs

This bill would be amended to allow that a first class municipality or second class borough might adopt a home rule charter after petiton by 15% of the voters who voted in the last regular election of the municipality.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Arliss Sturgulewski
FROM: Rep. Bill Parker
DATE: 2/12/80
RE: HB 580, HB 582

* In addition to the points covered in the attached memo, the Committee raised the following issues for discussion:

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HB 582

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HB 583-586 will be reviewed Feb. 13

Title "An act relating to the responsibilities of executive departments "
Requested by S&H Community and Regional Affairs Committees Date March 25, 1980

II. FISCAL DETAIL

Agency Affected Division of Policy Development and Planning
Program Category Affected Executive Operations
BRU, Program, or Subprogram(s) Affected Policy Development and Planning
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES		0.0	0.0	0.0	0.0	0.0
200	TRAVEL		0.0	4.5	0.0	5.0	0.0
300	CONTRACTUAL		0.0	80.0	0.0	20.0	0.0
400	COMMODITIES		0.0	0.0	0.0	0.0	0.0
500	EQUIPMENT		0.0	3.5	0.0	0.0	0.0
600	LAND & STRUCTURES		0.0	0.0	0.0	0.0	0.0
700	GRANTS, CLAIMS, ETC.		0.0	0.0	0.0	0.0	0.0
	TOTAL		0.0	88.0	0.0	25.0	0.0

FUNDING (Thousands of Dollars)

GENERAL FUND		0.0	88.0	0.0	25.0	0.0
FEDERAL FUNDS		0.0	0.0	0.0	0.0	0.0
OTHER (Specify Fund Source)		0.0	0.0	0.0	0.0	0.0

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A. Using current per diem and travel rates inflated 25% for 1983.

B. Recommendations required of DPDP by this bill will result from intensive field survey of data needs, data sources and systems adequacies in Anchorage, Fairbanks, Juneau and other centers.

1. The work will be done under contract; supervision provided by person filling position requested in the Division's FY81 budget.
2. Travel for contract supervisor to interview potential contractors and to monitor field work. Contractual for field interviews of state, local and federal data and information users and providers, evaluation of data systems, evaluation of system operation (FY83), equipment purchase of CRT and line printer for central access to and monitoring of data system during evaluation.
3. 88.0 is for evaluation and recommendation of the referencing system; 25.0 is for contractual and travel for evaluation and report on improvement of agency progra coordination. These evaluations will result in a cost analysis for compliance t agencies with t ections 1-4 of this bill.

IV. DATE 25 March 1980 PREPARED BY Jay Moor
AGENCY Division of Policy Development and Planning
PHONE 465-3575

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Sturgelewski (Senate)
Parker (House)
Rod Mourant
John Halterman

HB

582

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 582 Program of Planning Assistance

ORIGINAL SPONSOR: HOUSE C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 1/10/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Discussion of p. 3 and reference to "housing". Suggestion is made to delete such reference.

p. 2 line 4-7 Check use of "advertise by any means he believes will provide adequate notice."

COMMITTEE ACTION: No Action

TAPE # SIDE _____ Footage _____

(7)

COMMITTEE REPORT

HOUSE

1/21/80

FURTHER: FINANCE

Date: _____

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 582

"An Act establishing a program of planning assistance for unorganized boroughs; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

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_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

I. REQUEST
Bill/Resolution No. H. B. 582 and S. B. 349
Title An Act Providing Planning Assistance for Unorganized Boroughs
Requested by House Community & Regional Affairs Committee Date 1-18-80

II. FISCAL DETAIL
Agency Affected
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	0	0	0	0	0	0

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There would be no fiscal impact from this bill until there is a appropriation as indicated in section (e)(2)(B) of this bill. However, the Department does anticipate the following additional cost at such time as appropriations are made.

Staff to monitor and oversee contracts.

1.	Local Government Specialist IV	Range 19	Salary 31,824
		Fringes	8,910
	Travel 10 trips @ 600		6,000
	Equipment & Supplies (400 after FY 81)		1,000
	Total Position Cost		47,734
2.	Local Government Specialist III	Range 17	Salary 27,468
		Fringes	7,91

IV. DATE 1-18-80 PREPARED BY Terry Earley
AGENCY Department of Community & Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

HB
583

(7)

COMMITTEE REPORT

HOUSE

1/21/80

FURTHER: FINANCE

Date: 22 \ 2 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 583

"An Act relating to state aid to local governments; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 583 Minimum grant/Revenue Sharing

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: ----

HEARING DATE: 1/30/80

MEMBERS PRESENT:
Bill Parker
Margaret Branson
Pat O'Connell
Pat Carney
Charlie Parr
Fred Zharoff
Ray Metcalfe

Witnesses:
McCarter, Dept. of C&RA

COMMITTEE ACTION: No action

TAPE # 1 SIDE 2 Footage 1195-1741

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99

DATE: 2/13/80-

BILL NUMBER AND TITLE: HB 583 State Aid to Local Governments

ORIGINAL SPONSOR : Joint House/Senate C&RA

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	
		Ray Metcalfe	

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

The committee discussed the proposed CS which would establish a minimum base revenue sharing entitlement of $25,000. CS to be drafted and signed out week of 2/18/80

COMMITTEE ACTION: See above

TAPE #2 SIDE 2 Sections 580 - 600

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B
JUNEAU, ALASKA 99811

February 1, 1980

Ms. Theresa Peoples
Local Government Training Coordinator
A.V.C.P. Employment & Training
P. O. Box 848
Bethel, Alaska 99559

Dear Ms. Peoples:

RE: STATE REVENUE SHARING PROGRAM

The concerns expressed in your letter of January 22, 1980 are appreciated. The Department of Community & Regional Affairs recognizes the limited revenue sources available to most second class cities, including the amount of State shared revenue these cities can generate. To improve this situation, we support legislation that would provide for a minimum grant of $25,000 under the State Revenue Sharing Program. This annual payment would not be dependent on municipal services provided by the applicant, and any city or borough could apply for this minimum grant in lieu of the per capita, per mile and per facility payments currently authorized. The grant would hopefully be used to pay the salary of a permanent, experienced city clerk or administrator.

Currently, there are several bills pending in the legislature that would establish the $25,000 minimum grant. H. B. 300 introduced last year by Representative Nels Anderson provides for a minimum entitlement to the current municipal services revenue sharing program. H. B. 192 introduced last year by Representative Terry Gardiner would repeal the existing revenue sharing program and replace it with a formula based on a municipality's tax effort compared to its taxable wealth. A minimum grant of $25,000 has been attached to this formula. This Department supports the concept proposed by both bills. Copies are enclosed for your information.

Another related bill, H. B. 583 introduced this year, would entitle every municipality to $25,000 in addition to the amount it receives under the municipal services revenue sharing program. The Department is opposed to this approach as it would grant the additional $25,000 to those cities and boroughs already receiving substantial revenue sharing funds.

It is important to remember that insufficient funding would result in prorated entitlements. In other words, due to prorationing, a city could receive less than $25,000 even if one of these bills were to become law.

It is suggested that the cities in the A.V.C.P. Region contact their legislators to voice their support for H. B. 300 which provides the $25,000 minimum entitlement, and for H. B. 192 which generally provides more revenue sharing dollars to poorer rural communities. We envision this grant as a partial solution, at least, to the problems of a poor revenue/tax base and high administrator turnover in most second class cities.

The #3 concern in your letter addressing needs for improved judicial services is one well recognized by this Department. We hoped that improvements in this area can be made through further efforts by the Executive and Legislative branches of State government.

Sincerely,

Palmer McCarter
Director

Enclosures

cc: Senator Arliss Sturgulewski
Representative Terry Gardiner
Representative Bill Parker
Representative Nels Anderson
w/Enclosure

A.V.C.P. Employment & Training
P.O. BOX 848
BETHEL, ALASKA 99559
Phone: 543-3243

January 22, 1980

RECEIVED
JAN 25 1980
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Palmer McCarter, Director
Division of Local Government
& Assistance
Department of Community &
Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Mr. McCarter:

Thank you for your response to my letter.

At my last meeting with the City Administrators the questions/concerns were in the following areas:

a. State Construction Aid
b. Land Use Planning
c. Transportation Facilities
d. Health Facilities
e. Preparing for a Census

In addition the following have been brought to my attention:

1. Second class cities, whose population is less than 200 are barely functioning with the existing State Revenue Sharing Formulas. In the A.V.C.P. Region, 98% of the Second Class Cities and their residents are economically disadvantaged, and therefore are not in any position to levy and collect local taxes.
2. The existing State Revenue Sharing has no provisions for City Administrators/Managers. As there are no local taxes, there are no funds to hire a City Administrator/Manager. For the last four years, Yupiktak Bista Manpower through CETA grants have employed City Administrators. A.V.C.P. Employment & Training finds that there are many disadvantages, for one, the present system lacks continuity. The Second Class Cities are involuntarily experiencing key staff turnovers. As the result of the turnovers/terminations we are constantly training new City Administrators.

3. The State of Alaska and the Alaska Statues lacks and does not provide for any judicial system for Second Class Cities. The second Class Cities are finding themselves handicapped when ordinances are adopted for collection of fines and/or punishments.

We will be most happy for your time and assistance.

Thank you.

Sincerely,
AVCP Employment & Training

Theresa Peoples

Theresa Peoples
Local Government Training
Coordinator

cc: John Angaiak
Executive Director

TP/rmj

(7)

COMMITTEE REPORT

HOUSE

2/22

1/21/80 "Sick-pink Copy"

FURTHER: FINANCE

Date: 22 Feb 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 583

"An Act relating to state aid to local governments; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for HB583 [ ] same title [ ] new title

and recommends —

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back with~~out recommendation~~ individual recommendations

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
Bill Paul	Patrick Bhe Donnell Do Not Pass
Margaret Brown	Charles H Pan Do Not Pass
Fred H. Zhmoff	Ray M Stark c No Rec

Bill Paul
CHAIRMAN

H 60 (Rev. 12/78)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 583
Title An Act relating to State Aid to Local Governments
Requested by C&RA Committee Date 4-4-80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Local Government Assistance - Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1893.1	1893.1	1893.1	1893.1	1893.1
TOTAL		1893.1	1893.1	1893.1	1893.1	1893.1

FUNDING (Thousands of Dollars)

GENERAL FUND		1893.1	1893.1	1393.1	1893.1	1893.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
Under the FY 1980 program 74 municipalities received less than $25,000. It is assumed that all other municipalities eligible for the program will also apply in FY 1981, which is an additional 18 applicants, for a total of 92 municipalities eligible for the minimum grant entitlement of $25,000.

Minimum Entitlement	$ 25,000
Average COLA	x 123.65%
Total Minimum Entitlement	$ 30,912
Eligible Applicants	x 92
	$2,843.904
Already Funded in FY 81 Budget	- 950,820
Additional Funding Required for FY 81 Budget	$1,893,084

IV. DATE 4-4-80 PREPARED BY Netta Cragg NC
AGENCY Community & Regional Affairs
PHONE 465-4733

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. H. B. 583 and S. R. 351
Title An Act Relating to State Aid to Local Governments; and Providing for an Effective
Requested by House Community & Regional Affairs Committee Date 1-18-80 Date.

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Community Development
BRU, Program, or Subprogram(s) Affected Local Government Assistance - Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	4,760.0	4,883.0	4,883.0	4,883.0	4,883.0
TOTAL	0	4,760.0	4,883.0	4,883.0	4,883.0	4,883.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	0	0	0	0	0	0

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assuming all municipalities are eligible plus the anticipated incorporation of three municipalities, for FY 81 and four for FY 82

FY 81 FY 82

see attached

IV. DATE 1-18-80 PREPARED BY Netta Crago
AGENCY Community & Regional Affairs
PHONE 465-4733

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

CONTINUATION

FY 81

154 municipalities

x 25,000 additional entitlement

3,850,000

x 23.63% average of COLA's

909,755

3,850,000

4,759,755 FY 81 additional funding

FY 82

158 municipalities

x 25,000 additional entitlement

3,950,000

x 23.63% average COLA's assuming no changes

933,385

3,950,000

4,883,385 FY 82 additional funding

FY 83 through FY 84 is anticipated to remain at the same level

HB
584

(7)

COMMITTEE REPORT

HOUSE

1/21/80

FURTHER: JUDICIARY

Date: 2-6-80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 584

"An Act eliminating third class boroughs."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[X] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bill Parker

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bill Parker
CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99

DATE: 2/13/80

BILL NUMBER AND TITLE: HB 584 Eliminating third class boroughs

ORIGINAL SPONSOR : House/Senate C&RA Joint Committee

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	
		Ray Metcalfe	

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

The Committee decided to move HB 584.

COMMITTEE ACTION: Signed out.

TAPE # 2 SIDE 2 Sections 626

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Arliss Sturgulewski
FROM: Marjorie
DATE: 2/20/80
RE: Issues raised re Local Government Package not acted upon by House C&RA Committee

HB 584 (SB 354) Eliminating the Third Class Borough

Stephanie Scott, Administrative Secretary for the Borough of Haines, raised the question of the need for financial support if Haines reclassification is mandated. I am directing calls on this bill to your committee since I believe the House bill is dead--Charlie Parr has indicated HB 584 will not be heard by his Committee.

The Haines City Council also has apparently recently passed a resolution in support of HB 584 (SB 354)

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

Minutes for C&RA meeting 25 January 1980

HB 584

Parker	Intent of bill is to provide for elimination of third class borough because , from a "pure government" standpoint, it would be cleaner and better not to have them. Organized borough also needs overhaul, but Parker wasn't sure legislature can handle it at this time.
Palmer McCarter (C&RA)	Mr. McCarter presented a brief history of the third class borough statutes, pointing out that the state's only third class borough, Haines, opted for that status only because they wanted to keep their independent school district w/o becoming a second class borough; essentially, 68 legislation provided the option. McCarter also pointed out that wihtout exception whenthe Department has asked groups if they wanted to go to third class status they have said that it did not provide the type of government they wanted. Dept. argues for maximum local control, yet 3rd class is very restrictive, and therefore should be eliminated.
Parr	Mr. Parr said his bill changed certain 3rd class statues because of a '76 Fairbanks initiative to go from second class to third class (the measure failed in popular vote). The bill provided for planning and zoning on a service area basis only. "The reason I've always had trouble with this proposal is, the talk in the department is to give all the flexibility they can to local government. So if the people want something between a second class borough or no government at all, why shouldn't they have it?" So long as it doesn't hurt the state.
McCarter	Mr. McCarter gave an example of REAA 12. They would be held to be a third class borough, when in fact they are only an independent school district; that violates the intent of the act.
Parr	Mr. Parr said that, in his district, it was planning and zoning powers that people were afraid of. Third class boroughs were restricted to service ares in this regard.
Parker	"Couldn't they become second class boroughs and simply zone unrestricted?"
Parr	Mr. Parr said he believed it didn't happen that way, that zoning boards usually prefered to clamp restrictions on areas where ever they could.

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

Parr — Mr. Parr felt another problem would be that, in unorganized boroughs, the Division of Lands would have zoning powers, and the division's "shoddy track record" made it a poor option."My bias is, we ought to have a mandatory borough act, but I think we should have the third class borough option." Mr. Parr felt the step from unorganized to second class was too large a jump.

Parker — Mr. Parker asked if passage of this legislation would put the legislature on record as giving Division of Lands more power? Or, where in the state would such actually be the case?

Parr — Mr. Parr wasn't sure, but reiterated his fear that the division would get more planning and zoning power.

McCarter — Mr. McCarter said he understood that if the borough is not exercising its zoning power, then the Division definately had the option, and that the decision should be left up to the local assembly, not somebody else.

Parr — "Lots of voters are dissatisfied with second class boroughs; in Fairbanks, the desire was for less government." Mr. Parr stated he had voted against the Fairbanks initiative replacing a second class borough with a third class borough. "But if I had been in some other place, I might (want) a third class borough. With this bill, what might happen is we're telling people if they become second class and don't like it, you can't go down a level. Why should they be denied? You've got to prove an overriding and compelling state argument (against it)."

McCarter — Mr. McCarter stated that third class boroughs had no area-wide powers except taxation and schools.

Parr — Parr thought those powers could be exercised.

McCarter — Mr. McCarter stated that, unofficially, Haines supports the repeal of third class boroughs, and would rather have the state do it so they don't have to deal with it at the local level.

Parker — (stating Parr's position) There must be a compelling state reason for taking away the option. (paraphrasing McCarter's position) The Department of C&RA believes that, as a practical matter, the third class borough

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

doesn't work as an option. They are, in fact, glorified school districts.
Mr. Parker then asked Mr. Parr if he thought any region might want to become a third class borough.

Parr — Mr. Parr said he didn't know, but within his experience, in his own borough where the budget is mostly education, it made a lot of sense (to have third class boroughs). "People are afraid of being taxed. Under the third class set-up, there are no reasons for taxation.

CITY OF HAINES
TELEPHONE (907) 766-2231 – POST OFFICE BOX 576 HAINES, ALASKA

February 6, 1980

To Whom It May Concern:

Re: Senate Bill No. 354
House Bill No. 584
An Act Eliminating Third Class Boroughs

The City of Haines has experienced frustrations with the Third Class Haines Borough in much the same vein that cities in the unorganized borough have experienced with the areas outside their corporate boundaries. For many years the City of Haines provided the following services at no cost or at subsidized rates to the Borough residents outside the City boundaries:

1. Fire protection
2. Emergency medical
3. Emergency police
4. Boat harbors
5. Road maintenance
6. Day care facilities
7. Parks

The City provided these services because the Borough has only the powers of "education and tax assessment and collection." In addition, on many occasions when controversial issues arose concerning the entire Haines Borough (e.g., Haines-Skagway Land Use Plan and Udall's HR 39, Section 308 Eagle Study for the Chilkat Valley) the burden fell on the City of Haines to represent the interests of the entire Borough because the Haines Borough lacked planning authority. Yet at the most recent municipal election held October 2, 1979, 77.3% of the Borough residents who live outside the City and who voted, rejected the opportunity for area-wide planning powers.

In the face of potential liabilities and financial constraints, the City Council recently decided that effective July 1, 1980, the City will place a moratorium on all services outside the City for which the City has no legal authority to proceed on an extraterritorial basis and/or for which the City is not compensated. As a consequence of this action, the Haines Borough Assembly has scheduled a

special election for March 4, 1980, to provide the people outside the City with the opportunity to establish five additional service areas. Currently, the Haines Borough has one service area to provide fire protection to the residents immediately outside the City boundaries.

In your deliberations on the subject Bills, I think it is also important that you be made aware of the legal opinion prepared by Rodger Pegues, Assistant Attorney General (copy attached) regarding powers of a Third Class Borough. In essence the opinion states that while the Third Class Borough Assembly is unable to provide noneducationally related services and facilities without voter authority, these same individuals by donning the hats of the Haines School Board can "provide for any number of educationally related facilities and services, e.g., libraries, swimming pools, playgrounds, gymnasiums, museums, cultural centers, and the like and to make them available to the public generally." The opinion, unfortunately, fails to define the scope of "education".

Sincerely,

Jon D. Halliwill

Jon D. Halliwill
Mayor

JDH:tce

Enc.

of ALASKA

TO: Hon. Lee McAnerney, Commissioner
Department of Community &
Regional Affairs

DATE: April 24, 1979

FILE NO: J-66-481-79

TELEPHONE NO:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL

By:
Rodger W. Pegues
Assistant Attorney General

SUBJECT: Provision of library, museum, and cultural center by third class borough

You have asked whether, in the light of subsequent statutory amendments, we wish to reconsider our memorandum of advice of March 11, 1969, in which we concluded that a third class borough may provide for a library.

We believe that, acting in its capacity as an organized borough, a third class borough could provide additional services solely by the methods prescribed by AS 29.41.010(b), i.e., by popular ratification and in service areas only. However, in its capacity as a school district and as a part of its educational program, a third class borough has ample power under title 14 to provide for libraries, museums, and cultural centers and to make them available to the public at large as well as to students.

If our earlier memorandum has a fault, it is that it failed to emphasize the dual role played by the borough assembly as local governing body and as school board, AS 29.41.020, and the resulting consequences. While the assembly as an assembly might have no power to provide for a library until authorized to do so by the electorate, the assembly as a school board has ample power to provide for any number of educationally related facilities and services, e.g., libraries, swimming pools, playgrounds, gymnasia, museums, cultural centers, and the like and to make them available to the public generally. It can even get state matching money to support many of these activities. We do not perceive the 1977 amendments to the Municipal Code's provisions on third class boroughs as in any way affecting their powers and functions as school districts.

RWP/pjg

RECEIVED
APR 25 1979
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

February 8, 1980

Ms. Stephanie Scott
Administrative Secretary
Haines Borough
Haines, Alaska

Dear Stephanie,

Enclosed you will find the material relative to the Local Government Study which we discussed, including: 200 copies ofHHB 584; copies of the local government study report; and a press release on the legislative package.

Additionally, I have attached a oppy of the House C&RA schedule for public hearings. You will note that HB 584 has been scheduled for Feb. 13 because of the legislative holiday on Feb. 15. The Senate C&RA Committee has informed me that they will hear SB 354 (identical to HB 584) on Feb. 14 at 1:30 P.M. in the Butrovich Room of the Capitol Building.

Thank you for your interest and we continue to be available for any comments or questions you may have.

Yours truly,

(for Rep. Bill Parker)

Maj. Carl W. Heinmiller, Ret.
Indian Arts and Crafts Specialist
Ex. Director: "Chilkat Dancers"

Phone: 766-2471
Business: 766-2160
Magistrate: 766-2116
Area Code: 907

Box 271, Haines
Alaska 99827

Feb.6,1980

Sen.Arliss Sturgulewski
Chairperson
Community and Regional Affairs
State Senate
Pouch V
Juneau,Alaska

Dear Senator Sturgulewski:

I am writing in support of HB 584 which would eliminate the Third Class Borough. Over the last 30 years I have been on the School Board add involved with all the complications of the Special School District which finally became a "second thumb" under the State Constitution, i.e.a Third Class Borough. As the constitution required a limited strata of government, there should have never been a Third Class Borough. The making of such a formof government was a method to get out of a responsibility. I am happy to see the Legislature finally take on this change.

I'm enclosing a copy of the local paper which shows how a Third Class Borough , but adding on service district after service district,until it is in effect a Second Class Borough, or better. When a Fire District was setup several years ago, the Borough could not even get candidates to fill the require positions for the District. However, more areas are seeing that they can save considerable insurance by being under a Fire District, and now adding a medical service area. HOWEVER, what is heppening is that the Borough Government is duplicating the City Government.

It is understanable that many people in the outlying area do not want to have zoning and planning because they do not want to be restricted. The result is many shacks, impoperly subdivided lands, poor water and sewer control and in some areas, lacking of garbarge control. The "hue and cry" is "we don't want more government", but these people accept all the services available by the City without paying anything for such service.

It is almost impossible to explain to some that they will only pay for what they get. They do not pay for City sidewalks, road maintenance etc. If they do not have water and sewer, they do not pay for this utility. We have the possibility of industrial development in the outreach area and should that happen under our present type Borough government, a hodgepodge of growth will develope. Of course, these developers see a great advantages of low taxations so side in with those who don't want any control on their own interests,even tho against the developers.

I hope that when this bill(or a Sen.companion bill) comes up for a hearing that I will have the opportunity to testify. Thank you.

Sincerely,

Carl W.Heinmiller

CWH/p
CC:Rep.Parker, Duncan,Miller
Sen.Ray

FROM THE DESK OF JUDGE CARL HEINMILLER
HAINES, ALASKA

Feb.6th

Dear Bill:

This is a MUST...we are getting in more trouble eeery year. we have some people subdividing in the worst possible way...plus garbage dumps..shacks etc.

The hot shot developers who want to mine..and the lgggers..want low taxes.. so are oddly enuf, lined up with the no growth people(or the shackers). The City is getting stuck with more and more services, which, while they could refuse ..such as fire serve, it is very difficult. someone burns out and then arrive in town for help etc.

I'd like to testify on this bill whenever it come up..

Called 2/8/80
Lee Heinmiller gave info re hearing dates

Regards,
Carl

Janaury 22, 1980

The Honorable Charlie Parr
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Parr:

The Alaska Municipal League 1980 Policy Statement contains the following language on third class boroughs. "The League supports elimination of language from the Alaska Statutes which would allow for the future creation of third class boroughs. Any existing third class borough would be allowed to continue in existence until such time as it reclassifies. The League believes that a third class borough, as currently defined in statute, does not meet standards for a general purpose local government."

The third class borough filled the gap caused by the abolishment of the old independent school districts. Subsequent creation of rural education attendance areas, however, obviates the need for an entity, such as the third class borough, to provide local control over local educational districts.

In practice, the Haines Borough has encountered difficulties with the system under which it functions. For example, it is faced with a multitude of land use problems over which it has no statutory authority. In addition, the general local government problems that came before the assembly, and that in most cases cannot legally be resolved by the assembly, are interfering with that body's ability to perform its major function - running the Haines schools.

The League, therefore, is in favor of abolishing the third class borough form because it doesn't meet the maximum local self-government criteria set out in the Constitution, and from a practical point of view it doesn't seem to work.

Sincerely,

Ginny Chitwood

Ginny Chitwood
Executive Director

FROM THE DESK OF JUDGE CARL HEINMILLER
HAINES, ALASKA

Feb.6th

Dear Palmer:

Please keep us informed on this bill.. (HB589 & SB354)

as we have a strong group in support of it..

Chamber of Commerce..Optimum Government Com

and other.

We hope the Legislature finally has the guts

to kill this dumb Third Class Borough..

Regards,

RECEIVED
FEB 08 1980
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

HAINES BOROUGH

P.O. BOX H
HAINES, ALASKA 99827

February 4, 1980

Palmer McCarter, Director
Division of Community and Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Palmer:

I am enclosing two sets of correspondence concerning two "gray" areas for the third class Haines Borough:

1) Our relationship to the management and disposal of land received from the state through the municipal entitlement procedures; and

2) The status of the present "chairman" of the Haines Borough Assembly and School Board.

I know this is a very busy time of year for you but if you would look into both of these areas for me I would appreciate it very much. My basic concern with the question of the chairman is how do we elect a borough mayor at large and still maintain our present form of apportionment and representation? It would be nice to be able to deal with this issue this October before dealing with the new forms of representation and possible reapportionment as laid out in the 1979 amendments.

Sincerely yours,

Stephanie

Stephanie K. Scott
Administrative Secretary

RECEIVED
FEB 08 1980
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

February 12, 1980

SR 90675-Z
Fairbanks, Ak. 99701

The Honorable Charles H. Parr
Alaska House of Representatives
Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

RE: Opposition to H.B. 584

Dear Sir:

Concerning H.B. 584, "An Act eliminating third class borough", I oppose the bill. I understand a third class borough to be the simplest form of government for residents in a community to have in order for them to have a strong local government. It provides direct power to the people in which they have more direct power than people in a first or second class borough. I realize that the legislators understand the power of a third class borough, but I feel it is not as well understood by the people in general and that it is being misrepresented to the people. To think that in order to have a strong local government that it must be a large standardized complex governing body is, I feel, erroneous. When you have a complex government, people naturally tend to reject or lose the incentive to provide for themself, due to high taxes and the forced understanding that the government knows what is best for you. To imply that a person does not know how to govern himself is a direct insult to their intelligence.

Working with the Salcha Secession Group, which is trying to detach from the Fairbanks North Star Borough, we are looking for a local government plan which will fit our needs. According to AS 29.03.030, there are five general law municipalities to choose from or become and Unorganized Borough. The residents of Salcha are looking at adopting a third class borough. I believe it will meet our needs better than the second class which now exists. Before the FNSB was formed, Salcha was a growing farming community in which the people were self providing. The community was involved in building a community hall; they were responsible for the establishment of the Salcha Elementary school; and provided the bus service for the elementary and high school students. Salcha residents brought power to the community and tried to build a Farmers loop road. When the taxation started, it was a financial strain to the Salcha farmers who were just making ends meet. The borough went so far as to tax potatoes in their root cellars. Some residents had to dismantle buildings on their farms because they could not afford to pay the taxes. All of this in order to provide services that already exist and these services are still mainly funded by the original source.

When the borough was being formed, Salcha tried to be excluded. At that time it was known that the FNSB could not provide for Salcha and it still cannot in the best interest of the borough

residents and the State of Alaska. If Galena were allowed to detach and form its own third class borough, the people would have the direct power to provide for themselves again. By eliminating third class borough, I find this an act of breaking down true local government powers of the people of Alaska. This especially applies to Alaskans of rural and bush Alaska who might choose this type of local government in order to meet their needs.

I am in strong opposition to House Bill 584 and cannot stress to you the importance of this bill being defeated.

Very truly yours,

Allen J. Busby

cc: Parker, Bill
Carney, Patrick J.
Zharoff, Fred P.
Brannon, Margaret
Metcalfe, Ray H.
O'Connell, Patrick M.
Sturgulewski, Arliss
Mulcahy, Bob
Kelly, Tim
Rodey, Patrick M.
Stimson, Terry

Message phone: 488-2193 - evenings

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 584 and S. B. 354

Title An Act Eliminating Third Class Boroughs

Requested by Community & Regional Affairs Committee Date January 18, 1980

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance - Grants

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	0	0	25.0	0	0
TOTAL	0	0	0	25.0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	25.0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

AS 29.18.180(a) states that boroughs that reclassify are entitled to an organizational grant of $25,000. This bill would force one existing third class borough to reclassify and thereby entitle it to a $25,000 grant. No other municipality is affected by the bill.

FY 83 is the estimated year of reclassification, although it could conceivably take place any time between FY 80 and FY 85.

IV. DATE January 18, 1980 PREPARED BY Mary Foster

AGENCY Community & Regional Affairs

PHONE 465-4734

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

Form 01-006

STATE OF ALASKA
OFFICE OF THE GOVERNOR

TO: Department of

[ ] Administration
[ ] Commerce & Econ. Develop.
[/] Community & Regional Aff.

[ ] Education
[ ] Env. Conservation
[ ] Fish and Game
[ ] Health & Social Svcs.
[ ] Highways
[ ] Labor
[ ] Law
[ ] Military Affairs
[ ] Natural Resources
[ ] Public Safety
[ ] Public Works
[ ] Revenue

ATTN: Commissioner McAneny

[ ] Return letter w/draft
[ ] Return letter w/comment
[ ] Reply direct
[ ] Your information
[ ] Call me
[ ] Appropriate action
[ ] As requested
[ ] _____

REMARKS:

From: Georgette Date: 4/15

April 11, 1980

Mr. Louis O. Nelson
P.O. Box 297
Haines, Alaska 99827

Dear Mr. Nelson:

Thank you for your letter of March 13, 1980 regarding House Bill 584.

That bill is currently awaiting action in the House Judiciary Committee. If and when it passes both houses, I will review it in its final form with your concerns in mind.

As additional information, that bill was initially introduced at the request of the Interim Local Government Study Committee after several public hearings were held all over the state.

Thank you again for your interest and concern.

Sincerely,

Jay S. Hammond
Governor

bcc: Commissioner Lee McAnerney

JSH:bh:kms

April 11, 1980

Mr. Irvin N. Sogge
Box 427
Haines, Alaska 99827

Dear Mr. Sogge:

Thank you for your letter of March 11, 1980.

I appreciate being advised of your concerns about House Bill No. 584. That bill is currently awaiting action by the House Judiciary Committee. At such time as it should pass both houses of the legislature, I will consider it in its final form keeping your comments in mind.

Thank you again for your interest and concern.

Sincerely,

Jay S. Hammond
Governor

bcc: Commissioner Lee McAnerney
JSH:bh:kms

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: The Honorable Jay S. Hammond
Governor

DATE: March 27, 1980

FILE NO:

TELEPHONE NO:

FROM: Lee McAnerney
Commissioner
Department of Community and
Regional Affairs

SUBJECT: Attached correspondence

OK -

Attached are replies to letters from Mr. Irvin Sogge and Mr. Louis Nelson from Haines requesting your oppostion to House Bill 584 which would eliminate third class boroughs.

The reply informs Mr. Sogge and Mr. Nelson that you will give their request due consideration if and when the bill reaches you in its final form.

Recommendation: You sign letters.

Attachments

RECEIVED
MAR 28 1980
GOVERNOR'S OFFICE

Maj. Carl W. Heinmiller, Ret.
Indian Arts and Crafts Specialist
Ex. Director: "Chilkat Dancers"

Home: 766-2471
Business: 766-2160
Magistrate: 766-2116
Area Code: 907

Box 271, Haines
Alaska 99827

Feb.6,1980

Sen.Arliss Sturgulewski
Chairperson
Community and Regional Affairs
State Senate
Pouch V
Juneau,Alaska

Dear Senator Sturgulewski:

I am writing in support of HB 584 which would eliminate the Third Class Borough. Over the last 30 years I have been on the School Board add involved with all the complications of the Special School District which finally became a "second thumb" under the State Constitution, i.e.a Third Class Borough. As the constitution required a limited strata of government, there should have never been a Third Class Bofough. The making of such a formof government was a method to get out of a responsibility. I am happy to see the Legislature finally take on this change.

I'm enclosing a copy of the local paper which shows how a Third Class Borough , but adding on service district after service district, until it is in effect a Second Class Borough, or better. When a Fire District was setup several years ago, the Borough could not even get candidates to fill the require positions for the Disttict. However, more areas are seeing that they can save considerable insurance by being under a Fire District, and now adding a medical service area. HOWEVER, what is heppening is that the Borough Government is duplicating the City Government.

It is understanable that many people in the outlying area do not want to have zoning and planning because they do not want to be restricted. The result is many shacks, impoperly subdivided lands, poor water and sewer control and in some areas, lacking of garbarge control. The "hue and cry" is "we don't want more government", but these people accept all the service available by the City without paying anything for such service.

It is almost impossible to explain to some that they will only pay for what they get. They do not pay for City sidewalks, road maintenance etc. If they do not have water and sewer, they do not pay for this utility. We have the possibility of industrial development in the outreach area and should that happen under our present type Borough government, a hodgepodge of growth will develope. Of course, these developers see a great advantages of low taxations so side in with those who don't want any control on their own interests,even tho against the developers.

I hope that when this bill(or a Sen.companion bill) comes up for a hearing that I will have the opportunity to testify. Thank you.

Sincerely,

Carl W.Heinmiller

CWH/p
CC:Rep.Parker, Duncan,Miller
Sen.Ray

AVCP
Association of Village Council Presidents
P.O. Box 219 • Bethel, Alaska 99559 • Phone 543-3521

05 March 1980

Representative Bill Parker
Porch V
Juneau, AK 99811

Dear Bill:

I would like to take this time to personally thank you and your staff for taking time from your busy schedule to meet with myself and Mr. Harold Napoleon, regarding the bills concerning the unorganized boroughs which are under consideration by your committee.

It has become apparent that there are many interests which involved in the consideration of these bills and AVCP would like to reiterate it's position that it may be premature for this legislature to pass these legislations, at this legislative session. However, AVCP herewith submit to you and your committee for consideration that in lieu of the passage of these bills, that AVCP would be more than willing to be the demonstration area for the impact study to determine whether such a governemnt can be established within the AVCP Region. That is to say, we would like to see legislative appropriating funds to AVCP to conduct an impact study to determine whether a borough government is feasible within the AVCP Region and for the legislature to give us, at the minimum of two (2) years to complete the study, at which time a decision will then be made the electorate with the AVCP Region. Furthermore, we submit to you and your committee for consideration that the external boundaries of such a governmental unit be that of the external boundaries of the regional corporations established under Public Law 92-203, and any subdivision to be determined by the impact study.

Again, thank you for taking time to meet with us to discuss this vital issue of concern to the people of the AVCP Region.

Sincerely,

Carl Jack

Carl Jack, PRESIDENT
AVCP

fk

cc: AVCP Executive Board

March 1, 1980

The Honorable Bill Parker
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Re: House Bill No. 584

Dear Representative Parker:

I am really concerned with Senate Bill No. 354. This bill was introduced without any regard for the constituency within the Haines Third Class Borough. In my opinion, the Community and Regional Affairs, disregard for public opinion by not holding a public hearing at Haines, Alaska, advising the intent to repeal Third Class Boroughs, is an act of disdain.

I trust you will give this bill your full consideration before bringing it out of committee.

Before repealing Third Class Boroughs, there should be research as to the benefit for small communities and the State. It gives any small community self government, with taxable power for education allowing them revenues for extra curriculum not furnished by the State. A government without all the restrictions of platting and zoning and this should remain within the Third Class Borough and should not be authorized to the Division of Lands. Let's not get into a bureaucratic government. The people should retain the right for platting and zoning. They can do this now by districts and if they want area wide powers, they can always reclassify to a Second Class Borough, but leave it to a vote of the people, not as a mandate from the legislature.

In my opinion, the Third Class Borough statute is very feasible to the State of Alaska, but has been opposed by Community and Regional Affairs from enactment.

I was active in the Haines Borough Government for the first ten years, assemblyman for six years, and Assessor for nine years. In every contact with the Community and Regional Affairs, we were ridiculed for remaining a third class borough. We were contacted by residents in Tok and Glenallen, Alaska. The C.R.A. representative returning to Juneau through Haines was very jubilant. He had convinced both towns not to proceed.

It would be interesting to know how many small communities have been discouraged to self government as a Third Class Borough, by Community and Regional Affairs, and why?

In Conclusion: I wish to emphasize that the Haines Borough has been very successful and satisfied; any change to reclassify has been voted down heavily; financially we are solvent, our local effort for the 1978-79 budget was $242,296.

Again I say Statute of Third Class Borough's should not be repealed. We the people should retain our rights for self government by popular vote.

Sincerely,

Raymond R. Smith, Sr.

Raymond R. Smith, Sr.
P. O. Box 7
Haines, Alaska 99827

Mrs. Grace Steeves
Gen. Del.
Haines, Aka. 99827

Feb. 28, 1980

Rep. Bill Parker
Pouch V
Juneau, Aka. 99811

Dear Rep. Bill Parker,

We feel that if House Bill 534 passes, this would be a detriment to our life here in Haines. We do not find any benefits to being a second class Borough. We treasure our way of life here, as a third class Borough.

It is heartbreaking to see how much of our country is black-topped. When you fly low in a small plane, you see what is happening to our beautiful country. I hate it with a purple-passion!

Please vote No on House Bill 534.

Yours Sincerely,

Grace Steeves
35-year resident of Alaska
and yukon Terr. Can.

March 3, 1980

The Honorable Bill Parker
House of Representatives
Pouch V
Juneau, Alaska 99811 (Mail Stop Number 3100)

Dear Representative Parker:

The Council of the City of Haines has formally expressed its support for House Bill 584, "an Act eliminating third class boroughs".

It has been suggested by others that this proposed legislation would be more equitable to the Haines Borough if provisions were made for financial assistance similar to that provided for in AS 29.18.180, to defray the cost of reclassification.

Sincerely,

Dan R. Bockhorst
City Administrator

DRB:dkb

cc: Representatives Jim Duncan
Mike Miller
Haines Borough

Mrs. Louise Homstad
Box 87
Haines, Aka. 99827

2/28/80

Representative Bill Parker
Pouch V
Juneau, Aka. 99811

Dear Representative, Bill Parker,

Haines is the one really peaceful place, where life is not a hassell. I believe, being a 3rd. class borough has a lot tc do with this.

I really hope we won't be forced to cope with the problems & pressures of a 2nd. class borough.

We really need to preserve more of our fertile soil for agriculture. Much has already been burried under blacktopping, housing & shopping centers. Our nation will indeed starve, if we don't put a damper on this. What good are houses & markets, if there is not food to support life. Crazy, isn't it?

We now realize, a nation is only as strong as it's ability to produce & utalize it's food resources.

We are responsible for our actions & our Gvt. policies, which in turn effect the entire world. We are in a big enough mess, so let us not make matters worse, by forcing our community to become a 2nd. class, instead of the present 3rd. class borough?

Please vote NO on House Bill #584.

Sincerely,

Louise Homstad

P. O. Box 1166
Fairbanks, Ak. 9970

Fourth open letter to all
Legislators of the State of Alaska

February 12, 1980

Re.: Borough powers (HBs 580, 581, 582, 584, 585, 586, and the corresponding bills in the Senate)

Dear Legislator:

This letter is written in opposition to the above named bills, wh will, if enacted, eliminate the borough system. Thereby the oppor tunity for maximum local self-government as mandated by the Alask Constitution, article X, will no longer be provided for.

If the sole purpose for this legislation is (as I have perceived from listening to verbal testimony by members of the Joint Senate & House Community & Regional Affairs Committee) to streamline del ery of State provided services and to encourage local participati in the process, then nothing would prevent the legislature from s ply amending present law to the extent that the existing regional school boards may also act as Regional Health and Welfare Boards. The providing of municipal services to any area of the State wher people may desire them is very adequately covered by existing law in Title 29, Alaska Statutes.

Under AS 14.08.41 regional educational attendance areas were esta lished to provide for education in the unorganized borough and to "establish and maintain a system of public schools open to all ch dren of the State" as set forth in the Alaska Constitution, artic Each regional educational attendance area is operated on an areaw basis under the management and control of an elected regional sch board. If a higher or different level of education than that prov by the State is desired in any part of a regional educational att ance area, or if a municipal service is desired by the people in part thereof outside first or second class cities, the legislatur

may act as the assembly for the unorganized borough and may establis alter, or abolish service areas for that purpose (AS 29.03.020). The regional school board has no taxing authority and the Division of La has the zoning authority in the unorganized borough (AS 38.05.037), except that first class cities shall and second class cities may pro vide for planning, platting and zoning.

A Third Class Borough is an organized borough and a municipal corpo- ration; it provides for the most local control under State law. A th class borough has an elected assembly which also serves as school bo The presiding officer of a third class borough assembly is both pres dent of the school board and borough executive (AS 29.41.020). The p siding officer is elected from among and by the assembly and has no power. A third class borough is a general law municipality (AS 29.08 and is granted the powers applicable to all municipalities under cha ter 48 of title 29. It must exercise the mandatory areawide powers o education and tax assessment and collection and may assume any munic powers granted under chapter 48, title 29, by voter approval and may exercise the same on a service area basis only (AS 29.41.010). Plann platting and zoning powers may be assumed after approval by a majori of the voters of the entire borough and may be exercised on a servic area basis. First class cities shall and second class cities may pro for planning, platting and zoning. The State has no zoning authority within a third class borough (AS 38.05.037) except within any portio covered by the Alaska Coastal Management Program if the municipalit has not done so. The State Division of Lands may provide for plattin

> "...for only the purpose of hearing and acting on peti- tions for the change and vacation of plats" (AS 40.15.075).

The third class borough may well be considered the ideal form of max mum local self-government to facilitate organization of large and sparsely populated areas, such as encompassed by many of the existin regional educational attendance areas.

> "All political power is inherent in the people. All govern- ment originates with the people, is founded upon their will only, and is instituted solely for the good of the people as a whole." (Alaska Constitution, article 1, section 2)

In other words all rights of self-determination are originally retain by the people. The State assumed only the rights enumerated in the co stitution of Alaska through voter approval and assumed at the same ti the obligation to fulfill the responsibilities enumerated in the same Article VII of the Alaska Constitution requires the State to provide education, protection of public health and welfare. Article X of the Alaska Constitution requires the State to provide for maximum local s government and to divide the State into boroughs, organized and unorg ized, and that the legislature shall classify boroughs and prescribe their powers and functions and methods by which they may be organized incorporated, reclassified and dissolved.

The legislature did that; it established 3 classes of organized borou and provided for their reclassification, and it did provide for regio educational attendance areas operated by elected school boards. The borough system as enacted provides for maximum local self-government one hand and for stringent municipal rule on the other, thereby satis factorily accommodating the needs of the various population centers a well as the sparsely populated areas of the State. The unorganized bo with its multitude of first and second class cities is evidence for t success of the local government system.

As private ownership of land will increase, population centers of var character will develop and thereby will demand increasingly more and different kind of municipal services. The third class borough will un doubtedly fill the need for a first step to organize local municipal government. The Haines third class borough very successfully proves i purpose. The majority of the people of Haines prefer to retain their right of self-determination as evidenced in recent elections by voter rejection of reclassification proposals to a different class. It also reflects their desire and need for self-determination regarding plann and zoning, the power which the people of Haines prefer to retain as evidenced in a recent election. Of course their are always people who prefer a stronger form of local government. In the case of Haines tho people are in the minority, but very vocal in favor of HB 584, a bill calling for the elimination of the third class borough. On the other hand in many second class boroughs evidence is apparent of the domine of the populated center areas over the outlying areas; specifically, dictatorial zoning administration unjustly denying the less populated

areas their rights to self-determination. Serious attempts have been made and are currently contemplated for putting the question of reclassification to third class status for all or part of some second class boroughs on the ballot.

This flexibility of municipal government organization is absolutely necessary to insure orderly and diversified development in the future the only way to achieve prosperity to the people and establish a soun economy. For these reasons, and because the Alaska Constitution deman it, I urge you to defeat the above named bills in committee.

Unfortunately most of the citizens of Alaska are not aware of the leg lation under consideration and therefore the input you receive reflec mostly that of special interests, such as existing government bodies government related or dependent groups, who will benefit from this legislation at the expense of the majority of the people. The current administration and the Department of Community and Regional Affairs i particular are consistently opposing and rejecting the third class borough form of local government. This is evidenced by the misleading and false statements found in the recent Yukon Flats Regional Governm Study, such as: "A third class borough is little more than a local sc board which must levy taxes to support its educational programs. Beca it lacks planning authority, it cannot deal with important issues such as planning for public facilities, providing utility services, and planning for growth and development which best fits local needs and desires." This is of course not so. Education is provided and paid fo by the State, the third class borough government can do all the planni it needs or wants to do and can establish any municipal service such utilities, roads, fire protection, recreation, water, sewer, garbage collection, and so on, on a service area basis with the consent of th voters. In the unorganized borough, where most communities at present are not connected by road, the third class borough should be the form government most attractive for the people to adopt.

The Joint Senate & House Community & Regional Affairs Committee's fin report of the Local Government Study - 1979 states: "Creation of the Rural Education Attendance Areas throughout Alaska eliminated the purp of the third class borough, which has education as its only authorized substantive function." This statement reflects total misinterpretatio

of the law and displays arrogance and disrespect for the principals of the right for self-determination of the Alaska people as set forth in their Constitution. Agency representatives as well as members of the legislative local government study committee expressed verbally before public hearings such misinterpretations of the law purely for the bene of enhencing the power to special interest groups and government bodies The evidence of their misrepresentations warrants serious consideratio of a legislative investigation into the misuse of power and funds by t Department of Community and Regional Affairs. The Department has worke purposely against implementation of the law as prescribed by Alaska Statutes and has unlawfully propagandized misleading facts to influenc public opinion in order to change law and thereby enhence the selfserv powers to that department.

Present law very adequately serves the needs for organized and unorgan local government. Education is very well provided to the unorganized borough through the elected school boards of the Regional Educational Attendance Areas. In the same way health and welfare services could be administered by the State. If special services are desired in specific areas, first and second class cities may provide for the local needs o such services or the legislature may act as the assembly for the unorg ized borough and establish service areas to satisfy those needs. A th class borough may be formed in which the assembly is also the school b and may, in addition to the mandatory functions of administering educa and tax assessment and collection, exercise any or all additional muni pal functions, including planning, platting and zoning, on a service area basis, after voter approval. If the need for areawide exercise of the additional services should arise or be desired, the people may by majority vote reclassify or incorporate with the powers of a borough o the second or first class, or as a home rule or unified municipality, prescribed by law.

No purpose is cited for the enactment of the above named bills under consideration which could not be implemented under present law. The proposed legislation will substantially eliminate the opportunity for local self-government and thereby impair and deny the people of Alask the right of self-determination as set forth under the Constitution.

These bills are contrary to the best interest of the people as a whole. Therefore they should die in committee, and in any case must never be enacted.

Very truly yours,

Wolfgang Falke

P. O. Box 1166
Fairbanks, Ak. 99707

Senate Community & Regional Affairs Committee
Senator Arliss Sturgulewski, Chairman. and
House Community & Sturgul al Affairs Committee
Representative Bill Parker, Chairman
Pouch V, Juneau, Alaska 99811

February 13, 1980

Dear Committee Members:

Enclosed please find a copy of my forth open letter to all legislato which, together with my third open letter of which you have received copy (I hope), I hereby formally ask to be entered as testimony at y next committee meeting. I hope there will be a chance for the commit to consider my suggestions and objections.

I appreciate very much the opportunity to participate in your last weeks teleconference and to listen to the problems faced elsewhere in our State. I am sure I did not address all the questions you may have regarding my comments and I would sincerely appreciate if you could drop me a short line with the specific questions why you think the law must be changed and amended to better solve the "problems", and state the problem. I will respond at once.

I thank you for your kind consideration of my comments.

Very truly yours,

Wolfgang Falke

Enclosure

HB
585

(7)

COMMITTEE REPORT

HOUSE

1/21/80

FURTHER:

Date: 13 Feb 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 585

"An Act relating to the incorporation of second class boroughs as home rule boroughs."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[signature]

[signature]

[signature]

[signature]

[signature]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[signature] No Rec

[signature]

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99

Official Business

DATE: 2/13/80

COMMITTEE MINUTES

BILL NUMBER AND TITLE: HB 585 Incorporation of second class boroughs

ORIGINAL SPONSOR: House/Senate C&RA Joint Committee

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: →

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Discussion centered around the suggestion, previously made by Rep. Parr, to change the petitioning amount required to 15%.

Ginny Chitwood, Ak. Municipal League, questioned if the Committee had considered including second class cities and enabling them to adopt home rule as well.

After discussion of including second class cities, Rep. Branson pointed out that such an addition would be a piece meal approach to revising Title 29 and that she objected to this approach.

Sam Coxson, Mgr. of Whittier, testified that he would support allowing second class municipalities to write home rule charters as Whittier is second class and might want to reclassify as some time.

Rep. Parker stated that it was beyond the scope of what was originally being proposed to include second class cities and it was the concensus of the group that it would not be included.

The Committee also decided to leave the 10% petitioning requirement intact.

COMMITTEE ACTION: Bill passed out to Rules.

TAPE # 2 SIDE 2 Sections 635 - 779

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99

Official Business

DATE: 1/23/80

BILL NUMBER AND TITLE: HB 585 Incorporation of Second Class Boroughs

ORIGINAL SPONSOR : Joint Senate/House Local Government Study C&RA

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: None

MEMBERS PRESENT:

Bill Parker X	Pat Carney X
Margaret Branson X	Charlie Parr X
Pat O'Connell	Fred Zharoff X
	Ray Metcalfe X

INDIVIDUALS CONTACTED:
Ginny Chitwood, Ak. Municipal League
Palmer McCarter,. Dept. C&RA

WITNESSES TESTIFYING:

Chairman Parker distributed copies of the Final Report of the Interim Study Committee and announced that the Committee has scheduled the Local Government Study Legislative Package for an informal review by the Committee members before hearing the bills via teleconference on Feb. 6-7.

Parr - Questions Line 20 and the requirement that it would take only 10 percent of the voters to petition for reclassification. Wonders if the expense of an election is justified for such a small percentage of the voters. Parr also questions Line 14 which would allow for the election to be either "special" or "regular". He is not sure it would be advisable to have a special election because of the expense and because there would not appear to be any urgency in such a reclassification (Parr dropped concern re timing of election after Ginny Chitwood of the Municipal League clarified that that type of decision is usually left to the local governing body)

Chitwood Clarified the charter commission process as it would function in this bill.

McCarter McCarter pointed out that initiative and referendum require 25% of the voters when the city or borough has fewer than 7,500 persons or 15% when a city or borough has 7,500 persons or more. Unification requires 25% of the voters inside and outside of the city.

(*Check--would it be up to the petitioners and possible for them to amend date of election in petiotn?

COMMITTEE ACTION:
Completed review of bill. Concensus on Parr's amendment.

TAPE # 1 SIDE 1 Sections 873-1111

Parr — Suggests amending the petitioning amount to 15%. Committee concurs.

Both the Dept. of C&RA and Ak. Municipal League support the bill.

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 585 Incorporation of Second Class Borough as Home Rule Municipality

ORIGINAL SPONSOR: House C&RA
OTHER SPONSORS: _____
RECEIVED FROM: _____
FURTHER REFERRALS: _____

HEARING DATE: _____

MEMBERS PRESENT:

Bill Parker
Margaret Branson
Pat O'Connell
Pat Carney
Charlie Parr
Fred Zharoff
Ray Metcalfe

Parr - Ouestions fact that only 10% of the voters petition. Suggests that a higher percentage should be considered. If the expense of an election justified if there is only 10% petitioning.?Perhaps Assembly should determine if they want a special election or if they will decide issue at a general election.

Chitwood, Ak. Municipal League
Suggests consideration of unification wording'""shall a charter commission be formed? Asks if it is possible to name a date?

Palmer McCarter, Dept. of C&RA
Refers to initiative and referendum wich require 25% or 15% based on population. Unification requires 25% inside city and outside as well.

COMMITTEE ACTION: No Action

TAPE # SIDE _____ Footage 873-1111

Introduced: 1/21/80
Referred: Community & Regional Affairs

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Community and Regional Affairs Committee Interim Joint Local Government Study)

IN THE HOUSE

HOUSE BILL NO. 585

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the incorporation of second class boroughs as home rule boroughs."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.13.010 is amended to read:

Sec. 29.13.010. MUNICIPAL CHARTER ADOPTION. A first class municipality <u>or second class borough</u> may adopt a charter for its own government. A home rule municipality may amend its charter or adopt a new one. A charter is framed by a charter commission of seven members chosen by the municipal voters at a regular or special election. A candidate for the commission must be a qualified voter of the municipality and a resident of the municipality for three years immediately preceding the election. A charter commission election is called by filing a petition with the borough assembly or the city council, or by resolution of the borough assembly or city council. The petition must be signed by a number of municipal voters equal to 10 percent of the votes cast in the last regular election of the municipality.

(1) encouraging
(2) vested interest in ~~her~~ own form of gov't
2nd class to first class could be voted on in 1 election
Home rule requires charter commission write "charter" present it
Charter ~ encourages ~ heat/discussion

070 (C) Charter submitted First class/home rule & amending

Home rule bill proposed

By The Associated Press

The House has passed and sent to the Senate a bill to allow second class boroughs to move to home rule status.

The bill, HB585, was introduced by a joint House-Senate interim committee that this summer studied local government needs for organized and unorganized boroughs in Alaska. The bill passed 37-1 on Tuesday.

Another piece of legislation still pending would allow unorganized boroughs to also move to home rule status, which allows a charter to be developed so that local government can be tailored to the area it serves.

Currently, municipalities and boroughs must be first class before they can adopt a home rule charter.

Committee members said the bill passed on Tuesday makes it easier for local government to respond to local needs. Home rule status allows the local government to adopt ordinances and enact powers unless they are expressly prohibited in the Alaska Constitution.

Several other measures pending in the House and the Senate deal with unorganized boroughs, which committee members say have become laced with "spaghetti-like" boundaries.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 585 and S. B. 353

Title An Act Relating to the Incorporation of 2nd Class Boroughs as Home Rule

Requested by House CRRA Date

II. FISCAL DETAIL

Agency Affected N/A

Program Category Affected N/A

Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill would allow second class boroughs to move directly to the Home Rule status without going through the process of first becoming first class as is now required.

There would be no fiscal impact on state government.

IV. DATE 1-22-80 PREPARED BY Terry Farley

AGENCY Community & Regional Affairs

PHONE 465-4730

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

FCCS
HB585

CONFERENCE COMMITTEE REPORT

DATE: 6/5/80

Mr. President:
Mr. Speaker:

The FREE Conference Committee which has had

HB 585 (incorporation of second class boroughs as home rule boroughs)

&

2d SCS HB 585 amS (municipalities; amending AS 29 to provide for the incorporation of home rule boroughs; and increasing the limit on the rate of sales tax which may be levied by municipalities)

under consideration, recommends that

be adopted.

Senate Members:

Senator Ray, Chairman

Senator Sturgulewski

Senator Bennett

House Members:

Representative Parker, Chairman

Representative Miller

Representative Branson

Please RETURN ORIGINAL REPORT & BILL TO CHIEF CLERK.

H/S 55 (Rev. 11/78)

Marge —— HB585

Bill Ray agrees
of deleting "decrease".
Ray Sturgulewski
Bennett appt'd
conferees. Why
not have drawn
up ready for signature

Branson
Parker
Miller Arlen

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M June 4, 1980

SUBJECT: FCCS HB 585

TO: Members of the Free Conference Committee

FROM: John B. Chenoweth
Legislative Counsel

I do not want the members laboring under a false assumption. The referendum requirements requisite to levy or adjustment of levy of a sales tax imposed by AS 29.53.420, amended by * Sec. 4 of the attached bill, are not binding on home rule cities or home rule boroughs as a matter of state law. Local charter provisions may so require, but AS 29 does not.

JBC:ljb

Enclosure

Excused: 0 HB 611

Absent: 4 Hohman, Kelly, Sackett, Sumner am

and so, the effective date clause was adopted.

STANDING COMMITTEE REPORTS

The Commerce Committee considered SENATE BILL NO. 587 (relating to professional geologists) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 587 and reports it back as follows: Senator Bradley, Chairman and Senator Stimson signed "do pass". Senators Kelly, Sturgulewski and Ferguson signed "no recommendation". SB 587

SENATE BILL NO. 587 was referred to the Rules Committee.

CONSIDERATION OF THE CALENDAR CONTINUED

Senator Colletta moved and asked unanimous consent that HOUSE BILL NO. 1021 (granting authority to the Alaska Renewable Resources Corporation to exceed investment limits by investing $3,500,000 in Ball Brothers, Inc) be held until later today. Without objection, it was so ordered. HB 1021

HOUSE BILLS IN SECOND READING

2d SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 585 (relating to municipalities, amending AS 29 to provide for the incorporation of home rule boroughs; and increasing the limit on the rate of sales tax which may be levied by municipalities) which had been held from June 2 was before the Senate at this time with amendment No. 1 pending. 2d SCS HB 585

Senator Ray moved and asked unanimous consent to withdraw amendment No. 1. Without objection, it was so ordered.

2d SCS HB 585 Senator Ray offered the following amendment No. 2:

Page 2, line 7: add (e) Any proposal increasing or decreasing the levy or collection of taxes referred to in (a) shall be approved by a majority vote of the people voting on the proposal at a regular, special or general election.

2d SCS HB 585 am S Senator Ray moved and asked unanimous consent for the adoption of amendment No. 2. Senator Ziegler objected, then withdrew his objection. There being no further objection, amendment No. 2 was adopted.

Senator Colletta moved and asked unanimous consent that the Rules be suspended and 2d SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 585 amended Senate be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

2d SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 585 amended Senate was read the third time.

The question being: "Shall 2d SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 585 amended Senate (relating to municipalities, amending AS 29 to provide for the incorporation of home rule boroughs; and increasing the limit on the rate of sales tax which may be levied by municipalities) pass the Senate?" The roll was taken with the following result:

2D SCS HB 585 AM S 3RD

Yeas:	15	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Kerttula, Meland, Mulcahy, Ray, Stimson, Sturgulewski, Tillion, Ziegler
Nays:	0	
Excused:	0	
Absent:	5	Hohman, Kelly, Rodey, Sackett, Sumner

and so, 2d SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 585 amended Senate, passed the Senate.

HB
586

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 586 Requiring fiscal notes for bills affecting municipalities

ORIGINAL SPONSOR: House C&R A
OTHER SPONSORS: _____

RECEIVED FROM: _____
FURTHER REFERRALS: _____

HEARING DATE: 3/12/80

MEMBERS PRESENT:				
	Bill Parker	X	Pat Carney	X
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	

Terry Early, State Assessor
Mentions changed fiscal note.

Marilyn Miller, Ak. Municipal League
Says that two additional people, as called for in fiscal note by C&RA, are not warrented. Navada found that they did not need any additional employees. In reviewing the bills introduced in C&RA which would have required fiscal notes, the Municipal League only identified 3. The Municipal League would assist in determining the costs. League sees the amount of travel budgeted for as unwarrented. The League supports the bill.

Parr - Questions the ability of the department to meet the requirements of the bills with the large number of municipalities which exist statewide.

Early - Defend fiscal note. This session there were 50 fiscal notes required. Round figures would be used. Anchorage spent 3 man days getting figures just for 1 bill. Nevertheless, Dept. sees sit as a positivie exercise

Suggestion made to delete "an" on line 15 and add "a significant".

COMMITTEE ACTION: Bill passed out.

TAPE # 4 SIDE 2 Footage 709-873

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99

COMMITTEE MINUTES

DATE: 2/13/80

BILL NUMBER AND TITLE: HB 586 Requiring fiscal notes for bills having fiscal impact on municipalities

ORIGINAL SPONSOR : Joint House/Senate C&RA Committees

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: None

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

There was discussion among the committee members of the desirability of a further referral of the bill to Finance Committee. Concerns were expressed:

1. that a fiscal note would have to be prepared even if the amounts were minimal
2. it would be difficult and costly for DC&RA to have to contact all municipalities in the state (the Dept. responded that the fiscal note would be "general" and might be developed to relate to categories of cities (first, second, home rule, etc.)
3. there was concern that the next step might be, as in other states, that once the costs to the municipality are identified, the municipalities might want the state to pick up the costs (16 states currently are required to reimburse and 4 others require fiscal notes)
4/ ways of tying the development of the fiscal note to some meaningful figure might be to calculate if it would require a certain % expenditure of the municipal budget; or if it would result in an increase in local taxes. The committee then determined that it would take substantial work on the part of the Dept. C&RA to determine this as well.

Rep. Parr pointed out that the Municipal League does keep the legislature informed re the costs of legislation for municipalities now. Chitwood responded that the League only represents 1/3 of the incorporated cities and she did not feel that the legislature necessarily wanted to rely solely on the information of a lobbyist.

COMMITTEE ACTION: Took no action on the bill

TAPE # SIDE Sections

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 12, 1980

To: House Community and Regional Affairs Committee

From: Ginny Chitwood, Executive Director
Alaska Municipal League

Re: HB 586

The Alaska Municipal League supports HB 586, Fiscal Notes. Fiscal notes estimate the effect on the expenditures or revenues of a local government of implementing or complying with a proposed state law. These notes can provide information for both legislators and local representatives on the effect of state law on localities. Presently, twenty five states provide some type of formal procedures for attaching fiscal notes to pending legislation affecting state finances. Twenty two states have enacted fiscal note procedures covering proposed legislation affecting local governments.

The following material is attached for your information:
Information bulletins from the Advisory Commission on Intergovernmental Relations

Procedures now in effect in Nevada, California and Connecticut.

Thank you for your courteous consideration of this matter.

FISCAL NOTES ON LOCAL GOVERNMENT LEGISLATION IN OTHER STATES

State of California

Procedure: Any legislation which would impact a local government as to loss of revenue is assigned to a legislative fiscal committee by the Rules Committee. In the House it is the "Ways and Means Committee"; in the Senate it is the "Finance Committee". The committee secretary requests a fiscal note from the Dept. of Finance and the Legislative Analyst Division. Other agencies also get involved depending on the policy.

Opinion of Efficacy:

The staff of the California Legislative Analyst Division feels the system is working very well.

Fiscal Impact: Since fiscal notes are also prepared on legislation with only state impact and the process has been going on for a considerable time now, the staff could not make a determination as to how many people were employed because of local government fiscal notes. The process was originally established as part of the legislative rules.

# #

State of Connecticut

Procedure: The passage of a bill in Connecticut differs from Alaska. First, the bill is proposed to a committee in rough form. Then it is worked on by that committee which formulates language. Then, it is sent to the Legislative Commission Office where the bill is put into legal language. At that time the Legislative Commission Office furnishes a list of bills which have possible fiscal impact to the Office of Fiscal Analysis. Staff members determine fiscal impact by contacting the individual communities or other agencies, depending onthe nature of the bill.

Opinion of Efficacy: The staff of the Office of Fiscal Analysis feels the system is working well with only minor difficulties. Sometimes the major source for information on which to base the fiscal impact is not all that good. This year, in order to overcome any difficulties with the collection of data from the municipalities, the state will begin working closely with the Connecticut Conference of Municipalities. CCM will play a major role by being a liaison between the state and the municipalities and will expedite the gathering of more reliable information.

Fiscal Impact: The Office of Fiscal Analysis added four persons to their staff in order to accomplish the added responsibilities. Fiscal notes on local government legislation went into effect in 1979.

# #

(con't)

FISCAL NOTES ON LOCAL GOVERNMENT LEGISLATION IN OTHER STATES

State of Nevada

Procedure: Fiscal notes are required on local government legislation if there is more than $2,000 of impact. This figure is determined by the bill drafters with the cooperation of the Nevada Legislative Council Bureau. It is an arbitrary level, most bills would have more impact than $2,000.

The Bureau contacts municipalities who estimate the impact on their communities. There is a ten day limit on fiscal notes for state legislative impact, set by law, so a ten day limit has been arbitrarily set for local government fiscal notes also.

Opinion of Efficacy: The Bureau staff feels the system is working well. If, in minor instances, the Bureau feels a local government is "overestimating" or "underestimating" because of political pressures, or if the local government is uncooperative, the staff will go to other agencies to collect the needed data.

Fiscal Impact: No additional personnel has been added to the Bureau's office staff for this task. It is being handled by one person. It began in 1979.

# #

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 8, 1980

TO: Senator John Sackett
Senate Finance

FROM: Senator Arliss Sturgulewski

On March 6 the Senate Community and Regional Affairs Committee passed out SB 352 with a unanimous do-pass. The next committee of referral is Senate Finance. There has been growing interest in many states to have state legislatures more aware of the financial implications of their actions on local governments. Alaska seems to be no exception to that interest. For example, Senators Hackney, Ziegler and Kelly introduced SB 309, An Act requiring the preparation of a local government impact statement. That bill is currently before Community and Regional Affairs. Substitute language is currently being prepared that could either be attached to SB 292 as amended, An Act requiring fiscal notes to be prepared for regulations having fiscal impact, or could be considered as a committee substitute for SB 309. Senate Bill 309 speaks to the impact of changes in regulations as they might impact local governments; while SB 352 speaks to impacts of particular bills that could cause a financial impact on local communities.

During the committee meetings we spent considerable time discussing how legislation should be written to require a fiscal note showing municipal impact. I'm sending along materials submitted by the Alaska Municipal League that might help the Senate Finance Committee when it considers this bill. We discussed utilizing more specific language, such as consideration only of major impacts. However, testimony by the Community and Regional Affairs Department indicated they were comfortable with the wording of the bill and would of course be prepared to carry out the legislation if it should pass. There is a fiscal note accompanying SB 352.

I would be very happy to work with you or designated staff in the event you feel tnis legislation needs further refinement or discussion. I strongly support this bill and would appreciate your support and assistance. Thanks, John.

Attachment

I. REQUEST

Bill/Resolution No. H. B. 586 and S. B. 352

Title An Act Requiring Fiscal Notes for Bills Affecting a Municipality

Requested by House Committee on Community & Regional Affairs Date 1-18-80

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		17.6	38.0	41.0	44.3	47.8
200	TRAVEL		0	0	0	0	0
300	CONTRACTUAL		1.0	1.0	1.1	1.3	1.4
400	COMMODITIES		0	0	0	0	0
500	EQUIPMENT		.5	0	0	0	0
600	LAND & STRUCTURES		0	0	0	0	0
700	GRANTS, CLAIMS, ETC.		0	0	0	0	0
	TOTAL						

FUNDING (Thousands of Dollars) Half year cost

GENERAL FUND		19.1	39.0	42.1	45.6	49.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		.5	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

To prepare fiscal notes on all bills relating to municipalities would require an additional Local Government Specialist (Range 17). The figures above are based on the bill being passed at the end of the current session and the position becoming effective in January 1981 for the next legislative session.

Personal services costs are based on a Range 17 position with 28% added for benefits plus 8% each additional year for inflation.

Contractual costs are primarily for long distance telephone calls. The one time equipment cost is for a desk, phone, etc.

IV. DATE 1-18-80 PREPARED BY McKie Campbell

AGENCY Department of Community & Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

Information Bulletin:
Advisory Commission on Intergovernmental Relations
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STATE MANDATES

IN BRIEF

State mandates tend to impose state priorities on local governments. Many mandates require local governments to make organizational changes, provide more services, tell them how to relate to other local governments, or to their own personnel. While they sometimes create a benefit for the local government, more often mandates impose additional costs, especially when they are not accompanied by adequate state financial assistance.

To alleviate some of the difficulties inherent in state mandating of local expenditures, the Advisory Commission on Intergovernmental Relations has recommended that states define and catalog state-initiated mandates, and that they provide reimbursement for mandates which require local governments to provide additional services, exempt property from the tax base, or impose unnecessarily costly personnel requirements. In addition, the Commission has recommended that state legislation and proposed administrative regulations contain an explicit "fiscal note" setting out any financial cost impact on local governments. Copies of the model legislation are attached.

State Mandates: An Overview

A state mandate can be defined as any state constitutional, statutory, or administrative action that expands or limits local government expenditure requirements. These mandates are frequently used to achieve uniform service levels and more professional standards for employees, but they are often the basis for imposing special interest demands as well. There are state mandates on public library hours, park and recreational programs, and local payments for regional public transit systems. Mandates are enacted on special education programs, local retirement systems, labor relations procedures, and salary and wage levels.

A 1976 ACIR survey of state mandates found they were most prevalent in four areas: 45 states mandated solid waste disposal standards; 45 states mandated special education programs; 42 states set standards for workmen's compensation for local personnel other than police, fire and education; 35 or more states had provisions on retirement systems. 1/

Not surprisingly, a survey of attitudes of local officials toward mandates revealed considerable opposition toward them. Although much of this disgruntlement can be alleviated with full or partial reimbursement of additional costs resulting from the mandates, 26% of the state municipal league representatives felt state mandates were inappropriate even if they were fully reimbursed.

The current financial stress being felt at all levels of government -- stemming from mounting inflation rates, a slowing of federal aid growth, and the growing popularity of tax and expenditure limits -- has made state mandates a problem that many local government officials insist must be rectified.

Current Trends

To date, ten states have acted to regulate state mandates by restricting their use or requiring that localities be fully or partially reimbursed for additional costs imposed by mandates. In 1978, four states enacted reimbursement measures to apply on proposed new mandates. Tennessee, Michigan, and Hawaii voters approved constitutional measures requiring the state to share or

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1/ Advisory Commission on Intergovernmental Relations, State Mandating of Local Expenditures (Report A-67), Washington, D.C., U.S. Government Printing Office, July 1978.

fully fund costs associated with state-imposed mandates. Florida's reimbursement procedure is statutory.

Tennessee's constitutional revision provides that no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly provides that the state share in the cost.

In Michigan, the state is prohibited from "requiring any new or expanded activities by local governments, reducing the proportion of state spending in the form of aid to local governments or shifting the tax burden to local governments" without full state financing.

Hawaii's constitution now provides the state must "share in the cost of any new programs or increased services which the legislature requires that counties provide."

The Florida statute calls for full reimbursement when (1) a state general law requires municipalities or counties to perform an activity or provide a service or facility which requires the expenditure of additional funds; or (2) a state law grants an exemption or changes the manner by which local property is assessed, or alters authorization to levy local taxes. Partial state reimbursement is to be provided for any state general law which establishes a service or activity which meets both state and local objectives.

Of the six additional states that require state compensation for certain types of mandates, two are statutory and four constitutional:

-- By statute, California calls for full reimbursement for costs to local governments incurred by state-imposed mandates;

-- Montana law calls for either compensation or authorization of additional local taxation to cover the additional costs; and

-- Alaska, Louisiana, Maine and Pennsylvania have constitutional provisions calling for local reimbursement limited to certain types of state mandates.

Fiscal Notes

One step in the direction of state reimbursement is the provision of fiscal notes on state legislation. Fiscal notes estimate the effect on the expenditures or revenues of a local government of implementing or complying with a proposed state law, joint resolution, regulation, rule, order, or administrative action. These notes can serve as a brake on state legislative activity affecting local governments and provide information for both legislators and local representatives on the effect of state law on localities.

Presently, 25 states provide some type of formal procedures for attaching fiscal notes to pending legislation affecting state finances. These procedures vary considerably in their comprehensiveness and applicability. They generally do not extend to agency rules or governor's orders and are not tabulated at the end of the fiscal year.

In 1978, four states enacted fiscal note procedures covering proposed legislation affecting local governments: Connecticut, Georgia, Nevada, and Rhode Island. South Carolina established a fiscal note procedure in both houses of the legislature by rule. Wisconsin and Missouri provided for fiscal notes to be attached to proposed administrative rules and regulations affecting local governments.

Fiscal notes have recently become especially important because more local governments have begun asking for, and more states have begun providing, reimbursement for state mandated programs and services.

Recent State Activity

In this Bulletin, we will look at the state mandating/fiscal note processes in three states: California, Florida and Montana.

California

California's statutes are the most comprehensive of the existing state laws on state reimbursement for mandated costs imposed on local governments. Chapter 1406 of the California statutes of 1972, better known as SB 90, requires that local governments be reimbursed for costs incurred in providing state-mandated services. SB 90 imposed property tax limits on local governments as part of the state's response to Serrano v. Priest, a landmark California Supreme Court case which held that the state's school finance system was unconstitutional under the state's equal protection clause because it made the quality of education a function of local school district's taxable wealth.

The state's commitment to reimburse encompasses local costs that result from new state-mandated programs, increased service levels, and costs previously incurred at local option that have been subsequently mandated by the state. State administrative or executive orders mandating local costs are also to be reimbursed.

To be exempt from SB 90's reimbursement requirements, legislation must contain a disclaimer describing the rationale for nonreimbursable status. Problems have arisen with the initial use of disclaimers, mainly because a 2/3 vote of the legislature is required for all appropriations legislation to be approved. This provides an incentive to determine some reason for a disclaimer. In the first five years of the program, only 76 of the 1,400 bills that imposed state mandates contained appropriations to reimburse local governments. Some disclaimers were based on negligible cash cost to the local governments. Other bills containing disclaimers gave no reason for the exemption.

The legislative council's office identifies bills containing mandates and they are sent to the Local Mandated Program Unit where an estimate of the costs to localities is prepared. If a disclaimer is attached, the bill is sent to the Finance Committee which approves or disapproves the disclaimer.

In 1977 California enacted legislation to deal with many of the problems that have arisen in the wake of SB 90. The legislation changed the minimum threshold for submission of claims by local governments, expanded the grounds for appeal for reimbursement, and required the California Department of Finance to review all non-reimbursed statutes adopted after 1972. Most importantly, local governments are given the right to appeal bills that mandate costs but which contain either a disclaimer or no appropriation.

Florida

In 1978 Florida enacted a bill stating that any statute requiring "municipalities or counties to administer any program or provide any service or facility [to] include an economic impact statement estimating total costs and [to] provide a method of financing such program or service." The measure requires the legislature to finance activities, services, or facilities when both state and local objectives are being served. General laws under which the required expenditure of additional local funds is incidental to the main purpose of the law are exempted.

Reimbursement can be provided by one of three methods: additional state funds, specific authority to the county or municipality to levy a special tax, or through other sources provided by law. Other state or federal revenues shared with or granted to municipalities or counties are not to be reduced, supplanted, or adversely affected because of this reimbursement.

This act can be superceded or modified by subsequent legislation only when the legislation states specifically that it is so doing, and a reason for the change is stated.

Montana

Montana's legislature passed state mandating legislation in 1974. The law requires the state to authorize local governments to increase local tax levies or provide state funding for the mandate. Any law intended to require local governments to exceed their statutory levy authority can be vetoed by local governments. However, the law does not apply to expenses incurred by local governments that are incidental to the main purpose of the law.

The Montana experience has been uneven so far. Although most of the legislation passed since 1974 has included a statement to the effect that local governments may pay for mandates with money from general funds, in March 1976 the Montana Attorney General ruled that additional taxing authority was not conferred on local governments. Therefore, where an all purpose levy is used, the 65 mill limit cannot be exceeded. Jurisdictions have been told, however, they can abandon the all purpose levy and utilize separate levies until the legislature either raises the limit or exempts additional functions from inclusion in the all purpose levy.

The problems caused by this Attorney General's decision have caused Montana's reimbursement system to be unacceptable to many local governments. Until the legislature works out these mandate funding problems, there will continue to be state expansions into the local government arena without sufficient compensating funding.

State Mandates and Fiscal Notes - A Model

The Advisory Commission on Intergovernmental Relations has reviewed the status of state mandating across the country and the problems associated with this practice, and has made a number of

recommendations 2/ for remedial action. In order to facilitate state consideration of these recommendations, the Commission has drafted a model bill on state mandates based upon the California statute, which requires that state mandates legislation contain appropriations to pay for the cost of new programs or expanded service levels or increased personnel or retirement benefits. A catalog of mandates is to be completed, by the state and an appeals procedure for inadequate funding should be put in place.

An ACIR model bill, on fiscal notes, based on Arkansas and Maryland statutes, requires an explicit note on the financial impact of state legislative action on local governments to be included with a bill during its movement through the legislature.

The two model bills were drafted as part of the "State Initiatives in Local Financial Management Capacity-Building Project" underway at the Commission thanks to a grant by the Department of Housing and Urban Development. A package of 19 model financial management bills has been drafted. Taken as a whole, these bills suggest an approach to state-local relations that would give greater freedom to local governments while providing more consistent and better defined state assistance. The package of bills is available from ACIR, 1111 20th Street, N.W., Washington, D.C. 20575.

2/ See ACIR, State Mandating of Local Expenditures, A-67; Washington, D.C., U.S. Government Printing Office, September 1978; ACIR - The Role of the State in Strengthening the Property Tax, A-17, Washington, D.C., U.S. Government Printing Office, June 1963; ACIR - Labor Management Policies for State and Local Government, A-35, Washington, D.C., U.S. Government Printing Office, September 1969; and State-Local Taxation and Industrial Location, A-30, Washington, D.C., U.S. Government Printing Office, April 1967.

4.103 Legislative Notes on The Fiscal Impact on Local Governments Of State Legislative Action[1]

State legislative action often affects the expenditures and revenues of state government and local governments. The attachment of estimates of such costs (fiscal notes) to bills as they move through the legislative process assures a legislator's knowledge of the fiscal impact of the new or expanded programs being authorized or the requirements being imposed. It also enables interested citizens to fix responsibility for increased governmental costs and taxes. The Advisory Commission on Intergovernmental Relations, therefore, has recommended that, as a counterpart of a package providing citizens complete information about fiscal affairs, states include, with all major state legislation and proposed administrative regulations affecting local government revenues or expenditures, an explicit note setting out the fiscal impact on those local governments of the legislation or regulations.

The great majority of states provide some formal or informal procedure for attaching fiscal notes to pending legislation affecting state finances. Only 22, however, apply a similar procedure for legislation affecting local governments. Among the latter, only nine require the procedure as a matter of statutory law, most such fiscal note procedures have been established by joint rules of the legislature. Moreover, very few states require the attachment of fiscal notes to proposed administrative rules or regulations.

Attachment of fiscal notes adds a new dimension to the legislative process—an increased sense of responsible questioning and examination on the part of state legislators. With knowledge of the estimated cost of proposed legislation, they must accept responsibility for their acts. The taxpaying public is bound to benefit—either in tax savings or in more considered public programs, or both.

As states move toward reimbursement of local governments for mandated programs, the attachment of fiscal notes becomes an essential part of any such procedure. The fiscal note will provide a basis for estimating the cost of such reimbursement and then initiating the actual reimbursement process.[2]

The following suggested legislation requires that fiscal notes be attached to legislation or administrative actions affecting local governments. It comprises a full fiscal note procedure and can be made to apply to legislation affecting state government. States that already have adequate state fiscal note legislation may simply wish to use the applicable local government provisions as amendatory to their present statutes. Requiring fiscal notes on legislation affecting local governments may also be handled through legislative rules or resolutions, rather than by statute.

The suggested bill is based on Arkansas and Maryland statutes (Act 221, 1977 Session, and An-

[1]Derived from ACIR, *State Limitations on Local Taxes and Expenditures*, A-64, Washington, DC, U.S. Government Printing Office, February 1977; and *State Mandating of Local Expenditures*, Report A-67, Washington, DC, U.S. Government Printing Office, September 1977.

[2]See suggested legislation on *State Mandates*.

notated Code, Art. 40, secs. 63-7-A, respectively).

Section 1 states the title of the act.

Section 2 states the findings and purpose of the legislation.

Section 3 defines a fiscal note.

Section 4 requires that fiscal notes be attached to all bills and resolutions with a fiscal impact on local governments.

Section 5 provides a parallel requirement for administrative rules and actions.

Section 6 specifies the information to be contained in a fiscal note.

Section 7 designates the official responsible for preparing the fiscal note or for determining that a fiscal note is not necessary and directs the official to obtain the advice and assistance of local government officials, when appropriate.

Sections 8 and 9 provide for revision of notes and replacement of waivers with notes if bills and resolutions are amended to change their fiscal impact.

Section 10 requires that fiscal notes be made available for public inspection.

Sections 11 and 12 are separability and effective date clauses.

[AN ACT REQUIRING THE ATTACHMENT OF FISCAL NOTES TO PROPOSED LEGISLATION AFFECTING LOCAL GOVERNMENT FINANCES]

(Be it enacted, etc.)

SECTION 1. *Short Title.* This act may be cited as the "[*State*] Local Government Fiscal Notes Act."

SECTION 2. *Findings and Purpose.*

(a) The [*legislature*] finds that many [local political subdivisions] of this state are adversely affected by the fiscal effects of rules, orders of regulatory bodies, and acts of the [*legislature*]. In many instances, neither the [*legislature*] nor the affected local governments are fully aware of the extent of the fiscal consequences of proposed laws or administrative actions. The [*legislature*] finds also that awareness on the part of legislators and interested citizens of the fiscal impact of proposed administrative actions and laws can result in tax savings or in more considered programs, or both.

(b) It is the purpose of this act to require the attachment of a fiscal note to each proposed law, joint resolution, regulation, rule, order, or administrative law presumed to have a fiscal impact on the [local political subdivisions] of this state.

SECTION 3. *Fiscal Note Defined.* For purposes of this act, "fiscal note" means a realistic statement of the estimated effect on the expenditures or revenues of [local political subdivisions] of implementing or complying with a proposed law, joint resolution, regulation, rule, order, or administrative law.

SECTION 4. *Fiscal Note Required on Legislation.* Before any vote is taken in a committee of the [*legislature*] or on the floor of [*either house*] thereof, on any bill or joint resolution affecting the expenditures or revenues of a [local political subdivision], a fiscal note shall be filed with the chairman of the committee to which the bill or resolution was referred and the [*chief clerk of each house*]. Any representative of any [local political subdivision] requesting a copy of the fiscal note shall be furnished with a copy immediately upon request. The sponsor of the bill or resolution shall be responsible for causing copies of the fiscal note to be furnished as required by this act.

SECTION 5. *Fiscal Note Required on Administrative Actions.* No regulation, rule, order, or administrative law, or amendment to an existing regulation, rule, order, or administrative law which would affect the expenditures or revenues of any [local political subdivision] in this state shall be valid, unless 30 days prior to its adoption by the board, commission, agency, department, officer, or other authority of the government of the [*insert state*], except the [legislature, the courts, and the

Governor], such board, commission, agency, department, officer, or other authority shall file a fiscal note with the [*secretary of state*]. Any [local political subdivision] that will be affected by the proposed regulation, rule, order, administrative law, or amendment thereto shall, upon request, immediately be furnished with a copy of the fiscal note by the board, commission, agency, department, officer, or other authority.

SECTION 6. *Contents of Fiscal Note.* A fiscal note shall contain an estimate of the effect of the bill, joint resolution, or administrative action on the expenditures or revenues of [local political subdivisions] for the fiscal year in which the bill, joint resolution, or administrative action would become effective if enacted and for the next [four] succeeding fiscal years. If the effect of the bill, joint resolution, or administrative action is not expected to be totally evident within the applicable period, the estimate shall be projected beyond that period to include an estimate for the first fiscal year in which it is expected to be fully effective.

SECTION 7. *Preparation of Note or Waiver.* The [*chief fiscal officer*][1] [*legislative research director*] shall have the fiscal note prepared by his office or by other departments or agencies of state government. Where appropriate, he shall seek the advice and assistance of local government officials or their representatives. A waiver of the fiscal note shall be prepared by the [*chief fiscal officer*] [*legislative research director*] for any bill, joint resolution, or administrative action that does not have a direct effect upon the revenues or expenditures of [local political subdivisions]. If the fiscal note is not prepared by the [*chief fiscal officer*] [*legislative research director*], the department or agency of state government preparing the fiscal note shall be clearly indicated on the fiscal note along with the signature of the [*chief fiscal officer*] [*legislative research director*] or his authorized representative indicating that the [*chief fiscal officer*] [*legislative research director*] agrees with the fiscal impact estimate thereon.

SECTION 8. *Revision of Note.* A fiscal note that is attached to a bill or joint resolution shall be revised if an amendment is adopted that changes the fiscal effect of the bill or joint resolution, unless this requirement is waived by [the chairman of the committee to which the bill was referred,] the [*president of the senate*] or the [*speaker of the house*]; provided, however, that such waiver shall apply only to technical changes. The revised fiscal note shall be processed by the [*chief fiscal officer*] [*legislative research director*] and returned as quickly as possible to the committee, or the clerk of the [*house*], or [*secretary of the senate*] if one of the latter has the custody of the bill or joint resolution at that time.

SECTION 9. *Replacement of Waiver With Note.* A waiver of a fiscal note shall be replaced with a fiscal note if an amendment to a bill or joint resolution causes the bill or joint resolution to have an ef-

[1]Either the chief fiscal officer of the executive branch or of the legislature may be designated.

fect upon the revenues or expenditures of [local political subdivisions].

SECTION 10. *Retention of Copy of Fiscal Note or Waiver; Inspection; Publication of Note or Waiver in Journals; Matter of Public Record.*

(a) A copy of each fiscal note or waiver of a fiscal note shall be retained by the [*chief fiscal officer*] [*legislative research director*], and be reasonably available for public inspection, for [at least three years following its preparation] [the duration of the program]. The fiscal note or waiver of a fiscal note attached to any bill or joint resolution shall be published in the [journal of each house of the [legislature] [session laws for the legislative session in which the act to which it applies is enacted].

(b) A fiscal note, upon being filed as herein provided, is a public record within the meaning of the [*cite state freedom of information act*]

SECTION 11. *Separability.* [*Insert separability clause.*]

SECTION 12. *Effective Date.* [*Insert effective date.*]

4.116 State Mandates*

The constitutional fact of state supremacy over local governments—the latter being "creatures of the state"—provides the legislature and the courts with authority to issue directives to these local units. State-initiated mandates can be defined to include any state constitutional, statutory, or administrative action that places new fiscal or administrative requirements on local governments. While other definitions might be possible, no matter what definition is used, the main problem raised by mandates is that added costs are imposed on local government officials. Stated simply, state mandates substitute state objectives for local priorities.

Because of the imposed restrictions on local autonomy, few issues create more resentment among local officials than state mandates. While it is necessary that state governments have wide latitude in establishing statewide policies and programs, there is a substantial controversy on how far states should move into certain areas. The real question becomes: Can state mandates be sufficiently differentiated between an "appropriate" mandate, and an "inappropriate" mandate?

The use of mandates has increased in recent years for two notable reasons. First, state legislatures have been increasingly reluctant to raise state taxes in response to public demand for local services. Second, the courts have taken a more active role in ordering improvements in service standards. Consequently, state legislatures are sometimes tempted to mandate local service increases, with no state financing, and let local officials figure out how to pay for the mandates.

Several justifications are offered in defense of mandates: (1) to assure minimum statewide service levels or a more uniform level of service throughout the state; (2) to develop professional standards for employees; and (3) to implement state social or economic policy objectives.

It must be emphasized that there is little or no controversy over many state-initiated mandates, particularly those relating to the organization and procedures of local government. State mandates are justified to prescribe the form of local government, the holding of local elections, and the designation of public officers and their responsibilities. Due process and "safeguard-type" mandates are necessary to insure, for example, the equitable administration of justice and the tax laws as well as to protect the public from malfeasance. State mandates of a supervisory nature are also necessary to require localities to act or to refrain from acting so as to avoid injury to, or conflict with, neighboring jurisdictions.

Despite the controversy and interest in the mandating issue, there is still little information available on the scope of the practice. However, results of an ACIR survey indicate that among the most commonly mandated functions are special education

*Derived from ACIR, *State Mandating of Local Expenditures*, A-67, Washington, DC, U.S. Government Printing Office, September 1978; ACIR, *Labor Management Policies for State and Local Government*, A-35, Washington, DC, U.S. Government Printing Office, September 1969; ACIR, *The Role of the State in Strengthening the Property Tax*, A-17, Washington, DC, U.S. Government Printing Office, June 1963; and ACIR, *State-Local Taxation and Industrial Location*, A-30, Washington, DC, U.S. Government Printing Office, April 1967.

programs (45 states) and solid waste disposal standards (45 states). Workmen's compensation (for local personnel other than police, fire, and education) programs are mandated in 42 states, while various provisions of retirement systems are mandated in 35 or more states. Most controversial, however, are state mandates that extend to traditionally local programs—park and recreational activities, for example.

State controls over, and mandates upon, local governments are manifested in constitutional and statutory provisions and in judicial interpretations thereof. Some state constitutional provisions and state legislation are enacted for the purpose of restraining such state mandates. For example, four state constitutions—Alaska, Louisiana, Pennsylvania, and Tennesse—limit the power of the state legislature to impose mandates upon local governments.[1] But the Pennsylvania provision, after disavowing interference with internal affairs proceeds to mandate binding arbitration of firemen and policemen.[2]

Proponents of the constitutional approach argue that this is surest way to protect local autonomy. The constitutional amendment is preferable, they argue, because state statutes cannot bind future legislatures. On the other hand, opponents of constitutional restrictions stress that this approach removes the flexibility state legislatures need to meet unforeseen future demands swiftly and decisively.[3] Opponents also note that the constitutional route is slower than statutory action.

A third position advocates a constitutional provision which requires a two-thirds vote of both houses of the legislature before the state legislature may mandate local government expenditures without offsetting state financial aid. This provision is supported in some states on the ground that the proposed procedure is in conformity with the authorization procedure contained in the existing home rule amendment allowing the state legislature by a two-thirds vote to pass a special law, provided the Governor has recommended passage of the law.

Besides the constitutional provisions, some states have adopted statutes which require state compensation for future mandated local costs or revenue losses, or both.[4] To date, the California statutes are the most comprehensive of the existing state laws on state reimbursement for mandated costs to local government. Under the terms of Chap. 1406, 1972, California statutes adopted the principle of reimbursing local governments for the costs incurred in providing state-mandated services. The reimbursement provision is broad in scope and intent, but it should be noted that such reimbursement applies only to subsequent mandates, and not retroactively. The state government commitment to reimburse is not limited to specific areas of governmental activities; rather, it encompasses local costs that result from (1) new state-mandated programs; (2) increased service levels mandated for existing pro-

[1] *Constitution of the State of Alaska*, art. II, sec. 19, provides that "local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision affected." The constitution also forbids a political subdivision to contract a debt "unless authorized for capital improvements by its governing body and ratified by a majority vote of those qualified to vote and voting on the question." *Constitution of the State of Louisiana*, art. VI, sec. 14, provides that "No law requiring increased expenditures for wages, hours, working conditions, pension and retirement benefits, vacation, or sick leave benefits of political subdivision employees, except a law providing for civil service, minimum wages, working conditions and retirement benefits for firemen and municipal policemen, shall become effective until approved by ordinance enacted by the governing authority of the affected political subdivision or until the legislature appropriates funds for the purpose to the affected political subdivision and only to the extent and amount that such funds are provided." Art. II, sec. 24, of the *Tennessee Constitution* provides in part: "Laws imposing increased expenditures on local governments must provide method of funding, and, in case of bills of general application, provide state share in the cost."

[2] Art. III, sec. 31, of the *Constitution of the Commonwealth of Pennsylvania* provides: "The General Assembly shall not delegate to any special commission, private corporation or association, any power to make, supervise or interfere with any municipal improvement, money, property or effects, whether held in trust or otherwise, or to levy taxes or perform any municipal function whatever. Notwithstanding the foregoing limitation or any other provision of the Constitution, the General Assembly may enact laws which provide that the findings of panels or commissions, selected and acting in accordance with law for the adjustment or settlement of grievances or disputes or for collective bargaining between policemen and firemen and their public employers shall be binding upon all parties and shall constitute a mandate to the head of the political subdivision which is the employer, or to the appropriate officer if the Commonwealth is the employer, with respect to matters which can be remedied by administrative action, and to the lawmaking body of such political subdivision or of the Commonwealth, with respect to matters which require legislative action, to take the action necessary to carry out such findings."

[3] In reviewing the draft legislation, states will need to consider whether a constitutional amendment is necessary to make the legislation workable.

[4] *Revised Codes of Montana, Annotated*, sec. 43-517, provides that "Any law enacted by the legislature after July 1, 1974, which requires a local government unit to perform an activity or provide a service or facility which will require the direct expenditure of additional funds must provide a means to finance the activity service or facility." And further, that "the local government unit may refuse to administer or enforce any law which does not comply with the requirements of the section if that law requires any expenditure that would require the local government unit to exceed its statutory levy authority."

grams; and (3), by amendment, costs previously incurred at local option that have subsequently been mandated by the state. Mandated local costs arising from state administrative or executive orders are also to be reimbursed.

In drafting its recommended model bill, ACIR has concentrated on the reimbursement principle and suggests that it constitutes the core of any legislative proposal. The ACIR policy on state mandates rests on the belief that states mandating either new programs or increases in service levels, or personnel and retirement benefits should share in the cost that these programs impose on local governments.

The first step necessary to come to grips with the state mandating problem is a catalog or inventory of existing state mandates. The legislative or executive branch, or both jointly, should define and then catalog existing state-initiated mandates originating by legislation, executive order, or administrative rule and regulation. All state-initiated mandates adopted in the future should be added to the catalog, and the estimated costs imposed on local governments by all new mandates should be tabulated at the conclusion of each legislative session. After a catalog is created, the same reviewing body should categorize these mandated programs so that they may be fit into proper categories for reimbursement as discussed later. Most importantly, the catalog provides the indispensable first step necessary to rationalize mandates in terms of current policy concerns. (Some states may wish to institute some "sunset" procedure for mandates, once an accurate listing has been obtained.)

Secondly, to accomplish these policy objectives, state statutes should provide procedures and formulas for partial or full reimbursement to local governments, depending upon the category of the mandate. Drawing from the California statute, the following draft bill provides certain safeguards: (a) a fiscal note process to evaluate the cost of all mandates, and (b) a strict interpretation of state-initiated mandates.

Finally, in recognition of the potential for disagreement between state and local units of government as to the costs imposed by state-initiated mandates, the draft bill provides for an appeal and adjustment procedure through a state agency designated to resolve local governments' claims arising from inadequate state funding of the reimbursement provisions. Optional provisions are included to give the local government units the right to refuse to carry out a mandate not in compliance with the reimbursement policy and to appeal to the courts once administrative procedures have been exhausted.

Section 1 gives the short title of the bill.

Section 2 serves as a policy statement for the bill, including the recognition that state mandates have often produced confusing, inconsistent, and inequitable relationships between the state government and its local political subdivisions, and that to correct these problem areas a review of existing mandates should be undertaken with an eye to developing corrective actions to produce a consistent and equitable framework of state-local relations.

To establish a uniform basis for sifting through the historical record, the term "mandate" must be defined. *Section 3* of the bill defines a state mandate and the various categories of mandates. A broad rather than narrow definition is preferable in providing a basis for differential treatment of various types of mandates.[5] These definitions serve as a necessary prerequisite to any cataloging or reimbursement procedure, and constitute a first step of a review process of state mandates.

Section 4 of the suggested legislation calls for the legislative or executive branch, or both jointly, to catalog and publish descriptions of existing state-initiated mandates originating by legislation, executive order, or administrative rule and regulation. State mandates which are a result of federal legislative, executive, and court initiatives are also to be included in the catalog with appropriate annotation, as are all future state-initiated mandates. The estimated costs of all new state mandates imposed on local governments are to be tabulated at the conclusion of each legislative session.

Section 4 provides further that the catalog should indicate to which local government unit or official the mandate is directed, whether or not direct costs are attributable to the mandate and what those costs are, the extent of state financial participation in the mandate, and a description of the mandate and its source.

Section 5 requires that, in addition to any statutory requirements for evaluating the fiscal impact of proposed mandates, the state legislature and executive branch adopt, either by statute or rules of procedure, provisions for a statement of the statewide policy objective or objectives that require or justify the imposition of the proposed requirement upon the local government. The premise underlying this re-

[5] If the definition of mandates in general is narrowed at the outset, the door is closed to obtaining a complete inventory of mandates in effect and a subsequent delineation of "justified" and "unjustified" mandates.

quirement is that a good deal of irritation and friction concerning state-mandated costs imposed on local governments stem from the failure to articulate clearly the statewide policy objective.

Section 6 specifies the reimbursement share to be paid by the state government to the local unit for each category of mandate defined in *Section 3* of the bill. Briefly, subsection (b) calls for at least a 50% reimbursement of service mandates. Subsection (c) calls for a 100% reimburse nent of the loss of local revenue directly attributable to a mandated classification or exemption of property for purposes of ad valorem property taxation. Subsection (d) calls for reimbursement of personnel mandates to the full extent of increased costs incurred by local governments directly attributable to the mandate, with a few exceptions. Subsection (e) calls for a 100% reimbursement of local governmental costs directly attributable to a mandated increase in public employee retirement benefits. It should be noted that reimbursements are to be paid only for mandates effective subsequent to the effective date of this legislation.

Finally, subsection (a) of *Section 6* expressly relieves the state of reimbursement liability for mandates dealing with the organization and structure of local government, matters of due process, and interlocal equity as defined in *Section 3* of the bill. Subsection (f) provides that any proposal which creates or enlarges a state mandate shall bear either a proposed authorization for appropriation of an amount necessary for reimbursement or a disclaimer from reimbursement liability, stating the specific reason for such exclusion as provided in *Section 9*(a).

Section 7 deals with the situation where the state also places a lid on local expenditures or taxes and calls for local government units to have the authority necessary to levy taxes beyond the general limitations on local government taxes or expenditures when mandates are not reimbursed. As a practical matter, this authority can be restricted to those local costs that exceed $5,000 or 1% of the local operating budget. In this way, the financial bind of local officials will be eased while the state policy will be coordinated through a reconciliation of program objectives and the desire to restrain local government tax and expenditure growth.

Section 8 calls for the state agency charged with oversight of mandates to complete and submit to the Governor and the legislature, within three months of the publication of the catalog prescribed in *Section 4*, a review and report on mandates existing prior to the effective date of the act. This report is to include but not be restricted to matters relating to the history of the mandate, its costs, and extent of state reimbursement and whether the mandate continues to meet a statewide policy objective and whether reimbursement should be undertaken. The report is to include any other information or recommendations which the agency considers pertinent. The objective of this required review would be to highlight those mandates that no longer meet a current statewide policy objective, and at the same time to uncover mandates that continue to meet current statewide policy but need to be strengthened or changed if they are to be effective.

Once it has been determined that reimbursement is a desirable statewide policy, a mechanism for reviewing reimbursement applications and for paying reimbursements to the local unit must be established. *Section 9* of the bill sets forth this procedure. First, however, subsection (a) expressly lists several circumstances which shall exclude the state from reimbursement liability. Basically, these circumstances are those which impose little recognizable new duty on the local government, or impose only minimal new costs, or those which impose additional costs but also provide offsetting savings. Additionally, subsection (a) enables the legislature to disclaim reimbursement liability for a unique or compelling policy reason, provided the reason is stated within the proposed act establishing the mandate.

Subsections (b) and (c) of *Section 9* provides the procedures necessary for an estimation of reimbursement costs, application for reimbursement, and a disbursement procedure. Most importantly, subsection (b) calls for an estimate of mandated costs to be prepared by an agency of the state executive branch after consultation with the affected local government unit and for the estimate to be submitted to both houses of the legislature before consideration of the proposal. Subsection (c) calls for the local governmental unit affected by the mandate to submit an application for reimbursement with estimated costs within 60 days of its effective date, and for an agency of the executive branch to review this application and forward the application upon approval to the appropriate agency for reimbursement or to the legislature for a direct appropriation to the local units of government. It should be noted that all reimbursement procedures are subject to the right of the state to audit the records of any local government to verify the actual costs of the mandate and make changes if necessary. Subsection (d) of *Section 9* provides the local unit with the authority needed to appeal any adverse reimbursement decision to a designated state agency.

States having a general revenue sharing or per

capita aid program for local governments will arcady have established procedures for executive review, appeal, and reimbursement that can be adapted to accommodate mandate reimbursement application, review, and adjudication.

Some states may desire to make reimbursements a funtion of the legislature, through annual appropriations to the individual local units, following receipt of a recommended reimbursement schedule from the executive branch.

Recognizing that such an administrative appeals process may not be sufficient in some cases, an optional *Section 9* is included in the draft legislation calling for local governmental units to have the right (a) to initiate court action when the local unit feels there has been inadequate reimbursement or an improper decision as to whether a proposal involves state-mandated costs, or to enjoin the effect of the mandate until funds are available; and (b) to refuse to comply with the mandate.

[AN ACT RELATING TO STATE MANDATING OF LOCAL GOVERNMENT EXPENDITURES, SERVICES, STANDARDS, EMPLOYMENT CONDITIONS, AND RETIREMENT BENEFITS]

(Be it enacted, etc.)

SECTION 1. *Short Title.* This act may be cited as "The State Mandates Act."

SECTION 2. *Findings and Purpose.*

(a) The [*legislature*] finds that preceding actions of the state government in specifying the manner, standards, and conditions under which public services are rendered to citizens by the political subdivisions of this state on occasion have not resulted in equitable relationships between the state government and its local political subdivisions. Some of these actions have dealt in detail with the internal management of local governments, others have specified the establishment of new services and facilities without providing any new revenue sources or any financial participation by the state in meeting the additional costs; still others have specified the adoption of higher service standards without a full assessment of the impact upon local expenditures and tax rates.

(b) It is the purpose of this act

(1) to provide for the collection and periodic publication of information on existing and future state and federal mandates;

(2) to enunciate policies, criteria, and procedures to govern any future state-initiated specification of local government services, standards, employment conditions, and retirement benefits that has the effect of necessitating increased local government expenditures in such a way as to accommodate the constitutional obligations of the state government in addressing problems of statewide concern, while avoiding the imposition of state standards upon essentially local responsibilities without appropriate reimbursement or other appropriate fiscal participation on the part of the state government; and

(3) to provide for a review of existing mandates and an identification of the nature and magnitude of corrective actions needed to produce a consistent and equitable framework of state-local relations regarding mandated services, standards, and expenditures.

SECTION 3. *Definitions.*

(a) "Local government" means a city, [municipality,] county, township, town, [borough, village,] school district, or special district.

(b) "State mandate" means any state-initiated constitutional, statutory, or executive action that requires a local government to establish, expand, or modify its activities in such a way as to necessitate additional expenditures from local revenues, including any order issued by a state court except judgments in

eminent domain condemnation and tort liability proceedings, or proceedings relating to local government performance or nonperformance under any contract or agreement. State mandates may be reimbursable or nonreimbursable as provided in this act.

(c) "Local government organization and structure mandate" is a state mandate concerning such matters as

(1) the form of local government and the adoption and revision of local government charters,

(2) the establishment of multicounty districts, councils of governments, or other forms and structures for interlocal cooperation and coordination;

(3) the holding of local elections;

(4) the designation of public officers, and their duties, powers, and responsibilities; and

(5) the prescription of administrative practices and procedures for local governing bodies.

(d) "Due process mandate" is a state mandate concerning such matters as the

(1) administration of justice,

(2) notification and conduct of public hearings,

(3) procedures for administrative and judicial review of actions taken by local governing bodies, and

(4) protection of the public from malfeasance, misfeasance, or nonfeasance by local government officials.

(e) "Benefit spillover" is the process of accrual of social or other benefits from a governmental service to jurisdictions adjacent to, or beyond the jurisdiction providing the service.

(f) "Service mandate" is a state mandate as to creation or expansion of governmental services or delivery standards therefor and those applicable to services having substantial benefit spillover and consequently being wider than local concern; for purposes of this act, applicable services are

(1) elementary and secondary education,

(2) community colleges,

(3) public health,

(4) hospitals,

(5) public assistance,

(6) air pollution control,

(7) water pollution control,

(8) solid waste treatment and disposal,

(9) non-local public transportation, and

(10) [*other statewide or non-local services for which the state might be expected to establish levels or delivery standards.*]

A state mandate that expands the duties of a public official by requiring the provision of additional

services is a "service mandate" rather than a "local government organization and structure mandate."

(g) "Interlocal equity mandate" is a state mandate requiring local governments to act so as to benefit other local governments or to refrain from acting to avoid injury to, or conflict with, neighboring jurisdictions, including such matters as

(1) land use regulations,

(2) tax assessment procedures for equalization purposes, and

(3) environmental standards.

(h) "Tax exemption mandate"[1] is a state mandate that exempts privately owned property or other specified items from the local tax base, such as

(1) exemption of business inventories from the local property tax base, and

(2) exemption of food or medicine from the local sales tax.

(i) "Personnel mandate" is a state mandate concerning or affecting local government

(1) salaries and wages,

(2) employee qualifications and training (except when any civil service commission, professional licensing board, or personnel board or agency established by state law sets and administers standards relative to merit-based recruitment of candidates for employment or conducts and grades examinations and rates candidates in order of their relative excellence for purposes of making appointments or promotions to positions in the competitive division of the classified service of the public employer served by such commission, board, or agency).

(3) hours, location of employment, and other working conditions, and

(4) fringe benefits including insurance, health, medical care, retirement and other benefits.

SECTION 4. *Collection and Maintenance of Information Concerning State Mandates.*

(a) The [department of community affairs] [state comptroller] [*other agency in the executive branch of state government*] [*committee, agency, or office of the legislature*] shall be responsible for

(1) collecting and maintaining information on state mandates, including such information as may be required for effective implementation of the provisions of this act;

(2) reviewing local government applications for reimbursement submitted pursuant to this act;

(3) hearing complaints or suggestions from local governments and other affected organizations as to existing or proposed state mandates; and

(4) reporting periodically to the Governor and [*legislature*] regarding the administration of provisions of this act and changes proposed thereto.

(b) (1) Within [12 months] following the effective date of this act, the [*head of state agency*

[1]See suggested legislation *State Compensation Programs for State-Owned Property.*

specified in subsection (a) above] shall collect and tabulate relevant information as to the nature and scope of each existing state mandate, including but not necessarily limited to

(i) identity of type of local government and local government agency or official to whom the mandate is directed;

(ii) whether or not an identifiable local direct cost is necessitated by the mandate and the estimated annual amount;

(iii) extent of state financial participation, if any, in meeting such identifiable costs;

(iv) state agency, if any, charged with supervising the implementation of the mandate;

(v) a brief description of the mandate and a citation of its origin in statute or regulation.

(2) The resulting information shall be published in a catalog [available to legislators, state and local officials, and interested citizens]; as new mandates are enacted they shall be added to the catalog, and at the conclusion of [*each annual or biennial session of the legislature or other specified time*] the [*state executive or legislative agency*] shall list each new mandate enacted at the preceding legislative session, and the estimated additional identifiable direct costs, if any, imposed upon local governments.[2] A revised version of the catalog shall be published every [five] years, beginning with the publication date of the initial version.

(3) Information comparable to that described in subsection (1) above shall be collected by [*state agency*] regarding federal legislative, executive, and judicial mandates and shall be included in the initial and subsequent versions of the catalog.[3]

SECTION 5. *Specification of State Policy Objective.*

(a) Subsequent to the effective date of this act, any proposal for legislation submitted by the executive branch of the state government, any bill filed for introduction by a member of the [*legislature*], and any committee print of a new or amended bill that has the effect of creating or enlarging a state mandate upon local government as defined in Section 3(b) of this act shall include, in addition to the estimated additional costs to the affected local governments as provided under [*citation of any statute(s) requiring the attachment to proposed legislation of notes on local government fiscal impact*], a statement of the statewide policy objective or objectives that require or justify the imposition of the proposed requirements upon local government and the extent to which such policy objectives or objective cannot be achieved in the absence of such proposed requirements.[4]

(b) Subsequent to the effective date of this act, any executive order or administrative regulation

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[2]See suggested legislation *Legislative Notes on the Fiscal Impacts on Local Governments of State Actions*. Also a provision might be included for differentiating between initial or first-year costs and subsequent annual operating costs.

[3]Federal mandates are so numerous and complex that states may wish to confine catalog coverage to certain major or other selected categories.

[4]In some states the substance of this subsection would be provided in the legislature's rule of procedure rather than by statute, at least with regard to the responsibilities imposed upon individual members or committees; alternatively such a rule might provide that consideration of a mandate bill would not be in order, absent the required statement of policy objective.

that creates or enlarges a mandate as defined in Section 3(b) of this act shall include a statement of the statewide policy objective or objectives as specified in subsection (a) above.

SECTION 6. *State Reimbursement to Local Government for Increased Costs Arising from Certain State Mandates.*

(a) Any increased costs accruing to local governments as a direct result of mandates dealing with the organization and structure of local government, due process mandates, and interlocal equity mandates as defined in subsections (c), (d), and (g) respectively, of Section 3 above, are not reimbursable by the state.

(b) At least [50%], but under no circumstances more than [100%] of the increase in costs of a local government directly attributable to a service mandate as defined in Section 3(f) enacted legislatively or established administratively subsequent to the effective date of this act shall be reimbursed by the state unless there is in existence at the time of such enactment a program of state aid for the service affected by the mandate whereunder the non-local share for any participating local government is [50%] or greater and where the increased costs arising under the mandate constitute allowable expenditures under the aid program. Where all or part of the increased costs are met through federal or other external aid, only the net increase to the local government shall be included in the base against which the amount of state reimbursement is to be computed.

(c) [100%] of the loss in revenue of a local government directly attributable to a mandated classification or exemption of property for purposes of ad valorem property taxation enacted subsequent to the effective date of this act shall be reimbursed by the state. The loss of revenue does not include potential revenue from property of a type which was not being assessed and taxed on January 1, [*insert year in which this act is to be effective*].][5]

(d) Except for a state mandate that places a floor under retirement benefits or that affects personnel qualifications for local employees, the salaries and wages of which are partially or wholly financed under a state aid program, any personnel mandate as defined in Section 3(i) above enacted legislatively or established administratively subsequent to the effective date of this act shall be reimbursed by the state to the extent of increased costs incurred by local governments directly attributable to such mandate.

(e) All of the increased costs of a local government directly attributable to a mandated increase in public employee retirement benefits enacted subsequent to the effective date of this act [and which has the effect of elevating retirement benefits of local government employees above an adequate level—to

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[5]States may wish to provide total or partial reimbursement in case of mandated exemptions of business inventories (see ACIR, *State Legislative Program*, Vol. 3, M-94, *State and Local Revenues*, 3.107, pp. 49-52, Washington, DC, U.S. Government Printing Office, November 1975). See suggested legislation, *State Compensation Programs for State-Owned Property*.

costs above a 75% takehome salary replacement] shall be reimbursed by the state.[6]

(f) Subsequent to the effective date of this act, any proposal for legislation submitted by the executive branch of state government, any bill filed for introduction by a member of the [*legislature*], and any committee print of a new or amended bill that creates or enlarges a state mandate of the type specified in subsections (b), (c), (d), and (e) above, shall bear either a proposed authorization for appropriation of an amount necessary to provide the reimbursement specified above or a disclaimer from reimbursement liability, stating the specific reasons for such exclusion, as provided in Section 9(a) below.

SECTION 7. *Exemption from State-Imposed Limits of Taxes* [*and/or Expenditures*] *of Local Governments of Revenues Needed to Meet Increased Costs Directly Attributable to State Mandates.*

Execution of state mandates as defined in this act is hereby declared a public purpose of affected local governments in the [*insert name of state*], and where the increased local costs directly attributable to any nonreimburseable mandate as provided in Section (6) above exceeds [$5,000] [1% of the operating budget of the local government], the excess may be included in the [property tax levy] [fiscal year's operating expenditure] above and beyond the limitations set forth in [*cite applicable statutory provision setting general limitations upon local government tax rates or levies or upon expenditures*].

SECTION 8. *Review of Existing Mandates.*

(a) Concurrently with, or within [three] months subsequent to the publication of a catalog of state mandates as prescribed in Section 4(b) above, the [*state agency charged with oversight of mandates in Section 4(a)*] shall submit to the Governor and the [*legislature*] a review and report on mandates enacted prior to the effective date of this act and remaining in effect at the time of submittal of the report.

(b) The report shall include for each mandate the following:

(1) the factual information specified in Section 4(b) for the catalog;

(2) extent to which the enactment of the mandate was requested, supported, encouraged, or opposed by local governments or their respective organizations;

(3) whether or not the mandate continues to meet a statewide policy objective or has achieved the initial policy intent in whole or in part;

(4) amendments if any required to make the mandate more effective;

(5) whether the mandate should be retained or rescinded;

(6) whether state financial participation in helping meet the identifiable increased local costs arising from the mandate should be initiated, and if so, recommended ratios and phasing-in schedules; and

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[6] In many states most local government retirement benefits have already reached what are regarded as adequate levels among retirement and actuarial experts (e.g. 75%-80% take-home salary replacement after meeting length of service requirements); many are beginning to exceed this level amid increasing concern about the financial soundness of local retirement systems. Each state will need to develop its own definition of "adequacy" with any mandated enrichments over that level subject to full or partial state reimbursement.

(7) any other information or recommendations which the [*state agency*] considers pertinent.

[(c) Any mandate not renewed, revised, or dealt with otherwise by the [*legislature*] shall terminate at the end of three years following the publication of the initial version of the catalog prescribed in Section 4(b).][7]

[(d) The [*appropriate committee of each house of the legislature*] shall review the report and shall initiate such legislation or other action as it deems necessary.]

SECTION 9. *Exclusions, Reimbursement Application, Review, Appeals, and Adjudication.*

(a) *Exclusions.* Any of the following circumstances inherent to, or associated with, a mandate shall exclude the state from reimbursement liability under this act. If the mandate

(1) accommodates a request from local governments [or organizations thereof];[8]

(2) results in no new governmental duties, including legislation or regulation permissive in nature;

(3) provides only clarifying or conforming, nonsubstantive changes in an earlier statute or regulation;

(4) imposes additional duties of a nature which can be carried out by existing staff and procedures at no appreciable net cost increase;

(5) creates additional costs but also provides offsetting savings resulting in no aggregate increase in net costs;

(6) imposes a cost that is wholly or largely recovered from federal, state, or other external financial aid;

(7) imposes additional net costs of less than [$1,000 for a single local government or 1/10 of a mill on the statewide aggregate local property tax base].

Additionally, the [*legislature*] may exclude a mandate from reimbursement liability for a unique or compelling policy reason, such reason to be stated in the act establishing the mandate.

(b) *Reimbursement Estimation and Appropriation Procedure.*

(1) When a bill is introduced in the [*legislature*], the [*legislative counsel or other office of the legislature*] shall determine whether such bill requires reimbursement to local governments pursuant to this act. The [*counsel or office*] shall make such determination known in the digest of the bill.

In making the determination required by this subsection the [*legislative counsel*] shall disregard any

[7] If a state desires to initiate a "sunset" procedure for forcing attention to mandates already on the books, the procedure should follow that set forth in the state's general "sunset" law, if one exists, additionally the legislature might find it preferable in consideration of workload to exclude "form and structure" and "due process" mandates from the scope of "sunset."

[8] A state mandate that arises as a direct result of a legislative provision sought by local governments probably should not require reimbursement. The wording of this exclusion depends upon the structure and process that underlies state legislation on local government affairs in a given state including such factors as: the extent to which such matters are handled by general law or as special legislation targeted by name or narrow population class to one or a few local governments; the nature of the local governments' request in a specific instance; nature of testimony given in support of the legislation; degree of unanimity of support among the individual local governments; and the role of state organizations of city or county officials and the scope and nature of the process by which the organizations establish positions in support of or opposition to specific legislative bills.

provision in a bill which would make inoperative the reimbursement requirements of Section 6 above, and shall make the determination irrespective of any such provision.

(2) Whenever the [*legislative counsel*] determines that a bill will require state reimbursement to a local government as provided in Section 6, the [*department of finance or other executive branch fiscal agency*], after consultation with the [*department of community affairs or the state agency designated in Section 4 and subsequently*] shall prepare estimates of the amount of reimbursement which will be required.[9] Such estimates shall be prepared for the [*respective committees of each house of the legislature*] which consider taxation and appropriation measures and shall be prepared prior to any hearing on such a bill by any such committee.

(3) The estimate required by subsection (2) above shall be the amount estimated to be required during the first fiscal year of a bill's operation in order to reimburse local governments pursuant to Section 6, for costs mandated by such bill. In the event that the operative date of such a bill does not begin on the first day of [*state fiscal year*], the estimate shall also include the amount estimated to be required for reimbursement for the next following full fiscal year. In the event that a bill is amended on the floor of [*either house*], whether by adoption of the report of a conference committee or otherwise, in such a manner as to require reimbursement pursuant to this act, the [*legislative counsel*] shall immediately inform, respectively, the [*Speaker of the House and the President of the Senate*] of such fact. Such notification from the [*legislative counsel*] shall be published in the journal of the [*respective houses of the legislature*].

(4) For the initial fiscal year, reimbursement funds shall be provided as follows:

(i) any statute mandating such costs shall provide an appropriation therefor, and

(ii) any executive order mandating such costs shall be accompanied by a bill to appropriate the funds therefor, or, alternatively an appropriation for such funds shall be included in the executive budget for the next following fiscal year.

In subsequent fiscal years, appropriations for such costs shall be included in the [executive budget] and general or supplemental appropriation bills.

(5) The amount appropriated for such purposes shall be [appropriated to the [*state fiscal agency*] for disbursement]. [appropriated directly to the local units of government pursuant to subsection (c) below].

(c) *Reimbursement Application and Disbursement Procedure.*

(1) For the initial fiscal year during which reimbursement is authorized, each local government believing itself to be entitled to reimbursement under this act shall submit to the [*department of community affairs*] [*state fiscal agency*] [*other appropriate state officials or agency*], within [60] days of

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[9]Where the legislature has provided a fiscal note procedure (as referenced in footnote to *Section 4(b)(2)* above), somewhat different wording may be needed.

the operative date of the mandate a claim for reimbursement accompanied by its estimate of the increased costs required by the mandate for the balance of the fiscal year. [*The department of community affairs*] [*or other state executive agency*] shall review such claim and estimate and forward them with its comments to the [*state fiscal agency*]]. The [*department of finance*] [*or appropriate state fiscal agency*] shall [pay such claims from the funds appropriated pursuant to subsection (b) above, provided that it may

(i) audit the records of any local government to verify the actual amount of the mandated cost, and

(ii) reduce any claim determined to be excessive or unreasonable.] [submit to the [*legislature*] a schedule of recommended appropriation to respective units of local government.]

(2) For the subsequent fiscal years, local governments shall submit claims as specified above on or before [*date*] of each year. The [*state fiscal agency*] shall [pay] [recommend to the [*legislature*] the payment of] such claims from funds appropriated therefor, provided that it

(i) may audit the records of any local governments to verify the actual amount of the mandated cost,

(ii) may [reduce] [recommend to the [*legislature*] the reduction of] any claim, determined to be excessive or unreasonable, and

(iii) shall adjust the payment to correct for any underpayments or overpayments which occurred in the previous fiscal year.

(3) Any funds received by a local government pursuant to this act may be used for any public purpose.

(d) *Appeals and Adjudication.*

(1) Local governments may appeal determinations made by state officers acting pursuant to this act. The appeal must be submitted to the [*department of community affairs or other state agency designated in Section 4*] within [days] following the date of receipt of the determination being appealed. [The appeal must include evidence as to the extent to which the mandate has been carried out in an effective manner and executed without recourse to standards of staffing or expenditure higher than specified in the mandatory statute]. The [*state agency*], after reviewing the evidence submitted to it, [may increase or reduce the amount of a reimbursement claim] [shall submitt to the legislature any recommendations for change]. [The decision of the [*agency*] shall be final.] [*Some states, especially those already having boards of control or other adjudicatory body for review of claims against the state may wish to provide a second level of appeal*].

SECTION 10. *Refusal to Comply with Mandate and Judicial Review Thereof.*

[(a) An affected local government may, by resolution refuse to comply with or enforce any law not meeting the requirements of this act.[10] A copy of such resolution shall be transmitted within 24

hours to the [attorney general; Governor.]]

(b) [*A section that would permit a local government to initiate court action to determine whether or not an enacted statute or issued executive order correctly specifies that it does not involve any state-mandated costs, or if it involves such costs that there is an adequate appropriation available and that would require the court to enjoin the effect of the mandate until funds are available.*][11]

SECTION 11. *Effective Date.* [*Insert effective date.*]

SECTION 12. *Separability.* [*Insert separability clause.*]

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[10]See *Revised Codes of Montana*, sec. 43-517, SB 231, Florida Senate, 1978, provided "The municipality or county may refuse to comply with, administer, or enforce any law which does not comply with the requirements of this section unless such law expressly supersedes or modifies this act. No subsequent legislation shall be deemed to supersede or modify any provision of this act, whether by implication or otherwise except to the extent that such legislation shall do so expressly; reasons for legislative deviations from this section shall be stated with particularity in the preamble of the act."

[11]See AB 1563, California Assembly, 1977.

GPO 939 052

TO: Bill
FROM: Marjorie
3/18/80

CS HB 586 Fiscal Notes for Bills Affecting Municipalities

On Floor 3/19/80

Floor Notes

Difference between HB and CS
p. 1 line 15 Addition of "a significant"

25 states provide for fiscal notes to leg. having state impact
22 have formal or informal procedures for attaching fiscal notes to leg affecting LOCAL finances

513 272 (Fiscal Note to be Prepared for Regulations)
(Bennett's bill has passed both houses -
has been transmitted to Gov.)

Original sponsor: Rules/Legislative Council

Offered: 3/13/80
Referred: Rules

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 586

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act requiring fiscal notes for bills affecting a municipality."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 24.30.035 is amended to read:

Sec. 24.30.035. FISCAL NOTES ON BILLS. Before a bill is reported from the committee of first referral, there shall be attached to the bill a fiscal note containing an estimate of the amount of the appropriation increase or decrease which would result from enactment of the bill for the ensuing fiscal year and at least two succeeding fiscal years. If enactment of the bill would require a significant expenditure or appropriation by a municipality, a fiscal note shall be attached to the bill containing an estimate of the amount of the total expenditure or appropriation which would be required during each of the first three fiscal years by all affected municipalities. If [OR, IF] the bill has no fiscal impact, a statement to that effect shall be attached. The fiscal note or statement relating to a state program shall be prepared by the department or departments affected. The fiscal note or statement relating to municipalities shall be prepared by the Department of Community and Regional Affairs, but that department may obtain the assistance of any other state agency in the preparation of the note or statement. If the bill is presented by the governor for introduction in accordance with AS 24.30.060(b) and the uniform rules of the legislature, the fiscal note or statement shall be attached to the bill before the bill is introduced. An amendment or substitute bill proposed by a commit-

tee of referral that changes the fiscal impact of a bill shall be explained in a revised fiscal note or statement attached to the bill.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. H. B. 586 ans S. B. 352
Title An Act Requiring Fiscal Notes for Bills Affecting a Municipality
Requested by House Committee on Community & Regional Affairs Date

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Community Development
BRU, Program, or Subprogram(s) Affected Local Government Assistance Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		54.8	59.2	63.9	69.0	74.5
200 TRAVEL		1.5	1.6	1.7	1.9	2.0
300 CONTRACTUAL		4.8	5.1	5.5	6.0	6.5
400 COMMODITIES		.5	.5	.6	.6	.7
500 EQUIPMENT		1.0	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		62.6	66.4	71.7	77.5	83.7

FUNDING (Thousands of Dollars)

GENERAL FUND		62.6	66.4	71.7	77.5	83.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	2	2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
To prepare fiscal notes on all bills relating to municipalities would require an additional Local Government Specialist III (Range 17) and a Clerk/Typist III (Range 8) - Personal Services costs are based on these figures plus 28% for benefits.

Contractual costs are for an additional 300 sq. feet of office space (.5), base telephone rate and long distance tolls for 1 (1.0), and Mag Card rental (3.3). Travel is figured at 1.5 per year. In many instances the LGS will need to go to the municipalities to research fiscal impact of bills. The commodities cost is for the costs of printing forms. All the above costs are increased at 8% a year for inflation.

The one time equipment cost is for desks, office equipment, etc. for two.

IV. DATE _____ PREPARED BY McKie Campbell
AGENCY Community & Regional Affairs
PHONE 465-4735

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

P. O. Box 1166
Fairbanks, Alaska 99707

Sixth open letter to all
Legislators of the State of Alaska

March 25, 1980

Re.: CS for House Bill 586 and Senate Bill 352, "An Act requiring fiscal notes for bills affecting a municipality"

Dear Legislator:

> "The legislature shall pass no local or special act if a general act can be made applicable. ... Local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision affected." Alaska Constitution, Article II, Section 19.

The intent of the wording to be added to the law as evidenced in House Bill 586 and Senate Bill 352 ("If enactment of the bill would require a significant expenditure or appropriation by a municipality a fiscal note ..... shall be prepared by the Department of Community and Regional Affairs,") is in direct conflict with the intent of the Constitution of Alaska; Article II, Section 19 in particular. In other words, our elected Legislators intend to act contrary to the will of the people, and intend not to support and defend the Constitution of the State of Alaska as they have sworn by oath to do.

In my third open letter to all legislators dated Jan. 28, 1980, of which you received a copy, I stated that House Bill 586 expresses the intention of the legislature to impose any State provided servic to any municipality and to make that municipality pay for the same; that this is in violation of the principals of providing for maximum local (municipal) self-government as set forth under Article X of the Alaska Constitution; that this is ignoring the limitations of power to the legislature as set forth under Article II (Section 19) of the Alaska Constitution; and that therefore these bills cannot be legally enacted and should die in committee.

In my fourth open letter to all legislators, dated February 12, 1980 of which you also received a copy, I stated that the State assumed only the rights enumerated in the Constitution of Alaska through voter approval and assumed at the same time the obligation to fulfill the responsibilities enumerated therein. Article VII of the Constitution of the State of Alaska requires the State to provide for education, for protection of public health, and for welfare. It is selfexplanatory that the State must provide these services by raising the funds necessary to pay for them, and not by mandating State services upon the local municipality and thereby forcing the the people affected to pay for the "State provided" services.

Again, in spite of my warnings, on March 20, 1980 the Alaska House of Representatives passed CS for House Bill 586, "An Act requiring fiscal notes for bills affecting a municipality." It is now in the Senate Finance Committee.

At the tim the people of Alaska adopted by vote the Constitution of Alaska it was their will to retain the right of selfdetermination over local municipal governments, and that any additional municipal or special services must be approved by the voters of the locality affected. Even should the State fund a special municipal service 100%, it may not provide that service without the consent of the voters of that locality, wether it be a service area in the unorganized borough or a municipality of any kind. I am convinced that this attitude of the people of Alaska has not been changed since the adoption of our Constitution. I hesitate to speculate on the public's reaction when properly informed about this legislative shame in progress.

House Bill 586 and Senate Bill 352 considered by themselves may appear harmless at first glance, however if seen enacted together with House Bill 580 and Senate Bill 348 (each existing borough and unified municipality and each school district (REAA) called an "unorganized borough" will be an established State Service District), House Bill 581 and Senate Bill 350 (the Governor shall require legislation regarding development and implementation of State Service Districts), House Bill 582 and Senate Bill 349 (will provide public tax dollars to prepare a management (control) program for the "unorganized boroughs"), HB 584 and SB 354 (will eliminate the third class borough), and HB 585 and SB 353 (will confer first class status to second class boroughs), the true intentions of establishing a state socialistic dictatorship under the Governmor and the Department of Community and Regional Affairs become quite visible.

In many of my previous letters I urged you to let SBs 348, 349, 350, 352, 353 and 354, and HBs 580, 581, 582, 584, 585 and 586 die in committee. If these bills become law, the foundation for a Hitler Style state socialistic society will be laid!

Please, take a moment and think about this - before you vote again on this bill or any of the others I named.

Very truly yours,

Wolfgang Falke

HB
594

(7)

COMMITTEE REPORT

HOUSE

1/22/80

FURTHER: FINANCE

Date: 25 Jan 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 594

"An Act making a special appropriation to the Department of Community and Regional Affairs for health careers education; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

C&RA Committee Hearing HB 594 January 28,1980

Pappy Moss, witness	Mr. Moss said the purpose of the bill was to cover expenses that weren't part of the Health Careers Program (an enrichment program for Native High School students interested in health careers. AFN pays for supplies and the program). Mr Moss noted that AFN was short in funding for the program by $29,104.
Parker	Mr. Parker siad he thought the Feds weren't giving as much to the program this year.
Moss	Moss said that was his understanding.
Ray Metcalfe	Mr. Metcalfe wanted to know if the program was originated by the AFN.
Moss	Moss said the program was, and that it was supported by Federal funds.
Metcalfe	Metcalfe said he felt that Native Land Claim Settlement Act was a chance for natives to "catch up" with the rest of the country, and that the money given by the Federal govt. was for that purpose.
Parr	Mr. Parr differentiated between money that went to for-profit and non-profit corporations.
Metcalfe	Metcalfe said he thought the money should come from the communities, and not from the state.
Moss	Mr. Moss tried to dispell the notion that there was "that much money out there (in the native communities)."
Parker	Mr. Parker said that it seemed like a nice program; but he wondered why it came up short this year.

Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
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Address all correspondence to:

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Pouch V
State Capitol
Juneau, Alaska 99811

Parr	Mr. Parr noted that the cost came to about $1,500 per student.
Metcalfe	Mr. Metcalfe asked whare the money came from.
Moss	Mr. Moss said the money came from the AFN. He added that he would have people in town to testify about the bill next week.
Palmer McCarter, C&RA	Mr. McCarter said that C&RA supported the program. He pointed out that AFN was non-profit, and that it must seek out state and Federal grants. He said the program was available to students statewide. He felt the shortfall may have come because the feds calculated their grant to AFN based on lower 48 costs.
Parr	Mr. Parr said he knew a program that does exactly the same thing was being funded at U.A.F., and wondered why the state would want to spend money for the same thing
Metcalfe	Recommended passing the bill out with a letter pointing out that there was duplication between U.A.F. program and A.F.N. program.

Bill passed

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 594

Title Special Appropriation for Health Careers Education

Requested by H. Pappy Moss Date

II. FISCAL DETAIL

Agency Affected N/A

Program Category Affected N/A

Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No administrative cost would be charged by the Department of Community & Regional Affairs.

IV. DATE January 25, 1980 PREPARED BY Mary Foster

AGENCY Community & Regional Affairs

PHONE 465-4734

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

HB
625

(7)

COMMITTEE REPORT

HOUSE

1/28/80

FURTHER: FINANCE

Date: [illegible]

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 625

"An Act making a special appropriation to the Department of Administration to be paid as a grant for the assistance program of the Fairbanks Town and Village Association for Development, Inc.; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
Fred T. Thorsett	[illegible]
Clark [illegible]	
[illegible]	
[illegible]	

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

(7)

COMMITTEE REPORT

HOUSE

1/28/80

FURTHER: FINANCE

Date: / /

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 626

"An Act making a special appropriation to the Department of Administration to be paid as a grant for the operating costs and project development activities of the Fairbanks Town and Village Association for Development, Inc.; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 625 Re appropriation/Fbks. Town & Village Association

ORIGINAL SPONSOR: Rogers, Smith, Moss
OTHER SPONSORS: _____
RECEIVED FROM: _____
FURTHER REFERRALS: Finance

HEARING DATE: 2/1/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Rep. Brian Rogers, Sponsor

Discusses history of the Fbks.Town and Village Association and the general intent of the legislation.

Bill Wood, Bd. Member Fbks.Town & Village Association & Mayor of Fbks.

Discusses the representation drawn together by the Town&Village Ass'n. which draws on the leadership of 45 villages in the Doyon Region. The overall development plan created for the area originates at the "grass roots" level and the people. Generally discusses the activities of the Town & Village Ass'n.

Don Carlson, Mayor of Fbks. North Star Borough

Town and Village Ass'n. covers more than the North Star Borough area. Organization helps to meet the needs in the outlying areas as well. Cites Alaska Municipal League statement on economic development urging state support of such efforts. Sees a positivie effect of the activities of the Fbks. Town & Village Ass'n. on the economic development of communities.

Metcalfe - Would like to see this money going through revenue sharing programs rather than as special appropriation.

John Coghill, Mayor of Nanana

Supports HB625. The activities of the TVA cover a larger geographic area than the North Star Borough. Each village would benefit from this type of program but it is not feasible to develop such small scale programs. What is good for Fbks. is good for Nanana. Suggests that the money would strengthen the administration of the programs operated by TVA.

Carney - Asks if the group has received state funding in the past?
Coghill - TVA has depended heavily on the North Star Borough for funding in the past.
Metcalfe - Revenue sharing base would cover these needs. It appears that TVA efforts might be duplicative of those of DC&RAs.

COMMITTEE ACTION:

Bill passed out.

TAPE # 2 SIDE 1 Footage 0-899

Metcalfe - Suggests possibility of incorporating activities with those of Dept. of C&RA.
Coghill - Points out that some of the areas receiving help aren't organized municipalities at this time and therefore couldn't qualify under the revenue sharing program. The thrust for economic help is from the villages.

Jerry Smetzer, Executive Director, Ftks. Town & Village Ass'n.
Responds to Parr's questions re what the group has actually accomplished.: TVA worked to get a $250,000 storage building for Fort Yukon. Administrative staff had to work with the communities in a problem solving approach and in the case of the Fort Yukon project had to work on gaining title to the land for the city for the storage building. In Tok a Civic Center to house an Alcoholic center has been completed. There is alot of red tape in the development of capital projects. Responds to questioning re origin of requests for projects: sometimes the communities know what they need and want and sometimes that needs to be derived from dialogue. The Board meets twice a year and the attempt embodied in the bill is to have the state contribute as much to the efforts of the TVA as the federal government and the North Star Borough contribute.

Metcalfe -Suggests tht the group report on its relationship with the Dept. of C&RA during the next legislative session with its analysis of coordination of efforts and working relationship.
Smetzer - Would be happy to comply with that request.

Parker - Asks how figure for appropriation was arrived at?
Smetzer - Refers to travel costs and other costs associated with raising money.

Committee then proceeds to review HB 626 in conjunction with HB 625 .(See HB 626 Minutes)

Overall Economic Development Program Inc.

S.R. Box 5011
Wasilla, Ak 99687

(907) 376-3105

March 17, 1980

The Honorable Representative Bill Parker
Chairman, Community & Regional Affairs
Pouch V
Juneau, AK 99811

Dear Sir:

With full consensus of the other local economic development organizations in the State, I strongly support your favorable position on HB 625 and HB 626 as a means of strengthening the economic base in the Interior.

Based on the record of success of Fairbanks Town and Village Association for Development, Inc. as an economic development entity functioning on the regional level, I feel that HB 625, HB 626, and SR 41 represent legislation which can most effectively stimulate the local economy.

Fairbanks, in January 1980, posted the second highest unemployment rate in the State with 13.5%. The Matanuska-Susitna Borough, by comparison, was number one in the State and the nation with 19.9% (Department of Labor figures). The need is evident.

Sincerely,

Donald F. Lyon
Executive Director

DFL:nb

PREFACE

The Fairbanks Town and Village Association is a non-profit Alaska Corporation formed in 1972 to conduct a long-range program of regional economic development in the Interior of Alaska. In 1974 the corporation was designated by the United States Department of Commerce as an Economic Development District under the authority of Title IV(b) of the Public Works and Economic Development Act of 1965.

The regional boundaries of the district as outlined on the map of Alaska are the same as the boundaries of Doyon, Ltd., a regional corporation created under the authority of the Alaska Native Claims Settlement Act of 1971. The boundaries encompass a geographic area of some 240,000 square miles. Physiographically diverse, the region includes most of the primary and tributary drainages of the Yukon River as it courses westerly through the Interior for 1,500 miles between the Brooks Range to the north and the Alaska Range to the south. Additionally the highest mountain in North America lies in the southwestern portion of the Interior. The mountain officially named Mount McKinley is traditionally and historically known by the Athapascan Indians of the Interior as Denali ... "The Great One".

The climate is classified as continental and is relatively arid. Though seasonal temperature extremes can occur the lack of wind and precipitation creates a generally mild sunny climate.

The second largest city in Alaska and the primary service, supply, research and administrative center for the north is Fairbanks, Alaska with a population in the metropolitan area of nearly 56,000. The municipal boundaries of the Fairbanks North Star Borough also shown on the map, encompass an area the size of the State of New Jersey.

The vast region surrounding Fairbanks is largely undeveloped and sparsely populated. There are about 50 small cities, villages and settlements scattered through the area, most with populations of 100-200 residents or less. The sub-regional supply, service, and administrative centers such as Tok, Nenana, Galena, McGrath and Fort Yukon have populations between 500 and 1,000.

Delta Junction, the site of a major agricultural development program has an area population of nearly 3,000.

amendment at their semi-annual meeting in March of 1979 allowing the Fairbanks Chamber of Commerce to appoint one Board member and they have done so.

The largest municipal government in the District is the Fairbanks North Star Borough. The heavily populated section of the Borough forms the District's primary growth center.

Since 1974, the Association has been evaluating the potential designation of secondary growth centers. There has been discussion of four possible secondary designations including Galena, McGrath, Fort Yukon and Tok. Officials in these communities, however, have not made requests for formal growth center designations.

Seventeen local governments in Interior Alaska are participating in the overall planning process of the Association through appointment of representative officials to serve on the Board of Directors. Twenty-one communities, however, are represented on the Board through appointment of at-large and organization appointments.

TABLE I

PARTICIPATING GOVERNMENTS AND ORGANIZATIONS

1. Municipalities with Representatives on the FTVAD Board:

Arctic Village	Fairbanks	Grayling	Nenana	Nulato	Tanana
Anvik	FNSB	Kaltag	Nikolai	Shageluk	
Delta	Fort Yukon	McGrath	North Pole	Takotna	

2. Other Communities with At-Large and Participating Organization Representatives on the Board:

Circle	Dry Creek	Healy Lake	Minto	Ruby	Tok

3. Participating Organizations with Representatives on the Board:

Tanana Chiefs Conference	Tok Chamber of Commerce
Upper Tanana Development Corporation	Fairbanks Chamber of Commerce

4. Organizations Eligible for Participation through Section 7 Bylaw Amendment in March, 1978:

Koyukon Development Corporation	Upper Tanana Development Corporation
Upper Yukon Development Corporation	

5. Organizations Eligible for Participation through Section 7 Bylaw Amendment in March, 1979:

Fairbanks Chamber of Commerce

6. Other Organizations Eligible for Participation:

National Association for the Advancement of Colored People

d. Citizen Participation

The activities of the Fairbanks Town and Village Association for Development, Inc. are governed by a 37-member Board of Directors. It is the Board's responsibility to adopt and implement an Overall Economic Development Program for the District. This program includes the determination of policy, identification of development goals, establishment of project priorities, and the creation of a development strategy to accomplish the District goals.

TASK SUMMARY

ECONOMIC DEVELOPMENT:

Task	Keyword Code
Task #1	Economic Diversification Strategy
Task #2	Small Industries Development
Task #3	Business Loan Specialists
Task #4	Fairbanks Downtown Revitalization
Task #5	New Loan Funds
Task #6	Decentralization

TRANSPORT DEVELOPMENT:

Task	Keyword Code
Task #1	Fairbanks Airport Development
Task #2	Rural Airport Development
Task #3	Local Service Roads

COMMUNITY FACILITIES DEVELOPMENT:

Task	Keyword Code
Task #1	McGrath Multipurpose Building
Task #2	Fort Yukon Utility Building
Task #3	Fairbanks Downtown Revitalization
Task #4	Rural Capital Improvements
Task #5	Rural Capital Improvements

ENERGY CONSERVATION AND HOUSING REHABILITATION:

Task	Keyword Code
Task #1	Energy Conservation

PETROLEUM RESOURCE POLICY:

Task	Keyword Code
Task #1	Oil and Gas Management
Task #2	Energy Development Impact
Task #3	Alaska Regional Center, U.S.G.S.
Task #4	Gas Conditioning Plant
Task #5	Mineral Industry Development

WORKFORCE DEVELOPMENT:

Task	Keyword Code
Task #1	TVCC/Hutchison
Task #2	Fairbanks Fire Training Center

RENEWABLE RESOURCE DEVELOPMENT:

Task	Keyword Code
Task #1	Agricultural Production
Task #2	Forest Products Industry

PROGRAM BUDGET/STAFFING ESTIMATE
FY '80, '81 & '82

Task	Activity Code	Estimated Additional Cost	Annual Management Cost @ 20%	Program Staff Required	Estimated Program Start Date	Program Duration	Termination Date
MAJOR PROGRAM CATEGORY: Economic Development							
Task #1	T.A.	50,000	5,000	$5,000	01/01/80	1	01/81
Task #2	D	125,000	25,000	2 man/yrs.	07/01/80	5	07/85
Task #3	D	100,000	20,000	2 man/yrs.	07/01/80	-	Contin.
Task #4	P	50,000	10,000	1 man/yr.	01/01/80	2	01/82
Task #5	D-Comp.	50,000,000	50,000	1 man/yr.	07/01/80	2	01/82
Task #6	P	20,000	4,000	¼ man/yr.	04/01/80	2	04/82
			114,000				
MAJOR PROGRAM CATEGORY: Transport Development							
Task #1	D	100,000	20,000	1 man/yr.	07/01/80	2	01/82
Task #2	C	500,000	12,500	¼ man/yr.	04/01/80	1	04/81
Task #3	C	---	5,000	---	---	-	---
			37,500				
MAJOR PROGRAM CATEGORY: Community Facilities							
Task #1	C	500,000	12,500	¼ man/yr.	10.01/79	1	,0/80
Task #2	C	500,000	12,500	¼ man/yr.	10/01/79	1	10/80
Task #3	C	10,000,000	100,000	2 man/yrs.	04/01/80	3	04/83
Task #4	T.A.	100,000	10,000	$10,000	04/01/80	1	04/81
Task #5	C	10,000,000	100,000	2 man/yrs.	07/01/80	4	04/84
			235,000				
MAJOR PROGRAM CATEGORY: Energy Conservation and Housing Rehabilitation							
Task #1	D-Comp.	up to 5,000,000	50,000	1 man/yr.	04/01/80	2	04/82
			50,000				
MAJOR PROGRAM CATEGORY: Petroleum Resource Policy							
Task #1	D	50,000	10,000	1 man/yr.	04/01/80	2	04/82
Task #2	D-Comp.	20,000,000	50,000	1 man/yr.	04/01/80	3	04/83
Task #3	T.A.	50,000	5,000	$5,000	04/01/80	2	04/82
Task #4	T.A.	500,000	50,000	1 man/yr.	04/01/80	2	04/82
Task #5	D	50,000	10,000	1 man/yr.	01/01/81	2	01/82
			125,000				
MAJOR PROGRAM CATEGORY: Workforce Development							
Task #1	P	50,000	10,000	1 man/yr.	07/01/80	3	07/83
Task #2	T.A.	20,000	2,000	$2,000	07/01/80	1	07/81
			12,000				
MAJOR PROGRAM CATEGORY: Renewable Resource Development							
Task #1	P	50,000	10,000	1 man/yr.	07/01/80	3	01/83
Task #2	P	50,000	10,000	1 man/yr.	07/01/80	3	07/83
			20,000				

I. REQUEST

Bill/Resolution No. HB 625 and 626

Title An Act relating to special appropriation for Fairbanks Town and Village Associati

Requested by Community and Regional Affairs Date 1/31/80

II. FISCAL DETAIL

Agency Affected Administration

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Administrative Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

All costs are included in the attached Fiscal Note for HB 578

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE January 31, 1980 PREPARED BY Judy Crondahl

AGENCY Administration

PHONE 465-2277

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

NAME OF WITNESS	ADDRESS	TELEPHONE	BILL TO TESTIFY ON
BRIAN ROGERS	Pouch V	465-4925	
John A Carlson	Fairbanks	452-4761	
John B Cox Smith	Nenana	832-5476	
		456-5178	
Jerry Smetzer	Fairbanks		

Fairbanks Town & Village
Association
for
Development, Incorporated

407 second avenue
p.o. box 74080
fairbanks, alaska 99707
(907) 456-5178

February 27, 1980

The Honorable Arliss Sturgelewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgelewski:

Thank you for the lunch and the opportunity to discuss the legislation on the unorganized borough.

As promised, though later than I had hoped, this letter at least briefly capsules the thinking of the FTVAD Board of Directors - and my own - on this legislative initiative.

We are pleased with the commitment and the initiative of the two CRA committees in dealing with the problems of the unorganized borough. We are particularly pleased with the recognition in SB 580 that a system of sub-state regional boundaries for the conduct of state administrative functions is essential. We support the effort you are putting into these bills and we urge you, Representative Bill Parker and the members of the two committees to continue your good work in this most difficult, complex and dynamic area of public policy.

At the mid-December annual meeting of our regional board of directors the board adopted a specific three part policy on State Decentralization which is relevant and provides the basis of my comments in this letter.

FTVAD policy on state decentralization is as follows:

1. The Governor should by Administrative Order immediately institute a common system of regional planning, development, and government administration boundaries within the legal boundaries formed by the twelve native regional corporations created under the authority of the Alaska Native Claims Settlement Act of 1971.

2. The Governor should by Executive Order begin immediately the decentralization of administrative decision making into these regions by divesting agencies of the state of their accumulations of centralized authority which were not explicitly granted by the constitution.

3. The Governor should by Executive Order begin immediately the democratization of the state's administration of planning, development, project recommendation and priority setting activities, and the delivery of needed government services within these regions by financing and contracting their provision through fiscally sound, locally controlled non-profit, quasi-governmental corporations conducting related activities."

The Board's policy, which was adopted unanimously, has been evolved over a period of several years. It represents our view of what the state must do if residents of the state's regions are to have any chance of guiding administrative actions by the state and the administrative allocation of resources by the state in a manner which will enable them to protect their most fundamental local concerns with their jobs, families, neighborhoods and communities.

You stated that some people were viewing the legislative proposals as a "first step" in what may require years to bring to fruition.

Actually the "first step" in Alaska was taken at the Constitutional Convention at the University campus in 1955. At that time the idea was developed that a state so vast and so diverse in its several major regions needed a unique and innovative system of strong local governments and associated regional institutions operating almost as a federation within the general sovereignty of the state. The idea was never developed beyond the organized borough concept in a limited geographic region authorized by Article X.

Since that time, some form of decentralized state administrative structure has been incorporated into the governing apparatus of at least 47 other states but never in the unorganized borough of Alaska.

The first step in this decentralizing process is the designation of sub-state regions by the state in order to bring some order into the otherwise chaotic jumble of administrative and functional boundaries created by individual agencies, boards, commissions, and almost anyone else able to claim some legitimate state purpose.

The sub-state regional system in these 47 states is so taken for granted nationally that the federal government has, for several years, required federal agencies with domestic responsibilities to conform their jurisdictional boundaries to the sub-state regions established by each state. The federal government cannot do this in Alaska, of course, because Alaska still has no official sub-state regions.

With the exception of SB 353 - which we support based on our Fairbanks experience - the other bills appear to be little more than housekeeping measures, and FTVAD has no particular comment on them.

Generally speaking we support the position of the Tanana Chiefs Conference on these bills.

If you have additional questions on my comments here, please call me.

Sincerely,

Jerry E. Smetzer
Executive Director

JES:rlf

cc: FTVAD Executive Committee Members

agency requests for bail outs should be taken to the courts. If extraordinary problems in the form of constitutional conflicts surface during the conforming period they can be considered during the legislative session which begins in January 1982.

The intent of the Data and Information section is not clear. What is clear based on our experience is that such a requirement will not work without an interagency convening and oversight authority designated by statute. What is also clear is that such an authority, if it is to serve a useful public purpose, has to have an independent arm's length relationship to the agencies it is to oversee. Finally the reference to federal agencies sounds good but it will not work either until the federal government has a functioning interagency convening authority within Alaska.

The federal government has no such authority because the state has never asked them to form one. The best method of accomplishing these purposes is to either designate existing independent quasi-governmental or non-profit public interest organizations within each region; or authorize their creation where they do not now exist ... as we suggest in Policy Statement #3.

FTVAD Policy Statement #3:

SB 349

Though there are a series of bail out provisions in this bill its primary purpose is to enable the Commissioner of DCRA to use contracting authority to encourage the formation of AS 29 municipalities. The most vital questions bearing on whether or not a government should be formed anywhere in the unorganized borough - economic development potentials, capital facility needs, fiscal relationship with both the federal and state government, the quality of the tax base, representation, etc. - should be raised by those who must live with the job, family and neighborhood concerns in their area, and the state finance the explorations of those concerns by the people themselves through their locally designated or elected representatives.

The issues bearing on the formation, function and structure of government in the unorganized borough are much too important to assign to any single agency of the state. If assurances are needed that such funds be limited to the investigation of questions bearing on the formation and financing of local government, then DCRA should be mandated to devise a standard methodology for the conduct of such studies by sponsoring residents of any area in the unorganized borough which proposed to form a local or regional government. The commissioner's authority can then be limited to determining the degree of compatibility with the standard methodology.

We would recommend that the committees give careful consideration to our third policy recommendation and re-write this bill accordingly.

I have included some specific comments on these bills and related them to our policy statements.

FTVAD Policy Statement #1:

HB 580/SB 348

If state designated sub-state regional boundaries are to be effective they must be negotiated and agreed upon by the residents most affected so that they will make sense physiographically and culturally.

To assure that these boundaries remain in effect long enough to allow the gradual evolution of new governing institutions, these boundaries should already be in existence and should have been created in response to something other than an initiative of government.

Finally they should be insulated and completely removed from the arbitrary actions of government officials to change them.

While the established boundaries of the Rural Education Attendance Areas (REAA) meet several of these tests they fail the most important test of all in that they were established and they exist only because of the government's responsibility for education. The REAA boundaries have no functional relationship to the main non-education interests of residents and are not relevant to the non-education functions of other state, local and federal agencies.

Only the native regional corporation boundaries established under the authority of the Alaska Native Claims Settlement Act of 1971 meet all these tests. The REAAs do not. It was for this reason that the jurisdictional boundaries of FTVAD were made in 1974 to conform to the regional boundaries of Doyon, Limited, and it is the rational behind our first policy statement.

Though we fully support the idea that each agency of the state should be required to conform its internal jurisdiction boundaries to the regional boundaries, we oppose the idea that an individual commissioner be given any discretion in designating boundaries or in making boundary adjustments. The loopholes and escape clauses in the Exemptions and Modifications sections are so broad in any case that they defeat the purposes of the preceding sections of the bill.

The kind of fundamental changes in agency/constituent practices, procedures and relationships that will be required with the designation of sub-state regions are going to be painful to those who have vested interests in the agency status quo, and they will surely object to the elimination of those loopholes.

All in all, over the longer run, the pain will be less if all agencies are required to begin conforming their boundaries within 90 or 120 days of enactment with completion mandated within 1½ years. In the meantime

Because of the general public confusion about the jurisdictional boundaries of state agencies the absence of formal regions is causing enormous problems. The costs of resolving these problems are being paid by taxpayers and by others outside the state's administrative apparatus. To say it may take years to establish these boundaries is bad news ... particularly for those of us who are trying to work productively in the complex area of intergovernmental relationships between local, state and federal agencies, where the state - the main player - has no policy, no procedure and no deliberative mechanism for the conduct of essential policy-making dialogue between state and non-state regional and local interests outside the second floor of the capitol building.

Though I am very pleased that SB 348 raises the issue of sub-state regional boundaries, I do agree with you that the legislature is not the proper place to establish them. We have always maintained that only the governor can do this and he must do it by executive order. FTVAD is now, by policy, saying that the situation has become so severe that he must do so immediately.

Based on our policy statements, we have a major problem with the general premise upon which this legislation has been prepared. It is obvious that the only system of self-government contemplated for the unorganized borough is that which has been defined in the Municipal Code. While we have no objection to the Municipal Code per se, nor do we have any complaints with the Code insofar as it is applied in the state's urban centers, we do object to the notion that it is, according to the legislation, the only acceptable method of government in the unorganized borough.

You may recall my comment about the social ferment that is presently occurring in the bush. This ferment is generating whole new ideas of self-reliance, self-government and the delivery of essential government services.

The fact that the legislation fails to recognize that this activity is occurring is my single greatest dissappointment with the legislation.

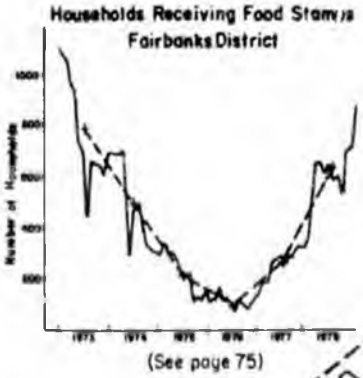
Failing to recognize or acknowledge this activity is not so bad in itself. The worst problem is that the incentives for self-government in the unorganized borough are limited to existing AS 29 municipalities or those groups which plan to form AS 29 municipalities.

Since the whole purpose of such a broadly based legislative initiative, I asume, is to recognize and address failures in the governing structure in the unorganized borough, my first working assumption would be that AS 29 municipalities themselves do not work there and should be replaced with something better. We do not mean to suggest, necessarily, that the legislation should propose any radical new forms of government. However, there have to be incentives for the exploration of alternatives to AS 29 as well as recognition that some alternatives exist already.

COMMUNITY INFORMATION REVIEW

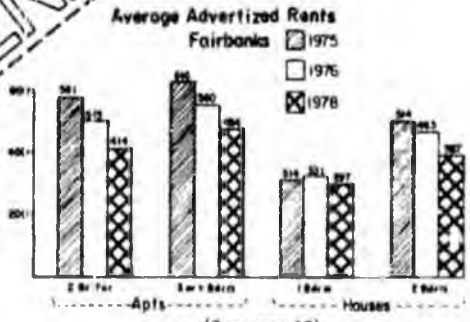
SOCIO-ECONOMIC CONDITIONS IN FAIRBANKS

March 1979
Volume II No. 1a



(See page 75)

1978 YEAR-END WRAP-UP



(See page 46)

The Fairbanks unemployment rate averaged 17.9% for 1978, while the 1978 labor force average declined 11% from its 1977 level.

Fairbanks business sales generally leveled off or declined for 1978, but fast food restaurant sales continued to grow and some other categories pulled out of earlier declines.

Violent crimes increased 8% to 10% in the Fairbanks area over 1977, but property crimes dropped 5% to 10%.

Public transit ridership rose 54% between February 1978 and February 1979, while transit revenues increased 53% in the same period.

FAIRBANKS NORTH STAR BOROUGH, COMMUNITY INFORMATION CENTER
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COMMUNITY INFORMATION REVIEW

Socio-Economic Conditions in Fairbanks, Alaska

March 1979

Volume II - No. 1a

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INTRODUCTION

The Community Information Review is a new publication designed by the Community Information Center to present in a short, easily readable format the basic information contained in the more extensive Community Information Quarterly. By using the condensed format, we can greatly reduce printing costs and expand the dissemination of this information to the Fairbanks-area public. The Quarterly containing more detailed socio-economic data will continue to be available to the public.

We hope that this Review will be of interest and use to you. If you have questions and comments on this publication, please call us at 452-4761.

COMMUNITY INFORMATION CENTER

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The Advisory Board meets regularly on the third Wednesday of the month at 7:30 p.m. in the basement conference room of the Borough's offices. The public is invited to attend and participate.

ACKNOWLEDGEMENTS

The Community Information Center staff would like to thank the many persons, businesses, government agencies, and organizations who provided information included in this report. We also acknowledge Marsha Bauman, Marilynn Forrest, Kathy Franz, Heide Sciore, and Patty Smith, for their assistance in the preparation of this report.

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Sample of Houses Sold. Note: Bedrooms are counted only on main living level. Therefore, bedrooms in a finished lower level are not reflected in the count. Adjustments were made where the records clearly indicated finished bedrooms on other levels. 6
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Source: Fairbanks North Star Borough Sales Tax Office.

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Source: City of Fairbanks Finance Department and Fairbanks North Star Borough Finance Department.

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Map of Fairbanks Metropolitan Areas 14
Source: Fairbanks North Star Borough Planning Department.

Population Summary 14
Source: Fairbanks North Star Borough Planning Department.

COST OF LIVING

Consumer Price Index

In January 1979, the Anchorage Consumer Price Index for All Urban Consumers (CPI-U) reached 198.1, or an increase of 10.5% from January 1978. The average increase between 1977 and 1978, however, was computed as 7.1% using a weighted formula. All major categories posted increases of 2.7% to 13.0% for the year.

The overall *food* category increased 13% from January 1978 to January 1979, with *food at home* rising 14.7% and *food away from home* increasing 10.0%. In the period November 1978 to January 1979 alone, *food away from home* increased 6.8%. The general *housing* category rose 11.8% from January 1978 to January 1979. Housing subcategories include *rental costs* (up 3.2%), *other rental costs* such as hotel and motel rates (up 13.7%), *homeownership costs* (up 16.7%), and *fuel and other utilities* (up 0.4%) whose low rate of increase moderated housing costs in general. Other major increases for the January 1978 to January 1979 period were posted by *transportation* (up 9.1%) and *medical care* (up 9.4%). *Apparel and upkeep* rose by 2.7% in the January to January period, but showed a 2.4% decrease from November 1978 to January 1979.

Consumer Price Index--What is it?

The Consumer Price Index is *a statistical measure of changes in prices of goods and services bought* by specific groups of people. The index, compiled by the U.S. Department of Labor, Bureau of Labor Statistics (BLS), is often referred to as the "cost of living" index. While the CPI attempts to measure price trends which are an indicator of cost of living changes, it does not indicate how much families actually spend to meet their living expenses. The CPI for one city is not comparable to a CPI for another city as a cost differential factor. Anchorage is the only place in Alaska which has a CPI. Presently, the BLS is collecting data in Fairbanks and a new CPI will be released bi-monthly starting in May 1979. The CPI for Fairbanks and Anchorage will not provide a cost differential indicator between the cities. However, it will allow a comparison between rates of change.

CONSUMER PRICE INDEX-U
(October 1967 = 100)
Anchorage, Alaska
1978-1979, Bi-monthly

	All Items	Food	Housing	Apparel & Upkeep	Transportation	Medical Care	Entertainment	Other
1978								
March	180.7	196.6	176.6	155.3	169.0	223.8	186.4	176.4
May	184.2	205.0	178.2	159.0	175.4	224.0	188.1	179.3
July	188.5	205.0	185.1	157.1	179.1	228.8	189.7	180.1
September	193.2	209.1	191.3	161.7	179.0	233.2	191.2	184.8
November	194.7	210.2	192.7	161.9	181.5	233.4	189.9	185.3
Average	187.5	204.1	184.1	158.3	176.3	228.6	187.4	180.7
1979								
January	198.1	217.5	196.5	150.0	183.8	244.6	190.1	186.8

SOCIAL CONDITIONS

Crime

Violent crime decreased by 35% within the City of Fairbanks and by 29% in the Borough outside the city from 1976 to 1978. In the same two year period, robbery dropped 56% in the City and 85% in the Borough excluding the City of Fairbanks, while vehicle theft was down 44% and 36% in the two areas, respectively.

In the past year, however, violent crime has increased 10% in the City of Fairbanks and 8% in the Borough outside the city. Property crimes continued to drop in both the City and the Borough from 1977 to 1978. The property crime decrease was 5% for the City and 10% for the rest of the Borough.

MAJOR VIOLENT AND PROPERTY OFFENSES
FAIRBANKS POLICE DEPARTMENT AND ALASKA STATE TROOPERS - DETACHMENT I
1970-1978

	1970	1971	1972	1973	1974	1975	1976	1977	1978
VIOLENT OFFENSES	166	188	185	196	284	406	431	269	293
Criminal Homicide	14	10	5	8	9	8	5	11	13
Negligent Homicide	5	4	7	5	5	8	11	6	1
Forcible Rape	18	21	20	24	22	30	38	32	37
Robbery	34	28	28	22*	60	84	126	69	46
Aggravated Assault	95	125	125	137	188	276	251	151	196
PROPERTY OFFENSES	2,061	1,704	1,845	2,335	2,759	4,437	4,356	3,685	3,428
Burglary	511	456	493	503	557	746	825	816	781
Larceny	1,053	915	1,034	1,506	1,714	2,595	2,660	2,098	2,136
Vehicle Theft	497	333	318	326	488	1,096	871	771	511

* State troopers believe this figure is in error and should be higher.

Juvenile Offenses

Juvenile offenses, which declined in 1977 from 1976 levels, have recently begun to increase. All juvenile offenses, including those committed by males and females, rose 11% in 1978 compared to the previous year. Male juvenile offenses increased by 13% in that period, while female juvenile offenses registered a 6% rise. In the past twelve months, male juvenile offenses for larceny increased 50%, but burglary declined 23%. For female juveniles, runaway offenses jumped 21% in that period, and shoplifting increased 22% for all juveniles.

Households Receiving Food Stamps

The number of households receiving food stamps rose to a monthly average of 622 in 1978, compared to a 256 monthly average for 1977. The 1978 figure represents a 143% increase over 1977 and a 402% increase over the record low registered in 1976 during the oil line construction period. The highest level was reached in 1973 when a monthly average of 792 households received food stamps.

Air Quality--Carbon Monoxide

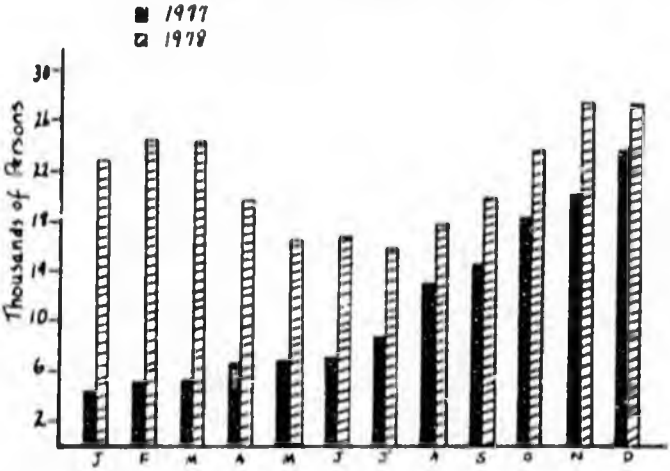
The number of days in the City of Fairbanks with 8-hour periods exceeding nine parts per million of carbon monoxide decreased by 45% in 1978, going from a total of 60 days in 1977 to 33 days in 1978. The 1978 figure also represents a 76% drop over the record high number of days registered in 1974. Similar declines occurred in the monthly maximum 8-hour averages for the City, where the 1978 average of 7.5 parts per million was a 40% decrease over the 1977 level and a 58% drop over the record high listed for 1974.

The improving air quality condition in Fairbanks for carbon monoxide emissions is attributed to more effective emission controls on more recently manufactured automobiles, better traffic flow patterns in the downtown area, and greater public awareness of the need to reduce carbon monoxide levels. The milder weather conditions of the past few winters have also helped to reduce the ambient carbon monoxide levels, although the extent of the weather's influence on carbon monoxide concentrations in Fairbanks is unknown.

Transit Operations

Borough transit ridership rose 54% in February 1979 compared to February of the previous year, setting a monthly record high of 37,803 passengers. Revenues for this period increased by 53%. Public transit service in the Borough was inaugurated in August 1976. Currently, five buses serve seven routes, covering 860 miles in the City and 500 miles in the rest of the Borough daily during February 1979.

PUBLIC TRANSIT--RIDERSHIP
Fairbanks North Star Borough
1977-1978, By Month



School Transportation

The number of students using school transportation in 1978/79 has remained at the previous school year level. This figure represents a 4% increase over the 4,821 students bused in 1973-74, but a 13% decrease from the 1975/76 level. Transportation costs per pupil, however, are 218% higher in the current year than in 1973/74 and 177% higher than in 1975/76.

HOUSING

New Housing Construction

New housing construction decreased by 49% in 1978, compared to 1977. The greatest part of this decline came in the multi-family category. The number of building permits issued for multi-family dwelling construction dropped 75% in 1978 compared to the previous year. Single family housing starts decreased by 12% for this period, indicating greater resilience. The dollar amount of building permits for new single family homes increased by approximately 2% over the 12-month period.

The decline in the number of building permits issued for new housing construction has occurred elsewhere in the state. The statewide totals are down 33% for 1978 compared to the previous year. Anchorage housing construction has decreased 33%; Juneau is down 18%; Kenai is down 40%; but Palmer is up 67%.

Houses Sold

In 1978 the average selling price of a home in the Fairbanks area was $71,276, up 6% from the 1977 average selling price of $67,105 according to a Community Information Center survey of a local appraisal firm. The average 1978 selling price of a two-bedroom home was $70,784 which is a 14% increase over the 1977 average price of $61,873. A three-bedroom home in 1978 sold for an average price of $74,239, a 10% increase of the 1977 average of $67,273.

Although these figures represent only a sample of homes sold and not the total sales, the number of homes selling for more than $100,000 increased significantly in the past year. In the 1977 sample, seven homes were listed as selling for $100,000 or more, whereas twenty-nine homes fell into this category in 1978. This represents a tripling of the number of homes sold at this dollar level and an increase of $100,000-plus home sales from 3% of the sample in 1977 to 9% in 1978.

SAMPLE OF HOUSES SOLD
Fairbanks North Star Borough
1977-1978

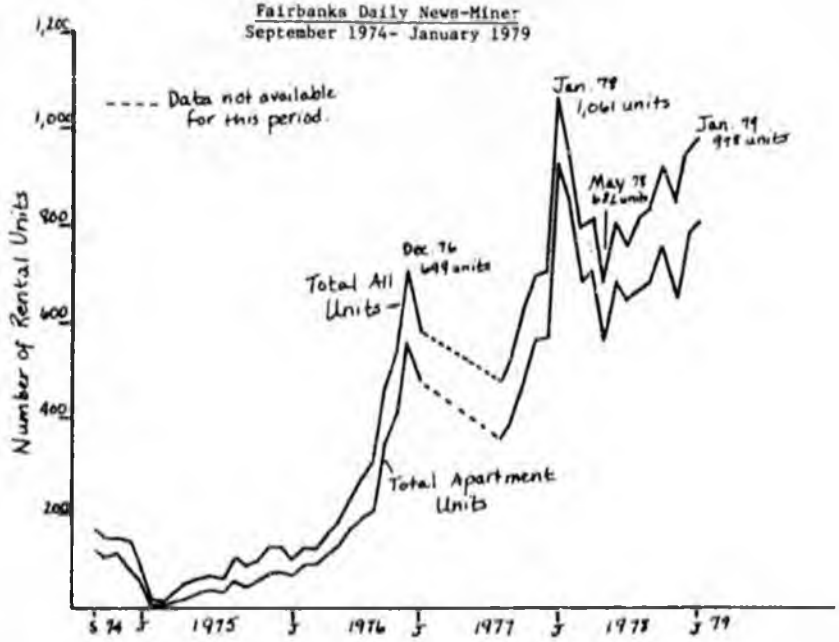
	1 Bedroom	2 Bedrooms	3 Bedrooms	4 or More Bedrooms	Other	Total
1977						
Total	--	68	146	30	--	244
Average	--	$61,873	$67,273	$78,150	--	$67,105
1978						
Total	25	109	165	21	6	326
Average	$41,345	$70,784	$74,239	$83,761	$39,000	$71,276

Rental Housing

A total of 978 housing units were advertised for rent in January 1979, according to a Community Information Center survey. January is traditionally the month with the highest number of available housing units, and although the January 1979 figure represents the second highest figure recorded, it also represents an 8% decline over the number of units advertised for rent in January 1978. The record high for January 1978 additionally marked the culmination of a major housing construction effort launched in 1977 to meet housing shortages resulting from the building of the trans-Alaska oil pipeline.

Of the January 1979 total, 797 units, or 81%, were apartments, which represents a 14% decline over the number of apartment units advertised in January of the preceding year. The number of houses for rent, however, increased in January to 119 units, or an increase of 65% over the number of rental houses for January of the previous year. The record number of houses advertised for rent was established at 122 in November 1978.

RENTAL HOUSING UNITS ADVERTISED
Fairbanks Daily News-Miner
September 1974- January 1979

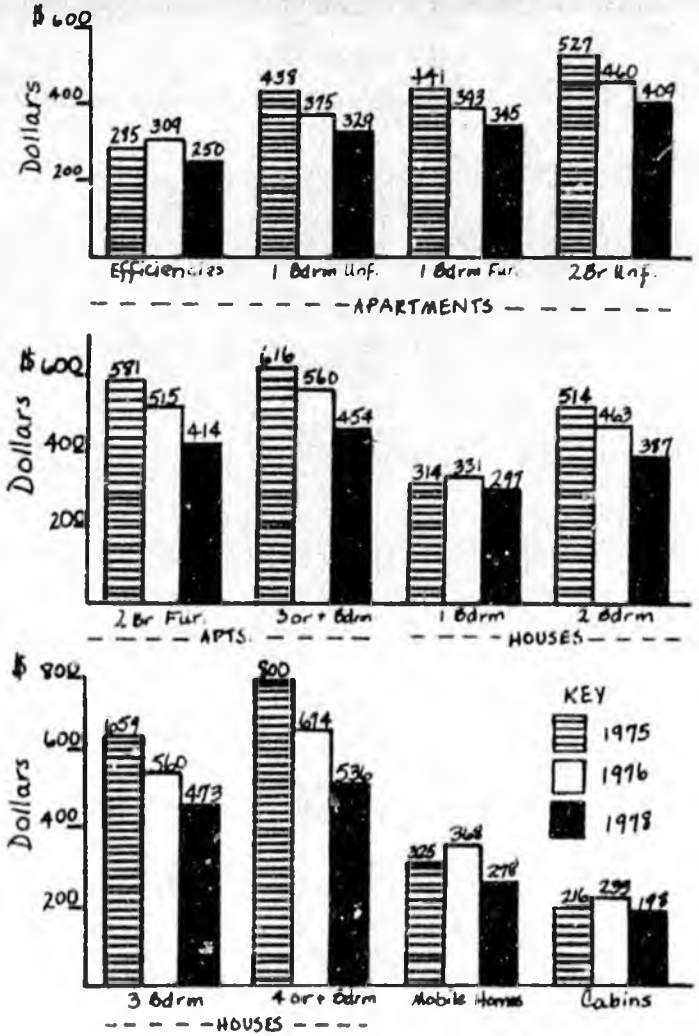


Rental Housing Costs

Rental costs have continued their downward slide through 1978, as compared to the previous year, based on a Community Information Center survey of housing units advertised for rent. Fourth quarter 1978 average rents were 4% to 16% lower than for the same quarter in 1977. Monthly rental costs for a two-bedroom house dropped to $387 for fourth quarter 1978, or 11% below the figure for the same period in 1977.

The steady decline in housing rental costs in the Fairbanks area results from the major construction effort launched to alleviate the housing shortages occurring during the oil pipeline period.

AVERAGE RENTS
Housing Units Advertised For Rent
Fairbanks Daily News-Miner
Fourth Quarter Comparisons
1975,1976, and 1978



Telephone Utilities

In the past ten years, the number of residential phones has increased 75% from 6,475 in 1969 to 11,345 in 1978. Business phones have increased 139% for the same period or 2,580 to 6,169. The number of coin-operated telephones in the Fairbanks Municipal Utilities System (MUS) has actually decreased from 168 in 1969 to 165 in 1978.

Residential private lines in MUS have decreased by 14% from 2,234 in 1973 to 1,930 in 1978. The Globe exchange, 452- and 456- numbers, represents 70% of the residential phones and 71% of the business phones of MUS. In residential

phones, Globe has 26% private lines, 33% 2-party lines, and 41% 4-party lines. The Greenwood exchange, 479- numbers, is comprised of 11% private lines, 30% 2-party lines, and 60% 4-party lines. MUS has upgraded all 8-party lines since 1973.

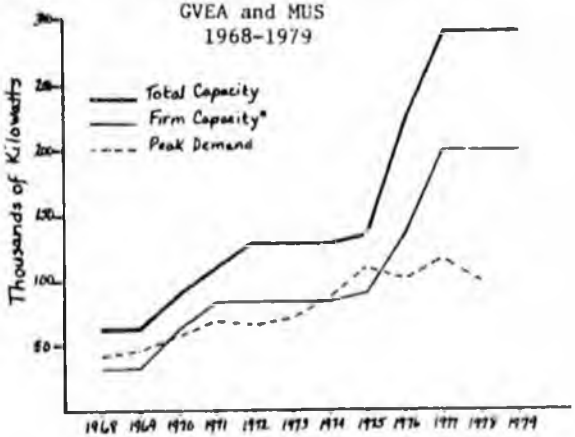
Electrical Utilities

Between 1973 and 1978, the number of electrical customers in Fairbanks rose 47% from 13,708 to 20,160. From 1976 to 1978 customers increased 13%. The growth is seen mainly in Golden Valley Electric Association (GVEA) where customers have increased by 76% from 8,355 in 1973 to 14,705 in 1978. During the same period MUS increased from 5,353 to 5,455, or a 2% growth. The increase in GVEA's residential customers reflects the large amount of new construction which occurred in the outlying areas. GVEA's commercial customer increase is more directly related to the pipeline since these include power to Pump Stations 8 and 9, the pipeyard, and the South Cushman complex.

The number of kilowatt hours (KWH) sold has increased 47% for residential and commercial users from 1973 to 1978. In 1978 GVEA sold 309.1 million KWH with 49% to residential and 51% to commercial users. MUS sold 120.2 million KWH in 1978, 23% of which goes to residential, 52% to commercial, 22% to governmental, and 3% to other utility users.

In 1978 MUS generated 98% of its electricity with coal while GVEA used coal for 65% of its power generation. The KW capacity of MUS and GVEA has remained constant since 1977 at 291,335 KW. The firm capacity (system capacity if the largest MUS and the largest GVEA units fail) is 201,335. This capacity exceeds the peak demand of recent years: 99,700 KW in 1978, 117,500 KW in 1977, and 101,420 KW in 1976.

TOTAL GENERATING CAPACITY
GVEA and MUS
1968-1979



Currently, electrical utility rates in Fairbanks per 1,000 KWH are $70.14 for MUS and $76.11 for GVEA. The heating requirements and costs for a typical home (as illustrated by a model by Axel Carlson, Cooperative Extension Service, University of Alaska, Fairbanks) show that coal is the most economical at a monthly average of $56.57; fuel oil is $91.52; and electricity is the most expensive at $264.51 (MUS) and $268.69 (GVEA).

EMPLOYMENT

Employment

During 1978 the average monthly nonagricultural employment was 21,585, an 11% decline from the 1977 monthly average of 24,238. However, between January 1978 and December 1978 the decline in employment was less than 1%. During 1978 nonagricultural employment averaged 9% construction, 13% transportation, 19% trade, 18% services and miscellaneous, and 34% government. Between January 1978 and December 1978, construction employment dropped 21%. During the same period trucking and warehousing rose by 33%, wholesale trade increased by 5%, retail trade by 6%, and government by 8%. (Nonagricultural wage and salary employment is an estimate of employment by place of work from survey data.)

Unemployment

The average 1978 jobless rate for Fairbanks was 17.9% which is 46% higher than the 1977 average of 12.3%. The number of persons unemployed in fourth quarter 1978 was 16.4% of the civilian labor force of 20,481. In December 1978 the unemployment rate was 16.4% compared to the January 1978 figure of 13.8% unemployed. In 1978 the highest monthly jobless rate was recorded in May at 20.7% followed closely by April at 20.2% and June at 19.5%

In January 1979 the unemployment rate was 16.4% with 3,276 persons unemployed out of a civilian labor force of 19,925. Please note that civilian labor force estimates ate blased on place of residence and vary slightly from nonagricultural wage and salary statistics which are estimates by place of work.)

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
By Place of Work
Fairbanks Labor Market Area
Fourth Quarter Comparisons
1976-1978

	1976	1977	1978
Mining	117	100	37
Construction	5,567	2,433	1,738
Manufacturing	333	233	506
Food Processing	50	50	--
Other Manufacturing	283	183	--
Transport., Comm., & Util.	3,383	2,967	2,650
Trucking & Warehousing	1,367	850	511
Water Transportation	50	50	--
Air Transportation	750	650	653
Other	1,217	1,417	1,486
Trade	4,550	4,433	4,115
Wholesale Trade	933	817	798
Retail Trade	3,617	3,617	3,317
Gen. Merch. & Apparel	533	533	464
Food Stores	583	533	493
Eat & Drink Places	1,050	1,000	--
Other Retail Trade	1,450	1,550	2,360
Finance, Insur., & R. Est.	967	883	864
Service & Miscellaneous	4,483	3,800	3,776
Government	7,283	7,233	7,592
Federal	2,467	2,267	2,602
State	3,000	3,033	2,993
Local	1,817	1,933	1,997
TOTAL	26,683	22,082	21,277

Unemployment program claimants in Fairbanks have been declining since March 1978 except for a jump in November 1978. However, in 1978 an average of 78 persons a month are exhausting their extended unemployment benefits. The amount of unemployment benefits paid within the Fairbanks area in 1978 was $14.9 million, up 5% from 1977. During 1978 payments within the state of Alaska totalled $51.7 million up 3% from 1977, while payments made outside the state in 1978 decreased 35% from 1977 to $24.1 million.

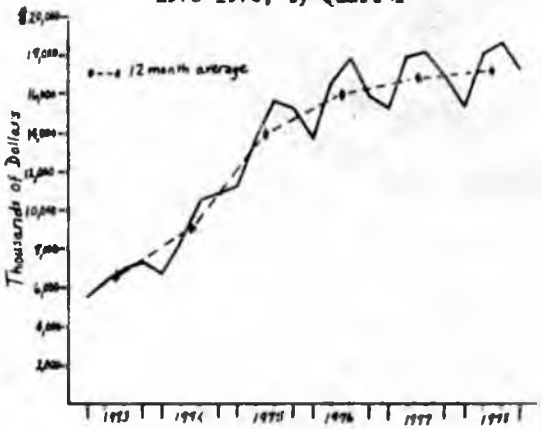
Union membership averaged 3?,973 for fourth quarter 1978, as reported voluntarily to the state Department of Labor starting in mid-1978.

THE ECONOMY

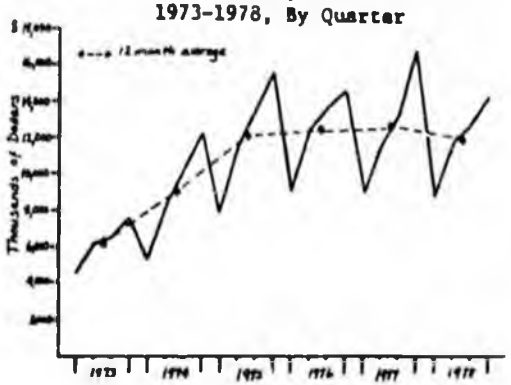
Retail Trade

Gross sales for selected businesses in the Fairbanks area generally leveled out or declined in 1978 compared to 1977. Major food stores registered a 3% increase for 1978 compared to the previous year, while auto dealers appear to have pulled out of an earlier decline to finish 1978 at the same level as the previous year. Fast-food restaurant sales, which had grown dramatically in the past two years, slowed to a 6% increase in 1978 over 1977. Hotels and motels have reversed earlier declines with 1978 totals 2% higher than the previous year. Declines in yearly totals were registered for department, drug, and furniture stores (down 5%), downtown bars (down 23%), office supply and related services (down 8%), and sporting goods stores (down 12%).

GROSS SALES FOR MAJOR FOOD STORES
Fairbanks, Alaska
1973-1978, By Quarter



GROSS SALES FOR MAJOR DEPARTMENT, DRUG, AND FURNITURE STORES
Fairbanks, Alaska
1973-1978, By Quarter



Airport Activity

The number of passengers and the level of operations (take-offs and landings) at the Fairbanks International Airport declined in 1978 compared to the previous year. Passengers decreased 6% to a yearly total of 512,395 and operations declined by 13% over this period. The amount of freight handled, however, increased by 2% for the year to a total of 156.5 million pounds, although this is 57% below the peak figure of 360.4 million pounds in 1975. In 1978, passengers, freight, and operations ran 55%, 67%, and 25% higher, respectively, than the pre-pipeline year of 1973.

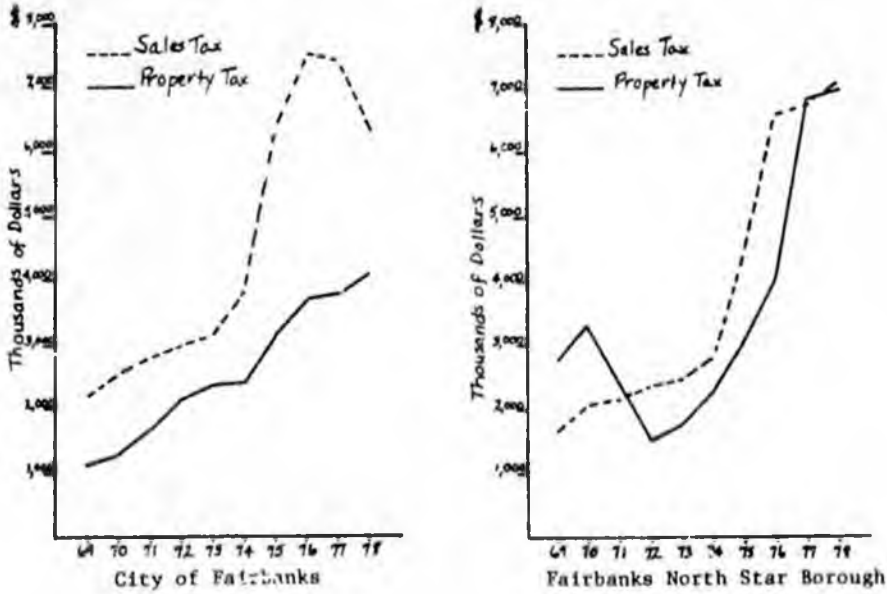
Property Tax and Sales Tax

Assessed valuation of property in the Borough increased 20% in 1978 to $1.63 billion compared to 1977's level of $1.36 billion. The greatest increase resulted in the City of North Pole which went from a pre-oil refinery assessment in 1977 of $11.4 million to $46.1 million in 1978, while the City of Fairbanks' assessed property value increased 15% in the year.

Borough-wide property tax mill rate was set at 7.2 mills. The lowest mill levy was 5.0 mills in 1971, while the record high of 16.5 was set in 1969.

Tax revenues for the Borough as a whole leveled off in 1978 compared to the previous year. Borough sales tax receipts increased by 5% and property taxes by 2% during this period. In the City of Fairbanks, property tax revenues increased 8%, but sales tax receipts declined 15% from 1977. 1976 represented the peak year for City of Fairbanks sales tax receipts, while property tax and sales tax revenues for the Borough have continued to increase slightly through 1978.

TAX REVENUE BY SOURCE
(In Thousands of Dollars)
City of Fairbanks and Fairbanks North Star Borough
Fiscal Years 1969-1978



Alaska Railroad Operations

During 1978, Alaska Railroad operations experienced a 17% decrease in revenues over the preceding year as well as a 7% decline in expenditures for the same period. The railroad's overall operational deficit increased by 185% to a loss of $5 million for the year, compared to 1975 when a record profit of $5.8 million was earned. Capital expenditures also declined 59% in 1978 compared to 1976's peak figure of $8.6 million. The number of passengers carried by the Railroad, however, rose 22% in 1978 to a record level of 126,277 persons.

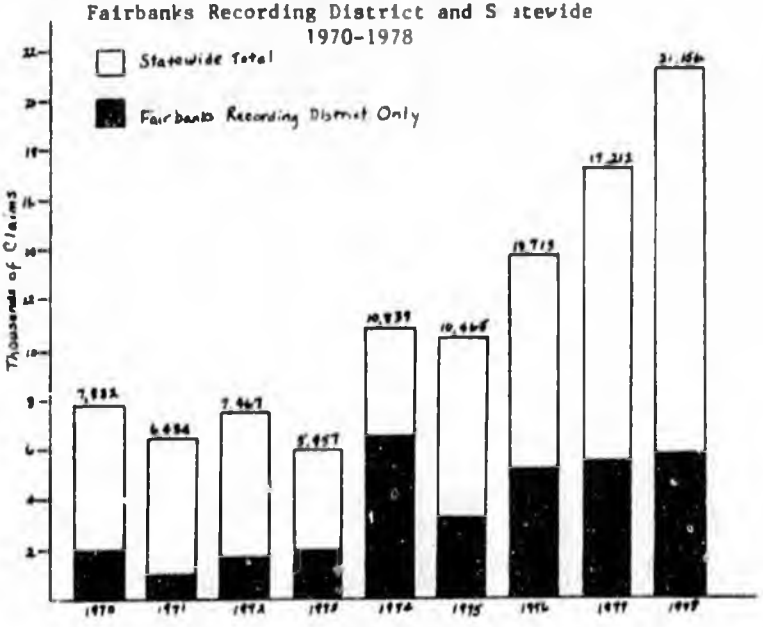
Mineral Production

The value of mineral production, excluding oil and gas, appears to have peaked for Alaska in 1976 at a level of $241.8 million. In 1977, that figure declined 14% to $207.8 million. Preliminary figures for 1978, which also include estimates by the Community Information Center, indicate a further decrease in the value of mineral production to as low as $158 million.

In 1977, sand and gravel production account for $170 million, or 82% of Alaska's total mineral output. A similar ratio appears to have continued in 1978, where $127 million of the estimated $158 million or 80% total mineral output was sand and gravel.

By comparison, mineral production in the Yukon Territory, Canada, was valued at $209.5 million in 1977 and reached an estimated $228.2 in 1978. The Yukon levels do not include sand and gravel. The value of production of metals and coal was 553% greater in 1977 and as much as 735% greater in 1978 for the Yukon than for Alaska.

NEW MINING CLAIMS
Fairbanks Recording District and Statewide
1970-1978



Active Mining Claims

The number of new and continuing mining claims in the Fairbanks District increased 6% in 1978 over the previous year to a total of 5,769 claims for the area. This figure represents a 12% decline from the 1974 peak year level of 6,554 new and continuing claims.

Statewide, active claims rose 17% to a total of 72,096 in 1978, which also constitutes a record number of claims for the state as a whole.

POPULATION

MAP OF FAIRBANKS METROPOLITAN AREAS
Showing Planning Areas

Population

According to estimates and projections prepared by the Borough Planning Department in June 1978, the population of the Fairbanks North Star Borough for 1978 stands at 60,845. An estimated 27,116 people reside in the City of Fairbanks and 33,729 live in the rest of the Borough.

These figures indicate a 13% decrease in the Borough's population from 1977 and a 16% drop from the Borough's peak population during oil pipeline construction in 1976. Current population estimates reflect, however, a 21% increase in 1978 over the 1973 pre-pipeline level of 50,450 persons.

POPULATION SUMMARY
City of Fairbanks, Fairbanks Census Division
and Southeast Fairbanks Census Division
1960-1978

Year	--Fairbanks Census Division--- (Fairbanks North Star Borough) City of Fairbanks	Outside City	Total	Southeast Fairbanks Census Division	Formerly Election District 19 Total[1]	Alaska Statewide Population
1960	13,311[2]	27,333	40,644	2,768	43,412	226,167
1970	18,053[3]	27,811	45,864	4,179	50,043	302,173
1971	18,739	25,676	44,415	4,020	48,435	311,070
1972	19,451	26,607	46,058	4,113	50,171	322,115
1973	26,033[4]	24,417	50,450	4,285	54,735	330,365
1974	30,010	27,997	58,007	5,122	63,129	351,159
1975	34,475	27,880	62,355	8,549	70,904	404,634
1976	34,554	37,483	72,037	7,634	79,671	413,289
1977	29,263	40,315	69,578	7,355	76,933	407,000
1978	27,116	33,729	60,845	4,445	65,290	408,000

COMMUNITY INFORMATION CENTER
FAIRBANKS NORTH STAR BOROUGH
Box 1267
Fairbanks Alaska 99707

THIRD CLASS MAIL

Fairbanks Town & Village
Association
for
Development, Incorporated

407 second avenue
p.o. box 74080
fairbanks, alaska 99707
(907) 456 5178

PROJECT AND PROGRAM SUMMARY

Prepared by the staff
of the Fairbanks Town
and Village Association

JANUARY 1980

"Serving the People and Communities of Interior Alaska"

INTRODUCTION

As the economic condition of the Interior continues to be unsettled a broad consensus on a detailed strategy of economic diversification and resource development becomes increasingly urgent.

During 1978 and 1979 the Association, through the Board of Directors, the staff, and several citizens' advisory groups, has been involved with setting general goals, objectives, and specific tasks necessary for an intensive diversification and strengthening of the economic base of Fairbanks and the Interior of Alaska.

The first step in the strategy regional goals and objectives were established by the Board in December of 1978 followed, in March, 1979, by Board approval of a list of 24 specific tasks designed to carry out the goals and objectives. FTVAD staff is now raising the money necessary to carry out these tasks.

These decisions of the Board were published in The Overall Economic Development Program for Fairbanks and the Interior of Alaska ... Through 1981 in September of this year.

This pamphlet, the "Project and Program Summary" lists each of the 24 tasks with information on budget and staffing estimates, program and project calendars and current status as of the publication date.

The pamphlet is designed for regular updating and publication in order to keep the Board of Directors and other interested people and organizations advised of our development activities.

Naturally I hope each member of the Board will carefully review each of the tasks and offer comment, criticism and recommendations to myself and other members of the staff and Board.

If you need more information on the tasks please contact me.

Sincerely,

Jerry Smetzer
Executive Director

JES:bjs

DEFINITIONS

The 24 "tasks" described in this document are the working assignments for FTVAD staff as established by the Association's Board of Directors for the two-year period ending December 31, 1981.

In the "Budget and Staffing Estimate" four columns of numbers are presented which show staff estimates of additional financing over and above currently available financing necessary to fulfill the tasks.

"Activity codes" are used to describe the type of funds needed. The codes help us narrow the number of likely places to look for financing among several private foundations, and state, federal and local government agencies involved in economic development financing.

The codes are defined as follows:

Development funds are used to explore a concept to determine if there is existing work underway by other agencies, firms or organizations, and to develop a preliminary assessment of needs, expressions of organizational interest and identification of problems, opportunities and institutional obstacles.

Planning Funds are used when there is a need to organize the interests of several parties in a particular concept in order to establish common goals and objectives, a clearer definition of need, a catalogue of available resources and an identification of particular problems which require a more concentrated effort for solution.

Technical Assistance Funds are used to find technical solutions for well-defined problems in the way of a desirable project or program for which there is clearly insufficient current knowledge or an inadequate technical statement of need.

Capital Funds are used for design, development, engineering and architectural work, land acquisition and construction and equipping of facilities.

Comprehensive Funds will likely include all of the above activities, and may include other types of funds such as loan funds.

A summary of projected additional funds and staff by task and keyword code appears on pages 39 and 40 of this pamphlet.

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MAJOR PROGRAM CATEGORY #1

ECONOMIC DEVELOPMENT

Regional Economic Development is a long term process of planning, promotion, project development, industrial recruiting, community development and institutional change organized and conducted for the primary purpose of strengthening the economic base of a region.

A strong regional economic base has two parts: 1) diversified export industries which bring money into the region; and 2) diversified import substitution industries which retain money in the region long enough to enable multipliers to spread economic benefits to the region's residents.

The Association's "region" is the Interior of Alaska, and the corporate purpose is economic development. The Economic Development category was established by the Board in order to provide general guidance for the conduct of the other six major program categories, and a method of relating goals and objectives in the other six major program categories to the primary purposes of the corporation.

Within the Economic Development Program six tasks have been established by the Association's Board of Directors for staff work through October, 1981.

These are listed by task number, keyword code, and page number below. Information about each task includes the budget and staffing estimate, program calendar and current project status.

Information about the goals and objectives of the Association's Economic Development Program can be found on pages 37 and 38 of The Overall Economic Development Program for Fairbanks and the Interior of Alaska ... Through 1981, published September, 1979.

TASK	KEYWORD CODE	PAGE NO.
Task #1	Economic Diversification Strategy	6
Task #2	Small Industries Development	7
Task #3	Business Loan Specialists	8
Task #4	Fairbanks Downtown Revitalization	9
Task #5	New Loan Funds	10
Task #6	Decentralization	11

MAJOR PROGRAM CATEGORY: Economic Development

GOAL A: Greater Economic Diversification

Objective: Development of greater public awareness of the economic needs of the District

Board Policy: Regional economic development policy has been adopted and an Economic Development Commission created to carry it out. Application has been made to EDA for a Title IX Strategy Grant for the coming year. We strongly urge EDA to approve the grant. FTVAD is particularly interested in the possibility of securing a Title IX revolving loan fund program if it is a recommendation of the Title IX Strategy Program.

Task #1: To work with the Title IX Task Force on Economic Development in order to add 3,000 permanent jobs to the Interior economy by 1983 thus reducing the unemployment rate in the Fairbanks Labor Market area to 5%.

KEYWORD: ECONOMIC DIVERSIFICATION STRATEGY

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Technical Assistance	50,000	5,000	$5,000

b. Program Calendar:

01/01/80 01/31/81

c. "Task" Status as of January, 1980:

EDA Title IX Strategy Development Grant approved - Economics Research Associates (ERA) of San Francisco contracted for the program. Program is underway with active investigations into each of seven "target areas". Additional funds to finance the strategy are being sought from the state Legislature and from private foundations. ERA is currently assembling and analyzing economic data for the region and will produce an "Economic Trend Memo" in February for review by the Task Force on Economic Development.

OEDP published - 150 copies distributed.

FTVAD brochure published - 1,000 copies distributed.

Tok Forum Report published - 425 copies distributed.

Minutes of Executive Committee and Board meeting published - 50 copies distributed by January 30, 1980.

FTVAD is requesting expedited consideration of a grant by the State of Alaska for $100,000 toward the annual operating costs of the development program. If approved the state will share the basic costs of the program equally with the borough and the federal Economic Development Administration.

MAJOR PROGRAM CATEGORY: Economic Development

GOAL: Greater Economic Diversification

Objective: Promotion of cottage industries and small industries within the District

Board Policy: The Board has created a committee to be chaired by Mellie Terwilliger of Tok and titled the Small Industries Committee to look into the problems and opportunities associated with home industries, appropriate technology, arts and crafts, local inventions, and energy conservation. The committee should, with staff assistance, prepare a brief report and a suggested program by early 1980, followed by a request for technical assistance funds from EDA.

Task #2: Assist 100 residents start new small businesses by 1983.

KEYWORD: SMALL INDUSTRIES DEVELOPMENT

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Development	125,000	25,000	2 man/yrs.

b. Program Calendar:

07/01/80 ---------- 07/31/85

c. "Task" Status as of January, 1980:

Joint proposal developed by FTVAD and Adult Learning Programs of Alaska Incorporated for a five-year program; first year budget $125,000. FTVAD/ALPA representatives have prepared a project "abstract" and have discussed possible financial support with the borough, the Office of the Governor and the Alaska Renewable Resources Corporation. Additional funds are being sought from private foundations.

MAJOR PROGRAM CATEGORY: Economic Development

GOAL A: Greater Economic Diversification

Objective: Develop new innovative financing programs to encourage small business enterprises and promote passage of legislation to assist new industry to become established.

Board Policy: FTVAD will develop the staff capability for greater use of business and industrial loan guarantee programs of state and federal governments.

Task #3: Add two business loan specialists to Fairbanks during 1980.

KEYWORD: BUSINESS LOAN SPECIALISTS

a. Budget and Staffing Estimates:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Development	100,000	20,000	2 man/yrs.

b. Program Calendar:

07/01/80 ---------- Continuous ----------

c. "Task" Status as of January, 1980:

Program development will depend on final EDA legislation adopted by Congress, the findings of the Title IX Task Force on Economic Development, and our discussions with state officials representing agencies involved with business loan, venture capital, and permanent fund programs.

See also Task #2 the Small Industry Development Program.

EDA legislation is still pending in Congress.

MAJOR PROGRAM CATEGORY: Economic Development
GOAL B: Greater Development of Tourism

Objective: Restore historic site identification and preservation program in Fairbanks and within Interior communities

Board Policy: Fairbanks' history is a major tourist attraction. Through local initiative and federal assistance programs such as the Community Development Block Grants, much has been accomplished toward the preservation of historical sites in Fairbanks, and the beautification and revitalization of downtown, and particularly, to develop a more attractive area for the expansion of office space and the development of a major hotel and convention center for tourists and for increasing numbers of international business travelers. One of several downtown revitalization projects now being discussed by the FNSB and the City of Fairbanks is the development of a joint municipal and school district office building. EDA Title I funds are viewed as a key to a comprehensive downtown revitalization program by the Title IX Task Force on Economic Development, and a project recommendation will be developed in the fall. The Association will work with the Alaska Native Tourism Association to assist in expanding tourism in rural communities that want tourism.

Task #4: Develop Fairbanks downtown revitalization policy and project priorities based on the preservation of Fairbanks' historic character.

KEYWORD: FAIRBANKS DOWNTOWN REVITALIZATION

NOTE: TANANA MISSION RESTORATION is a corollary project within this objective because of the historic character of the mission and its potential relationship to tourism in that community.

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Planning	50,000	10,000	1 man/yr.

b. Program Calendar:

01/01/80 ---------- 01/31/82

c. "Task" Status as of January, 1980:

Downtown revitalization is part of the Title IX Strategy Development Program and will be a major subject of investigation by Economics Research Associates. The City of Fairbanks has allocated $25,000 to supplement Title IX funds already allocated toward this effort. Discussions are being conducted by the Task Force on Economic Development, the City of Fairbanks, the Fairbanks North Star Borough, FTVAD and the Downtown Association. Currently ERA is preparing a memorandum concerning Downtown Revitalization as part of the Investment Strategy which will be available in early February.

The City of Tanana has requested FTVAD assistance in preserving the old mission church. FTVAD is conducting discussions with the Army, the Episcopal Church and the City of Tanana on this project.

We are seeking funds from private foundations for the Tanana Mission Project.

MAJOR PROGRAM CATEGORY: Economic Development

GOAL C: Improved Financial Services in the District

Objective: Promote the improvement of the availability of financing economic development throughout the district

Board Policy: The Association supports a strengthened role for the Economic Development District in the Interior of Alaska, particularly in its capability to use loan funds available for desirable economic development projects.

Task #5: FTVAD will act as a catalyst to develop $50,000,000 in new loan funds for Interior economic development by 1981.

KEYWORD: NEW LOAN FUNDS

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
D-Comp.	50,000,000	50,000	1 man/yr.

b. Program Calendar:

07/01/80 ---------- 01/31/82

c. "Task" Status as of January, 1980:

FTVAD has begun contacting state and federal agencies with loan authority and loan funds for economic development ventures, such as the Renewable Resources Development Corporation, State of Alaska Department of Commerce and Economic Development, federal EDA, SBA, and FmHA. FTVAD has also contacted over 30 private foundations for information on economic development financing. The Title IX Investment Strategy could result in a multi-million dollar revolving loan funds for economic development which will be available for economic development financing in the community in late 1980.

MAJOR PROGRAM CATEGORY: Economic Development

GOAL D: Increased Trade and Service Facilities in the District

Objective: Decentralize and improve government service delivery into the regional and sub-regional growth centers of the District

Board Policy: Federal Decentralization. FTVAD recommends that a single state Title V commission for Alaska headquartered in Fairbanks be established by the United States Department of Commerce under the authority of The Public Works and Economic Development Act of 1965 as amended.

State Decentralization 1) The Governor should by Administrative Order immediately institute a common system of regional planning, development, and government administration boundaries within the legal boundaries formed by the 12 native regional corporations created under the authority of the Alaska Native Claims Settlement Act of 1971.

2) The Governor should by Executive Order begin immediately the decentralization of administrative decision making into these regions by divesting agencies of the state of their accumulations of centralized authority which were not explicitly granted by the constitution.

3) The Governor should by Executive Order begin immediately the democratization of the state's administration of planning, development, project recommendation and priority setting activities, and the delivery of needed government services within these regions by financing and contracting their provision through fiscally sound, locally controlled non-profit, quasi-governmental corporations conducting related activities.

Local Decentralization. Efforts by the Tanana Chiefs Conference Office of Planning to establish sub-regional planning commissions in the Interior outside the Fairbanks North Star Borough will continue to be supported by FTVAD.

Task #6: Assist TCC with training sub-regional planning staffs in community capital improvement methodology in relation to established local economic development goals. Once such goals are established by rural communities, FTVAD will assist, on request, in project development and financing.

KEYWORD: DECENTRALIZATION

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Planning	20,000	4,000	¼ man/yr.

MAJOR PROGRAM CATEGORY: Economic Development

GOAL D: Increased Trade and Service Facilities in the District (Task #6 Cont.)

b. Program Calendar:

04/01/80 ---------- 04/31/82

c. "Task" Status as of January, 1980:

Federal Decentralization S.3626 contains authority for the creation of a single state Title V commission for Alaska. No action is expected in this session of Congress.

Local Decentralization Cooperative efforts between FTVAD and the Tanana Chiefs Conference are continuing on methods of integrating FTVAD's rural capital improvements methodology with comprehensive sub-regional planning activities with TCC.

Board policy on state decentralization has been conveyed to the Office of the Governor. FTVAD staff is seeking private foundation funds for an analysis of the administrative functions of state government to determine which of these functions should more appropriately be relocated and conducted in the Interior.

A special committee comprised of William Stringer, Fairbanks North Star Borough Assembly and Ron Punton, Fairbanks City Council has been formed to investigate this question, and prepare an appropriate resolution for adoption by both municipal governments.

MAJOR PROGRAM CATEGORY #2

TRANSPORT DEVELOPMENT

Fairbanks has always considered itself the supply and service center for Interior and Northern Alaska. The relationship between transportation system development and economic development is fundamental. Therefore, the development of improved transportation systems in the region will always be a priority activity of the Fairbanks Town and Village Association.

Interior and Northern Alaska rely almost entirely on aircraft for year round transport of goods, services and people. Air is supplemented by river and sea-going barge operations during the few summer months. Within this category of activity therefore, our goal is to improve these two dominant modes with freight, rail and public transportation facilities as well.

The relationship between Fairbanks and international air commerce has important implications and significant economic potential in service and supply necessary for development of northern Alaska and for tourism. Development of the potential of the Fairbanks International Airport is a major economic goal of the Fairbanks community.

Within the Transport Development Program three tasks have been established by the Association's Board of Directors for staff work through October, 1981.

These are listed by task number, keyword code, and page number below. Information about each task includes the budget and staffing estimate, program calendar and current project status.

Information about the goals and objectives of the Association's Transport Development Program can be found on pages 39 and 40 of The Overall Economic Development Program for Fairbanks and the Interior of Alaska ... Through 1981, published September, 1979.

TASK	KEYWORD CODE	PAGE NO.
Task #1	Fairbanks Airport Development	14
Task #2	Rural Airport Development	17
Task #3	Local Service Roads	18

MAJOR PROGRAM CATEGORY: Transport Development

Objective: Promote the improvement of multi-modal transportation systems consistent with the local community plans

Recommendation #1 of the Title IX Task Force on Economic Development:

DEVELOPMENT POLICY AND PROJECT PRIORITIES FOR THE FAIRBANKS INTERNATIONAL AIRPORT

Intensive development of the Fairbanks International Airport is essential in order to strengthen the economic base of Fairbanks and the interior region of Alaska. The full potential of Fairbanks as the supply, service and transportation center for the north depends on the success of development work at the airport, and can be accomplished best through continued cooperation by public and private interests;

Therefore, the undersigned believe that these cooperative efforts should be intensified, and have agreed that the following development priorities be pursued immediately. Further we respectfully request the active support and participation in this development effort by state and federal agencies and urge:

1. That the State of Alaska support the development of a Fairbanks Port Authority for financing, planning, operation, maintenance, and future development of the Fairbanks International Airport.

2. That the State of Alaska and affected agencies of the federal government support the designation by the U.S. Department of Commerce of a Foreign Trade Zone at the Fairbanks International Airport.

3. That design work on the bonded warehouse and related facilities essential to the operation of a Foreign Trade Zone and to the system of handling domestic air freight at Fairbanks begin immediately to enable a construction start no later than July 1, 1980.

4. That design work on expanded international passenger facilities including restaurant facilities at the terminal building begin immediately to enable a construction start no later than July 1, 1980.

5. That design work on a hydrant fueling system begin immediately to enable a construction start no later than July 1, 1980.

6. That all design work be conducted by means of a rigorous process which will assure full and complete participation by representatives of the community and by industrial, state and federal agency representatives with interests in the financing, operation, and maintenance of these facilities.

Finally, as Fairbanks residents, we recognize the need to establish a single point of contact for the development of public policy and the conduct of negotiations on behalf of the Fairbanks community during the next several months.

Therefore, we pledge our full support for the immediate creation of an interim Fairbanks International Airport Development Commission. The Commission, sponsored by local municipal and borough governments in full cooperation with civic and private sector interests, will be responsible for the conduct of this program until such time as a Port Authority has been created.

/s/ JOHN A. CARLSON, CHAIRMAN Title IX Task Force on Economic Development. Aug. 1, 1979

MAJOR PROGRAM CATEGORY: Transport Development (Task #1 Continued)

Task #1: FTVAD, as the administrator of the Title IX program, will with the guidance of the Task Force seek the implementation of Recommendation #1. More specifically, the Task Force has requested that FTVAD seek the development of a port authority and sponsor the request for designation of a Foreign Trade Zone.

KEYWORD: FAIRBANKS AIRPORT DEVELOPMENT

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Development	100,000	20,000	1 man/yr.

b. Program Calendar:

07/01/80 ---------- 01/31/82

c. "Task" Status as of January, 1980:

After five years of effort the following events have occurred since May, 1979:

May 1979: 55 international cargo flights began refueling at FAI.

July 1979: Governor Hammond approved an Airport Revenue Bond statute sponsored by Senator Fahrenkamp providing 8½ million dollars for a cargo facility, hydrant fueling system, terminal expansion, and ramp work at the airport.

August 1979: The Task Force on Economic Development unanimously approved Recommendation #1.

An Airport Development Commission has been formed, chaired by Terry Palczer. Members of the Committee include: Richard Wien; Gerry Meyers; Mike Ribar; and Don O'Connor.

October 1979: Airport Master Plan update begins.

November 1979: Japan Airlines signs two-year fuel supply contract with North Pole Refining; adds ten more transiting international cargo flights through Fairbanks; and, contingent on the development of appropriate international passenger handling facilities at the terminal, holds out the possibility of one or more daily jumbo passenger flights.

December 1979: Economics Research Associates advises on developing a port authority and foreign trade zone at Fairbanks.

A memorandum on the possible creation of a Foreign Trade Zone at the Fairbanks International Airport perhaps linked with the operation of the airport under a Fairbanks based port authority is anticipated within a few months.

MAJOR PROGRAM CATEGORY: Transport Development

Task #2: FTVAD will seek improvements at six rural airports based on the recommendations of the Rural Capital Improvements Program report during 1980.

KEYWORD: RURAL AIRPORT DEVELOPMENT

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Capital	500,000	12,500	⅛ man/yr.

b. Program Calendar:

04/01/80 04/30/81

c. "Task" Status as of January, 1980:

Proposals for rural airport improvements by the Office of the Governor and the Legislature are being analyzed to assure that rural interior airports are included where needed.

MAJOR PROGRAM CATEGORY: Transport Development

Objective: Improve local and district road systems.

Board Policy: During FY '79 three local service road projects were proposed for Anvik, Grayling and Holy Cross in the Lower Yukon River area. An adverse determination by the courts in December 1978 prevented the use of gravel necessary for these projects. FTVAD is working with the state to overcome the gravel problem. If a solution is found we urge EDA to finance a portion of the costs of these projects, with the State Department of Transportation and Public Facilities.

Task #3: Complete LSR&T program in Anvik, Grayling, Holy Cross by 1981.

KEYWORD: LOCAL SERVICE ROADS

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Capital	---	5,000	---

b. Program Calendar:

12/80 07/81
* --- *

c. "Task" Status as of January, 1980:

Inactive pending resolution of gravel ownership and/or change in DOTPF policy prohibiting use of LSR&T funds for gravel purchase.

Decision of Board on gravel purchase policy and use of LSR&T funds for purchase of rights-of-way has been referred to DOTPF Commissioner Robert Ward.

MAJOR PROGRAM CATEGORY #3

COMMUNITY FACILITIES DEVELOPMENT

In the small rural communities of Interior Alaska local facilities for community health, education, and public services are only marginally adequate and more often than not do not exist. Because public facilities - i.e. community owned and operated public facilities essential for needed public services - are essential for community growth and development as well as the regulation of growth and the protection of traditional community values, the Association has committed itself to a multi-year program of facility development in the 50 small cities, villages and settlements in the Interior of Alaska.

Because money for these facilities is scarce and the need overwhelming the method by which these needs are addressed and facilities financed becomes the major task. FTVAD has proposed a capital improvement project development program called the Multipurpose Community Center. The MPCC is not a predesigned facility. It is, rather, a process the community can use to overcome deficiencies in its existing buildings and facilities, and provide for needed new improved and expanded facilities. Ideally facilities which result from the MPCC process should be energy efficient, revenue producing, relatively maintenance free, and compatible with the community's goals and objectives.

Fourteen communities have requested FTVAD assistance in starting the MPCC process. A major unresolved problem with the MPCC is the absence of a methodology for combining the community's facility interest with the financing and design processes of state, federal and local governments. Overcoming this problem of conflicting institutional structures is a major objective in this category.

Within the Community Facilities Development Program five tasks have been established by the Association's Board of Directors for staff work through October, 1981.

These are listed by task number, keyword code, and page number below. Information about each task includes the budget and staffing estimate, program calendar and current project status.

Information about the goals and objectives of the Association's Community Facilities Development Program can be found on page 41 of The Overall Economic Development Program for Fairbanks and the Interior of Alaska ... Through 1981, published September, 1979.

TASK	KEYWORD CODE	PAGE NO.
Task #1	McGrath Multipurpose Building	20
Task #2	Fort Yukon Utility Building	21
Task #3	Fairbanks Downtown Revitalization	22
Task #4	Rural Capital Improvements	23
Task #5	Rural Capital Improvements	24

MAJOR PROGRAM CATEGORY: Community Facilities Development

Objective: Continued improvement and development of facilities to meet educational, cultural and recreational needs of District residents

Board Policy: After a year of discussions with community leaders about facility needs, the Association has compiled a list of about 100 needed projects. Additionally FTVAD - by means of a contract with DOTPF to identify code deficiencies in state buildings in the McGrath area - continuing to develop data necessary to justify an intensive facility financing program in the region. Two communities, McGrath and Fort Yukon, have facility proposals for which EDA financial participation is essential both for construction financing and for further development of a methodology for a multipurpose community center. Those are:

1. The McGrath Multipurpose Building
2. The Fort Yukon Warm Storage Facility

Task #1: Assure construction of McGrath MPCC facilities in 1980.

KEYWORD: McGRATH MULTIPURPOSE BUILDING

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Capital	500,000	12,500	¼ man/yr.

b. Program Calendar:

10/01/79 10/31/80

c. "Task" Status as of January, 1980:

Project is on schedule for a spring 1980 construction start.

MAJOR PROGRAM CATEGORY: Community Facilities Development

Task #2: Assure construction of Fort Yukon Warm Storage facility in 1980.

KEYWORD: FORT YUKON UTILITY BUILDING

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Capital	500,000	12,500	¼ man/yr.

b. Program Calendar:

10/01/79 10/31/80

c. "Task" Status as of January, 1980:

Project is on schedule for construction start in spring, 1980.

MAJOR PROGRAM CATEGORY: Community Facilities Development

Task #3: Cooperative public and private efforts to beautify and revitalize downtown Fairbanks will likely result in opportunities for expanded public works activity and related private investment in office space and tourism and convention facilities. The Title IX Task Force on Economic Development will consider revitalization projects and investments as part of its strategy program in coming months.

KEYWORD: FAIRBANKS DOWNTOWN REVITALIZATION

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Capital	10,000,000	100,000	2 man/yrs.

b. Program Calendar:

04/01/80 ---------- 04/30/83

c. "Task" Status as of January, 1980:

Economics Research Associates of San Francisco will develop, with the Task Force on Economic Development, the Downtown Association, the North Star Borough and FTVAD, a strategy and project priority schedule for downtown revitalization by April, 1980. A recommendation by ERA on the coordination of various activities affecting downtown Fairbanks is anticipated early in February.

MAJOR PROGRAM CATEGORY: Community Facilities Development

Task #4: Using funds available from the Farmers Home Administration of the U.S. Department of Agriculture develop an improved methodology for the coordination of design work for public facilities in small rural communities with local economic development goals in the following communities:

Anvik	Galena	Huslia	Nulato
Birch Creek	Grayling	McGrath	Ruby
Fort Yukon	Hughes	Minto	Shageluk
Delta Junction			Takotna

KEYWORD: RURAL CAPITAL IMPROVEMENTS

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Technical Assistance	100,000	10,000	$10,000

b. Program Calendar:

04/01/80 * --------- * 04/30/81

c. "Task" Status as of January, 1980:

Bob Grove, former member of Weatherization and Housing Rehabilitation field crew and Field Supervisor for Iditarod Inventory and Condition Surveys began work as FmHA Program Coordinator on November 8, 1979.

Mr. Grove is currently working closely with the City of Fort Yukon and the City of Delta Junction on active capital projects proposed for construction in early 1980. Additionally, several meetings have been conducted in Fairbanks to discuss current CIP priorities with representatives of Anvik, Minto, Nulato, Shageluk and Takotna.

Information files are being updated and capital project appropriations from the state's FY '80 budget are being analyzed for the remaining communities prior to meetings with local city councils in February and March.

MAJOR PROGRAM CATEGORY: Community Facilities Development

Task #5: Seek completion of inventory and condition surveys of public facilities in all Interior communities prior to July 1, 1980 and continue to provide project development assistance and seek financing for small community projects identified in the Rural Capital Improvements Program.

KEYWORD: RURAL CAPITAL IMPROVEMENTS

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Capital	10,000,000	100,000	2 man/yrs.

b. Program Calendar:

07/01/80 * ---------- * 04/30/84

c. "Task" Status as of January, 1980:

Inventory and Condition Surveys of State Facilities in all Interior Alaska REAAs are now being completed by DOTPF. With the acceptance of the grant from the Farmers Home Administration of the U.S. Department of Agriculture, FTVAD's Rural Capital Improvements Program is once again underway.

The State of Alaska is being asked to provide $100,000 in additional financing for the program during the coming year. This financing will enable staff members to spend more time in those communities that have requested FTVAD assistance in trying to develop local capital projects.

MAJOR PROGRAM CATEGORY #4

ENERGY CONSERVATION AND HOUSING REHABILITATION

Because of the temperature extremes in Interior Alaska and the high cost of fuels, the Fairbanks area seems a natural target for energy conservation programs, experiments with different heating methods, and encouragement for new energy industries in the Interior.

In the summer of 1976, the Rural Community Action Program staff requested assistance from the Town and Village Association in providing home weatherization to low income families within the Fairbanks North Star Borough. The borough administration also asked the Association to provide this program to borough residents.

The project was approved by the Association's regional board at its December 1976 meeting. The Association now administers a winterization program for the Borough, as well as a weatherization and housing rehabilitation program for the City of Fairbanks.

Another facet of the Energy Conservation Program is waste heat (excess energy) utilization. Feasibility studies are being conducted to develop data on methods for capping energy now being discharged in the atmosphere and water bodies from pipeline pump stations, power plants, refineries and other future manufacturing plants to be used as energy to operate fish hatcheries, commercial greenhouses, forage dryers, pulp mills, vegetable dehydration plants, tanneries, etc. Another source of waste heat will be created with the construction of compressor stations for the gasline. Information of this kind is also essential to the design and development of community facilities particularly in rural areas.

Within the Energy Conservation and Housing Rehabilitation Program one task has been established by the Association's Board of Directors for staff work through October, 1981.

This is listed by task number, keyword code, and page number below. Information about the task includes the budget and staffing estimate, program calendar and current project status.

Information about the goals and objectives of the Association's Energy Conservation and Housing Rehabilitation Program can be found on page 42 of The Overall Economic Development Program for Fairbanks and the Interior of Alaska ... Through 1981, published September, 1979.

TASK	KEYWORD CODE	PAGE NO.
Task #1	Energy Conservation	26

MAJOR PROGRAM CATEGORY: Energy Conservation and Housing Rehabilitation

GOAL A: Effective Utilization of the District's Energy Sources

Objective: Identify and promote modern technology for utilizing alternative sources of energy

Board Policy: Through the Small Industries Committee FTVAD will develop a program of small energy technology grants for local experiments in improving energy efficiency and reducing energy costs.

Task #1: Working with residents, develop and complete 20 small energy conservation projects by 1982 leading to a reduction of 25% in energy waste in the Interior.

KEYWORD: ENERGY CONSERVATION

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
D-Comp.	5,000,000	up to 50,000	1 man/yr.

b. Program Calendar:

04/01/80 ---------- 04/30/82

c. "Task" Status as of January, 1980:

Several discussions are underway with local people and organizations involved with energy conservation projects. Among the projects being discussed are:

1. A large greenhouse utilizing MUS waste water ... and community garden
2. A feasibility study to analyze the use of dirigibles and/or blimps for transportation of freight in the Interior's rural areas
3. Recycling newspaper for the manufacture of insulation
4. Local manufacture or assembly of solar panels, and other energy conservation equipment
5. Super-insulated housing
6. Gasohol production
7. Energy conservation standards in building design

MAJOR PROGRAM CATEGORY #5

PETROLEUM RESOURCE POLICY

Because of the massive impact of rapid petroleum resource development on the short and long term economic stability of the community, the question of the appropriate response by the general public and by government has occupied much of the time and attention of the Association since its formation in 1972.

The primary vehicles developed to deal with this question involved continuous information processing oriented toward the information demands of business, government and individuals throughout the Interior.

The information base thus developed will be enormously valuable in anticipating the short term problems and opportunities which will accompany the construction of a natural gas pipeline.

However, a great deal of work remains to be done in this area if Interior Alaskans are to gain more than transitory benefits from future petroleum development in Alaska.

Within the Petroleum Resource Policy Program five tasks have been established by the Association's Board of Directors for staff work through October, 1981.

These are listed by task number, keyword code, and page number below. Information about each task includes the budget and staffing estimate, program calendar and current project status.

Information about the goals and objectives of the Association's Petroleum Resource Policy Program can be found on pages 43 and 44 of The Overall Economic Development Program for Fairbanks and the Interior of Alaska ... Through 1981, published September, 1979.

TASK	KEYWORD CODE	PAGE NO.
Task #1	Oil and Gas Management	28
Task #2	Energy Development Impact	29
Task #3	Alaska Regional Center, U.S.G.S.	30
Task #4	Gas Conditioning Plant	31
Task #5	Mineral Industry Development	32

MAJOR PROGRAM CATEGORY: Petroleum Resource Policy

GOAL A: Greater Utilization of Petroleum Resources

Board Policy: Since its formation in 1972, FTVAD has been heavily involved with the complex issue of pipeline "impact". Though considerable information and understanding of the issue's many subtleties has been gained, there has been little progress in developing either a federal or a state impact assistance program for small communities. The communities bear the social costs and the political and economic disruption of these massive projects with little hope of achieving lasting economic benefits or protection of important community values.

During the past several years the federal government has tried to develop an impact assistance program for inland areas ... as opposed to coastal zone areas.

Because of the probable construction start for the Alcan natural gas pipeline in the early 1980s, federal impact assistance legislation is urgently needed for anticipatory planning. If Congress adopts the legislation FTVAD will move rapidly toward the implementation of a planning and coordination program in anticipation of construction of the Alcan natural gas pipeline. Such a program is critically needed, particularly in the Upper Tanana River area which was not directly affected by the oil pipeline project.

Task #1: To locate all public and private offices with northern oil and gas development, management and research responsibilities in Fairbanks by 1981.

KEYWORD: OIL AND GAS MANAGEMENT

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Development	50,000	10,000	1 man/yr.

b. Program Calendar:

04/01/80 ---------- 04/30/82

c. "Task" Status as of January, 1980:

Northwest Energy Company has opened their corporate headquarters for their Alaska operations in Fairbanks; Governor Hammond has opened the State Pipeline Coordinator's Office in Fairbanks; the federal Inspector for the Pipeline has not yet decided the location of his Alaska office.

Additional funds are being sought from private foundations in order to analyze other administrative functions of the state and federal governments which are more appropriately conducted from a location in the Interior of Alaska.

MAJOR PROGRAM CATEGORY: Petroleum Resource Policy

GOAL A: Greater Utilization of Petroleum Resources

Task #2: Raise 20 million dollars in financing for impact related job training, capital improvements by 1981.

KEYWORD: ENERGY DEVELOPMENT IMPACT

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
D-Comp.	20,000,000	50,000	1 man/yr.

b. Program Calendar:

04/01/80 ---------- 04/30/83

c. "Task" Status as of January, 1980:

Congress is expected to consider the Inland Energy Development Impact Assistance Bill early in the coming session. The bill, numbered S.1880, is in the Senate Energy Committee chaired by Senator Henry Jackson of Washington. Senator Stevens is a member of the Committee and Senator Gravel is a co-sponsor of the bill.

The State of Alaska has, so far, shown little interest in establishing state policy or programs in this area, though FTVAD has been assured by Lt. Governor Terry Miller and the governor's Executive Assistant Jerry Reinwand that this is an issue of high personal priority.

FTVAD is seeking funds from private foundations in order to finance the yearly costs necessary to establish an impact assistance program in the Interior.

As a result of Board adoption of a resolution supporting the state's efforts to link preferential hiring and contracting with financing the natural gas pipeline, a special committee made up of Ruth Burnett, Fairbanks City Council, Mike Ribar, Fairbanks North Star Borough Assembly, and Jerry Smetzer, FTVAD Executive Director, has been established. The committee will prepare a resolution seeking residential hiring and contracting preference on all state contracts in areas of the state which are suffering high rates of unemployment, and low levels of personal income. The committee may expand its assignment to include impact problems associated with the construction and operation of the gas pipeline.

MAJOR PROGRAM CATEGORY: Petroleum Resource Policy

GOAL A: Greater Utilization of Petroleum Resources

Objective: In its role as catalyst for economic development in the region, FTVAD will work with state and federal agencies to encourage the location of the United States Geological Survey Alaska Regional Center in Fairbanks

Board Policy: As of this date, Governor Hammond has pledged his support to the location of the proposed Alaska Regional Center of the U.S. Geological Survey in Fairbanks. Such a center when fully staffed would permanently employ 500 people. An internal committee of U.S.G.S. personnel has prepared a report to Dr. Menard, Director of U.S.G.S. recommending that move occur, but that more intensive study is needed. If Secretary Andrus concurs with Dr. Menard on the creation of the Alaska Regional Center, FTVAD will conduct research, publication, cooperation, advocacy and travel as necessary to assure that Fairbanks is elected as the site of the regional center. Since current federal policy on the location of federal facilities require that location decisions be sensitive to local economic problems.

Task #3: The location of the U.S.G.S. Alaska Regional Center in Fairbanks by reason of the proximity to major geophysical research facilities at the University and because of the importance of such a center to a diversified economic base in the region.

KEYWORD: ALASKA REGIONAL CENTER U.S.G.S.

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Technical Assistance	50,000	5,000	$5,000

b. Program Calendar:

04/01/80 ---------- 04/30/82

c. "Task" Status as of January, 1980:

During September the U.S.G.S. announced that a move of some of its Menlo Park offices to Anchorage would occur during the coming year. Several local parties objected vigorously to U.S.G.S. Director Dr. William Menard. Menard in a letter to several Fairbanks parties, including FTVAD, assured us that the move involved a "... relatively small number of employees", was "temporary", and was done because, essentially, most geologic activity programs in the state are already headquartered in Anchorage.

Dr. Menard did assure FTVAD that the location of the actual U.S.G.S. "Center of Excellence" in Alaska had not been made, and, before it is made, there would be ample time for interested parties to "... present their views on selection of a center location".

MAJOR PROGRAM CATEGORY: Petroleum Resource Policy

GOAL B: Greater Utilization of the District's Mineral Resources

Objective: Attract potential petrochemical industry developers to the District by investigating options for financing petroleum processing facilities, and by initiating more research into the economics of the District's petrochemical potential under environmentally acceptable methods.

Task #4: Work with the Fairbanks North Star Borough in its efforts to investigate the feasibility of the location of a natural gas conditioning plant in the Interior.

KEYWORD: GAS CONDITIONING PLANT

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Technical Assistance	500,000	50,000	1 man/yr.

b. Program Calendar:

04/01/80 * ---------- * 04/30/82

c. "Task" Status as of January, 1980:

On November 29, 1979 the Assembly of the Fairbanks North Star Borough adopted resolutions numbered 79-69 and 79-70 supporting, respectively, an Interior Alaska site for the gas conditioning plant; and state financial participation in the construction of the plant.

On January 14, 1980 Governor Hammond announced the formation of a group chaired by Lt. Governor Terry Miller to "...work with engineering consultants employed by the State in evaluating developing plans [for the gasline]". Hammond has requested an appropriation of $500,000 to do this work. ERA will issue an advisory memo to the Task Force on Economic Development relevant to Interior Alaska's interest in natural gas by the end of January.

FTVAD has recommended that money be appropriated by the state to the Fairbanks North Star Borough to finance technical studies of an Interior location for the gas conditioning plant.

MAJOR PROGRAM CATEGORY: Petroleum Resource Policy

GOAL B: Greater Utilization of the District's Mineral Resources

Objective: Encourage optimum multiple use and utilization of the mineral resource land base for mineral production; greater research into the economic potential of the District's mineral resources under environmentally acceptable methods; and greater development of competitive mineral products, including industrial development of the asbestos, coal, copper, lead, phosphate, limestone, nickel and other minerals of the District.

Task #5: To increase the number of permanent jobs in the Interior's mineral and petroleum industries by 1,000 by 1985.

KEYWORD: MINERAL INDUSTRY DEVELOPMENT

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Development	50,000	10,000	1 man/yr.

b. Progr Calendar:

01/01/81 01/31/82

c. "Task" Status as of January, 1980:

On May 31, 1979, the Assembly of the Fairbanks North Star Borough adopted Resolution No. 79-30 providing support for mineral development within the Borough. The Task Force on Economic Development has established mineral development as a local economic activity with potential for diversifying the Fairbanks economy, and it will be a study topic by Economics Research Associates under the Title IX Strategy Development Grant.

In early December the Fairbanks North Star Borough adopted Ordinance No. 79-107 which creates appropriate zones for the conduct of mining activity within the borough.

MAJOR PROGRAM CATEGORY #6

WORKFORCE DEVELOPMENT

In the spring of 1975, the Fairbanks Town and Village Association was asked to help plan, seek funding for, and coordinate the Community Forum on Growth. Two additional staff members were hired under a grant from the Alaska Humanities Forum and the well-attended forum was held in April. The final analysis showed that Interior residents wanted more information about what effect the "pipeline boom" was having on the community. They wanted to be able to take advantage of opportunities and to minimize the adverse effects of this largest-ever construction project. They asked that more attention be given to the human element when development was being planned. The human resources category was incorporated into the work program and was adopted by the board at its March 1977 meeting.

Such projects as the Fairbanks Rehabilitation Center and the Senior Citizen Center have since been adopted under this category.

Within the Workforce Development Program two tasks have been established by the Association's Board of Directors for staff work through October, 1981.

These are listed by task number, keyword code, and page number below. Information about each task includes the budget and staffing estimate, program calendar and current project status.

Information about the goals and objectives of the Association's Workforce Development Program can be found on page 45 of The Overall Economic Development Program for Fairbanks and the Interior of Alaska ... Through 1981, published September, 1979.

TASK	KEYWORD CODE	PAGE NO
Task #1	TVCC/Hutchison	34
Task #2	Fairbanks Fire Training Center	35

MAJOR PROGRAM CATEGORY: Workforce Development

GOAL A: Improved Human Resource Services

Objective: Increase and enhance on-the-job training and/or classroom training opportunities for district residents relevant to jobs and skills assessment of the area

Board Policy: FTVAD commends the Tanana Valley Community College and the Fairbanks North Star Borough School District for their mutual effort to cooperate closely in the use of the Hutchison Adult Career Development Center for the conduct of vocational education programs. In this spirit of cooperation, FTVAD believes that funds which may become available for expanded facilities for vocational education should be used to expand Hutchison Adult Career Development Center in order to provide vocational training opportunities for the greatest number of residents of Interior and Northern Alaska.

FTVAD also recommends that the Regional Fire Training Center being developed under the sponsorship of the City of Fairbanks be fully developed as a Regional Training Center in order to provide fire training services and training facilities for all communities of Interior and Northern Alaska.

Task #1: To expand the use of the Hutchison Adult Career Development Center as Northern Alaska's regional manpower development and vocational training center, and to expand the number of regional students in the program by 1,000 per year by 1983.

KEYWORD: TVCC/HUTCHISON

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Planning	50,000	10,000	1 man/yr.

b. Program Calendar:

07/01/80 ---------- 07/31/83

c. "Task" Status as of January, 1980:

FTVAD efforts currently inactive pending approval of cooperative agreements between the FNSB School District and the Hutchison Adult Career Development Center.

MAJOR PROGRAM CATEGORY: Workforce Development

GOAL A: Improved Human Resource Services

Task #2: Seek technical assistance funds to determine methods of coordinating regional recruiting and training programs for Hutchison and the Regional Fire Training Center.

KEYWORD: FAIRBANKS FIRE TRAINING CENTER

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Technical Assistance	20,000	2,000	$2,000

b. Program Calendar:

07/01/80 07/31/81

c. "Task" Status as of January, 1980:

Program is currently inactive pending action by the City of Fairbanks to construct and operate a fire training center.

MAJOR PROGRAM CATEGORY #7

RENEWABLE RESOURCE DEVELOPMENT

Each year as the world population increases and as the export of food becomes a major bargaining force in foreign policy and balancing the national economy, more agricultural land is required to meet the demands.

Alaska is virtually the only state of the union that has idle agricultural land for production. There are approximately 20 million acres of arable land suitable for agricultural production in Interior Alaska.

Agriculture can supply the economic base needed in most bush villages while it simultaneously supplies the village residents with a stable diet. Many village corporations such as Minto and Manley Hot Springs selected lands under ANCSA entitlement specifically for their suitability to agricultural production.

The initial OEDP published in the spring of 1974 addressed agriculture as an important aspect of economic development but little has been done to set strategies for development until the December 1976 FTVAD annual Board meeting and the March 1977 semi-annual Board meeting.

Within the Renewable Resource Development Program two tasks have been established by the Association's Board of Directors for staff work through October, 1981.

These are listed by task number, keyword code, and page number below. Information about each task includes the budget and staffing estimate, program calendar and current project status.

Information about the goals and objectives of the Association's Renewable Resource Development Program can be found on page 42 of The Overall Economic Development Program for Fairbanks and the Interior of Alaska ... Through 1981, published September, 1979.

TASK	KEYWORD CODE	PAGE NO.
Task #1	Agricultural Production	37
Task #2	Forest Products Industry	38

MAJOR PROGRAM CATEGORY: Renewable Resource Development
GOAL A: Increased Agricultural Production

Objective: Opening of domestic and foreign market

Board Policy: The state is making major investment in the Delta agricultural project for export. FTVAD will cooperate in order to better develop foreign markets. Better information needs to be developed to identify agricultural commodities other than barley are being imported to Pacific Rim countries, what the world market prices are, and what institutional obstacles are in the way of marketing interior agricultural products.

Task #1: By working with the state's efforts to develop barley production for export in the Delta/Tanana area, and by assisting in developing agriculture in the Totchaket area near Nenana, FTVAD hopes to double the number of acres for the production of agricultural exports; and by working with TCC/ Koyukon Development Corporation, double the number of acres in villages for the purposes of import substitution.

KEYWORD: AGRICULTURAL PRODUCTION

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Planning	50,000	10,000	1 man/yr.

b. Program Calendar:

07/01/80 ---------- 01/31/83

c. "Task" Status as of January, 1980:

No current activity.

MAJOR PROGRAM CATEGORY: Renewable Resource Development

GOAL B: Development of Forest Products Industries

Objective: Expansion of inventory work of forest resources in the district

Board Policy: The forests of the Interior represent the most abundant of the Interior's renewable resources. The forests are also an important local source of raw materials essential for the manufacture of various wood products, and they have made possible a vital local industry based on dimension lumber, and materials for the construction of log buildings in Interior communities. Additionally, because of a multitude of institutional obstacles, including architectural standards mandating the use of non-Alaskan lumber, the forest represents the Interior's most underdeveloped export industry. Assisting in the expansion of the existing local industry and overcoming these obstacles, developing wood products based on the Interior's forest for both domestic and export markets, will require an interdisciplinary approach and a major commitment of time and talent by several local organizations and public and private institutions. Currently the U.S. Department of Agriculture jointly with Doyon, Ltd., is working on the expansion of the Interior's forest industry. FTVAD will support this effort.

Task #2: Remove institutional obstacles preventing more diversified domestic use of local forest products in order to double value of Interior forest industry production in real dollars by 1983.

KEYWORD: FOREST PRODUCTS INDUSTRY

a. Budget and Staffing Estimate:

Activity Code	Estimated Additional Cost	Annual Management Cost	Program Staff Required
Planning	50,000	10,000	1 man/yr.

b. Program Calendar:

07/01/80 ---------- 07/31/83

c. "Task" Status as of January, 1980:

No current activity.

TASK SUMMARY

ECONOMIC DEVELOPMENT:

Task	Keyword Code
Task #1	Economic Diversification Strategy
Task #2	Small Industries Development
Task #3	Business Loan Specialists
Task #4	Fairbanks Downtown Revitalization
Task #5	New Loan Funds
Task #6	Decentralization

TRANSPORT DEVELOPMENT:

Task	Keyword Code
Task #1	Fairbanks Airport Development
Task #2	Rural Airport Development
Task #3	Local Service Roads

COMMUNITY FACILITIES DEVELOPMENT:

Task	Keyword Code
Task #1	McGrath Multipurpose Building
Task #2	Fort Yukon Utility Building
Task #3	Fairbanks Downtown Revitalization
Task #4	Rural Capital Improvements
Task #5	Rural Capital Improvements

ENERGY CONSERVATION AND HOUSING REHABILITATION:

Task	Keyword Code
Task #1	Energy Conservation

PETROLEUM RESOURCE POLICY:

Task	Keyword Code
Task #1	Oil and Gas Management
Task #2	Energy Development Impact
Task #3	Alaska Regional Center, U.S.G.S.
Task #4	Gas Conditioning Plant
Task #5	Mineral Industry Development

WORKFORCE DEVELOPMENT:

Task	Keyword Code
Task #1	TVCC/Hutchison
Task #2	Fairbanks Fire Training Center

RENEWABLE RESOURCE DEVELOPMENT:

Task	Keyword Code
Task #1	Agricultural Production
Task #2	Forest Products Industry

PROGRAM BUDGET/STAFFING ESTIMATE
FY '80, '81 & '82

Task	Activity Code	Estimated Additional Cost	Annual Management Cost @ 20%	Program Staff Required	Estimated Program Start Date	Program Duration	Termination Date
MAJOR PROGRAM CATEGORY: Economic Development							
Task #1	T.A.	50,000	5,000	$5,000	01/01/80	1	01/81
Task #2	D	125,000	25,000	2 man/yrs.	07/01/80	5	07/85
Task #3	D	100,000	20,000	2 man/yrs.	07/01/80	-	Contin.
Task #4	P	50,000	10,000	1 man/yr.	01/01/80	2	01/82
Task #5	D-Comp.	50,000,000	50,000	1 man/yr.	07/01/80	2	01/82
Task #6	P	20,000	4,000	¼ man/yr.	04/01/80	2	04/82
			114,000				
MAJOR PROGRAM CATEGORY: Transport Development							
Task #1	D	100,000	20,000	1 man/yr.	07/01/80	2	01/82
Task #2	C	500,000	12,500	¼ man/yr.	04/01/80	1	04/81
Task #3	C	---	5,000	---	---	-	---
			37,500				
MAJOR PROGRAM CATEGORY: Community Facilities							
Task #1	C	500,000	12,500	¼ man/yr.	10.01/79	1	10/80
Task #2	C	500,000	12,500	¼ man/yr.	10/01/79	1	10/80
Task #3	C	19,000,000	100,000	2 man/yrs.	04/01/80	3	04/83
Task #4	T.A.	100,000	10,000	$10,000	04/01/80	1	04/81
Task #5	C	10,000,000	100,000	2 man/yrs.	07/01/80	4	04/84
			235,000				
MAJOR PROGRAM CATEGORY: Energy Conservation and Housing Rehabilitation							
Task #1	D-Comp.	up to 5,000,000	50,000	1 man/yr.	04/01/80	2	04/82
			50,000				
MAJOR PROGRAM CATEGORY: Petroleum Resource Policy							
Task #1	D	50,000	10,000	1 man/yr.	04/01/80	2	04/82
Task #2	D-Comp.	20,000,000	50,000	1 man/yr.	04/01/80	3	04/83
Task #3	T.A.	50,000	5,000	$5,000	04/01/80	2	04/82
Task #4	T.A.	500,000	50,000	1 man/yr.	04/01/80	2	04/82
Task #5	D	50,000	10,000	1 man/yr.	01/01/81	2	01/82
			125,000				
MAJOR PROGRAM CATEGORY: Workforce Development							
Task #1	P	50,000	10,000	1 man/yr.	07/01/80	3	07/83
Task #2	T.A.	20,000	2,000	$2,000	07/01/80	1	07/81
			12,000				
MAJOR PROGRAM CATEGORY: Renewable Resource Development							
Task #1	P	50,000	10,000	1 man/yr.	07/01/80	3	01/83
Task #2	P	50,000	10,000	1 man/yr.	07/01/80	3	07/83
			20,000				

Fairbanks Town & Village
Association
for
Development, Incorporated

407 second avenue
po box 74080
fairbanks alaska 99707
(907) 456-5478

BUDGET PLANNING SUMMARY

for the period October 1, 1980 through September 30, 1982

Prepared by: The staff of the Fairbanks Town and Village Association

JANUARY 1980

"Serving the People and Communities of Interior Alaska"

INTRODUCTION

In August of 1978 the Fairbanks Town and Village Association established a procedures manual for the conduct of its internal affairs. Chapter 4 of the manual describes our budget development procedures and this pamphlet contains a summary of information prepared under Chapter 4, Sections 03. through 06.

The Association's fiscal year begins October 1st and ends September 30th. The budget cycle is three years with each annual budget in the current cycle defined as follows:

Operating Budget:	October 1, 1979 - September 30, 1980
Planning Budget:	October 1, 1980 - September 30, 1981
Preliminary Budget:	October 1, 1981 - September 30, 1982

Assumptions used to develop annual budgets for this cycle are listed on the following page. Questions on information presented here should be referred to Jerry Smetzer, Executive Director, or Walt Gesin, Deputy Director, Management.

Jerry Smetzer
Executive Director

January 31, 1980

ASSUMPTIONS

1. That FTVAD's annually renewable grants from the federal Economic Development Administration, the Fairbanks North Star Borough, and the federal Farmer's Home Administration will continue at least at their present level with possible cost-of-living increases each year.
2. That FTVAD's efforts to establish an annually renewable grant program for local and regional non-profit corporations involved with economic development by the State of Alaska are successful and will yield approximately $100,000 per year to FTVAD.
3. That FTVAD will be successful in [illegible] efforts to raise the additional money necessary to carry out the 24 "Tasks" listed in The Overall Economic Development Program for Fairbanks and the Interior of Alaska in the amounts and in the time frame shown in the "Budget/Staffing" estimate.
4. That the Board of Directors and the Executive Committee will, as financing becomes available, approve the staffing, budget increases, and contracting necessary to carry out the "Tasks" and, therefore, the Association's goals and objectives.

VALUE OF CURRENT CONTRACTS AS OF DECEMBER 31, 1979

Title	Contracting Agency	Source of Funds	Duration	Amount	Expiration Date
FTVAD	FNSB	Local	12 mos.	60,000	06/30/80
EDA Title III	EDA	Federal	12 mos.	85,800	09/30/80
EDA Title IX	EDA	Federal	12 mos.	75,000	09/30/80
EDA Title IX Match	FNSB	Local	12 mos.	25,000	09/30/80
FmHA	FmHA	Federal	12 mos.	48,500	09/30/80
DOE	DOE/State	Federal	9 mos.	37,000	?
CSA	CSA	Federal	9 mos.	30,000	09/30/80
CETA	DCRA	Federal	9 mos.	60,000	09/30/80
FAI	DCED	State	Indefinite	15,000	---

Fbks Airport

TOTAL VALUE OF CURRENT CONTRACTS BY SOURCE OF FUNDS

Local	85,000
State	15,000
Federal	336,300

ASSOCIATION STAFF AS OF DECEMBER, 1979

PERMANENT STAFF

Name	Title
Jerry Smetzer	Executive Director
Walter Gesin	Deputy Director, Management
Barbara Sepelak	Administrative Supervisor
Roberta Fyten	Program Assistant

PROJECT & PROGRAM STAFF

Name	Title
Susan Tapp	Receptionist CETA
Ron Ponchione	Weatherization and Housing Rehabilitation Coordinator
Bruce Cadwell	Carpenter Assistant, Winterization
Jim Wulff	Carpenter Assistant, Winterization
Bob Grove	Program Director
Nancy Perkins	Contract Bookkeeper
Marilyn Nett	Bookkeeper

FISCAL YEAR '80 BUDGET

ITEMS	BUDGET AUTHORIZATION	EXPENDITURE AUTHORIZATION	AVAILABLE FUNDS
PERSONNEL			
Permanent Staff			
Executive Director	35,000	31,200	22,100
Deputy Director, Management	33,000	30,000	21,250
Deputy Director, Programs	28,000		
Urban Program Coordinator			
Rural Program Coordinator			
Administrative Supervisor	20,000	20,000	14,169
Program Assistant	18,000	18,000	16,010
* Receptionist/Typist	14,560	14,560	14,560
Research/Publications Coordinator	15,600	2,600	2,600
* Bookkeeper	14,560	14,560	14,560
Program Staff			
Urban Program Director	19,000	19,000	19,000
Urban Program Director			
Program Secretary			
Field Team	15,600	15,600	15,600
Rural Program Director	28,000	22,000	22,000
Rural Program Director			
Program Secretary			
Field Team			
TOTAL PERSONNEL	241,320	187,520	161,849
BENEFITS			
Insurance	6,100	6,100	6,100
Workmen's Compensation	2,429	2,429	2,429
ESC	1,760	1,760	1,760
Leave	11,870	11,870	11,870
TOTAL BENEFITS	22,159	22,159	22,159
PROFESSIONAL SERVICES			
Bookkeeping	10,300	10,300	10,300
Audit	5,500	5,500	5,500
Contractual Services	250,039	86,231	86,231
TOTAL PROFESSIONAL SERVICES	265,839	102,031	102,031
TRAVEL			
Fares	14,226	14,226	14,226
Per Diem	11,982	11,982	11,982
Mileage	3,300	3,300	3,300
TOTAL TRAVEL	29,508	29,508	29,508

* Temporary position - financed by CETA

ITEMS	BUDGET AUTHORIZATION	EXPENDITURE AUTHORIZATION	AVAILABLE FUNDS
SPACE			
Rent	43,920	43,200	32,757
Utilities	2,400	1,920	1,920
Janitorial	3,510	3,510	3,510
Telephone Rent	2,100	2,100	2,100
Insurance	1,191	1,191	1,191
TOTAL SPACE	53,121	51,921	41,478
EQUIPMENT			
Purchase	11,536	11,536	8,971
Rent	4,672	4,672	4,672
Repair	2,835	2,835	2,835
TOTAL EQUIPMENT	19,043	19,043	16,478
OTHER DIRECT COSTS			
Consumables	7,000	7,000	7,000
Postage	1,550	1,550	1,550
Telephone	4,750	4,750	4,750
Printing	8,000	8,000	8,000
Publications & Subscriptions	1,500	1,500	1,500
Materials	53,000	53,000	53,000
Miscellaneous	1,500	1,500	1,500
TOTAL OTHER DIRECT COSTS	77,300	77,300	77,300
GRAND TOTAL	708,290	489,482	450,803

FUND SOURCES

EDA Planning	86,400 - Planning
EDA Title IX	75,000 -
FmHA	48,500 - Rural Cap Improvements
DOE	80,000 - Insulation
CSA	30,000 -
North Star Borough	85,000 - Mated
CETA	60,320 - Employees (Staff)
Undetermined	244,400
	708,290

FY '81 PRELIMINARY BUDGET AND FY '82 PLANNING BUDGET

	FY '81	FY '82
PERSONNEL		
Permanent Staff		
Executive Director	37,000	38,000
Deputy Director, Management	35,000	36,000
Deputy Director, Programs	33,000	34,000
Urban Program Coordinator	30,000	31,000
Rural Program Coordinator	30,000	31,000
Administrative Supervisor	21,000	22,000
Program Assistant	19,000	22,000
Receptionist/Typist	14,560	15,000
Research/Publications Coordinator	25,000	26,000
Bookkeeper	16,000	17,000
Program Staff		
Urban Program Director	24,000	28,000
Urban Program Director	24,000	
Program Secretary	15,000	
Field Team	20,000	20,000
Rural Program Director	24,000	
Rural Program Director	24,000	
Program Secretary	16,000	
Field Team	40,000	
TOTAL PERSONNEL	447,560	320,000
BENEFITS		
Insurance	20,400	14,400
Workmen's Compensation	4,079	3,300
ESC	5,440	3,520
Leave	37,674	24,376
TOTAL BENEFITS	67,593	45,596
PROFESSIONAL SERVICES		
Bookkeeping	22,000	12,000
Audit	11,000	6,050
Contractual Services	135,716	80,806
TOTAL PROFESSIONAL SERVICES	168,716	98,856
TRAVEL		
Fares	26,318	14,475
Per Diem	22,166	12,191
Mileage	7,460	4,103
TOTAL TRAVEL	55,944	30,769

	FY '81	FY '82
SPACE		
Rent	49,680	43,200
Utilities	3,600	3,100
Janitorial	4,200	3,600
Telephone Rent	2,600	2,100
Insurance	1,400	1,200
TOTAL SPACE	61,480	53,200
EQUIPMENT		
Purchase	14,736	12,000
Rent	8,643	5,100
Repair	5,245	3,200
TOTAL EQUIPMENT	28,624	20,300
OTHER DIRECT COSTS		
Consumables	10,000	7,500
Postage	2,867	2,100
Telephone	8,737	5,200
Printing	14,800	9,700
Publications & Subscriptions	2,500	2,200
Materials	75,000	68,000
Miscellaneous	2,775	1,526
TOTAL OTHER DIRECT COSTS	116,679	96,226
GRAND TOTAL	946,596	664,947

PROJECTED FUND SOURCES

EDA Planning	86,400	86,400
EDA Title IX	--	
FmHA	50,000	50,000
DOE	100,000	100,000
CSA	30,000	30,000
Fairbanks North Star Borough	100,000	100,000
CETA	64,196	--
Undetermined	538,500	321,047
TOTAL	969,096	687,447

* N O T E S *

FAIRBANKS TOWN AND VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

Executive Committee Meeting
Thursday, December 13, 1979
9:00 a.m.

Arctic Room, Polaris Building
Fairbanks, Alaska

A meeting of the Executive Committee of the Fairbanks Town and Village Association for Development, Inc. was held on Thursday, December 13, 1979, at 9:00 a.m., in the Arctic Room of the Polaris Building, Fairbanks, Alaska. The meeting was called to order at 9:00 a.m.

EXECUTIVE COMMITTEE MEMBERS PRESENT:

Chris Anderson, President
Spud Williams, Vice-President
Mellie Terwilliger, Secretary
Wally Burnett, Treasurer
Jonathan Solomon, Member

BOARD OF DIRECTORS PRESENT:

Steve Squires
Rudy Hamilton
Jeff Stokes
David Miller
Harry Maillelle
Adelle Chase
John A. Carlson
Dr. William R. Wood

FTVAD STAFF PRESENT:

Jerry Smetzer, Executive Director
Walter Gesin, Deputy Director, Management
Robert Grove, FmHA Program Director
Ron Ponchione, Winterization Program Director
Barbara Supelak, Administrative Supervisor
Bobbi Fyten, Program Assistant

GUESTS PRESENT:

Ann Helmick, Main, Hurdman and Cranstoun
Charlie Backus, Photographer
Ned Osborn, Economics Research Associates
Dan Stephan, Economics Research Associates
Dave Rasley, Title IX Task Force
Ruth Burnett, Title IX Task Force

DISCUSSION OF A POSSIBLE WORKING AGREEMENT BETWEEN TANANA CHIEFS CONFERENCE AND INTERIOR VILLAGE ASSOCIATION AND FAIRBANKS TOWN AND VILLAGE ASSOCIATION TO POOL RESOURCES AND CO-ORDINATE EFFORTS FOR PROJECTS AND PROGRAMS IN THE RURAL AREAS OUTSIDE FAIRBANKS

The meeting opened with a general discussion of a possible working agreement between the Tanana Chiefs Conference, the Interior Village Association and Fairbanks Town and Village Association, to pool resources and coordinate efforts for projects and programs in the rural areas outside Fairbanks.

Mr. Williams and Mr. Smetzer had met earlier with an IVA representative to discuss such an agreement. At that meeting it had been decided that such a working agreement could be very helpful in raising needed project financing, avoiding conflicts and improving working coordination between the three organizations...particularly in the villages.

Mr. Smetzer stated that before the three parties pursued the discussions further, they wanted to outline the proposal before the executive boards of their respective organizations.

Mr. Burnett asked that any proposal for a three party agreement be reviewed with the Executive Committee prior to any formal action committing FTVAD.

Mrs. Terwilliger asked if such an agreement would be similar in form to the existing agreement between TCC and FTVAD. Mr. Smetzer said that, in general form, the agreements would probably be similar.

At 9:10 a.m., the Executive Committee recessed. The meeting was reconvened at 9:20 a.m.

FTVAD FINANCES

a) AUDIT REPORT

At the request of the Executive Committee, Ann Helmick, representing Main, Hurdman and Cranstoun, gave a brief review of their audit of the Association's financial records for FY '79.

WALLY BURNETT moved that the audit report for FY '79 be recommended for approval to the FTVAD Board of Directors at their annual meeting to be held December 14, 1979.
seconded by JONATHAN SOLOMON

In response to Ms. Helmick's review, Mrs. Terwilliger requested that the record show the Association had carefully followed financial recording procedures suggested by the firm at the conclusion of last year's audit. As a result, no discrepancies were found in the Association's financial record for this fiscal year, and no recommendations were necessary.

MOTION CARRIED UNANIMOUSLY

Wally Burnett, Fairbanks, examines the audit report.

b) CURRENT FINANCIAL STATUS

Mr. Smetzer distributed a Budget Planning Document to those present. He reported that the Association had established a procedures manual a year ago for the conduct of its internal affairs and set the policy for planning the Association's budgets in three year cycles. He pointed out that in the current FY '80 budget there was a shortage of funds, due in part to the fact that the Association had been unsuccessful, despite over two years of intensive efforts, in developing annually renewable state financial support for any kind of interior economic development program.

Mr. Smetzer also stated that until the State of Alaska established a program of providing reliable financial support in the form of annually renewable grants to independent organizations involved with economic development, the absence of state policy and financial support would eventually make it impossible to conduct any kind of effective long range program of regional or local economic planning and development within the interior.

Mr. Smetzer further stated that the borough and the federal Economic Development Administration were providing annual planning and development grants for basic operations to the Association in the amount of $85,000 and $86,400 per year in this fiscal year. It is imperative that the state with its vastly superior financial resources start providing at least as much - preferable $100,000 - per year to the Association.

Mrs. Terwilliger suggested that it might be possible to put a little pressure on the state through the federal agencies which provided funds. Jonathan Solomon maintained that the Association should get the area legislators to initiate bills

that would appropriate the necessary funds for local and regional economic development within the regional boundaries of each of the 12 native regional corporations. Mayor Wood stressed the importance of conducting an effective census within the District. He also related his plans to initiate a committee concerning the census and the possibility of division of the various areas into economic development regions. The funds for the economic development programs would be appropriated by the state but administered locally. Mr. Smetzer stated because of the Executive Committee's concerns in this area that following the board meeting he intended to immediately draft legislation concerning the subject and would send a copy to each of the Executive Committee members for their review prior to submitting it to the state legislature and the Governor for action.

c) PROJECTED BUDGET

Mr. Walt Gesin briefly reviewed the FY '81 and FY '82 budgets. Mr. Smetzer called attention to the "Status of Projects and Programs" document and explained its layout. He pointed out the fact that the Association's budget increased during the time that the "Tasks" identified by the board were being carried out and decreased when the projects were completed.

FTVAC PROGRAMS

a) FmHA

Mr. Robert Grove reported on program related developments in Fort Yukon. He stated he hoped to coordinate the CIP plans with the various capital project financing agencies in each community and encourage a system whereby the village residents decided what they wanted from capital project development by state and federal agencies rather than being informed what they would receive without their consideration. He also commented briefly on the Inland Energy Development Impact Assistance bill currently making its way through Congress and how it could be applied to use in the Interior.

Mr. Grove commented that since taking over the position he had been working closely with the communities of McGrath and Fort Yukon, and planned to be working in Delta, but was presently waiting for the Tanana Chiefs Conference to complete a survey in the interior villages so that there would not be any duplication of efforts in those communities in which the survey was being conducted.

Mr. Smetzer briefly outlined SB 1880, the Inland Energy Development Impact Assistance bill, and the effect it could have on the area and the money that would be authorized to conduct anticipatory planning for the gas pipeline. He pointed out that if the bill passed the program would also be adminstered by the Farmers Home Administration of the Department of Agriculture.

b) ENERGY CONSERVATION & HOUSING REHABILITATION

At Mr. Smetzer's request, Mr. Grove reported on behalf of Winterization Director Ron Ponchione that there had been a slowdown in the winterization program, because the HUD funds for rehabilitation were running out. However, a total of 225 homes had been winterized and/or rehabilitated so far. A Crisis Intervention program, which assisted certain people on a one-time basis with such essentials as fuel, had been cut back. He also reported that while

Bob Grove, FTVAD staff, Fairbanks, discusses the Rural Capital Improvements Program. Adele Chase, Anvik, listens.

he had been working with the winterization program, various experiments had been carried out with solar collectors and different types of insulation in the Fairbanks area.

c) INVENTORY AND CONDITION SURVEYS

Mr. Grove reported on the inventory and condition surveys which had been accomplished in the Iditarod REAA by FTVAD staff and local engineering and architectural firms for DOTPF last spring. The reports from those surveys were available in the FTVAD offices.

Ruth Burnett, Fairbanks; Ned Osborn, Los Angeles; Dave Miller, Takotna; and Dan Stephan, San Francisco, discuss Title IX investment strategy.

MEETING WITH NED OSBORN AND DAN STEPHAN OF ECONOMICS RESEARCH ASSOCIATES OF SAN FRANCISCO, BOROUGH MAYOR JOHN CARLSON, AND MEMBERS OF THE FAIRBANKS TASK FORCE ON ECONOMIC DEVELOPMENT FOR A BRIEFING ON THE TITLE IX INVESTMENT STRATEGY PROGRAM

At 11:02 a.m., a joint meeting of the Executive Committee, the Title IX Task Force, and representatives of Economics Research Associates was held.

Mayor Carlson, Chairman of the Title IX Task Force, introduced Mr. Ned Osborn and Mr. Dan Stephan, of Economics Research Associates, to those present.

Mr. Osborn commented that since he had been in Fairbanks he had been encouraged and impressed by the community's enthusiasm and cooperation and felt that this would help with the development of the strategy.

Mayor Carlson remarked that it was important to emphasize that the end result of the study was to be a viable and implementable plan, not another document to be shelved. Mr. Smetzer commented that the plan was to encourage private investment to stimulate the local economy.

Mr. Osborn noted that the first task the consultants hoped to accomplish would be to identify the economic base and determine how it could be expanded. The study would hopefully also point out the bottlenecks which impeded growth and development in the area. Mr. Solomon remarked that he had attempted to get this idea about the importance of the rural communities to Fairbanks' economic base into focus for some time without much success, but was encouraged to see that positive steps were being taken in that direction.

Mr. Smetzer pointed out that Mr. Osborn and Mr. Stephan had decided to spend some time in at least one of the rural villages outside Fairbanks in order to gain a better understanding of Fairbanks' economic relationship to the rural areas.

Mr. Dan Stephan mentioned the utilization of a leveraging financial package with the state to activate federal grants as a key element of the strategy. Ruth Burnett reported that she had recently attended meetings in Anchorage at which organizations similar to the Association had discussed the state's future. She suggested that the information which had been compiled following the meeting held ten years ago could be made available to the consultants for their use.

Mr. Dave Rasley of the Operating Engineers Local 302 discussed his union's hiring hall procedures in the Fairbanks area and how village residents were affected. It was suggested that the subject was one which should be discussed at the general board meeting to be held the next day if Mr. Rasley could attend.

ADJOURNMENT

There being no further business to be considered, the Executive Committee meeting adjourned at 11:39 a.m.

FRIDAY, DECEMBER 14, 1979

Chris Anderson, Fairbanks; Ray Kent, Fairbanks; and Mike Andon, Tanana, listen to board debate.

MINUTES

ANNUAL BOARD OF DIRECTORS MEETING
FAIRBANKS TOWN AND VILLAGE ASSOCIATION FOR DEVELOPMENT, INC.

December 14, 1979
Arctic Room, Polaris Building
Fairbanks, Alaska

The annual meeting of the Board of Directors of the Fairbanks Town and Village Association for Development, Inc. was called to order at 9:20 a.m., Friday, December 14, 1979, in the Arctic Room of the Polaris Building by President Chris Anderson.

PRESENT:

Fred Alexie
Chris Anderson
Mike Andon
Fred Baker
Eddie Bergman
Dave Brennen
John Carlson
Adele Chase
Larry Crouder
Richard Frank
Bill Green
Rudy Hamilton
Ray Kent
Harry Maillelle
David Miller
Victor Nicholas
Jonathan Solomon
Steve Squires
Jeff Stokes
Mellie Terwilliger
Spud Williams
William R. Wood

FTVAD STAFF:

Jerry Smetzer, Executive Director
Walter G. Gesin, Deputy Director, Management
Ron Ponchions, Winterization Program Director
Robert A. Grove, Program Director (FmHA & RCIP)
Barbara Sepelak, Administrative Supervisor
Bobbi Fyten, Program Assistant
Joel Lockman, Research Assistant

GUESTS:

Ron Punton, Fairbanks City Council
Ruth Burnett, Fairbanks City Council
Thomas A. Bazan, Real Estate Associates
Charlie Backus, Photographer
Don Nelson, KJNP
Darlene Pasley-Nebeker, Dept. of Labor, Fairbanks Job Service
Steve Porten
Mark Boyer, Office of Senator Mike Gravel
Candace Magnuson, Wordsmith Agency
Virgil Severns, Cooperative Extension Service
Ray Morgan, Cooperative Extension Service
Dave Rasley, Operating Engineers, Local 302
Paula Schiller, KUAC-FM
Senator Bettye Fahrenkamp, Alaska State Senate
Lottie Fleeks, Dept. of Labor, Fairbanks Job Service

CALL TO ORDER

INTRODUCTION OF NEW BOARD MEMBERS

It was noted that there was not a quorum of either the full Board of Directors nor the Executive Committee present at the time the meeting was called to order.

Mr. Smetzer briefly explained the layout of the "Budget Planning Document." He called attention to the "Status of Projects and Programs" document which was a summary of each of the tasks listed in the "Overall Economic Development Program for Fairbanks and the Interior of Alaska through 1981" (OEDP). An estimate of costs to carry out those tasks had been developed, and a chronology as well as a current project status report as of December 1979, was given.

REVIEW OF PROJECT AND PROGRAM STATUS

Mellie Terwilliger, Tok; Bill Green, Fairbanks; and Larry Croudot, Fairbanks, listen to a report of project status.

1. ECONOMIC DEVELOPMENT

Mr. Smetzer explained Major Program Category #1, Economic Development, Goal A, Task #1, Economic Diversification Strategy. He stated that the Title IX Strategy Program was one means of accomplishing the Board's desire to develop

greater public awareness of the economic development needs in the area. A $75,000 Title IX Strategy Development grant from EDA as well as $25,000 matching funds from the Fairbanks North Star Borough had been appropriated and after a rigorous selection process by the Fairbanks based Task Force on Economic Development, the consulting firm of Economics Research Associates of Los Angeles had been chosen, Mr. Smetzer explained.

Referring to Task #2, Small Industries Development concerning cottage industries, he reported that the Association was proposing to work jointly with the Adult Learning Programs of Alaska, Inc. to develop a five year program of assistance to resident-owned small businesses. Mayor Wood announced that he would be attending a White House Conference on small businesses in January and welcomed any comments, suggestions on assistance to identify the primary problems associated with small industry development.

Concerning Goal B, Task #4, Fairbanks Downtown Revitalization, Mr. Smetzer noted that while several rural communities had expressed an interest to develop a tourism trade, there were many villages which did not desire involvement in that industry. However, regarding Tanana Mission Restoration, included in Task #4, Mr. Smetzer also noted that the City of Tanana was interested in restoring its old mission church and FTVAD staff was assisting.

Goal C, Task #5, New Loan Funds, Mr. Smetzer remarked that the Association had been talking with various state and federal lending assistance agencies in the hope of getting a public lending authority into the area to make loans for private business ventures.

Referring to Goal D, Task #6, Decentralization, the recommendation for federal decentralization, Mr. Smetzer explained that Title V Commissions were used as a federal device for linking states into a common planning apparatus in a region. The legislation for a single state Title V Commission for Alaska was currently being considered in Congress. He spoke briefly on local decentralization and efforts to work with Tanana Chiefs Conference in sub-regional and comprehensive planning in the villages. TCC was currently in the process of decentralizing its offices and operations, he added.

A brief discussion ensued concerning unorganized boroughs and legislative attempts to develop a statute which would organize the unorganized boroughs.

In response to Mr. Smetzer's statement regarding a proposed recommendation to the State of Alaska by the Board of Directors concerning decentralization of state government, Mr. Ray Kent suggested tabling action until a quorum was present.

2. TRANSPORT DEVELOPMENT

Mr. Smetzer called the board's attention to Major Program Category #2, Transport Development, Task #1, Fairbanks Airport Development. The major program of this category was development of Fairbanks International Airport, he stated and added that the representatives of Economics Research Associates had had discussions with various airport personnel and air carriers on that subject. Other matters related to airport development were the hydrant fueling system, which had recently received a favorable report from the revenue bonding authority as a feasible facility and would soon be ready to go to market; the air cargo facility; a port authority and a Foreign Trade Zone.

In response to a request from Mr. Williams, Mr. Smetzer explained the Foreign Trade Zone (FTZ) concept as a means of assembling foreign components into domestic products - thus reducing customs duties on finished products. He added that Economics Research Associates had experience in the area of FTZ's

and had worked with the City of San Jose to set one up. They would be considering all points of the issue quite closely as part of the Fairbanks Investment Strategy. Mr. Smetzer stated that he did not foresee spending much time on the FTZ until the consultants had looked into it, and had explored the competitive advantages and disadvantages of a Fairbanks or Anchorage zone.

Referring to Task #2, Rural Airport Development, and improvements for six rural airports, Mr. Smetzer stated that the Department of Transportation and Public Facilities (DOTPF) was currently working on those projects.

Task #3, Local Service Roads, Mr. Smetzer reported, concerned Local Service Roads and Trails projects in Anvik, Grayling and Holy Cross, but until the issue involving gravel was resolved work could not be completed on those projects. A court determination made in December, 1978 stated that regional corporations owned the gravel and therefore it could not be used as local match by the community. Mr. Spud Williams suggested that the Association's efforts could be aimed at changing DOTPF's concept of the local match and maintained that since the Department did not expect free gravel in the Fairbanks area projects, it was not equitable to expect it from the rural communities. Mr. Mike Andon suggested that the Association consider the possibility of changing the state's policy on the purchase of gravel. Mr. Smetzer advised that the matter be brought up for consideration when a quorum of the Board of Directors was present.

3. COMMUNITY FACILITIES DEVELOPMENT

Major Program Category #3, Community Facilities Development, Mr. Smetzer explained, encompassed an effort to overcome some of the facility problems in the rural communities, and emphasized construction activities in those communities. Two active projects were facilities in the City of McGrath and the City of Fort Yukon. He related that Bob Grove had been hired with a grant from FmHA to work with 14 rural communities which had requested assistance with their facilities by developing a method to fit them into the communities' goals and objectives and helping to work with the various state and federal sources of capital project financing.

Mr. Grove explained that the legislature had appropriated $250,000 and FmHA had granted a $35,000 guaranteed industrial loan for the City of Fort Yukon's common-use maintenance facility to house a fire department and the maintenance equipment for the roads and airport. It was also expected that EDA may appropriate additional funding for the building if a clear stimulus to the local economy could be shown.

In McGrath, he stated, the residents were attempting to rennovate an already existing structure to permit housing of the health center as well as space for maintenance equipment.

Referring to other villages, Mr. Grove explained that his efforts were directed mainly at coordinating some of the programs that were already in progress and also working closely with the TCC survey. He noted that in many cases government agencies had constructed facilities without any consideration being given to the desires of the village residents.

Mr. Eddie Bergman stated that the community of Allakaket was in need of a new office building and in March had submitted an application to the Association for assistance in getting the facility to which Mr. Grove responded that he was in the process of organizing his office since taking over his present position and would make every effort to follow through on any unfinished projects. Mr. Smetzer, referring to Task #4, Rural Capital Improvements, in the cate-

gory, related that 14 rural communities had adopted formal resolutions requesting the Association's assistance with capital improvement projects and that the office had just recently received a request from the City of Delta Junction to be added to that list.

Mayor Wood commented that a frequent problem with construction of facilities in the small rural communities was assuring a feasible way for them to be maintained after they were built, to which Mr. Dave Brennen stated that this should also be a matter of consideration by the state in dealings with its rural facilities.

Mayor Wood went on to comment that the matter could perhaps qualify as a legitimate use of the state's permanent fund to be included in a broad category for fuel, energy, health, safety, etc., so that whatever facility was constructed or installed in a rural community, the operational costs would be partially offset from income derived from the fund.

Mayor John A. Carlson, Fairbanks North Star Borough, shares an observation with Mayor William R. Wood, City of Fairbanks, during board discussion.

2. TRANSPORT DEVELOPMENT

Reverting to Major Program Category #2, Transport Development, Mr. Smetzer commented briefly on various transportation problems in the bush areas. He related that he and Mr. Anderson had attended a White House sponsored conference on that subject in Anchorage recently. Basically, over the past few

months, there had been a 50-60% increase in the cost of passenger and freight transportation to and from the rural areas. In that regard, there had been discussions in the planning session the day before that the Association's efforts be concentrated heavily on restoring the barging system on the Yukon and on any other matters which might help alleviate some of the transportation related problems.

Mr. Fred Alexie noted that it cost $17.50 per 5-gallon can of gasoline to transport it into Kaltag.

Mr. Smetzer suggested that the Board of Directors consider adopting a resolution encouraging improvements in the transportation category.

4. ENERGY CONSERVATION AND HOUSING REHABILITATION

Referring to Major Program Category #4, Energy Conservation and Housing Rehabilitation, Mr. Smetzer reported that within this category the Association had been pursuing a program for about 1½ years under the guidance of Ron Ponchione to install insulation, storm windows and doors, etc., for people who came within the guidelines, generally low income people or senior citizens. To date, work had been done on 225 houses in the Fairbanks North Star Borough.

The Association was presently investigating opportunities in energy conservation projects and had considered the testing of prototypes, including the utilization of MUS waste heat, Mr. Smetzer stated. Mayor Wood remarked that the use of waste heat had many ramifications for a diversity of projects, one of them being increasing the area's self-sufficiency in production of food. Mr. Smetzer commented that the Association would not be directly involved with the prototype projects, but would like to initiate the machinery to get them started and financed.

5. PETROLEUM RESOURCE POLICY

Regarding Major Program Category #5, Petroleum Resource Policy, Goal B, Task #4, Gas Conditioning Plant, Mr. Smetzer remarked that Mayor Carlson had sent a letter concerning the three major areas involving location of the gas conditioning plant that needed investigation. The funds for the studies would be allocated by the state, but should be under local control, he stated. Mr. Smetzer stated that he expected to continue working closely with Mayor Carlson and the Borough to raise the estimated half million necessary to conduct the basic feasibility studies.

Concerning Goal A, Task #1, Oil and Gas Management, Mr. Smetzer briefly commented on location of all public and private offices with northern oil and gas development, management and research responsibilities in Fairbanks. Of the three parties concerned with the gas pipeline - state, federal and private - the federal office had not yet determined where to locate within the state, but it was hoped that when a final decision was made that office would locate in Fairbanks as well. Regarding the Beaufort Sea lease sale, Mr. Smetzer remarked that due to local efforts, including those of the Association, the sale had been held in Fairbanks, as would, hopefully, the next Beaufort sale scheduled for February, 1983.

It was suggested by Mayor Wood that if the Fairbanks area wished to have this type of business activity in the future it might behoove the residents to have a welcoming committee and demonstrate some enthusiasm. Mr. Smetzer pointed out that efforts were made to work with the state and federal sale managers, but they made it clear they didn't need any help from Fairbanks.

Mr. Smetzer commented briefly on SB 1880, the Inland Energy Impact Assistance Bill, and the advantages it would provide to areas such as the Interior if it was approved by Congress. The Bill would allow access to public works grants, business and development loans, as well as other federal programs to assist the community in avoiding problems and taking advantage of projects such as the gas pipeline.

Goal A, Task #3, Alaska Regional Center, U.S.G.S., Mr. Smetzer stated, concerned the location of the proposed U.S.G.S. Alaska Regional Center in Fairbanks. Last August, he reported, an announcement had been made stating that the center would be located in Anchorage. But he had been assured by Dr. Menard in a letter that this involved only a few employees and that he would fully consult with all communities interested prior to making a final decision on the matter.

Concerning Goal B, Task #5, Mineral Industry Development, Mr. Smetzer reported that the Association would start working on that project next year. Mr. Brennen remarked that at its meeting the previous evening, the Fairbanks North Star Borough Assembly had adopted an ordinance creating a mineralized mining zone to help prevent future conflicts between surface rights land use and sub-surface rights mineral use. Mr. Williams maintained that this concept could also be applied to future resource and residential use of land in the rural areas. Mr. Brennen assured Mr. Williams that he would shortly receive a copy of the ordinance.

6. WORKFORCE DEVELOPMENT

Mr. Smetzer briefly reviewed Major Program Category #6, Workforce Development, and added he hoped that Mr. Dave Rasley, Business Agent for Operating Engineers Local 302, would be able to attend the meeting later that day to comment on his union's hiring practices.

Mr. Smetzer also stated that considerable effort was going into the coordination of local school district and Tanana Valley Community College programs at the Hutchison Career Development Center. Mr. Smetzer stated that he is involved in those efforts and will continue to press for more regional adult programs at Hutchison.

7. RENEWABLE RESOURCE DEVELOPMENT

Referring to major Program Category #7, Renewable Resource Development, Mr. Smetzer explained that the organization was not directly involved with many programs in this area, but hoped to get into some by July, 1980. Mr. Brennen commented that the Borough Assembly had recently adopted a resolution requesting the State of Alaska to establish a state forest in all the feasible areas of the borough to, hopefully, provide the land management mechanism to sustain full commercial utilization. Mr. Williams related that Tanana Chiefs Conference was doing comprehensive forest inventories in its own region for marketing purposes, basically on requests concerning funding availability, for such communities as Tetlin, Dot Lake, Nenana and Venetie.

A short discussion ensued on establishing a quorum for the meeting. Mr. Anderson noted that in the event that a quorum of the full Board of Directors was not present, a quorum of the Executive Committee could be established and those members could act in behalf of the full board.

EXECUTIVE COMMITTEE RECOMMENDATION

At 11:15 a.m., a meeting of the Executive Committee of the Fairbanks Town and Village Association for Development, Inc. was called to order by President Chris Anderson.

EXECUTIVE COMMITTEE MEMBERS PRESENT:

Chris Anderson, President
Spud Williams, Vice-President
Mellie Terwilliger, Secretary
Jonathan Solomon, Member

A roll call of the Board of Directors of the Fairbanks Town and Village Association for Development, Inc. was then taken. Only 18 members were present. Nineteen members were required to establish a quorum.

MELLIE TERWILLIGER moved to accept Eddie Bergman of Allakaket as a member of the Board of Directors of the Fairbanks Town and Village Association for Development, Inc.
seconded by JONATHAN SOLOMON

MOTION CARRIED UNANIMOUSLY

ACCEPTANCE OF AUDIT REPORT

Mr. Anderson stated that at its meeting the day before, the Executive Committee had accepted the audit report for FY '79, adding that the management letter included in the report had commended the Association's staff for its endeavors to follow the recommendations suggested after last year's audit. Mr. Solomon commented that it was not very often that an auditing management letter was written without any suggested recommendations and stated he also felt that the Association should be lauded for its efforts. Mr. Brennen commented that as Chairman of the Borough Assembly's Audit Committee, the organization's audit report was the most unqualified financial statement he had seen.

Mr. Anderson then noted that a quorum of the full Board of Directors was present with the recent arrival of additional Directors.

JONATHAN SOLOMON moved to adjourn the Executive Committee meeting.
seconded by SPUD WILLIAMS

MOTION CARRIED UNANIMOUSLY

At 11:21 a.m., the meeting of the Executive Committee was adjourned and a meeting of the Board of Directors was called to order.

MAYOR WOOD moved to accept the FY '79 audit report.
seconded by DAVE BRENNEN

Mayor Wood requested that the FTVAD staff be given a good commendation for their year-long effort to maintain the Association's budget so meticulously.

MOTION CARRIED UNANIMOUSLY

JONATHAN SOLOMON moved to accept Eddie Bergman of Allakaket as a member of the Board of Directors of the Fairbanks Town and Village Association for Development, Inc.
seconded by MAYOR CARLSON

MOTION CARRIED UNANIMOUSLY

Mr. Anderson announced that Rev. Don Nelson of KJNP radio station had attended the board meeting. Mrs. Terwilliger explained that the Tok Chamber of Commerce had asked her to request the Association's assistance in obtaining a KJNP translator station for that area.

MELLIE TERWILLIGER moved that FTVAD assist the Tok Chamber of Commerce in helping to get translators into Dot Lake to serve the Upper Tanana Region.
seconded by BILL GREEN

At Mr. Anderson's request, Reverend Nelson explained the procedures involved in installing a translator station. He remarked that although the operational cost of the station was minimal, the cost of installation was high and it would require the assistance and financial support of various organizations to help with those costs. He related that Alascom had waived one of its fees and that

the FCC had approved the Dot Lake location, and that both actions were positive steps. Mr. Andon questioned the possibility of getting the translators into other areas as well, to which Reverend Nelson replied that it would depend on financing and also whether or not there was already a facility in those areas.

MOTION CARRIED UNANIMOUSLY

Mr. Smetzer recalled that during discussions earlier that morning there had been five suggested resolutions. The first dealt with the Association's recommendations to the State of Alaska on decentralization of its administration and management of state agencies; the second had to do with the organization's recommendation to DOTPF to allow purchase of gravel under the Local Service Roads and Trails program in the villages; the third, dealing with the KJNP translator station in Dot Lake, had been adopted by the Board of Directors; the fourth suggested adding the City of Delta Junction to the list of communities desiring capital improvements assistance; and fifth was a non-specific resolution to reaffirm the Association's efforts in the area of rural transportation systems.

DAVE BRENNEN moved to adopt the staff's recommendation on state decentralization.
seconded by JONATHAN SOLOMON

Mr. Solomon commented that the recommendation of the staff included a statement concerning a six region concept; however, there were 12 native corporations in existence and he felt that those should be used.

JONATHAN SOLOMON moved to amend the first paragraph to read: "... within the legal boundaries formed by the twelve native regional corporations created under the authority of the Alaska Native Claims Settlement Act of 1971."
seconded by MELLIE TERWILLIGER

In response to a question from Mr. Williams, Mr. Smetzer explained that the six regions were the physiographic regions of the state - southeast, southcentral, southwest, northwest, north and interior. It was set up that way because it was generally in conformance with the six native corporation boundaries except in some cases where regional corporations were combined in a single region. Mr. Kent commented that the legislature and the state's Department of Community and Regional Affairs were currently involved in a study on the subject, but felt that the organization should support the regional corporation boundaries. Mr. Stokes felt that the McGrath sub-region was better served by the southcentral region and favored following the REAA boundaries. Mr. Williams stated that while he was sympathetic to Mr. Stokes' concerns, he felt that the area of policy and planning and the area of service delivery could be most compatible with use of the native corporation regions.

MOTION TO AMEND THE RECOMMENDATION CARRIED

The staff recommendation to be considered by the Board of Directors would read as follows:

> "1. The Governor should by Administrative Order immediately institute a common system of regional planning, development, and government administration boundaries within the legal boundaries formed by the twelve native regional corporations created under the authority of the Alaska Native Claims Settlement Act of 1971.

2. The Governor should by Executive Order begin immediately the decentralization of administrative decision making into these regions by divesting agencies of the state of their accumulations of centralized authority which were not explicitly granted by the constitution.

3. The Governor should by Executive Order begin immediately the democratization of the state's administration of planning, development, project recommendation and priority setting activities, and the delivery of needed government services within these regions by financing and contracting their provision through fiscally sound, locally controlled non-profit, quasi-governmental corporations conducting related activities."

MOTION CARRIED UNANIMOUSLY

DAVID MILLER
seconded by DAVE BRENNEN

moved to add the City of Delta Junction to the list of communities named under Task #4, Community Facilities Development category who have officially requested FTVAD staff assistance in developing local capital improvement projects.

MOTION CARRIED UNANIMOUSLY

Jeff Stokes, Nikolai, confers with Mollie Terwilliger, Tok, during lunch.

Mr. Anderson called the board's attention to the issue of the state's gravel purchase policy. Mr. Smetzer suggested that the Board of Directors consider a

resolution to strongly recommend to the State of Alaska Department of Transportation and Public Facilities that their procedures be changed to allow the purchase of gravel in rural communities for local service roads. Mr. Williams suggested adding purchase of rights-of-way as well. Mayor Carlson remarked that under the current state statutes, Local Service Roads and Trails funds could not be utilized to purchase rights-of-way and to effect such a policy would take a change in legislation and not procedure.

MIKE ANDON
seconded by SPUD WILLIAMS

moved that FTVAD strongly recommend that DOTPF change in procedures under its Local Service Roads and Trails program to allow the purchase of gravel for local service roads and further recommend that that statute be changed to allow purchase of rights-of-way for local service roads.

MOTION CARRIED UNANIMOUSLY

SPUD WILLIAMS
seconded by DAVID MILLER

moved to recess for lunch and reconvene at 1:30 p.m.

MOTION CARRIED UNANIMOUSLY

At 12:12 p.m., the Board of Directors recessed for lunch.

Victor Nicholas, Nulato, discusses the need for runway lighting in his community. Fred Baker, Fairbanks, listens.

At 1:01 p.m., the Board of Directors reconvened for a "Round Table" discussion.

Fred Baker stated that he had no comments to make.

Mayor Carlson commented that the board meeting gave several groups of people an opportunity to get together to discuss problems and possible solutions.

Adele Chase declined to comment.

Victor Nicholas expressed his concern with transportation problems associated with travel to the rural areas. There were some major concerns in this regard, including the fact that air transportation was essential during emergencies. He also commented on the need for runway lighting in Nulato. Mr. Smetzer advised that he thought funds for lighting several rural runways including Nulato had been included in an appropriation bill last year. He asked Bob Grove to check on it, and write a letter to Mr. Nicholas.

Steve Squires commented on various concerns, stressing the utilization of idle state funds for agricultural development.

Jeff Stokes had no comments.

Mellie Terwilliger remarked that the only outside source of income in many areas was from fire fighting. She expressed her hope that the Small Industries Development Program would improve this situation.

Dave Brennen stated that he was impressed with the Association's work program and accomplishments. He stressed the importance of keeping abreast of the efforts of other agencies and organizations.

Jonathan Solomon declined to comment.

Mr. Smetzer invited the guests present to speak.

Ray Morgan, of the Cooperative Extension Service, maintained that in the future there was the possibility of conflicts developing among the users of timber, but felt that FTVAD could assist in establishing a policy. He could also foresee an increase in commercial fisheries.

Ruth Burnett, member of the Fairbanks City Council, stated she was encouraged by the community interest shown at the meeting.

Jonathan Solomon briefly commented on commercial fisheries and fishing licenses.

Ron Punton, member of the Fairbanks City Council, expressed his hopes that the Title IX strategy development project would lead toward a more organized development of the Fairbanks area. It was essential that groups such as FTVAD, the Chamber of Commerce and the Downtown Association work together for the betterment of the community, he stated.

Dave Rasley, Business Agent for the Operating Engineers Local 302, spoke at length on the hiring practices and procedures for his particular union. He noted that in order for a person to maintain his position on the list, it would be necessary for him to re-register every 90 days following his initial registration date. He added that it was possible to register either by mail or in person. Mr. Rasley noted that a $10.00 per month fee was charged non-members due to the fact that it was mandatory for the Operating Engineers to maintain records of those individuals for a period of 10 years. In response to a question from Mr. Miller, Mr. Rasley stated that at the present time there would be

a long wait for a person who recently registered to get to the top of the work list, but he encouraged those who desired work through the union to sign up as soon as possible. He commented briefly on the need for native corporations and other interested organizations to supply input to the various companies concerning Alaskan hire. In answer to Mr. Grove's query, Mr. Rasley stated that when a call for workers was received, the union had 48 hours to fill the position, but he noted that in some instances it was necessary to repond to the call immediately ... otherwise expensive equipment had to sit idle.

Mr. Bergman related an experience which had occured in Allakaket in that a contractor was doing work in the area, but when the work slowed down the local people were layed off first. Mr. Rasley explained that in such a case it was probably a matter of economics; however, he suggested that if this happened in the future that the affected people consult with the contractor and attempt to work out a more equitable solution. His union would cooperate wherever possible.

Dave Rasley, Fairbanks, confers with Fred Alexie, Kaltag, on union procedures.

A discussion ensued concerning an Alaskan local hire law and the question of whether or not it was a negotiable item in projects such as the gas pipeline.

Fred Alexie stated he did not wish to comment.

Chris Anderson had no comments.

Mike Andon declined to comment.

Larry Crouder questioned the motion passed by the Board of Directors concerning the Association's support of the KJNP translator station. Mr. Smelzer explained that the action was merely a statement of support by the Board of

Directors and that there were no funds involved as far as the Association was concerned.

Ray Kent had no comments.

Referring to statements made by Mr. Nicholas, Mr. Grove remarked that state funds had been appropriated for various projects, and that some of them had not been carried out, but that he was currently trying to find a recent report by the Legislature on the status of capital appropriations to determine where the problems were, so that FTVAD could untangle the red tape and make sure the projects get underway this summer.

Harry Maillelle did not wish to comment.

David Miller declined to comment.

Jonathan Solomon commented briefly.

Spud Williams stated it was his feeling that the concept of the Association had come a long way since its inception and lauded Mr. Smetzer and his staff for their efforts in making the organization a viable one, and, particularly for bringing together so many key people from Fairbanks and the rural areas around it to discuss common problems and try and resolve them.

Mr. Smetzer thanked Mr. Williams and the board for their support over the years and pointed out that little could have been achieved without the dedication and hard work of his staff.

STAFF BUDGET RECOMMENDATIONS

Mr. Smetzer briefly reviewed the budget document, noting that in the current FY '80 budget there was a shortage of funds, due in part to the fact that the Association had been unsuccessful, despite over two years of intensive efforts, in developing annually renewable state financial support for any kind of interior economic development program. However, efforts were being made to come up with those funds. He also noted that the proposed overall budget increase to nearly $1,000,000 in FY '81 was not a permanent one, but was planned to take the organization through intensive project development activity for next year. Depending on timing and financing these programs would resume their FY '80 level the following year. The assumption is that the overall budget will fall back to current levels in FY '82.

JONATHAN SOLOMON moved to accept FTVAD staff budget recommendation for the FY '80, FY '81, and FY '82 fiscal years as presented in the Budget Planning Document for the currently budget cycle.
seconded by MELLIE TERWILLIGER

In response to questions from Mr. Williams, Mr. Gesin explained that the amount allocated for "Leave" was budgeted in the event that an employee with accrued leave desired to take it out in cash rather than take the leave. The amount for "Equipment Purchase" was for payments on equipment the Association currently had in its possession, and not for new equipment.

Mr. Smetzer explained that the current fiscal year's projected shortfall was a management problem at this point, but if any changes in staff or other important decisions were to be made, the Executive Committee would be consulted first. In response to a question from Mike Andon, he stated that the Title IX

program was a one year intensive program and would terminate at the end of the current fiscal year.

MOTION CARRIED UNANIMOUSLY

Spud Williams, Fairbanks, listens to board debate.

ELECTION OF OFFICERS

SPUD WILLIAMS
seconded by MIKE ANDON

moved to nominate the current members of the Board's Executive Committee with the exception that Dave Brennen be nominated in place of Ernie Holmberg.

MOTION CARRIED UNANIMOUSLY

SPUD WILLIAMS moved that nominations close.
seconded by JONATHAN SOLOMON

MOTION CARRIED UNANIMOUSLY

The Executive Committee members are as follows:

Chris Anderson, President	Jack Coghill, Member
Spud Williams, Vice-President	Dave Brennen, Member
Wally Burnett, Treasurer	Jonathan Solomon, Membe
Mellie Terwilliger, Secretary	

In response to various comments, Mr. Solomon maintained that it was difficult to negotiate on local minority hire, especially that related to the pipeline, when there was no state financial participation for that project.

SPUD WILLIAMS moved that FTVAD support the state's
seconded by JONATHAN SOLOMON efforts in tying one of the stipulations of state participation in financing the Alcan Gas Line to local hire provisions in the pipeline labor agreement.

MOTION CARRIED UNANIMOUSLY

There being no further business to come before the board, the meeting was adjourned at 2:17 p.m.

Dave Brennen, Fairbanks; Johathan Solomon, Fort Yukon; and Jerry Smetzer, FTVAD staff, Fairbanks, discuss boroughs after the board meeting.

Fairbanks Town & Village
Association
for
Development, Incorporated

407 second avenue
po. box 74080
fairbanks, alaska 99707
(907) 456-5178

THE ANNUAL BOARD M[illegible]ING

OF THE

FAIRBANKS TOWN AND VILLAGE ASSOCIATION FOR DEVELOPMENT, INC.

MINUTES

Executive Committee: Thursday, December 13, 1979
Board of Directors: Friday, December 14, 1979
Arctic Room, Polaris Building
Fairbanks, Alaska

"Serving the People and Communities of Interior Alaska"

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Jonathan Solomon, Fort Yukon, discusses the need for state support and financing for economic development programs in Alaska's several geographic regions. Dave Miller, Takotna; and Dave Rasley, Fairbanks, listen.

HB
626

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 626 Appropriation for Fbks. Town/Village Ass'n.

ORIGINAL SPONSOR: _____ OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: _____

HEARING DATE: 2/1/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Metcalfe - Suggests amending HB625, HB626 Section 3 with the requirement that additional funding would be contingent on how efforts of the Dept. of C&RA and TVA could be better coordinated. (Metcalfe then withdraws motion when Smelzier points out that there is no substantial conflicts between the activities of the Dept.of C&RA and TVA)

Palmer McCarter, Dept. of C&RA

No position on the bill. 56 capital improvements have been appropriated by the legislature. There are competing organizations which have represented themselves as being representative of the community. As there are several other agencies in the state, non-profit, not-state funded organizations which might also expect state suppot. The question is whether the state should be assisting these organizations. The Dept. of C&RA operates the capital improvement projects and rural development assistance programs and do coordinate with Fbks. TVA. As such, are not in competition. Commerce and Economic Development Dept. would probably be in a more competitive role.

COMMITTEE ACTION: Bill passed out of committee.

TAPE # 2 SIDE 1 Footage 424-899

PRIME SPONSOR: ROGERS.

CO-SPONSORS: SMITH, MOSS.

CURRENT STATUS: 2/04/80 IN (H) FINANCE

HB 626 TITLE & SPONSOR SUMMARY 12:08 5/27/80 PAGE 1 OF 2

AMENDED TITLE:
AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT OF ADMINISTRATION TO BE PAID AS A GRANT FOR THE OPERATING COSTS AND PROJECT DEVELOPMENT ACTIVITIES OF THE FAIRBANKS TOWN & VILLAGE ASSOC FOR DEV, INC; E.D. $100,000 (APPROP)

PRIME SPONSOR: ROGERS.

CO-SPONSORS: SMITH, MOSS.

CURRENT STATUS: 2/04/80 IN (H) FINANCE

HB 626 HOUSE ACTION 12:09 5/27/80 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/28/80	01	0128	FIRST READING --- COMMITTEE REPORTS
02/04/80	02	0210	CRA -- DP04, NR01 FINANCE RULES
02/04/80	03	0210	C&RA F/NOTE-SEN SUPPL #9
****	**	**	*** *** ***

HB
636

CARA

BILL WORK SHEET

BILL NO HB636 re Flags for Funeral

Received from —
Referred to T+RA

Original Sponsor Parker + Martin
Fiscal Note

LAA Legal Research Contact Sofs

CONTACTS:

Youngquist
Reynolds

(7)

COMMITTEE REPORT

HOUSE

1/29/80

FURTHER:

Date: Feb 20 1980

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 636

"An Act requiring flags for divers."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	

_____
CHAIRMAN

H 60 (Rev. 12/78)

AMENDMENT

OFFERED IN THE HOUSE: BY: HOUSE C&RA

To: RULES HOUSE BILL No. HB 636

SENATE BILL No. _____

PAGE: _____ LINE: _____

PAGE 1, LINE 11

Delete "15" and replace with "12",

PAGE 1, LINE 19

Delete "and" on line 19 and the rest of line 20 and replace it with"

steering clear of the flag by a distance of 100 feet. Boats maneuvering within a 100-foot radius of a divers flag shall be slowed to no-wake speeds or five miles per hour, whichever is necessary to maintain steerage in the seaway. A divers flag shall be displayed only while diving operations are underway."

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 636

ORIGINAL SPONSOR: Parker/Martin
RECEIVED FROM: --

OTHER SPONSORS:
FURTHER REFERRALS: --

HEARING DATE: 2/20/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

The Committee briefly discussed the bill and the proposed amendment for p. 1 lines 19-20. On p. 1 line 19 the word "may" would be deleted and those following and the additional wording added would be "shall be slowed to no-wake speeds or five miles per hour, whichever is necessary to maintain steerage in the seaway".

2/22/80 Chairman Parker brought to the attention of the Committee the items overlooked when the bill was heard on 2/20. The Committee concurred with the two amendments rewritten as indicated on the attached sheet.

COMMITTEE ACTION: Signed out of Committe with amendment as proposed.

TAPE # 2 SIDE 2 Footage 580-627

DIVERS FLAG LEGISLATION

Briefing paper for an act:

"An Act requiring flags for divers"

By Parker and Martin

Eleventh Legislature - Second Session

Every month, diver training programs in Anchorage, Fairbanks, Juneau, Sitka, Ketchikan and elsewhere are certifying an average of 50 new divers. Given the seasonal variation in interest, it's safe to say 500 or more divers are certified every year around the state.

And why not? With more miles of coastline than the other states combined, Alaska offers the underwater explorer a richness and variety of marine life found nowhere else in the U.S. The tropics are the deserts of the sea. The real riches -- as in commercial fishing -- are to be found in the high latitudes, north and south.

While there are no statistical data to confirm or refute what follows, the consensus among diving instructors puts the total number of certified divers living in Alaska in the five figure bracket. Although the guesses vary, the number of qualified -- not necessarily active -- divers in the state could easily be 20,000 or more; 10,000, certainly, is a credible number. And, it's a number that equals or exceeds the number of boats berthed in coastal harbors around the state.

DIVERS FLAG LEGISLATION
Briefing paper/2

So far, there have not been any diver-boat accidents. But, the growing numbers of divers and the growth of the recreational fleet state-wide raise the likelihood of such an occurrance from a possibility to a probability. At present, very few divers use the divers flag, saying either that the boaters do not know what it means, or that there are so few boats that the risks are minimal. Boaters, likewise, are generally unfamiliar with the ensign although its meaning is covered in Coast Guard boater safety courses.

In other states, the campaign for the adoption and recognition of the divers flag has used photographs showing the hideous pattern of propeller slashes across the back or side of an accident victim. Unless this legislation is adopted and a vigorous information campaign is launched, such photographs could appear in the Alaskan press. Simply put, the growing numbers of divers and boaters using the same waters makes it mandatory that the divers flag be adopted and recognized as a warning that people are submerged and that boaters should steer clear of the area.

The onus is not on the divers or the boaters; the responsibility is mutual. Divers must display the flag if they want boaters to avoid the area in which they are diving. And boaters, no less than motor vehicle operators seeing a stop sign, must come to recognize the divers flag as an accepted warning symbol, as appropriate in Alaska's oceanic and lake environments as the stop sign is in every community.

Alaska is one of 13 states which as yet have not formally adopted or recognized the divers flag. All of the others have adopted or formulated some regulations defining conditions for its display and response by boaters. While specifics vary from state to state, most

Therefore, the recommended draft legislation covering the use and display of the divers flag in Alaska calls for 150 feet of boater clearance and no-wake speeds. Hopefully, its enactment will prevent needless tragedy in Alaska waters.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 636
Title "An Act requiring flags for divers."
Requested by Rep. Parker Date 2/13/80

II. FISCAL DETAIL
Agency Affected Public Safety
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		0	0	0		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact is projected.

IV. DATE February 13, 1980 PREPARED BY Mike Clemens
AGENCY Public Safety
PHONE 465-4336

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

HB
640

(7)

COMMITTEE REPORT

HOUSE

1/30/80

FURTHER: FINANCE

Date: 11 [illegible] 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 640

"An Act making a special appropriation to the Alaska Power Authority for a study of hydroelectric development in the Tanana area; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[X] do pass with attached amendments(s)

[X] replace with CS for 640 [X] same title [✓] new title

and recommends

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
[signature]	[signature]
[signature]	
[signature]	
[signature]	

[signature]
CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 640 Appropriation for a study of hydroelectric development in the Tanana area.

ORIGINAL SPONSOR: Moss
OTHER SPONSORS: _____
RECEIVED FROM: _____
FURTHER REFERRALS: Finance

HEARING DATE: 4/16/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carr:y	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	
		Ray Metcalfe	X

Committee discusses pchange suggested by the Alaska Power Authority to make the study broader than just a study of hydro and have it include all power possibilities.

Committee agrees with suggestions and approves a CS containing such changes.

COMMITTEE ACTION: CS to be drafted with suggested amendment.

TAPE # 8 SIDE 1 Footage 717- 787

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER HB640 RE Appropriation/Ak.

Received from _____ Fical Note _____
Referred to _____ LAA Legal Contact Pegues

CONTACTS:

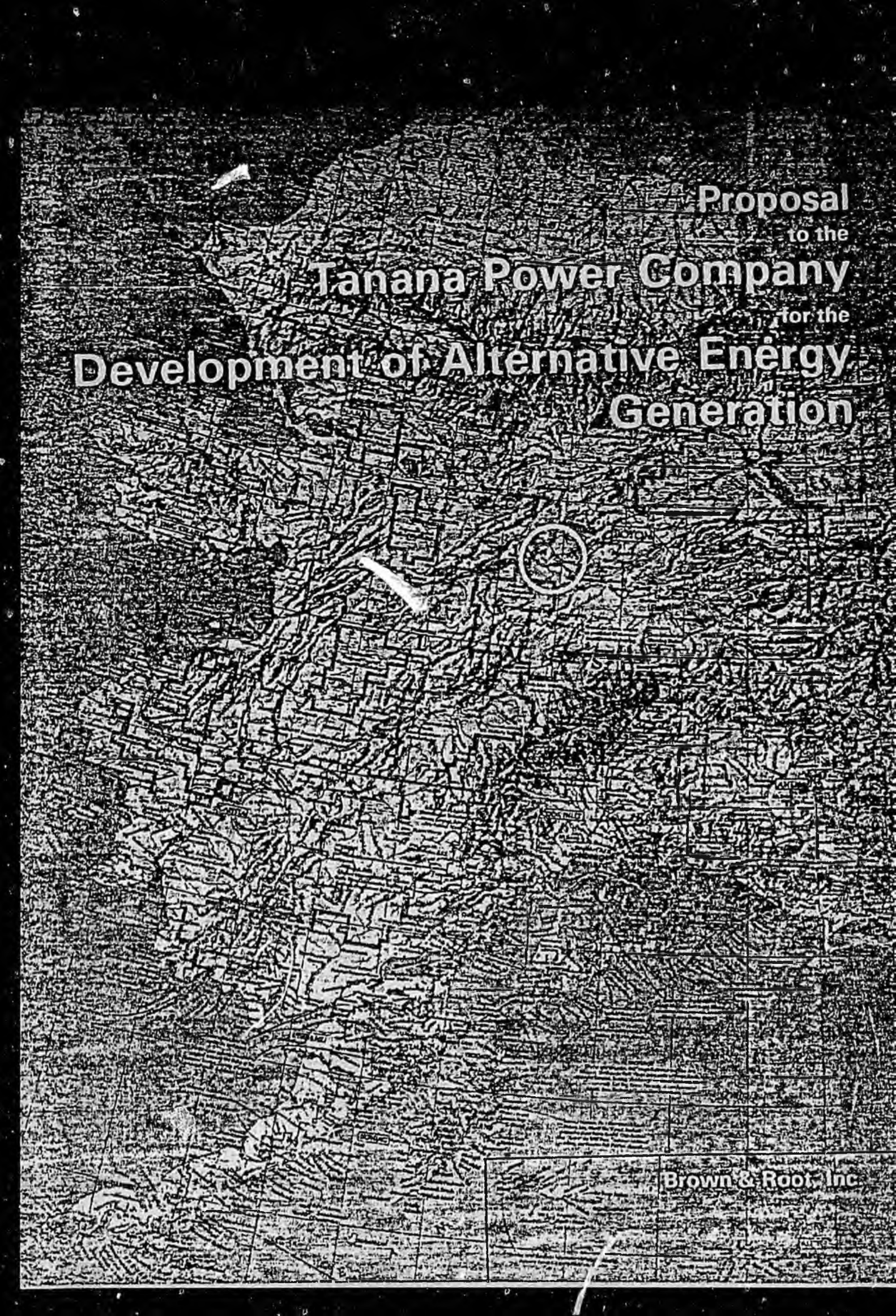
Sponsor: ✓ Moss 4990 (Sharman)

✓ 277-7641 Eric Yould

Have any studies been done in the area?
Power Authority would do if they had funds.
Not convinced

Corp. of Engineers due to make reconnaisance of this study next year.

Supplemental hydro bill being developed in Finance.
Not high in priority — return might not be too great. Farther north you go, less chance of finding streams & hydro potential.
Would look not only at hydro but that all alternatives be considered.



Proposal to the Tanana Power Company for the Development of Alternative Energy Generation

Brown & Root, Inc.

Brown & Root, Inc. Post Office Box Three, Houston, Texas 77001

C. W. Weber
Vice President

(713) 678-9009

November 2, 1979

Tanana Power Company
P. O. Box 74
Tanana, Alaska

Gentlemen:

Brown & Root, Inc. and its joint venture partner, Marks Engineering, are pleased to submit their proposal stating their qualifications and the justification for their selection as Consultant to prepare a Reconnaissance Study for Development of Alternative Energy Generation for the Tanana Area. Brown & Root, Inc. is the sponsor of the joint venture, and the work will be carried out and performed on behalf of the joint venture under the direction of Brown & Root. Brown & Root, its Alaskan subsidiaries, and Marks Engineering of Anchorage, all have considerable experience working on major projects in Alaska. The joint venture has extensive manpower resources of more than 65,000 personnel, as well as considerable financial resources.

We have made an in-house evaluation of existing topographic and hydrological information of the area in close proximity to Tanana and believe that the potential for a small hydroelectric development is a promising viable alternative for Tanana's power needs.

The content of the proposal presents the technical discussion covering the objectives, background and work plan for preparing the study.

In particular, we would point out that:

1) All members of our team have experience in their relevant fields of interest.

2) We have performed work of a similar nature on other projects.

3) We will assign senior specialized personnel to carry out the effort.

We feel our combination of expertise, resources, and local presence in Alaska represent a unique team. We appreciate the opportunity

SECTION IV
TABLE OF CONTENTS
SECTION I
SECTION II
SECTION III

of being considered for this important assignment and assure you of the commitment we feel for the attainment of project goals and objectives.

We propose to perform the work outlined herein for a lump sum amount of $35,000 under the conditions set forth in the "Engineering and Technical Services - Fixed Sum", revised 7/78 and included in Section VII of this proposal.

We will be pleased to meet with you and to answer questions as well as to provide any amplifying materials.

We are prepared to proceed with the work upon receipt of one copy of this letter approved by you.

Very truly yours,

BROWN & ROOT, INC.

C. W. Weber
Vice President
Civil Engineering Projects

CWW/vls

cc: W. E. Heffler/F. M. Britton
T. E. Knight/A. B. Crossman/J. B. Weidler
E. M. Marselli
G. R. Poke
C. L. Fick
O. M. Hodgkins (L/O)

DATE

_____

You are authorized to proceed with the work outlined in the proposal.

_____

Tanana Power Company

SECTION I

INTRODUCTION

This proposal has been prepared for a Reconnaissance Study for Development of Alternative Energy Generation for the Tanana Power Company in the Tanana Market area.

Our proposal outlines:

a) a statement of the study objectives and scope of work,

b) the background, capabilities, and experience of the project team,

c) the study plan which describes how the work will be performed,

d) the organization and management plan for the study,

e) the key personnel we propose to use, and

f) the budget.

SECTION II

STUDY OBJECTIVE AND SCOPE OF WORK

STUDY OBJECTIVE

The objective of the study is to identify the most suitable electrical energy generation system for the Tanana market area. The objective will be accomplished by:

1) Determining the present and projected electrical power needs of the area.
2) Evaluating alternative electrical generation sources including diesel generation, hydroelectric, pulp fired steam, wind, interconnection and conservation.
3) For the viable alternative generation sources, preliminary designs will be prepared to establish engineering acceptability and estimated costs.
4) Assess the environmental considerations for each viable alternative along with the licensing aspects.
5) Perform economic analysis that take into account the income and cost at the desired interest rates.
6) Present recommendations for those alternatives worthy of a more detailed investigation.

SCOPE OF WORK

The following scope of work will be performed to achieve the study objective.

1) Forecast the power requirements of the Tanana market area, describe and evaluate the market areas existing power system and determine its power needs.

2) Evaluate alternative energy sources such as hydroelectric, diesel, pulp fired steam, wind, interconnection, and conservation, and their viability to meet area needs.

3) Identify sites with hydroelectric potential and perform an initial screening of these sites.

4) For sites with a viable hydroelectric development potential establish an estimate of the average annual output from the facilities. Perform a preliminary reservoir regulation analysis to determine the storage capacity and drawdown characteristics of the reservoir.

5) Determine the hydroelectric plant capacity projected power production and configuration along with the type and number of units and operating schedule. Explain the decisions behind the unit selection process.

6) Assess the potential environmental impact of the projected power projects along with any institutional constraints that may be encountered. Identify any fish and wildlife resources which may be impacted by the projects. Discuss possible mitigation measures and their impact on project economics.

7) Assess the safety hazards, if any, introduced or eliminated by the development of the projects. Justify the design flood and spillway capacity for the sites with hydroelectric potential.

8) Prepare conceptual designs and layout for the proposed hydroelectric sites and estimate the order of magnitude costs.

9) Identify feasible transmission line routes to serve the market areas and prepare an order of magnitude cost estimate.

10) Estimate annual operation and maintenance costs for the viable power generation alternatives.

11) Estimate project costs for each viable energy power generation alternative and perform an economic analysis.

12) Present a plan and schedule for satisfying the licensing application requirements of the Federal Energy Regulatory Commission and any other agencies for the projects.

13) Prepare and publish a report which covers all the items outlined above and present recommendations for further action by the power company.

SECTION IV

STUDY PLAN

The objective of the study and the scope of work have been described in Section II of this proposal. The approach that we intend to use to perform the scope of work is now described.

1) Study Outline and Schedule

We propose, as the initial step in the study, to prepare an outline for the report and describe briefly the areas to be covered in each section. From this outline a schedule will be prepared which will be used as a monitoring tool to control the progress of the study.

2) Power Requirements

The forecast of power requirements will be made for the Tanana market area. The study will examine historical power and energy use trends and project future trends with particular consideration being given to potential large users. The area's existing power generating facilities will be evaluated. The forecasts of the power requirements and the area's existing power capability will influence the size of the energy generating alternatives to be examined.

3) Energy Alternatives

The energy alternatives of hydroelectric, diesel, pulp fired steam, wind, interconnections, and conservation will be evaluated. The evaluation of the alternatives will consider:

a) the technical and engineering feasibility,

b) economics,

c) environmental and licensing aspects,

d) safety, and

e) overall suitability of each alternative.

It is anticipated that of the six alternatives that hydroelectric generation will be the principal viable alternative and this proposal is structured on this assumption.

4) Hydroelectric Power Plant Site Selection

The power requirements forecast will have established the size of the generating capacity required. It is assumed in preparing this proposal that the energy alternative analysis will have concluded that hydroelectric power is a viable alternative. A site selection study will be made to determine suitable locations for all viable and possible power plants.

Topographic maps of the surrounding areas will be studied and the sites that have the necessary hydropower potential will be identified. Sites that have potential for hydroelectric power development will be screened and those sites that appear suitable for further study will be identified. The screening criteria that we propose to use are as follows:

Geology

The USGS geological and stock maps of the area and pertinent literature listed in the North American Biblography and Index for Geology will be reviewed. Those sites that have features such as major fault zones, rock glaciers, slide scars and adverse lithological characteristics will be eliminated from further study.

Hydrology

The topographic maps published by USGS, and any other re ily available maps will be gathered for the study area. Hydrologic data from NOAA, stream gage records if available, d any other accessible published information will be obt ned. Thi- information will be used to determine the approximate hydro power potential at the sites. This potential will be compared with the power forecast for the market area and those sites that are not suitable for meeting the projected demand will be eliminated from further study.

Site Visits

A preliminary survey will be made of the sites developed from published topographic, geologic and hydrographic data to determine their acceptability for further study. A reconnaissance visit will be made to the study area if weather and terrain conditions permit.

5) Site Generation Capability

The hydrologic data will be used to project the stream flows at the selected sites and assessment will be made of maximum and minimum stream flows. This information along with reservoir storage capacity will be used to establish the power generation capability of the site.

Further input for the reservoir regulation analysis would include:

a) The area capacity curve for the reservoirs which could be computed using the information from the topographic maps.

b) Evaporation loss and sedimentation build up which would be obtained from a literature search.

c) Any water rights obligations or controlled releases required from the reservoir.

d) The load demand curve from the power forecast.

To perform the reservoir regulation analysis Brown & Root has several computer programs in house which may be used to perform the computations. These are:

U. S. Corps of Engineers Program HEC-5	Reservoir System Operation for Flood Control and Conservation
Brown & Root Program CW-507	Yield Measures Study for Multi-lake System
Brown & Root Program CW-501	Flood System Routing and Flood Hydrograph

The information that will be generated from this analysis will be:

a) the power generated from the water release

b) the preferred size of the reservoir

c) the minimum height of the dam.

6) Hydroelectric Plant Unit Selection

The conceptual design, layout of the sites (see item 9) and the information derived from the reservoir regulation analysis will be used to determine the type of turbine/generator that would be most suitable at the sites.

The capacity of the units will be governed by the power requirements and variation in those requirements for the area.

intake structure, outlet works, penstock, powerhouse, tailrace and switchyard.

This information will be used to make order-of-magnitude cost estimates for each site.

10) Transmission Routes

The transmission line routes from the project sites to the market area will be defined. The type and capacity of the lines will be determined from the power forecast analysis and the capacity of the generating units.

A one line diagram will be prepared of the proposed electrical system and the transmission routes will be shown on a map of the area.

The estimated costs of the transmission system will be made.

11) Operation and Maintenance Costs

Operation and maintenance costs will be estimated for each energy generation alternative and will be based on the location of the sites, the size of the generating units, and the operational mode of the power system.

12) Economic Analysis

An economic analysis will be made for each viable alternative energy source. Each analysis will be based on:

a) at least two interest rates,

b) an assumed rate of inflation,

c) an assumed rate for the increase in power costs,

d) the estimated project costs,

e) the estimated operation and maintenance costs,

f) a 35 year term, and

g) that portion of the available power that can reasonably be marketed.

The results of this analysis will give the costs per kwh for each of the viable alternatives.

All the economic analysis will be compared with the diesel generation alternative which will be used as a yardstick for comparison.

13) Licensing Application Requirements

A survey will be conducted to determine which agencies will require licensing applications for the alternatives. In addition to the Federal Energy Regulatory Commission (for hydro alternatives) other submissions may be required due to location of the sites. The information to be prepared for these agencies for licensing applications will be listed and a proposed plan and schedule for submitting the material will be formulated.

14) Recommendations and Conclusions

The recommendations and conclusions of the study will be included in the report.

15) Publication

The study will be published and 5 copies submitted for draft review approximately 13 weeks after the notice to proceed. After review, the report will be finalized, and 30 copies issued.

ORGANIZATION AND MANAGEMENT PLAN

Organization

The study will be under the direction of a Project Manager who has had extensive experience in hydroelectric power projects. Reporting to him will be personnel from the specialized disciplines who will be engaged on the project as their need for services dictates.

The organization chart is shown in Figure 1 and indicates the functions to be performed by the various specialists.

Management Plan

The objective of project management will be the successful coordination of the project so that the project is completed on time and within budget, and the final report is of a high quality. Brown & Root will use the following in meeting the above objectives.

a) Scheduling

b) Location of the work

c) Meetings

d) Reviews

Scheduling

As described earlier, a project schedule will be prepared with a pre-requisite being the preparation of a table of contents for the report. The schedule will indicate when the various phases of the study effort and sections of the report will have to be completed to meet the project deadline. As part of our proposal we have prepared a preliminary schedule

in bar chart form and this is shown as Figure 2. For the execution of the work a project schedule will be drawn as a network to show the cross transference of information that will be required from one work area to another.

Location of the Work

The work will be performed at the office of Marks Engineering in Anchorage, Alaska and at the Brown & Root offices in Houston, Texas. It is proposed to conduct the phases of the work that deal with the power forecasts for the Tanana market area, transmission routing, delineation of the alternative energy sources, and a part of the site screening phase in Alaska. The phases of the work that require personnel from the specialized disciplines of Brown & Root will be performed in Houston where their experience can be readily drawn upon. All the work associated with the publication of the report will be performed in Houston.

The division of the work will be such that as much work as possible is performed in Alaska and that the personnel facilities at the two offices are used in an efficient and effective manner.

Meetings

We consider it important that a meeting be held with the Tanana Power Company in order that an evaluation of the work be performed. We propose to have a progress meeting approximately 5 weeks after the work has commenced. At this time the power forecast and alternative energy analysis phases of the work will have been essentially completed and the initial site screening work will be under way. At the meeting we would review the work already accomplished, the methodology to be used in the reservoir regulation and economic analysis, the schedule for the remainder of the study, and the proposed table of contents of the final report, the review

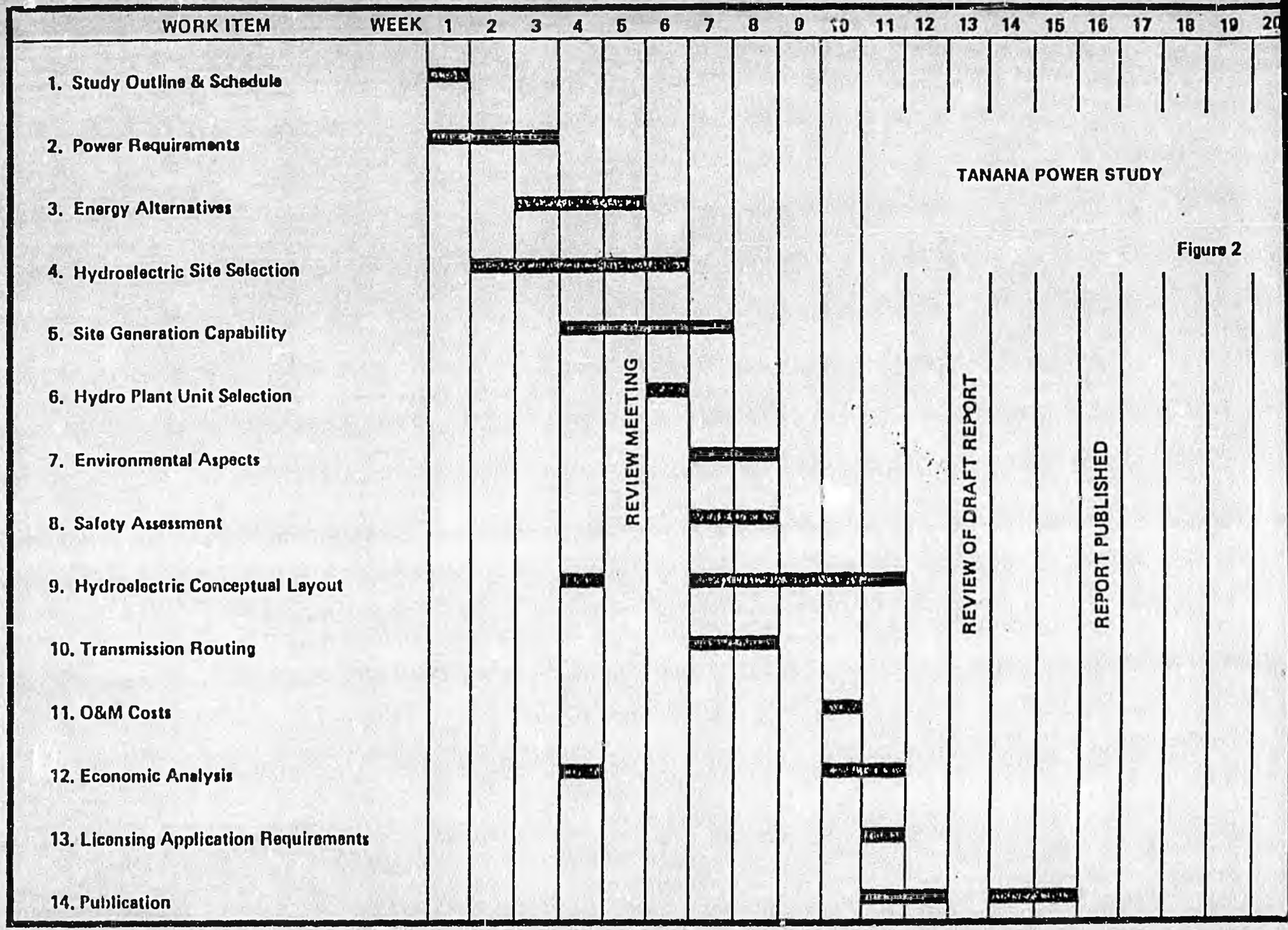

WORK ITEM
WEEK 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20
1. Study Outline & Schedule
2. Power Requirements
3. Energy Alternatives
4. Hydroelectric Site Selection
5. Site Generation Capability
6. Hydro Plant Unit Selection
7. Environmental Aspects
8. Safety Assessment
9. Hydroelectric Conceptual Layout
10. Transmission Routing
11. O&M Costs
12. Economic Analysis
13. Licensing Application Requirements
14. Publication
REVIEW MEETING
REVIEW OF DRAFT REPORT
REPORT PUBLISHED
TANANA POWER STUDY

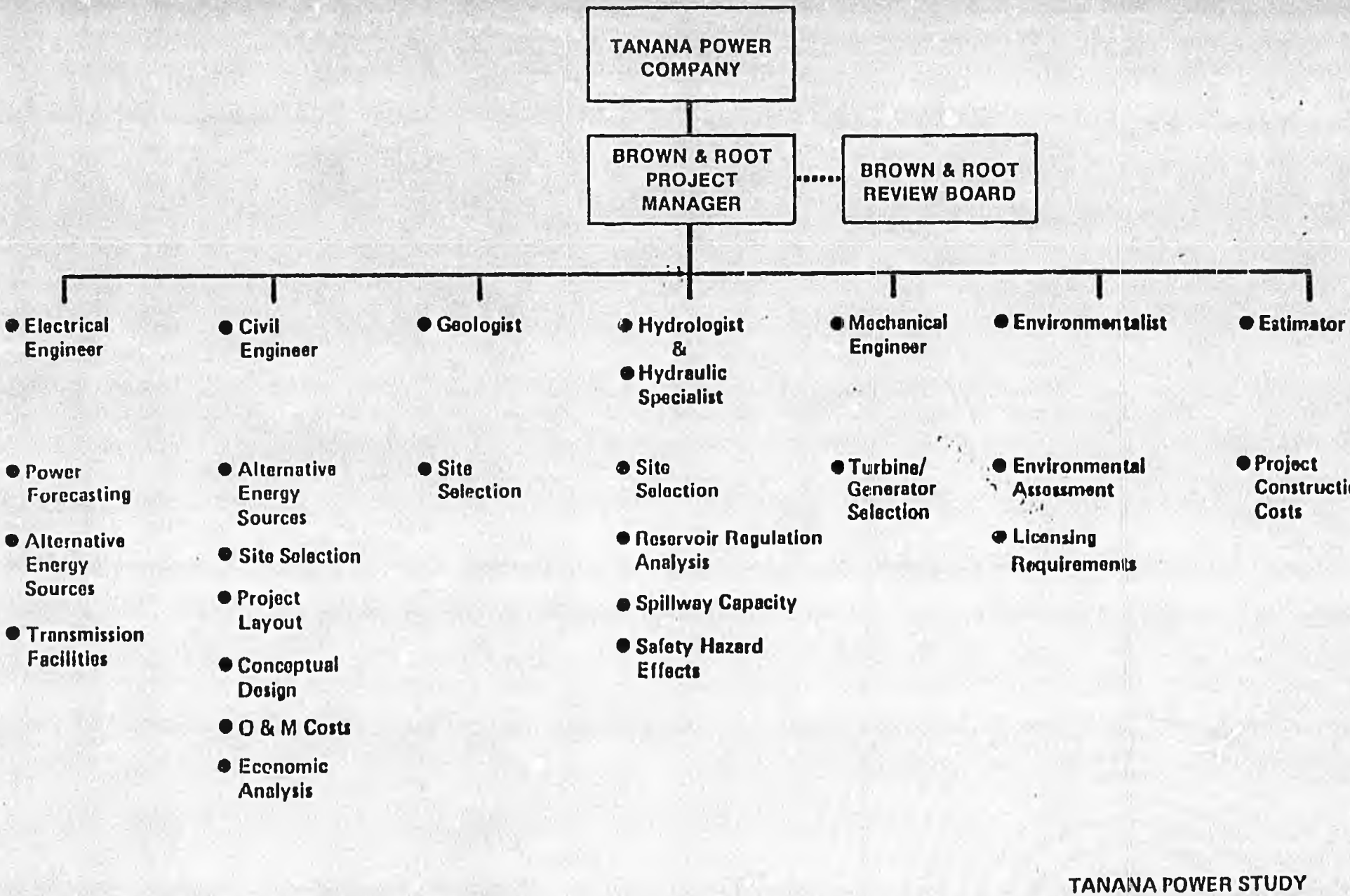
Figure 2

procedures for the draft copy of the report; and other pertinent matters. During this visit to Alaska a reconnaissance would be made of the sites under consideration for hydroelectric power development.

Mr. J. E. Marks will be residing in Anchorage and kept fully informed of the progress of the work and will act as the Brown & Root representative in all meetings with the Tanana Power Company.

Reviews

Reviews by the company of work accomplished by Brown & Root are essential for the transfer of information by the two groups. It is anticipated that information for review will be submitted to the Company before the draft report is issued. After the draft report has been issued for review we propose a meeting be held in Alaska to discuss and resolve the comments by the Tanana Power Company. The final report will be published after incorporating the comments of the Company.



TANANA POWER STUDY
ORGANIZATION CHART

Figure 1

SECTION VII

BUDGET

Brown & Root proposes to complete the work described in this proposal for the fixed sum of $35,000 based on the following conditions for "Engineering and Technical Services - Fixed Sum" - revised 7/78.

BROWN & ROOT, INC.

CONDITIONS FOR
ENGINEERING AND TECHNICAL SERVICES - FIXED SUM

1. The services performed hereunder by Engineer shall be subject to Owner's inspection, but the detailed manner and method of doing same shall be under the control of Engineer. Owner will provide full information regarding his requirements for the Project, will designate a representative authorized to act in his behalf with respect to the Project, will examine submissions made by Engineer and render decisions pertaining thereto promptly to avoid unreasonable delay in the progress of the work. Owner will furnish information required of him as expeditiously as necessary for orderly progress and Engineer may rely upon its accuracy and completeness.

2. Engineer shall retain all pertinent technical records relating to services performed hereunder for a period of at least 2 years after completion thereof. Owner shall have access during a period of 2 years to those records required for audit of items reimbursable at actual cost, if any.

3. Extra work shall not be performed, nor shall the scope of work be increased or decreased, unless authorized by Owner and agreed to by Engineer. The cost of studies and analyses required to determine scope changes shall be reimbursable and additive to the Fixed Sum.

4. For Engineer's personal services and non-labor costs for services requested by Owner which are not clearly within the scope of the work described as covered by the Fixed Sum, Engineer shall be entitled to an adjustment in the Fixed Sum, as mutually agreed. In the absence of mutual agreement on such adjustment to the Fixed Sum, Owner shall pay Engineer for the added work in accordance with Engineer's Terms and Conditions for Engineering and Technical Services current at the time of performance of such work, copy of which will be furnished upon request.

5. Engineer may submit periodic billings consistent with its standard billing procedures, not more frequently than weekly, based upon its estimates for work performed during the applicable period, subject to Owner's approval, and payment without retainage, will be due 10 days after receipt of each such billing. Should Owner not approve an entire billing, payment shall be due on the approved portion. On projects calling for substantial expenditures, Engineer may require arrangements for use of Owner's funds for payments of expenditures under procedures mutually agreed to.

6. Engineer shall provide the following insurance: Workmen's Compensation-Statutory; Employer's Liability - $100,000; Comprehensive General Liability-Bodily Injury - $100/300,000, Property Damage - $100,000; Comprehensive Automobile Liability-Bodily Injury - $100/300,000 and Property Damage - $100,000.

   Upon written request of Owner received within 5 days of the acceptance hereof, Engineer will provide additional insurance, if available, including increased coverage and/or limits; and the Owner will pay Engineer an agreed amount for the increased coverage. Engineer shall indemnify and hold harmless Owner from liability to third parties for personal injury

or property damage arising out of the Engineer's negligence or other actionable performance of work hereunder, provided, however, that such indemnity shall apply only to accidents occurring during the performance of work hereunder. Engineer's liability to Owner for the foregoing or other indemnity or for any damages arising in any way out of the performance of this contract is limited to the aforementioned insurances. In no event shall Engineer be liable for any indirect, special or consequential loss or damage arising out of the performance of services hereunder including, but not limited to, loss of use, loss of profit, business interruption or costs of field labor, equipment and materials, whether caused by negligence of Engineer or otherwise, nor shall Engineer be liable in any manner whatsoever for a failure attributable to design criteria provided by Owner, even though Engineer may have participated in the development of such criteria, and Owner shall indemnify and hold Engineer harmless from any such damages or liability. No indemnification, warranty, or hold harmless obligation regarding patents or other proprietary rights is assumed by Engineer, nor is any express or implied license under any prior patent or invention of Engineer granted Owner by virtue of this Agreement.

7. (a) All services hereunder will be performed in accordance with sound and generally accepted industry standards and practices. These services are to be performed by Engineer for Owner in consideration of the payments specified herein and with the obligation that should any of the services of Engineer hereunder not satisfy the aforementioned standards or practices, as a result of human error or omission on the part of Engineer, Engineer's sole obligation resulting therefrom will be to perform corrective services of the type originally undertaken by Engineer provided such corrective services are requested of Engineer by Owner in writing within one year from the completion (and delivery of the results thereof) of the services hereunder which include the alleged unsatisfactory services with no additional charge to be made for such corrective services.

(b) As to the warranty or guaranty of items of, or patent indemnity on, machinery, equipment or other products manufactured by others, or work of consultants, contract personnel or subcontractors, Engineer's responsibility with respect thereto is limited to the assignment by Engineer to Owner of the manufacturer's consultant's, contract personnel's, or subcontractor's warranty or guaranty and/or patent indemnity, and Engineer's cooperation with Owner in Owner's enforcement thereof.

8. Owner may, at its discretion, terminate the work under this agreement at any time by giving 10 days written notice. In such event, Owner shall assume all obligations, commitments, and claims that Engineer may have theretofore in good faith undertaken or incurred in connection with the work, and Owner shall pay Engineer an equitable portion of the Fixed Sum provided for in this agreement earned to date of termination by Engineer plus the costs of closing out of this work, less any amount previously paid to Engineer, plus a reasonable termination charge to be mutually agreed to between Owner and Engineer.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

DRAINAGE AREA LIMIT
Tozitna
Mt Tozi
Canyon
Bear
Morlock
Schaffler
Spur
Mission
TANANA
YUKON
RIVER
Mission Island
Tozitna Island
Melozitna
Hess Creek
Moosehead Rack
Chatanika
Aeolian Hills
Scratch Lake
Twin Lakes
Long
Square Lake
Round Lake
Mission Hill
Squatter Mtn
Twelvemile Island
Fourmile Island
Eureka
Ramparts
McQuesten
Rendezvous
Twilight
Sam
Fossil
Moose
Chatanika
Creek
Lake
Island
Hill
Hills
Mtn
Ridge
Point
Bend
Flat
Gravel
Bar
Pond
Slough
Fork
Forks
Canyon
Valley
Gulch
Gully
Run
Bluff
Bluffs
Cliff
Cliffs
Butte
Peak
Pass
Trail
Road
Cabin
Camp
Ferry
Bridge
Dam
Power (Proposed)
Power (Existing)
Scale 1" = 4 miles

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

TABLE A

HYDROELECTRIC SITE POTENTIAL

TANANA AREA

SITE NAME	Approximate Drainage Area in Sq. Miles	Average Annual Flow Based on 1 cfs/Sq. Mi.	W. S. El. at Reservoir	Elevation of Power Plant	Penstock Length in Feet	Gross Head in Feet	Net Head in Feet	Potential Plant Size *	Annual Power Production in KWH **	Reservo Storage Volume in Ac-F
Bear Creek #1	28	28	630	300	30,000	330	210	420 KW	2,200,000	4,000
Jackson Creek	24	24	660	300	25,000	360	260	450 KW	2,400,000	3,500
Spicer Creek	20	20	625	300	21,000	325	245	350 KW	1,800,000	2,900
Schieffelin Creek	24	24	800	300	22,000	500	415	720 KW	3,800,000	3,500
Morelock Creek	47	47	600	300	11,000	300	255	860 KW	4,500,000	6,800
Bear Creek #2	51	51	750	350	27,000	350	240	910 KW	4,800,000	7,400
Canyon Creek	67	67	700	350	27,000	350	240	1150 KW	6,000,000	9,700

* Potential plant size is based on the net head, 85% overall efficiency and a full gate flow rate equal to average annual flow.
** Average annual power production based on a plant factor of .60.
*** Based on three (3) months of generation with no inflow.

FISCAL NOTE

I. REQUEST

House Bill [redacted] No. 640 - Title: An Act making a special appropriation to [redacted] the Alaska Power Authority for a study of hydroelectric development [redacted] in the Tanana area; and providing for an effective date. Date 1/30/80

Requested By 14 House Members

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development

Program Category Affected Economic Development

BRU, Program, or Subprogram(s) Affected Alaska Power Authority

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		35.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		35.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		35.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		---				
PART TIME		---				
TEMPORARY		---				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A detailed reconnaissance study of the Tanana Valley area hydroelectric potential will cost approximately $35,000. However, if hydrologic information is insufficient or not available the cost of obtaining this information could not be included in the cost of the study. The Power Authority would have to expend up to $3,000 out of operating budget funds for proposal preparation, review, contract administration and study management.

IV. DATE 2/21/80

PREPARED BY Terry J. McGuire

AGENCY Alaska Power Authority

PHONE 276-2715

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

TANANA POWER CO.
BOX 74
TANANA, ALASKA 99777

Alaska Power Authority
333 West 4th Avenue
Suite 31
Anchorage, Alaska 99501

Attention: Mr. Eric Yould, Executive Director

Dear Mr. Yould:

We have recently contacted the U.S. Army Corps of Engineers with regard to their proposed timetable to study our area for potential hydroelectric sites. The Corps plans to study the area during 1980 and 1981, however, we feel that Congressional and budgetary constraints will slow the development of any hydroelectric sources for the Tanana Area.

Our consultant, Brown & Root/Marks Engineering have made an evaluation of existing topographic and hydrological information of the area in and about the Tanana Area and have identified seven (7) potential creeks that can serve Tanana's power needs.

Tanana Power Co. now serves 140 consumers with an annual consumption of approximately 2,000,000 kilowatt hours and a demand of 500 kilowatts.

The attached map shows the potential dam locations, the drainage area limits, and location of power plants.

The attached table "A" lists information on each of the potential sites. It should be noted that in all cases, the reservoir is at a much higher elevation than the powerhouse. Higher dams could be employed to reduce the penstock lengths. Evaluations would have to be made to determine if higher dams with shorter penstocks are more suitable than the low dams with long penstocks shown in Table "A".

We are requesting that funds be made available by the Alaska Power Authority to proceed with a Reconnaisance Study in 1980 for the development of hydroelectric energy generation for the Tanana Area.

Your cooperation in this matter is sincerely appreciated.

Sincerely,

Clifton Eller

Clifton Eller, President
Tanana Power Co.

cc: Senator John C. Sackett
Representative Pappy H. Moss

attachments (2)

HB

641

(7)

COMMITTEE REPORT

HOUSE

1/30/80

FURTHER: FINANCE

Date: 4 Feb 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 641

"An Act making a special appropriation to the Department of Community and Regional Affairs for a grant to the Senior Citizens of Kodiak, Inc.; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[x] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
Bill Parker	
[illegible]	
Patrick McDonnell	
[illegible]	
[illegible]	
Ray Metcalfe	

Bill Parker
CHAIRMAN

H 60 (Rev. 12/78)

AMENDMENT

OFFERED IN THE HOUSE: BY: House C&RA

To: Fiannee HOUSE BILL No. 641

SENATE BILL No. _____

PAGE: 1 LINE: 7 & 12

Line 7 Delete "Department of Community and Regional Affairs" and replace with "Department of Health and Social SErv.ces, Office of Aging"

Line 12 Delete "Department of Community and Regional Affairs" and replace with "Department of Health and Social Services, Office of Aging"

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 641 Senior Citizens Appropriation/Kodiak

ORIGINAL SPONSOR: Zharoff
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 2/1/80

MEMBERS PRESENT:
Bill Parker
Margaret Branson
Pat O'Connell
Pat Carney
Charlie Parr
Fred Zharoff
Ray Metcalfe

Testifying:

Holmberg, Dept. HEAA
Plotnick, Office of Aging
Pignalberi, DC&RA

COMMITTEE ACTION: Bill passed out.

TAPE #2 SIDE 1 Footage 899-1290

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB641Appropriation DC&RA for Senior Citizens of Kodiak

ORIGINAL SPONSOR: Zharoff
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: ~~Financa~~

HEARING DATE: 2/4/80

MEMBERS PRESENT: Bill Parker, Margaret Branson, Pat O'Connell, Pat Carney, Charlie Parr, Fred Zharoff, Ray Metcalfe

Murray - Project Director from Kodiak
Addresses inadequacy of existing services. Dept. of Social Services has been administering and it has been done poorly. AFN had the contract for homemaker services in 1979. Local administration is what is being sought. This could be considered a pilot program in Kodiak. The closer such programs get to the community, the more effective they are.

Parr -Dept. ameks decisions re who will administer. HESS still has responsibility for determining who receives help?

Murray - Local community would make this decision;

Parr - Has a problem with the local community making that decision.

Art Holmberg, Director of Div. of Social Services
Administration of Homemaker program has been a disaster. Particularly in the rural areas this has been a problem. HESS determines eligibility. No problem with idea of a pilot program. HESS would have to contract as they have no grant in aid authority. Can't pay money in advance. Administrative Procedures Act forbids this.

Parr - Doesn't understand that there couldn't be payment in advance. If the language says grant, it could be given as a grant.

Holmberg - Statewide contract recommended in HB616 for another year. Would like to see it all under one program. HB616 would have to be reworded.

Parr - Allocation made to Dept. to be proportionately dispersed. Would approximate need in each community be determined by the Dept? Otherwise money might run out.

Holmberg - Health home aids services have been added to HB 616. Homemake and Home health can be split.

COMMITTEE ACTION:
Bill signed out of committee with amendments

TAPE # 2 SIDE 1 Footage 899-1330

House Bill 641
Zharoff

Homemaker Services--Kodiak

February 21, 1979

Mr. Art Holmberg
State of Alaska
Division of Social Services
Pouch H-05
Juneau, Ak. 99811

Re: Delivery of Homemaker services in Kodiak Area

Senior Citizens of Kodiak

Box 315
Kodiak, Alaska
99615
Dennis Murray
Project Director
Tel. 486-5630

Dear Mr. Holmberg:

I have been the project director of the Senior Citizens of Kodiak, Inc since October, 1972. During the time I have served as director I have witnessed several arrangements for the delivery of homemaker services in the State of Alaska. As a result, I have developed definite feelings about the delivery of this service; and would like to share with you my perception of the past, present and what I envison as the realistic future of the delivery of this important service. Please recognize that my analysis is based upon my experience in the Kodiak area, but I strongly believe it can be extrapolated with some reliability to the remainder of the State. I would first like to comment on the past.

A. Past

I first became involved with clients seeking homemaker services in 1974. At the time the service was delivered by Alaska Homemaker Service. The division of family and children's services was the local contact to which I made referrals for service. They in turn contacted Alaska Homemaker-Homehelper Service to authorize the delivery of the service. It was the responsibility of AHHS to provide a homemaker to the client. However, they did not have the ability to handle this and relied on Div. of Family and Children's Service to find a homemaker and monitor the delivery in the home. This arrangement continued until June of 1977. By this time the Div. of Social Services had been created, and due to the adverse comment on this arrangement defunded Alaska Homemaker Homehelper Service, and contracted with Werner's Bookkeeping Service to handle the contract. More reliance was placed on the district social workers to administer the program. However, there did not exist a clear channel of communication as to who was to be responsible for what. Under this arrangement the funds alocated for the year were expended by mid-October with several clients left in an adverse situation--no homemaker. Again, this arrangement proved inadequate and unacceptable. Pressure was placed upon the division to develop a better program for the delivery of this service. An RFP was developed, and the Alaska Federation of Natives was awarded the contract for a State-wide service

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for the present year FY 78-79.

B. Present
During this year I have been directly involved with the delivery of homemaker services in the Kodiak area. It has been my experience that the efforts of AFN can be compared with the arrangement between the state and Werner's Bookkeeping. That is to say that the quality of the service has not improved. I would like to sight an example where I was directly involved.

Ex. An elderly female, age 78, was admitted to the Kodiak Island Borough Hospital with general symptoms of dizziness, electrolite imbalance, etc. In a day or two the patient improved substantially, and the physican determined that acute hospital was no longer appropriate. However, the patient was reluctant to return home complaining of lonliness, etc. In addition to the symptoms elicited upon admittance to the hospital the patient had two sensory deficiencies which were contril ting to her overall health status. The patient has suffered substantial hearing loss during the past several years. Also, the patient has developed severe visual impairity due to the development of cataracts on both eyes. With this information the doctor attempted to secure authorization for admittance of the patient to the ICF facility in Kodiak. However, the medical review officer for the medicaid program determined that there was insufficient evidence to justify medi aid's payment for the cost of care in the ICF facility. It was recommended that the patient seek care at the custodial level. (Such care does not exist in Kodiak, and the patient would have to be transfered to Anchorage.)

It was decided by the family and myself that the patient's condition might improve if she were to move to the new elderly housing project recently completed. Crucial to the move was the placement of a homemaker in the home to assist the patient with daily living tasks. I contacted the local social services office regarding the application, and was asked my recommendation for a person to deliver the service. I recommended a neighbor of the client with whom the client had a comfortable relationship. The application was submitted by the social worker to Anchorage social services for authorization and transmittal to AFN for their final processing and approval. It is my understanding

from Ms. Betty Davis, regional supervisor for the division of social services approved the request on February 5, 1979, and transmitted the request to AFN for final processing. To date the homemaker has not received a contract. The homemaker has been delivering services, but with no guarantee that payment will be made for services rendered.

It is my firm belief that under the present mechanis the example I have sighted is not the exception but, in fact, the rule. (Please remember, I am speaking from my vantage point, and will certainly modify my position where it can be demonstrated I am incorrect.)

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99615
Dennis Murray
Project Director
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At this point I would like to make some observations about the past and the present mechanisms for delivery of this service to the elderly in the State of Alaska.

#1 Attempting to provide a service on a state-wide basis by one contractor with insufficient administrative funds is an effort in futility.

#2 Attempting to use the district offices of the division of social services is almost as difficult. It has been my experience that the primary emphasis of the division of social services has been and will continue to be the delivery of services to children. That is not to say that this is not proper, but it is a comment on the attitudes expressed or otherwise of social workers dealing with adult protective assistance and especially the delivery of homemaker services to the elderly. (I pose the question, "If all of your experiental background, your schooling and the major portion of your job description related to the delivery of services to children, would you have the empathy, understanding, etc. to deal with an occasional adult protective assistance need??????????????????????????") [Again, I will reaffirm my position---"I'm from Missouri---show me differently and I'll change my thinking.] I'll also pose a corresponding question, "How many district social workers have degrees in social work with emphasis in gerontology??????"

#3 To my knowledge the division of social services does not have a clearly defined policy regarding adult protective assistance cases. There appears to be no prioritization of need based on established criteria. Without such information it seems to me that the utilization of funds under the adult protective assistance category is a misnomer and some placements are inappropriate given the need for conservation of limited resources. To further emphasize this point I would like to sight two examples.

a. Using the case of client mentioned earlier, I would feel this is to be given high priority. This person was at risk of being institutionalized inappropriately.

Senior Citizens of Kodiak

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Dennis Murray
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a. continued
With adequate homemaker support this person can continue to live independently for some time. The cost of that homemaker support may be $500.00/mo. The cost of ICF care would be $3,000/mo. minimum.

b. The second case is an elderly gentleman living alone in his own home. He doesn't drive much anymore, and needssome assistance in cooking his meals. However, physically he is in fair condition. His situation is not ideal, but he is managing. If he can be delivered a meal from the senior center and provided transportation when needed he will be able to continue his present living situation. He, too, would be eligible for adult protective assistance services; but certainly he should not be delivered services ahead of the first case.

#4 Since 1974 I am unaware of any consistant monitoring and evaluation of the delivery of homemaker services in the Kodiak area. The only monitoring and evaluation which has occurred has been through the efforts of the senior center.

#5 In addition to the division of social services other agencies have been involved in a myriad of programs delivering some form of homemaker services in the state. Some programs have been sponsored by the State Office of Aging. Others have used C.E.T.A funding, Title IX funding, etc. There exists, in my opinion, a serious fragmentation and lack of coordination in the delivery of this service$. [Please find attached a resolution addressing this question. One similar to it was adopted by the Governor's Advisory Committee on Aging at their October, 1978 meeting in Ketchikan.]

By now I'm sure your tired of hearing about the negative so I'll close this part by saying I believe alot of persons have benefited from the services provided, but it is my strong belief those services can be provided in a more qualitative and cost effective manner. I would now like to make a case for what I consider to be a more effective delivery of this important service.

C. The Future
I think the division of social services and the state office of aging should develop and inter-agency agreement whereby the division of social services would alocate $750,000 of the 1.6 million budget for adult protective assistance to the state office of aging for realocation to senior centers in the following urban areas: Anchorage, Fairbanks, Juneau, Ketchikan, Kodiak and Sitka. Since the office of aging is already established to distribute monies via grant applications and the centers establish' various categories of service, the proportion used

C. The Future continued....
for administrative expense at both the state and local levels could be contained to 10% or less. This would leave 90% of the funds alocated for direct services to the recipients. I would like to sight Kodiak as an example of how this procedure could work.

1. Kodiak Homemaker Program
The office of aging through the competitive bidding process makes available to its grantees monies for the specific delivery of homemaker services. Emphasis is placed on the urban areas initially for response. [Although small projects may wish to tackle the service on a case by case basis, I believe the senior centers in the urban areas may be more capable of handling this program initially. I would not rule out the opportunity of the smaller senior programs from applying where an ability in the area has already been demonstrated]
Once the state office of aging has made the alocations (let us assume that Kodiak area receives $30,000.00), the senior program will initiate the delivery of the service. It would be my desire to proceed as follows:
#1 I would hire a full-time homemaker supervisor. This person would be a licensed LPN. I would pay this person based on experience $12,000--13,000 annually. This person would be responsible for performing direct services during 60--80% of his/her typical day. In addition, this person would be responsible for the necessary monitoring and evaluating of potential clients, paperwork for reporting services rendered, and supervising any part-time help hired to perform specific services. $3,000-5,000 would be spent on fringe benefits for the workers, $1,000 would be spent for overall center administration with the remainder used to hire part-time workers on an as-needed basis
#2 One potential obsticle would be the present regulations regarding the limiting of services by our corporation to persons 60 years and above. I would attempt to modify the articles of incorporation of the center so that this barrier would be eliminated. This change is in recognition that adult protective assistance has a client population of persons age 18--over.

Senior Citizens of Kodiak

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C. 1. #3 I realize there needs to be more refinement of this proposal, but I believe that it is the first step toward a more comprehensive delivery of homemaker services in many Alaskan communities.

For those areas which do not come forward with a good plan for service in their communities I would alocate the remainder of the $1.6 million to the division of social services for use by the district social workers for the delivery of this service.

I have certainly not expressed all of my thoughts regarding this program, but I feel I have provided you with a firm basis of my thinking. I challenge you and the division of social services to use my ideas to improve this very important service in the State of Alaska.

I would be happy to discuss my ideas with you or your representative at your convenience. I intend to testify at the public hearing in Anchorage on February 27 regarding the FY 80 social services plan and specificly adult protective assistance. I firmly believe a cooperative agreement can be made between your division and the office of aging to implement my thinking.

I thank you in advance for the opportunity to provide input on this matter.

Sincerely yours,

Dennis Murray

Dennis Murray

cc. Mr. Daniel Plotnick, State Office of Aging
Senator Bob Mulcahy
Representative Fred Zaroff
Project Directors for grantees of the office of aging

Attachments

Senior Citizens of Kodiak

Box 315
Kodiak, Alaska
99615
Dennis Murray
Project Director
Tel. 486-5630

RESOLUTION NUMBER 5

V. WHEREAS, there exists throughout the State of Alaska a serious fragmentation in the delivery of in-home services with various levels of service being provided by persons with various levels of skills (and in some cases no skills) without adequate planning, training, monitoring and evaluation of the effects of these efforts; and

WHEREAS, this situation has created serious problems for communities delivering these services and more importantly the recipients of these services; and

WHEREAS, there exists within several departments of the local, state and federal government and the private sector, resources directed at this service delivery program [To Include: Comprehensive Employment Training Act (C.E.T.A.) within Community and Regional Affairs, 12 Regional Native Health Corporations, and others; Adult Protective Services within the Div. of Social Services; Senior Employment opportunities under Title IX of the Older American's Act, Title III of the Older American's Act for supportive services; Municipal health services in the larger communities; Public Health Nurses within DHSS; Medicare; etc.....; and

WHEREAS, the federal government and the State Government have identified in-home services as a State and National priority and legislation has been introduced which stresses the need for one central access point in any community for the delivery of this service,

Therefore Be It Resolved,
That the request the Department of Social Services to place in highest priority within its state plan the following:

1) Identification of all agencies and groups providing this service at whatever level,
2) the development of a state-wide plan for the delivery of this service through coordinated efforts with all agencies involved.
   This plan is to include:
   a. state-wide objectives which can be measurable as to the impact of in-home services on the programs, advantages and disadvantages to the consolidation of existing programs into a more community based central access point.,
   b. standardization of criteria for training, monitoring and evaluation of these programs,
   c. the pooling of resources to provide training of persons delivering these services,
   d. clear definition of the levels of services, how they inter-relate, how they are different, what should be the order of priority when a community considers a program in the area.

Continued

3) Once formalized, this information should be made available to all interested groups and individuals on a state-wide basis with particular attention to grantees of the office of aging.
4) The possibility of senior centers becoming that central access point on a state-wide basis for the delivery of this services. What are the advantages and disadvantages of this approach????

Directed To: Commissioner Helen Beirne, Dept. of Health & Social Services

RESOLUTION

Delivery of Homemaker Services in the Kodiak Area

Whereas, The present mechanism for the delivery of homemaker services under the adult protective assistance provisions of the Division of Social Services FY 79 plan is inadequate, ineffective and poorly administered in the Kodiak area,

Whereas, The delivery of this service is vital to the well-being of the area's elderly population,

Whereas, The board of directors of the Senior Citizens of Kodiak, Inc., an advocate for improved services to the elderly of the Kodiak Island Community, has discussed the present situation at length,

Whereas, The board of directors recognizing the importance of this service has authorized in the past significant staff time towards the development of a more coordinated and cost effective use of the homemaker service in the area including the development with the Kodiak Mental Health Center of a homemaker training program [40 individuals received training under a subcontract with the Mental Health Center],

Whereas, The board of directors feel that the present system must be changed in order that the elderly receive the full benefit of this service thereby improving their general health status, and in some cases, preventing their inappropriate and premature institutionalization,

Whereas, The board of directors of the Senior Citizens of Kodiak feels that there should be local control for the provision of the homemaker service,

Whereas, the federal government also recognizes the need for the development of a focal point for the delivery of all services to our nation's elderly (a multi-purpose senior center), and has included language in the 1978 amendments to the Older American's Act expressing this desire,

Whereas, The board of directors feel that the senior center can provide this service in a qualitative and cost effective manner,

Therefore Be It Resolved, That the Division of Social Services alocate a portion of its resources under the adult protective assistance category of its FY 80 social services plan to the State Office of Aging for its reallocation to the Kodiak Senior Citizens Center to the delivery of homemaker services in the Kodiak Island Area.

This Resolution was adopted by the unanimous consent of the board of directors of the Senior Citizens of Kodiak, Inc. at their February 21 meeting

[Rev. Bob Childs, Sec'y--Treas,]

Senior Citizens of Kodiak

Box 315
Kodiak, Alaska
99615
Dennis Murray
Project Director
Tel. 486-5630

(23)

4-5-79

Representative Fred Zharoff
Pouch V
Juneau, Ak. 99811

Re: Homemaker Proposal

Senior Citizens of Kodiak

Box 315
Kodiak, Alaska
99615
Dennis Murray
Project Director
Tel. 486-5630

Dear Fred:

Upon returning to Kodiak several other matters kept me from completing the homemaker proposal. I have just now had the opportunity to finish it.

Please note in the proposal to Mr. Holmberg of the Division of Social Services that our community is requesting that a sub-contract be awarded to us from the contractor for the south-central regional area. It certainly is not clear whether this will be possible. It will be the decision of the regional contractor. [I should explain that the division of social services has requested proposals for homemaker services in 6 regional areas of the state. This is a program change from last year's request for a state-wide contract. However, as I indicated in my previous coorespondance with you, a regional contract does not help our Kodiak area.]

In my letter to Senator Mulcahy on behalf of my board of directors I asked him to introduce legislation which would appropriate funds directly to our community for this service. I believe the board would also like you to introduce companion legislation in the house. It is the feeling of the board and various agency personnel that Kodiak can serve as a model for other communities in this area.

I feel that the strategy should be that this request is for a pilot program with language to include other areas if it is proven successful.

Further, I believe that your introduction of a bill would also serve the purpose of heightening the awareness of the division of social services that our community is serious on this matter. It may increase our chances of obtaining the sub-contract.

Should you have any questions about this, do not hesitate to contact me.

Sincerely yours,

Dennis Murray

Dennis Murray

Encl.

4-4-79

Mr. Art Holmberg
State of Alaska
Division of Social Services
Pouch H-05
Juneau, Ak. 99811

Re: Proposal to deliver homemaker services in Kodiak area

Senior Citizens of Kodiak

Box 315
Kodiak, Alaska
99615
Dennis Murray
Project Director
Tel. 486-5630

Dear Mr. Holmberg:

This letter and proposal for sub-contract to deliver In-Home Support services in the Kodiak area stems from our telephone conversation on March 8. It continues to be the strong feeling of the board of the Senior Citizens of Kodiak that our organization can perform these services in a more comprehensive manner than the previous contractors. I would certainly urge your strong endorsement of this sub-contract with whatever organization is successful in obtaining the contract for the southcentral region.

Should you have any questions regarding this proposal, do not hesitate to contact me.

Sincerely yours,

Dennis Murray

Dennis Murray

Encl.

p.s. I am also enclosing the petitions signed by agency representatives and members of the senior citizens of Kodiak.

CC. Mr. Daniel Plotnick, State Office of Aging
Senator Bob Mulcahy
Representative Fred Zharoff

Hi Fred! Where will you be coming Home? Centus is planning an open house in May

Dennis

SENIOR CITIZENS OF KODIAK, INC.

Homemaker Proposal FY 80

Senior Citizens of Kodiak

Box 315
Kodiak, Alaska
99615
Dennis Murray
Project Director
Tel. 486-5630

Background: The Senior Citizens of Kodiak, Inc. has had a special interest in the provision of In-Home Support services in the Kodiak area for several years. In 1975 the organization invited Ms. Dove Kull, administrator of the Alaska Homemaker-Home Health Aide service of Juneau, to speak to the Borough health resources council concerning the services provided through her organization. Specificly, the council and the community were interested in strengthening the program in the Kodiak area. Ms. Kull indicated that funds for the training of homemakers and their direct supervision in the Kodiak area were extremely limited. Further, she did state that her organization would assist our community in whatever way they could.

In 1976 the division of social services defunded Alaska Homemaker-Home Health aide Service, and opted for a contract with Werner's Bookkeeping of Juneau to administer the state-wide contract. This change in format meant the district offices of social services would have a much greater involvement with the delivery of this important service. Unfortunately, under this arrangement the program funds were exhausted by mid-year with supplemental funds necessary to sustain the program until the new fiscal year. Further, this mechanism did not foster greater program development (training, etc.) in the local areas.

Because this arrangement did not prove satisfactory, the division was encouraged to seek other venues for the delivery of this service. Again, a contract was awarded to the private sector, Alaska Federation of Natives (AFN), for the FY 78-79 year. In my opinion, this arrangement did not improve the delivery of the service, but, in point of fact, has proven to be less desirable in the Kodiak area than the contract with Werner's Bookkeeping.

Through their board of directors, the Senior Citizens of Kodiak has discussed the need to improve this service for our area at several meetings. The following proposal is a result of those meetings. It is felt that a locally controled and administered program would be of much greater benefit to the elderly and handicapped of our communities.

Senior Citizens of Kodiak

HOMEMAKER PROPOSAL

ethod: The Senior Citizens of Kodiak, Inc. intends to provide In-Home Support services as one component of its multi-purpose senior center operation. Services will be provided to eligible persons as defined by the category of Adult Protective Assistance under the Division of Social Services Title XX plan.

Critical to the success of this program will be the hiring by the corporation of a full-time In-Home Support services supervisor. (See Attached Job Description)

As indicated in the job description this supervisor will be directly under the director of the senior center for program operations. As a component program of the senior center, this effort will be housed in the same offices.

Accounting for the project will be handled by Jo Hadju Accounting.

Box 315
Kodiak, Alaska
99615
Dennis Murray
Project Director
Tel. 486-5630

Budget: Operations

	Total Cost
Personnel	
Supervisor (LPN level skills) @ $5.62/hr for 40hr	$ 11,690.00
Part-time homemakers @ $5.25/hr for 40hr/wk--52wk	$ 10,920.00
Fringe Benefits @ 18% of salaries	4,070.00
Sub-Total Personnel	$ 26,680.00
Supplies	
Forms, records, etc.	500.00
Training materials	500.00
Administrative Costs	
Accounting services @ 9% of budget	2,700.00
Consultant Services	
Person to assist with training of part-time workers	1,620.00
Total Program Costs	$ 32,000.00

JOB DESCRIPTION

JOB TITLE: HOMEMAKER SUPERVISOR

DEPARTMENT: SENIOR CITIZENS OF KODIAK

REPORTS TO: PROJECT DIRECTOR

SUPERVISES: 4-5 part-time homemakers

GENERAL FUNCTION: The person in this position directs the activities of the In-Home support services sponsored in the Kodiak Island community by the Senior Citizens of Kodiak. He/She will be involved in performing direct services and supervising the activities of several part-time assistants

JOB FUNCTIONS/MAJOR ACTIVITIES

1. Performs direct services to eligible elderly in their homes to include some medical services within the framework of an LPN skill level. Inclusive in this is consultation with the doctor concerning regimen of treatment, etc. (60% of time)

2. Hires and places in the home part-time assistants on an as-needed basis. Supervises their activities to include monitoring and evaluation at least monthly.(20% of time)

3. Works with other agencies including the Kodiak Island Borough Hospital, Public Health Center, Div. of Social Services, Council on Alcoholism and Kodiak Area Native Association in fostering cooperative relationships for the delivery of in-home support services. (5% of time)

4. Is responsible for completing reports delineating the kinds and types of services rendered, numbers of persons served, etc. on a monthly basis. (5% of time)

5. Other related duties as assigned. (10% of time)

SKILLS, KNOWLEDGE AND ABILITIES

Person in this position must have current standing in state of Alaska as Licensed Practical Nurse. Must have demonstrated abilities in working with elderly in a community setting (one--two years of work with geriatrics). Must have valid driver's license.

DECISION MAKING RESPONSIBILITIES/AUTHORITY:

This person works under the direction of the project director. Exercises independent judgement with hiring part-time workers and making duty assignments. (project director will reserve final approval of persons hired) Plans day with a great degree of independence of other center functions.

SUPERVISORY AUTHORITY:

Assigns tasks on an as-needed basis to 4-5 part-time homemakers.

SIBILITY & CONTACT

Has a fair degree of contact with clients and general public.

Working Conditions:

Will vary dependent of home situations. Generally favorable

3-5-79

To: Senator Bob Mulcahy, Representative Fred Zaroff & Commissioner Helen Beirne, DHSS

From: Concerned professionals of various health and social services agencies of the Kodiak Island Community

Re: Homemaker Services

As representatives of several health and social service agencies in the Kodiak Island Community, we have discussed the present mechanism for the delivery of homemaker services at a meeting of 3-5-79 in the senior center. As a group, we have found the present system to be wanting in its capability of delivering effective services in our area. We have, therefore, drafted the following resolution which we present to you; and ask that you give it close attention.

Whereas, the present delivery system for homemaker services in the Kodiak Island Community is inadequate and ineffective as presently provided for under the Adult Protective Assistance category of the Division of Social Services Plan, and

Whereas, it is recognized that these services are not limited to elderly; but the elderly do represent the single largest client population, and

Whereas, The Senior Citizens of Kodiak, Inc. [a grantee of the State Office of Aging] has demonstrated a vital concern for the delivery of this service in the Kodiak area including a contracted training program and a great deal of staff time towards the development of this service; and through its board of directors has expressed a desire and an interest in administering this program at the local level, and

Whereas, the comprehensive amendments to the Older American's Act of 1978 address the question of the need for one central access point in a community for the delivery of all services to the nation's elderly,

Therefore Be It Resolved, that one or both of the following actions be strongly urged and requested,

1. The Division of Social Services contract with the Kodiak Senior Center through the State Office of Aging to provide for the delivery of homemaker services as outlined under proposed provisions of the FY 80 social services plan under the adult protective assistance category in the Kodiak Island area. This contract should be seen as a first step in the expanded involvement of senior centers in the delivery of this service on a state-wide basis.

2. If the above action is not appropriate or adequate to meet the needs in the Kodiak area, our representatives should draft the necessary legislation for the establishment of a Kodiak area Homemaker program with initial appropriation of $25,000.00. This appropriation should be seen as a model project for the entire state.

Endorsements by concerned health and social services professionals of the Kodiak Island Community

Name	Agency Represented	Address
[illegible]	Kodiak Mental Health Center	Box 712, Kodiak
[illegible]	Health Department Kodiak Area Native Association	Box 172, Kodiak
[illegible]	M.D.	Box 900 Kod
[illegible]	Holmes Johnson Clinic	Box 1727 Kodiak
[illegible] DO.	NORTH PACIFIC MEDICAL CENTER	Box 95 KODIAK.
[illegible]	Island Medical Center	Box 766
[illegible]	Kodiak Island Hospital	Box 787
[illegible]	KODIAK BAPTIST MISSION	Box 785

Kodiak Bicentennial

3-5-79

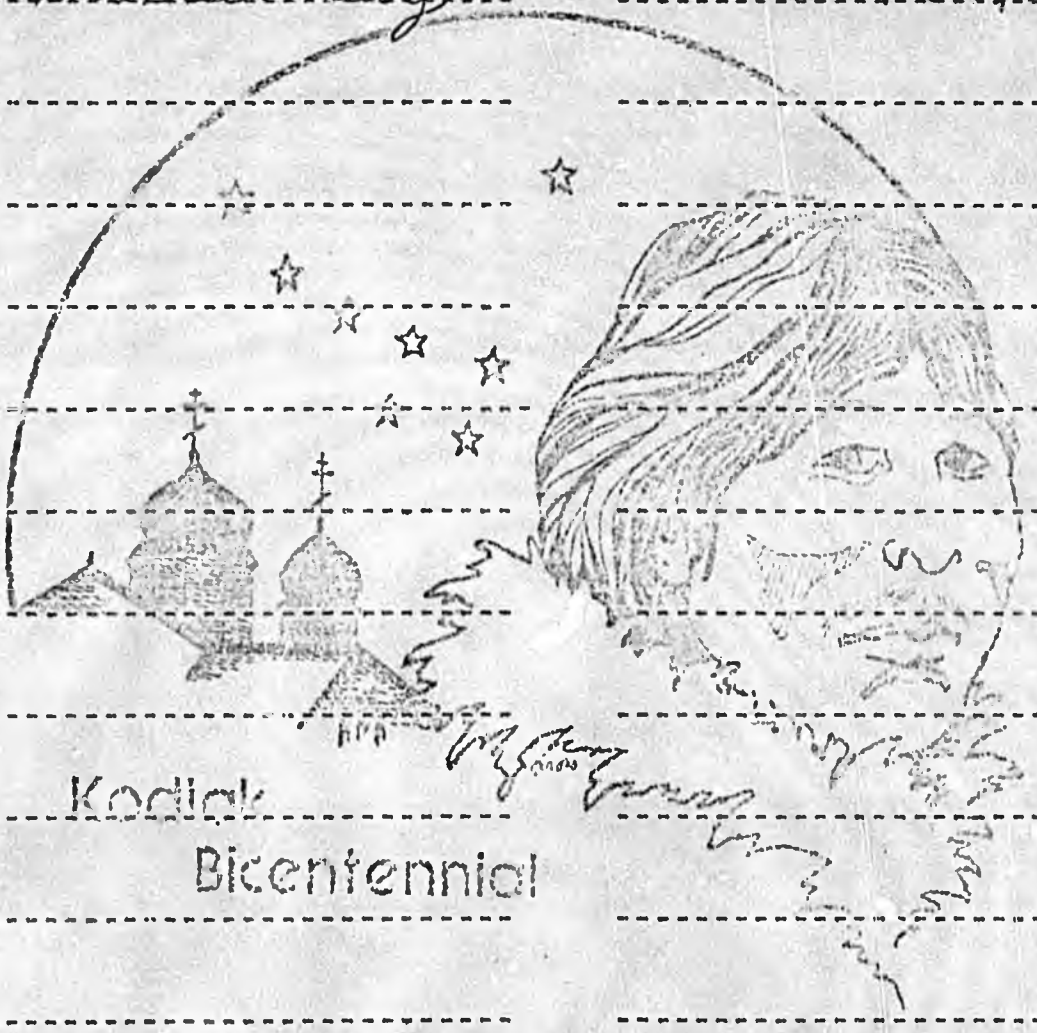
We, the undersigned members & participants of the Kodiak Senior Center, strongly urge the Division of Social Services and our area Legislators; Senator Bob Mulcahy and Representative Fred Zaroff, to consider seriously the resolutions adopted by our board of directors and representatives of area health and social services offices. As potential and in some cases, actual, consumers of these services; we feel that the service would be greatly improved if administered through our local senior center.

Name	Address
Bertha Pratt	Box 242
Millie Muller	Box 313
Mariane Fitzgerald	Box 536
Hazel Nixon	315
Pura J. Flores	Box 315
Clara B. Wallins	
Adele Vedinge	P.O. Box 2764 Kodi
Fermin A. Flores	
Annie S. Hillbor	
Joseph F. Terry	Box 2762 - 99615 Kodiak
James T. Ramey	Box 851 Kodiak 99615
Cecil E Brown	
Henry Nesetti	Box 456 Kodiak
[illegible]	
M. von Schelle	
Willis Koumans	

Kodiak Bicentennial

Concerned Seniors Continued.....

Name	Address
Anatolia P. Vidaya	
E. A. Day	Box 316
Frances E. Coles	Box 1263
Edna M. Flathaug	BOX 1161 94



POSITION PAPER/Department of Health & Social Services

POSITION PAPER

HOUSE BILL NO. 616
(Identical to S.B. 323)

"An Act making a special appropriation to the Department of Health and Social Services for homemaker health aide services; and providing for an effective date."

The Department of Health and Social Services supports in concept the addition of home health aide services under the Division of Social Services. In the FY 81 budget the Governor has included an additional $303.5 over the FY 80 funding level of $1150.0 for homemaker services. The Department can support additional services up to that level of funding.

Home health aides provide personal care services such as bathing, assistance with transfer activities, assistance with ambulation, and assistance with passive exercises. These services alone would have an impact on reducing unnecessary institutionalization of disabled and chronically ill Alaskans. The impact would be more substantial if home health aide services were a component of a comprehensive home health care program ranging from skilled nursing to homemaker-home health aide services.

Currently the availability of home health services in Alaska is limited. The Division of Public Health has a limited amount of money available for skilled nursing home health services in Juneau and Fairbanks. Payment for home health care is also available under Medicare (Title XVIII) and Medicaid (Title XIX). The home health care available under these federal programs include home health aide services and are limited to medicaid and medicare eligible individuals. The eligibility requirements of these programs are restrictive and, as a result, many people in need of home health care are not able to receive needed services. They may be ineligible due to age, income or a disability which does not fall within the federal requirements.

If the Department developed either a homemaker-home health aide service or a comprehensive home health care program, this program would include the present homemakers who, after additional training, would be capable of providing health aide services under supervision of medical/nursing professionals. In order to implement a new program, much developmental work would need to be accomplished during Fiscal Year 1981. The contractor would need to set up a safe home health delivery service which includes, on a continuing basis, training and professional supervision. The addition of a home health component would result in a higher unit cost during the development phase and increase ongoing administrative costs.

Clarification is needed regarding interim committee intent with respect to eligibility for home health services. Currently, homemaker service is provided to all Alaskans based on need and service availability, regardless of age or income, under the Division of Social Services' child protection and adult protection programs.

POSITION PAPER/Department of Health & Social Services

Clarification is also needed regarding any interim committee intent with respect to contract limitations, i.e., whether or not regional contracts are mandatory. This information will assist the Department in preparing a request for proposals and in determining the allowable administrative costs for contractors. The Department recommends that this not be a requirement for FY 81.

Although the Bill authorizes a $2500.0 appropriation, the Department's understanding is that the interim committee intent is for an additional $1046.5 over the Governor's FY 81 budget request for homemaker services. The Governor's FY 81 budget request contains $1453.5 for homemaker service in the Division of Social Services.

The Department would like clarification regarding interim committee intent with respect to the use of additional funds. It is anticipated that the unit cost of homemaker services will increase in FY 81.

The Department views the addition of home health care services as a means of further assisting Alaskan citizens to receive the services they need in the least restrictive setting possible, as well as reducing the cost of unnecessary institutionalization.

RECOMMENDED BY: Art Holmberg DATE: 1/28/80

Art Holmberg, Director
Division of Social Services

APPROVED BY: Helen D. Beirne DATE: 1/28/80

Helen D. Beirne, Commissioner
Department of Health and Social Services

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 616
Title special appropriation to DHSS for homemaker home health aide services
Requested by _____ Date January 28, 1980

II. FISCAL DETAIL
Agency Affected Department of Health and Social Services
Program Category Affected Social Services
BRU, Program, or Subprogram(s) Affected Social Services
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES	0	0	58.5	64.9	70.7	77.1
200	TRAVEL	0	0	6.6	7.3	8.1	9.0
300	CONTRACTUAL	0	0	3.4	3.7	4.0	4.4
400	COMMODITIES	0	0	.8	.9	1.0	1.1
500	EQUIPMENT	0	0	2.5	0	0	0
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
		0	0	0	0	0	0
	TOTAL	0	0	71.8	76.8	83.8	91.6

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	71.8	76.8	83.8	91.6
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	2	2	2	2
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A. Assumption

1. Both positions budgeted for 12 months.

2. A 9% inflation rate for line items 100, 300 and 400.
A 10.8% inflation rate for line item 200.

IV. DATE January 28, 1980 PREPARED BY Art Holmberg
AGENCY Division of Social Services
PHONE 465-3170

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

reviewed by Michael Oulone
Division of Mgt. Budget
DHSS 1/29/80

33-001 (Rev. 12/78)

TITLE: "An Act making a special appropriation to the Department of Health and Social Services and Social Services for homemaker health aide services; and providing for an effective date."

III. ANALYSIS (Continuation)

Coordinator for the homemaker-home health aide service would be responsible for:

-the development and maintenance of program policy
-coordination of homemaker-home health aide service with other services and programs
-establishing and maintaining standard of service
-technical assistance
-preparation of program requirements, contract preparation, contract monitoring and program evaluation
-collection analysis and interpretation of statistical data.

At the present time the responsibility for the management of the homemaker contract is being shared by several staff. The addition of a home health aide component would result in the need for a single central office position to establish standards of service, work with the contractor to develop a uniform referral system, record keeping system and establish monitoring guidelines.

Clerk Typist III

The additional work resulting from the new program component would double the present authorization level thus resulting in twice the paper flow, therefore, a clerk typist is needed.

Program Summary

1. New Positions

Range 18 - 6 mos @ $2,465 =		$14,790
6 mos @ $2,640 =		$15,840
		$30,630
fringe benefits @ 25.5% =		$ 7,810
		$38,440
Clerk Typist III - Range 8		
6 mos @ $1,277 =		$ 7,662
6 mos @ $1,393 =		$ 8,358
		$16,020
fringe benefits @ 25.5% =		$ 4,085
		$20,105
	TOTAL	$58,545

2. Other Expenses

Travel - for fiscal and program monitoring

2 Trips to Bethel	468 x 2 =	$936
Anchorage	255 x 2 =	$510
Fairbanks	301 x 2 =	$602
Nome	443 x 2 =	$886
Ketchikan	140 x 2 =	$252
		$3214
Plus $2,216 for travel to villages for spot reviews		$2216
		$5430
Per Diem 3 days per trip for 2 trips to 5 regions plus 1 day to six villages		$6,630

House Bill No. 616 FISCAL NOTE Continuation

TITLE: "An Act making a special appropriation to the Department of Health and Social Services and Social Services for homemaker health aide services; and providing for an effective date."

III. ANALYSIS (Continuation)

Space Leased 200 Sq. Ft. @ $1.42 for 2 positions. 282 x 122 = $3,384

Commodities 400 per yr. per position + 9% inflation.

FY 81 Only

Equipment - 2 desks
2 chairs
1 typewriter
1 bookcase

HB
648

(7)

COMMITTEE REPORT

HOUSE

1/31/80

FURTHER: FINANCE

Date: 3 M[illegible]

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 648

"An Act relating to fire prevention."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 648 [X] same title [ ] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
[illegible]	
[illegible]	
Charles H Pa[illegible]	
Fred F. Zhaoff	

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

C&RA

BILL WORK SHEET

HB

BILL NO. 648 re Fire Prevention

✓ Dave Creekman 2504 Commerce Fiscal Note

Received from —

Referred to Finance

Original Sponsor Malone / Dunnan

Fiscal Note requested 2/14 Fred Fischer

2/26 Companion Bill SB 370 (C&RA)

(Marcy J. Coletta 2/14) Brodley 3748

contacted contacted

LAA Legal Research Contact

State Fire Protection people originated

CONTACTS:

✓ Malone 3799 (Joan)

✓ Dunnan 3818 (Dale)

How many other municipalities

✓ Fred Fischer 4723 C&RA - fiscal note

David Creekman 2504 Commerce & Ec Dev. - call 2/19 re Dept. position

APUC - 276-6222 Ray Wipperman

Evolved ↑ controversy over rate. Regulatory + political problem. Municipality took over fire protection (CAU Utilities privately owned)

municipality paying for.

Approved paying CAU for fire protection.

Sprinklers not covered.

Aimed at municipal utilities, possibly.

Gordon - personally likes sprinkler no.

Water Conservation group

↑ criteria - spreading costs

cost user ↓ cost payer

City Anch. study (3 yrs. ago) estab. ↑ rates

modified sprinkler rates

must be some way of levying rate

Demand charge should be levied.

Brian Shute - Anch. Attorney Mach 283-4388 - collected standby ↑ fee - back charges

Robert R. Sternberg - Fire Marshall, Nakiski Fire Dept.

Kenai - may testify

Malone - Demand charge - connections line charges. Shouldn't be monthly charge. Demand charges discriminate against sprinkler systems. Monthly demand charge based on use - size of hook up.

Adopt APUC a regulation

Zerbitz - Section 2

Who is going to pay -
Operating costs
Dry wet systems
2 Component - demand charge
pipes fitted for main =
contribution > main -
usage - 1 flush toilet
Certain am't. of sizing
Water Study =

All water utilities not owned by a municipalities

Cal Utilities -
Intra

Tariff filing — no scientific way of
12 communities approx.

Demand charge -
Tariff run around the

Liability exposure
If people burn they sue.

Tariff - $70-$80 -

Sect. 1 - Fire protection equipment off tax roles
Definition of "equipment." There was community tried to include swimming pool -

B

Sect 3 - definition fire protection -
approved by Insurance Rating Service

Commerce Dave Creekman - leg. contact
Opposed Sharon Trailer, Director of Business Loans
Difficult to.

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 648 Relating To Fire Protection

ORIGINAL SPONSOR: Malone/Duncan
OTHER SPONSORS:
RECEIVED FROM:
FURTHER REFERRALS: Finance

HEARING DATE: 2/20/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Robert Shirenberg, Kenai

25 years in fire service. Discusses history of protection and the poor record of fire protection from loss of life and property damage. Mentions effects of public and private fire systems/This bill would give businessmen an incentive to install fire systems. Efforts are directed at containing fire and confining it to one individual piece of property. In the major fires experienced in the state, the amount of loss has been substantial. The proposed incentives in the bill will allow business men to have a cost effective method of proptecting their businesses. Insurance costs would be reduced. In rural area this would be especially important. As growth continues in the state, the situation will become worse. Passage of this bill would assist in general public fire protection. The costs associated with protecting a non-protected building are astronomical. These costs are greatly reduced with sprinkler systems. If such systems are removed from the tax rolls, there is a great incentive.

Sharon Trailer - Div. of Loans

Fire protection loans are available now. The preferred treatment indicated in the bill for fire protection loans would be a problem and would require a reallocation of resources within the dept. There would need to be additional staff.

Parr - Doesn't see that this would be a problem. Field officiers should be able to rubber stamp fire protection loan applications to indicate what they are for.

Marie Pignalberi, Deputy Commissioner of C&RA

Dept. is opposed to the bill. It is further eroding the "full and true value" definition as used by the assessor. It erodes the property tax base and places an unfair burden on others. If committee wants to go this route, it should place this as an exemption under AS29. If the state mandates such exemptions, there should be consideration of reimbursement to the communities.

COMMITTEE ACTION: No Action

TAPE # 2 SIDE 1&2 Footage 00-820 (Side 1) 238-461 (Side 2)

Parr - p. 1 lines 16-17 Parr questions if these are retroactive.

McCarter - Says that the value of an existing or new structure would be covered.

Chitwood, Ak. Municipal League
Since the bill mandates an exemption there should be reimbursement to the municipalities. Corresponding benefit to the community is recognized by the League.

Parr - Permissive language re "full and true value" might be considered. Leave it up to the communities to decide.

Chitwood - Local government might be penalized in school foundation formula as the figure is used in that formula.

Gordon Zerbitz, Ak. Public Utilities Commission
Discusses reason for standby rate and the problems with eliminating totally the charge associated with such standby supply for sprinkler systems.

Parr -Doesn't see any justification for standby rates.
Zerbitz- Magnatude of rates are of concern.
O'Connell - Would Commission be open to reducing rates?
Zerbitz - Requirements are placed re "delivery" on demand--that is the basis for the rates.

Jeff Hill, A,. State Firefighters
Supports bill. Passed resolution of support #799.

Gary Croize, Dept. of Public Safety
Supports bill. It provides incentives necessary. Questions what is included in definition of fire protection systems in bill? Definition is unclear.

Lee Ghallager, Pres. of Fire Fighters
Anchorage fire fighters have been opposed to standby rate. Give full support to the bill.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 648 & SB 370
Title An Act Relating to Fire Prevention
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Dept. of Commerce & Economic Development
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Division of Business Loans
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		55.2	60.7	66.8	73.4	80.7
200	TRAVEL		5.5	6.1	6.7	7.4	8.1
300	CONTRACTUAL		12.4	13.6	15.0	16.5	18.2
400	COMMODITIES		.5	.6	.7	.8	.9
500	EQUIPMENT		3.6	-	-	-	-
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		77.2	81.0	89.2	98.1	107.9

FUNDING (Thousands of Dollars)

GENERAL FUND		77.2	81.0	89.2	98.1	107.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2.0	2.0	2.0	2.0	2.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Additional staff needed to give preferential treatment to fire prevention related loans.
See attached fiscal note detail.

IV. DATE February 19, 1980 PREPARED BY Sharon R. Traylor, Director
AGENCY Div. of Business Loans/ Dept. of Commerce & Ec. Dev.
PHONE 465-2510

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

FISCAL NOTE DETAIL, HB648 & SB370

Fire Prevention Related Loans

			12 Months
100.	1 Loan Examiner I/II (flex) @2,289/mo.		$27.5
	1 Clerk Typist III @1,277/mo.		15.3
			$42.8
	Standard Benefits (Wages x.1529)		6.5
	Supplemental Benefits (Wages x.0665)		2.8
	Health Insurance (Man months X $127)		3.1
	Total Personal Services		$55.2
200.	Trips to inspect collateral and close loans:		
	10 Trips @430	$4.3	
	20 Days per diem @60	1.2	5.5
300.	Telephone, postage, printing	$10.0	
	Additional office space @200/mo.	2.4	12.4
400.	Office supplies		.5
	12 Months Operating Costs		$73.6
500.	2 Desks @278	$ .6	
	1 Credenza	.3	
	1 Typist's extension	.4	
	1 Executive chair	.2	
	1 Secretarial chair	.1	
	2 Side chairs @125	.3	
	2 File cabinets @202	.4	
	2 Calculators @225	.5	
	1 Typewriter	.8	3.6
	Total		$77.2

10% Inflation for succeeding years.

BILL ANALYSIS

ASSIGNMENT DATE 2-1-80

UNASSIGNED

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety	Colletta and Bradley	SB 370

DEPARTMENT POSITION

Support

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Ronald A. Hendrie/by: S. Gracie	2-13-80	William R. Nix	2/14/80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING) (1) Identical to HB 648 introduced 1/31/80
(2) OTHER AGENCIES AFFECTED BY BILL (2) Department of Commerce & Economic Development

(2) a. ORGANIZATIONAL SUPPORT FOR BILL	(2) b. ORGANIZATIONAL OPPOSITION TO BILL
Alaska Fire Chiefs Association Alaska State Firefighters Association	Unknown

(3) PROGRAM EFFECTS OF BILL

The incentive aspects of the bill (voluntary or regulated installation of private fire protection systems) will favorably affect fire prevention and protection programs and efforts at the state and local levels.

(4) FISCAL IMPACT: ☐ NONE ☐ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

None

(6) COMMENTS:

The provisions in this bill provide the incentive and means and methods for the installatio of private fire protection systems in private property which will in turn enhance and support the public fire protection systems and capabilities of communities throughout Alas

Many communities are being faced with providing additional fire protection services and with the costs associated with providing those services. A community fire protection incentive program can provide an alternative to the increasing costs of fire protection.

A long term affect of such a program would be in the area of security of a communities assets, e.g. private fire protection systems protect the economics of the community by providing security for the businesses that provide the tax base and employment of those within the community. Both the direct and indirect socioeconomic impacts, from fire, would be reduced.

BRIAN R. SHUTE
ATTORNEY AT LAW
1026 WEST 4TH AVENUE, SUITE 208
ANCHORAGE, ALASKA 99501
(907) 274-6644

February 29, 1980

The Honorable Bill Parker
Pouch V
Juneau, Alaska 99811

Dear Mr. Parker:

Re: Definitions of Fire Protection Systems in House Bill 648

At the House Community and Regional Affairs Committee hearings on the above bill, a question concerning definition of fire protection systems was raised. The State Fire Chiefs Association explained their understanding of the bill was that it would cover those fire protection and fire alarm systems as defined in the National Fire Codes. What follows is a suggested definition of fire protection systems.

> Fire protection systems are those systems as defined in the National Fire Codes, current edition, published by the National Fire Protection Association.
>
> The systems include, but are not limited to, the following: Foam extinguishing systems, high expansion foam systems, carbon dioxide systems, Halon 1301 systems, Halon 1211 systems, dry chemical systems, water operation fixed systems, foam/water sprinkler and supply systems, standpipe and hose systems, hydraulic sprinkler systems, and associated pumps and tanks as required for the foregoing systems.
>
> Fire alarm systems include, but are not limited to: supplemental station signalling systems, local protective signalling systems, auxilliary signalling systems, remote station signalling systems, proprietary signalling systems, automatic fire protection systems.

The growing public support for this bill is indicative of its benefit. The Alaska Fire Chiefs Association and the Alaska State Fire Fighters Association emphatically urge its enactment.

If you have any questions please do not hesitate to call.

Very truly yours,

Brian R. Shute

Brian R. Shute, Attorney for
Alaska Fire Chiefs Association and
Alaska State Fire Fighters Association

March 11, 1980

Mr. James Evans, President
Alaska Fire Chiefs' Association
211 W. 7th Avenue
Anchorage, Alaska 99504

Dear Mr. Evans:

As a member of the House Community and Regional Affairs Committee, I listened to the testimony on HB 648, about which you wrote on March 4. I voted "Do Pass" in the Committee and will support the bill.

Sincerely,

Charles H. Parr

CHP:vc

Alaska Fire Chiefs' Association

March 4, 1980

The Honorable Charles H. Parr
Pouch V
Juneau, Alaska 99811

Dear Representative Parr:

This letter is in support of House Bill 648 and Senate Bill 370 which are strongly supported by the Alaska Fire Chiefs' Association and the Alaska State Firefighters Association.

This bill will make low interest loans available to property owners to finance the installation of private fire protection systems, it will provide tax credits to property owners with private fire protection systems, and it will eliminate water standby utility charges on property owners' utility bills. It is an impressive program which will save cities and property owners money, without increasing mandatory regulation or other red tape.

Upon reading the enclosed position paper authored by the above Associations, I am sure you will agree with the Firefighters and Fire Chiefs that this bill is something long over due and it should be strongly supported.

When the program is explained every organization to whom the program has been presented has enthusiastically supported the program. The Fire Chiefs' Association is in receipt of letters from the Cordova Chamber of Commerce, the City of Ketchikan, the Water Conservation Association, all of which enthusiastically support the legislation. It is understood that more enthusiastic support is on the way and building. Please support House Bill 648 and its companion Senate Bill 370 this session. Thank you.

Very truly yours,

ALASKA FIRE CHIEFS' ASSOCIATION

James Evans, President

P.S. The sponsors of the House and Senate bills, as well as Committee Chairmen, have been provided with a Digest of factual material which conclusively and emphatically documents the effectiveness of private fire protection in controlling fires, and, therefore, local government costs. Copies of that material can be obtained from their respective Legislative offices.

	Senate Bill 370	House Bill 648
Sponsors:	Colletta, Bradley	Malone, Duncan
Committees:	Community and Regional Affairs	Community and Regional Affairs

Greater Ketchikan Chamber of Commerce
2415 Hemlock - 110 — Ketchikan, Alaska 99901
Telephone (907) 225-3184

Community and Regional Affairs Committee
House of Representatives
Alaska State Legislature
Pouch V
Juneau, AK 99811

February 14, 1980

Dear Sirs:

The Board of Directors of the Greater Ketchikan Chamber of Commerce would like to go on record as fully supporting House Bill 648 and Senate Bill 370, regarding "An Act relating to fire prevention".

Best regards,

Sally Smith

Sally Smith
President
Greater Ketchikan Chamber of Commerce

cc: Community and Regional Affairs Committee
Senate
Alaska State Legislature

Representative Terry Gardiner
Representative Oral Freeman
Senator Robert H. Ziegler, Sr.

HIKAN RAINBIRD

Greater Ketchikan Chamber of Commerce
2415 Hemlock - 110 – Ketchikan, Alaska 99901
Telephone (907) 225-3184

RESOLUTION

(An Act Relating to Fire Prevention)

WHEREAS: The Greater Ketchikan Chamber of Commerce Board of Directors has evaluated House Bill #648 and Senate Bill #370 and;

WHEREAS: The Greater Ketchikan Chamber of Commerce Board of Directors has determined that Fire Protection systems should not be included in the assessment value of a building and;

WHEREAS: The Greater Ketchikan Chamber of Commerce Board of Directors has determined that a Utility Company should not be entitled to levy charges for water to hydraulic sprinkler fire prevention systems per unit and

WHEREAS: The Greater Ketchikan Chamber of Commerce Board of Directors has determined that the directives indicated in these bills are in the best interest of preventative operations relating to fire protection;

BE IT THEREFORE RESOLVED: The Greater Ketchikan Chamber of Commerce Board of Directors recommends immediate passage of House Bill #648 and Senate Bill #370 as they read in identical form.

Approved and adopted this 13th day of February, 1980, by the Greater Ketchikan Chamber of Commerce Board of Directors.

Sally Smith

Sally Smith, President
Greater Ketchikan Chamber of Commerce

KETCHIKAN RAINBIRD

RECOMMENDATIONS

FROM THE

ALASKA FIRE CHIEF'S ASSOCIATION
ALASKA STATE FIREFIGHTER ASSOCIATION

FOR

ADOPTION OF THE

COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

Get bill drafted
Change loan para.

Material Prepared By:
Robert R. Shirnberg
Fire Marshal
Nikiski Fire Dept.
Chairman Ad-Hoc Committee
ASFA/AFCA
December-2-1979

The Alaska State Firefighters Association and the Alaska Fire Chief's Association, at their respective annual meetings in October of 1979 in Petersburg, Alaska, were presented a program entitled, "Community Fire Protection Incentive Program".

Both the Alaska State Firefighters Association and the Alaska Fire Chief's Association submitted to their respective memberships a resolution calling for support in the preparation of program material to enact the Community Fire Protection Incentive Program during the 1980 session of the Alaska State Legislature. Both bodies passed unanimously this resolution.

A joint AD-HOC committee was formed, comprised of members of the ASFA and the AFCA to prepare the necessary material and to carry out the legislative program presentation.

The State of Alaska has the honor of being Number #1 in many catagories. We are by far the largest state in the Union. Our fisheries and resources from the sea are Number #1 in value. Our resources on oil and gas production are approaching Number #1. Our mineral potential is the greatest of all states.

Our state also has the dubious honor of being Number #1 by some margin in the loss of life per capita by fire and the property dollar loss per capita. It appears that the growth of our state is assured with projections of ship building facilities, processing and support facilities for a bottom fishing industry, oil and gas production with related petrochemical industrial plants, mineral development, etc. With the population and constructions that will come with this growth and with our present methods of providing fire protection, we will retain the dubious honor of being Number #1 in per capita loss of life and property damage as a result of fire.

We in the fire service recognize that a new approach in providing for both public and private fire protection needs must be developed. We recognize that the Community Fire Protection Incentive Program does offer the method to redirect fire protection systems and combine the best features of both public and private fire protection in a manner that will improve and better the community against the ravages of fire. It provides a method whereby the costs for public fire protection can be controlled as the community expands and grows.

The Community Fire Protection Incentive Program provides a method whereby the private property owner and businessman will have the incentive and support necessary to provide for the installation of private fire protection systems in their property. This incentive is created through a three-part program as follows:

~~Permanent Revolving Loan Fund~~ Include in Small Business Loans Program

This loan fund will provide loans to private property owners and businessmen at an interest rate and such terms that will create an incentive to install private fire protection systems such as hydraulic sprinkler systems.

The terms of the loan will be such that the direct insurance saving received for the installation of the sprinkler system will be calculated in the repayment schedule. It is the intent that the peoperty owner will realize a real dollar return on the installation of the sprinkler system. An example would be

that if the net insurance saving was $6,000 annually, the loan terms would require a $4,000 annual payment, resulting in a net return to the property owner of $2,000 annually until the loan has been paid off, at which time the property owner would receive the entire $6,000 benefit.

Tax Incentive

Remove from the property tax rolls the assessed value of the private fire protection system. There is no question of the roll that the private fire protection has in supporting the public fire protection system. It is taken into consideration in the I.S.O. rating schedule, it has a decided effect on reducing the overall insurance rating of a community's fire defenses. It protects the community's tax base. It protects the jobs and the economy of the community.

With our present policy of taxing private fire protection systems, we discourage the property owners from installing such voluntary systems.

Again, the private property owner and business man will be encouraged to install private fire protection systems if we remove the tax burden that is placed on such systems.

Water Standby Surcharge for Sprinkler Connections

Some water utilities have placed an excessive standby water rate to property owners that have installed hydraulic sprinkler systems in their property. In many cases these special rates have eliminated or exceeded any dollar saving the property owner may have enjoyed because he has installed a sprinkler system.

In some cases the owners of property equipped with sprinkler systems have shut the sprinkler system down and discontinued its use and accepted the higher insurance rate because there was a dollar saving between the water standby rate and the increased insurance premiums.

As can be seen, the excessive water rate charge is a direct attack on the incentive to install private fire protection systems.

Therefore, it is necessary that special water rates for properties equipped with sprinkler systems be reduced to a very nominal fee or eliminated altogether.

This program intent is to provide for the property owners and businesses the incentive and assistance to install fire protection systems. The program is to be made available to property owners in all areas of the state of Alaska, from the larger municipalities to the smaller communities and very rural areas. To those communities with full-time paid fire departments to those with volunteer fire departments, and also those areas without any fire protection at all. The program makes assistance available to areas that are isolated, such as remote cannery locations, and a method to provide for fire protection of such facilities.

With such a program in effect and within a few short years, we will see a decided reduction in our property fire loss and loss of life from fire. We will realize a direct saving in the cost of our public fire protection systems. We will be able to better meet the fire protection needs of our expanding and growing communities, and be able to control the costs of this expansion.

Fewer jobs will be lost through catastrophic fires, the economy better protected, the tax base of the community better assured, and those public programs that are supported by the tax base better protected.

DEFINITIONS OF FIRE PROTECTION SYSTEMS

Fire protection and fire alarm systems are those systems as defined in the National Fire Codes, current edition, published by the National Fire Protection Association.

These systems include, but are not limited to the following: Foam Extinguishing systems, High Expansion Foam systems, Carbon Dioxide systems, Halon 1301 systems, Halon 1211 systems, Dry Chemical systems, Water Spray Fixed systems, Foam/Water Sprinkler and Spray systems, Standpipe and Hose systems, Hydraulic Sprinkler systems, and associated pumps & tanks as required for the foregoing systems.

Fire Alarm systems include, but are not limited to: Central Station signaling systems, Local Protective signaling systems, Auxiliary systems, Remote Station signaling systems, Propietary signaling systems, Automatic Fire Detection systems.

Correspondence
Received

Stran
The other way to build
AUTHORIZED BUILDER

Kenai Steel Buildings, Inc.

P. O. Box 340 · Kenai, Alaska 99611 - (907) 283-7810

February 28, 1980

Representative Hugh Malone
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Malone:

This is a letter of support for House Bill No. 648. I am very pleased that you and Representative Duncan have taken the initiative to introduce this measure.

This legislation will certainly support the businessman and encourage him to install fire protection systems in his property; which will lead to improved fire protection for our communities, along with reduced costs for fire protection services.

Respectfully,

Robert S. Oehler
Owner

RSO/lc

South Central Fire Prevention Council

"Lands, Homes, and Lives"

February 19, 1980

Representative Bill Parker
Chairman
House Community and Regional Affairs Committee

Dear Representative Parker:

We strongly support and recommend that the Community and Regional Affairs Committee act favorably and recommend DO PASS to Senate Bill No. 370, an Act relating to fire prevention. (HB 648)

We feel the provisions of this act that will allow businessmen and property owners to receive loans at terms and interest as proposed, will encourage the installation of fire protection systems. An additional incentive will be created for the property owner by removing the fire protection systems from the real property tax roles.

This bill addresses and removes the inequity in water utility rates charged to property owners who have installed hydraulic fire protection systems.

All three of the provisions of this bill will create the much needed incentive that will allow property owners to make the needed installation of fire protection systems a reality. This will, in years to come, reduce the costs and demands of the public fire departments, and will assist greatly in bringing our escalating loss of life and property under control; reducing this loss and bringing together the public and private fire protections to rpovide the most cost effective method of providing for the fire protection needs of our communities.

Your support on this legislation will be greatly appreciated by those of us who work daily in the areas of fire prevention and suppression.

Respectfully Yours,

Russell J. Bagley
Chairman

RJB:dgs

Cordova Chamber of Commerce

BOX 99

"The Friendly City"

CORDOVA, ALASKA 99574

MT. ECCLES

January 30, 1980

Mr. Robert Shirnberg
Post Office Box 1167
Kenai, Alaska 99611

Dear Mr. Shirnberg,

This is to inform you that on January 29, 1980, the Cordova Chamber of Commerce took action supporting proposed legislation for the installation of Private Fire Protection Systems.

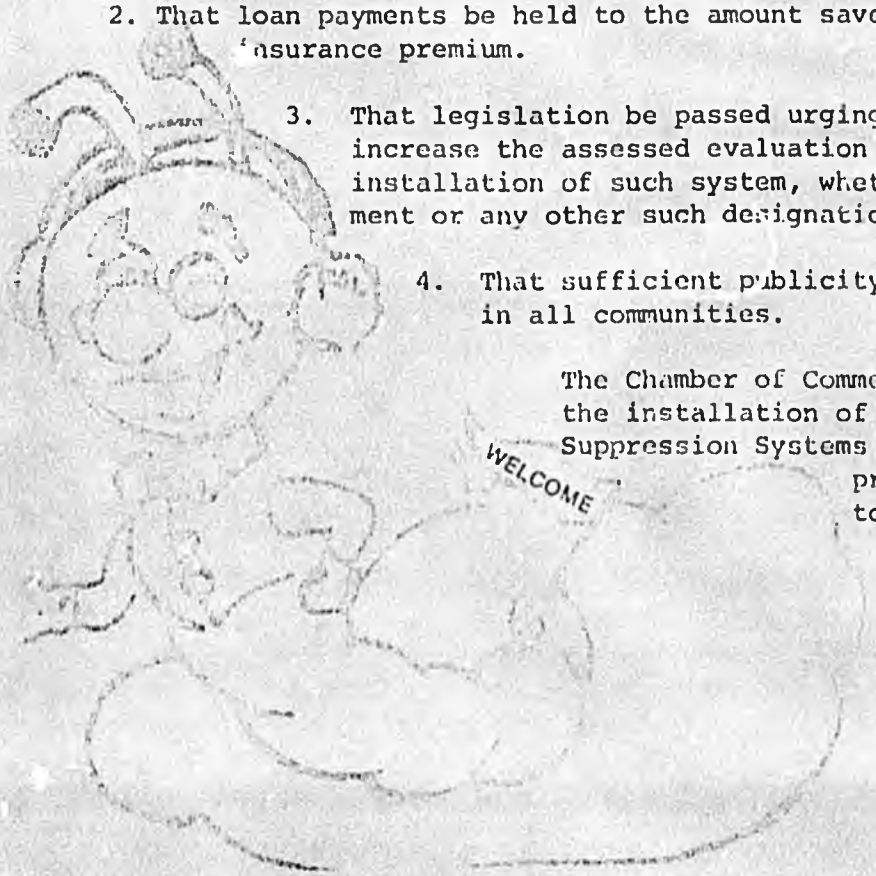
The following are specific concepts supported by this Chamber:

1. Low interest or no interest loans with a minimum of paperwork to be made available to businesses for the purpose of installing Private Fire Protection and Suppression Systems.

2. That loan payments be held to the amount saved on the establishemnt's fire insurance premium.

3. That legislation be passed urging local municipalities to not increase the assessed evaluation of the property because of the installation of such system, whether it be named as an improvement or any other such designation.

4. That sufficient publicity be given to business people in all communities.



The Chamber of Commerce feels that incentives for the installation of Private Fire Protection and Suppression Systems will reduce the loss of lives, property, and lost man-hours due to destruction of business property.

Sincerely,

Robert L. Varnam

Robert L. Varnam

cc: Alaska Fire Chief's Association, Alaska State Fire Fighter's Association, Cordova City Council

"City of Petersburg"

P. O. Box 329
Petersburg, Alaska 99833
(907) 772-4511

February 29. 1980

Ginny Chitwood. Executive Director
Alaska Municipal League
204 North Franklin Street
Juneau. Alaska
99801

Re: Exempting Fire Protection Systems from Municipal Property Tax Assessment (HB-648)

Dear Ms. Chitwood:

The proposal to exempt fire protection systems from local property tax assessment is absurd. Although the goal is admirable. it would tend to disrupt the fairness of the property tax. All property should be on the tax rolls so that the tax rate is at a minimum and all property owners will be paying on the same basis. By exempting certain property. the tax rate will increase and the tax burden will be on fewer taxpayers.

Also. if fire protection systems are worthy of a tax exemption. why not other exemptions for other worthy improvements (eg. better locks thus reducing burglaries. fireproofing walls. etc.).

Finally. it was reported that no financial encouragement is needed at this time due to the significant reduction of insurance rates when a fire protection system is installed. For example. one local business paid for a sprinkler system in four years due to reduced insurance rates. Surely this is incentive enough.

Cordially.

Bruce

Bruce Aronson
City Manager

BA/plc

COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

Prepared by Robert R. Shirnberg
October 20, 1979
Fire Marshal
Nikiski Fire Department
283-4202
P.O. Box 1167, Kenai 99611

COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

This program is designed to provide the means and methods for the installation of private fire protection systems in private property and to enhance and support the public fire protection systems of the communities throughout the state of Alaska. This is to be accomplished through the combination of three approaches:

1. Establish a loan fund to provide loans to private property owners for the installation of fire protection systems.

2. A tax incentive for property owners by removing from the property tax rolls the assessed value of the private fire protection system.

3. Control the water standby rate charge, charged by water utilities for large diameter service to sprinkler systems. Such rate charges should be set at a level that will not discourage the installation of sprinkler systems.

What are the possible long term benefits from the Community Fire Protection Incentive Program?

It is apparent that if such a program is carried out to the ultimate, that most of our commercial and business properties could be protected by sprinkler systems. If this was the case, it will have a decided effect on the fire flow requirements of each community by reducing the flow requirements. This will affect the apparatus and equipment required, location and response distances of the companies, the number and location of fire stations, as well as the manning requirements of the fire departments.

There is no question that the State of Alaska is undergoing rather rapid growth in population. The oil industry is expanding, other industrial plants associated with the oil industry are planned and coming on line. The fishing industry is expanding into new products and plants. This is bringing additional population and businesses into many of our communities. This growth is impacting the fire protection systems of many of our cities and rural areas. Communities are being faced with providing additional fire protection services and with the costs of providing these services.

The community fire protection incentive program can provide an alternative to the increasing costs of fire protection. The fire service may well be able to hold the line in respect to increasing costs associated with the growth of the community, and may well be able to reduce the costs in relation to the mill rate required for fire protection.

I have enclosed a copy of an article by Harry E. Hickey, an associate professor with the University of Maryland, entitled "Built-In Fire Protection and Fire Department Manning." This was published in the Fire Management Review, a publication of the City Management Association. This is an area of interest to city managers, and will probably be discussed with the fire departments. The article is idealistic, but does indicate what effect providing sprinkler systems can have on the fire protection system of a community.

I suspect that the greatest long term effects of the Community Fire Protection Incentive Program will be in the area of security of the community's assets. I look at these assets as the commercial property, the business within these properties, and the jobs created by these businesses. The community's assets are all the properties within their community, and the income for the community's programs are derived in the form of taxes on this property. With the property protected by sprinkler systems, the community's tax base and programs are protected from fire.

Such a system protects the economics of the community by providing security for the businesses that provide employment of those within the community. The immediate effect of fire on a business is often dramatic, in that amount of dollar loss attributed to the building and contents. The long-term effect of this fire is often overlooked in that the business and jobs lost, the former employees who often must leave the community to work elsewhere, and the effect of the lost payrolls. Few businesses recover from large fires; most often the fire destroys not only the building and contents, but along with that, the jobs and revenue from the business itself. This has the direct effect of removing the property from the tax rolls. We lose the tax generated by the former employees of the business. In many cases, the long-term effect is far more costly on the community than the dramatic immediate loss of the fire itself. In the long-term, this is probably the most important consideration for the establishment of a Private Fire Protection Systems Funding Program.

There have been a number of canneries in smaller communities that have been destroyed by fire. Most often they have not rebuilt, and in some cases the communities where this has happened have ceased to be. There have been a number of fires in commercial property in our larger communities that have destroyed a million dollar tax base, along with large numbers of jobs. These have long-term effects on the community.

The Community Fire Protection Incentive Program can reduce by a very large degree the economic effects of this type of fire.

FIRE PROTECTION REVOLVING LOAN FUND

The revolving loan fund should be funded at a level that will allow for rapid implementation and installation of private fire protection systems.

This fund will make loans to property owners that desire or are required by the uniform building code to install private fire protection systems. Interest rates and loan terms of such loans should be established at a level that encourages the property owner to install such systems.

Requests for loans shall be considered on a priority basis, with those properties that are required to retro-fit fire protection systems in existing properties having the highest priority.

Loan priorities shall be established by the State Fire Marshal's Office. The fire protection system to be installed shall meet the standards as required by the State Fire Marshal's Office.

Cities and municipalities that have code enforcement and standards administered by building department and fire prevention services shall establish the priority schedule for loans and shall review and approve fire protection systems that meet the required standards. Loan requests meeting their approval shall be forwarded to the State Fire Marshal's Office for review and approval.

The revolving loan fund shall be administered by the Department of Commerce, and loan requests that have been approved by the State Fire Marshal's Office shall be granted.

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LOAN PRIORITY

PRIORITY#1

Property that will be required under the Uniform Building Code (1976) or (1979) as adopted by the State of Alaska to be retro-fitted with sprinkler systems.

PRIORITY#2

Exsisting property that is not required by the Uniform Building Code to be retro-fitted with sprinkler systems, but where the property owner desires to install a sprinkler fire protection system.

PRIORITY#3

New construction that is not required by the Uniform Building Code to install sprinkler systems, but where the property owner desires to install a sprinkler fire protection system.

PRIORITY#4

New or exsisting dwelling units where the property owner desires to install a approved sprinkler protection system.

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TAX INCENTIVE PROGRAM

What are we talking about when we speak of a tax incentive program for fire protection? In looking back over the years, and in particular to the fire protection systems that are provided by private property owners, business and industry, we find that through Fire Codes, Uniform Building Codes and ordinances we have insisted that these same property owners provide private fire protection systems.

In effect, what we are telling the property owner is that we in the fire service cannot provide or meet the fire protection requirements for their particular property, that we insist that they install a system that will provide for fire detection and extinguishment, and supplemented by our fire department, we can then possibly handle the fire problem in his building or property.

When the property owner provides for this private fire protection, we often overlook the fact that he is not only providing protection for his property, but in effect is providing a part of the overall fire protection system of the community. His system does provide for fire protection to nearby properties in that the chances of the fire extending beyond his property is practically illiminated through his built-in fire protection system.

With the installation of a sprinkler system or other fire protection system within the property, the value of the propert increases. Up to now the increased value of the fire protection system has been added or included in the tax assessment bill on the property.

I strongly feel that to require a property owner to provide for private fire protection systems on his property and then increase his tax bill because he has installed such a system is again self-defeating. We must be able to encourage the property owner to install such systems. We well know that such a system adds directly to the over-all fire protection system of the community.

To encourage the installation of private fire protection systems in our communities throughout the state, with the direct long-range effect of reducing or at least being able to maintain th current level of public fire protection we should consider the following:

Inact legislation at the State level that will remove from the tax rolls the assessment against private fire protection syste: The net effect to the property owner will be that his property tax rate will be reduced by the value of the private fire protection system.

Presently, the property owner that provides [illegible] protection systems for his property receives the following benefits:

1. Protection for his building
2. Protection for the contents
3. Protection for the occupants
4. Protection for his business
5. A reduction in the insurance premiums

The public receives the following benefits when a private property provides fire protection systems:

1. The public that enters or resides within the building is protected.
2. The nearby property owners are protected from fire extending from the property in question.
3. The community's tax base is protected in the property
4. The community has assurance that this business will not be destroyed by fire.
5. The jobs provided within this property are secure from fire.
6. There is a lesser demand or requirement on the community public fire department because this property has a built in fire protection system.
7. The overall fire insurance rating will be enhanced by those properties protected by fire protection systems.

It is apparent that those property owners that install private fire protection systems not only receive certain benefits directly, but in respect to the community as a whole, that through their private efforts, provide a larger degree of benefi to the community in general.

Up until the present time, the property owner that provided private fire protection systems has received no direct benefits or credit from the community or local government for his effort The community has in general not recognized what the private fire protection systems mean to a community.

It is apparent that if all private property owners could or world provide private fire protection systems, it will have a dramatic long-term effect on the total community fire protection system. It will certainly affect the costs of providing community fire protection in the future.

WATER SURCHARGE RATE

The standby water surcharge rate that is applied in some communities to those property owners that have or have been required to install full sprinkler protection for their property is in effect self defeating in respect to the fire protection system of the community.

It appears that the only consideration for this type of charge is to provide additional revenue for the utility.

This type of rate charge will result in property owners taking a second look at installations of sprinkler systems. Unless the property owner has a direct benefit that is cost effective he will not be interested in providing fire protection systems for his property.

The benefits that the property owners should receive in the event he provides a sprinkler system for his property would be a reduction in his insurance rate, that will pay back the cost of the sprinkler system within a reasonable time. Another benefit is the protection of his property and business from fire.

An additional water surcharge for sprinkler connection is contrary to the fire protection needs of the community. The community should rather assist and encourage the property owner to install such systems.

We in the fire service, and those that are in communities that have placed a surcharge for sprinkler systems, have often been silenced and are unable to protest this self-defeating development of our fire protection systems. Where the administration is dead set against such charges and they are unable to speak out, such organizations as the State Fire Fighters Association can take a stand and pursue legislation at the State level prohibiting such charges.

If we can encourage the state legislators either by law, or administrative action by the Public Utilities Commission, to eliminate or reduce to a reasonable charge, the service provided for sprinkler systems we will have accomplished much in providing a direction and guidance in meeting the needs for fire protection in our communities.

The following examples compare cost figures for an Incentive Program versus today's cost.

BASE FIRE INSURANCE RATES

Property Discription 29,560 sq. ft. concrete block, retail shop complex..

Fire Protection Class Rural#8

Value of Building $702,000

Insurance Carried $700,000

Protected Rate .40 per 100

Unprotected Rate 2.65 per 100

Estimated cost of Sprinkler System $42,000

Assesed value of Sprinkler System $42,000

Property Tax Rate 5 mills

Fire Protection Loan 42,000 Interest 7% No.of Years 5

Monthy Payment $831 Annual Payment $9979

Cost Unprotected Property		Cost Protected Property	
Insurance	$18,550	Insurance	$2,300
Tax (mill rate)	$3,500	Tax	$3,500
		Tax Credit	$210
		Loan Payment	$9,979
Total	$22,050	Total	$16,069

Annual saving to property owner $5,981

Saving to property owner on complition of loan payments $15,960

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BASE FIRE INSURANCE RATES

Property Discription	20,000 square feet, wood frame, mercantile
Fire Protection Class	Class #5
Value of Building	$500,000
Insurance Carried	$500,000
Protected Rate	.143 per 100
Unprotected Rate	1.76 per 100
Estimated cost of Sprinkler System	26,000
Assesed value of Sprinkler System	26,000
Property Tax Rate	16 mills
Fire Protection Loan	26,000
Interest	7%
No. of Years	5
Monthy Payment	$514
Annual Payment	$6,177

Cost Unprotected Property			Cost Protected Property	
Insurance		$8,800	Insurance	$715
Tax (mill rate)	16	8,000	Tax	$8,000
			Tax Credit	-$416
			Loan Payment	$6,177
Total		$16,800	Total	$14,476

Annual saving to property owner	$2,324
Saving to property owner on complition of loan payments	$3,501

BASE FIRE INSURANCE RATES

Property Discription 26,000 square foot, shop office and bus storage garage, wood frame construction

Fire Protection Class Unprotected Class 10

Value of Building	1,000,000
Insurance Carried	1,000,000
Protected Rate	.40/.50 per $100
Unprotected Rate	2.81 per hundred
Estimated cost of Sprinkler System	$72,500
Assesed value of Sprinkler System	$72,500
Property Tax Rate	5 mills

Fire Protection Loan 72,500 Interest 7% No.of Years 5

Monthy Payment $1,435 Annual Payment $17,226

Cost Unprotected Property		Cost Protected Property	
Insurance	$28,100	Insurance	$5,000
Tax (mill rate)	$5,000	Tax	$5,000
		Tax Credit	- $362
		Loan Payment	$17,226
Total	$33,100	Total	$26,864

Annual saving to property owner $6,236

Saving to property owner on complition of loan payments $23,462

VII F

There are two insert articles on the effect of sprinkler system installations on public fire protection systems.

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Built-In Fire Protection And Fire Department Manning

by
Harry E Hickey
Associate Professor
University of Maryland

The number of companies required and the manning levels for each company are directly related to the number of hazards in a community. Any community has a range of hazards. Therefore, the geographical location and the nature of these hazards are prime factors in determining the location of engine and ladder companies.

PROPERTY HAZARD LEVEL REDUCTION

Generally, property hazard levels should be used to determine the number and type of fire companies required and the manning levels for eac

One method of measuring property hazard levels is to determine the amount of water required to control and extinguish a fire in a building c a group of buildings. Required fire flow will vary according to a building's ground floor area, height, construction, occupancy, internal fire protection and alarm systems (automatic sprinklers and alarm transmissior to emergency response service), and exposure conditions.

The Guide for the Determination of Required Fire Flow, which is published by the Insurance Services Office (ISO), can help to determine fire flow requirements for specific hazards (there is some question on the validity of the final computations). It is also helpful in assessing fi flow requirements according to a community's hazard variables. The guid states that by using these computations, fire flow requirements "may be reduced by up to 50% for complete automatic sprinkler protection. . Where buildings are either fire resistive or non-combustible construction, the reduction may be up to 75%". Thus, established fire flow values can be cut drastically by requiring the installation of automatic sprinkler pro tection.

Regardless of the method used to compute required fire flow, there i general agreement that the public protection equipment requirement incre with the fire flow requirement. Conversely, as the property hazard is reduced, so is the required fire flow and thus, the level of fire depart response.

A community policy to control and reduce property hazard levels by requiring automatic sprinklers can have a significant impact on holding line with fire department manning requirements. In addition to improved life safety and property protection, automatic sprinklers may reduce pro erty insurance premiums and the demand on the community's fire suppressi delivery system. This may open new service delivery options, such as improvement of emergency medical services with existing personnel.

HYPOTHETICAL CASE STUDY

The community of Newtown, which covers approximately 12.75 square miles, has 5 primary hazards characterized by: ordinary construction, four stories, ground floor areas from 43,000 to 50,000 sq. ft., occupanc at the moderate hazard level, and normal exposure conditions. It is assumed that these buildings are the worst fire hazards in the community and that the level of fire protection required for them will be equal or better for the rest of the community.

Without automatic sprinkler protection the ISO guide sets a required fire flow of 8,000 gallons per minute for each fire. However, using the water supply section of the ISO Grading Schedule, the basic fire flow fo

Newtown is 7,500 gallons per minute. The guide makes a clear distinction between required fire flow and basic fire flow.

If each of the primary hazards were retrofitted with a hydraulic automatic sprinkler system, the peak required fire flow for each fire demand zone would be reduced from 8,000 gallons per minute to 4,000 gallons per minute. This would reduce the basic fire flow for Newtown to 3,500 gallon per minute.

The reduction in fire flow requirements has a dramatic effect on manning levels. Fire suppression manning requirements were calculated on the following assumptions:

- a 48 hour work week
- average vacation and sick leave of 4 hours per week for each individ
- 38 persons are required to staff a suppression position 24 hours a d
- engine and ladder companies each require one officer on duty at all times

The ISO Grading Schedule was used to determine the number of engine an ladder companies required, based upon the response distance and the established required fire flows, and the manning requirements for each company.

Company and manning requirements were calculated with and without automatic sprinklers.

	Without Automatic Sprinklers	With Automatic Sprink
Stations	5	3
Engines	7	4
Ladders	3	1
Officers	42	15
Firefighters	209	76

Annual personnel costs (including fringe benefits) were estimated on the basis of $24,000 for each officer and $18,000 for each firefighter.

	Without Automatic Sprinklers	With Automatic Sprink
Officers	$1,008,000	$ 360,000
Firefighters	3,762,000	1,368,000
TOTAL	4,770,000	1,728,000

The reduction in personnel costs alone is $3,042,000. This hypothetic case does not consider the cost factors for installing automatic sprinkle community water system design, deactivation of two fire stations, or the potential savings on community insurance premiums.

It has been established that the property hazard level is the primary factor affecting manning levels for fire companies. When the hazard is reduced, so is the manning requirement. This is only one method of assessing the difference between protection from specific hazards with a complement of fire suppression personnel and increased private protection to lower the demand for public protection.

V
F

BY R. J. COLEMAN
Director of Fire Protection

and

G. L. CARMICHAEL
Fire Marshal
San Clemente, Calif., Fire Dept.

Faced with a tremendous increase in the residential fire problem as its population doubles in the next 10 years, San Clemente, Calif., has passed an ordinance requiring sprinkler systems to be installed in new residential construction. The ordinance also applies to the remodeling of more than 50 percent of a building.

There has been a great deal of talk over the years about residential fires, which account for the largest number of structural fires and take the most lives, but San Clemente has done something about the residential fire problem. The sprinkler ordinance is also aimed at restraining the cost of public fire protection while maximizing fire department services and putting technology to work for us.

What prompted the passage of the residential sprinkler ordinance was a unique growth situation in the city and preparatory work by the staff of the San Clemente Fire Department.

Land to be developed

San Clemente covers 15 square miles with a population of 26,000. Two thirds of the city, about 10 square miles, is vacant land. The three corporations which own this land are prepared to fully develop it within the next 10 years. The population of San Clemente is due to double by 1990.

The fire department staff several years ago realized that it faced this potential and instituted a fire department master plan project. One of the elements of the master plan was to examine alternative methods of providing fire protection during this period of unprecedented growth. Initially, the department received most of its information and training on the master plan project from attending the National Fire Academy fire protection master planning course.

Historically, 90 percent of the fire loss in San Clemente has occurred in single and multiple residential buildings. The five-year fire record also showed that the largest percentage of fires started in kitchens and living rooms. The result of this statistical data was the formulation of a master plan goal to "reduce the loss of life and property in dwelling fires by building fire protection into new construction."

Three systems studied

Research during the master plan project developed a great deal of information on studies of residential sprinkler systems, smoke detectors and early warning systems. These systems were immediately identified as possible means of mitigating the fire problem.

The first of these systems that was integrated into the city's codes was that of smoke detectors. A comprehensive smoke detector ordinance, patterned after the San Carlos one, was adopted in 1976. This ordinance requires the installation of smoke detectors in all new homes and in existing homes when they are sold or by 1981, whichever comes first.

Members of the fire department took some of their basic information on residential sprinkler tests from United States Department of Commerce studies. With the aid of several local automatic sprinkler companies, the department conducted a series of controlled burns, experimenting with a wide range of heads and installation specifications suggested by the Department of Commerce studies. These tests were run in cooperation with local building contractors and developers. Interested parties were allowed to witness the tests and make suggestions on how to incorporate sprinkler systems into their construction projects.

Four sprinkler goals

The residential sprinkler ordinance was developed with four major goals:

1. That it be low cost.
2. That it be aesthetically acceptable to homeowners.
3. That it be aimed at reducing liability in providing fire services.
4. That it speed the response of extinguishing agents in a dwelling fire.

One thing became apparent right away. The state of the art in residential sprinkler protection was not perfect. But, to draw an analogy, the fire department staff felt "that if the Wright Brothers had waited for the Concorde to be invented, they probably never would have built the first aircraft." The decision was made to take what information we had and move forward with the development of a comprehensive sprinkler ordinance for dwellings.

The San Clemente Fire Department operates with an attack pumper that is backed up by reserve fire fighters. Based on this operational situation, it was our intent to provide residential sprinkler systems with three objectives in mind. The first objective was to confine 95 percent of all dwelling occupancy fires to the room of origin. The second was to utilize the sprinkler system to prevent flash-over from extending a fire into rooms adjacent to the room of origin. The third objective was to provide fire suppression capability for the first 15 minutes of an alarm.

Fire department support

These three objectives recognized that these systems must be supported by fire suppression forces if they were to be 100 percent effective. These three objectives also recognized that the residential sprinkler system was primarily a tool to mitigate against fire spread during the reflex time period.

The department already had a partial track record on these systems. Due to the other problems in the community, such as limited access, underground garages, etc., the department had already required several apartment houses and condominiums to be sprinklered to NFPA Pamphlet 13-D requirements. Prior to passage of the ordinance, the fire prevention bureau had required these systems in approximately six of these occupancies. Three had been completed prior to the final drafting of the ordinance.

Consideration of this alternative was given a tremendous boost with the passage of proposition 13. This tax-limiting initiative highlighted the general problem of eroding revenue to support fire departments.

One of the most important elements in the study was that of cost. With home construction costs spiraling rapidly, one of the objectives of the study was to develop a system that would be economically feasible during construction. With single family dwelling construction costs running over $80,000, the installation of a truly domestic residential system was a relatively insignificant amount. The staff estimated the cost to be only $700 to $800 during the construction of a home of about 2100 square feet.

Early warning system

The third system that has yet to be required by ordinance is the early warning alarm system to tie together the other systems. The fire department communications officer, Captain Bill Bundy, has authored an ordinance and designed specifications for an alarm system that will allow the fire department to monitor both smoke detectors and residential sprinkler systems with

There are many other elements of the residential sprinkler system too lengthy to discuss in this article. Two of the major construction requirements, however, will be tightly controlled by the fire department.

First, the system must be installed according to proper design. Through a series of inspections and testing, the fire department will examine every installation and compare it against the standards and engineering drawings.

Secondly, the quality of construction will be controlled through a series of permits authorized under the ordinance, which in summary states, "No one shall install a residential sprinkler system in San Clemente without a fire department permit." These permits can be obtained through the office of the fire chief. It will be his obligation, prior to issuance of a permit, to be satisfied that the applicant has adequate training and knowledge in sprinkler system plumbing practices.

One-year sprinkler installer permits are issued for a $10 fee that covers the administration costs of the fire department.

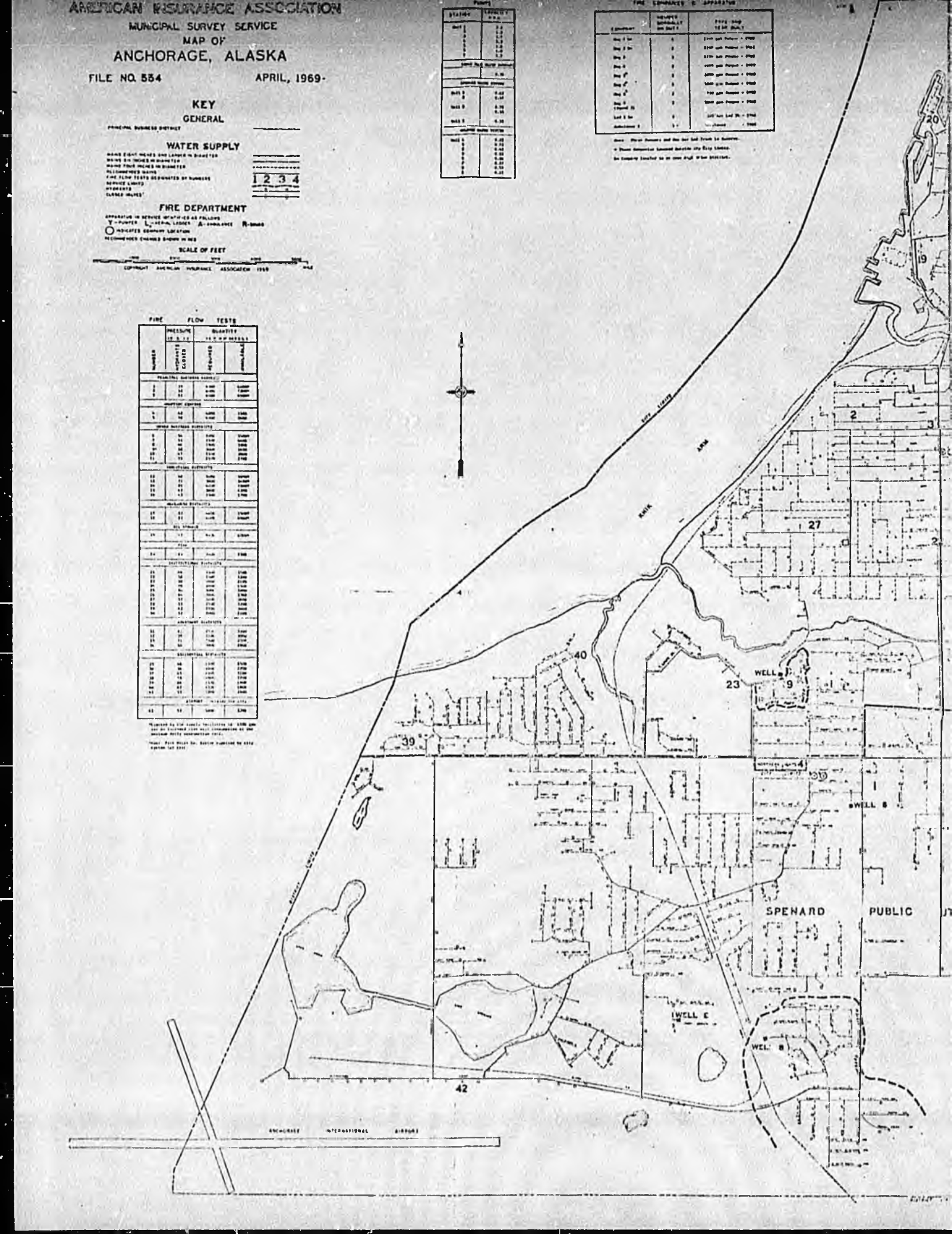
Premium cut sought

The fire prevention bureau is soliciting input from the insurance industry in an attempt to get a reduction in insurance premiums for occupancies that are protected by all three built-in systems. The results of that study are incomplete at this time.

In summary, the enactment of these amendments to the Uniform Fire Code should allow our city to maximize our fire suppression forces without facing spiraling costs or reduced revenue. It will not prevent our department from growing in terms of additional staff and equipment. As a matter of fact, the master plan also calls for two new fire stations.

It is still too soon to determine if the standards and the ordinances produce a statistically significant level of reduction in the fire problem. The fire department staff is continuing to build a partnership of the fire service, the sprinkler industry, the insurance industry, the building industry and the local citizenry to upgrade the ordinances if that becomes necessary.

Hopefully, when the development of the three vacant land areas is completed, we will have an environment that is considerably safer from a fire loss point of view than the average community. We really don't know that for sure. To compare to our early analogy about the Wright Brothers, we have now built in a system that is flying, but we are really not sure how it's going to land. Only time will tell! □ □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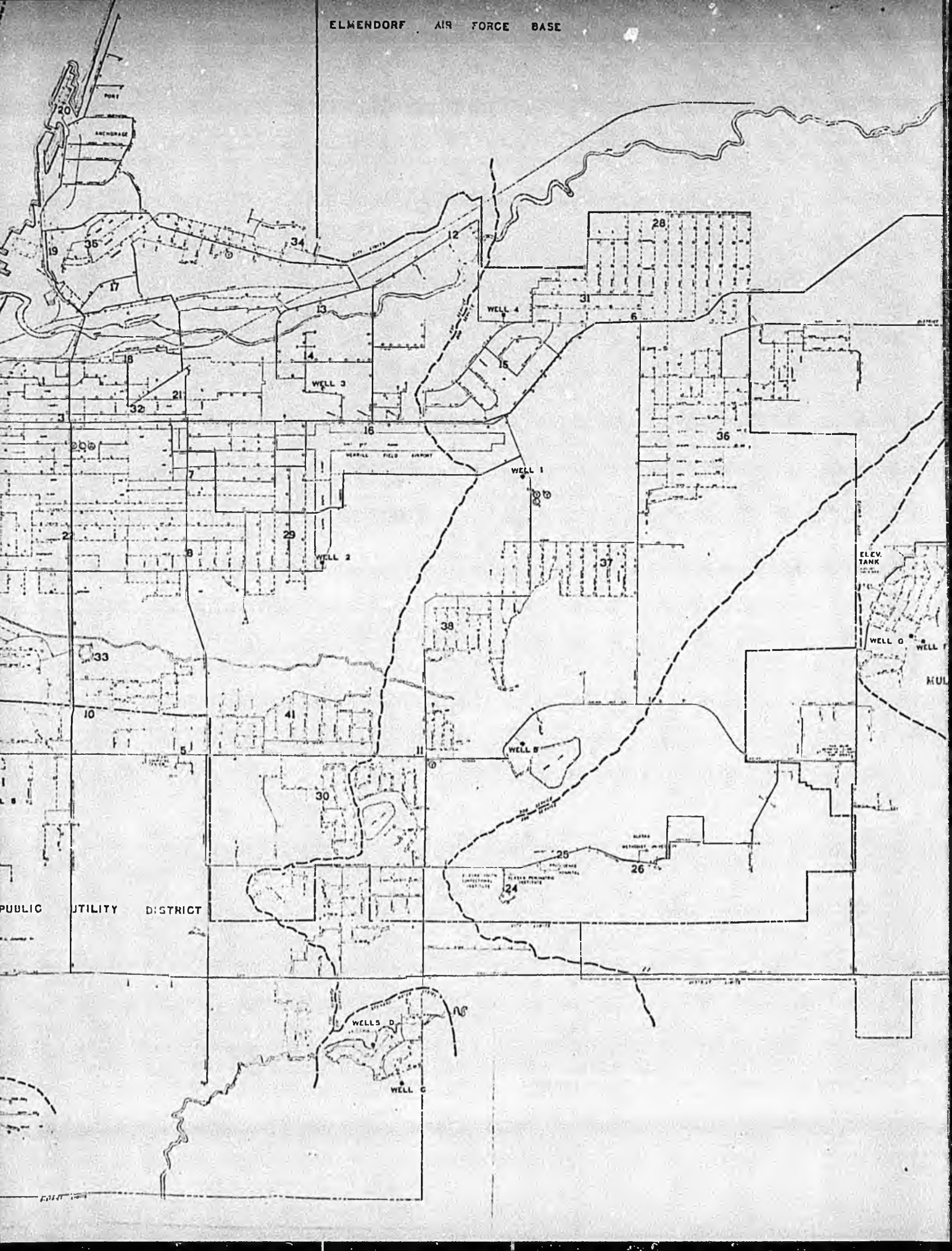
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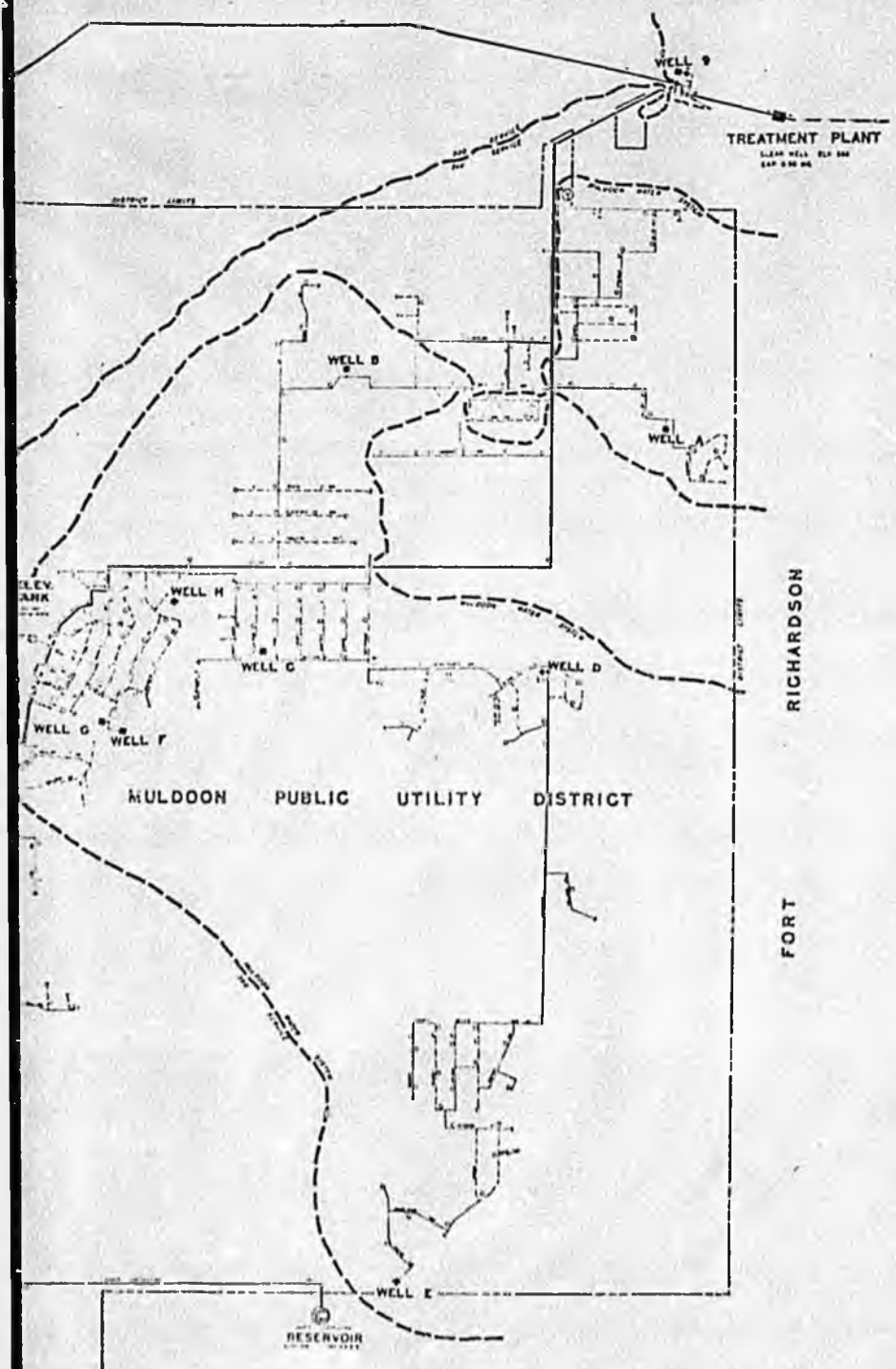
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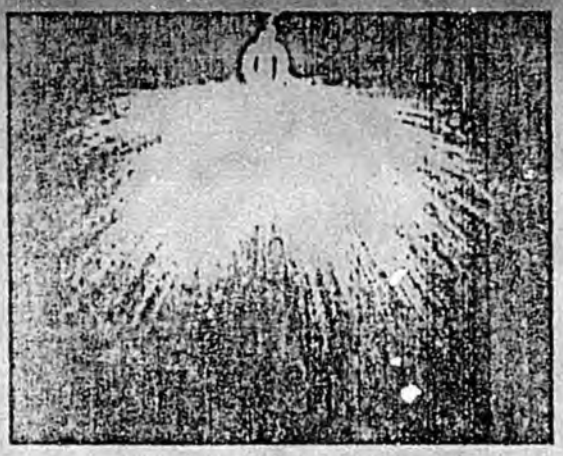

Sprinklers Cut Fresno's Fire Losses and Budget

EDWARD J. REILLY and JOHN A. VINIELLO

In the 1960s, the city of Fresno, California began the process of basing its municipal firesafety program on the installation of automatic sprinklers. As a result, the city decreased its fire losses, decreased the percentage of the municipal budget allocated to its fire department, and improved its insurance rating.

Many of the details of the Fresno program were explained in a March 1975 FIRE JOURNAL article entitled "How the City of Fresno Achieved Better Fire Protection." A major element of the program was the enactment by the Fresno City Council in 1961 of the Dangerous Building Ordinance, which focused on the central business district and gave city officials the power to remedy the hazards resulting from unsafe buildings or structures. City officials were empowered to condemn those buildings or order their repair, renovation, or restoration so that they would meet the requirements of the *Fresno Building Code*.

Under the provisions of the Dangerous Building Ordinance, buildings owners could choose among several alternatives to bring their buildings up to the requirements of the *Building Code*. Most owners found that the most economical way to comply with the *Code* was to install automatic sprinklers.

The city coupled the Dangerous Building Ordinance with a funding plan that city officials arranged with the local agency that administered the federal urban renewal program in Fresno. Federal funds were provided to the city by the US Department of Housing and Urban Development for the acquisition of property and the demolition of buildings not worth saving. The city's agreement with the urban renewal agency specified that any new construction in the city's urban renewal area would be sprinklered in accordance with NFPA 13, *Standard for the Installation of Sprinkler Systems*. Finally, the urban renewal agency agreed to help interested owners find loans for building renovation. The agency did not, however, provide funds to owners or guarantee loans made to owners.

As a result of these two actions by the city — enactment of the Dangerous Building Ordinance and the agreement with the federal urban renewal agency — sprinkler protection became almost universal in the 18-block central business district and a separate 22-block area once considered a slum. More than 95 percent of all the buildings in both areas ultimately were protected by automatic sprinklers.

Representatives of the National Automatic Sprinkler and Fire Control Association (NAS), which was involved in the initial discussions that resulted in the Fresno program, revisited the city in 1977 to study the results produced by the program. What follows is a recounting of the effects that the organization found the program had made on the fire department and fire losses.

Fire Department Results

In 1955, Fresno's population stood at 115,000. By 1977, 69,500 people had been added to its population, a

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65 percent increase. In 1955, Fresno covered only 21 square miles. By 1977, through a process of annexation, its area had jumped to 58 square miles. During the same period, the number of Fresno's engine companies increased from 9 to 11, a 22 percent increase. Total paid fire-fighting personnel increased from 218 men in 1955 to 276 men in 1977, a 26 percent increase. The number of fire fighters on duty around the clock remained unchanged: 68 men on duty during any 24-hour period in 1955, and 68 men on duty around the clock in 1977.

The burden per fire fighter had increased enormously between 1955 and 1977. In 1955, there were 3.2 fire fighters per square mile of area to protect. By 1977, the number of fire fighters per square mile was reduced to 1.2 men per square mile. Therefore, each fire fighter was required to protect more than 2½ times the number of square miles of area in 1977 than he was required to protect in 1956.

The number of fire fighters on duty during any 24-hour period decreased from 6.04 men per 10,000 in 1955 to 3.64 men per 10,000 in 1977. So the fire department was protecting almost twice as many people and property in 1977 as it had predicted in 1955, and had to cover over 2½ times the geographical area with only 20 percent more equipment, and virtually no increase in manpower.

In 1955, Fresno's fire department received so few deficiency points that it was rated as a Class 1 department. If the fire department were to maintain its Class 1 rating, 14 new fire stations would have to have been added between 1955 and 1976. Assuming a cost of $1 million per station, including land and construction costs, this $14 million acquisition would have cost the taxpayers about $2.2 million per year, assuming a 6 percent municipal bond issue floated over a 20-year period.

Fourteen pumpers would have to have been added to maintain a zero deficiency point rating. At $65,000 per truck, this additional cost would add about $145,600 per year to the fire department budget with the same 6 percent municipal bond float for the same 20-year period.

It is difficult to calculate with precision the impact of additional manpower required to maintain a zero increment in deficiency points resulting from a manpower shortfall. However, in 1955, the Fresno Fire Department was up to full complement: six men per company, on duty 24 hours a day. By 1976, only four men could roll on a call during any hour of the day or night.

If the three-platoon system (three men working 56-hour shifts around the clock) had been in existence in 1955, 84 new fire fighters would have been required to meet full manpower needs of the department. To say it another way, Fresno's 1977 department of 276 men would have to have been increased to 360 men if the department were to maintain its Class 1 rating. This would have added about $1.26 million per year to Fresno's fire department budget. This would have increased the 1977 fire department budget from about $9 million per year to about $12.6 million. About a 40 percent increase. If the fire department budget came to 13 percent of the total in 1955, it would have come to about 11 percent in 1977 if manpower, fire stations, and equipment were to be maintained at zero deficiency point levels.

Fire Losses

Between 1956 and 1966, per capita fire losses averaged $4.71. In the decade immediately following, per capita fire losses averaged $8.11. However, construction cost more than doubles every decade. NAS wanted to measure the cost of replacing buildings destroyed by fire, so it adjusted per capita fire losses to the Building Construction figures published by *Engineering News Record*. Adjusting per capita fire losses to the Building Code Index, "real losses" dropped 22.4 percent in that decade.

Of even greater significance is the fact that nonresidential losses averaged 62.1 percent at the beginning of the 20-year period. By 1976, nonresidential losses had plunged to 43.5 percent of the total, and it was these buildings that became the object of the intensive automatic sprinkler master plan.

Conclusions

The Fresno program is a comprehensive fire defense master plan.

In the decade that followed its implementation, the city's fire losses (adjusted for inflation) were cut by 22 percent.

The fact that 95 percent of two urban renewal areas covering 40 square blocks were protected throughout by automatic sprinklers under a combination of ordinances made it possible for the fire department to take full advantage of the 50 percent reductions permitted under the "fire flow" standards of the Insurance Services Office (ISO) grading schedule and the additional 25 percent credit given by ISO for superior construction. This resulted in the imposition of almost *zero* deficiency points against the water department.

Intelligent planning based upon a thorough understanding of the ISO grading schedule enabled the building and fire departments to take the steps needed to upgrade the city from an ISO Class 3 to Class 2 city.

The implementation of the plan resulted in economies in fire department operations of up to 40 percent of the total operating budget for that department. The 1977 fire department budget of $9 million would probably range up to about $12.6 million if the 84 added fire fighters, 14 pumpers, and 14 fire stations required to maintain a zero

(Continued on page 91)

deficiency point rating had been implemented as a solution to the fire defense strategy.

Real losses (measured in replacement cost of buildings destroyed) were reduced by 22 percent. While most cities in the United States are operating with fewer fire stations, fewer pumpers and ladders, fewer fire fighters, and less equipment than they had 20 years ago (and many are protecting more land area), Fresno chose to do so out of an intelligent master concept. Its results: a more efficient municipal government, more fire protection for its citizens at less cost, lower insurance rates, and a smaller, more efficient, higher paid, and well-trained fire department, plus a planning and inspection department with the proven capability to develop and execute a "cost effective" master plan for municipal fire defense. △

Light-Wall and Special Light-Weight Pipe in Automatic Sprinkler Systems *(continued from page 61)*

Table 1.

Pipe Trade Size	*Internal Diameter (Inches)* Schedule 40	Schedule 10[1]	*% of Reduction in Friction Loss*
1"	1.049	1.097	20%
1¼"	1.380	1.442	19%
1½"	1.610	1.682	19%
2"	2.068	2.157	19%
2½"	2.469	2.635	27%
3"	3.068	3.260	26%
4"	4.026	4.260	24%
5"	5.047	5.295	21%
6"	6.065	6.357[2]	20%
8"	8.071[3]	8.249[4]	10%

[1] Schedule 30.
[2] 0.134" wall thickness — light-wall pipe.
[3] 0.188 wall thickness — light-wall pipe.
[4] ASTM A-135 light-wall steel pipe.

An illustration of the effect of specifying light-wall pipe as a substitute for standard-weight pipe in an automatic sprinkler system follows. A warehouse with high-piled storage of a type requiring 0.38 gpm per square foot over 2,000 square feet of floor area uses 17/32-inch orifice automatic sprinklers. The pressures required for this automatic sprinkler system are illustrated in Table 2 for both standard-weight and light-wall pipe.

Fire pump power demand in this example can be reduced by as much as 13 percent, depending on pump efficiency. Table 2 illustrates that this water supply will be required to deliver 16.7 psi less pressure at 760 gpm.

Smooth Interior Pipe Walls

Friction loss is a function of interior wall roughness. Light-wall pipe, manufactured in accordance with ASTM A-135 specifications, is made by the electric-resistance-weld process. The steel used to form this pipe is rolled, either cold or hot, and has a smooth surface. The pipe is generally formed cold, and thus has little opportunity for scale formation and roughening of the surfaces. Standard-weight pipe is often formed hot, and may include scale and other imperfections on its surfaces. Ten percent improvement in surface finish can result in a 16 percent reduction in friction loss.

Table 2

Pressure Required	*Standard Weight*	*Light-Weight* Schedule 10
To obtain sprinkler discharge	22.6	22.6
Friction Loss:		
Branch Lines	32.0	26.1
Mains	15.0	34.2
Underground	15.0	15.0
Elevation	10.8	10.8
TOTAL	125.4	108.7

SUMMARY

1. Sprinkler system designers have an added option of using Schedule 10 light-wall pipe.

2. Substitution of Schedule 10 light-wall pipe for Schedule 40 pipe will significantly reduce the total pressure and power demand on the water supply.

3. Reduction in pressure requirements can save installed and operating costs as follows:

- Less horsepower required to deliver water;
- Smaller pumps or the ability to supply sprinkler systems from existing water supplies;
- Smaller pipe sizes — lower pipe cost — less weight — less labor and freight costs. △

Fire Protection Water Standby Charges: Not in the Public Interest

by BRIAN R. SHUTE

A high fire death rate is peculiarly an American problem. No other industrialized nation comes close to the American fire death rate. Fire deaths and injuries per million population in the United States are nearly three times that of Sweden, which has the next highest death and injury rate by fire.

In 1978 over 3 million fires caused over $4 billion worth of fire losses. The dollar value of the damage and destruction by fire does not even begin to approximate the actual losses because serious fires create indirect business and community losses such as:

(a) Loss of customers

(b) Loss of profits

(c) Cost of retaining key personnel during shutdown

(d) Loss of taxes on destroyed property

Finally, there are indirect losses of a personal nature. These may be even more difficult to estimate, yet their importance should not be neglected. In addition to financial losses incurred through temporary unemployment and expenses incurred in finding and moving to new housing, there is the destruction of irreplacable personal belongings.

Water is an indispensable commodity when it comes to fighting fire. Fires cause billions of gallons of water to be consumed putting them out. Consequently, given the compelling social goal of avoiding the catastrophic fire losses, together with the absolute necessity of water for basic human existence, a municipality should develop policies which maximize its ability to provide both fire protection and adequate water supplies.

According to the National Fire Protection Association, private fire protection systems (of which automatic sprinkler systems are the backbone) are the most effective means of controlling fires in buildings. Not only do private fire protection systems put out fires, they do not require nearly as much water to extinguish fires on the average as is required by the Fire Department. The expenses of the Fire Department incurred fighting sprinklered fires are much less, and the chance for injury to firemen as a result of fire is almost negligible in sprinklered buildings.

Brian R. Shute is an Anchorage, Alaska attorney. He represents the Water Conservation Association of Anchorage.

In Anchorage, Alaska, in 1977, the Public Utilities Commission approved a new tariff for the Anchorage Water Utility. As a result, the utility required owners of private fire protection systems to make a monthly payment for merely having an automatic sprinkler system connected to the utility water supply. The owner was required to pay even when he did not use any water at all.

It came to the attention of the Water Conservation Association that the monthly charges in some cases were so high that they were in excess of insurance savings realized through installation of the system. Consequently, some owners were deciding to turn off their fire protection system because it had become uneconomical to maintain. The Water Association was also aware of some new construction for which plans for installation of private fire protection systems had been cancelled because the stiff water standby charge was too high in relation to the savings which could be realized by having the systems installed.

The Water Conservation Association took the position that the standby charge which owners of private fire protection systems were being required to pay was not in the interest of conservative water usage, was not in the interest of increasing the fire worthiness of the general Anchorage municipal area, and did not further cooperative planning to solve the interrelated problems of providing adequate fire protection and water supplies to the City.

The Water Conservation Association prepared a memorandum to more fully explore whether the standby charge fire protection owners were being required to pay was in the public interest. A detailed fact digest was compiled. As a result of its study, the Water Conservation Association concluded that the standby charges were not in the public interest and, consequently, should either be eliminated or alternative methods found to restore the economic incentives for installing private fire protection systems so the water conserving and fire loss reducing characteristics can be promoted.

As a result of its efforts, the Water Conservation Association has apparently succeeded in getting the Municipality of Anchorage to agree to a potential of a reduction in standby charge of as much as 75 percent or more. However, the Association would like to see the charge eliminated completely for the following reasons:

PRIVATE FIRE PROTECTION SYSTEMS BOTH CONSERVE AVAILABLE WATER SUPPLIES AND GREATLY REDUCE LOSSES CAUSED BY FIRES.

1. Private fire protection systems conserve water supplies.

Statistics showing the effectiveness of automatic sprinkler protection are phenomenal. Only in rare instances do automatic sprinkler systems fail to control fires in sprinklered buildings. The failures are seldom due to the sprinklers, but rather the lack of water often because the system has been turned off either intentionally or by vandals. A complete record of fires in sprinklered buildings would show that their efficiency probably approaches 100%. Of all the fires controlled by sprinklers more than 90% of them are controlled by three or less sprinkler heads.

The effectiveness of automatic sprinklers stems from their presence at the potential scene of a fire before the fire starts. They can apply water immediately where it is needed because there are no problems of access to the seat of the fire or interference with visibility for fire fighting due to smoke. Sprinklers can extinguish fires much earlier than a Fire Department could ever respond to an alarm. The amount of water necessary to put out a fire in its beginning stages is nowhere near the amount required for the Fire Department to put it out after it gets going.

Performance characteristics of sprinklers indicate that standard automatic sprinklers discharge anywhere from 15 to 55 gallons of water per minute, depending on the pressure at the sprinkler head. In comparison, a heavy-attack two and one-half inch mobile hose line in operation can consume more than two hundred gallons per minute. If the fire is not put out in its infant stages (as occurs over 90% of the time when automatic sprinklers are deployed), it may take a number of heavy-attack lines hours to control the fire, if the water supply holds out that long.

2. The total required fire flow for a municipality is reduced with the widespread installation of private fire protection systems.

The traditional method for estimating the water supply required to serve a municipality's fire protection needs is by computing fire flow requirements. The latest developments in estimating fire flow requirements are found in the **Guide for Determination of Required Fire Flow** published by the Insurance Services Office (ISO) in 1972. The fire flow formula reflects significant water conservation propensities of private fire protection. Depending upon the flamability of a given building, the fire flow required is reduced by twenty-five to fifty percent when a sprinkler system is present in a building.

The guide for determining required fire flow just referred to is a determination made for specific buildings. The ISO utilizes this formula for determining fire flow requirements for Anchorage as a City. The procedure for making a city-wide fire flow determination is more fully described in the ISO **Municipal Grading Schedule.**

The last analysis of Anchorage fire flow requirements was performed and summarized by ISO in a 1969 report. ISO is presently in Anchorage reevaluating the fire flow requirements. The 1972 fire flow guide has been revised since the last fire flow study was done for Anchorage in 1969. ISO engineers indicated that the reduction in fire flow requirements for a building can be even greater than 50%, to as much as 75%, given the right kind of building construction.

It was the opinion of the ISO engineers that although the ISO methodology did not enable a precise computation of the reduction in Anchorage fire flow requirements caused by the private sprinkler protection, it was significant. ISO indicated that the sprinkler installation in the central business district alone made Anchorage's central business district a much better fire risk.

Finally, ISO engineers indicated that with all of the factors of the Municipal grading schedule taken into account, they were hopeful that the required fire flows for Anchorage would be less than the 1969 studies indicated. However, the investigation work for the study has not been completed, and consequently the fire flow requirement is still to be determined.

In 1969, ISO engineers completed a report on Anchorage. It is significant that one of the improvements recommended by ISO was installation of automatic sprinkler equipment in all basements exceeding 2,500 square feet.

Examination of the respective quantities of water needed by the Fire Department versus sprinkler systems to extinguish fires, the 25% to 75% discount for fire flow required for a given building, and a study of the Municipal Grading Schedule all indicate that the amounts of water demanded to maximize Anchorage's fire protection efforts are reduced by widespread installation of private fire protection systems. The conservation aspects of private fire protection are significant and should be encouraged.

PRIVATE FIRE PROTECTION REDUCES THE COST OF OTHER PUBLIC SERVICES.

In addition to the water conservation aspects of automatic sprinkler systems, and the significant savings in life and property, there are other public benefits from widespread installation of private fire protection systems. Among these are:

1. Both the economic and physical burden of the fire department are decreased since private fire protection generally puts out the fire before the fire department even arrives. This also decreases the hazards of fighting fire.

2. The cost of manpower and time fighting fire is reduced and therefore the money necessary to operate the Fire Department itself is also lessened.

3. Private fire protection decreases fire insurance cost for the entire city.

4. Private fire protection increases municipal tax revenues by encouraging property improvement.

5. Private fire protection increases a community's total fire protection security, preventing conflagrations and exposure fires.

6. Private fire protection results in lessening the cost of capital improvements to the water utility since widespread installation of private fire protection decreases

the required fire flow necessary for adequate municipal fire protection.

7. Private fire protection saves billions of gallons of water which is in chronic short supply in most cities.

8. The encouragement of private fire protection systems is consistent with the State policy of encouraging fire protection devices (smoke alarms). Since private fire protection reduces the cost of the fire department for fighting fires in sprinklered buildings, State revenue sharing money can be used for other fire department purposes, making more efficient use of the State money.

9. The omission of automatic sprinklers imposes upon the architect more stringent rules governing compartmentalization, fire proofing, exit distance spacing, travel distance, and exterior design requirements. It costs more to construct without sprinklers.

BECAUSE WIDESPREAD INSTALLATION OF PRIVATE FIRE PROTECTION CONSERVES SCARCE WATER RESOURCES AS WELL AS SIGNIFICANTLY DECREASING LOSS OF LIFE AND PROPERTY FROM FIRE, THE MUNICIPALITY SHOULD ENCOURAGE WIDESPREAD INSTALLATION OF THE SYSTEMS BY PROVIDING NEW INCENTIVES FOR OWNERS TO INSTALL PRIVATE FIRE PROTECTION, AND BY CONTINUING EXISTING INCENTIVES.

The primary incentive for voluntary installation of private fire protection systems is the reduced insurance rates to the owner which enable him to amortize the cost of installation over a period of a few years.

Because of the safety factors accompanying installation of automatic sprinklers and the reduced fire flow characteristics, an owner installing private fire protection can reduce his insurance premiums when the installation has been approved by ISO. This incentive for voluntary installation of private fire protection had been largely eradicated by the implementation of a flat monthly charge by the Anchorage Water Utility of anywhere between $7.10 to $254.10 per month, depending upon the size of pipe delivering water to the building. The most prevalent sizes of pipe are four, six and eight inch pipe for which charges were $28.45 per month, $63.55 per month and $112.85 per month, respectively. These rates nearly eat up, and in some cases entirely eliminate, the savings on insurance an owner achieves by installing private fire protection. Even when the rates do not entirely eat up the insurance savings, they eat up so much of the insurance savings that it takes too long to amortize the cost of installation, and it is uneconomical to install private fire protection.

But when fire protection needs and water supply requirements are examined in the total picture, it appears that the widespread installation of private fire protection will alleviate rather than create additional fire protection demands upon the water supply; the water saving capacities of automatic sprinklers will reduce the total quantity of water required to fight any given number of fires. To levy a standby charge, whether water is used or not, which eliminates the insurance cost advantage is to create a disincentive and discourage voluntary installation of private fire protection systems. Obviously, this will result in a corresponding reduction in water conservation and increase in total potential demand for water for fire protection.

Largely through the work and application of ISO's Municipal grading schedule, the Municipality of Anchorage receives a fire risk rating which determines fire insurance rates for the City. As has already been discussed, widespread installation of private fire protection systems contribute significantly to reducing fire flow requirements for Anchorage, and, therefore, play a part in reducing fire insurance premiums to property owners in the city generally. It is those owners who do not have private protection systems who raise insurance rates, not owners who have installed such systems. To penalize owners for installing private fire protection systems by requiring them to pay this standby charge is to penalize the wrong people. It is the person who fails to install the sprinkler system who contributes to increased insurance rates, who requires immeasurably greater quantities of water to be consumed in putting out fires, and who creates a public hazard, since a fire in a non-sprinklered building is much more likely to rage out of control and burn property of others nearby.

As owners and citizens of the Anchorage municpal area, private fire protection owners have a vested interst in the continuing viability of both the fire protection effort and the adequacy of the water supply. The members of the Water Conservation Association feel that since widespread installation of private fire protection systems not only makes Anchorage a safer place to live, but also reduces Fire Department costs and conserves precious water resources, that the incentive for voluntary installation of sprinklers should be restored. There are a number of options which can be looked at to achieve this purpose.

METHODS TO OPTIMIZE THE FIRE PROTECTION EFFORT AND PROVIDE ADEQUATE WATER SERVICE.

The Anchorage Area Borough Assembly is empowered by the Municipal Charter to prescribe rules and procedures for the operation and management of municipal utilities. Municipal Charter, Article XVI (C) (1975). The Water Conservation Association offers the following alternatives to the water standby charge as being more productive solutions to the total municipal problem of providing adequate fire protection and sufficient water supply.

1. Grant a tax credit to owners who install private fire protection systems. This will indirectly make those who do not voluntarily install private fire protection systems pay for their counter productive and wasteful practice of depending upon the resources of the Fire Department to fight fires. This will also restore the incentive for owners to voluntarily install private fire protection systems, which is lost when insurance savings are eaten up by the standby charge.

2. Simply stop the standby charge for private fire protection. The Water Utility will not have the benefit of the alternative source of revenue from the ad valorem property tax, but this lack of revenue will be more than made up by the savings which result from the public benefits created by the incentive to install private fire protection systems.

Cordova Chamber of Commerce

BOX 99

"The Friendly City"

CORDOVA, ALASKA 99574

MT. ECCLES

January 30, 1980

Mr. Robert Shirnberg
Post Office Box 1167
Kenai, Alaska 99611

Dear Mr. Shirnberg,

This is to inform you that on January 29, 1980, the Cordova Chamber of Commerce took action supporting proposed legislation for the installation of Private Fire Protection Systems.

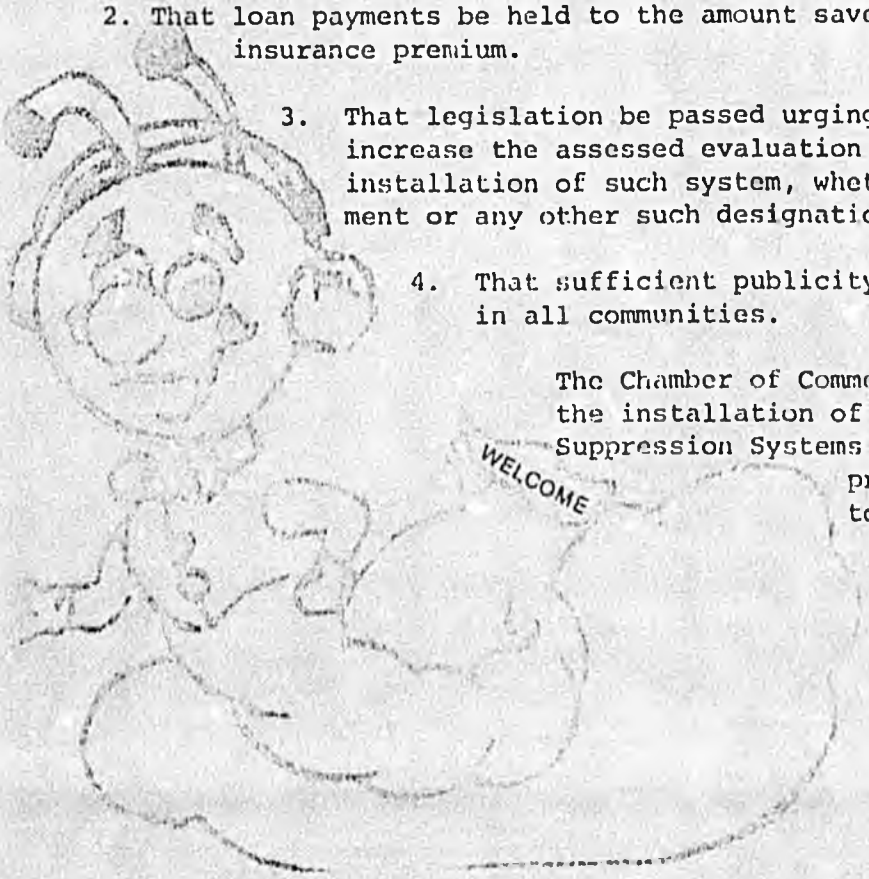
The following are specific concepts supported by this Chamber:

1. Low interest or no interest loans with a minimum of paperwork to be made available to businesses for the purpose of installing Private Fire Protection and Suppression Systems.

2. That loan payments be held to the amount saved on the establishemnt's fire insurance premium.

3. That legislation be passed urging local municipalities to not increase the assessed evaluation of the property because of the installation of such system, whether it be named as an improvement or any other such designation.

4. That sufficient publicity be given to business people in all communities.



The Chamber of Commerce feels that incentives for the installation of Private Fire Protection and Suppression Systems will reduce the loss of lives, property, and lost man-hours due to destruction of business property.

Sincerely,

Robert L. Varnam

Robert L. Varnam

cc: Alaska Fire Chief's Association, Alaska State Fire Fighter's Association, Cordova City Council

Alaska Fire Chiefs' Association

March 4, 1980

The Honorable Bill Parker
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

This letter is in support of House Bill 648 and Senate Bill 370 which are strongly supported by the Alaska Fire Chiefs' Association and the Alaska State Firefighters Association.

This bill will make low interest loans available to property owners to finance the installation of private fire protection systems, it will provide tax credits to property owners with private fire protection systems, and it will eliminate water standby utility charges on property owners' utility bills. It is an impressive program which will save cities and property owners money, without increasing mandatory regulation or other red tape.

Upon reading the enclosed position paper authored by the above Associations, I am sure you will agree with the Firefighters and Fire Chiefs that this bill is something long over due and it should be strongly supported.

When the program is explained every organization to whom the program has been presented has enthusiastically supported the program. The Fire Chiefs' Association is in receipt of letters from the Cordova Chamber of Commerce, the City of Ketchikan, the Water Conservation Association, all of which enthusiastically support the legislation. It is understood that more enthusiastic support is on the way and building. Please support House Bill 648 and its companion Senate Bill 370 this session. Thank you.

Very truly yours,

ALASKA FIRE CHIEFS' ASSOCIATION

James Evans, President

P.S. The sponsors of the House and Senate bills have been provided with a Digest of factual material which conclusively and emphatically documents the effectiveness of private fire protection in controlling fires, and, therefore, local government costs. A copy of that Digest is enclosed for the use of your Committee.

F A C T D I G E S T

HOW PRIVATE FIRE PROTECTION CONSERVES PUBLIC RESOURCES BY REDUCING WATER NECESSARY FOR FIGHTING FIRES, BY REDUCING THE LOSS OF LIFE AND PROPERTY FROM FIRE, AND BY REDUCING COST OF FIGHTING FIRES

Compiled by Brian R. Shute, Attorney
For the Water Conservation Association

Anchorage, Alaska

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PART I

S T A T I S T I C S

LOSS OF LIFE AND DAMAGE TO PROPERTY FROM FIRE

Throughout the world fire takes a heavy toll of human life. The progress that has been made in controlling this tragic waste has been due primarily to the intelligent application of the principles of fire prevention and protection discussed in other sections of this HANDBOOK.

In this chapter, the present and past record of destruction of life by fires and explosions in the United States is reported, and the factors affecting life safety from fire are discussed. In the other chapters of this Section, property damage is similarly treated, fire investigating and reporting are discussed, and large loss fires and conflagrations are analyzed.

A. Deaths and Injuries by Fire

According to estimates by the NFPA Fire Analysis Department, the annual fire death toll in the United States has averaged about 12,000 per year over the last 20 years. The number increased in absolute terms until 1970. Since then, it has shown a slight decline. (In 1974 the estimate was 11,600, a decline of 100 from the previous year.) In general, the risk of death from fire to a given individual has been declining fairly steadily, as can be seen from the death rate per million population (see Fig. 1-2A).

A high fire death rate seems to be peculiarly an American problem. No other industrialized nation comes close to the American fire death rate (see Fig. 1-2B).

Fire Injuries

Personal injury by fire, always painful and often disfiguring, involves about ten times the number of deaths in the United States. According to estimates by the NFPA at least 123,000 fire-related injuries occurred in the United States in 1974. Every fire injury is a potential fatality, although improvement in medical techniques has substantially improved the chances of recovery from serious fire injuries.

Nonfatal fire casualties are principally due to burns and to the inhalation of carbon monoxide and other gaseous products of combustion, though many casualties involve various other types of injury.

Trend of Fire Casualties

The principal reason that gradual improvements in life safety have not resulted in a more significant downward trend in the actual number of fire casualties in the rapid growth of population in recent years. From 1964 to 1974 the number of people in the United States increased about 10 percent. During the same period, the annual death rate from fire decreased 2¼ percent.

The annual total of fire deaths is continuing, however, at a high level in spite of improvements in building construction, more widespread installation of automatic protection, more effective fire prevention campaigns, and more efficient fire department operation. While these factors have all had their effect in improving life safety from fire, there have been other offsetting factors, particularly the progressive increase in the smoking habit and the general increase in the use of flammable liquids.

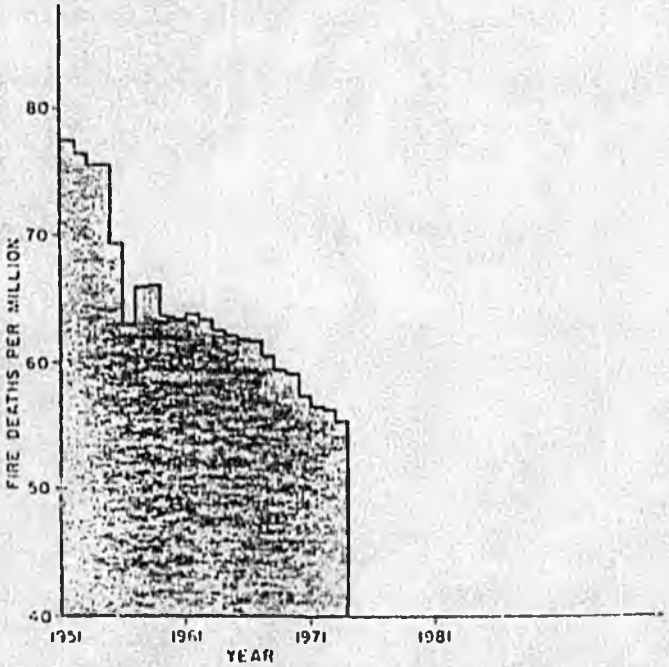

Fig. 1-2A. Trends in fire deaths in the United States.

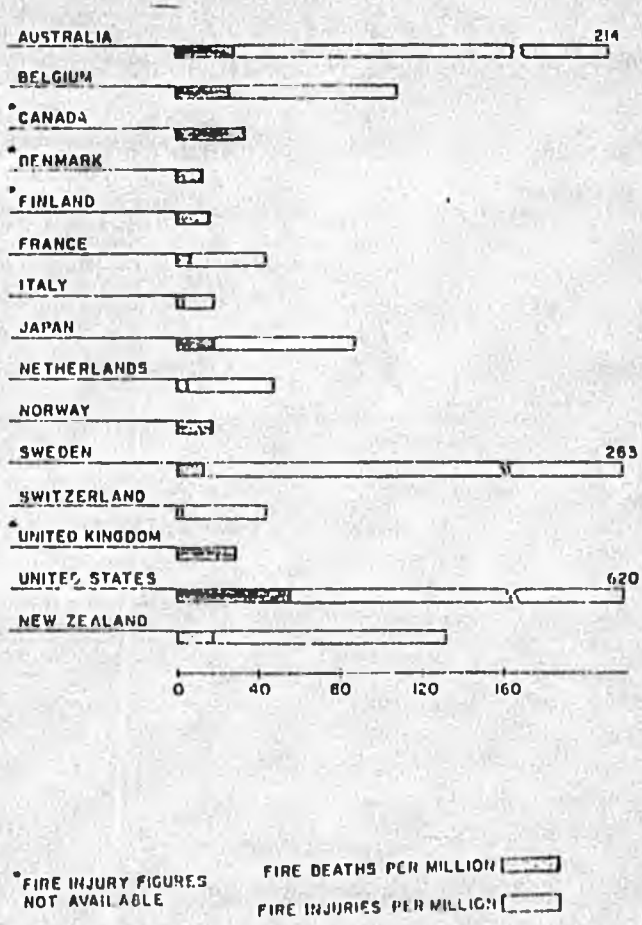

Fig. 1-2B. International fire deaths and injuries per million of population.

Source: National Fire Protection Association; Fire Protection Handbook, p. 1-5 14th edition 1976

When a going industry is struck by fire, and key processes or equipment sustain damage, serious business interruption can occur. Such business interruption can have one or more of the following effects:

1. Losses to the Fire-damaged Business
   (a) Loss of customers
   (b) Loss of return on capital investment
   (c) Loss of profits on finished goods
   (d) Loss of confidence of stockholders
   (e) Loss of credit standing
   (f) Loss of good will of customers, employees, and the community
   (g) Loss of trained personnel who transfer to other jobs
   (h) Cost of retaining key personnel during shutdown
   (i) Loss of productive services of key personnel retained during enforced shutdown
   (j) Seizure of fire insurance payments by uneasy creditors
   (k) Excessive replacement costs due to overtime, inability to buy at time most advantageous to buyer, etc.
   (j) Cost of demolition
   (m) Cost of replacing depreciated buildings and equipment with new facilities
   (n) Continuance of fixed charges during shutdown.
   (o) Cost of hiring temporary quarters
   (p) Loss of patterns, valuable records, and other items that cannot be replaced or can be replaced only at great cost
   (q) Loss of earning power of patents, trade marks, etc.
   (r) Loss of value of past advertising
   (s) Inability to defend against unjust claims due to loss of records
   (t) Loss of rent from tenants

2. Losses to the Community
   (a) Loss of circulation of employee payroll
   (b) Increased burden on welfare funds
   (c) Loss of business by suppliers of raw materials and services to fire-damaged plant
   (d) Loss of a labor market
   (e) Loss of taxes on destroyed property

In some special cases, a single fire can seriously hamper production in an entire industry. The 1954 fire in an automatic transmission plant, in Livonia, Mich., halted production for several months. Its transmissions were used in six makes of automobile. Their unavailability led to sharply depressed sales for five major U.S. automobile makers. Indirect losses were never accurately estimated.

Another example is a fire in a telephone exchange in downtown New York City in 1975 that disrupted service to 170,000 phones. The impact of such an outage on a major commercial center, such as the Wall Street financial district, is hard to assess, but it must have been substantial.

These two cases indicate the magnitude that indirect losses can assume.

Finally, there are indirect losses of a personal nature. These may be even more difficult to estimate, yet their importance should not be neglected. In addition to financial losses incurred through temporary unemployment and expenses incurred in finding and moving to new housing, there is the destruction of irreplaceable personal belongings.

Source: National Fire Protection Association; Fire Protection Handbook, p. 1-5 14th edition 1976

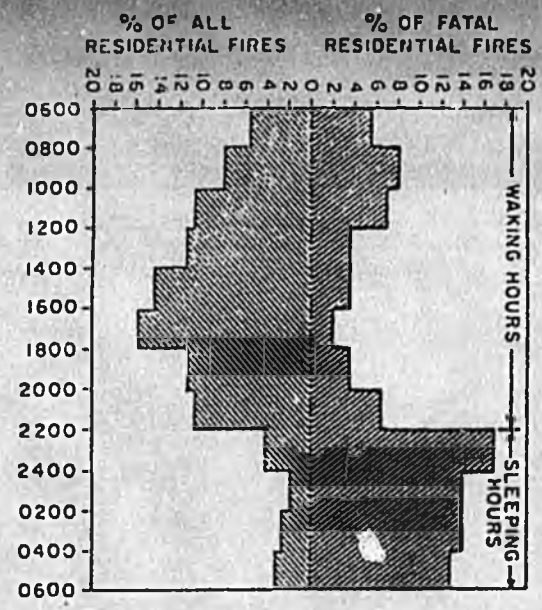

Fig. 1-2E. Time distribution of fatal residential fires.

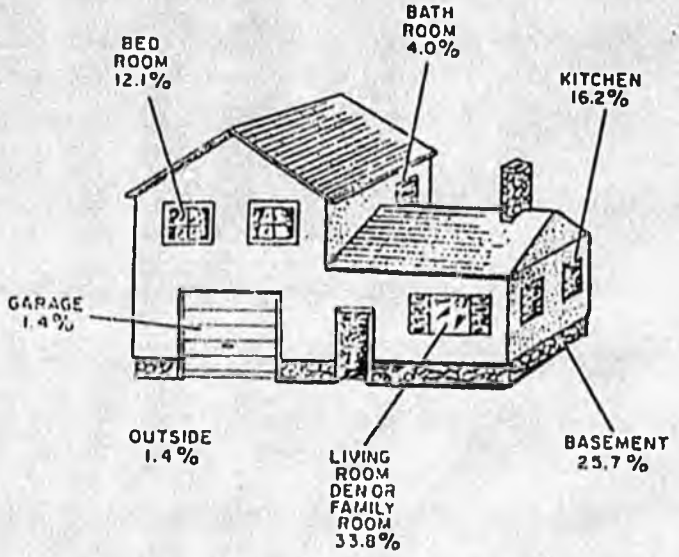

Fig. 1-2F. Locations where fatal fires start in one- and two-family dwellings (5.4 percent of the locations where fatal residential fires started were unknown.)

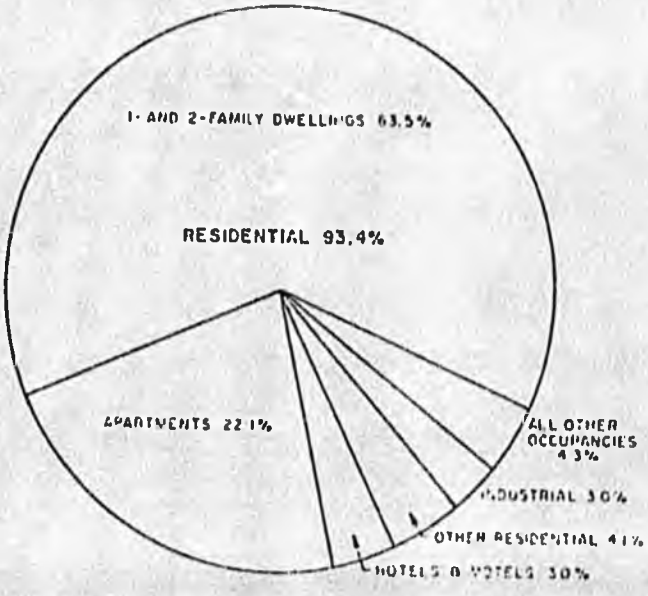

Fig. 1-2D. Occupancies where fire deaths in buildings occur.

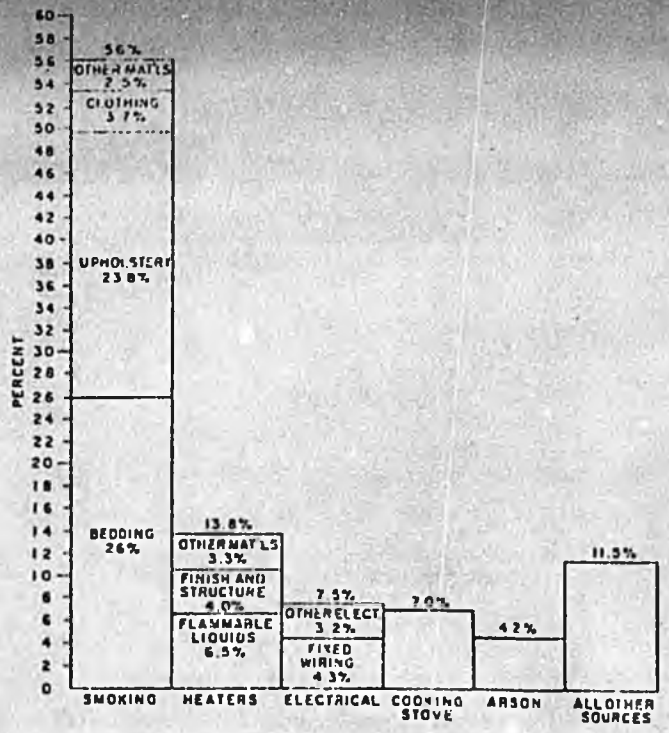

Fig. 1-2G. Causes of fatal residential fires.

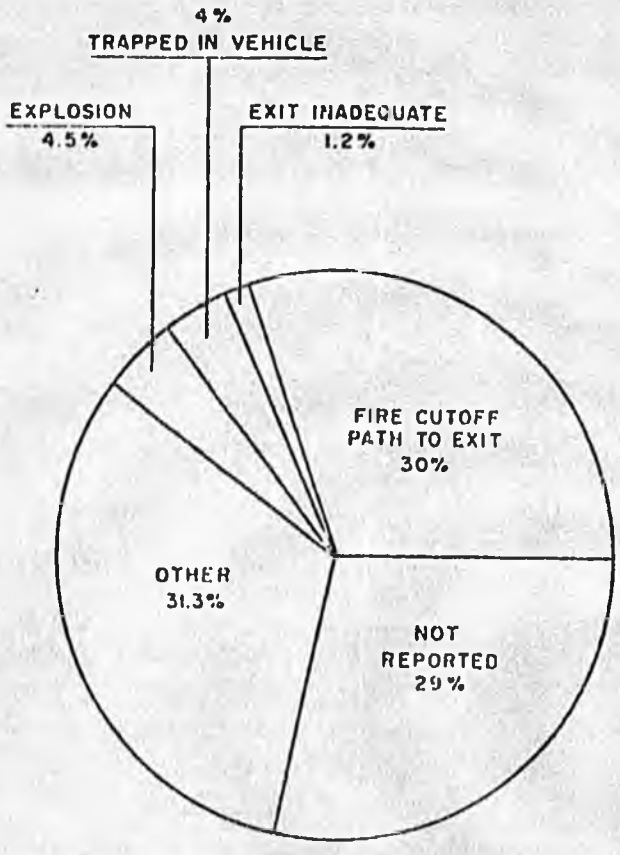

Fig. 1-2H. The reasons why fire victims do not escape.

Source: National Fire Protection Association; Fire Protection Handbook, p. 1-5 14th edition 1976

Table 1-3A. Number of Fires by Occupancy 1970–1974

	1970	1971	1972	1973	1974
Public Assembly Occupancies					
Amusement Centers, Ballrooms	2,300	2,400	2,400	2,300	3,100
Auditoriums, Exhibition Halls	700	700	700	600	800
Bowling Establishments	800	800	900	800	1,100
Churches	3,300	3,400	4,300	3,900	5,400
Clubs, Private	2,900	3,000	3,400	3,000	4,100
Restaurants, Taverns	17,800	18,200	21,700	19,500	26,800
Theaters, Studios	1,000	1,000	1,200	1,100	1,500
Transportation Terminals	600	600	600	500	600
Other Public Assembly Occupancies	1,600	1,600	2,600	2,400	3,600
Total:	31,000	31,700	37,900	34,100	47,000
Educational Occupancies					
Schools, thru 12th grade	13,000	15,700	17,200	18,900	27,800
Other Schools	4,000	4,800	5,200	5,200	7,700
Total:	17,000	20,500	22,400	24,100	35,500
Institutional Occupancies					
Rest & Nursing Homes	3,700	4,800	6,100	6,400	9,300
Hospitals	7,800	10,100	10,500	10,700	15,600
Mental Institutions	500	700	800	800	1,200
Other Institutions	2,000	2,600	3,800	3,700	5,400
Total:	14,000	18,200	21,200	21,600	31,500
Residential Occupancies					
Dwellings, 1–2 Family	547,000	536,000	562,500	587,200	661,400
Apartments	87,700	103,000	109,000	138,000	151,500
Hotels, Motels	13,400	15,200	16,400	21,700	30,200
Mobile Homes	22,600	25,000	27,400	25,100	29,700
Other Residential Occupancies	19,400	19,800	20,300	23,800	28,200
Mercantile & Office Occupancies	74,500	71,000	76,900	76,100	86,800
Appliance, Furniture Stores	4,000	3,800	4,100	4,100	4,700
Clothing Stores	4,400	4,200	4,500	4,500	5,100
Department, Variety Stores	5,200	5,000	4,600	4,500	5,700
Drugstores	3,000	2,900	2,900	2,900	3,300
Grocery Stores, Supermarkets	6,500	6,200	6,900	6,900	7,600
Motor Vehicle Sales, Repair	9,700	9,200	9,700	9,600	11,900
Offices, Banks	14,200	13,500	16,100	15,900	8,100
Service Stations	5,500	5,200	5,400	5,300	6,000
Other Mercantile Occupancies	22,000	21,000	22,700	22,400	24,200
Total:	690,100	699,000	735,600	795,800	901,000
Basic Industry, Defense Occupancies					
Electric Power Plants	3,900	2,900	3,100	3,000	3,100
Laboratories, Data Processing Ctrs.	900	600	800	800	800
Mines, Mineral Products Plants	2,000	1,500	1,600	1,600	1,700
Other Basic Industry Occupancies	1,800	1,300	1,500	1,500	1,600
Total:	8,600	6,300	7,000	6,900	7,200
Manufacturing Occupancies					
Beverage, Tobacco, Essential Oils	1,200	900	900	900	1,300
Drug, Chemical, Paint, Petroleum PL	4,200	3,100	3,800	3,600	4,900
Food Product Plants	5,100	3,700	3,700	3,600	5,700
Laundry, Dry Cleaning Plants	4,400	3,200	3,400	3,300	3,100
Metal, Metal Product Plants	4,700	3,500	4,100	4,000	5,700
Paper, Paper Product Plants	2,400	1,800	3,000	3,100	4,800
Plastic, Plastic Product Plants	1,300	1,000	1,900	1,900	3,700
Printing Plants	1,900	1,400	1,600	1,600	1,400
Textile, Textile Product Plants	3,800	2,800	3,500	3,500	3,900
Wood, Wood Product Plants	3,700	2,700	3,100	3,100	3,700
Other Manufacturing Occupancies	14,900	10,900	12,000	11,800	14,800
Total:	47,600	35,000	41,000	40,400	53,000
Storage Occupancies					
Barns, Stables	19,800	20,600	19,300	14,800	17,900
Bulk Plants, Tank Farms	1,400	1,500	1,500	1,100	1,400
Garages, Residential Parking	26,900	28,000	26,000	20,000	24,800
Grain Elevators	3,000	3,100	2,400	1,800	2,200
Lumber, Building Materials Storage	1,400	1,500	1,300	1,000	1,400
Sheds, Farm Outbuildings	15,000	15,600	14,000	10,800	12,700
Other Storage Buildings	10,600	11,000	10,400	7,600	8,100
Total:	78,100	81,400	74,900	51,300	68,500
Other Buildings	31,100	33,800	33,000	30,200	39,500
Total Building Fires:	992,000	996,600	1,050,200	1,035,900	1,270,000
Nonbuilding Occupancies					
Standing Crops	27,000	22,000	22,000	21,000	27,000
Forests	121,700	111,500	125,000	119,000	127,000
Grass, Brush, Rubbish	908,000	1,076,300	969,900	891,200	920,000
Motor Vehicles	479,700	501,000	550,300	574,000	640,000
Ships, Boats, RR	21,000	20,000	20,000	2,750	2,700
Aircraft, Aerospace Vehicles	150	200	200	250	300
Total Fires:	2,549,550	2,728,200	2,757,600	2,694,100	2,932,000

Source: National Fire Protection Association; Fire Protection Handbook, p. 1-5 14th edition 1976

Table 1-38. Estimated Fire Losses by Occupancy

	1970	1971	1972	1973	1974
Public Assembly Occupancies					
Amusement Centers, Ballrooms	9,500,000	10,100,000	10,600,000	10,700,000	12,300,000
Auditorium, Exhibition Halls	5,500,000	5,500,000	5,600,000	5,600,000	7,500,000
Bowling Establishments	7,400,000	8,100,000	9,300,000	9,500,000	10,400,000
Churches	18,500,000	23,300,000	28,100,000	28,400,000	34,200,000
Clubs, Private	13,500,000	12,800,000	14,200,000	14,500,000	19,400,000
Restaurants, Taverns	46,000,000	50,900,000	54,300,000	54,900,000	65,300,000
Theaters, Studios	7,600,000	11,700,000	13,400,000	13,500,000	13,400,000
Transportation Terminals	2,500,000	2,800,000	2,600,000	2,600,000	3,500,000
Other Public Assembly Occupancies	8,900,000	13,700,000	15,100,000	15,300,000	15,400,000
Total:	$119,400,000	$138,900,000	$153,200,000	$155,000,000	$181,400,000
Educational Occupancies					
Schools, thru 12th grade	64,800,000	72,500,000	76,100,000	81,900,000	106,200,000
Other Schools	13,000,000	14,500,000	14,800,000	17,100,000	18,600,000
Total:	77,800,000	87,000,000	90,900,000	99,000,000	124,800,000
Institutional Occupancies					
Rest & Nursing Homes	2,700,000	3,500,000	3,900,000	3,600,000	5,900,000
Hospitals	8,500,000	11,100,000	12,200,000	12,400,000	20,400,000
Mental Institutions	1,000,000	1,300,000	1,500,000	1,500,000	2,500,000
Other Institutions	5,000,000	6,500,000	7,200,000	6,400,000	10,600,000
Total:	17,200,000	22,400,000	24,800,000	23,900,000	39,400,000
Residential Occupancies					
Dwellings, 1–2 Family	603,500,000	608,600,000	638,500,000	700,700,000	808,100,000
Apartments	132,800,000	151,400,000	151,600,000	265,300,000	299,100,000
Hotels, Motels	33,800,000	37,900,000	43,600,000	42,200,000	68,300,000
Mobile Homes	33,000,000	36,500,000	42,000,000	57,800,000	77,200,000
Other Residential Occupancies	38,600,000	39,700,000	42,700,000	37,400,000	50,100,000
Total:	841,700,000	874,100,000	918,400,000	1,163,400,000	1,302,800,000
Mercantile and Office Occupancies					
Appliance, Furniture Stores	26,000,000	24,800,000	28,100,000	27,500,000	32,600,000
Clothing Stores	20,400,000	19,400,000	21,800,000	20,900,000	24,900,000
Department, Variety Stores	37,400,000	35,600,000	41,900,000	40,700,000	53,300,000
Drugstores	11,800,000	11,200,000	11,800,000	11,400,000	12,900,000
Grocery Stores, Supermarkets	33,200,000	31,600,000	36,900,000	35,900,000	40,900,000
Motor Vehicle Sales, Repair	33,300,000	31,700,000	35,100,000	34,100,000	43,800,000
Offices, Banks	43,000,000	41,200,000	48,700,000	47,300,000	55,800,000
Service Stations	11,500,000	10,900,000	11,600,000	11,100,000	14,200,000
Other Mercantile Occupancies	132,000,000	125,800,000	141,800,000	137,800,000	154,200,000
Total:	348,600,000	332,200,000	377,700,000	366,700,000	432,600,000
Basic Industry, Defense Occupancies					
Electric Power Plants	9,500,000	8,600,000	24,700,000	22,900,000	26,900,000
Laboratories, Data Processing Ctrs.	2,500,000	2,000,000	2,800,000	2,600,000	12,900,000
Mines, Mineral Products Plants	44,100,000	39,700,000	44,500,000	41,000,000	40,400,000
Other Basic Industry Occupancies	8,700,000	7,900,000	9,600,000	9,400,000	8,200,000
Total:	64,800,000	58,200,000	81,600,000	76,300,000	88,400,000
Manufacturing Occupancies					
Beverage, Tobacco, Essential Oils	6,600,000	6,400,000	6,700,000	5,100,000	6,800,000
Drug, Chemical, Paint, Petroleum PL	76,000,000	73,700,000	94,900,000	89,000,000	172,000,000
Food Product Plants	41,400,000	40,200,000	42,200,000	39,600,000	58,600,000
Laundry, Dry Cleaning Plants	9,200,000	8,900,000	9,900,000	9,200,000	7,100,000
Metal, Metal Product Plants	46,500,000	45,100,000	54,400,000	51,700,000	82,700,000
Paper, Paper Product Plants	8,400,000	8,100,000	11,800,000	11,000,000	17,000,000
Plastic, Plastic Product Plants	11,500,000	11,200,000	16,500,000	16,700,000	27,600,000
Printing Plants	5,400,000	5,300,000	6,400,000	6,100,000	14,100,000
Textile, Textile Product Plants	16,500,000	16,100,000	18,100,000	15,700,000	32,200,000
Wood, Wood Product Plants	39,800,000	38,600,000	46,500,000	43,600,000	48,600,000
Other Manufacturing Occupancies	81,400,000	99,900,000	82,000,000	76,700,000	118,200,000
Total:	342,700,000	332,500,000	389,000,000	364,400,000	584,900,000
Storage Occupancies					
Barns, Stables	61,600,000	85,000,000	81,000,000	74,400,000	96,600,000
Bulk Plants, Tank Farms	7,900,000	8,300,000	10,300,000	9,300,000	58,700,000
Garages Residential Parking	29,800,000	31,000,000	30,500,000	27,900,000	36,100,000
Grain Elevators	47,800,000	49,800,000	42,800,000	39,300,000	51,300,000
Lumber, Building Materials Storage	20,400,000	21,300,000	20,700,000	18,900,000	29,900,000
Sheds, Farm Outbuildings	30,200,000	31,500,000	30,100,000	27,600,000	36,600,000
Other Storage Buildings	126,400,000	131,800,000	111,800,000	102,600,000	125,100,000
Total:	344,100,000	358,700,000	327,200,000	300,000,000	434,300,000
Other Buildings	52,900,000	62,200,000	53,500,000	48,500,000	71,400,000
Total Building Fires:	2,209,200,000	2,266,000,000	2,416,300,000	2,537,200,000	3,260,000,000
Nonbuilding Occupancies					
Standing Crops	27,200,000	26,000,000	29,000,000	32,000,000	36,200,000
Forests	131,100,000	119,000,000	128,000,000	126,000,000	169,700,000
Grass, Brush, Rubbish	— —	— —	— —	— —	— —
Motor Vehicles	88,900,000	112,660,000	127,300,000	135,300,000	135,000,000
Ships, Boats, RR	29,000,000	27,600,000	29,200,000	30,300,000	37,900,000
Railroad Rollingstock	— —	— —	— —	— —	— —
Aircraft, Aerospace Vehicles	145,000,000	192,000,000	198,000,000	150,000,000	181,000,000
Total Fire Losses:	$2,630,400,000	$2,743,260,000	$2,927,800,000	$3,020,800,000	$3,819,100,000

Source: National Fire Protection Association; Fire Protection Handbook, p. 1-5 14th edition 1976

Table 1-3C. Occupancies Where Large-loss Fires Occurred, 1974

Occupancy	No. Large-loss Fires	Loss	No. Large-loss Fires	Loss
Public Assembly			73	$41,649,577
Bowling Establishments	8	$4,345,000		
Churches	15	6,014,875		
Clubs	7	2,460,000		
Restaurants, Night Clubs and Taverns	31	16,656,786		
Other Public Assembly Places	12	12,172,916		
Educational			42	29,831,212
Nonresidential Schools	40	28,571,212		
Other Educational	2	1,260,000		
Institutional			2	1,350,000
Residential			43	19,242,599
Apartments	16	9,483,607		
Hotels and Motels	13	5,423,325		
Other Residential	14	4,335,667		
Mercantile			118	85,830,629
Food Sales	15	8,731,378		
Textile Product Sales	6	2,837,000		
Household Goods Sales	17	8,808,000		
General Item Sales	20	14,123,750		
Offices	18	17,704,727		
Other Commercial	42	33,625,774		
Basic Industry			24	31,244,500
Utilities	10	6,375,000		
Other Basic Industry	14	24,869,500		
Manufacturing			119	132,668,862
Food Processing	15	17,915,470		
Wood and Wood Paper Products	24	35,320,001		
Chemical, Plastic and Petroleum Products	15	33,754,000		
Metal and Metal Products	29	18,986,457		
Other Industrial and Manufacturing	36	26,692,934		
Storage			138	139,909,279
Agricultural Products	15	19,201,660		
Textile Products	11	18,377,617		
Wood and Wood Paper Products	29	13,239,691		
Chemical, Plastic and Petroleum Products	20	13,992,000		
Metal and Metal Products	16	10,350,500		
General Items	21	24,846,480		
Other Storage	26	39,901,331		
Other Occupancies			35	74,207,057
Special Structures	1	$7,500,000		
Unoccupied Properties*	20	9,003,417		
Ships and Other Water Vessels	2	2,180,000		
Rail Vehicles	3	31,250,000		
Road Vehicles	4	6,203,640		
Aircraft	5	24,820,000		
Unclassified Property	21	9,975,696	21	9,975,696
Total			615	$585,909,411

* Includes buildings under construction, renovation and demolition.

Table 1-3D. Large-loss Fires by Size of Loss

Year	No. Fires $250,000 and Over	No. Fires $750,000 and Over	No. Fires $3,000,000 and Over	No. Fires $10,000,000 and Over
1974	615	177	31	8
1973	501	157	22	4
1972	574	158	12	0
1971	499	132	10	1
1970	504	149	21	4

NOTE: See 1974 Large-loss Fires in the United States, *Fire Journal*, pp 13-18, Sep. 1975.

Source: National Fire Protection Association; Fire Protection Handbook, p. 1-5 14th edition 1976

PART II

S T A T I S T I C S

HOW SPRINKLERS OPERATE AND THEIR EFFECTIVENESS AT REDUCING LOSSES CAUSED BY FIRE

FUNDAMENTALS OF SPRINKLER PROTECTION

Automatic fixed extinguishing systems are the most effective means of controlling fires in buildings. In order to understand the capabilities of these systems, a thorough understanding of their use is essential. This Section deals with one such extinguishing system; sprinklers.

A. Development of Sprinkler Protection

The rapid growth of business and industry and the resultant increase in fire hazards and property values brought about the need for more adequate protection against fire. The difficulty of reaching a fire with hose streams has often been demonstrated, and such simple fire protection as water pails, standpipes, and hose equipment has proved inadequate unless the fire was discovered in its early stages. Although fire control has been made easier by improved building construction, comparatively little headway was made in reducing fire loss involving delayed detection until the advent of the automatic sprinkler.

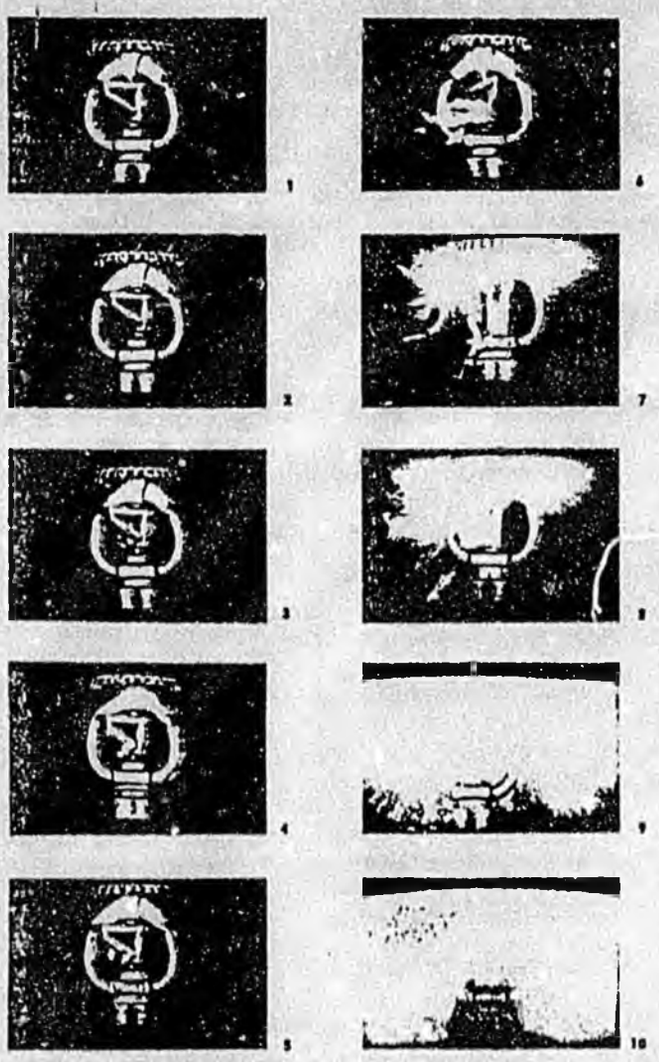

Fig. 14-1A. Operation of a typical fusible link automatic sprinkler is shown in this sequence of photos. As heat melts the solder, separation of members of the soldered link (the sloping side of the triangle in photos 1 to 5) is followed by complete separation of the link and lever arrangement (photo 6) which releases the cap over the sprinkler orifice allowing water to escape and strike the deflector (photos 7 to 10).

The Automatic Sprinkler

Automatic sprinklers are devices for automatically distributing water upon a fire in sufficient quantity either to extinguish it entirely or to prevent its spread in the event that the initial fire is out of range of, or is of a type that cannot be extinguished by, water discharged from sprinklers. The water is fed to the sprinklers through a system of piping, ordinarily suspended from the ceiling, with the sprinklers placed at intervals along the pipes. The orifice of the fusible link automatic sprinkler is normally closed by a disk or cap held in place by a temperature-sensitive releasing element. Figure 14-1A shows in stop-action photo sequence the operation of a typical fusible link, upright automatic sprinkler.

Perforated Pipe and Open Sprinkler Systems

The forerunners of the automatic sprinkler were the perforated pipe and the open sprinkler. These were installed in a number of mill properties from 1850 to 1880 (see Fig. 14-1B). The systems were not automatic, the discharge openings in the pipes often clogged with rust and foreign materials, and water distribution was poor.

Open sprinklers, an improvement over perforated pipes, consisted of metal bulbs with numerous perforations attached to piping and intended to give improved water distribution. This system was only slightly better than the perforated pipe.

Early Automatic Sprinklers

The idea of automatic sprinkler protection, whereby heat from a fire opens one or more sprinklers and allows the

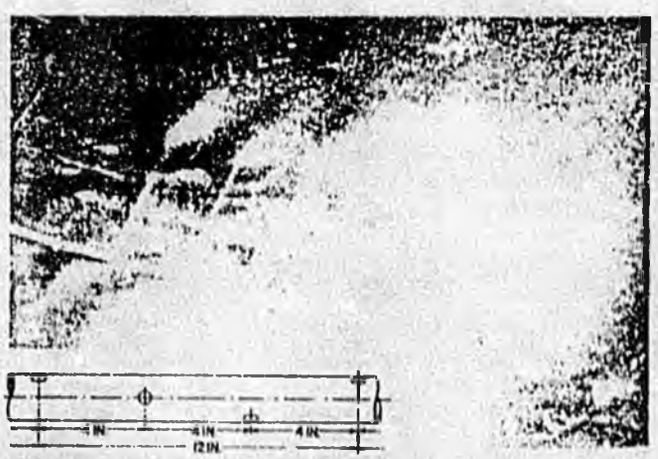

Fig. 14-1B. Early Perforated Pipe Sprinkler System: Water is shown discharging from a length of pipe representing what was the type of sprinkler protection in use from 1850 to about 1880. The inset shows the locations of perforations and the distances between them on a typical length of perforated pipe as was installed by the Providence Steam and Gas Pipe Co. (Grinnell Corp.)

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-1 through 14-48 14th edition 1976

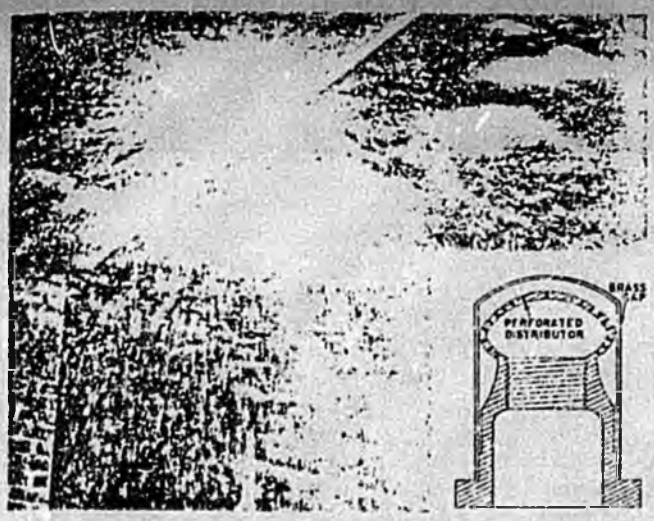

Fig. 14-1C. An Early Automatic Sprinkler: Water is shown discharging from a Parmalee No. 3 upright sprinkler which was first used in 1875. It consisted of a brass cap soldered over a perforated distributor and was designed to screw onto a nipple. The inset shows a cross-sectional view of the sprinkler.

water to flow, dates back to about 1860. Its practical application in the United States, however, began about 1878 when the Parmelee sprinkler was first installed. This sprinkler, while very crude when compared with modern devices, gave generally good results and proved conclusively that automatic sprinkler protection was both practical and valuable. (See Fig. 14-1C.)

B. Value of Automatic Sprinkler Protection

Automatic sprinkler protection helped develop modern industrial, commercial, and mercantile practices. Large areas, high buildings, hazardous occupancies, large values, or many people in one fire area, all tend to develop conditions which cannot be tolerated without automatic fixed fire protection. Part C of this chapter contains material on the performance of automatic sprinkler systems.

Safety to Life

Automatic sprinklers, properly installed and maintained, provide effective safeguards against loss of life by fire. Their value is psychological as well as physical: they give a sense of security to the occupants of buildings, and minimize the possibility of panic.

NFPA records of loss of life by fire show that in completely sprinklered buildings fire fatalities have been minimal.* They are limited to situations where sprinklers cannot be expected to be effective, such as in cases where the water is shut off, or where suffocation occurs before a fire is large enough to cause sprinklers to operate. Loss of life can also be caused by explosions where sprinklers have no opportunity to be effective.

Automatic sprinklers are particularly effective for life safety because they give warning of the existence of fire, and at the same time apply water to the burning area. With sprinklers there are seldom problems of access to the seat of the fire, or of interference with visibility for fire fighting due to smoke. While the downward force of the water discharged from sprinklers may lower the smoke level in a room where a fire is burning, the sprinklers also serve to cool the smoke and make it possible for persons to remain in the area much longer than they would if the room were without sprinklers.

Objections sometimes advanced against automatic sprinkler installation in the interest of life safety are generally based on misconceptions of the basic characteristics of sprinkler protection. The opinion is sometimes expressed that sprinkler discharge might drench people and cause panic or illness. This objection ignores the fact that without sprinklers the same people in the fire area would perhaps be burned to death. There is no case in the NFPA records of over 100,000 fires in sprinklered buildings where water from automatic sprinklers has in any way contributed to panic or caused any other hazard to occupants.

Another common misconception is that *all* sprinklers discharge water at the time of fire. This is not the case, as most fires are controlled by only a few sprinklers in the immediate vicinity of the fire.

Other objections to automatic sprinkler protection are based upon cost, and occasionally upon appearance. These objections are unsound where conditions are such that sprinklers are needed for life safety. Sprinklers are generally no more expensive than some decorative floor coverings, and aesthetic designs are available in sprinklers.

Contrary to popular opinion, automatic sprinklers are practicable for dwellings and other small properties. In country areas where water supplies are limited, a pressure tank can be provided with sufficient capacity to control the fire during evacuation.

NFPA 101, Life Safety Code, recognizes sprinklers in numerous ways, particularly to offset deficiencies in existing buildings. For example, longer travel distances to exits and interior finish of a higher combustibility are permitted with sprinklers.

Recent developments in the sprinkler industry have resulted in systems and discharge devices that will cycle on and off. When a fire occurs, this system reacts to the increase in temperature and discharges water. When the temperature decreases to a predetermined level because the fire has been controlled or extinguished, the system automatically stops the flow of water. Should the fire flare up again, the system will repeat this cycle. This cycling continues until the fire is either out or the system is shut off.

Protection of Property

Figures available on the fire loss in manufacturing and mercantile properties where sprinklers are installed show a much better loss/value ratio than those properties not so equipped. Insurance may largely compensate for property loss, but a severe fire loss goes much further.

Prevention of Business Interruption

In addition to the saving in direct fire losses due to sprinkler protection, there is a saving represented by the

* The only fatalities in fully sprinklered properties reported to the NFPA were caused by explosions or flash fires; by ignition of the bedding or clothing of a person who was too young, too old, too intoxicated, or too handicapped in some other way to protect himself properly; by closure of water supply valves to the sprinkler system; or by hazards too severe for effective sprinkler performance in the protected property. Explosions in sprinklered properties have caused fatal injuries to occupants or have so damaged sprinkler piping as to render the systems virtually useless, with resultant loss of life. Severe flash fires have under unusual conditions traveled in advance of sprinkler operation, trapping victims before they had time to reach safety.

In those isolated instances of fatalities to sleeping, handicapped, or intoxicated persons, ignition of clothing or bedding caused fatal burns or asphyxiation either because the small fire did not generate sufficient heat to fuse a sprinkler, or because the victim had suffered fatal injuries before the sprinkler operated. In these latter instances, however, the sprinklers protected the lives of persons in adjoining areas.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-1 through 14-48 14th edition 1976

freedom from business interruption. There also is an undetermined but possibly even greater reduction in conflagration and exposure losses, which reasonably may be attributed to automatic sprinkler protection. The destruction of property and its adverse association and sometimes permanent effect upon business may be, and often is, a great hardship, not only to the owner, tenants, and employees, but also to the community as a whole. Safeguarding a business from serious interruption by fire is often a determining factor in a decision to install sprinkler protection.

In many situations, sprinkler protection is required by law for specific parts of the building only. Where partial systems are required, complete systems should be installed. Partial systems are not cost effective. Should the fire start remote to the system, it will have no effect on the growing fire. Should the fire burn into the protected area, it will generally have developed sufficient intensity to overpower the sprinklers, thereby wasting water needed by the fire service to fight the fire.

Minimizing of Water Damage

Standard sprinkler systems have devices which automatically give an alarm in case of sprinkler operation; thus, they not only apply water at the point most needed, but also give an audible signal. This permits immediate check of fire conditions and minimizes water damage.

A properly installed sprinkler system will generate less water damage than the application of hose streams by the fire service. Sprinklers are not hampered in their operation by smoke or heat as is the fire service. Sprinklers can apply water efficiently and promptly to the seat of the fire. For this reason, they are one of the greatest life-saving tools of the fire service.

Fear of water damage is sometimes offered as an objection to the installation of automatic sprinkler protection. This comes in part from the thoughtless emphasis placed upon water damage in news reports of fires. Statements that a fire was of insignificant size, but that water damage was severe have been frequent. The probability of very severe destruction by fire in the absence of automatic sprinkler protection is seldom mentioned in these news accounts.

Accidental discharge of water from an automatic sprinkler system or other parts of a fire service water system due to defects in sprinklers, water control devices, piping, or associated equipment, is very rare. Precautions to prevent unnecessary discharge of water as a result of mechanical injury, freezing or overheating, or corrosion are covered in Chapter 6 of this Section.

Economics of Sprinkler Protection

In addition to the protection against destruction of property values and interruption to business, the saving in insurance costs often makes the expenditure for automatic sprinkler protection a sound business investment.

Many buildings do not have automatic sprinkler protection because the per dollar cost of the protection has appeared unjustifiably high to the building owners in relation to the value of the building.

Savings in insurance premiums alone could in numerous cases be adequate to finance, over a few years time, the installation of automatic sprinkler protection. Of equal importance are the many building code "trade-offs" that are allowed when sprinklers are installed. These "trade-offs" permit an increase in undivided area and often less fire resistance for the building construction, and therefore less erection cost. No value can be placed on the life safety aspects of total sprinkler protection or the security occupants feel when such systems are installed.

C. Record of Automatic Sprinkler Performance

Periodically the NFPA prepares summaries of sprinkler performance from the fire data reported to its Fire Analysis Department. The information is published in the NFPA *Fire Journal* as the Automatic Sprinkler Performance Tables, and is also available in pamphlet form.[1]

Effectiveness of Automatic Sprinklers

Only in rare instances do automatic sprinkler systems fail to control fires. The failures are very seldom due to the sprinklers themselves, but rather to the lack of water. Even with older types of sprinklers which are no longer approved, the failure of the sprinkler itself has been very infrequent. Failure of the modern types under normal conditions is practically unknown. Some 117,770 fires in sprinklered buildings have been reported to the NFPA since 1897. Of these, 95 percent of the sprinklers showed satisfactory performance.

Because numerous fires extinguished by one or two sprinklers (with only a slight loss) are not reported to NFPA, the NFPA records do not represent the total number of fires in sprinklered properties. If it were possible to include a complete record, the efficiency of sprinkler performance would probably approach 100 percent.

It should be noted that recorded data reflect only the efficiency of operation, and are but indirectly related to the amount of fire losses. For example, where sprinklers do not operate because the water is shut off, unsatisfactory performance is recorded even though the fire may have been promptly discovered and extinguished by other means. Figure 14-1D shows graphically cumulative data from 1970 to 1974 on the number of sprinklers operating.

In recent years, the apparent percentage of satisfactory sprinkler operations has declined. From 1970 to 1974 it was 81 percent. This may be the result of the NFPA's data-gathering system which concentrates on those fires causing larger losses. Other studies (N.Y. Board of Fire Underwriters, Factory Mutual, etc.) that are based on approximately 100 percent reporting show considerably higher rates. The same is true of Australian records where all sprinkler actuations are reported.

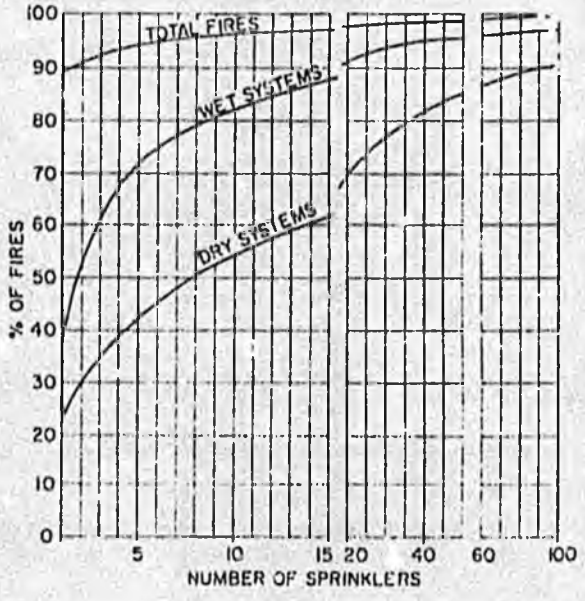

Fig. 14-1D. Number of sprinklers operating, cumulative data, 1970-74.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-1 through 14-48 14th edition 1976

Effectiveness of Sprinklers by Occupancy Groups

Table 14-1A shows characteristic differences in sprinkler effectiveness for 22 major occupancy groups. As would be expected, some situations present a more difficult extinguishing problem than do others. This record of effectiveness is useful in evaluating the need for specially designed systems or auxilliary fire fighting facilities.

Unsatisfactory Sprinkler Performance by Occupancy Groups

Table 14-1A also lists by occupancy the reasons for unsatisfactory sprinkler performance for the same 22 occupancy groups. Closed sprinkler control valves are the most frequent cause, being responsible for 36 percent of the unsatisfactory performance reported. A study of the fires not controlled by sprinklers is of great importance, as it shows how to guard against such occurrences. It will be noted from Table 14-1A and from Figure 14-1E that in most cases there is a definite explanation for unsatisfactory performance. A more detailed analysis of unsatisfactory sprinkler performance will be found in the 1970 edition of the NFPA Automatic Sprinkler Performance Tables.[1]

D. Standard Sprinkler Installations

The terms "sprinkler protection," "sprinkler installations," and "sprinkler systems" usually signify a combination of water discharge devices (sprinklers); one or more sources of water under pressure; water-flow controlling devices (valves); distribution piping to supply the water to the discharge devices; and auxiliary equipment, such as alarms and supervisory devices. Outdoor hydrants, indoor hose standpipes, and hand hose connections are also frequently a part of the system that provides protection. Figure 14-1F is an illustration of a typical sprinkler installation with all common water supplies, outdoor hydrants, and underground piping.

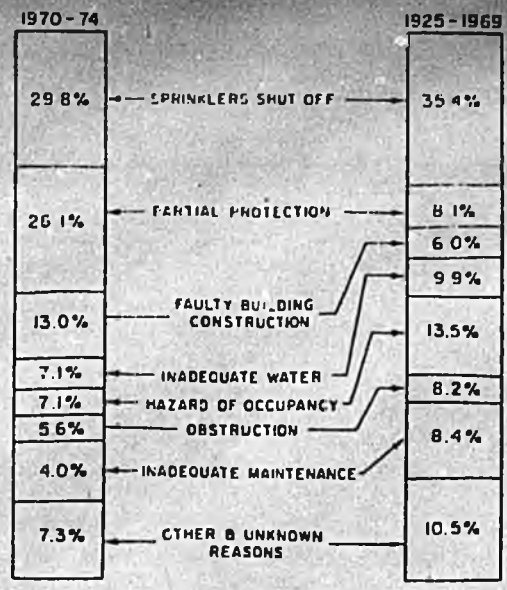

Fig. 14-1E. Reasons for unsatisfactory sprinkler performance.

When considering water supply problems, the performance of sprinklers, dry-pipe or wet systems, or special arrangements of sprinkler protection, the designation "sprinkler system" applies to the sprinklers controlled by a single water supply valve. Under this definition large buildings require several sprinkler systems, and a single water system may supply a number of sprinkler systems.

The fundamentals of sprinkler protection evolve around the principle of the automatic discharge of water, in sufficient density, to control or extinguish a fire in its incipiency. In planning for a system that fulfills this objective, many factors must be considered. They can, however, be broadly grouped into four categories: the sprinkler system itself, features of building construction, hazards of occupancy, and water supplies.

Table 14-1A. Sprinkler Performance Summary and Classification of Unsatisfactory Performance*

Occupancies	Performance Summary				Classification of Unsatisfactory Performance												
	Total No. of Fires	Total Unsatisfactory	Total Satisfactory	Total Satisfactory Per Cent	Water Shut Off	Partial Protection	Inadequate Water Supplies	System Frozen	Slow Operation	Defective Dry-Pipe Valve	Faulty Building Construction	Obstruction to Distribution	Hazard of Occupancy	Exposure Fire	Inadequate Maintenance	Antiquated System	Miscellaneous and Unknown
Residential	1,073	48	1,025	95.5	13	9	5	1	—	—	11	3	1	—	2	2	1
Assembly	1,551	52	1,499	96.6	23	10	3	—	1	—	9	1	—	1	4	—	—
Educational	241	20	221	91.7	4	8	1	—	—	—	5	—	—	—	1	1	—
Institutional	305	12	293	96.1	3	3	2	—	—	—	1	—	1	—	—	—	2
Office	494	13	481	97.4	4	2	1	—	—	1	2	—	1	—	1	1	—
Mercantile	6,237	176	6,061	97.2	83	11	4	4	4	5	35	11	12	1	4	1	1
Industrial																	
Beverages, essential oils	543	64	479	88.2	17	4	9	—	—	1	2	1	18	3	3	5	1
Chemicals	4,147	198	3,949	95.2	33	11	19	—	3	3	1	13	95	2	12	1	5
Fiber products	539	25	514	95.3	6	—	4	1	—	2	—	5	4	—	2	1	—
Food products	2,484	133	2,351	94.6	43	11	8	1	2	1	7	9	29	4	12	1	5
Glass products	519	23	496	95.6	8	—	3	1	—	—	2	1	5	—	3	—	—
Leather, leather products	2,864	114	2,750	96.0	43	8	7	3	2	4	9	7	9	4	9	6	3
Metal, metal products	9,807	305	9,502	96.9	91	36	22	3	6	6	15	35	43	6	29	7	6
Mineral products	394	19	375	95.2	10	4	2	—	—	—	1	—	—	—	1	1	—
Paper, paper products	7,147	234	6,913	96.7	75	16	34	3	2	2	16	32	21	2	23	4	4
Rubber, rubber products	1,489	61	1,428	95.9	21	4	3	—	1	1	1	10	14	1	5	—	—
Textiles—Manufacturing	16,119	291	15,828	98.2	109	15	32	3	5	3	11	27	18	1	50	9	8
Textiles—processing	6,527	127	6,400	98.1	52	6	11	—	5	1	8	13	15	2	7	1	6
Wood products	5,353	492	4,861	90.6	137	57	84	9	16	14	27	19	77	8	24	12	8
Miscellaneous industries	9,013	265	8,748	97.1	146	15	14	8	3	—	12	11	18	3	27	8	—
Total (Industrial)	66,845	2,351	64,594	96.5	751	187	252	37	45	38	112	183	356	36	207	58	46
Storage Occupancies	4,100	375	3,785	91.0	122	24	43	6	6	9	10	57	38	11	40	3	7
Other Occupancies	419	87	332	79.2	67	—	—	2	—	—	2	1	5	3	3	1	3
Total (All Occupancies)	81,425	3,134	78,291	96.2	1,110	294	311	44	56	53	167	256	424	52	282	65	60

* From the 1970 edition of the NFPA Automatic Sprinkler Performance Tables.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-1 through 14-4814th edition 1976

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[4] Thompson, N. J., "Hazard of High Piled Combustible Stock," NFPA *Quarterly*, Vol. 43, No. 1, July 1949, pp. 38-46.

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Source: National Fire Protection Association; Fire Protection Handbook, pp. through 14th edition 1976

AUTOMATIC SPRINKLER PERFORMANCE TABLES

NATIONAL AUTOMATIC SPRINKLER AND FIRE CONTROL ASSOCIATON, INC.

SUMMARY — LIFE SAFETY OCCUPANCIES

Occupancy	No. of Fires	No. of Fires Extinguished	No. of Fires Held In Check	Satisfactory Systems Performance	FIRES CONTROLLED BY 1 Sprinkler	2 or Less Sprinklers	3 or Less Sprinklers	More Than 3 Sprinklers	Unsatisfactory Sprinkler Performance
Mercantiles	82	49	32	81	49	64	73	8	1
Hotels, Motels Multiple Residences	31	25	5	30	22	28	29	1	1
Bowling Lanes	24	22	2	24	21	22	23	1	
Nursing Homes	21	18	3	21	16	20	20	1	
Hospitals	17	13	4	17	11	15	15	2	
Restaurants	9	7	2	9	3	7	7	2	
Assembly and Office Buildings	6	3	3	6	4	4	5	1	
Schools and Colleges	35	29	5	34	24	31	32	3	1
Cumulative Totals in Numbers	225	166	56	222	150	191	204	19	3
Cumulative Totals in Per Cent		74.1%	25.0%	99.1%	66.5%	85.4%	90.6%	8.6%	.9%

1957-1967

An analysis of 225 fires in "completely" sprinklered "life safety" occupancies (light or ordinary hazard).
99.1% of these fires were extinguished or controlled by sprinklers.
The three instances of unsatisfactory performance resulted from "closed" valves.
Simple automatic valve supervision by central station, proprietary or remote station systems would send an automatic trouble signal alerting building employees and/or the fire department that water is "shut-off".

Source: 241 National Automatic Sprinkler and Fire Control Association, Inc.; News Bulletin, p. 18, May-August, 1971

AUTOMATIC SPRINKLER PERFORMANCE IN AUSTRALIA AND NEW ZEALAND

1886-1968

by

Harry W. Marryatt, Chairman, Australian Fire Protection Association

540 pages

Published by
AUSTRALIAN FIRE PROTECTION ASSOCIATION
51-53 William Street, Melbourne, Victoria Australia 3000

April, 1971

We don't very often publish book reviews. But this case is different. We would be remiss in our responsibilities to you — our readers — if we didn't tell you about Harry W. Marryatt's text, a comprehensive and scholarly study of automatic sprinkler performance in Australia and New Zealand, covering a period of 82 years.

Harry Marryatt is the founder of the Australian Fire Protection Association, has been its chairman since it was established in May, 1960. He is a graduate of the University of Melbourne, a charter member of the Society of Fire Protection Engineers (USA) and a Fellow of the Australian Institute of Management. He has been a professional fire protection engineer for more than forty years; has designed, manufactured, installed and serviced automatic sprinkler systems and virtually all fixed fire protection systems in Australia for more than four decades.

The book, inspired by Percy Bugbee, Chief Administrator of the National Fire Protection Association International (retired), is the most incisive, penetrating, detailed and comprehensive text published to date on the historic behavior of automatic sprinkler systems.

The book is more than a statistical analysis of sprinkler performance. It is a fire protection engineer's delight, examining the basic principles of loss control, delving into the basic physical laws governing the capabilities of water to absorb heat when droplets are broken up into a fine spray.

For those of you who relish the physics and chemistry of fire, its calculitic formulae, this book will keep you and your slide rule busy.

For those of you who want a reference text with well documented case histories of fires in virtually every conceivable

Source: 242 National Automatic Sprinkler and Fire Control Association, Inc.; News Bulletin, p. 25-28, January-March, 1973

AUTOMATIC SPRINKLER PERFORMANCE TABLES

TABLE 3 — CONDENSED *

Number of Sprinklers Operating	Number of Fires		Percentage Extinguished or Controlled	
	Total	Cumulative	Total	Cumulative
1	3809	3809	66.56%	66.56%
2	901	4710	15.56	82.12
3	337	5047	5.89	88.01
4	184	5231	3.22	91.23
5	91	5322	1.58	92.81
6	71	5393	1.24	94.05
7	50	5443	0.87	94.92
8	45	5488	0.78	95.70
9	25	5513	0.44	96.14
10	31	5544	0.54	96.68
10 or more	176	5720	3.08%	99.76%

TOTAL	NUMBER	PERCENT
Fires Extinguished or Controlled	5720	99.76%
Unsatisfactory Performance	14	00.24%
TOTAL	5734	100.00%

*'Source — *Automatic Sprinkler Performance In Australia*, 1886-1969 9 p 84) by — H. W. Marryatt, Australian Fire Protection Association (April, 1971)*

Source: 242 National Automatic Sprinkler and Fire Control Association, Inc.; News Bulletin, p. 25-28, January-March, 1973

type of occupancy, this is an indispensable reference source.

If you delight in "the laws of large numbers", statistics, this text is the ultimate source of information about sprinklers, originating from Australia and New Zealand, where statistical research into sprinkler behavior stands out as an example for the world to emulate.

Marryatt has evaluated 5,734 fires, virtually every instance of sprinkler operation of which a known record exists in the nation's down under. His conclusion: 5,720 extinguishments out of a possible 5,734. 99.76% of all recorded fires: successfully extinguished by sprinklers.

Marryatt has wrung every conceivable drop of information out of the statistics he has developed: operating temperatures of sprinklers, types of sprinkler (link and lever, bulb, pendant, upright, etc.), response time of the "fire brigade" (department), time of day at which fires occurred, month of year, construction type (fire resistive — non-fire resistive), floors of buildings in which fires occurred, the height above the floor of sprinklers in operation. He makes extensive

AUSTRALIA - NEW ZEALAND
WHY UNSATISFACTORY PERFORMANCE?

	No. of Fires	Percent of Unsatisfactory Performance
• Severe external exposure	4	28.6%
• Partial sprinkler protection	4	28.6%
• Explosions Systems destroyed by blast	3	21.5%
• Fire loading too high for water supply	1	07.1%
• Inadequate water supplies	1	07.1%
• Roof surface destroyed	1	07.1%
TOTAL	14	100.0%

Source: 242 National Automatic Sprinkler and Fire Control Association, Inc.; News Bulletin, p. 25-28, January-March, 1973

commentaries on water supplies, flowing pressures, gallonage consumed, and a detailed analysis with illustrative case histories on the behavior of fires in nearly one hundred types of occupancies.

His analysis of incendiary fires, even cases where as many as seven fires were set by an arsonist, have given sprinklers a 100% record in controlling 120 out of a possible 120 fires set by arsonists.

Marryatt's five years of research into 5,734 fires discovered only 14 cases where sprinklers failed to extinguish or control fires. That's only 0.24% compared to a record of 99.76% of the total fires successfully managed by sprinklers.

In 82 years, 14 unsuccessful operations is a little short of unbelievable.

The most amazing fact to emerge from the book was the small number of sprinklers needed to control fires. 66.56% of all fires were controlled by one sprinkler. 82.12%, by two or less sprinklers. 91.23%, by four or less sprinklers. Only 176 fires opened more than ten sprinklers out of a possible 5,734. That's 3.08%.

If you really want to know the story on sprinklers, this book is a must.

You can order it directly from the National Fire Protection Association.

60 Batterymarch Street
Boston, Massachusetts 02110
Attention: Doris Sheldon

Enclose a check or money order made payable to NFPA ($15.50).

Source: 242 National Automatic Sprinkler and Fire Control Association, Inc.; News Bulletin, p. 25-28, January-March, 1973

PART III

S T A T I S T I C S

HOW MUCH WATER SHOULD A CITY HAVE AVAILABLE FOR FIGHTING FIRES

1. ISO Guide for Determination of Required Fire Flow

2. Municipal Grading Schedule Description

WATER SUPPLY REQUIREMENTS FOR FIRE PROTECTION

This chapter gives information on the quantities of water needed for fire protection purposes. The components of a water system are discussed in other chapters in this section. No distinction is made for ownership of a system, whether public or private, as quantities of water needed for fire protection are not based on ownership of the system but rather on experience and engineering analysis of fire protection requirements for the property to be protected. Supply requirements for automatic sprinklers or other fixed systems using water are discussed in appropriate chapters of Sections 14 and 15.

A. The Two Uses of Water Systems

Water systems designed today for municipal use have dual functions; they supply potable water for domestic consumption, and they supply water for fire protection. Domestic consumption means more than just water for human consumption. It includes water used for sanitation, industrial processes, lawn sprinkling, air conditioning and similar water-consuming purposes. Sometimes industrial sites will provide separate systems for supplying process water and water for fire protection. Any dual-purpose system must be able to supply enough water for fire protection while at the same time meet the maximum anticipated consumption for other purposes.

B. Rates of Consumption

There are three rates of consumption that are considered in designing water systems. They establish a base to which required fire flows can be added in designing a system or determining its adequacy. The rates are:

1. Average daily consumption—the average of the total amount of water used each day during a 1-year period.
2. Maximum daily consumption—the maximum total amount of water used during any 24-hour period in a 3-year period. (Unusual situations which may have caused an excessive use of water, such as refilling a reservoir after cleaning should not be considered in determining the maximum daily consumption.)
3. Peak hourly consumption—the maximum amount of water that can be expected to be used in any given hour of a day.

The maximum daily consumption is normally about 1.5 times the average daily consumption. The peak hourly rate will vary from two to four times a normal hourly rate. The effect these varying consumption rates will have on the ability of the system to deliver required fire flows will vary with the system design. But both maximum daily consumption and peak hourly consumption should be considered to ensure that water supplies and pressures do not reach dangerously low levels during these periods, and that adequate water will be available in the event of a fire.

C. Water for Fire Fighting

Historically, water systems for cities and towns were developed with needs other than fire protection in mind. However, it was found that in a large city which had to have a lot of water for drinking, sanitation, and other purposes, there was usually sufficient water to provide a useful supply for fire fighting purposes. On the other hand, waterworks designed on the basis of ordinary water needs of a small city would be able to deliver only a fraction of the water which might be needed for fire fighting.

All this led to inquiries into the cost in a given city for a waterworks that could provide water for fire fighting purposes as well as for other uses. A number of distinguished engineers associated with individual waterworks examined the problem and their findings were discussed in technical papers presented at engineering society meetings. Papers by J. Herbert Shedd (1889),[1] J. T. Fanning (1892),[2] and Emil Kuichling (1897)[3] should be consulted for details of the discussions in which standards now followed in American and Canadian waterworks practice developed (Table 11-1A).

Table 11-1A. Estimates of Fire Flow

	Number of Fire Streams Required Simultaneously				
Populations Thousands	Shedd 1889	Fanning 1892	Freeman 1892	Kuichling 1897	NBFU 1910
1			2–3	3	4
4		7		6	8
5	5		4–8	6	9
10	7	10	6–12	9	12
20	10		8–16	12	17
40	14		12–18	18	24
50		14		20	26
60	17		15–22	22	28
100	22	18	20–30	28	36
150		25		34	44
180	30			38	48
200			30–50	40	48

Sources (these authorities define streams slightly differently as described in accompanying text, but the streams were of the order of 200 gpm to 300 gpm):

Shedd, J. Herbert, discussion on a paper by Sherman, William B., *Ratio of Pumping Capacity to Maximum Consumption.*[1]

Fanning, J. T., *Distribution Mains and the Fire Service.*[2]

Kuichling, E., *The Financial Management of Water Works.*[3]

Freeman, John R., *The Arrangement of Hydrants and Water Pipes for the Protection of a City Against Fire.*[4]

Figures furnished by National Board of Fire Underwriters, and presented in a paper by Metcalf, Leonard, et al.[5]

The Number of Hose Streams

The starting point for considering the cost of water for fire protection was an estimate of the number of hose streams that a fire department might need for fire fighting. This was usually estimated on the basis of the central portion of the city where the largest buildings were located and where there was the greatest building congestion. The number of streams was found to be related, in a very rough way, to the population. Shedd's proposal, the first, was on the basis of hose streams discharging 200 gpm. He suggested that a community of 5,000 population, as a rule, would need about five such streams and that the needs of

Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-2 through 11-6 14th edition 1976

other cities could be graduated up to thirty streams in a city of 180,000. Fanning proposed streams requiring about 54 psi pressure as the basis. His figures were of the same general order as Shedd's, beginning at seven streams for a community of 4,000 and going up to twenty-five streams for a city of 150,000.

Kuichling suggested a formula where the number of streams required would be the square root of the population in thousands multiplied by a factor of 2.8. There were arithmetical differences as to how these estimates worked out for individual cities, but they were of the same general order (Table 11-1A). Most important, they did provide a basis from which the waterworks designers could make some estimates of the cost factors which fire demands imposed on various details of the system.

During this period of consideration of waterworks design features to provide fire protection, the most important paper on the subject, *The Arrangement of Hydrants and Water Pipes for the Protection of a City Against Fire*, was presented (1892) by John R. Freeman.[4] He had done the fundamental work on flow of water through hose and nozzles, so he was able to pin down the definition of a standard fire stream to one with a discharge of 250 gpm at 40 to 50 psi pressure. He said that the relationships suggested by Shedd and Fanning between population and the number of streams required were of the right order, but he did not think the needs of individual cities could be quite so definitely pinned down. He suggested two to three streams as a minimum at 1,000 population graduated up to thirty to fifty at 200,000 (Table 11-1A). Most significantly, he warned: "Ten streams, or as large a proportion thereof as the financial consideration will permit, may be recommended for a compact group of large, valuable buildings, irrespective of a small population."

Engineering: Distributing Network, Hydrant Spacing, Storage

Freeman noted a fundamental difference in purpose between a system designed for supplying ordinary water needs and one for water for fire protection. Fire draft required concentration of the water, whereas domestic draft was a matter of distribution.

Freeman sought to secure recognition of the fact that if a water system was to supply fire protection needs, the distribution system should be designed to concentrate the needed amounts of water. Small pipes were sufficient for distribution, but larger ones were needed for concentration of supply to fire streams. He suggested 6-in. diameter pipe as the minimum for residential districts, and he noted that 8-in. pipe was adequate only where it formed part of a network of distributing pipes whose intersections were not far apart.

Another important point Freeman made was that hydrants should be placed where they could concentrate streams at specific blocks or groups of buildings to be protected rather than on an arbitrary basis of a certain number of feet apart on the street mains. His work on hose streams had shown how long hose lines reduced the water that can be delivered promptly on a fire. He therefore suggested a working rule for hydrant spacing of 250 ft between hydrants in compact mercantile and manufacturing districts, and 400 to 500 ft in residential districts. These working rules can still be used as guides for good design. (Hydrant spacing is discussed in greater detail in Chapter 2 of this Section.)

Freeman further insisted that fire supply should be in addition to maximum domestic consumption and laid the foundation for eventual recognition of this principle. He also indicated how much water should be stored in standpipes or elevated reservoirs in the application of the principle. He expressed the judgment that flow for all of the hose streams required should be supplied from a reliable source, such as an elevated storage reservoir, for a period of not less than 6 hrs during a period when the system was also furnishing maximum demands for domestic and other uses. His judgment also was that to supply the combined fire and domestic needs in a system provided with reliable pump capacity, a 1-hr supply in a standpipe or elevated reservoir would be acceptable.

The Insurance Grading Schedule

As early as 1889, the NBFU (National Board of Fire Underwriters) began to make fire protection surveys of municipalities. This work was intensified in 1904 after a conflagration in Baltimore. Today the larger cities countrywide and the smaller communities in all but seven states are surveyed by the ISO (Insurance Services Office), successor to the NBFU. The survey includes an evaluation of a municipality's water system in all its details, and a map is usually prepared of the system itself. Actual hydraulic tests are made to determine the fire flow available in various parts of the community.

From the examination of the water supply, as well as other factors affecting fire defenses, the community is provided with recommendations expressing an engineering judgment on what the community should consider in its decisions on its public fire protection program. Engineers use as a yardstick the latest edition of ISO's *Grading Schedule for Municipal Fire Protection*,[6] that considers a municipality as a whole, and no longer places more emphasis on protection for downtown districts than on other important districts as did earlier editions of the grading schedule. (For a more complete discussion of the insurance grading schedule see ~~Section 9, Chapter 6~~ III-18—III-21).

D. Fire Protection Requirements in Water Systems

The capacity of a water system is determined by the total amount of water it must furnish. This is the sum of: (1) water required for domestic or industrial uses, and (2) water required for fire service. In small towns, the requirements for fire protection exceed other requirements.

In North American cities, a public water system is expected to furnish water for a great variety of purposes. In individual cities, there may be a heavy industrial demand, but demands for air conditioning and lawn sprinkling are examples of regular uses which can also affect the required capacity of the system. The adequacy of a public water system for fire protection cannot be taken for granted. These other demands on the system must be determined to estimate their effects on the capacity of the system for fire protection.

A joint report (1951) of committees of the American Society of Civil Engineers, the American Water Works Association and others,[7] suggested that the maximum general service demand on a waterworks system be taken as the peak hourly demand during a test year. This, they noted, was the only figure which can fairly be compared with the maximum fire flow requirement.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-2 through 11-6 14th edition 1976

Evaluating System Capacity

ISO engineers evaluate the ability of a water system to meet the maximum daily consumption rate plus the needed fire flow. In most large cities, the peak hourly rate exceeds the maximum daily consumption rate plus fire flow, and therefore, is the controlling factor in system design. However, in the smaller communities the reverse is true with the maximum daily consumption rate plus fire flow being the controlling factors. For many years water consumption has been increasing in most municipalities resulting in increased peak hourly rates. One result of this trend has been an increase in the number of municipalities in which the peak hourly rate controls design.

Pressure Characteristics of Systems

The pressure for which systems are normally designed reflect several practical considerations. They attempt to provide pressures that are adequate for water supplies both for domestic consumption and for fire protection. If either type of service demands special ranges of pressure, they too can be provided. Pipe and related fittings and methods of using them will allow almost any desired range.

San Francisco, for example, has a separate system, designated the "high pressure system," under the control of the fire department. All of the pipe is extra-heavy cast iron, tar-coated and lined, and tested on installation and repair to 450 psi. Two steam-operated pump stations can pump water from San Francisco Bay into the system, and 20,000 gpm at 250 psi can be delivered to most of the principal mercantile district. San Francisco provided this system primarily because an earthquake might put the regular public water system out of service. A number of other cities have provided similar "high pressure" systems.

Modern motorized fire department pumping apparatus make heavy streams and high pressures available from ordinary water systems where adequate volume is provided. Cities that formerly had separate systems of fire mains, operating at so-called high pressures, now generally have these operating at what would be normal public water pressures. They retain the advantages of an extra system of water mains.

Public water systems reflect a compromise on the question of pressures. Pressures in the range of 65 to 75 psi are best in most systems. This range is adequate for ordinary consumption in buildings up to about ten stories. It will provide sufficient water for automatic sprinkler systems in buildings of four to five stories. Where pressures of this order are provided, there is a reasonable margin to make it relatively easy to compensate for local fluctuations in draft at various times.

It is generally recommended that a minimum residual pressure of 20 psi be maintained at hydrants when delivering the required fire flow. Pumpers can be operated where hydrant pressures are less, but with difficulty. Where hydrants are well distributed and of the proper size and type (so that friction losses in the hydrant and suction line may not be excessive), it may be possible to set 10 psi as the minimum pressure. Sufficient suction pressure should be maintained to prevent developing a negative pressure in the street mains, which might result in the collapse of the mains or other water system components, or back-siphonage of polluted water from some interconnected source. The use of residual pressures of less than 20 psi is not permitted by most state health departments.

Pressures in a public water system may be considered excessive as they approach 150 psi. As pressures increase, they tend to cause leaks in domestic plumbing, and special attention is required to restrain the mains in the ground. Pipe and fittings used in the ordinary public water system are designed for maximum working pressures of 150 psi. This does not mean that it is good practice to run pressures up that high. Pressure-reducing valves can be used in some sections of a system where the topography would produce excessive pressures, and individual water services to buildings may require pressure reducing valves to keep the pressure on domestic piping at safe levels.

Systems for Higher Elevations

When water must be supplied to an area of a community on high ground, the usual practice is to provide a separate water distribution system for the elevated section so that a normal range of pressures is provided. In such cases, the elevated area should be provided with its own water storage facility, and pumps may be provided to boost the water from the rest of the system. Likewise, the upper stories of a high building should be provided with water systems in the building itself. These systems will have the same requirements as for an area on a hill. A very tall building would have to be divided into a number of pressure zones. Zones of more than twelve stories tend to get outside the normal pressure ranges. In any case, each pressure zone must have storage of water in amounts needed for the sprinkler service or hose streams to be provided, and a system of pumps so that each zone is supplied from the zone below. Care should be taken to ensure that the pumps will be able to operate even during times of power failures.

E. Calculating Fire Flows

For many years the NBFU formula (see Table 11-1A) was commonly used as a guide in determining the fire flow required in the downtown business districts of municipalities. The formula

$$G = 1020\sqrt{P}\ (1 - 0.01\sqrt{P})$$

gave the fire flow, G, in gallons per minute as a function of the population, P, in thousands.

In making fire protection surveys, the fire flow requirements in the sections of the municipalities outside the downtown business district were estimated by the engineers of the NBFU and insurance bureaus.

As cities became more decentralized, the formula based on population became less reliable as a guide for the fire flow needed in the downtown district. In addition, it became more apparent that a guide to engineering judgment was needed for the other sections of the cities. In 1948, a paper by A. C. Hutson,[8] assistant chief engineer of the NBFU, provided some specific suggestions for estimating fire flow requirements in these sections.

The latest developments in estimating fire flow requirements are found in the *Guide for Determination of Required Fire Flow*[9] published by ISO in 1972. It provides guidance for estimating fire flow requirements in all parts of a municipality. The basic formula in the guide is:

$$F = 18\,C\,(A)^{0.5}$$

where F is the required fire flow in gallons per minute, C is the coefficient related to the type of construction, and A is the total floor area of the building considered.

The values for C are: 1.5 for wood frame construction, 1.0 for ordinary construction, 0.8 for noncombustible con-

Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-2 through 11-6 14th edition 1976

struction, and 0.6 for fire resistive construction. Interpolation is used if the type of construction does not fall into one of the four categories.

To the result obtained by application of the formula, a credit or surcharge is applied for occupancy, a credit for complete automatic sprinkler protection when provided, and a surcharge for exposures.

The maximum fire flow required is 12,000 gpm for any one location. The practical reason for this top figure is that manual fire fighting methods using men with hose streams and heavy stream appliances are not likely to develop a larger supply considering the general arrangement of buildings and the availability of hydrants. However, the possibility of a second simultaneous fire in the largest cities is considered, for which an allowance of 2,000 to 8,000 gpm additional may be made. This sets a practical maximum fire flow demand of 20,000 gpm for any city.

For groupings of one-family and small two-family dwellings not exceeding two stories in height, the short method of determining required fire flow given in Table 11-1B may

Table 11-1B. Fire Flows for Groups of Dwellings

Exposure Distances Feet	Suggested Required Fire Flow* Gallons per minute
Over 100	500
31 to 100	750–1,000
11 to 30	1,000–1,500
10 or less	1,500–2,000†

* Where wood shingles could contribute to spreading fires, add 500 gpm.

† If the buildings are continuous use a minimum of 2,500 gpm.

be used. The required fire flow should be available with consumption at the maximum daily rate (see Part B of this chapter). The number of hours during which the required fire flow should be available varies from 2 to 10 hours as indicated in Table 11-1C.

Table 11-1C. Duration of Required Fire Flow (U.S. Gallons)

Required Fire Flow			Required Fire Flow		
Gallons per minute	Million gallons per day	Duration hours	Gallons per minute	Million gallons per day	Duration hours
1,000	1.44	2	4,500	6.48	4
1,250	1.80	2	5,000	7.20	5
1,500	2.16	2	5,500	7.92	5
1,750	2.52	2	6,000	8.64	6
2,000	2.88	2	7,000	10.08	7
2,250	3.24	2	8,000	11.52	8
2,500	3.60	2	9,000	12.96	9
3,000	4.32	3	10,000	14.40	10
3,500	5.04	3	11,000	15.84	10
4,000	5.76	4	12,000	17.28	10

There are fires where quantities of water in excess of the required fire flow are used. Water supplies of 50,000 gpm or greater have been used in fire suppression, but to design systems capable of delivering flows of that magnitude in the average community for a possible unusual situation is not good economic practice.

F. Adequacy and Reliability of Supply

The adequacy of any given water system can be determined by engineering estimates. The source, including storage facilities in the distribution system, must be sufficient to furnish all the water that combined fire and domestic needs may call for at any one time. Arrangement of the supply works and details of the pumping facilities may limit the adequacy of the supply or affect its reliability. The various components of a water system are discussed in other chapters of this Section.

In a "pumping" system, a common arrangement is to have one set of pumps that takes suction from wells or from a river, lake, or other body of water. If the water does not have to be filtered, the pumps may discharge directly into the distribution system. Where filtration is necessary, the pumps take suction from the primary source and discharge the water into settling reservoirs and filter beds. After processing, the water flows to clear water reservoirs from which a second set of pumps takes suction and discharges the water directly into the water main system. Unfortunately, failure of any part of the equipment may put the supply works out of commission. This is usually taken care of by duplication of units and by arrangement of the plant so as to facilitate repairs.

In considering the reliability of the supply works, features taken into account include: minimum yield, frequency and duration of droughts, condition of intakes, earthquakes, floods, forest fires, ice formations, silting up or shifting of river channels, and absence of watchmen where needed or the possibility of physical injury to them. Reliability is also affected by reservoirs out of service for cleaning and interdependence of parts of waterworks. The condition, arrangement, and reliability of individual units of plant equipment, such as pumps, engines, generators, electric motors, fuel supply, electric transmission facilities and similar items are also factors. Pumping stations of combustible construction are subject to destruction by fire unless equipped with automatic sprinklers.

Duplication of pumping units and storage facilities, and arrangement of mains and distributors so that water may be supplied to them from more than one direction, are measures that can assure continuous operation. The importance of duplicate facilities is shown by the frequency of their use.

G. Future Requirements for Determining Fire Flow

The amount of water needed to control and extinguish a fire in a given property cannot be established currently in precise terms. Differences in fire fighting tactics and variations in conditions which may exist at the time of a fire, as compared with the conditions existing when fire flow requirements were established, are variables that cannot be adequately measured at the present time. Better fire experience data basis should make it possible to tailor fire flows more specifically to conditions that might be expected at the time of a fire. Better analysis may indicate a need to increase fire flow beyond what is presently required, or it may result in a water system design based upon a balance between the risk involved and the economics of maintaining the water system.

The Role of Codes and Ordinances

Fire prevention codes can effectively limit hazards and ignition sources within buildings which in turn will not only help to limit the number of fires, but the size of fires through

Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-2 through 11-6 14th edition 1976

the control of combustibles in a fire area. A good building code further reduces the chance for a serious fire by requiring construction materials and building assemblies which will contain a developing fire to a given area. These two factors alone will reduce considerably the amount of water needed for fire fighting. Zoning ordinances that establish distances between properties can be effective in controlling exposure situations.

The Role of Fire Detection and Extinguishing Systems

The increased use of automatic extinguishing systems, whether they use water or some other agent, will affect the quantities of water required. However, until more widespread use is made of early warning systems and automatic extinguishing systems, it will not be possible to equate the effect of these systems to required fire flow. Consideration is now given in the ISO *Guide for Determination of Required Fire Flow* for the presence of automatic sprinklers.

Water supply requirements are just one factor in a complex system that in total determines what the potential for a fire is, how extensive the fire will be, and the measures needed to suppress it. Research will someday equate all these factors and permit establishing fire flows on the basis of sound, thoroughly researched, and documented principles.

SI Units

The following conversion factors are given as a convenience in converting to SI units the English units used in this chapter.

1 ft = .305 m
1 psi = 6894.757 Pa
1 gpm = 3.785 litres/min

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Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-2 through 11-6 14th edition 1976

HOW THE ISO ESTIMATES FIRE-FLOW REQUIREMENTS

Insurance Services Office

Guide for Determination Of Required Fire Flow

1. An estimate of the fire flow required for a given fire area may be determined by the formula:

$$F = 18\ C\ (A)^{0.5}$$

where

F = the required fire flow in gpm

C = coefficient related to the type of construction

C = 1.5 for wood frame construction

= 1.0 for ordinary construction

= 0.8 for noncombustible construction

= 0.6 for fire-resistive construction

Note: For types of construction that do not fall within the categories given, use a coefficient reflecting the differences. Such coefficients shall not be greater than 1.5 nor less than 0.6 and may be determined by interpolation.

A = the total floor area (including all stories, but excluding basements) in the building being considered. For fire-resistive buildings consider the 6 largest successive floor areas if the vertical openings are unprotected; if the vertical openings are properly protected, consider only the 3 largest successive floor areas.

The fire flow as determined by the above shall not exceed 8,000 gpm for wood frame construction

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972.

8,000 gpm for ordinary construction

6,000 gpm for noncombustible construction

6,000 gpm for fire-resistive construction

except that for a normal 1-story building of any type of construction the fire flow shall not exceed 6,000 gpm.

The fire flow shall not be less than 500 gpm.

For 1-family and small 2-family dwellings not exceeding 2 stories in height see note 10.

2. The value obtained in No. 1 above may be reduced by up to 25% credit for occupancies having a light fire loading or may be increased by up to a 25% surcharge for occupancies have a high fire loading. As a guide for determining low or high fire loadings, lists of light hazard and extra hazard occupancies as given in National Fire Protection Association Standard No. 13 are included in the Appendix.

The fire flow shall not be less than 500 gpm.

3. The value obtained in No. 2 above may be reduced by up to 25% credit for complete automatic sprinkler protection. For building of fire-resistive or noncombustible construction having a light fire loading the reduction may be up to 50%. The percentage reduction that can be made for an automatic sprinkler system will depend upon the extent to which the automatic sprinkler system is

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972.

judged to reduce the probability of fires spreading within and beyond the fire area. Normally this reduction will not exceed 25 percent.

4. To the value obtained in No. 2 above a surcharge should be added for structures exposed within 150 feet by the fire area under consideration. The degree of this charge shall depend upon the height, area, and construction of the building(s) being exposed, the separation, openings in the exposed buidings(s), the length of exposure, the provision of automatic sprinklers and/or outside sprinklers in the building(s) exposed, the occupancy of the exposed building(s), and the effect of hillside locations on the possible spread of fire.

The charge for any one side generally should not exceed the following limits for the separations shown:

Separation	Charge
0-10 feet	25%
11-30	20
31-60	15
61-100	10
101-150	5

The total percentage surcharge shall be the sum of the charges for all sides, but shall not exceed 75%.

5. The value obtained in No. 2 above is reduced by the

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972.

credit (if any) determined in No. 3 above and increased by the surcharge (if any) determined in No. 4 above.

The fire flow shall not exceed 12,000 gpm nor be less than 500 gpm.

Note 1: The guide is not expected to necessarily provide an adequate value for lumber yards, petroleum storage, refineries, grain elevators, and large chemical plants but may indicate a minimum value for these hazards.

Note 2: Judgment must be used for business, industrial, and other occupancies not specifically mentioned.

Note 3: Consideration should be given to the configuration of the building(s) being considered and to the fire department accessibility.

Note 4: Wood Frame structures separated by less than 10 feet shall be considered as one fire area.

Note 5: Party Walls: Normally an unpierced party (common) wall may warrant up to a 10% exposure charge.

Note 6: High one-story buildings: When a building is stated as 1 - 2, or more stories, the number of stories to be used in the formula depends upon the use being made of the building. For example consider a 1 - 3-story building. If the building is being used for high-piled stock, or for rack storage, an occupancy surcharge may be warranted. However, if the building is being used for steel fabrication and the extra height is provided only to facilitate movement of objects by a crane, the building would probably be considered as a 1-story building and an occupancy credit may be warranted.

Note 7: If a building is exposed within 150 feet, normally some surcharge for exposure will be made.

Note 8: Where wood shingle roofs could contribute to spreading fires, add 500 gpm.

Note 9: Any noncombustible building is considered to warrant an 0.8 coefficient.

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972.

Note 10: Dwellings: For groupings of 1-family and small 2-family dwellings not exceeding 2 stories in height, the following short method may be used. (For other residential buildings, the regular method should be used.)

Exposure distances	Suggested required fire flow
Over 100'	500 gpm
31-100'	750-1000
11-30'	1000-1500
10' or less	1500-2000*

*If the buildings are continuous, use a minimum of 2500 gpm.

Also consider Note 8.

Outline of Procedure

A. Determine the type of construction.

B. Determine the ground floor area.

C. Determine the height in stories.

D. Using tables in Appendix, determine required fire flow to the nearest 250 gpm.

E. Determine the credit or surcharge for occupancy and apply to the value obtained in D above. Do not round off the answer.

F. Determine the credit, if any, for automatic sprinkler protection. Do not round off the value.

G. Determine the total surcharge for exposures. Do not round off the value.

H. To the answer obtained in E, subtract the value obtained in F and add the value obtained in G.

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972.

Round off the final answer to the nearest 250 gpm if less than 2500 gpms and to the nearest 500 gpm if greater than 2500 gpm.

Use of Tables (Steps A, B, C, D)

The tables use the GROUND AREA of the building and the height of the building in stories. Using the table corresponding to the type of construction, look under the number of stories and locate the gound area of the building(s) being considered between two ground areas given in the table. The corresponding fire flow is found in the left column.

EXAMPLES:

a. Given: A 3-story building of ordinary construction of 7300 square feet (ground area). Using the table C = 1.0, in the 3-story column, 7300 square feet falls between 7100 and 8500 square feet and the corresponding fire flow is 2750 gpm.

b. Given: A 3-story building of ordinary construction of 7300 square feet (ground area) communicating to a 5-story building of ordinary construction of 9700 square feet (ground area) for a total ground area of 17,000 square feet. Determine the total floor area which equals 3 (7300) + 5 (9700) = 70,400 square feet. Using the table C = 1.0, under the one story column for 70,400 square feet the corresponding fire flow is 4750 gpm.

c. Given: A 3-story wood frame building of 7300 square feet (ground area) communicating with a 5-story building of ordinary construction of 9700 square feet (ground area) for a total ground area of 17,000 square feet.

   Determine the total floor area for each type of construction and for the fire area which is 3 (7300) = 21,900 square feet of wood frame construction, 5 (9700) =

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972.

48,500 square feet of ordinary construction, and a total area of 70,400 square feet with 31% being of wood frame construction and 69% being of ordinary construction. Under the one-story column in the wood frame construction table (C = 1.5), an area of 70,400 square feet has a corresponding fire flow of 7250 gpm. Similarly, under the one-story column in the ordinary construction table (C = 1.0), an area of 70,400 square feet has a corresponding fire flow of 4750 gpm. In this case, the fire flow will be 31% (7250) + 69% (4750) = 2250 + 5530 gpm or, to the nearest 250 gpm, = 5500 gpm.

d. Given: A 2-story building of ordinary construction of 105,000 square feet (ground area) communicates with a 1-story building of noncombustible construction of 80,000 square feet (ground area). Normally the required fire flow would be determined by proportioning as in "c" above. This would result in a required fire flow of 7460 gpm, or 7500 gpm. However, it is to be noted that the total area of the 2-story building alone results in a fire flow of 8,000 gpm and, of course, the logical answer would be 8,000 gpm. Any time the total area results in the use of an upper limit for fire flow, the possibility of a portion of the fire area justifying the upper limit must be investigated.

e. Given: A normal 1-story building of ordinary construction of 210,000 square feet (ground area). The table gives a required fire flow of 8,000 gpm, however, since this is a normal 1-story building, the maximum fire flow is 6,000 gpm.

f. Given: A normal 1-story building of ordinary construction of 80,000 square feet communicates with a normal 1-story building of noncombustible construction of 85,000 square feet. Normally the required fire flow would be determined by proportioning as in "c" above. This would result in a required fire flow of 6480 gpm, or 6500 gpm. However, since these are normal 1-story buildings the maximum fire flow is 6,000 gpm.

Source: Insurance Services Office, Guide for Determination of Required Fire Flow. New York, June 1972.

A I P E N D I X

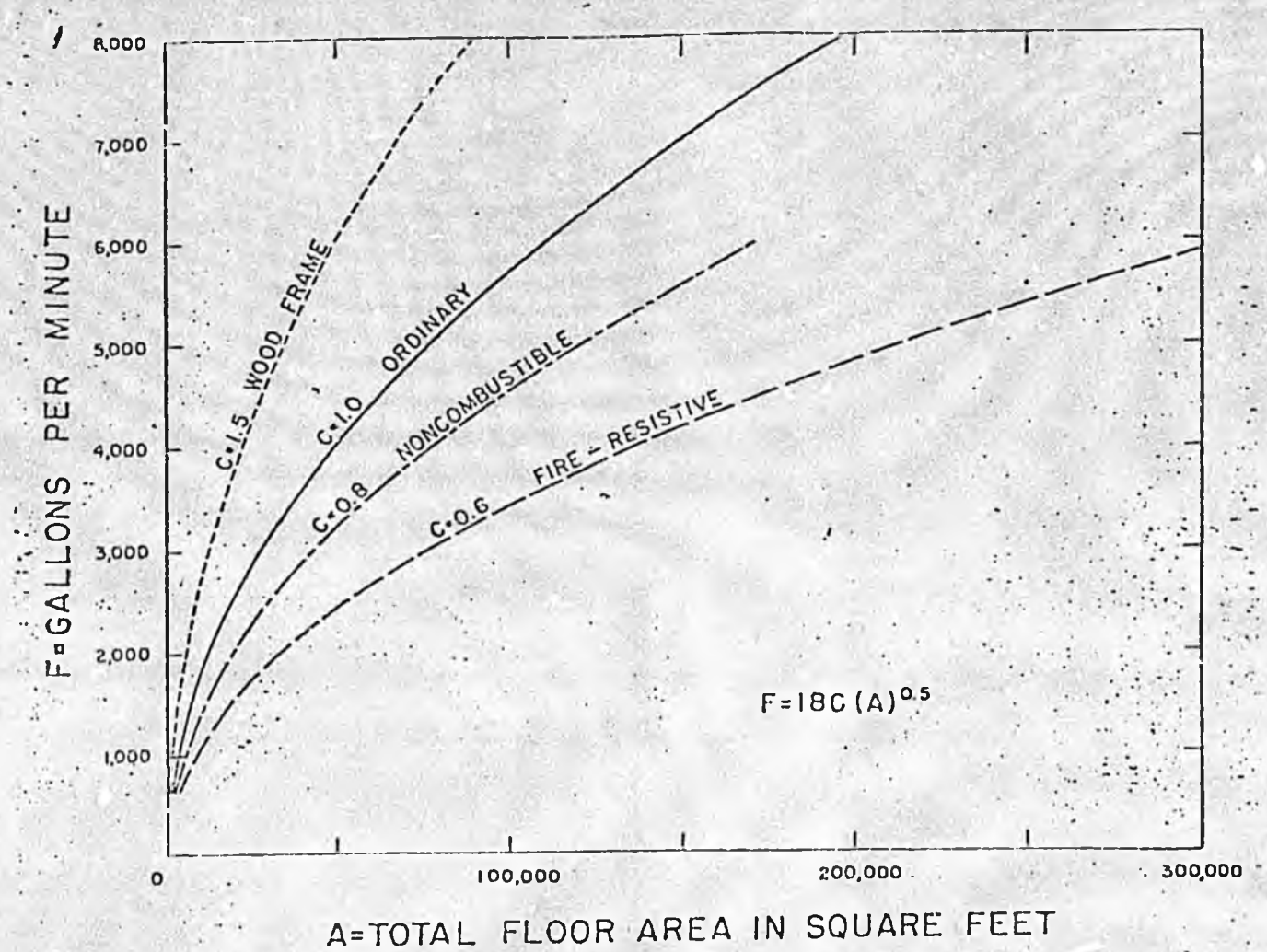
NFPA No. 13-1971, Paragraph 1311. Light Hazard Occupancies:

Apartments
Asylums
Churches
Clubs
Colleges & Universities
Dormitories
Dwellings
Hospitals
Hotels
Institutions
Libraries, except Large Stack Room Areas
Museums
Nursing, Convalescent & Care Homes
Office Buildings
Prisons
Public Buildings
Rooming Houses
Schools
Tenements

NFPA No. 13-1971, Paragraph 1331. Extra Hazard Occupancies:

Aircraft Hangers
Chemical Works - Extra hazard
Cotton Picker and Opening Operations
Explosives and Pyrotechnics Manufacturing
High Piled Combustible Storage in excess of 21 feet high
Linoleum and Oilcloth Manufacturing
Linseed Oil Mills
Oil Refineries
Paint Shops
Pyroxylin Plastic Manufacturing & Processing
Shade Cloth Manufacturing
Solvent Extracting
Varnish Works
and other occupancies involving processing, mixing, storage and dispensing flamable and/or combustible liquids.

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972.



Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972.

INSURANCE SERVICES OFFICE

C=1.5

FIRE FLOW VS GROUND AREA

$F=18C(A)^{0.5}$

Wood Frame Construction

F=gpm; C=1.5

(ground area in square feet)

A=area in sq. ft.

GPM	1	2	3	4	5	6 Stories
500	500	300	200	100	100	100
750	1,100	600	400	300	200	200
1000	1,700	900	600	400	300	300
1250	2,600	1,300	900	700	500	400
1500	3,600	1,800	1,200	900	700	600
1750	4,800	2,400	1,600	1,200	1,000	800
2000	6,200	3,100	2,100	1,600	1,200	1,000
2250	7,700	3,900	2,600	1,900	1,500	1,300
2500	9,400	4,700	3,100	2,400	1,900	1,600
2750	11,300	5,700	3,800	2,800	2,300	1,900
3000	13,400	6,700	4,500	3,400	2,700	2,200
3250	15,600	7,800	5,200	3,900	3,100	2,600
3500	18,000	9,000	6,000	4,500	3,600	3,000
3750	20,600	10,300	6,900	5,200	4,100	3,400
4000	23,300	11,700	7,800	5,800	4,700	3,900
4250	26,300	13,200	8,800	6,600	5,300	4,400
4500	29,300	14,700	9,800	7,300	5,900	4,900
4750	32,600	16,300	10,900	8,200	6,500	5,400
5000	36,000	18,000	12,000	9,000	7,200	6,000
5250	39,600	19,800	13,200	9,900	7,900	6,600
5500	43,400	21,700	14,500	10,900	8,700	7,200
5750	47,400	23,700	15,800	11,900	9,500	7,900
6000						

WOOD FRAME

INSURANCE SERVICES OFFICE

C=1.5

FIRE FLOW VS GROUND AREA

$F=18C(A)^{0.5}$

Wood Frame Construction

F=gpm; C=1.5

(ground area in square feet)

A=area in sq. ft.

GPM	1	2	3	4	5	6 Stories
6000	51,500	25,800	17,200	12,900	10,300	8,600
6250	55,700	27,900	18,600	13,900	11,100	9,300
6500	60,200	30,100	20,100	15,100	12,000	10,000
6750	64,800	32,400	21,600	16,200	13,000	10,800
7000	69,600	34,800	23,200	17,400	13,900	11,600
7250	74,600	37,300	24,900	18,700	14,900	12,400
7500	79,800	39,900	26,600	20,000	16,000	13,300
7750	85,100	42,600	28,400	21,300	17,000	14,200
8000						

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972

INSURANCE SERVICES OFFICE

C=1.0

FIRE FLOW VS GROUND AREA
Ordinary Construction
(ground area in square feet)

$F=18C(A)^{0.5}$
F=gpm; C=1.0
A=area in sq. ft.

gpm	1	2	3	4	5	6 Stories
500	1,200	600	400	300	200	200
750	2,400	1,200	800	600	500	400
1000	3,500	2,000	1,300	1,000	800	700
1250	5,800	2,900	1,900	1,500	1,200	1,000
1500	8,200	4,100	2,700	2,100	1,600	1,400
1750	10,900	5,500	3,600	2,700	2,700	1,800
2000	13,900	7,000	4,600	3,500	2,800	2,300
2250	17,400	8,700	5,800	4,400	3,500	2,900
2500	21,300	10,700	7,100	5,300	4,300	3,600
2750	25,500	12,800	8,500	6,400	5,100	4,300
3000	30,100	15,100	10,000	7,500	6,000	5,000
3250	35,200	17,600	11,700	8,800	7,000	5,900
3500	40,600	20,300	13,500	10,200	8,100	6,800
3750	46,400	23,200	15,500	11,600	9,300	7,700
4000	52,500	26,300	17,500	13,100	10,500	8,600
4250	59,100	29,600	19,700	14,800	11,800	9,900
4500	66,000	33,000	22,000	16,500	13,200	11,000
4750	73,300	36,700	24,400	18,300	14,700	12,200
5000	81,100	40,600	27,000	20,300	16,200	13,500
5250	89,200	44,600	29,700	22,300	17,800	14,900
5500	97,700	48,900	32,600	24,400	19,500	16,300
5750	106,500	53,300	35,500	26,600	21,300	17,800
6000						

ORDINARY

INSURANCE SERVICES OFFICE

C=1.0

FIRE FLOW VS GROUND AREA
Ordinary Construction
(ground area in square feet)

$F=18C(A)^{0.5}$
F=gpm C=1.0
A=area in sq. ft.

gpm	1	2	3	4	5	6 Stor
6000	115,800	57,900	38,600	28,900	23,200	19,300
6250	125,500	62,800	41,800	31,400	25,100	20,900
6500	135,500	67,800	45,200	33,900	27,100	22,600
6750	145,800	72,900	48,600	36,500	29,200	24,300
7000	156,700	78,400	52,200	39,200	31,300	26,100
7250	167,900	84,000	56,000	42,000	33,600	28,000
7500	179,400	89,700	59,800	44,900	35,900	29,900
7750	191,400	95,700	63,800	47,900	38,300	31,900
8000						

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June 1972

INSURANCE SERVICES OFFICE

C=0.8

FIRE FLOW VS GROUND AREA
Non-combustible Construction
(ground area in square feet)

$F=18C(A)^{0.5}$
F=gpm; C=0.8
A=area in sq. ft.

NONCOMBUSTIBLE

gpm	1	2	3	4	5	6 Stories
500	1,900	1,000	600	500	400	300
750	3,700	1,900	1,200	900	700	600
1000	6,100	3,100	2,000	1,500	1,200	1,000
1250	9,100	4,600	3,000	2,300	1,800	1,500
1500	12,700	6,400	4,200	3,200	2,500	2,100
1750	17,000	8,300	5,700	4,100	3,400	2,800
2000	21,800	10,900	7,300	5,500	4,400	3,600
2250	27,200	13,600	9,100	6,800	5,400	4,500
2500	33,200	16,600	11,100	8,300	6,600	5,500
2750	39,700	19,900	13,200	9,900	7,900	6,600
3000	47,100	23,600	15,700	11,800	9,400	7,900
3250	54,900	27,500	18,300	13,700	11,000	9,200
3500	63,400	31,700	21,100	15,900	12,700	10,600
3750	72,400	36,200	24,100	18,100	14,500	12,100
4000	82,100	41,200	27,400	20,500	16,400	13,700
4250	92,400	46,200	30,800	23,100	18,500	15,400
4500	103,100	51,600	34,400	25,800	20,600	17,200
4750	114,600	57,300	38,200	28,700	22,900	19,100
5000	126,700	63,400	42,200	31,700	25,300	21,100
5250	139,400	69,700	46,500	34,900	27,900	23,200
5500	152,600	76,300	50,900	38,200	30,500	25,400
5750	166,500	83,300	55,500	41,600	33,300	27,800
6000						

INSURANCE SERVICES OFFICE

C=0.8

FIRE-FLOW VS GROUND AREA
Fire Resistive Construction
(ground area in square feet)

$F=18C(A)^{0.5}$
F=gpm; C=0.8
A=area in sq. ft.

FIRE-RESISTIVE

gpm	1	2	3	4	5	6 Stories
500	3,300	1,700	1,100	800	700	600
750	6,400	3,300	2,200	1,700	1,300	1,100
1000	10,900	5,500	3,600	2,700	2,200	1,800
1250	16,200	8,100	5,400	4,100	3,200	2,700
1500	22,700	11,400	7,600	5,700	4,500	3,800
1750	30,200	15,100	10,100	7,600	6,000	5,000
2000	38,700	19,400	12,900	9,700	7,700	6,500
2250	48,300	24,200	16,100	12,100	9,700	8,100
2500	59,000	29,500	19,700	14,800	11,800	9,800
2750	70,900	35,500	23,600	17,700	14,200	11,800
3000	83,700	41,900	27,900	20,900	16,800	13,900
3250	97,700	48,900	32,600	24,400	19,500	16,300
3500	112,700	56,400	37,600	28,200	22,500	18,800
3750	129,700	64,400	42,900	32,200	25,700	21,500
4000	145,900	73,000	48,600	36,500	29,200	24,300
4250	164,200	82,100	54,700	41,100	32,800	27,400
4500	183,400	91,700	61,100	45,900	36,700	30,600
4750	203,700	101,900	67,900	50,900	40,700	34,000
5000	225,200	112,600	75,100	56,300	45,000	37,600
5250	247,700	123,900	82,600	61,900	49,500	41,300
5500	271,200	135,600	90,400	67,800	54,200	45,200
5750	295,900	148,000	98,600	74,000	59,200	49,300
6000						

Source: Insurance Services Office, Guide for Determination of Required Fire Flow, New York, June, 1972

B. Insurance Grading Schedule

The "Grading Schedule for Municipal Fire Protection" is published and copyrighted by the Insurance Services Office.* The schedule provides a yardstick for ISO insurance grading engineers in classifying municipalities with reference to their fire defenses and physical conditions. Gradings obtained under the schedule are used throughout the United States in establishing base rates for fire insurance purposes. A similar schedule is used in Canada by the Insurers' Advisory Organization to evaluate municipal fire defenses in that country.

The Insurance Grading Schedule originally was developed by the National Board of Fire Underwriters and was continued by its successor, the American Insurance Association, prior to the organization of ISO. It has had a profound influence upon the level of municipal fire protection provided in many communities. While ISO never assumes to dictate the level of fire protection services provided by a municipality, reports of surveys made by its Municipal Survey Office generally do contain recommendations for correcting any serious deficiencies found, and over the years have been accepted as guides by many municipal officials in planning improvements in their services. It is generally appreciated that removal of deficiencies can result in a more favorable fire insurance classification which has certain economic rewards as well as a general satisfaction that the community is providing its citizens with an improved level of service, or is holding a favorable classification where already obtained. While from time to time communities may want to employ independent consultants to evaluate their fire departments, water supplies, and building regulations, the fact is that over the past sixty odd years underwriters' surveys have provided a uniform measurement of municipal fire defenses involving many millions of dollars of engineering time and talent at no cost to the local communities which may choose to follow the recommendations. It has been observed, for example, that American communities enjoy the most adequate and reliable water systems in the world. This has been due in large measure to the engineering evaluations and recommendations of underwriter survey teams.

The Municipal Grading Schedule is subject to change with the state of the art and references in this text are to the 1974 edition. With the organization of ISO, application of the Grading Schedule has tended to be more uniform throughout the country. Under NBFU and AIA the larger communities, generally those over 40,000 population, were surveyed directly by teams of engineers from the national organization while smaller communities generally were graded by state or regional rating associations some of which used their own systems of grading municipal fire defenses. Most of the latter now have been consolidated into regional ISO offices insofar as municipal surveys are concerned although state associations have essential functions in filing rates and performing other duties as may be required by law.

The Grading Schedule is based upon a deficiency point system with a possible 5,000 points of deficiency representing a community totally unprotected against fire. The 5,000

* Available from Insurance Services Office, 160 Water St., New York, N.Y. 10038.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 9-77 through 9-80 14th edition 1976

Table 9-6B. Relative Class as Determined by Points of Deficiency

Points of Deficiency	Relative Class of Municipality
0– 500	First
501–1,000	Second
1,001–1,500	Third
1,501–2,000	Fourth
2,001–2,500	Fifth
2,501–3,000	Sixth
3,001–3,500	Seventh
3,501–4,000	Eighth
4,001–4,500	Ninth*
More than 4,500	Tenth*

* A ninth class municipality is one (a) receiving 4,001 to 4,500 points of deficiency or (b) receiving less than 4,001 points but having no recognized water supply.

* A tenth class municipality is one (a) receiving more than 4,500 points of deficiency, or (b) without a recognized water supply and having a fire department grading over 1/55 points, or (c) with a water supply and no fire department, or (d) with no fire protection.

points are divided into 10 classes, and every 500 points eliminated places the community in a more favorable class. Table 9-6B shows the relative class as determined by points of deficiency. However, a ninth class municipality may be one receiving 4,001 to 4,500 points of deficiency, or receiving less than 4,001 points but having no recognized water supply. A tenth class municipality may be one receiving over 4,500 points of deficiency, or without a recognized water supply, or with a water supply but no fire department, or without a water supply with a fire department grading over 1,755 points, or no fire protection at all. In many rural areas there are subclasses of Class 9 recognizing the value of properly organized and equipped rural fire departments serving communities without a recognized water supply. Such fire departments are required to have stipulated water tanker capacity as well as pumping engines.

The 5,000 possible deficiency points are divided between 4 main subject areas or features. Water supply and fire department each account for a possible 1,950 points, or 39 percent. Fire service communications account for another 450 points, or 9 percent. Fire safety control, including fire prevention and building regulations, counts for 650 points, or 13 percent. Where there is a divergence of more than 500 points between water supply and the fire department, additional deficiency points may be assessed on the grounds that a good water supply requires an adequate fire department to apply it in fire fighting, and a good fire department without an adequate water supply is less effective. If either of these essentials is lacking, up to 900 additional deficiency points may be charged.

Water Supply

It is important to understand that a principal basis for the Grading Schedule's evaluation of fire protection is the ability to provide needed "fire flow" of water measured in gpm. In years past schedule requirements were based largely upon population protected which, while having some validity, was not entirely equitable because some of the smaller communities may contain properties with serious fire potentials that could require large flows of water, whereas a larger community might not require as much water to control its fires. An example might be a very large unsprinklered shopping complex in a suburban residential community. In both water supply and fire department service, reliability factors get considerable attention in the schedule.

Required fire flow is the rate of flow needed for fire fighting to confine a major fire to the buildings within a block or group. The determination of this flow depends upon construction, occupancy, size of buildings, and exposure hazards. Required flow is determined for each section of a municipality and may vary from a minimum of 500 gpm to a maximum of 12,000 gpm for a single fire. Where consideration must be given to simultaneous fires, an additional 2,000 to 8,000 gpm is required. Actual flow tests are made in each section of the municipality and the results obtained are compared with the flow required in each neighborhood to deal with the hazards found.

For purposes of grading under the standard, a "basic fire flow" is used which is indicative of the quantities of water needed for handling fires in important districts. Among the items considered under water supply are: adequacy of supply works; reliability of source of supply; reliability of pumping capacity and of power supply; the condition, arrangement, operation, and reliability of system components; adequacy and reliability of mains and their installation; arrangement of the distribution system; distribution of hydrants and their size, type, installation, and condition; and various miscellaneous factors.

A minimum recognized water supply for grading purposes must be able to deliver at least 250 gpm for 2 hours, or 500 gpm for 1 hour for fire protection plus consumption of water at the maximum daily rate. Any water supply which cannot meet this requirement is not graded, and the full 1,950 deficiency points are assigned.

Fire Department

Items considered under the fire department include: pumpers, ladder trucks, distribution of companies and types of apparatus, pumper capacity, design and condition of apparatus, number of officers, manning, master and special stream devices, equipment for pumpers and ladder trucks (including elevating platforms), hose and its condition, training, response to alarms, fire operations, special protection such as fireboats, and miscellaneous factors.

A minimum recognized fire department under the schedule must have a permanent organization under applicable state and local laws, and be headed by one person responsible for the operation of the department. There must be sufficient membership to provide a response of at least 4 members to alarms, with training conducted for all active members. There must be at least one piece of suitable fire apparatus with housing and maintenance for the apparatus. Means must be provided for 24-hr receipt of alarms and immediate notification of members. Any fire department that cannot meet these requirements is not graded, and a full 1,950 deficiency points are assigned.

Under the schedule the number of engine and ladder companies must be at least equal to the number required for the basic fire flow. Engine and ladder companies must be located so that travel distances for first due, for first alarm companies, and for the maximum number of companies needed to apply required fire flows meet recommended travel distances. Structural conditions and hazards in the municipality may call for more companies than needed to apply basic fire flow. The probability of simultaneous fires, the number and extent of runs, and the need for placing additional companies in service or for relocating companies during periods of high frequency of alarms are factors considered. Consideration is given to providing protection for all areas during multiple alarms and simultaneous fires.

Where the required fire flow is 4,500 gpm or less, response

Source: National Fire Protection Association; Fire Protection Handbook, pp.9-77 through 9-80 14th edition 1976

distance for the first due engine company must be not over 1½ miles, except that it may be 2 miles in residential districts of 1- and 2-family dwellings not requiring over 2,000 gpm fire flow, and 4 miles where such dwellings have an average separation of 100 ft or more. For flows of from 5,000 to 8,500 gpm inclusive, the first due engine should be within 1 mile, and for flows of 9,000 gpm or more the distance is ¾ mile.

The first due ladder company should be within 2 miles for flows of 4,500 gpm or less, but may be 3 miles for residential districts of 1- and 2-family dwellings and 4 miles where such dwellings have an average separation of 100 ft or more. Where there are less than 5 buildings of a height equal to 3 or more stories, a ladder company may not be required. Where required fire flow is from 5,000 to 8,500 gpm, the first due response distance for ladder trucks is reduced to 1½ miles, and where the required flow is 9,000 gpm or more the first due ladder should be within 1 mile.

Standard first alarm response is 2 engines and 1 ladder company for flows not exceeding 8,500 gpm, except that for flows of less than 2,000 gpm only one engine may be required, and ladder coverage may not be required for flows of 3,500 gpm or less if there are less than 5 buildings of a height requiring such service.

For flows of 9,000 gpm and above, the first alarm response should be 3 engines and 2 ladders. Response distances for the second due engine should be within 4 miles with fire flows of under 2,000 gpm, within 2½ miles for fire flows of from 2,000 to 4,500 gpm, 2 miles for flows from 5,000 to 6,500 gpm, and 1½ miles for flows between 7,000 and 8,500 gpm. Where 3 engines are required, these should be within 1½ miles. Where 2 ladders are required on first alarms, these should be within 2 miles.

Maximum multiple alarm response and response distances also are specified for the various fire flows. In general, one engine company is required for each 1,000 gpm fire flow through 7,000 gpm. At higher flows, additional engine companies are required up to 15 for 12,000 gpm. Maximum multiple alarm response distances for engines vary from 3 miles for 3 engines to 5 miles for 15 engines. In general, the response on each multiple alarm should duplicate the first alarm response.

A second ladder company within 2½ miles is required for multiple alarms with fire flows of 5,000 to 6,500 gpm, a third ladder company should be within 3½ miles for flows of 7,000 to 8,500 gpm, and on up to 7 ladders within 5 miles for 12,000 gpm.

It should be appreciated that these response requirements are a rather conservative minimum standard. Many fire departments will exceed these because pre-fire planning indicates need for additional companies because of life hazard or in order to run hand lines to control fires inside of buildings rather than application of maximum fire flow to merely confine fires as envisioned under the schedule. Levels of manpower on responding companies often influence the number of companies assigned to respond to various alarms. The basic purpose of the Grading Schedule is to confine fires to groups of buildings involved to avoid conflagrations, and it does not demand the same level of service that many communities choose to provide.

Under the schedule there should be at least one reserve pumper for every 8 pumpers or major fraction in service, but not less than one. This is essential to permit proper maintenance. Fully equipped reserve pumpers manned by designated off-shift or volunteer members are considered as increasing the pumpers in service and may equal up to one in-service pumper if manned on first alarms, and ½ an in-service pumper if manned on specified multiple alarms; however, credit cannot exceed ½ of the required number of pumpers. Where the requirements for manning reserve pumpers have not been met, equipped reserve pumpers may be credited the same as outside aid.

Pumpers responding on automatic mutual aid within 5 miles of the municipal limits may be credited not to exceed ⅓ of the pumpers required. This credit requires a detailed mutual aid system with scheduled assignments and proper training and communications. Credit allowed may not reduce the point charge by more than 75 percent, except that where there is a central communications center dispatching all companies the reduction may be up to 90 percent. Consideration also is given to outside aid available within 15 miles, and depending upon various factors deficiencies may be reduced by not more than 33 percent for such available response. Similar credits are allowed for response of ladder companies responding on scheduled mutual aid and outside aid, and for reserve ladders manned by off-shift personnel. However, deficiencies charged for an inadequate number of ladder trucks is only half that for pumpers.

Pumping capacity must be not less than the basic fire flow, and additional capacity may be needed. From the response assignments in the schedule it appears that 1,000 gpm pumpers are assumed to be standard, although credit is given for smaller capacity pumps and also for available pumps on other apparatus. Where simultaneous fires are likely, the pumper capacity must not be less than the total flow requirements for the simultaneous fires. Pumper capacity is taken as that demonstrated by test and not merely that specified in purchasing contracts. In the absence of proper test data, the credit for pumper capacity may be reduced.

Fire Department Officers

There must be a chief officer in charge of the department. For more than 2 companies there must also be an assistant or other officer above company rank who is in charge in the absence of the chief. For over 8 companies there must be sufficient battalion or district fire chiefs to provide one on duty for each 8 companies or major fraction thereof. For less than 12 companies the assistant chief may serve as a battalion or district chief. The preceding is a very conservative requirement. Many fire departments provide a district fire chief on duty for each 5 or 6 companies in order to give prompt supervision of fire companies at fires and to cover simultaneous alarms. Most fire departments with 5 or more companies provide a chief officer on each duty shift, although not required under the schedule.

There must be a company officer on duty at all times with each required engine, hose, or ladder company. The company officers are credited in the company strength. Two call or volunteer officers are considered equivalent to one full paid officer, up to ½ the number of paid officers required.

Manning Standards

Standard manning is 6 men on duty for each required engine and ladder company, including the officer and 5 men for hose companies where pumps are not required. Where companies operate special apparatus, additional manning may be needed. Years ago from 5 to 7 men were considered standard manning, depending upon the type of company and the hazards of the district served. Today with the greater mobility of radio-equipped apparatus and the fact that serious hazards are found in all parts of the community and not just in a central district, a uniform manning is considered desirable. The 6-man standard level of com-

Source: National Fire Protection Association; Fire Protection Handbook, pp. 9-77 through 9-80 14th edition 1976

pany manning is a practical requirement based upon the work that must be done by engine and ladder companies. Where fewer men are provided, it is often necessary to obtain additional manpower from other companies.

While the standard calls for a 6-man level of company manning, credit is given for chiefs' aides who participate in fire fighting. Credit also is given for manpower responding on other units, such as rescue squads and fire department ambulance crews, to the extent that these assist in fire fighting, but not to exceed credit of one man per company. Credit is given also for the regular response of off-duty or volunteer fire fighters. In the schedule, 3 off-duty or volunteer members are counted as equal to one paid man on duty, up to ½ of the required on-duty strength. Thus a fire company with 3 men on duty and 9 off-duty or volunteer members assigned to respond can be counted as a full 6-man crew. However, records of such off-duty response must be kept for both day and night alarms to substantiate the actual value of such manning. If proper records are not kept, call or volunteer response may be taken on the basis of 6 men on call equaling one on duty. In many small fire departments, small outside fires may be handled by the paid men on duty on still alarms without call assistance, but full standard response should be made immediately to all alarms for structural fires and other alarms that present a hazard to life and property.

Under the schedule a fully volunteer or call department with no paid men on duty ready to immediately answer alarms but with good call response would be charged 40 points of deficiency, as compared with an identical fire department having standard 6-man fire companies on duty or the equivalent under the schedule. This amounts to only 80 percent of all the possible deficiency points in a municipal grading. This would appear to be a small deficiency as compared with the advantage of immediate response by on-duty fire companies. If the volunteer or call department has paid apparatus operators on duty, the deficiency might be only 20 points out of 5,000 in the grading, all other things being equal.

Manpower responding on automatic mutual aid is credited up to ½ of the required strength, but may not reduce the point charge by more than 75 percent or 90 percent as may be applicable. Credit also is given for outside aid, but may not reduce the point charge remaining after automatic aid and off-shift response credit has been applied by more than 33 percent. Credit also is given for off-shift response based upon past experience when called.

Deficiency charges are determined by comparing the total required manning of the fire companies being graded with the on-duty strength of these companies as determined by the schedule. Any deficiency divided by the number of companies equals the average deficiency per company. An average deficiency per company of one man results in only 10 points, two men 20 points, three men 40 points, four men 80 points, and five men 160 points. Thus, a fire department that maintains 5 men on each required engine and ladder company assisted by rescue squads, ambulance crews, and chiefs' aides may not be considered deficient in manpower under the standard. Likewise, a fire department that has an average on-duty manning of 3 men per required company plus response of off-duty or call men may not be considered deficient if the record of response is satisfactory. Thus, the manpower requirements are flexible and reasonable. Places that should expect poor grading on manpower are those with 2- and 3-man engine companies and 1- or 2-man ladder companies without satisfactory arrangements for prompt response of off-shift members or other men on call and without well-scheduled automatic mutual aid. Such departments obviously are too badly undermanned to effectively apply required fire flow when serious fires occur. On the other hand, a small community requiring 2 engines and a ladder and having 6 paid men on duty supplemented by good off-shift and call response plus automatic mutual aid may have a minimum deficiency charge for manning.

Fire Service Communications

As fire service communications are an essential element in the fire defenses of any community, the Grading Schedule evaluates the following: the communications center; the communications center equipment and current supply; fire alarm boxes; alarm circuits and facilities including current supply at fire stations; material, construction, condition, and protection of circuits; fire department radio; fire department telephone service; conditions adversely affecting use and operations of facilities; fire alarm operators; and the handling of alarms. While alarm boxes are not required in residential districts, a credit of up to 20 points is given for such boxes depending upon coverage.

Determination of deficiencies under the various communications items are based upon the degree of compliance with the intent of applicable provisions of NFPA No. 71, Standard for Public Fire Service Communications. This Standard is discussed in further detail in Chapter 3 of this Section of the HANDBOOK.

Some persons in the fire service have often felt that the Grading Schedule placed undue emphasis on water supply at the expense of the fire department. In earlier editions of the schedule this may, to some extent, have been true. However, in recent editions items under fire department control including fire service communications and control of hazards amount to up to 58.5 percent of the 5,000 possible deficiency points. The one area in which water supply still has an advantage over the fire department service is the requirement that without a recognized water system, no community can have a classification better than Class 9. Hundreds of fire departments serving areas without water systems are organized to exceed the minimum requirements for fire flow from water systems by using fleets of tankers, and by the use of large diameter water supply hose supplied from pumpers at suction sources prepared and maintained by the fire department. With the water supply equipment responding with the attack pumpers, no delay is involved. Many rural fire departments believe that their ability to apply required fire flow should be recognized because it has proven successful in the control of major fires, including fires in communities recognized as having inadequate water supplies.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 9-77 through 9-80 14th edition 1976

PART IV

INSURANCE STATISTICS AND INFORMATION CONCERNING SPRINKLERS AND FIRE PROTECTION

INSURANCE SAVINGS CAUSED BY AUTOMATIC SPRINKLERS

Installation of automatic sprinklers reduce fire insurance premiums by an approximate average of seventy-five percent (75%) when they are installed in a building. The insurance savings will vary from this percentage by:

1. Type of construction;
2. Occupancy hazard class;
3. Quality of construction (combustible to fire resistive); and,
4. Quality of sprinkler equipment installation

In a building of fire-resistant construction, the insurance premium reduction is less since the sprinkler system is merely an addition to a building which already has fire protection qualities.

Source: Insurance Services Office, Anchorage, Alaska. The above information is subject to particular circumstances of each individual risk being evaluated, and is not conclusive or binding for any particular risk or other building.

PART V

S T A T I S T I C S

SPRINKLER WATER CONSUMPTION CHARACTERISTICS

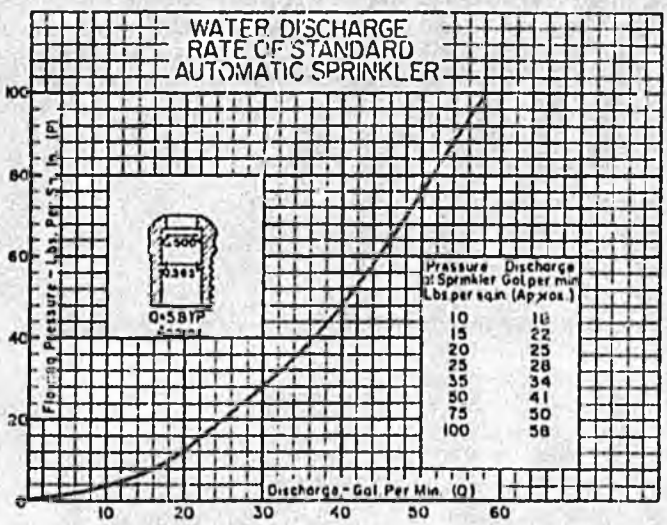


Fig. 14-3G. Water discharge rate of standard automatic sprinkler.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-42 through 14-48 14th edition 1976

WATER SUPPLIES FOR SPRINKLER SYSTEMS

It is vital that every automatic sprinkler system have a water supply of adequate pressure, capacity, and reliability. Both the rate of flow and the total volume that may be needed must be considered.

A. Types of Supplies

Sprinkler systems may be supplied with water from one or a combination of sources, such as street mains, gravity tanks, reservoirs, fire pumps, pressure tanks, rivers, lakes, wells, etc. (see Fig. 14-1F).

In theory, a single water supply would seem to be all that is necessary for satisfactory protection. However, that single supply may at times be temporarily out of service; it may be disabled at the time of a fire or before a fire is completely extinguished; or the pressure or the capacity may be below normal during an emergency. Therefore, a secondary supply may be necessary, depending on the strength and reliability of the primary supply, the value and importance of the property, the area, height and construction of the building, the occupancy, and the outside exposures. Occasionally, three supplies are needed, especially where neither the primary nor a single secondary supply is judged wholly satisfactory or reliable.

Connections to Public Water Works Systems

A connection from a reliable public water works system of adequate capacity and pressure is the preferred single or primary supply for automatic sprinkler systems. In determining its adequacy, consideration has to be given not only to the normal capacity and pressure of the system, but also to the probable minimum pressures and flows available at unfavorable times such as during summer months, during heavy demand on the system, or during impairment caused by flood or by winter conditions.

The size and arrangement of street mains and feeders from public water supplies are also important. Connections from large mains fed two ways or from two mains on a gridiron system may provide an excellent supply. Street mains less than 6 in. in diameter are usually inadequate and unreliable. Feeds from dead-end mains are also undesirable.

Water meters, if required by the water supply authority, should be of types approved for fire service (see Sec. 11, Chap. 2).

Flow and pressure tests under varying conditions of demand are generally necessary to determine the amount of public water available for fire protection. The proper method of making such tests is described in Section 13, Chapter 5.

Cross-connections Between Public and Private Supplies

Where a secondary supply is needed to supplement the public water supply, public and private supplies can be connected so as to feed into a single fire protection system. These systems are commonly referred to as being "cross-connected."

In some localities, cross-connections may be prohibited by health authorities.

Where they are not prohibited, regulations and sound practices must be complied with in order to avoid the possibility of public health being endangered by water of questionable potability entering the public system.

In general, cross-connections are permitted if carefully supervised precautions, such as a special double check valve, or other accepted devices for preventing backflow, are provided. In cases where one sprinkler supply is from public mains, health authorities usually permit, as a secondary source, either well constructed and well maintained covered steel tanks or concrete reservoirs that are filled with public water only.

Gravity Tanks

Gravity tanks of adequate capacity and elevation make a good primary supply and may be acceptable as a single supply. Details of the construction, heating, and maintenance of gravity tanks are given in NFPA No. 22, Standard for Water Tanks for Private Fire Protection, hereinafter in this chapter referred to as the NFPA Water Tank Standard (see also Sec. 11, Chap. 3 of this HANDBOOK). In determining tank size and elevation, consideration should also be given to the number of sprinklers expected to operate, duration of operation, the arrangement of underground supply piping, and the provision of hose standpipes, hydrants, and fire department connections.

Fire Pumps

A fire pump having both a reliable source of power and a reliable suction water supply provides a good secondary supply and in some instances is acceptable as a primary supply. With ample water a fire pump is capable of maintaining a high pressure over a long period of time, and may be a necessary part of some installations requiring greater water pressure than would otherwise be available.

For details of power sources, pump construction, installation, and methods of control and operation, NFPA No. 20, Standard for Centrifugal Fire Pumps, should be consulted (see also Sec. 11, Chap. 3 of this HANDBOOK).

Manually controlled pumps may be used if the primary water supply will last long enough to allow dependable starting of the fire pump, and if there is an automatic waterflow signal to make known the need for fire pump operation.

Automatic control of fire pumps is usually needed where a high water demand may occur immediately, as with a deluge system; or where a competent pump operator is not continuously present. Automatic fire pumps should have their suction under a positive head to avoid the delays and uncertainties of priming.

Under favorable circumstances of moderate property values and hazard, dependable power, and a dependable suction supply under a head, an electrically driven, automatically controlled fire pump supervised from a central station may be accepted as the primary supply for automatic sprinklers.

The automatic control of electrically driven centrifugal pumps must be arranged to prevent frequent repeated starting of the motor, either by initiating continuous running until stopped manually, or by a timing device that will stop the motor automatically only after a predetermined period of operation.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-42 through 14-48 14th edition 1976

Pressure Tanks

Pressure tanks have several possible uses in automatic sprinkler protection. An important limitation is the small volume of water which can be stored in such tanks. Where a small pressure tank is accepted as the water supply, the system is classed as a Limited Supply System.

In situations where an adequate volume of water can be supplied by a public or private source but where the pressure is not sufficient to serve a sprinkler system directly, the pressure tank gives a good starting pressure for the first sprinklers that operate; the flow from it may be used while the fire pumps start automatically to increase the supply pressure.

In tall buildings where the public water pressure is too low for effective water distribution from the highest sprinklers, pressure tanks may be used to supply such sprinklers during the time required for a public fire department to begin supplying water through fire department connections.

Each proposed use of pressure tanks calls for special consideration and analysis of water capacity, location, and arrangement of the connection to the sprinkler system. Each installation is usually required to have specific approval. Details on the construction, installation, and maintenance of pressure tanks are given in the NFPA Water Tank Standard (see also Sec. 11, Chap. 3 of this HANDBOOK).

Fire Department Connections

Under fire conditions which result in a considerable number of sprinklers operating, public water or tank supplies may not provide water at sufficient pressure for effective discharge and distribution. Also, the pressure in many public water supplies to sprinkler systems may be materially reduced by hose streams from hydrants. In such cases, a connection through which the public fire department can pump water into the sprinkler system provides an important auxiliary supply. Fire department connections are therefore a standard part of sprinkler systems.

Fire department connections should be of approved type, readily accessible, and properly marked. Each connection should be fitted with a check valve, but not with a gate valve. There should be a proper drain, and an approved drip

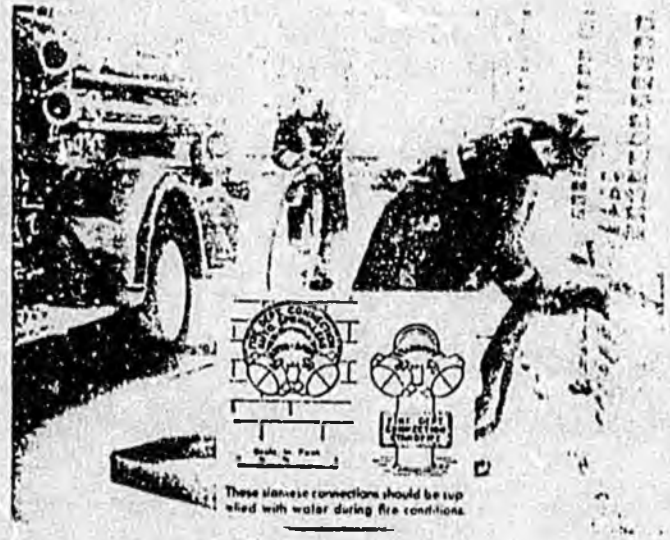


Fig. 14-4A. Fire fighters attaching hose lines to a fire department (siamese) connection supplying a sprinkler system. The inset shows typical siamese connections for sprinkler systems and standpipes. A check valve allows the use of a single hose line.

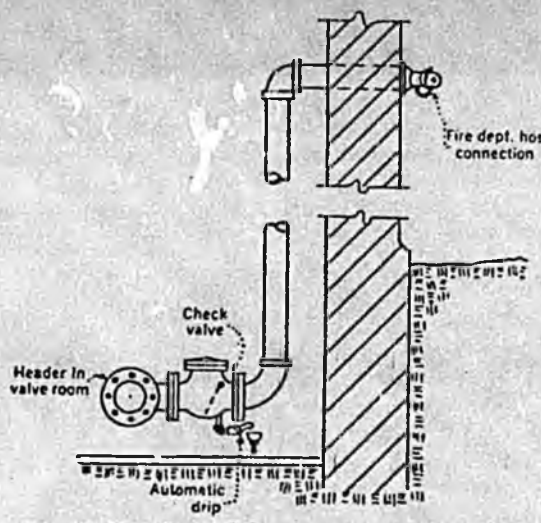


Fig. 14-4B. Typical fire department connection.

device between the check valve and the outside hose coupling. Figures 14-4A and 14-4B show the main features of a fire department connection. Other details of installation and pipe size are given in NFPA No. 13, Standard for the Installation of Sprinkler Systems, hereinafter referred to in this chapter as the NFPA Sprinkler Standard.

Where a sprinkler system has a single riser, the fire department connection should be attached to the system side of the controlling gate valve for a wet system, and between the dry-pipe valve and the gate valve for a dry system. This makes it possible to pump water into the system even if the gate valve is closed.

If there are two or more sprinkler system risers connected to a public main, each system must have its own fire department connection. If more than one riser is connected to a yard system the fire department connection should feed into the yard system on the supply side of all riser shutoff valves, and there must be a check valve in all other water supply connections into the yard system to prevent backflow and loss of water supplied through the fire department connection. If one riser is shut off, the fire department connection can still supply all other risers.

In an emergency, a fire department can pump water from public hydrants or other sources of water into a sprinkler system through its hose and a yard hydrant or other hose connection using a double female hose coupling, if other supply connections have a check valve or a gate valve that can be closed.

B. Water Supply Requirements

The water supply needed for sprinkler systems raises questions that defy specific answers except with sprinkler systems where it is planned that all sprinklers in the fire area will discharge water. Such systems include deluge and water spray systems utilizing open sprinklers where the design must provide water supply for all the sprinklers in any fire area, systems employing closed automatic sprinklers in hazardous areas where the simultaneous operation of all sprinklers is usually assumed, and multiple open sprinkler systems in a single fire area where one or more systems can be expected to operate. With such sprinkler systems (largely used for special hazard situations) the water supply requirement resolves itself mainly into a matter of hydraulic and mathematical calculations. The answer to the water supply requirement with the majority of sprinkler systems, how-

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-42 through 14-48 14th edition 1976

ever, is not so definite. If a water source that could supply all the sprinklers is available, there would be no problem, but such a water supply is seldom practical except in the case of small systems. The water supply requirement for any sprinkler system is directly related to the number of sprinklers expected to operate, but this depends on so many variables and uncertain factors that no exact mathematical solution is possible.

The NFPA Sprinkler Tables show that in 93 percent of all fires in sprinklered buildings, twenty or less sprinklers opened. Experience shows that with adequate water supply the percentage of unsatisfactory sprinkler performance is extremely small. Thus, water supply is a significant problem, particularly with large sprinkler systems and with systems protecting greater than ordinary hazards.

The answer to the water supply requirement for any particular sprinkler system lies mainly in experienced engineering judgment, based on consideration of the factors for or against sprinkler control. Where the cooling effect from the water discharged by sprinklers is greater than the heat liberated by the fire, the sprinklers can gain control. When the reverse situation occurs, as from an overtaxed water supply, the sprinklers cannot control the fire and the sprinkler system may fail. Where all conditions are favorable, the control of fire should be accomplished by the operation of only a small number of sprinklers. As conditions vary, however, with different classes of occupancy, areas, and types of buildings, the number of sprinklers expected to operate in order to control a fire may range up to possibly the total number in the area, and the water supply should be provided accordingly. (See Fig. 14-1D for cumulative data for the various numbers of sprinklers operating in fires.)

C. Influence of Various Factors on Water Supply Need

The primary factors affecting the number of sprinklers which might open in a fire, and therefore to be considered in determination of the water supply requirement, include the following:

Hazard of Occupancy, Including Flash Fire Hazard and Potential Rate of Heat Liberation: This is the most important factor, and one involving experienced judgment to evaluate. Where the flash fire hazard is present, it is usually necessary to provide water sufficient for the operation of all the sprinklers in any individual fire area.

Initial Water Pressure: At a pressure of 15 psi, a standard sprinkler will discharge about 22 gpm, or an average of 0.17 gal per sq ft per min on an area of 130 sq ft. At 30 psi, the discharge is 33 gpm; at 50 psi, 41 gpm, and at higher pressures the discharge is correspondingly greater, also with a greater area of coverage. With a greater discharge and greater area of coverage, there is a better chance of fire control with a small number of sprinklers, and less need for large volumes of water to supply a large number of sprinklers.

Obstructions to Distribution of Water from Sprinklers, such as High-piled Stocks, Bale Tiering, Pallets, Racks, and Shelving: With obstruction, there is less likelihood that fire will be controlled in its initial stages, and a greater chance of opening a large number of sprinklers needing large water supplies.

High Ceilings and Draft Conditions: With ceilings of unusual height, there is greater chance that drafts will carry heat away from the sprinklers immediately over a fire, resulting not only in delay in the application of water but also in the opening of sprinklers remote from the place of origin of the fire. More water is usually needed under such conditions. The same situation exists wherever there are drafts, such as in areas open to the weather on the sides, where winds can divert heat from sprinklers over the fire.

Unprotected Vertical Openings: Sprinkler systems in multistory buildings are usually designed on the assumption that fire will be controlled on the floor of origin. Where there are unprotected openings up which heat and fire may spread, it may be expected that more sprinklers will open, particularly in the case of a fire originating near the vertical opening. In case of high combustibility, the interconnected floors may need to be considered as one fire area. This means more water and larger pipe sizes in risers and supply main.

Wet or Dry System: Owing to the delay due to exhausting air from dry-pipe systems, more sprinklers open on dry-pipe systems than on wet systems. This may call for greater water supplies.

Size of Undivided Areas: A large undivided area has a greater number of sprinklers, with a possibility of a greater maximum number of sprinklers operating, and a consequently greater water demand than with a small area.

Configuration and Type of Ceiling Construction: These influence water demand, including such factors as curtain boards, or beams affording curtain board effects to retard fire spread, and the possibility that fire may spread under a combustible ceiling out of reach of sprinklers or burn through.

Extent of Coverage and Exposures: Any fire in an unsprinklered space extending to an area with automatic sprinklers places an abnormal demand on the sprinkler system, and requires increased water supplies for effective functioning of the system.

The preceding factors must be considered individually and collectively, and it is not feasible to derive any general formula or simple method of arriving at water supply requirements.

There are, however, certain general statements on this subject that may be made. One is that any situation may be effectively protected with much less water where the water is applied automatically rather than manually. Another is that it is good practice to provide more water, at higher pressure, than will probably be needed to extinguish any fire. Hose streams may be used to supplement sprinklers, even when not necessary, and an ample supply of water provides a margin of safety.

With a very large fire area of low to moderate hazard it is not reasonable to expect to supply all sprinklers simultaneously. Actually, the pipe sizes are not large enough to do so, except where very high supply pressures can produce a high discharge rate from sprinklers near the source of supply as well as effective discharge from the most remote sprinkler. This situation is aggravated where sprinkler supply is from an end or side of the system. The most effective piping pattern calls for sprinkler risers at the center.

The managers of large properties under sprinkler protection may, by "shopping," secure insurance coverage predicated on water supplies that are "shaded" for economy. Obtaining the desired coverage does not mean that, measured in terms of true fire safety, the property is sufficiently protected. Property owners who realize that any fire may cause indirect losses far beyond any insurance indemnity will consider full protection essential.

D. Water Supply Requirements for Pipe Schedule Sprinkler Systems

Notwithstanding the general problems involved in arriving at water supply requirements, the hazard of occupancy, being the factor of major importance, has made it

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-42 through 14-48 14th edition 1976

possible to establish "Guides to Water Supply Requirements for Sprinkler Systems" using this factor as the primary consideration with latitude allowed for the contributing factors.

The established "Guide" tables contained in the NFPA Sprinkler Standard divide hazards of occupancy, for the purpose of determining water supplies, into several groups with specified minimum water supplies for each group (see Table 14-4A).

Where fire pumps contribute to the water supply, standard sizes of pumps should be used at adequate rate of discharge, as outlined in Section 11, Chapter 4. A suction supply for the pump should preferably be large enough for continuous operation, as outlined in Section 11, Chapter 4.

Where pressure tanks furnish the water supply, the provisions for pressure tanks in Section 11, Chapter 3, should be followed.

Where a combination of different water supplies is provided in the interest of reliability, it is good practice to have the rate of supply from each source at least equal to the minimum requirement for the system.

The "Guide" should be used only with experienced judgment, but it can serve for all cases qualifying in the Light Hazard and Ordinary Hazard, Groups 1 and 2, occupancy classifications which constitute the larger percentage of sprinkler installations. The other occupancy classifications usually involve more complex factors, and therefore require special consideration.

Light Hazard Occupancies

Examples of Light Hazard Occupancies are apartment buildings, dormitories, office buildings, seating areas of restaurants, and hospitals. In these occupancies the potential rate of heat liberation is low, areas are usually subdivided, and a small number of sprinklers should normally control any fire. Under these conditions, 500 gpm should generally be sufficient, with an upward range to 750 gpm where conditions are less favorable.

Ordinary Hazard, Group 1, Occupancies

The Ordinary Hazard, Group 1 classification includes occupancies where the combustibility of contents is generally low, such as in garages, bakeries, laundries, and canneries, but is greater than for the Light Hazard classification. In this group the water supply requirement may be as low as 700 gpm where small areas, noncombustible construction, and very limited hazards are encountered; it can range up to 1,000 gpm as these conditions become more adverse.

Ordinary Hazard, Group 2, Occupancies

Ordinary Hazard, Group 2 classification includes occupancies such as clothing factories, mercantiles, pharmaceutical manufacturing, and shoe factories. With this group the features of combustibility of contents, ceiling heights, and obstruction are generally unfavorable, separately or jointly, and as indicated the water supply requirements may range as high as 1,500 gpm. It will be noted, however, that an 850 gpm minimum is retained for this group and this, of course, would be applicable only under very favorable conditions.

Water supply requirements for the three classes mentioned, as in all cases, call for a careful consideration of all factors concerned, but the figures given in Table 14-4A are of value in placing lower and upper limits for the classes concerned. While it is never advisable to provide less than the lower limit indicated, the upper limit will usually be sufficient for all situations within the group classification.

Ordinary Hazard, Group 3, Occupancies

Ordinary Hazard, Group 3, consists of occupancies where standard sprinkler spacing and pipe schedules are considered satisfactory, but where more than ordinary water supplies are advisable. This group includes certain woodworkers and other occupancies such as flour and feed mills, paper mills, piers and wharves, and tire storage.

Table 14-4A. Guide to Water Supply Requirements for Pipe Schedule Sprinkler Systems

Occupancy Classification	Residual Pressure Required (See Note 1)	Acceptable Flow at Base of Riser (See Note 2)	Duration in Minutes (See Note 4)
Light Hazard	15 psi	500–750 gpm (See Note 3)	30–60
Ordinary Hazard (Group 1)	15 psi or higher	700–1000 gpm	60–90
Ordinary Hazard (Group 2)	15 psi or higher	850–1500 gpm	60–90
Ordinary Hazard (Group 3)	Pressure and flow requirements for sprinklers and hose streams to be determined by authority having jurisdiction.		60–120
Warehouses	Pressure and flow requirements for sprinklers and hose streams to be determined by authority having jurisdiction. Also see Chapter 7 of NFPA 13, NFPA 231, and NFPA 231 C.		
High-Rise Buildings	Pressure and flow requirements for sprinklers and hose streams to be determined by authority having jurisdiction. Also see Chapter 8 of NFPA 13.		
Extra Hazard	Pressure and flow requirements for sprinklers and hose streams to be determined by authority having jurisdiction.		

NOTES:

1. The pressure required at the base of the sprinkler riser(s) is defined as the residual pressure required at the elevation of the highest sprinkler plus the pressure required to reach this elevation.
2. The lower figure is the minimum flow including hose streams ordinarily acceptable for pipe schedule sprinkler systems. The higher flow should normally suffice for all cases under each group.
3. The requirement may be reduced to 750 gpm if building area is limited by size or compartmentation or if building (including roof) is noncombustible construction.
4. The lower duration figure is ordinarily acceptable where remote station water-flow alarm service or equivalent is provided. The higher duration figure should normally suffice for all cases under each group.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-42 through 14-48 14th edition 1976

Extra Hazard Occupancies

Extra Hazard occupancies consist of properties where flash fires opening all the sprinklers in a fire area are probable, and call for close sprinkler spacing and larger pipe sizes. Such occupancies include explosives manufacturing, extra hazard chemical works, pyroxylin plastic manufacturing, cotton picking and opening operations, and other occupancies with a flash fire hazard.

It is not possible to lay down any general rules for these last two groups, and their water supply needs can be evaluated only on an individual basis by engineers with broad background experience. For this reason, the NFPA Sprinkler Standard refers to determination by the authority having jurisdiction as the only possible answer to the problem. It is in such occupancies that hydraulic calculations are most often needed to determine water supplies.

In any treatment of hazards by general groups of occupancy, it must be noted that individual properties differ markedly, and that buildings of the same nominal occupancy classification may show widely different individual hazards which should be considered in any determination of water supply.

E. Water Supply Requirements for Hose Stream Protection

The values given in Table 14-4A include hose stream requirements. In considering water requirements for hose streams, it should be realized that if sprinklers perform effectively little hose stream assistance is required. Although this is generally the case, a realistic viewpoint must be taken of possible contingencies and the amount of water that might be needed for hose stream protection under adverse conditions.

In evaluating hose stream requirements, possibilities should be considered such as the amount of water necessary for final extinguishment or clean-up operations, or in the event that sprinklers are retarding fire spread but are not fully effective in gaining control and extinguishment.

F. Water Supply Requirements for Hydraulically Designed Sprinkler Systems

A fire protection engineer planning new water supplies or evaluating existing supplies for sprinkler systems must have some information regarding the hydraulic behavior of sprinkler piping systems.

Hydraulic Calculations

A hydraulically designed sprinkler system is one in which pipe sizes are selected on a pressure loss basis to provide a prescribed density (gallons per minute per square foot) distributed with a reasonable degree of uniformity over a specified area. This permits the selection of pipe sizes in accordance with the characteristics of the water supply available. The stipulated design density and area of application will vary with occupancy hazard.

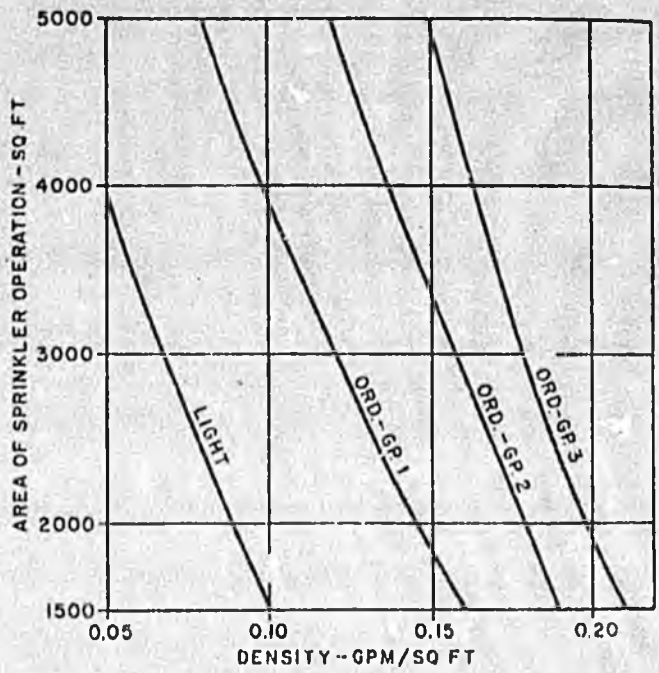
Table 14-4B is used to determine density, area of sprinkler operation, and water supply requirements for hydraulically designed sprinkler systems. Systems must be calculated to satisfy a single point on the appropriate design curve, and interior piping must be based on this design point. It is not necessary to meet all points on the selected curve. Total water supply available to the system at the base of the riser at the residual pressure required by the design must be not less than shown in Table 14-4B; this total water supply need not be calculated through the overhead piping.

Table 14-4B. Density, Area of Sprinkler Operation, and Water Supply Requirements for Hydraulically Designed Sprinkler Systems

Minimum Water Supplies

Hazard Classification	Sprinklers GPM	Combined Inside & Outside Hose—GPM	Duration in Minutes
Light	150	100	30
Ord.—Gp. 1	400	250	*60–90
Ord.—Gp. 2	600	250	*60–90
Ord.—Gp. 3	750	500	*60–120

NOTES: The lower duration figure is ordinarily acceptable where remote station water-flow alarm service or equivalent is provided.



NOTES:

For dry systems increase area of sprinkler operation by 30 percent.

For combustible construction with wet or dry systems the minimum area of application is 3,000 sq ft.

For hazard classifications other than those indicated see appropriate NFPA Standards for design criteria.

Calculations shall be based upon the area of sprinkler operation selected from Table 14-4B, or upon the area of the largest room being considered, whichever is smaller. Such rooms must be enclosed by construction having a fire resistance rating at least equal to the water supply duration indicated in Table 14-4B, and wall openings must be protected in an approved manner. For areas of sprinkler operation less than 1,500 sq ft, the density for 1,500 sq ft is used.

The same hazard occupancy classifications apply to hydraulically designed sprinkler systems as apply to pipe schedule sprinkler systems as mentioned in Part D of this Chapter. The recommended water supply figures are, however, somewhat lower due to the greater efficiency of a calculated system.

The water allowances for inside hose and for outside hydrants may be combined and added to the system requirement at the system connection to the underground main. The total water requirement must be calculated through the underground main to the point of supply.

With deluge systems and water spray systems having open orifices, calculations are essential. (See NFPA No. 15, Standard for Water Spray Fixed Systems.) Automatic sprinkler systems protecting high piled storage situations require a specific water density for fire control. (See NFPA No. 231, Standard for Indoor Storage, and NFPA No. 231C, Standard for Rack Storage of Materials.) Hydrau-

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-42 through 14-48 14th edition 1976

lically calculated systems can, however, be used for all types of occupancies.

Methods of making flow calculations for sprinkler systems are given in the following: (1) the NFPA Sprinkler Standard, (2) NFPA No. 15, Standard for Water Spray Systems for Fire Protection, (3) *"Automatic" Sprinkler Hydraulic Data* published by "Automatic" Sprinkler Corp. of America,[1] (4) Factory Mutual Corporation's *Handbook of Industrial Loss Prevention*,[2] and (5) an address "Water Flow Characteristics of Sprinkler Systems" reported in the Proceedings of the 58th Annual Meeting of the NFPA.[3]

The design area for the system is the hydraulically most remote area, and usually includes sprinklers on both sides of the cross main. Each sprinkler in the design area must discharge at a flow rate at least equal to the stipulated minimum water application rate (density). Begin calculations at the sprinkler hydraulically farthest from the supply connection. With common system configurations this will be the end sprinkler on the end branch line. The minimum operating pressure for any sprinkler must not be less than 7 psi.

The Most Remote Sprinkler

Assuming a minimum pressure of 10 psi at the most remote sprinkler and a discharge coefficient of 0.75 for a standard ½-in. orifice sprinkler (the coefficient varies—0.78 is used elsewhere in this HANDBOOK), we will have a discharge of 17.7 gpm calculated from the formula $Q = 29.8\ cd^2\sqrt{P}$ (see Sec. 11, Chap. 6), used in calculating flows through orifices and short tubes. The value for $29.83\ cd^2$ in this instance is 5.6, a figure commonly used as the sprinkler discharge constant K in the simplified formula $Q = K\sqrt{P}$. Velocity pressure is not a factor at the more remote sprinkler, but it is considered at all the other sprinklers in the example that follows. Some organizations ignore velocity pressure in their calculations. The error introduced is on the safe side. NFPA No. 15, Standard for Water Spray Fixed Systems, recommends considering velocity only when it is more than 5 percent of the total pressure.

Assuming sprinklers 10 ft apart on branch lines, with the end section of pipe 1 in. nominal diameter, the friction loss at 17.7 gpm flow, with a Hazen and Williams formula coefficient of 120 (value for black steel pipe) will be 1.0 psi (see Fig. 11-6L in Sec. 11, Chap. 6 and change friction loss values in that graph, which are based on $C = 100$, to values based on $C = 120$ by multiplying by 0.714).

Second Sprinkler from the End

The total pressure at the second sprinkler will be 10.0 + 1.0 = 11.0 psi. Of this, velocity pressure based on a flow of 17.7 gpm will be 0.3 psi (see Fig. 11-6A, Sec. 11, Chap. 6). The normal pressure (pressure acting perpendicular to the pipe wall) acting on the second sprinkler is the total pressure of 11.0 psi less the velocity pressure of 0.3 or 10.7 psi. On all sprinklers except the end sprinkler, only normal pressure is considered as acting on the sprinklers.

The discharge from the second sprinkler, at a pressure of 10.7 psi, will be 18.3 gpm.

The pipe between the second and third sprinkler, also 1 in. diameter, 10 ft long, and with a flow of 17.7 + 18.3 = 36.0 gpm, will have a friction loss of 3.8 psi, and a velocity pressure of 1.2 psi. Total pressure at the third sprinkler equals 10.7 + 3.8 + 1.2 or 15.7 psi.

Other Sprinklers on a Branch Line

Up to this point, velocity pressure has been based on flow downstream from the sprinkler being considered; this has been confirmed by tests.[3] It has also been shown by those tests that beyond the second sprinkler velocity pressure should be figured from the flow on the upstream side of the sprinkler being considered. This is done by trial and error, assuming a flow from the sprinkler, calculating the velocity pressure from the total flow, determining a normal pressure, and calculating a flow from the normal pressure. If the calculated flow is not reasonably close to the assumed flow, assume a different flow and repeat the procedure until the two are close.

Assume a flow from the third sprinkler of 19.0 gpm, and also assume that the pipe between the third and fourth sprinkler is 1¼ in. Total flow is 36.0 + 19.0 = 55.0 gpm. Velocity pressure is 0.9 psi and normal pressure at the third sprinkler is therefore 15.7 − 0.9 or 14.8 psi. Corrected flow then becomes 21.6 gpm, which is not close enough to the 19 gpm assumed. Try an assumed flow of 21.4 gpm. Velocity pressure at 57.4 gpm is 1.0; normal pressure is 14.7 psi and the new corrected flow is 21.5 gpm. Total flow at the third head then becomes 36.0 + 21.5 = 57.5 gpm. The calculating procedure for the other sprinklers on the branch line is the same as for the third sprinkler.

At this point it will be seen that we have exceeded the 15 psi minimum riser pressure, unless, as is quite probable, the pressure with 57.5 gpm flow is substantially higher than that with 500 gpm flow. Whether or not the pressure with 57.5 gpm flow is higher than 15 psi depends on the characteristics of the water supply. However, in any case it appears that with not many more sprinklers open the pressure at the most remote sprinkler will be less than the 10 psi selected in this example.

Branch Lines, Cross Mains, Risers, and Fittings

Cross Main Pressure at the Branch Line Connection: This is the normal pressure at the nearest open sprinkler increased by the friction loss and the velocity pressure in the intervening pipe. If the branch line is fed through a tee and nipple, additional friction loss allowances must be made except that the friction loss in nipples less than 6 in. long is customarily neglected.

Two Branches in One Line of Sprinklers: These may have the same or different numbers of sprinklers. The pressure at the entrance to the two branches will always be the same. The computations starting at the end sprinklers will be duplicated for the number of open sprinklers.

After the discharge from any number of sprinklers on a branch line has been computed and the pressure to produce the flow has been determined, the entire branch line can be considered to have the discharge characteristics of a single orifice and the discharge constant K in the formula $Q = K\sqrt{P}$ can be determined, P being the net pressure where flows are taken from tees in the cross main.

Branches on Opposite Sides of a Cross Main: These branches may have different numbers of sprinklers open, in which case the cross main pressure must be the higher of the two computed values. This increases the discharge from the branch giving the lower computed pressure, and the actual discharge must be calculated for the higher pressure using the equation:

$$\frac{Q_1}{Q_2} = \sqrt{\frac{P_1}{P_2}}$$

in which P_2 is taken as the higher pressure, Q_2 the corresponding increased discharge to be determined, and P_1 and Q_1 the pressure and corresponding discharge from the branch requiring only the lower pressure.

After the appropriate increased discharge has been deter-

Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-42 through 14-48 14th edition 1976

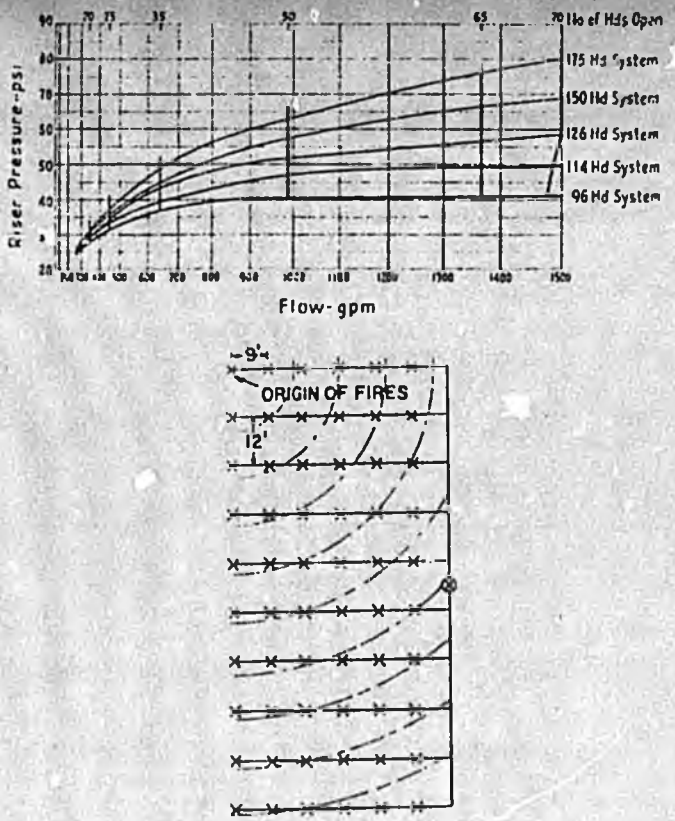


Fig. 14-4C. A flow curve for a side-central feed to sprinklers on a system having six sprinklers on each branch line is shown on the above graph. Below is the pattern of sprinklers opening on a side-central fed system. (Factory Mutual System)

mined, the two rates of flow can be combined and K for the combined branches calculated.

When sprinklers on the second branch line are assumed to have opened, starting at the cross main sprinkler, the opened sprinkler most remote from the cross main is considered as the end head in the branch line computation, the next opened is the second, etc., regardless of nonoperating sprinklers on the outer end of the branch.

Cross Main Pressures: Cross main pressures are calculated by the same procedure as used for sprinklers on a single branch line, except that it is not necessary to use the trial and error procedure for the third and additional branch lines since the effect of change in velocity pressure with flows passing through tees in the cross main is usually negligible. The net head producing the flow in successive branch lines is taken as the normal pressure at the end branch line increased by the friction loss in the pipe between the branches.

Riser Pressure: Riser pressure is taken as the normal pressure at the nearest flowing branch increased by the total friction loss between this branch and the riser and by the velocity pressure in the cross main at the riser connection.

Friction Loss in Fittings: This is generally included in calculations only when the fitting involves a change in direction of flow. An exception to this is the fitting immediately preceding the sprinkler.

Friction loss in control, gate and check valves, strainers, meters, and similar devices is always included.

The friction loss in piping between the source of supply and the opened sprinklers must obviously be included in all calculations.

Where there are differences in elevation, these must be allowed for on the basis that each foot of height represents 0.434 psi. In multistory buildings, this may be a substantial factor.

Feed mains, cross mains, and branch lines within the same system may be looped or gridded to divide the total water flowing to the design area.

Sprinkler System Water-flow Curves

To avoid repetition of laborious computation of water flows and pressures when such information is needed in cases involving standard sprinkler, spray, or open head systems, it is possible to prepare diagrams or "water-flow curves" from which riser pressures and corresponding total sprinkler flows may be determined for different numbers of opened sprinklers. One such series of curves, as developed by the Factory Mutual Engineering Corporation, and the piping arrangement and assumed pattern of opened sprinklers is shown in Figure 14-4C.

SI Units

The following conversion factors are given as a convenience in converting to SI units the English units used in this chapter.

1 ft^2 = 0.0929 m^2
1 in. = 25.400 mm
1 ft = 0.305 m
1 psi = 6.895 kPa
1 gpm = 3.785 litre/min

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[1] Wood, C. M., Automatic Sprinkler Hydraulic Data, 1961 ed., "Automatic" Sprinkler Corporation of America, Cleveland, Ohio, (reprinted 1964).

[2] Factory Mutual Engineering Corporation, "Hydraulics of Sprinkler Systems," *Handbook of Industrial Loss Prevention*, 2nd ed., McGraw-Hill, New York, pp. 23-1–23-13.

[3] Nickerson, Malcolm H., "Water Flow Characteristics of Sprinkler Systems," *Proceedings* of The Fifty-Eighth Annual Meeting, National Fire Protection Association, May 17-21, 1954, Washington, D.C., pp. 140-152.

NFPA Codes, Standards, and Recommended Practices (see the latest *NFPA Publications and Visual Aids Catalog* for availability of current editions of the following documents)

NFPA 13, Standard for the Installation of Sprinkler Systems.
NFPA 15, Standard for Water Spray Fixed Systems.
NFPA 20, Standard for Centrifugal Fire Pumps.
NFPA 22, Standard for Water Tanks for Private Protection.
NFPA 231, Standard for Indoor General Storage.
NFPA 231C, Standard for Rack Storage of Materials.

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Source: National Fire Protection Association; Fire Protection Handbook, pp. 14-42 through 14-48 14th edition 1976

PART VI

STATISTICS

METERS ARE AVAILABLE WHICH CAN MEASURE WATER CONSUMED FOR FIRE PROTECTION AND CITIES WHICH HAVE UTILIZED METERS FOR DETERMINING PRIVATE FIRE PROTECTION CHARGES

H. Meters for Fire Connections

Fire flow meters are devices capable of measuring small and large flows with a minimum loss of head for heavy

Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-21 through 11-25 14th edition 1976

demands. They are offered in two types: (1) detector check valve-type meters that detect only small rates of flow and (2) so-called full registration meters that measure the entire flow throughout the line in which they are installed. Meters of types other than the fire flow type have been found to be unsatisfactory for fire protection water supplies.

Detector Checks

These devices consist of a check valve with a weighted clapper in the main passage and a disc meter in a bypass around the check. In operation the smaller flows pass through the disc meter in the bypass and are accurately registered. Disc meters may be furnished up to 3 in. in size to serve specific needs. For heavy flows the check valve opens and a free unmetered waterway is provided. Beyond the point where the weighted check valve lifts, the bypass meter registers only a small part of the flow. In many situations the detector checks should give the water works the assurance desired as to the proper use of water.

Figure 11-2BB shows a representative detector check valve.

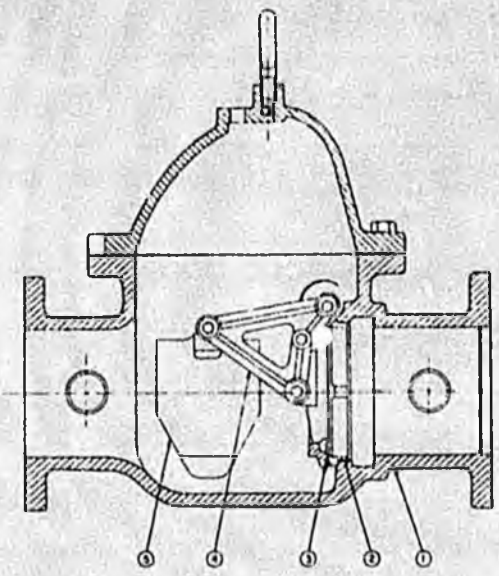

Fig. 11-2BB. A detector check valve. Photo shows view from top of weighted check valve and meter in bypass. Section view shows clapper in closed position. (The Viking Corporation)

Full Registration Meters

These devices are of three general types, each produced by a different manufacturer, and they have been designed for small friction loss with large flows and for a main passageway practically unobstructed when open. The three types are: (1) proportional type meters, (2) meters of the displacement type in a bypass and (3) turbine-type meters.

Proportional Type, Hersey Detector Meter, Model FM: This meter is a special meter of the compound type in which a "proportional meter" and an automatic valve in the main line of the meter are combined with a disc or compound meter in a bypass (see Fig. 11-2CC).

In the Model FM, the smaller flows pass through and are measured by the bypass meter. When the demand for water reaches a rate of flow which causes a difference in pressure

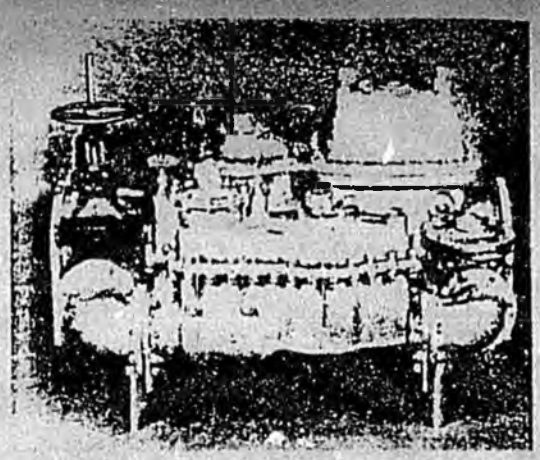

Fig. 11-2CC. A detector meter of the proportional type. (Hersey-Sparling Meter Company)

of 4 psi in the bypass, the automatic check valve opens and provides a practically free waterway through the main line. When water begins to flow through the line in which the automatic valve has opened, it is slightly retarded by a restricting orifice placed a little upstream from the automatic valve, and a part of the water is diverted through a metering unit. This diverted flow is a fixed percentage of the total flow through the restricting orifice. The metering unit is calibrated to record the total quantity through the line, the sum of the readings of the bypass meter and the main line metering unit gives the total flow.

Displacement Type, Neptune Trident Protectus Meter: This meter has all of the working parts in one casing. A disc meter is installed in a bypass on one side and a current meter on the other side of the main waterway. Small flows pass through the disc meter and are recorded when the check valve is closed. With larger flows the main check valve opens and gives a free waterway. The opening of the check valve stops the flow through the disc meter and opens the bypass to the current meter so that the flow through the open waterway is measured proportionately. The sum of the readings gives the total flow (see Fig. 11-2DD).

Turbo Type, Rockwell W-2000 Turbo Meter: This meter is based on the turbine principle of measurement. The meter is composed of two principal assemblies, the main case and the measuring chamber. The main case contains the flow straightening vane assembly. The measuring chamber includes rotor, adjusting vane, pulse amplifier chart and terminal strip for attaching the connecting cable. The function

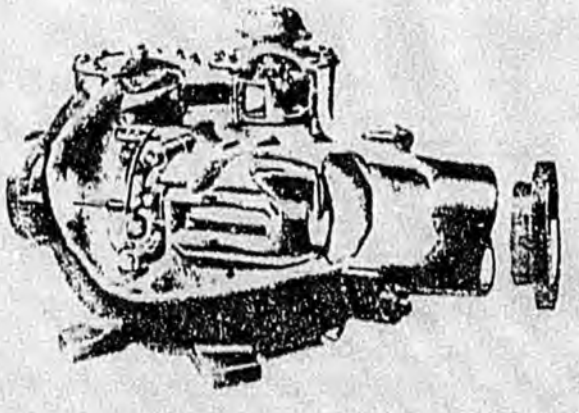

Fig. 11-2DD. A fire flow meter of the displacement type. (Neptune Meter Company)

Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-21 through 11-25 14th edition 1976

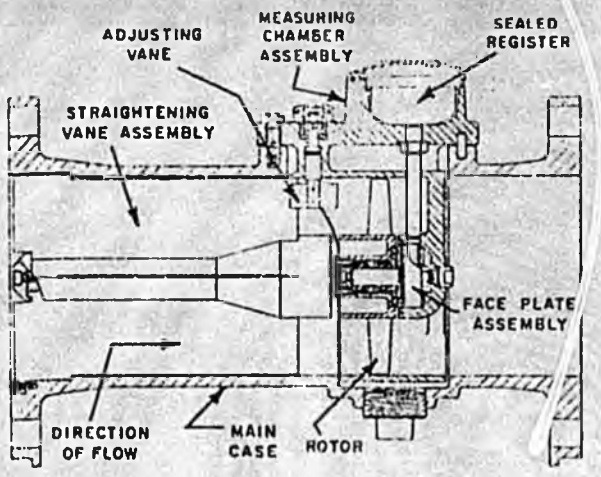

Fig. 11-2EE. A fire flow meter of the turbo type. (Rockwell Mfg. Co.)

of a printed circuit card is to electronically count revolutions and transmit intelligence to a register. The meter should be installed with a 6-in. Rockwell strainer placed immediately upstream of the meter. If the strainer is not used, a minimum of 15 diameters of straight pipe must be immediately upstream of the meter to assure valid registration (see Fig. 11-2EE).

Friction Loss in Fire Flow Meters and Detector Check Valves

The standard specifications for cold water meters adopted by both the American Water Works Association and the New England Water Works Association limit the friction loss for fire flow meters to 4 psi at rated flow capacities. Table 11-2H gives friction loss values for the three currently available types of fire flow meters.

Friction loss values for meters of the disc, current and compound type that are used commonly in waterworks systems for general purposes are relatively high and not suited for fire protection purposes. AWWA limits their friction loss values to 20 psi.

Detector Check Valves: The friction loss in detector check valves listed and approved by recognized testing laboratories is less than 3 psi for the following flows:

Size (in.)	Flow (gpm)
4	750
6	1,500
8	3,000
10	4,500
12	6,500

The pressure required to open the clapper is less than 20 psi.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-21 through 11-25 14th edition 1976

Table 11-2H. Friction Loss in Fire Flow Meters

Compiled from data supplied by manufacturers

Meter Name and Type	Size of Meter Inches	Loss of Pressure Caused by Meter Pounds per Square Inch — Gallons per Minute Flowing							
		250	500	750	1000	1250	1500	2000	2500
roportional Type	4	2.2	1.9	4.0					
ersey-FM)	6	3.8	2.7	1.4	1.8	2.2	2.9	3.9	
	8	3.0	3.7	1.9	1.0	0.8	0.8	1.3	2.2
	10	1.6	3.6	4.0	3.7	2.6	1.4	0.8	1.1
ifferential Type	4	2.2	2.0	3.9					
ident Protectus)	6	2.9	1.9	1.8	1.8	1.8	1.8	2.2	3.3
	8	3.2	1.8	1.5	1.5	1.5	1.6	1.8	2.2
	10	3.0	2.3	1.8	1.3	1.2	1.1	1.1	1.2
urbo Type	6	0.2	0.3	0.6	0.85	1.2	1.6	3.5	
ockwell W-2000 Turbo)									

Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-21 through 11-25 14th edition 1976

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Source: National Fire Protection Association; Fire Protection Handbook, pp. 11-21 through 11-25 14th edition 1976

PART VII

P L A N N I N G

FIRE PROTECTION CAN BEST BE ACHIEVED THROUGH FORESIGHT AND COOPERATION OF ALL CITY DEPARTMENTS INCLUDING THE FIRE DEPARTMENT AND WATER DEPARTMENT

C. Planning

The following information has been extracted in whole and in part from "America Burning," the report of the National Commission on Fire Prevention and Control[1], and is considered appropriate for inclusion in this portion of the HANDBOOK.

Planning

Fire protection has been largely a local responsibility, and for good reasons it is destined to remain so. Each community has a set of conditions unique to itself, and a system of fire protection that works well for one community cannot be assumed to work equally well for other communities. To be adequate, the fire protection system must respond to local conditions, especially to changing conditions. Planning

Source: National Fire Protection Association; Fire Protection Handbook, pp. 9-80 through 9-82 14th edition 1976

is the key: Without local-level planning, the system of fire protection is apt to be ill-suited to local needs and lag behind the changing needs of the community.

Excellent fire protection (for example, in the form of automatic extinguishing systems) lies within technical grasp, and certainly lies within the resources of most communities to provide. Even with considerable public support, this protection would require many years to accomplish. In the meantime, in every fire jurisdiction (whether a municipality, county, or region) standards aiming at a significant increase in fire protection must be set. Among the concepts to be defined:

Adequate Level of Fire Protection: The question of "adequacy" addressed itself not only to day-to-day normal needs, but to major contingencies that can be anticipated and to future needs as well. What is needed is a definition of "optimal" protection—in contrast to "minimal" protection, which fails to meet contingencies and future needs, and "maximal" protection, which is more than the community can afford.

Reasonable Community Costs: Fire, both as threat and reality, has its costs: property losses, deaths, injuries, hospital bills, lost tax revenues, plus the costs of maintaining fire departments, paying fire insurance premiums, and providing built-in fire protection. Each community must decide on an appropriate level of investment in fire protection. Some costs beyond the public's willingness to bear should be transferred to the private sector (as when buildings over a certain size or height or with a certain occupancy are required to have automatic extinguishing systems).

Acceptable Risk: A certain level of losses from fire must be accepted as tolerable simply because of limited resources of the community. Conditions that endanger the safety of citizens and fire fighters beyond the acceptable risk must be identified as targets for reduction.

Consideration of these matters helps to determine what functions and emphasis should be assigned to the fire department, other municipal departments, and the private sector, both now and in the future. It helps to define new policies, laws, or regulations that may be needed. Most important, consideration of these matters makes clear that fire safety is a responsibility shared by the public and private sectors. Because the fire department cannot prevent all fire losses, formal obligations fall on owners of certain kinds of buildings to have built-in fire protection. For the same reason, private citizens have an obligation to exercise prudence with regard to fire in their daily lives. But prudence also requires education in fire safety, and the obligation to provide that education appropriately falls in the public sector, chiefly the fire department. The public sector (again, chiefly the fire department) also has an obligation to see that requirements for built-in protection in the private sector are being met.

A fire department, then, has more than one responsibility. Nor are the responsibilities just mentioned exhaustive. At least 8 important functions for fire departments can be identified:

Fire Suppression: Fire fighters need proper training and adequate equipment for saving lives and putting out fires quickly, and also for their own safety.

Life Safety-paramedical Services: Capabilities needed during fires and other emergencies include first aid, resuscitation, and possibly paramedical services. (By "paramedical services" we mean emergency treatment beyond ordinary first aid, performed by fire service personnel under supervision (through radio communication, for example) of a physician.)

Fire Prevention: This includes approving building plans and actual construction, inspecting buildings, their contents, and their fire protection equipment, public education, and investigating the causes of fires to serve as a guide to future priorities in fire prevention.

Fire Safety Education: Fire departments have an obligation to bring fire safety education not only into schools and private homes, but also into occupancies with greater than average fire potential or hazard to people, such as restaurants, hotels, hospitals, and nursing homes.

Deteriorated Building Hazards: In coordination with other municipal departments, fire departments can work to abate serious hazards to health and safety caused by deteriorated structures or abandoned buildings.

Regional Coordination: Major emergencies can exceed the capabilities of a single fire department, and neighboring fire jurisdictions should have detailed plans for coping with such emergencies. But effectiveness can also be improved through sharing of day-to-day operations—as, for example, an area-wide communication and dispatching network.

Data Development: Knowledge of how well a fire department is doing, and of how practices should change to improve performance, depends on adequate record-keeping.

Community Relations: Fire departments are representative of the local community that supports them. The impression they make on citizens affects how citizens view their government. Volunteer departments dependent on private donations must, of course, also be concerned with their community relations. Moreover, since fire stations are strategically located throughout the community, they can serve as referral or dispensing agencies for a wide range of municipal services.

As communities set out to improve their fire protection, it is not the fire department alone they must consider. The police have a role in reporting fires and in handling traffic and crowds during fires. The cooperation of the building department is needed to enforce the fire safety provisions of building codes. The work of the water department in maintaining the water system is vital to fire suppression. In the realm of fire safety education, the public schools, the department of recreation, and the public library can augment the work of the fire department. Future development and planning will influence the location of new fire stations and how they will be equipped.

These are just the obvious examples of interdependence. So seemingly trivial a matter as the manner in which house numbers are assigned and posted can affect the ability of fire departments to respond quickly and effectively to emergencies.

Master Planning

Fire protection is only one of many community services. Not only must it compete for dollars with other municipal needs, such as the education system and the police department, but, in planning for future growth, the fire protection system must take into account the changes going on elsewhere in the community. For example, if a slum area is to be torn down and replaced with high-rise apartment buildings, that will change the fire protection needs of the area. Changes in zoning maps will also change the fire protection needs in different parts of the community.

To cope with future growth, local administrators are turning increasingly to the concept of *master planning* of municipal functions. Such plans include an examination of existing programs, projection of future needs of the community, and a determination of methods to fill those needs. They seek the most cost-effective allocations of resources to help assure that the needs will be met.

Source: National Fire Protection Association; Fire Protection Handbook, pp. 9-80 through 9-82 14th edition 1976

A major section of a community general plan of land use should be a *Master Plan for Fire Protection*, written chiefly by fire department managers. This plan should, first of all, be consistent with and reinforce the goals of the city's overall general plan. For example, it should plan its deployment of manpower and equipment according to the kind of growth, and the specific areas of growth, that the community foresees. It should set goals and priorities for the fire department. Not only is it important to set objectives in terms of lives and property to be saved, but also to decide allocations among fire prevention inspection, fire safety education, and fire suppression as the best way to accomplish the objectives.

Having established goals, the plan should seek to establish "management by objectives" within the fire department. This operates on the principle that management is most effective when each person is aware of how his tasks fit into the overall goals and has committed himself to getting specific jobs done in a specified time.

Because fire departments exist in a real world where a variety of purposes must be served with a limited amount of money, it is important that every dollar be invested for maximum payoff. The fire protection master plan should not only seek to provide the maximum cost-benefit ratio for fire protection expenditures, but should also establish a framework for measuring the effectiveness of these expenditures.

Lastly, the plan should clarify the fire protection responsibility for other groups in the community, both governmental and private.

Devising a Fire Protection Plan

The following can serve as guidelines to fire department administrators for developing and presenting a master plan for fire protection:

Phase I

1. Identify the fire protection problems of the jurisdiction.
2. Identify the best combination of public resources and built-in protection required to manage the fire problem, within acceptable limits:
   (a) Specify current capabilities and future needs of public resources;
   (b) Specify current capabilities and future requirements for built-in protection.
3. Develop alternative methods that will result in tradeoffs between benefits and risks.
4. Establish a system of goals, programs, and cost estimates to implement the plan:
   (a) The process of developing department goals and programs should include maximum possible participation of fire department personnel, of all ranks;
   (b) The system should provide goals and objectives for all divisions, supportive of the overall goals of the department;
   (c) Management development programs should strive to develop increased acceptance of authority and responsibility by all fire officers, as they strive to accomplish established objectives and programs.

Phase II

1. Develop, with the other government agencies, a definition of their roles in the fire protection process.
2. Present the proposed municipal fire protection system to the city administration for review.
3. Present the proposed system for adoption as the fire protection element of the jurisdiction's general plan. The standard process for development of a general plan provides the fire department administrator an opportunity to inform the community leaders of the fire protection goals and system, and to obtain their support.

Phase III

In considering the fire protection element the governing body of the jurisdiction will have to pay special attention to:

1. Short- and long-range goals,
2. Long-range staffing and capital improvement plans,
3. The code revisions required to provide fire loss management.

Phase IV

The fire loss management system must be reviewed and updated as budget allocations, capital improvement plans, and code revisions occur. Continuing review of results should concentrate on these areas:

1. Did fires remain within estimated limits?
2. Should limits be changed?
3. Did losses prove to be acceptable?
4. Could resources be decreased or should they be increased?

SI Units

The following conversion factors are given as a convenience in converting to SI units the English units used in this chapter.

1 gal (U.S.) = 3.785 litres
1 gpm = 3.785 litres/min

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Source: National Fire Protection Association; Fire Protection Handbook, pp. 9-80 through 9-82 14th edition 1976

PART VIII

ANCHORAGE WATER UTILITY TARIFF
ON FILE WITH THE
ALASKA PUBLIC UTILITIES COMMISSION

MAR 25 1977
State of Alaska
Public Utilities Commission

I. FEES AND SPECIAL CHARGES - NONRECURRING

Rule	Service	Fee or Charge	
10.8	Water turn-on or turn-off (per visit)		
	During business hours	$ 12.00	
	During non-business hours	50.00	(I)
5.6	Return visit necessitated by restricted access	10.00	
6.2(c)	Hydrant wrench deposit	10.00	
6.2(d)	Meter deposit (hydrant meters)	100.00	
7.2	Fees for water connections (extending a maximum of 50 feet). This charge includes permit and inspection fees.		
	3/4"	189.60	
	1"	207.56	
	1-1/2"	310.29	
	2"	392.04	
	Larger than 2"	Cost of Construction	
	3" - 4" Connection	800.00 Deposit	
	6" - 8" Connection	1,000.00 Deposit	
	10" Connection	Deposit determined by AWU Manager	

Pursuant to Order No. 4, U-76-66
Tariff Advice No. 8-122
Effective: FEB 28 1977

Anchorage Water Utility
Issued by:
By: Dale R. Merrell
DALE R. MERRELL, P.E.
Title: Utility Manager

Cancelling
First Revision Sheet No. 47

RECEIVED
MAR 25 1977
State of Alaska
Public Utilities Commission

I. FEES AND SPECIAL CHARGES - NONRECURRING (CONTINUED)

Rule	Service	Fee or Charge	
7.2	Charge per foot for construction of service lines exceeding 50 feet		
	3/4"	$ 2.70	
	1"	3.30	
	1-1/2"	4.85	
	2"	6.70	
	Larger than 2"	Cost of Construction	
7.3	Water extension permit		
	Permit administration fee	5.00	
	Inspection	10.00	
8.10	Reconnection or restoral charge	25.00	(I)
8.19	Unauthorized turn-on/turn-off	60.00	(I)
9.7	Meter test		
	3/4" through 2" meters	25.00	
	Meters larger than 2"	50.00	
10.2	Water service for test purposes	20.00	
10.9	Duplicate locate service	25.00	(I)
	Non-business hours	50.00	(I)
10.10	Private fire hydrant maintenance fee	110.00	(I)

Pursuant to Order No. 4, U-76-66
Tariff Advice No. 8-122 Effective: FEB 28 1977

Anchorage Water Utility
Issued by:

By: Dale R. Merrell
DALE R. MERRELL, P.E. Title: Utility Manager

MAR 23 1977
State of Alaska
Public Utilities Commission

MUNICIPALITY OF ANCHORAGE WATER UTILITY RATES

II. SERVICE CHARGES

The rates and charges shown are the monthly service charges for water service only. Assessments, contributions in aid of construction or charges for specific services beyond the scope of normal water services (e.g., special construction of a long service line; repair of damage which was the responsibility of the customer) are in addition to the following rates.

Schedule A - Residential

One to five units; per unit per month	$ 9.50	(I)

Schedule B - Metered commercial and industrial

This schedule applies to commercial, industrial, and multiple unit residential accounts which are metered. Metering requirements are contained in Rule 9 of this tariff.

Metered rate per 1,000 gallons	$ 1.20	(I)

Schedule C - Unmetered commercial and industrial

This schedule applies to all unmetered commercial and industrial accounts, including multiple unit residential accounts which have six or more units. The rates are for one month's service and vary by service size.

Service Size	Monthly Rate	
3/4"	$ 14.65	(I)
1"	25.90	(I)
1 1/2"	57.70	(I)
2"	102.80	(I)
3"	232.40	(I)
4"	412.95	(I)

MAR 23 1977
State of Alaska
Public Utilities Commission

II. SERVICE CHARGES (CONTINUED)

Schedule C - Unmetered commercial and industrial (continued)

Service Size	Monthly Rate	
6"	$ 927.85	(I)
8"	1,649.20	(I)
10"	2,576.20	(I)

Twelve inches or larger service shall be a contracted service. Additionally, any service of six inches or larger which is for mixed accounts (i.e., more than one customer class) may be contractual service at the discretion of the management of the Anchorage Water Utility subject to approval of the APUC.

Schedule D - Special customers

(1) Temporary construction service charge for unmetered service using the service line that will serve the building under construction. The charge shall be a flat monthly charge for service according to the following schedule:

Service Size	Monthly Rate	
3/4"	$ 16.10	(I)
1"	21.50	(I)
1½"	32.20	(I)
2"	42.95	(I)
3"	64.40	(I)
4"	85.85	(I)
6"	128.80	(I)
8"	171.75	(I)
10"	214.65	(I)

MAR 23 1977
State of Alaska
Public Utilities Commission

II. SERVICE CHARGES (CONTINUED)

Schedule D - Special customers (continued)

(2) Temporary construction or other use requiring a connection to a fire hydrant. The AWU reserves the right to require the customer to use a meter when an appropriate meter is available. Service shall be restricted to 2-1/2 inches diameter to 4-1/2 inches diameter. A meter deposit of $100 will be required when the service is connected. The deposit shall be refunded when the undamaged meter is returned to the Water Utility. The monthly charges are:

Service Size	Demand Charge	Commodity Charge	
2½"	$250.80 per month	$.42 per 1,000 gallons	(I)
3"	300.95 per month	.42 per 1,000 gallons	(I)
4"	401.25 per month	.42 per 1,000 gallons	(I)
4½"	451.40 per month	.42 per 1,000 gallons	(I)

(3) When an appropriate meter is not available for a temporary connection to a fire hydrant, the following monthly charges shall be effective:

Service Size	Monthly Charge	
2½"	$ 271.70	(I)
3"	321.85	(I)
4"	422.15	(I)
4½"	472.30	(I)

Schedule E - Private fire protection

This schedule shall apply to private fire services. The charges are in addition to the charge for basic water service unless the service connection is used exclusively for fire protection. The charges vary by service size.

Cancelling

First Revision Sheet No. 51

MAR 23 1977

Regulatory Commission

I. SERVICE CHARGES (CONTINUED)

Schedule E - Private fire protection (continued)

Service Size	Monthly Rate	
2"	$ 7.10	(N)
3"	15.90	(N)
4"	28.45	(N)
6"	63.55	(N)
8"	112.85	(N)
10"	176.40	(N)
12"	254.10	(N)

Schedule F - Bulk water sales

All bulk water sales will be handled by special contracts.

Pursuant to Order No. 4, U-76-66

Tariff Advice No. 8-122 (L)

Effective: FEB 28 1977

Issued by: Anchorage Water Utility

By: [signature] Title: Utility Manager

APPENDIX A

ISO REPORT ON ANCHORAGE

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ANCHORAGE,
ALASKA

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April, 1969

File No. 554

REPORT

ON

ANCHORAGE, ALASKA

AMERICAN INSURANCE ASSOCIATION

Successor to National Board of Fire Underwriters

MUNICIPAL SURVEY SERVICE

85 John Street, New York, N. Y. 10038

120 South LaSalle Street, Chicago, Ill. 60603

465 California Street, San Francisco, Calif. 94104

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ANCHORAGE, ALASKA

FILE NO. 554

GENERAL

The 1960 U.S. Census showed a population of 44,320 and the present estimated population is 50,000. Area of the city is 15.1 square miles of which 4.3 square miles are included in tidelands, military reservations, and railroad right-of-way. The remaining 10.8 square miles are approximately 50% built upon. Elevations in the city range from sea level to 250 feet, with the average elevation of the principal business district 100 feet. The city is a terminus for the main supply routes serving Alaska as well as a tourist stopping point during most of the summer.

Long cold winters are common with an average snowfall of 12 inches. Prolonged low temperatures below —10 degrees are infrequent. A moderate to severe earthquake hazard exists within the city and surrounding areas. Alaska falls within the circum-Pacific belt of earthquakes which also includes coastal California and Japan. The earthquake of March 27, 1964, was centered about 75 miles from the city and reached a Richter magnitude of 8.4. Major landslides occurred in the city's downtown and residential areas, causing major damage to buildings and the water distribution system.

WATER SUPPLY

General.—The system is municipally owned and supplies nearly all of the city built-on areas and additional area to the east and south. Supervision is by an appointed director. There is no civil service but long tenure is prevalent.

Records are mainly complete, but individual valve records are not maintained.

Alarms of all fires during winter and of second alarm fires at other times are telephoned to the water treatment plant; response is made to all such fires.

Supply Works.—See map. A diversion dam on Ship Creek, elevation 530, 5¼ miles east of the city, provides 53% of the system supply capacity by gravity and is the source of water supply for Fort Richardson and Elmendorf Air Base; supply line capacity is 10.5 mgd. Seven pumped wells, total capacity 11.6 mgd, deliver the remaining supply to the distribution system. Flow in Ship Creek is a minimum during the early winter, but water has never been below the spillway. The March, 1964, earthquake disrupted casings of 2 wells, and earth slides above the diversion dam muddied gravity supply, seriously reducing the capacity of the treatment plant which can process in excess of the supply line capacity.

A small section, with 7 hydrants, in the southern part of the city is served by the Romig Water Company which has an emergency connection from an 8-inch city main for fire supply.

Distribution Storage.—See map. System storage is limited to the 0.5-mg treatment plant clear well, elevation 366.

Consumption.—The average daily consumption for the 12 months ending July 31, 1968, was 11.01 mgd with a maximum of 16.56 mg on July 24, 1968.

Pressures.—The average pressure during fire flow tests was 57 psi, with a maximum of 87 psi and minimum of 38 psi.

Distribution System.—See map. From the Control House, 1400 feet west of the treatment plant, a 24-inch wood-stave pipe line extends well into the distribution system furnishing the main supply to the more important northern section of the system. The southern portion of the system is supplied by a 36-, 30-inch reinforced concrete steel-cylinder-type pipe the capacity of which is greatly restricted by a 16-inch branch supplying 2 lines of 10- and 8-inch pipe. New mains are of cement-lined cast iron with older

pipe of tar-coated cast iron. Of the total pipe in the system, 28% is asbestos-cement pipe, and 9% is wood-stave pipe in 6-, 8-, and 10-inch sizes. Of the 154.85 miles of 4-inch and larger mains, only 0.32 mile is 4-inch and 59.97 miles are 6-inch. Dead ends of 6-inch mains total 4.21 miles.

The average valve spacing is 4340 feet on supply mains, 910 feet on arterial mains, 440 feet in the principal business district, and 810 feet in representative residential districts. There is no regular valve inspection program.

There are 869 public and 16 private hydrants. Of the public hydrants, 31 have 4-inch connections to mains, and 148 lack a large pumper outlet; others are of satisfactory size and type with a pumper and 2 or 3 hose outlets, and all have valved connections.

The average hydrant spacing is 125,500 square feet in the principal business district, 173,000 square feet in other high-value districts, and 214,400 square feet in representative residential districts; hydrants are inspected 2 or more times a year and after every use during freezing weather.

Fire Flow Tests.—See map with table. Tests were witnessed on August 8 and 14, 1968, under normal conditions. The consumption rate during the tests in the principal business district was about 15.8 mgd, and daily consumption was 13.05 and 12.70 mg, respectively. The principal business district tests were repeated the second day, after regulator valves and important line valves were checked, and were made at a time when consumption did not materially exceed the maximum daily rate. Test 9, on the Romig Water System, was made with the city emergency connection open. Tests 24, 25, and 26 were repeated on October 2 after a regulator by-pass valve, found open, was closed and a 16-inch valve, found closed, was opened.

Proposed Improvements.—See map. The 36-, 30-inch southern section supply main was being extended to a 5-mg reservoir under construction for completion in 1969. A gridiron of 12- and 16-inch mains, being installed in the northern section of the port and industrial area, was nearly complete at the time of the survey.

FIRE DEPARTMENT

In addition to the city, the department provides fire protection for the Spenard and Muldoon Public Utility Districts outside the city with an estimated population of 30,000 and an area of 24 square miles. One ladder and 5 engine companies, and an ambulance are in service in 4 fire stations in the city; the 2 engine companies in one station in the Spenard District and the one engine company in the Muldoon District are under the jurisdiction of the city fire chief according to written contracts, although the fire stations and the fire apparatus are owned by the districts.

There are 93 full-paid members (including 20 assigned to the 3 companies outside the city) as follows:

Fire Force:		
Officers:	Chief and Senior Captains	5
	Company	26
Fire fighters and Engineers:		52
Non-fire force:		10

Members work an average of 64 hours per week. The number normally on duty is 18 with the engine and ladder companies within the city and 7 with the 3 companies outside the city. Some of the off-shift members are called on second alarm fires, and all of the off-shift on fifth alarm fires. Some outside aid is readily available.

All apparatus and vehicles in service and reserve are equipped with radio transmitter-receivers on a frequency shared with 3 small fire departments.

Pumper capacity is adequate. Repairs to apparatus are made by a full-time department mechanic; the shop area is at the rear of the apparatus floor at Engine 3 quarters. The preventive maintenance program includes annual tests of pumpers, but no 200-psi pressure tests have been conducted in many cases. Service tests, at draft, of 5 pumpers were witnessed during the survey; 2 did not deliver rated capacities at required pressures.

Hose drying facilities are provided at each fire station, and hose tests are conducted annually; 15% is over 10 years old.

Rules and regulations, adopted in 1968, have been distributed to each fire station.

Training is under the part-time supervision of a lieutenant who is assisted by other officers. An 80-foot drill tower with basement, attached to Engine 1 quarters, is of reinforced concrete construction and is equipped with a standpipe system. Grounds are paved but somewhat congested; a pumper test pit is provided, but no hydrants are available. There is no regular schedule for drills at the tower, but most companies average about one 3-hour drill per month on each shift; few of the drills are combined company drills. Each company conducts 2 hours of training daily at quarters; about 25% are drills. New members normally receive some training before appointment; after appointment, the company officer is responsible for the new man's training. Some officer schools have been conducted, and

monthly staff officer meetings are held. Most members have received some instruction in the hazards of radioactive materials; some have had advanced training.

There has been no regularly scheduled building inspection program by companies for pre-fire planning purposes. A few of the more important occupancies are inspected once or twice a year, but most notes and sketches are incomplete or lacking. A more complete inspection program has been recently started but is progressing slowly.

Within the city response to all box alarms and telephone alarms for fires in buildings is 2 engine companies, one ladder company, and a chief officer, except that no ladder company is dispatched to some outlying high value districts and many residential districts; outside the city 2 engine companies and a chief officer normally are dispatched to box alarms and telephone alarms for fires in buildings. During the fiscal year 1967-1968 there were 3757 alarms of which 238 were for building fires and 2444 were ambulance calls; 1430 of the alarms were outside the city of which 916 were ambulance calls.

Fire methods include the extensive use of 1½-inch hose lines, spray nozzles, and breathing equipment. Back-up lines are laid if fire is evident or upon orders. Pumpers connect to hydrants on most fires, but occasionally direct hydrant streams are used in areas with higher pressures. The first company to arrive connects to sprinkler or standpipe systems if fire is evident or upon orders. Ladder, ventilation, and salvage work is performed by the ladder company or engine companies but is hindered by lack of adequate manpower.

FIRE ALARM

The telegraph-type fire alarm system is maintained by a technician from the municipal electronics laboratory.

Alarm headquarters is in a room on the first floor of the public safety building, a 2-story building of fire-resistive construction; the room contains some combustible materials and is not properly cut off from other operations in the building. Headquarters equipment, installed in 1962, with emergency ground return facilities, is of automatic type and is mainly complete. Current is supplied by individual circuit rectifiers with a common battery. Each fire station has a punch register and tapper, a radio receiver, and voice alarm facilities.

There are 117 boxes in service, all of which are accessible; 12 are located outside the city limits in contract districts. Fifteen boxes are provided with indicating lights; the condition of paint on boxes and on bands on poles is generally good. Of the 47 miles of box and alarm circuits, 4 miles are in underground cable, 35 miles in messenger supported aerial cable, and the remainder is of aerial wire construction. Four box and one alarm circuits are in service; moderate to considerable ground readings were noted on 2 of the circuits.

Five telephone trunk lines extend to a switchboard in alarm headquarters; 4, arranged for progressive operation, are reserved for emergency calls for the city and contract districts, and one additional is for emergency calls from a small nearby fire department; 4 trunks for business calls extend to instruments with switching facilities at the department secretary's desk and in alarm headquarters. Voice amplification circuits extend to 5 fire stations and are used in lieu of fire telephone extension lines.

One operator is on duty at all times. Telephone alarms for fires in buildings are confirmed over the alarm system. Tests and records are fairly good.

FIRE PREVENTION

Hazardous Materials.—The city has adopted the 1965 edition of the Fire Prevention Code of the American Insurance Association along with a few additional ordinances. An amendment has eliminated the requirement for most permits. The gas code contains generally good requirements for gas piping and gas appliances.

Fire prevention activities are under the direction of the chief of the fire department and include the outlying districts adjacent to the city. The fire prevention bureau consists of a fire marshal, a deputy fire marshal, 2 inspectors, and 1 clerk. All are appointed by the chief of the fire department.

The bureau makes inspections of most occupancies every 1 to 2 years. Many businesses are required to have approval from the bureau before their annual business license is issued. Some inspections are made of small businesses by fire department companies. Most conditions found during the survey were fair or fairly good.

Electricity.—A city ordinance adopts the 1965 edition of the National Electrical Code along with some other requirements. Electrical regulations are enforced by the city electrical inspector. Fairly good procedures are in effect for inspections during construction, and each job site is visited at least 3 times. Because the city-owned power and light company also supplies surrounding districts outside the city limits, the inspector spends much of his time on inspections outside the city. There is no

reinspection program. Most new work was fairly good, and existing installations were found to be in fair condition.

BUILDING DEPARTMENT

The city has adopted the 1964 Uniform Building Code, with the appendix and some amendments. The 1964 Uniform Housing Code, which provides minimum requirements for new and existing places of habitation as well as some provisions for fire protection, has also been adopted. Fire Zone 1 covers all of the principal business district, some adjoining blocks, and most other commercial districts throughout the city. Fire Zone 2 includes some of the areas bounding the high-value districts which should be in Fire Zone 1; some of the principal business district is adjacent to a variable zone that allows some types of wood frame construction. Restrictions within Fire Zone 1 are satisfactory; restrictions within Fire Zone 2 are inadequate. Wood shingle or shake roofs are permitted outside of Fire Zones 1 and 2.

The department is under supervision of the building official, assisted by 1 plan check engineer, 1 zone enforcement officer, 2 building inspectors, 1 mechanical inspector, and 1 clerk. All personnel are selected by examination and appointed by the building official. Procedures are fairly good. Plans are checked by the plan checker; review of fire safety features is coordinated with the fire prevention bureau. Records are consolidated although somewhat incomplete. Major plans except for most residential occupancies are kept indefinitely; most plans are fairly well stored and filed.

STRUCTURAL CONDITIONS

Principal Business District.—See map. The district includes 16 blocks or part blocks and covers 38.9 acres. Streets cover 35% of the district and are between 60 and 80 feet in width. Of the total block area, 55% is built upon, with individual blocks ranging from 15% to 84%. Buildings average 1 and 2 stories although 5 buildings are over 8 stories. The tallest building is a 14-story building that joins several older wood frame structures to form a large hotel complex. Wood frame construction covers 21%, fire-resistive construction covers 41%, and automatic sprinklers protect 17% of the built-on area. Exposures to the district are mild from all directions.

Shopping Centers.—The one large shopping center in the city limits, Northern Lights Shopping Center, occupies approximately 9 acres at the south city limits along Northern Lights Boulevard between Spenard Road and Minnesota Drive. Construction is of ordinary type, and the entire area is mutually exposed along a front enclosed mall. Automatic sprinkler protection is provided throughout.

Other Business Districts.—Along the principal streets of the city, namely, 5th Avenue, Gambell Street, Fireweed Lane, and Spenard Road, are smaller commercial districts. Construction in these districts is mostly ordinary or wood frame. Heights vary from 1 to 3 stories. The closely built sections of these districts are confined to narrow strips along both sides of the street.

Industrial Districts.—Practically all of the industrial occupancies are located near or along the railroad right-of-way and the waterfront. This district consists of several large bulk oil storage plants, a large number of warehouse facilities, a few light manufacturing plants, and a variety of small businesses. Most of the buildings are widely separated and have relatively low heights. Some of the larger buildings have automatic sprinkler protection.

Waterfront District.—A portion of the city-owned pier is being reconstructed. Upon completion, the waterfront will have facilities for loading and unloading of cargo, a separate dock for transfer of fuel and oils to the various bulk plants, and several smaller piers to handle fishing boats. The new piers are all of concrete pile and deck construction while the remaining older wharves are mostly timber and wood frame.

Institutional Districts.—Along Providence Drive in the southeast portion of the city, an institutional district is developing. It presently contains the Alaska Youth Correctional Institute, the Alaska Psychiatric Institute, the Providence Hospital, and Alaska Methodist University. All of the buildings are well separated and of new construction. The hospital is a 5-story structure and also the tallest building in the district. Areas are mainly large, and the basement portions of some buildings are sprinklered.

Residential.—Residential districts consist mainly of detached, 1- and 2-story wood frame dwellings with a few apartment house districts and government housing projects. Composition roofs predominate in most sections. Current urban renewal projects are aimed at eliminating the substandard houses along the Seward Highway between 17th and 19th Avenues.

Earthquakes.—The city has felt many earthquakes prior to the severe shock of 1964; for example, the moderate shock of October 3, 1954, caused minor damage to the tall buildings in Anchorage (the same buildings were severely damaged or collapsed in the 1964 shock).

Further details on the 1964 earthquake and nature of the earthquake hazard in Anchorage may be obtained from the following publications:

"The Alaska Earthquake", published by the American Insurance Association and the Pacific Fire Rating Bureau, 465 California Street, San Francisco, California

"The Prince William Sound, Alaska, Earthquake of 1964 and Aftershocks", Volume II part A, available from Superintendent of Documents, Washington, D. C.

RECOMMENDED IMPROVEMENT PROGRAM

The following program has been prepared to assist the City of Anchorage in providing better protection to life and property from fire and may be used as a guide for future planning. In general, recommendations under each heading are listed in the order of their importance. The areas in which the City of Anchorage provides fire protection services under contract have not been analyzed as to their specific fire protection needs, and recommendations for these areas are not included in this program.

WATER SUPPLY

1. That additional hydrants be provided so that:
   a. In the principal business district there will be one hydrant at each street intersection.
   b. In other high-value districts there will be one or 2 hydrants at each street intersection, depending upon the character of the district, with intermediate hydrants so that they are not over 300 feet apart.
   c. In residential districts there will be one hydrant at each street intersection with intermediate hydrants so that they are not over 500 feet apart.

2. That the 5-mg reservoir be completed as soon as possible.

3. That the distribution system be strengthened by the installation of mains shown in red on the map, that 6-inch dead ends be eliminated wherever possible, and that the following be adopted as the minimum size of mains used for hydrant supply for all future construction:
   a. In high value districts, 8- and 12-inch; the former to be used where it completes a close gridiron and the latter for longer lines, not closely interconnected.
   b. In residential districts, 8-inch; 6-inch to be used only where it completes a close gridiron and in no case for runs of over 600 feet between interconnections.

4. That the 24-inch wood-stave supply line be replaced by pipe conforming to an appropriate American Water Works Association standard.

5. That comprehensive indexed records and maps suitable for use in the field be compiled for all system valves; that valves be inspected annually and large and important valves more frequently; that valves be maintained in good condition; and that inspections, operations, and conditions be recorded.

6. That hydrants be maintained in good operating condition at all times.

7. That all alarms of fire be received and recorded over the fire alarm system at the water treatment plant.

FIRE DEPARTMENT

1. That at least 4 members be on duty at all times with each engine and ladder company.

   NOTE: Seven members on duty at all times with each high-value engine and ladder company, 6 with other ladder companies, and 5 with other engine companies is considered standard manning.

2. That a ladder company, equipped with an aerial ladder truck, be established in Engine 3 quarters.

3. That a full-time training officer be appointed; that more suitable training facilities, including a structure in which fires may be built, be provided in an area where the use of smoke and water will not be restricted; and that the training program be expanded to include supervised combined company drills at the training grounds, regularly scheduled schools for all officers, and additional training for pump operators.

4. That company members make more frequent inspections of buildings in their respective districts for pre-fire planning purposes; inspection data to be recorded on suitable forms, augmented by appropriate notes and sketches, and used as subjects for discussion in the training program.

5. That the apparatus replacement program be continued, and that the repair facilities be ex-

panded, including additional tools and equipment, and that a more complete preventive maintenance program be adopted.

6. That a ladder company be included in the response to all box alarms and all telephone alarms for fires in buildings.

7. That the rules and regulations be expanded, to include complete fire ground rules, and be distributed to each member.

8. That all fire stations be of noncombustible construction (preferably fire-resistive), of good design, and suitably located, and that proper refueling facilities be provided at each fire station.

9. That if the city continues to provide protection outside the city, an additional ladder company be established.

FIRE ALARM

1. That 2 qualified operators be on duty at all times in alarm headquarters.

2. That additional boxes be installed so that one will be visible from and be within 500 feet of every building in high-value districts and be within 800 feet of buildings elsewhere; and that the conspicuousness of boxes be improved by installing indicating lights over all boxes in high-value districts.

3. That the reliability of the system be improved by:

a. Providing additional box circuits so that none will serve an excessive area.
b. Repairing circuits to remove high ground readings.
c. Providing emergency power facilities at each fire station and for local circuits at alarm headquarters.
d. Installing circuits underground or in messenger supported aerial cable, wherever possible.
e. Providing automatic recording devices for radio and voice amplification facilities.

FIRE PREVENTION

1. That additional qualified personnel be appointed to the fire prevention bureau so that adequate control can be maintained over hazardous materials, processes, and occupancies including regular and systematic inspections of all commercial and industrial buildings at suitable intervals, and that adequate records be kept of such inspections.

2. That a complete inspection of old wiring be made and defects corrected, and that all wiring be subsequently reinspected at suitable intervals.

BUILDING DEPARTMENT

1. That the building code be amended to include those structural features necessary to restrict the spread of fire. It is recommended that the National Building Code of the American Insurance Association be used as a guide in framing these amendments.

2. That only roof coverings of class C or better be permitted within the city limits.

3. That Fire Zone 1 be revised to include all closely built business and commercial areas. It is suggested that the Recommended Method for Laying Out Fire Limits by the American Insurance Association (National Board of Fire Underwriters) be used as a guide in determining these revisions.

STRUCTURAL CONDITIONS

1. That owners of existing defectively constructed buildings which involve serious life hazard or are so located as to form conflagration breeders be required to protect floor, fire wall, and exposed window openings.

2. That approved automatic sprinkler equipment be required in all basements exceeding 2500 square feet in area used for storage or for mercantile purposes and in all buildings which by reason of their size, construction, or occupancy involve serious life hazard or might act as conflagration breeders.

Report based on survey made during July, and August, 1968, by engineers R. I. Eby, M. J. Myrick, and R. E. Boudon, in cooperation with Karl Steinbrugge and other personnel of the Pacific Fire Rating Bureau. Acknowledgment is made of the assistance rendered by the mayor, city manager, and other officials.

EVERETT W. FOWLER, *Manager and Chief Engineer*

KENNETH J. CARL, *Director of Municipal Surveys and Assistant Chief Engineer*

REDUCE ESCALATING INFLATION OF LOCAL GOVERNMENT COSTS

SAVE LIVES AND PROPERTY

ENCOURAGE SUSTAINED RESPONSIBLE BUSINESS
AND ECONOMIC ACTIVITY IN ALASKAN COMMUNITIES

***

SUPPORT COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

A Legislative Incentive Program
Which Will Save Your Taxes,
Provide Low Interest
Capitalization Loans and
Reduce Fire Department and
Your Water Utility Costs
and, at the same time,
Increase Fire Safety

Prepared For
Alaska Fire Chiefs Association
and
Alaska State Firefighters' Association
by
Brian R. Shute
Attorney At Law

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I. THE PROBLEM: ALASKA'S EXPANDING AND DEVELOPING COMMUNITIES WITH UNDERDEVELOPED PUBLIC SERVICES ARE PARTICULARLY VULNERABLE TO CATASTROPHIC FIRE LOSSES.

A high fire death rate is peculiarly an American problem. No other industrialized nation comes close to the American fire death rate. Fire deaths and injuries per million population in the United States are nearly three times that of Sweden which has the next highest death and injury rate by fire.

In 1974 nearly 3 million fires caused nearly $4 billion worth of fire losses. The dollar value of the damage and destruction by fire does not even begin to approximate the actual losses because serious fires create indirect business and community losses such as:

(a) Loss of customers

(b) Loss of profits

(c) Cost of retaining key personnel during shutdown

(d) Loss of taxes on destroyed property.

Finally, there are indirect losses of a personal nature. These may be even more difficult to estimate, yet their importance should not be neglected. In addition to financial losses incurred through temporary unemployment and expenses incurred in finding and moving to new housing, there is the destruction of irreplacable personal belongings. With its vast expanses and small communities with

underdeveloped public services, Alaska has a particularly dismal experience with fire losses. Tragic reminders of this are the New England Fish Company and Alaska Steamship dock fire in Cordova, the fires in Sitka which destroyed the priceless Russian cathedral, and the Sitka Cold Storage Company and dock facility. Perhaps most tragic are the cannery fires in small communities (most recently in Craig, Alaska, in 1980). Most often the canneries have not been rebuilt, and in some cases, the communities, which relied on the canneries as their sole means of economic support have ceased to exist. Canneries have plenty of water by virtue of the business they are in, and private fire protection would have eliminated the monetary losses, and in some cases, assured the continued existence of the community itself.

Water is an indispensable commodity when it comes to fighting fire. Fires cause billions of gallons of water to be consumed putting them out. Providing adequate water supplies constitutes a major community expense. Residents of the Anchorage and Matanuska-Susitna boroughs are certainly aware of the Susitna hydroelectric project, as part of the ongoing efforts to assure that area with adequate and safe water supplies. The residents of Juneau learned of the exigencies of having adequate water supplies in January of 1980, when climatic conditions temporarily depleted their water supply.

The State of Alaska will undergo rapid growth in population as development of its resources progresses. The oil industry is expanding, other industrial plants associated with the oil industry are planned and coming on line. The fishing industry is expanding into new products and plants. This is bringing increasing population and business to many of our communities. The growth is impacting the fire protection and water supplies of these growing areas. Communities are being faced with providing additional fire protection services, and with the costs of providing these services. See, Shirnberg, Robert R., Community Fire Protection Incentive Program, October 20, 1979.

Consequently, given the compelling social goal of avoiding catastrophic fire losses, together with the absolute necessity to provide water for basic human existence, a community must develop policies wich maximize its ability to provide both fire protection and adequate water supplies.

II. THE SOLUTION: MAXIMUM UTILIZATION OF PRIVATE FIRE PROTECTION SYSTEMS MINIMIZES FIRE LOSSES AND MINIMIZES COSTS OF OPERATING FIRE DEPARTMENTS AND WATER UTILITIES.

Private fire protection systems (the backbone of which are automatic sprinkler systems) are the most effective means of controlling fires in buildings. Not only do private fire protection systems put out fires, they do not require nearly as much water to extinguish fires as would be required for the Fire Department to put out the same fire. Nor do sprinkler systems require as much or as expensive equipment to fight a given fire as a Fire Department. Where private fire protection systems are deployed the expense and cost of the Fire Department are much less, and the chance for injury to firemen as a result of fire is almost negligible in sprinklered buildings. Sprinkler systems are the most technologically advanced fire fighting weapon, and their use should be maximized to reduce and hold down costs of the Fire Department.

We must accept the fact that public fire departments can contral a fire only in its early development stages. For the most part, fire departments can only combat fire by directly overwhelming it with massive amounts of expensive equipment, manpower and water. When the fire is small, the fire department is still on the way. Even with the best response time, it is fact that many small fires are out of control by the time the fire departments arive.

By contrast, the private fire protection system has no response time. It is on scene before the fire starts, and usually has put out the fire before the fire department even arrives.

III. LEGISLATION CREATING INCENTIVES FOR THE INSTALLATION OF PRIVATE FIRE PROTECTION SYSTEMS WILL ENCOURAGE A STATEWIDE SHIFT TOWARD MAXIMIZING UTILIZATION OF MORE EFFICIENT, LESS COSTLY FIREFIGHTING TECHNOLOGY, THEREBY HOLDING DOWN OR REDUCING COSTS OF WATER UTILITIES AND FIRE DEPARTMENTS.

Private fire protection is an alternative. Its technology is ready to be implemented, and, through legislative incentive, it will reduce the increasing burden of fire protection costs. Within a few short years of implementing legislative incentives, private fire protection systems will become increasingly prevalent in communities statewide. As Alaskan communities expand and grow, the legislative incentives will alleviate the necessity to expand the manpower, equipment, and water supplies for the fire department as in the past. Fire departments won't need to open as many new stations, buy as much firefighting equipment, or hire as many firefighters to meet the fire protection needs of the state's expanding communities. Costs of water supplies will be reduced as existing supplies go farther as a result of the water conservative propensities of private fire protection systems are realized. By moving now to take advantage of proven fire protection technology huge savings in property loss, jobs, insurance costs, building costs, life, and indeed even entire communities (in cases of unprotected cannery fires) will result and those savings will continue to accrue and continue to accelerate as the incentives prompt more and more property

to be protected. (For a hypothetical case study of savings a community can realize as a result of widespread sprinkler installation see, Hackey, Associate Professor, Univ. Maryland, Built In Fire Protection and Fire Department Manning (Appendix A).

IV THE SAVINGS IN LIFE, PROPERTY, CONSERVATION OF WATER, AND REDUCED COST OF LOCAL GOVERNMENT SERVICES FROM WIDESPREAD INSTALLATION OF PRIVATE FIRE PROTECTION SYSTEMS.

Statistics showing the effectiveness of automatic sprinkler systems are phenomenal. Only in rare instances do automatic sprinkler systems fail to control fires in sprinklered buildings. The failures are seldom due to the sprinklers, but rather, the lack of water, often because the system has been turned off, either unintentionally, intentionally, or by vandals. A complete record of fires in sprinklered buildings would show that their efficiency probably approaches 100%. National Fire Protection Association, Fire Protection Handbook, pp. 14-1 through 14-48, 14th edition, 1976. Given the billions of dollars in fire losses, the potential for savings resulting from widespread installation of sprinklers cannot be ignored. Of all the fires controlled by sprinklers, more than 90% of them are controlled by three or less sprinkler heads. Fire Protection Handbook, supra.

The effectiveness of automatic sprinklers stems from their presence at the scene of a potential fire before it srarts. They can apply water immediately where it is needed because there are not problems of access to the seat of the fire, or interference with visibility for fire fighting due to smoke. Fire Protection Handbook, supra. Sprinklers extinguish fires much earlier than a fire department could

ever respond to an alarm. Automatic sprinklers are particularly effective for life safety because they give warning of the existence of fire, and at the same time apply water to the burning area.

> The only fatalities in fully sprinklered properties reported to the National Fire Protection Association were caused by explosions or flash fires; by ignition of the bedding or clothing of a person who was too young, too old, too intoxicated, or too handicapped in some other way to protect himself properly. . . .
>
> In those isolated instances of fatalities to sleeping, handicapped, or intoxicated persons, ignition of clothing or bedding caused fatal burns or asphyxiation either because the small fire did not generate sufficient heat to fuse the sprinkler, or because the victim had suffered fatal injuries before the sprinkler operated. In these later instances, however, the sprinklers protected the lives of persons in adjoining areas. Fire Protection Handbook, supra.

See, also, Horne, B.G., Fire Chief, Controlling the Cost of Fire Protection in the City of San Buenaventura.

Water necesaary to put out a fire in its beginning stages is nowhere near the water required for the fire department to put it out after it once gets blazing. Performance characteristics of sprinklers indicate that standard automatic sprinklers discharge anywhere from 18 to 58 gallons of water per minute, depending on the pressure at

the sprinkler head. Fire Protection Handbook, supra, at pp. 14-42 through 14-48. By comparison, a heavy-attack two and one-half inch mobile fire department hose line in operation can consume as much as 250 gallons of water per minute. If the fire is not put out in its infant stages (as occurs over 90% of the time when automatic sprinklers are deployed), it may take a number of heavy-attack lines hours to control the fire - if the water supply holds out that long.

Sprinklers do not cause excessive water damage. Damage by sprinklers is negligible compared to that caused by fighting the same fire with a hose stream. Most fires are controlled by a small number of sprinklers, while many hose streams are required to combat a fire which is out of control. Sprinklers, in most cases, control the fire immediately. The water damage which does occur is negligible compared to the damage which would have resulted if the building should have been completely or substantially consumed by a fire fought by conventional means. See, Horne, B. G., Fire Chief, Controlling the Cost of Fire Protection in the City of San Buenaventura.

V. THE SIZE OF A COMMUNITY'S WATER SYSTEM CAN BE REDUCED BY WIDESPREAD INSTALLATION OF PRIVATE FIRE PROTECTION SYSTEMS IN THE COMMUNITY.

A major part of the cost of the developing community's water supply is the additional reservoir of water which must be on hand for major fires, and the high pressure distribution lines from the reservoir to assure the fire department will have enough water pressure to project many hose streams onto a raging major fire. Nowhere near the same quantity of water or water pressure would be required for automatic sprinklers to do the same job.

The traditional method for estimating the water supply required to serve a community's fire protection needs is by computing fire flow requirements. The criteria to estimate fire flow requirements are found in the Guide for Determination of Required Fire Flow, Insurance Service Organization, 1972. The fire flow formula reflects significant water conservation propensities of private fire protection. Depending on the flammability of a given building, the fire flow required is reduced by 25% to 75% when a sprinkler system is present in a building. Fire Protection Handbook, supra, at pp. 11-2 through 11-6.

The fire flow formula developed by ISO can be utilized to determine the community-wide fire flow requirements. This procedure is more fully described in ISO's Municipal Grading Schedule, copies of which are available in many

community Fire Department and Fire Department Protection offices.

Although the methodology in the Municipal Grading Schedule does not enable a precise computation of the reduction in community fire flow requirements caused by widespread sprinkler installation, it is significant. Anchorage, Alaska, is a specific case in point, where ISO engineers indicate installation of sprinklers in the Central Business District, alone, made Anchorage a more fireworthy community, and caused a reduction in fire flow requirements.

VI. PRIVATE FIRE PROTECTION REDUCES THE COST OF OTHER PUBLIC SERVICES.

In addition to the water conserving properties of automatic sprinkler systems, and the significant savings in life and property, there are other public benefits from widespread installation of private fire protection systems. Among these are:

1. Both the economic and physical burden of the Fire Department are decreased since private fire protection generally puts out the fire before the fire department even arrives. This also decreases the hazards of fighting fire.

2. The cost of manpower and time fighting the fire is reduced and therefore the money necessary to operate the Fire Department can be reduced, stablized, and diverted to other essential Fire Department or community expenditures.

3. Private fire protection decreases fire insurance costs not only for the person installing it, but also for an entire community where the installations are widespread. Many rural communities have little or no fire protection. These communities may not be able to afford the expensive fire-fighting equipment more urbanized communities have. Commercial construction moneys are also difficult to obtain because insurance rates are too high. By installing private fire protection, great reductions in insurance premiums can be achieved, which will enable property owners to get reasonable insurance premiums needed to obtain financing for construction.

4. Construction without sprinklers imposes higher insurance costs and imposes on the architect more stringent rules governing compartmentalization, fire proofing, exit distance spacing, travel distance, and exterior design requirements. It costs more to construct without sprinklers. 242 News Bulletin, Automatic Sprinkler Fire Control Association, Inc., pp. 1316 (1973). Providing incentives to construct with sprinklers will lower construction costs and then insurance costs, enabling construction to go forward that otherwise would have been too costly. The resulting stablization and expansion of a community's economic base, not to mention expanded tax base, is obvious.

5. Private fire protection increases municipal tax revenues by encouraging property development.

6. Private fire protection increases a communit's total fire protection security, preventing conflagrations and exposure fires.

7. Private fire protection results in lessening the cost of capital improvements to the community's water supply since widespread installation of private fire protection decreases the required fire flow necessary for adequate municipal fire protection.

8. Private fire protection saves billions of gallons of water, which is in chronic short supply in many communities.

9. Encouragement of private fire protection is consistent with the State policy of encouraging installation of fire protection devices (smoke alarms).

10. Since private fire protection can reduce the cost of the Fire Department and the water utility, Municipal tax

dollars and State revenue sharing monies can be expended for other essential services, making more efficient use of government dollars.

These benefits are substantial and should be encouraged by the incentive legislative programs hereinafter described.

VII. TAX CREDITS, LOW INTEREST LOANS FOR PRIVATE FIRE PROTECTION, INSTALLATION, AND ELIMINATION OF WATER STANDBY CHARGES WILL PROVIDE THE LEGISLATIVE INCENTIVE TO MOVE TOWARD UTILIZATION OF THE BEST AND MOST ECONOMICAL FIRE SAFETY TECHNOLOGY - PRIVATE FIRE PROTECTION.

A. Why Legislative Incentives?

The decision to install or not to install private fire protection hinges on two variables. First, the Uniform Building Code requires building materials with a higher fire rating for higher fire rating for higher risk occupancies. If construction is without sprinkler systems the construction costs may be too high, and the increased cost could prevent the decision to construct from even being made. Second, the reduction in insurance rates for buildings with sprinklers will be greater for some kinds of buildings than for others. The size of the reduction is largely determinative of how long it will take the property owner to amortize the cost of the sprinkler system. If the insurance reduction is too small, it will take too long to amortize the cost of installing the system, and the decision to install it may not be made, with the resultant loss in fire safety. Legislative incentives in the form of low interest loans which can be obtained to finance sprinkler installation, additional tax credits to buildings that have sprinklers, and legislative elimination of water standby charges will make the decision to install private protection economical and, thus, voluntary. A significant trend would develop

wherein water guzzling fire companies would be replaced by water efficient sprinkler systems, reducing both losses caused by fire and costs to local government.

B. Low Interest Loans Will Cause Financing to be Available so that Sprinklers can be Installed in Both New and Pre-existing Construction.

Funds for low interest loans to finance installation of private fire protection systems should be available in amounts that will allow for a rapid implementation and installation of private fire protection systems by those who qualify for the loans. Many small businesses in our state do not have access to financing at reasonable rates. The current level of interest rates simply does not make it economical for the property owner to consider the installation of private fire protection. Loan qualifications should be established on the basis of need similar to that required for small business loans. But, in addition, loans should also be made available to property owners who are required to install private fire protection by the community building codes, with some consideration given to those property owners desiring to install a system in a pre-existing structure. Making funds available to owners of pre-existing structures will accelerate the move towards utilizing private fire protection technology instead of the more costly and riskier Fire Department.

C. Tax Credits for Installation of Private Fire Protection Will Encourage, not Penalize the Owner who Adopts Better Fire Safety Technology, and Will Not Cause Cities to Lose Tax Revenue.

Installation of private fire protection systems causes property valuations to increase. Up to now the increase has been included in the property's assessed and the community's mill rate has been applied accordingly, thus raising the owner owner's taxes. This penalizes the property owner for installing fire protection systems. A property owner who does not install such a system is the one to penalize, because he increases the potential for disastrous fires in the community, and causes escalating costs for the Fire Department and Water System. Enacting State legislation will remove from tax rolls the penalizing assessment against private fire protection systems. This approach does away with counterproductive taxing practices, and maximizes the cost savings of better fire safety technology.

Local governments will not lose tax revenue as a result of the tax credit for fire protection systems. First, as the incentives induce increasing numbers of fire protection systems to be installed, fire departments will save literally millions of dollars because their requirements for manpower, equipment, and additional fire stations will be drastically reduced, to maintain a given level of fire safety. Attached as Appendix II is an actual case study of great savings which resulted in fire department costs in

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the City of Fresno, California. By inducing widespread installation on of private fire protection systems, the City of Fresno's fire department saved literally millions of dollars, according to the study. Reilly and Viniello, Sprinklers Cut Fresno's Fire Losses and Budget, Fire Journal, November 1979 (See Appendix II). Appendix I empirically documents the huge savings which will result to the Fire Department from a program of this sort.

Second, the assessed value of a sprinkler system, when compared to the value of the rest of a building, is minimal. Without the sprinkler system a fire will destroy the building, and the corresponding loss from municipal tax rolls of the entire valuation of the building will be many-fold greater than the minimum value of the sprinkler system. The City's tax base will grow more rapidly if it is not being consumed by destructive fires, which will not occur when a City's property tax base is protected by sprinklers. It is a certainty that the loss of tax-assessable property will be many times greater in a community that does not have widespread sprinkler installation.

Third, the major component of a City's water supply cost is the necessity to have water available to combat fire. Widespread installation of private fire protection systems will drastically reduce the fire flow demand, with a correspondent cost reduction to the water

utility. In sum, then, the savings to the fire department and the water utility, together with the increased tax base that will result from the increased fire safety, induced by exemption of fire protection systems from the tax base, all culminate to provide increased, rather than decreased, revenue to municipalities. The tax credit incentive in Senate Bill 370 and House Bill 648 will insure this result.

D. Elimination Of Water Standby Charges

One of the most invidious disincentives to the installation of private fire protection systems has been the water standby charge levied by water utilities. The charge is levied when a private fire protection system is connected to the water system, regardless of whether it consumes water or not. The theory of the charge is that the connection of the system creates demand that the Utility must meet. Nothing can be further from the truth, however. By connection to the water supplies, the required fire flow, and, therefore, demand, is reduced. Sprinklers simply do not demand anywhere near as much water to fight fires as do Fire Departments. See, p. 6, supra; see, also, Fire Protection Handbook, supra, at 14-42 through 14-48. The cumulative effect if widespread spinkler installation is reservoir requirements which are stablized or reduced when compared to the requirements without the sprinklers.

Water demand charges eat up or completely eliminate any

insurance savings to the property owner which would otherwise go towards amortizing the cost of installing the system. The demand charge makes it uneconomical to install the sprinklers. The water demand charge eliminates the only source of cost saving to be realized by installation of the sprinkler system. The demand charge should be exposed for what it is--a disincentive to installation of private fire protection that is counter productive to the goal of having adequate water supplies, and to the goal of making our communities safe from destructive fires. In the interests of conserving scarce water resources and maximizing the public fire protection dollar, then, legislation banning imposition of water demand charges on private fire protection systems should be enacted.

VIII. CONCLUSION

For the foregoing reasons support of this legislative program is urgently solicited. Senators, Representatives, local governments, and the public are urged to support these legislative incentives. The Alaska State Firefighter's Association and the Alaska State Fire Chiefs Association believe it's time to stop utilizing expensive, dangerous, and outmoded fire safety technology to protect our communities. These legislative incentives promote utilization of the best firefighting technology, while at the same time saving money. It will save the public and local government

money, and conserve scarce water resources, thereby saving in water supply construction.

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Fire management review

A QUARTERLY NEWSLETTER FOR LOCAL GOVERNMENT OFFICIALS WINTER 1979

Reducing Manning Costs For Fire Suppression

"Manning policy for fire suppression personnel is a very controversial issue. At a time when taxpayers are demanding budget stringency, fire department manning practices require further examination and evaluation. To date, no significant research has been done on the fundamental question of how many fire fighters are optimally required for fire suppression duty. As a priority issue, the U.S. Fire Administration is planning to initiate a manning study this year. In this issue of Fire Management Review, Dr. Harry Hickey makes some important observations on how built-in fire protection can affect ISO water flow requirements and therefore, fire suppression manning levels."

Gordon Vickery, Administrator, U.S. Fire Administration

Built-In Fire Protection And Fire Department Manning

by
Harry E. Hickey
Associate Professor
University of Maryland

The number of companies required and the manning levels for each company are directly related to the number of hazards in a community. Any community has a range of hazards. Therefore, the geographical location and the nature of these hazards are prime factors in determining the location of engine and ladder companies.

Property Hazard Level Reduction

Generally, property hazard levels should be used to determine the number and type of fire companies required and the manning levels for each.

One method of measuring property hazard levels is to determine the amount of water required to control and extinguish a fire in a building or group of buildings. Required fire flow will vary according to a building's ground floor area, height, construction, occupancy, internal fire protection and alarm systems (automatic sprinklers and alarm transmission to an emergency response service), and exposure conditions.

The Guide for the Determination of Required Fire Flow, which is published by the Insurance Services Office (ISO), can help to determine fire flow requirements for specific hazards (there is some question on the validity of the final computations). It is also helpful in assessing fire flow requirements according to a community's hazard variables. The guide states that by using these computations, fire flow requirements "may be reduced by up to 50 percent for complete

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International City Management Association

APPENDIX I

automatic sprinkler protection. Where buildings are either fire resistive or non-combustible construction, the reduction may be up to 75 percent." Thus, established fire flow values can be cut drastically by requiring the installation of automatic sprinkler protection.

Regardless of the method used to compute required fire flow, there is general agreement that the public protection equipment requirement increases with the fire flow requirement. Conversely, as the property hazard is reduced, so is the required fire flow and thus, the level of fire department response.

A community policy to control and reduce property hazard levels by requiring automatic sprinklers can have a significant impact on holding the line with fire department manning requirements. In addition to improved life safety and property protection, automatic sprinklers may reduce property insurance premiums and the demand on the community's fire suppression delivery system. This may open new service delivery options, such as improvement of emergency medical services with existing personnel.

Hypothetical Case Study

The community of Newtown, which covers approximately 12.75 square miles, has 5 primary hazards characterized by: ordinary construction; four stories; ground floor areas from 43,000 to 50,000 sq. ft.; occupancies at the moderate hazard level; and normal exposure conditions. It is assumed that these buildings are the worst fire hazards in the community, and that the level of fire protection required for them will be equal or better for the rest of the community.

FIRE MANAGEMENT REVIEW
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Without automatic sprinkler protection the ISO guide sets a required fire flow of 8,000 gallons per minute for each fire. However, using the water supply section of the ISO Grading Schedule, the basic fire flow for Newtown is 7,500 gallons per minute. The guide makes a clear distinction between required fire flow and basic fire flow.

If each of the primary hazards were retrofitted with a hydraulic automatic sprinkler system, the peak required fire flow for each fire demand zone would be reduced from 8,000 gallons per minute to 4,000 gallons per minute. This would reduce the basic fire flow for Newtown to 3,500 gallons per minute.

The reduction in fire flow requirements has a dramatic effect on manning levels. Fire suppression manning requirements were calculated on the following assumptions:

- a 48 hour work week;
- average vacation and sick leave of 4 hours per week for each individual;
- 3.8 persons are required to staff a suppression position 24 hours a day, and
- engine and ladder companies each require one officer on duty at all times.

The ISO Grading Schedule was used to determine the number of engine and ladder companies required, based upon the response distance and the established required fire flows, and the manning requirements for each company.

Company and manning requirements were calculated with and without automatic sprinklers.

	Without Automatic Sprinklers	With Automatic Sprinklers
Stations	5	3
Engines	7	4
Ladders	3	1
Officers	42	15
Fire fighters	209	76

Annual personnel costs (including fringe benefits) were estimated on the basis of $24,000 for each officer and $18,000 for each fire fighter.

	Without Automatic Sprinklers	With Automatic Sprinklers
Officers	$1,008,000	$ 360,000
Fire fighters	3,762,000	1,368,000
TOTAL	4,770,000	1,728,000

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Sprinklers Cut Fresno's Fire Losses and Budget *continued from page 89*

deficiency point rating had been implemented as a solution to the fire defense strategy.

Real losses (measured in replacement cost of buildings destroyed) were reduced by 22 percent. While most cities in the United States are operating with fewer fire stations, fewer pumpers and ladders, fewer fire fighters, and less equipment than they had 20 years ago (and many are protecting more land area), Fresno chose to do so out of an intelligent master concept. Its results: a more efficient municipal government, more fire protection for its citizens at less cost, lower insurance rates, and a smaller, more efficient, higher paid, and well-trained fire department, plus a planning and inspection department with the proven capability to develop and execute a "cost-effective" master plan for municipal fire defense. △

Light-Wall and Special Light-Weight Pipe in Automatic Sprinkler Systems *continued from page 64*

Table 1.

Pipe Trade Size	*Internal Diameter (Inches)* Schedule 40	Schedule 10[1]	*% of Reduction in Friction Loss*
1"	1.049	1.097	20%
1¼"	1.380	1.442	19%
1½"	1.610	1.682	19%
2"	2.068	2.157	19%
2½"	2.469	2.635	27%
3"	3.068	3.260	26%
4"	4.026	4.260	24%
5"	5.047	5.295	21%
6"	6.065	6.357[2]	20%
8"	8.071[1]	8.249[3]	10%

[1] Schedule 30.
[2] 0.134" wall thickness — light-wall pipe.
[3] 0.188 wall thickness — light-wall pipe.
[4] ASTM A-135 light wall steel pipe.

An illustration of the effect of specifying light-wall pipe as a substitute for standard-weight pipe in an automatic sprinkler system follows. A warehouse with high-piled storage of a type requiring 0.38 gpm per square foot over 2,000 square feet of floor area uses 17/32-inch orifice automatic sprinklers. The pressures required for this automatic sprinkler system are illustrated in Table 2 for both standard-weight and light-wall pipe.

Fire pump power demand in this example can be reduced by as much as 13 percent, depending on pump efficiency. Table 2 illustrates that this water supply will be required to deliver 16.7 psi less pressure at 760 gpm.

Smooth Interior Pipe Walls

Friction loss is a function of interior wall roughness. Light-wall pipe, manufactured in accordance with ASTM A-135 specifications, is made by the electric-resistance weld process. The steel used to form this pipe is rolled, either cold or hot, and has a smooth surface. The pipe is generally formed cold, and thus has little opportunity for scale formation and roughening of the surfaces. Standard-weight pipe is often formed hot, and may include scale and other imperfections on its surfaces. Ten percent improvement in surface finish can result in a 16 percent reduction in friction loss.

Table 2

Pressure Required	*Standard-Weight*	*Light-Weight* [illegible] *at 20*
To obtain sprinkler discharge	22.6	22.6
Friction Loss		
Branch Line	32.0	26.1
Mains	45.0	34.2
Underground	15.0	15.0
Elevation	10.8	10.8
TOTAL	125.4	108.7

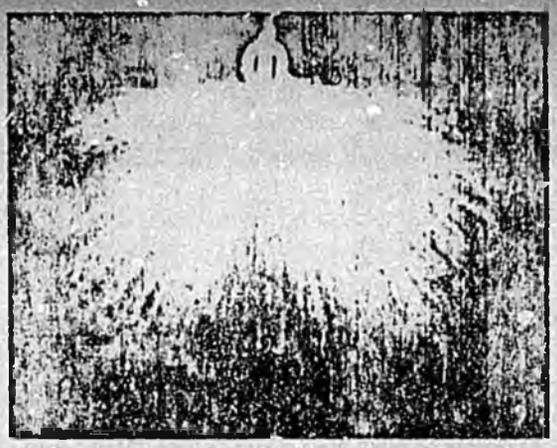
SUMMARY

1. Sprinkler system designers have an added option of using Schedule 10 light-wall pipe.

2. Substitution of Schedule 10 light-wall pipe for Schedule 40 pipe will significantly reduce the total pressure and power demand on the water supply.

3. Reduction in pressure requirements can save installed and operating costs as follows:

- Less horsepower required to deliver water.
- Smaller pumps or the ability to supply sprinkler systems from existing water supplies.
- Smaller pipe sizes — lower pipe cost — less weight — less labor and freight costs. △



Sprinklers Cut Fresno's Fire Losses and Budget

EDWARD J. REILLY and JOHN A. VINIELLO

In the 1960s, the city of Fresno, California began the process of basing its municipal firesafety program on the installation of automatic sprinklers. As a result, the city decreased its fire losses, decreased the percentage of the municipal budget allocated to its fire department, and improved its insurance rating.

Many of the details of the Fresno program were explained in a March 1975 FIRE JOURNAL article entitled "How the City of Fresno Achieved Better Fire Protection." A major element of the program was the enactment by the Fresno City Council in 1961 of the Dangerous Building Ordinance, which focused on the central business district and gave city officials the power to remedy the hazards resulting from unsafe buildings or structures. City officials were empowered to condemn those buildings or order their repair, renovation, or restoration so that they would meet the requirements of the *Fresno Building Code*.

Under the provisions of the Dangerous Building Ordinance, buildings owners could choose among several alternatives to bring their buildings up to the requirements of the *Building Code*. Most owners found that the most economical way to comply with the *Code* was to install automatic sprinklers.

The city coupled the Dangerous Building Ordinance with a funding plan that city officials arranged with the local agency that administered the federal urban renewal program in Fresno. Federal funds were provided to the city by the US Department of Housing and Urban Development for the acquisition of property and the demolition of buildings not worth saving. The city's agreement with the urban renewal agency specified that any new construction in the city's urban renewal area would be sprinklered in accordance with NFPA 13, *Standard for the Installation of Sprinkler Systems*. Finally, the urban renewal agency agreed to help interested owners find loans for building renovation. The agency did not, however, provide funds to owners or guarantee loans made to owners.

As a result of these two actions by the city -- enactment of the Dangerous Building Ordinance and the agreement with the federal urban renewal agency — sprinkler protection became almost universal in the 18-block central business district and a separate 22-block area once considered a slum. More than 95 percent of all the buildings in both areas ultimately were protected by automatic sprinklers.

Representatives of the National Automatic Sprinkler and Fire Control Association (NAS), which was involved in the initial discussions that resulted in the Fresno program, revisited the city in 1977 to study the results produced by the program. What follows is a recounting of the effects that the organization found the program had made on the fire department and fire losses.

Fire Department Results

In 1955, Fresno's population stood at 115,000. By 1977, 69,500 people had been added to its population, a

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65 percent increase. In 1955, Fresno covered only 21 square miles. By 1977, through a process of annexation, its area had jumped to 58 square miles. During the same period, the number of Fresno's engine companies increased from 9 to 11, a 22 percent increase. Total paid fire-fighting personnel increased from 218 men in 1955 to 276 men in 1977, a 26 percent increase. The number of fire fighters on duty around the clock remained unchanged: 68 men on duty during any 24-hour period in 1955, and 68 men on duty around the clock in 1977.

The burden per fire fighter had increased enormously between 1955 and 1977. In 1955, there were 3.2 fire fighters per square mile of area to protect. By 1977, the number of fire fighters per square mile was reduced to 1.2 men per square mile. Therefore, each fire fighter was required to protect more than 2½ times the number of square miles of area in 1977 than he was required to protect in 1956.

The number of fire fighters on duty during any 24-hour period decreased from 6.04 men per 10,000 in 1955 to 3.64 men per 10,000 in 1977. So the fire department was protecting almost twice as many people and property in 1977 as it had predicted in 1955, and had to cover over 2½ times the geographical area with only 20 percent more equipment, and virtually no increase in manpower.

In 1955, Fresno's fire department received so few deficiency points that it was rated as a Class 1 department. If the fire department were to maintain its Class 1 rating, 14 new fire stations would have to have been added between 1955 and 1976. Assuming a cost of $1 million per station, including land and construction costs, this $14 million acquisition would have cost the taxpayers about $2.2 million per year, assuming a 6 percent municipal bond issue floated over a 20-year period.

Fourteen pumpers would have to have been added to maintain a zero deficiency point rating. At $65,000 per truck, this additional cost would add about $145,600 per year to the fire department budget with the same 6 percent municipal bond float for the same 20-year period.

It is difficult to calculate with precision the impact of additional manpower required to maintain a zero increment in deficiency points resulting from a manpower shortfall. However, in 1955, the Fresno Fire Department was up to full complement: six men per company, on duty 24 hours a day. By 1976, only four men could roll on a call during any hour of the day or night.

If the three-platoon system (three men working 56-hour shifts around the clock) had been in existence in 1955, 84 new fire fighters would have been required to meet full manpower needs of the department. To say it another way, Fresno's 1977 department of 276 men would have to have been increased to 360 men if the department were to maintain its Class 1 rating. This would have added about $1.26 million per year to Fresno's fire department budget. This would have increased the 1977 fire department budget from about $9 million per year to about $12.6 million. About a 40 percent increase. If the fire department budget came to 13 percent of the total in 1955, it would have come to about 11 percent in 1977 if manpower, fire stations, and equipment were to be maintained at zero deficiency point levels.

Fire Losses

Between 1956 and 1966, per capita fire losses averaged $1.71. In the decade immediately following, per capita fire losses averaged $8.11. However, construction cost more than doubles every decade. NAS wanted to measure the cost of replacing buildings destroyed by fire, so it adjusted per capita fire losses to the Building Construction figures published by *Engineering News Record*. Adjusting per capita fire losses to the Building Code Index, "real losses" dropped 22.4 percent in that decade.

Of even greater significance is the fact that nonresidential losses averaged 62.1 percent at the beginning of the 20-year period. By 1976, nonresidential losses had plunged to 43.5 percent of the total, and it was these buildings that became the object of the intensive automatic sprinkler master plan.

Conclusions

The Fresno program is a comprehensive fire defense master plan.

In the decade that followed its implementation, the city's fire losses (adjusted for inflation) were cut by 22 percent.

The fact that 95 percent of two urban renewal areas covering 40 square blocks were protected throughout by automatic sprinklers under a combination of ordinances made it possible for the fire department to take full advantage of the 50 percent reductions permitted under the "fire flow" standards of the Insurance Services Office (ISO) grading schedule and the additional 25 percent credit given by ISO for superior construction. This resulted in the imposition of almost *zero* deficiency points against the water department.

Intelligent planning based upon a thorough understanding of the ISO grading schedule enabled the building and fire departments to take the steps needed to upgrade the city from an ISO Class 3 to Class 2 city.

The implementation of the plan resulted in economies in fire department operations of up to 40 percent of the total operating budget for that department. The 1977 fire department budget of $9 million would probably range up to about $12.6 million if the 84 added fire fighters, 14 pumpers, and 14 fire stations required to maintain a zero

(Continued on page 91)

AMENDMENT

By the Community and
Regional Affairs Committee

Offered in the SENATE

TO: SENATE BILL NO. 370

Page 1, lines 8 - 17, delete all material and insert the following in its place:

"* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(7) real property to the extent and subject to the conditions provided in (j) of this section.

*Sec. 2. AS 29.53.020 is amended by adding a new subsection to read:

(j) Two percent of the assessed value of a structure is exempt from taxation if the structure contains fire protection systems in operating condition incorporated as a fixture or part of the structure. The exemption granted by this subsection is limited to

(1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if fire protection systems are a fixture of the real property on January 1, 1981; or

(2) an amount equal to two percent of the value of structure as of January 1 following the installation of the fire protection systems as fixtures of the structure after January 1, 1981."

Renumber following sections accordingly.

For purposes of this Act, definition of approved types of fire protection systems and fire alarm systems shall be made available through the State Fire Marshall's Office. On or before the end of October 1980 the State Fire Marshall's Office shall submit a list of approved types of systems to the State Assessor's Office, Department of Community and Regional Affairs and Division of Business Loans, Department of Commerce and Economic Development. This information will also be available to the public.

Cordova Chamber of Commerce

BOX 99

"The Friendly City"

CORDOVA, ALASKA 99574

MT. ECCLES

January 30, 1980

Mr. Robert Shirnberg
Post Office Box 1167
Kenai, Alaska 99611

Dear Mr. Shirnberg,

This is to inform you that on January 29, 1980, the Cordova Chamber of Commerce took action supporting proposed legislation for the installation of Private Fire Protection Systems.

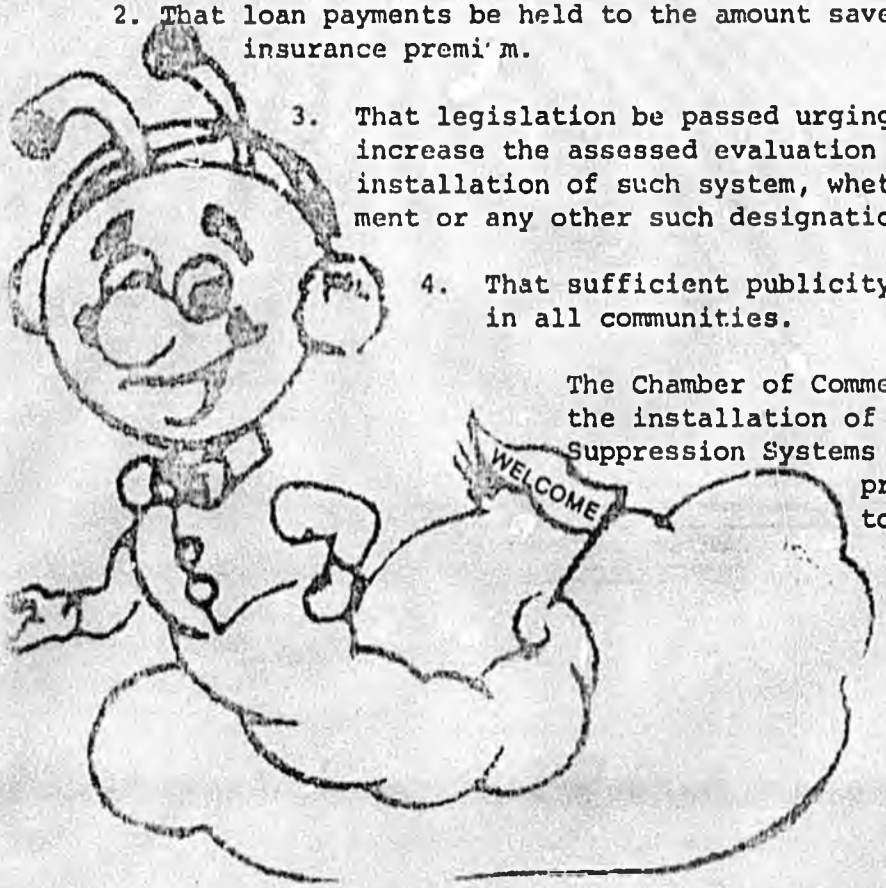
The following are specific concepts supported by this Chamber:

1. Low interest or no interest loans with a minimum of paperwork to be made available to businesses for the purpose of installing Private Fire Protection and Suppression Systems.

2. That loan payments be held to the amount saved on the establishemnt's fire insurance premium.

3. That legislation be passed urging local municipalities to not increase the assessed evaluation of the property because of the installation of such system, whether it be named as an improvement or any other such designation.

4. That sufficient publicity be given to business people in all communities.



The Chamber of Commerce feels that incentives for the installation of Private Fire Protection and Suppression Systems will reduce the loss of lives, property, and lost man-hours due to destruction of business property.

Sincerely,

Robert L. Varnam

Robert L. Varnam

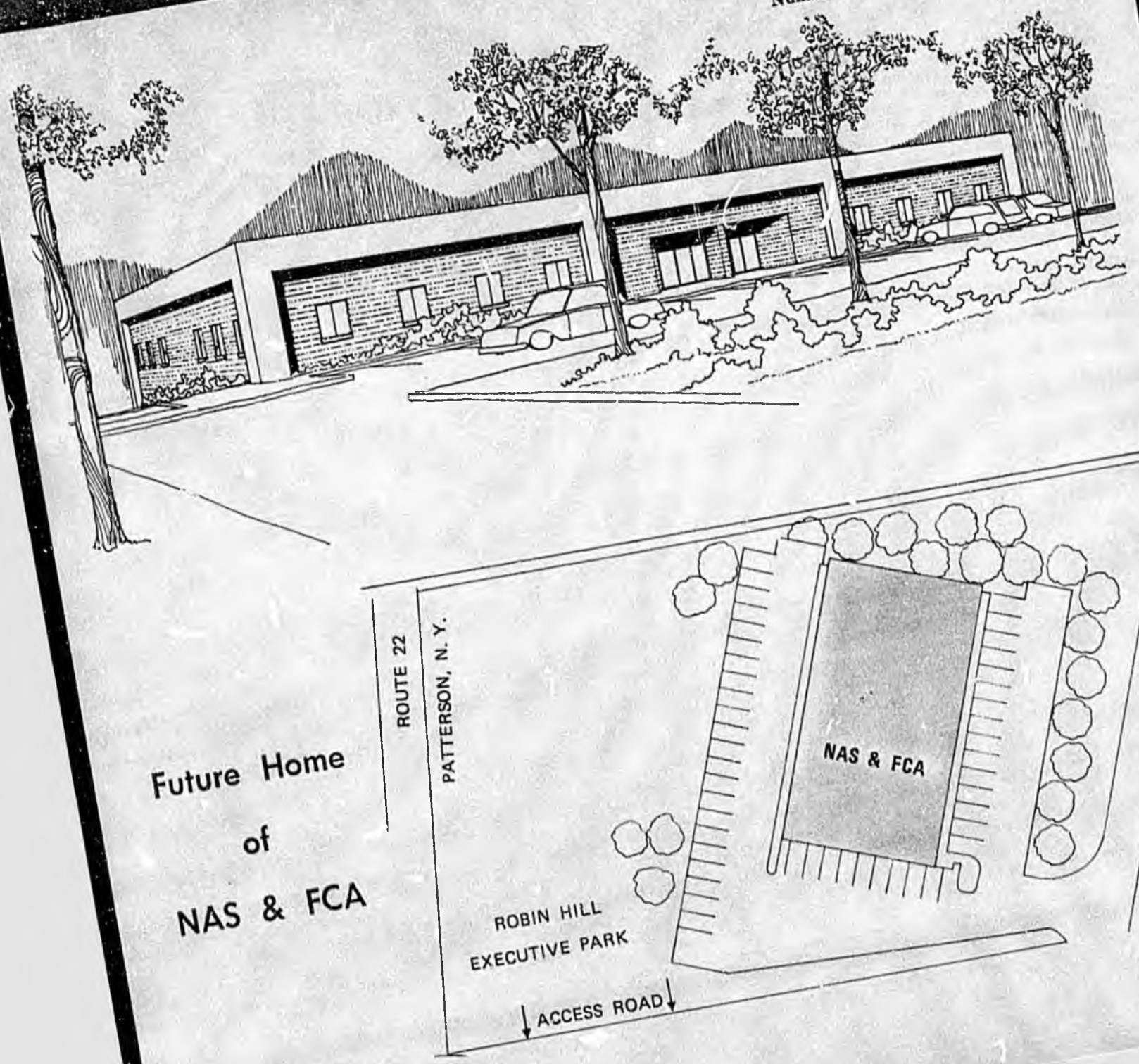
cc: Alaska Fire Chief's Association, Alaska State Fire Fighter's Association, Cordova City Council

SPRINKLING OF NEWS

NATIONAL AUTOMATIC SPRINKLER AND FIRE CONTROL ASSOCIATION, INC.

WINTER 1979-1980

Number 33



Future Home
of
NAS & FCA

Fire Protection Water Standby Charges: Not in the Public Interest

by BRIAN R. SHUTE

A high fire death rate is peculiarly an American problem. No other industrialized nation comes close to the American fire death rate. Fire deaths and injuries per million population in the United States are nearly three times that of Sweden, which has the next highest death and injury rate by fire.

In 1978 over 3 million fires caused over $4 billion worth of fire losses. The dollar value of the damage and destruction by fire does not even begin to approximate the actual losses because serious fires create indirect business and community losses such as:

(a) Loss of customers

(b) Loss of profits

(c) Cost of retaining key personnel during shutdown

(d) Loss of taxes on destroyed property

Finally, there are indirect losses of a personal nature. These may be even more difficult to estimate, yet their importance should not be neglected. In addition to financial losses incurred through temporary unemployment and expenses incurred in finding and moving to new housing, there is the destruction of irreplacable personal belongings.

Water is an indispensable commodity when it comes to fighting fire. Fires cause billions of gallons of water to be consumed putting them out. Consequently, given the compelling social goal of avoiding the catastrophic fire losses, together with the absolute necessity of water for basic human existence, a municipality should develop policies which maximize its ability to provide both fire protection and adequate water supplies.

According to the National Fire Protection Association, private fire protection systems (of which automatic sprinkler systems are the backbone) are the most effective means of controlling fires in buildings. Not only do private fire protection systems put out fires, they do not require nearly as much water to extinguish fires on the average as is required by the Fire Department. The expenses of the Fire Department incurred fighting sprinklered fires are much less, and the chance for injury to firemen as a result of fire is almost negligible in sprinklered buildings.

Brian R. Shute is an Anchorage, Alaska attorney. He represents the Water Conservation Association of Anchorage.

In Anchorage, Alaska, in 1977, the Public Utilities Commission approved a new tariff for the Anchorage Water Utility. As a result, the utility required owners of private fire protection systems to make a monthly payment for merely having an automatic sprinkler system connected to the utility water supply. The owner was required to pay even when he did not use any water at all.

It came to the attention of the Water Conservation Association that the monthly charges in some cases were so high that they were in excess of insurance savings realized through installation of the system. Consequently, some owners were deciding to turn off their fire protection system because it had become uneconomical to maintain. The Water Association was also aware of some new construction for which plans for installation of private fire protection systems had been cancelled because the stiff water standby charge was too high in relation to the savings which could be realized by having the systems installed.

The Water Conservation Association took the position that the standby charge which owners of private fire protection systems were being required to pay was not in the interest of conservative water usage, was not in the interest of increasing the fire worthiness of the general Anchorage municipal area, and did not further cooperative planning to solve the interrelated problems of providing adequate fire protection and water supply to the City.

The Water Conservation Association prepared a memorandum to more fully explore whether the standby charge fire protection owners were being required to pay was in the public interest. A detailed fact digest was compiled. As a result of its study, the Water Conservation Association concluded that the standby charges were not in the public interest and, consequently, should either be eliminated or alternative methods found to restore the economic incentives for installing private fire protection systems so the water conserving and fire loss reducing characteristics can be promoted.

As a result of its efforts, the Water Conservation Association has apparently succeeded in getting the Municipality of Anchorage to agree to a potential of a reduction in standby charge of as much as 75 percent or more. However, the Association would like to see the charge eliminated [illegible] for the following reasons:

PRIVATE FIRE PROTECTION SYSTEMS BOTH CONSERVE AVAILABLE WATER SUPPLIES AND GREATLY REDUCE LOSSES CAUSED BY FIRES.

1. Private fire protection systems conserve water supplies.

Statistics showing the effectiveness of automatic sprinkler protection are phenomenal. Only in rare instances do automatic sprinkler systems fail to control fires in sprinklered buildings. The failures are seldom due to the sprinklers, but rather the lack of water, often because the system has been turned off either intentionally or by vandals. A complete record of fires in sprinklered buildings would show that their efficiency probably approaches 100%. Of all the fires controlled by sprinklers more than 90% of them are controlled by three or less sprinkler heads.

The effectiveness of automatic sprinklers stems from their presence at the potential scene of a fire before the fire starts. They can apply water immediately where it is needed because there are no problems of access to the seat of the fire or interference with visibility for fire fighting due to smoke. Sprinklers can extinguish fires much earlier than a Fire Department could ever respond to an alarm. The amount of water necessary to put out a fire in its beginning stages is nowhere near the amount required for the Fire Department to put it out after it gets going.

Performance characteristics of sprinklers indicate that standard automatic sprinklers discharge anywhere from 15 to 55 gallons of water per minute, depending on the pressure at the sprinkler head. In comparison, a heavy-attack two and one-half inch mobile hose line in operation can consume more than two hundred gallons per minute. If the fire is not put out in its infant stages (as occurs over 90% of the time when automatic sprinklers are deployed), it may take a number of heavy-attack lines hours to control the fire, if the water supply holds out that long.

2. The total required fire flow for a municipality is reduced with the widespread installation of private fire protection systems.

The traditional method for estimating the water supply required to serve a municipality's fire protection needs is by computing fire flow requirements. The latest developments in estimating fire flow requirements are found in the **Guide for Determination of Required Fire Flow** published by the Insurance Services Office (ISO) in 1972. The fire flow formula reflects significant water conservation propensities of private fire protection. Depending upon the flamability of a given building, the fire flow required is reduced by twenty-five to fifty percent when a sprinkler system is present in a building.

The guide for determining required fire flow just referred to is a determination made for specific buildings. The ISO utilizes this formula for determining fire flow requirements for Anchorage as a City. The procedure for making a city-wide fire flow determination more fully described in the ISO **Municipal Grading Schedule.**

The last analysis of Anchorage fire flow requirements was performed and summarized by ISO in a 1969 report. ISO is presently in Anchorage reevaluating the fire flow requirements. The 1972 fire flow guide has been revised since the last fire flow study was done for Anchorage in 1969. ISO engineers indicated that the reduction in fire flow requirements for a building can be even greater than 50%, to as much as 75%, given the right kind of building construction.

It was the opinion of the ISO engineers that although the ISO methodology did not enable a precise computation of the reduction in Anchorage fire flow requirements caused by the private sprinkler protection, it was significant. ISO indicated that the sprinkler installations in the central business district alone made Anchorage's central business district a much better fire risk.

Finally, ISO engineers indicated that with all of the factors of the Municipal grading schedule taken into account, they were hopeful that the required fire flows for Anchorage would be less than the 1969 studies indicated. However, the investigation work for the study has not been completed, and consequently the fire flow requirement is still to be determined.

In 1969, ISO engineers completed a report on Anchorage. It is significant that one of the improvements recommended by ISO was installation of automatic sprinkler equipment in all basements exceeding 2,500 square feet.

Examination of the respective quantities of water needed by the Fire Department versus sprinkler systems to extinguish fires, the 25% to 75% discount for fire flow required for a given building, and a study of the Municipal Grading Schedule all indicate that the amounts of water demanded to maximize Anchorage's fire protection efforts are reduced by widespread installation of private fire protection systems. The conservation aspects of private fire protection are significant and should be encouraged.

PRIVATE FIRE PROTECTION REDUCES THE COST OF OTHER PUBLIC SERVICES.

In addition to the water conservation aspects of automatic sprinkler systems, and the significant savings in life and property, there are other public benefits from widespread installation of private fire protection systems. Among these are:

1. Both the economic and physical burden of the fire department are decreased since private fire protection generally puts out the fire before the fire department even arrives. This also decreases the hazards of fighting fire.

2. The cost of manpower and time fighting fire is reduced and therefore the money necessary to operate the Fire Department itself is also lessened.

3. Private fire protection decreases fire insurance cost for the entire city.

4. Private fire protection increases municipal tax revenues by encouraging property improvement.

5. Private fire protection increases a community's total fire protection security, preventing conflagrations and exposure fires.

6. Private fire protection results in lessening the cost of capital improvements to the water utility since widespread installation of private fire protection decreases

the required fire flow necessary for adequate municipal fire protection.

7. Private fire protection saves billions of gallons of water which is in chronic short supply in most cities.

8. The encouragement of private fire protection systems is consistent with the State policy of encouraging fire protection devices (smoke alarms). Since private fire protection reduces the cost of the fire department for fighting fires in sprinklered buildings, State revenue sharing money can be used for other fire department purposes, making more efficient use of the State money.

9. The omission of automatic sprinklers imposes upon the architect more stringent rules governing compartmentalization, fire proofing, exit distance spacing, travel distance, and exterior design requirements. It costs more to construct without sprinklers.

BECAUSE WIDESPREAD INSTALLATION OF PRIVATE FIRE PROTECTION CONSERVES SCARCE WATER RESOURCES AS WELL AS SIGNIFICANTLY DECREASING LOSS OF LIFE AND PROPERTY FROM FIRE, THE MUNICIPALITY SHOULD ENCOURAGE WIDESPREAD INSTALLATION OF THE SYSTEMS BY PROVIDING NEW INCENTIVES FOR OWNERS TO INSTALL PRIVATE FIRE PROTECTION, AND BY CONTINUING EXISTING INCENTIVES.

The primary incentive for voluntary installation of private fire protection systems is the reduced insurance rates to the owner which enable him to amortize the cost of installation over a period of a few years.

Because of the safety factors accompanying installation of automatic sprinklers and the reduced fire flow characteristics, an owner installing private fire protection can reduce his insurance premiums when the installation has been approved by ISO. This incentive for voluntary installation of private fire protection had been largely eradicated by the implementation of a flat monthly charge by the Anchorage Water Utility of anywhere between $7.10 to $254.10 per month, depending upon the size of pipe delivering water to the building. The most prevalent sizes of pipe are four, six and eight inch pipe for which charges were $28.45 per month, $63.55 per month and $112.85 per month, respectively. These rates nearly eat up, and in some cases entirely eliminate, the savings on insurance an owner achieves by installing private fire protection. Even when the rates do not entirely eat up the insurance savings, they eat up so much of the insurance savings that it takes too long to amortize the cost of installation, and it is uneconomical to install private fire protection.

But when fire protection needs and water supply requirements are examined in the total picture, it appears that the widespread installation of private fire protection will alleviate rather than create additional fire protection demands upon the water supply; the water saving capacities of automatic sprinklers will reduce the total quantity of water required to fight any given number of fires. To levy a standby charge, whether water is used or not, which eliminates the insurance cost advantage is to create a disincentive and discourage voluntary installation of private fire protection systems. Obviously, this will result in a corresponding reduction in water conservation and increase in total potential demand for water for fire protection.

Largely through the work and application of ISO's Municipal grading schedule, the Municipality of Anchorage receives a fire risk rating which determines fire insurance rates for the City. As has already been discussed, widespread installation of private fire protection systems contribute significantly to reducing fire flow requirements for Anchorage, and, therefore, play a part in reducing fire insurance premiums to property owners in the city generally. It is those owners who do not have private protection systems who raise insurance rates, not owners who have installed such systems. To penalize owners for installing private fire protection systems by requiring them to pay this standby charge is to penalize the wrong people. It is the person who fails to install the sprinkler system who contributes to increased insurance rates, who requires immeasurably greater quantities of water to be consumed in putting out fires, and who creates a public hazard, since a fire in a non-sprinklered building is much more likely to rage out of control and burn property of others nearby.

As owners and citizens of the Anchorage municpal area, private fire protection owners have a vested interst in the continuing viability of both the fire protection effort and the adequacy of the water supply. The members of the Water Conservation Association feel that since widespread installation of private fire protection systems not only makes Anchorage a safer place to live, but also reduces Fire Department costs and conserves precious water resources, that the incentive for voluntary installation of sprinklers should be restored. There are a number of options which can be looked at to achieve this purpose.

METHODS TO OPTIMIZE THE FIRE PROTECTION EFFORT AND PROVIDE ADEQUATE WATER SERVICE.

The Anchorage Area Borough Assembly is empowered by the Municipal Charter to prescribe rules and procedures for the operation and management of municipal utilities. Municipal Charter, Article XVI (C) (1975). The Water Conservation Association offers the following alternatives to the water standby charge as being more productive solutions to the total municipal problem of providing adequate fire protection and sufficient water supply.

1. Grant a tax credit to owners who install private fire protection systems. This will indirectly make those who do not voluntarily install private fire protection systems pay for their counter productive and wasteful practice of depending upon the resources of the Fire Department to fight fires. This will also restore the incentive for owners to voluntarily install private fire protection systems, which is lost when insurance savings are eaten up by the standby charge.

2. Simply stop the standby charge for private fire protection. The Water Utility will not have the benefit of the alternative source of revenue from the ad valorem property tax, but this lack of revenue will be more than made up by the savings which result from the public benefits created by the incentive to install private fire protection systems.

TAX INCENTIVE PROGRAM

What are we talking about when we speak of a tax incentive program for fire protection? In looking back over the years, and in particular to the fire protection systems that are provided by private property owners, business and industry, we find that through Fire Codes, Uniform Building Codes and ordinances we have insisted that these same property owners provide private fire protection systems.

In effect, what we are telling the property owner is that we in the fire service cannot provide or meet the fire protection requirements for their particular property, that we insist that they install a system that will provide for fire detection and extinguishment, and supplemented by our fire department, we can then possibly handle the fire problem in his building or property.

When the property owner provides for this private fire protection, we often overlook the fact that he is not only providing protection for his property, but in effect is providing a part of the overall fire protection system of the community. His system does provide for fire protection to nearby properties in that the chances of the fire extending beyond his property is practically illiminated through his built-in fire protection system.

With the installation of a sprinkler system or other fire protection system within the property, the value of the property increases. Up to now the increased value of the fire protection system has been added or included in the tax assessment bill on the property.

I strongly feel that to require a property owner to provide for private fire protection systems on his property and then increase his tax bill because he has installed such a system is again self-defeating. We must be able to encourage the property owner to install such systems. We well know that such a system adds directly to the over-all fire protection system of the community.

To encourage the installation of private fire protection systems in our communities throughout the state, with the direct long-range effect of reducing or at least being able to maintain the current level of public fire protection we should consider the following:

Inact legislation at the State level that will remove from the tax rolls the assessment against private fire protection systems. The net effect to the property owner will be that his property tax rate will be reduced by the value of the private fire protection system.

Presently, the property owner that provides private fire protection systems for his property receives the following benefits:

1. Protection for his building
2. Protection for the contents
3. Protection for the occupants
4. Protection for his business
5. A reduction in the insurance premiums

The public receives the following benefits when a private property provides fire protection systems:

1. The public that enters or resides within the building is protected.
2. The nearby property owners are protected from fire extending from the property in question.
3. The community's tax base is protected in the property
4. The community has assurance that this business will not be destroyed by fire
5. The jobs provided within this property are secure from fire.
6. There is a lesser demand or requirement on the community's public fire department because this property has a built-in fire protection system.
7. The overall fire insurance rating will be enhanced by those properties protected by fire protection systems.

It is apparent that those property owners that install private fire protection systems not only receive certain benefits directly, but in respect to the community as a whole, that through their private efforts, provide a larger degree of benefits to the community in general.

Up until the present time, the property owner that provided private fire protection systems has received no direct benefits or credit from the community or local government for his efforts. The community has in general not recognized what the private fire protection systems mean to a community.

It is apparent that if all private property owners could or would provide private fire protection systems, it will have a dramatic long-term effect on the total community fire protection system. It will certainly affect the costs of providing community fire protection in the future.

Private Fire Protection

Serves A

Public Purpose

•

Stand-By Charges

•

Meter Requirements

and

Hawaiian Shows 'Em How!

By Edward J. Reilly *Director of Information*

National Automatic Sprinkler and Fire Control Association, Inc

277 PARK AVENUE NEW YORK [illegible]

Part One

Water shortage. It is one of the major domestic problems now facing this nation. Its dimensions are long term and nationwide.

What impact does this fact have on your municipality's capacity for fire defense?

Somewhere in the United States a fire breaks out every 12 seconds. Over $1.5 billion in property and contents are ravaged by flames annually.

On an average of once a day a "large loss" fire makes headlines. (A "large loss" fire is one that exceeds $250,000.00.)

All this adds up to one conclusion:

Billions of gallons of water are needed daily to safeguard lives and property from fire.

> A few years ago a "large loss" fire was sustained in downtown Saratoga Springs, New York. Population: 16,000. At the time of the fire the public water supply for this city was about five million gallons per day. The fire which occurred in the business district placed a demand of *six million* gallons of water a day to prevent conflagration.
>
> Result: Demand exceeded supply. It was necessary to by-pass the filter beds to meet the total demand for *ten million gallons of water needed* to fight this fire. For several days, residents had to boil all water used to drink and cook as a health precaution.

THE JOURNAL OF AMERICAN INSURANCE, a monthly publication of the American Mutual Insurance Alliance, spotlighted the problem of inadequate public water in a feature story titled "OUR THIRSTY CITIES" in its December 1962 issue. It is a story of a serious national problem of which all too few Americans are aware. Carefully documenting its sources, the JOURNAL pointed out that in 1961 inadequate water supplies were largely responsible for 52 out of the 358 "large loss" fires that occurred in the United States and Canada. Water shortage "is at least partly responsible for the fact that the nation's annual fire loss has risen from $5.50 per person in 1951 to $8.60 per person in 1960. Even more shocking:

- One out of five water utilities was (according to a 1955 survey made by the U.S. Public Health Service) deficient in basic water supply.
- Two out of five were deficient in transmission capacity.
- One out of three lacked adequate pumping facilities to meet fire fighting needs.
- Two out of five needed additional treatment plants to avoid having to pull untreated water into the system in fire emergencies.

- Ground storage facilities were inadequate in 29 per cent of the cities; elevated storage was insufficient in 13 per cent.
- Distribution system improvements, such as eliminating dead-end mains, were needed in 57 per cent of the systems to assure adequate pressure and supply to all locations.

Poor water supplies seriously jeopardize the growth of our cities. From a municipal viewpoint, inadequate water prevents industries from locating in a city. Fire insurance rates are too high when water needed for important industrial progress is not available. For example: Springfield, Ohio had not attracted a new industry for 50 years. By improving its water supply facilities, its fire insurance rates dropped by 10 per cent and 11 new industrial plants moved in to provide needed employment.

The fact that water supply facilities must be improved is obvious. Many communities, using federal and state matching grants have already taken steps to alleviate this problem.

But meanwhile it seems essential that water used for fire protection purposes be conserved.

MORE MILES PER GALLON WITH WATER — FOR FIRE FIGHTING PURPOSES

Ironically many American communities are actually working against themselves. All available information indicates that a pernicious tax, known as the "stand-by charge" is gaining wider acceptance in American cities. The Stand-by Charge is a tax or charge, based on the size of a city water connection, the number of sprinklers, a flat rate, floor area, or a combination of any of these for the purpose of raising revenue to provide adequate water for private fire protection systems.

WHAT IS THE PRACTICE IN NORTH AMERICAN MUNICIPALITIES?

The Factory Mutual Engineering Division is part of the National Association of Mutual Fire Insurance Underwriters. Its decennial publication, PRIVATE FIRE SERVICE CONNECTIONS -- SURVEY OF STAND-BY CHARGES AND METER REQUIREMENTS — 1950-1960, summarizes a survey based on 1,250 public and private water companies serving approximately 3,100 communities in the United States and Canada. Here are the results of that survey:

		UNITED STATES		CANADA
		(1) Municipal (1000)	Private (1451)	(2) Municipal (105)
(3)	METERS			
	Required	28%	38%	18%
	Not Required	72	62	82
	Total	100%	100%	100%
(4)	STAND-BY CHARGES			
	Yes	51%	88%	39%
	No	49	12	61
		100%	100%	100%
	BASIS OF CHARGE			
	Connection size	21%	27%	8%
	Hydrants	3	3	5
	Sprinklers	1	1	5
(5)	Combination	21	57	17
	Flat Rate	4	—	1
	Floor Area	½	—	2
	Other Basis	½	—	1
	Total	51%	88%	39%

Let's examine the pros and cons of stand-by charges:

PRO *To provide adequate public water to supply private fire protection facilities, it is necessary to raise additional revenue by taxing owners of buildings protected by private fire protection facilities. Therefore, the cost of such expanded or improved facilities should be borne by owners of buildings protected by private fire protection systems.*

CON Fire Protection is a total municipal problem. The Fire Department and Fire Prevention Bureau (Fire Marshal), the Police Department, the Water Department and the fire insurance underwriters each have a part to play in the total fire security efforts of a community.

No single department operates in a vacuum. They must be viewed as an integral unit mutally concerned with the over-all fire protection-prevention effort of a municipality.

However, the major burden of municipal fire defense falls upon the shoulders of the Fire Department.

BUT . . .

1. Shorter work weeks result in the fact that fewer firemen are able to respond to a given alarm than at any previous time. This condition promises to worsen.
2. The ratio of firemen to population has dwindled steadily since World War II.
3. Firemen are charged with the responsibility of protecting higher valued properties, more buildings, more volatile and flammable contents each year. Because of the plight of the public fire services, the need for private fire protection is increasing. The backbone of private fire protection is the *automatic sprinkler system.*

Fire officials' associations have unanimously endorsed basement sprinkler ordinances and associations of fire chiefs have been extremely effective in obtaining automatic sprinkler ordinances in Fire Prevention Codes across the nation.

Most rank and file fire fighters know that no firemen has ever been killed in line of duty in a building protected by an approved automatic sprinkler system.

Building officials, too, acting through their large building code congresses, have recognized the important roll of automatic sprinklers, and have adopted provisions into building codes to strengthen automatic sprinkler requirements *for new construction.*

PRIVATE FIRE PROTECTION SERVES A PUBLIC PURPOSE

An owner who elects to install an automatic sprinkler system is serving a *public purpose*:

1. He precludes the possibility of exposure fires and conflagrations.
2. He secures greater personal safety to firemen and offers the best possible safety to life to his employees and to the general public.
3. He safeguards continuity of business in his own plant.
4. He is generally a major taxpayer in a community. By installing automatic sprinklers, he insures a steady flow of taxes needed to support the various municipal departments which work together to protect his property and the property and lives of his neighbors.

In cities that have meter and stand-by requirements, he pays for water used to extinguish a fire in his property three times:

First: He pays for private water measured through his meter.

Second: He pays an annual stand-by charge whether he has a fire or not.

Third: He pays for public water should it be needed.

If his neighbor, the owner of an unsprinklered building, has a fire, both he and his neighbor pay for that water.

Water used to fight fires in unsprinklered buildings vs. sprinklered buildings is often consumed in the ratio of *ten thousand* to *one* gallons per minute. The consumption of two, three or four million gallons of water is not uncommon in the suppression of fires in unprotected properties.

CHARGES AGAINST PRIVATE FIRE PROTECTION — REDUCE MUNICIPAL REVENUES

The installation of automatic sprinklers is clearly a property improvement. To the extent that buildings are improved, a direct taxable value is added to the total value of property effected and increased revenue to a municipality results.

Therefore, when private fire protection is discouraged, public revenue diminishes in direct proportion.

COST — PRIVATE VERSUS PUBLIC WATER

It is argued by some water departments that owners of private fire protection systems should pay above and beyond public water rates to expand and improve water facilities.

In view of the fact that private fire protection serves a public purpose by reducing the cost of public fire protection and because it spares the community tens of millions of gallons of water, he should be given water at the lower rate charged to the municipality for municipal fire protection.

It is further argued by some water department officials that the addition of a sprinklered plant to a community required adds expenditure to provide public water mains to the property.

Industry and population follow public water supplies. No water main laid to one sprinklered property in a municipality will remain unshared for long. Other industries, housing developments, shopping centers will invariably move near public water mains; thus, dividing the cost of public water among many users.

FIRE INSURANCE REDUCTIONS

PRO *Owners of sprinklered properties enjoy reduced fire insurance premiums which reduce the owner's operational cost and amortize the cost of private fire protection in a few years. Therefore, because of reduced overhead, owners of sprinklered properties are better able to carry the financial burden of providing adequate water supplies.*

CON This is a *non sequiter.*

To impose a tax or charge against an owner of property protected by a private fire protection system because he has made a good business judgment, is discriminatory.

By installing sprinklers, he has diminished the demand placed upon the public fire services, the water supply system, police and traffic control.

Private fire protection must be viewed as a public aid. It should not be penalized.

OTHER UTILITIES HAVE STAND-BY CHARGES

PRO *Some public water officials justify stand-by charges because electric power and gas utilities have them.*

CON This comparison is misleading. Everyone uses electric power. Virtually every taxpayer uses gas or electricity for heating and cooking. Therefore, everyone pays his fair share and there is no inequity in raising revenue when all citizens enjoy equal benefits. In the case of stand-by charges against owners of sprinklered properties, we are discussing a tiny minority of the general population. Not more than a few hundred taxpayers out of a half million are required to pay these charges. Therefore, the stand-by charge against private fire protection is discriminatory.

METER REQUIREMENTS

Some cities require the use of full flow fire meters.

These meters are intended to measure the flow of water when a fire occurs.

Other communities require so-called detector check meters which are designed to detect leakage, waste or theft of water.

The requirement for full flow fire meters can be compared to a requirement for a speedometer on your automobile which costs nearly as much as the automobile itself.

Obviously full flow fire meter requirements discourage private fire protection installations. Fire and building officials who envision automatic sprinklers as an integral part of their city's fire fighting capabilities are hard put to justify fire protection and building codes which make sprinklers mandatory when they are confronted with mandatory requirements for full flow fire meters.

The cost of purchasing and installing such a meter could conceivably be equal to the cost of sprinklering a 4,000 square foot basement.

WHAT'S BEHIND THESE METER REQUIREMENTS?

Some public officials believe that water used to fight fires with private fire protection facilities should be measured and that owners should be charged. The reason is that the owner has benefited from reduced fire insurance premiums and can well afford to pay for the metering devices.

Nevertheless, public water used to extinguish a fire in an unsprinklered building is not metered and public fire protection water in the order of millions of gallons is frequently necessary to effect good fire control. But the water bill for this purpose is shared by everyone, including owners of sprinklered and unsprinklered buildings. Therefore, the requirement for full flow fire meters is *discriminatory* and ultimately results in reduced fire fighting capacity within a community when sprinklers are discouraged or eliminated.

From a fire fighting standpoint such meters result in needless "friction loss" which reduces water pressure and volume needed to fight fires.

"Friction loss" is the result of an impediment (within the metering device itself) which reduced the velocity and volume of water needed to fight fires.

One of the components found in sprinkler systems is a water flow alarm device. In effect it detects the flow of water and prevents waste and leakage within a system. It is a kind of built-in metering device.

Many sprinkler systems are connected to central station supervisory services which transmit an alarm indicating flow of water. The requirement for a meter in such cases is a duplication of cost without concomitant benefit.

SUMMARY:

It has been said that "the power to tax is the power to destroy". Any economic sanction levied against private fire protection is, in effect, a tax which results in a diminishment of the total fire security effort of a community and increases the burden of public fire protection in direct proportion.

Conversely to strengthen private fire protection by encouraging its expansion:

1. Decreases both the economic and physical burden of the Fire Department and concomitantly decreases the hazards of fighting fire.
2. Decreases total fire insurance costs because anyone's fire is everyone's loss.
3. Increases tax revenues by encouraging property improvement.
4. Encourages cost conscious industries to move into new communities.
5. Increases a community's total fire protection security, preventing conflagrations and exposure fires.
6. *Saves billions of gallons of water which is in chronic short supply in most cities.*

Part Two

Houston Shows 'Em How!

THE DEMISE OF A "STAND-BY CHARGE"

A scrappy little band of Houston businessmen known as the ASSOCIATION FOR ENCOURAGING FIRE PROTECTION has succeeded in showing us all how to deal with that pernecious phenomenon known as the "*Stand-By Charge*".

On February 24, 1961, the Houston City Council enacted an ordinance that prevaled in part for a *monthly charge* of $1.00 per inch on all city water connections to automatic sprinkler systems. For example, the owner of a sprinklered building, served by an eight (8") inch city connection to his sprinkler system was required to pay $8.00 per month or $96.00 per year.

Then it all began. Mr. Russell Cummings, owner and manager of the leading storage and moving business in Houston asked, Why? Seriously. When the city mailed him a bill for a "*stand-by charge*", he was puzzled. "What am I getting for my money?" he asked. A chain of phone calls and correspondence led him up and down a labrynth of municipal offices and he came up with an assortment of answers that didn't make sense to him. He knew he was being asked to pay for something, and he couldn't find out what he was getting for his money.

He began to think about some of the answers he had gotten back when he inquired of various public officials.

He had been told that it was necessary to tax his sprinkler system, a privately owned fire protection system, to raise revenue to expand or maintain public water supplies. But he also knew that the amount of water that could be used by a sprinkler system in case of a fire could only reduce the amount of water needed. If his neighbor who had an unsprinklered building had a fire, millions of gallons of water might be needed, and it would be paid for out of public taxes. But the immeasurably small amount of water that his sprinkler system could conceivably use had to be paid for by means of a "*stand-by charge*".

He also learned that there were probably in the order of 1,000 or more sprinkler systems in Houston and their very existence greatly reduced the burden of public fire protection. Without these sprinkler systems, far more Fire Department personnel and fire fighting equipment would be needed to cope with the hazards which would exist.

He had invested in a sprinkler system. He reasoned that by doing so he was safeguarding the future of his own business, protecting the lives of his employees and could amortize the cost of the sprinkler system in fire insurance rate reductions. It annoyed him to learn that his good business judgment was being penalized and it could take him

or other owners of sprinklered buildings as much as 200 years to amortize the cost of the system after paying his monthly and annual charge on his water connection.

Further, he had increased the value of his property by installing sprinklers, was paying a tax on the increased evaluation of his building and was now being double taxed for a property improvement which actually worked against the whole fire protection effort of the City of Houston.

THE ASSOCIATION TO ENCOURAGE FIRE PROTECTION

Russell Cummings was a realist. He had some experience in politics. He was a businessman, and he knew that alone he could do nothing.

He wrote a letter to Mayor Louie Welsh, to each City Councilman and to other public officials in the City. A telephone campaign followed and he invited representatives of the Insurance Agents Association (The Insurance Exchange of Houston), the Retail Grocers Association, the Chamber of Commerce Fire Prevention Committee, and the Junior Chamber of Commerce Safety Committee. He invited leading fire protection contractors in Houston and a meeting was called. Attendance was unanimous and an organization known as the Association to Encourage Fire Protection was formed. Russell Cummings was elected President.

An organization was formed, with letterhead, telephone number, officers and some of the leading businessmen of Houston as members.

It turned out that Mayor Louie Welsh; Councilmen A. J. "Curley" Miller, Frank Mann, Lee McLemore, Bill Elliott, Homer Ford, Bob Webb, Johnny Goyan and Frank Maneuso were also interested in fair play and, once the case for "encouraging good fire protection" was layed before them, they were in unanimous agreement: the "stand-by charge" was repealed, as any Texan would say, "*pronto*".

Less than 20 months after the law had been enacted, it was repealed.

AS WE SEE IT . . . The Houston story could be repeated anywhere. And it should be. Most city officials are fair minded men. But the business of financing a modern municipal government with its myriad of departments and bureaus is a complex business. A single voice, speaking alone at City Hall, would go unheeded. Not because public officials are callousod or indifferent or unresponsive to the wishes of the electorate, but because, by the nature of politics, public officials must tune their ears to organizations; not to individuals.

A lot of work went into the repeal of this Houston "stand-by charge". It took leadership and hard work. But an injustice had been imposed, and that small band of willful men made their voices heard.

To Mayor Louie Welsh, the members of his City Council and other Houston officials, and to the Association to Encourage Fire Protection — *Well Done!*

10

February 20, 1980

Senator Brad Bradley
Pouch V
State Capital
Juneau, Alaska 99811

Dear Senator Bradley:

I have been informed by the Fire Chief's Association that you are in support of a bill similar to House Bill No. 648 which would exclude the value of fire protection systems from the tax assessments of the full and true value of a building. I believe you will find the following information of interest and useful to you.

On February 15, 1980 I went by the Fairbanks North Star Borough Assessors office and pulled the file on my residence at 3292 Jefferson Drive in Fairbanks, (Executive Park Subdivision, Block 2 Lot 24), and was very surprised to learn that my appraisal had recently increased from $76.725 to $93,325, and increase of $16,600. Inquiring as to the reason for the increase I found out that they had reassessed me $2.25/foot for my 2,393 square foot house (a total of $5,384.00) for the simple residential sprinkler system that I installed last summer. Yet the materials for the complete system, which conforms to NFPA Pamphlet 19D, cost me in the neighborhood of only $600 and the labor amounted to less than thirty (30) hours (about $1,200.00). This is barely more than 1/3 what I have been assessed.

In comparison it is interesting to note that the recently completed finishing work on the basement of this same house caused a reassessment of $4,858.00 an amount less than the 1" pipe residential sprinkler system that I had installed.

Hopefully you might be able to use this information as an example to assist you in your effort to get a bill similar to House Bill #648 passed this year. Such a bill will certainly encourage Alaska residents to install residential sprinkler systems within there homes and help reduce the Alaska life and property loss due to fire, without it, it is obvious from my experience that there is certainly strong financial disincentive.

It is of interest to also note, that the Insurance Companies serving Alaska will not give the home owner a reduction in his fire insurance cost for installing a residential sprinkler system but it is possible for a business to get up to a 75% reduction in his fire insurance cost if he installs a commercial sprinkler system.

Sincerely,

Warren B. Cummings
3292 Jefferson Drive
Fairbanks, Alaska 99701

WBC:jcs

P.S. After I made an inquiry with the Borough Assessor he has indicated he may reconsider, however this initial assessment is causing me considerable consternation.

xc: Tom Monk, A.F.C.T.A.
Andre' Schalk, A.F.C.A.
Senator Don Bennett
Senator Betty Fahrenkamp
Senator Glenn Hackney
Representative Robert Bettisworth
Representative Fred Brown
Representative Charlie Parr
Representative Richard Randolph
Representative Bryon Rogers
Representative Sally Smith
Representative Malone
Representative Duncan

Alaska State Legislature

SENATOR MIKE COLLETTA

SENATE FLOOR LEADER

Senate

MEMORANDUM

FEBRUARY 27, 1980

TO: REPRESENTATIVE BILL PARKER, CHAIRMAN
HOUSE COMMUNITY & REGIONAL AFFAIRS

FROM: SENATOR MIKE COLLETTA

RE: SB 370/HB 648 Fire Prevention

The attached letter from James A. Van Altvorst, City Manager of Ketchikan is forwarded for your review.

Your attention to this matter is appreciated.

P.O. BOX 3160, ANCHORAGE 99501 • POUCH V JUNEAU 99811

FEB 26 1980

CITY OF KETCHIKAN

334 FRONT STREET P. O. BOX 7300 TELEPHONE 907 225-3111

February 22, 1980

Senator Mike Colletta
Pouch V
Juneau, Alaska 99811

Dear Senator Colletta:

On behalf of the City of Ketchikan, I wish to add support to passage of Senate Bill 370, an act relating to fire prevention.

Approved automatic fire protection systems are obviously and definitely advantageous to the building in which they are installed. However, the benefits of those systems go far beyond the individual structures. They also benefit the entire community.

Essentially, installation of such systems decreases a community's "fire flow requirement" which is the community's ability to deliver water to control fires. A decrease in the "fire flow requirement", in effect, reduces the need for fire fighting equipment, facilities to house that equipment and staff to operate and maintain that equipment and facilities without reducing the level of fire protection in the community. Therefore, the entire community can benefit because of a reduction in the cost necessary to provide a given level of fire protection.

Because the entire community can benefit from the installation of approved fire protection systems in individual building, building owners should be given an incentive to install such systems rather than suffer additional fees or taxes because they installed those systems. Therefore, the City of Ketchikan supports Senate Bill 370.

If you have questions about the City's position on this issue, please contact me.

Sincerely,

James A. Van Altvorst
City Manager

JAVA:gw

HB
663

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER HB 663 RE Appropriation / Tyonek / Art Edson

Received from _____
Referred to Finance

Fical Note _____
LAA Legal Contact Pegues

CONTACTS:

Sponsor: Malone

NATIVE VILLAGE OF TYONEK, ALASKA

INCORPORATED
TYONEK, ALASKA 99682

MANAGEMENT OFFICE
1675 "C" STREET — ROOM 246
ANCHORAGE, ALASKA 99501

January 17, 1980

Rep. Hugh Malone
State Representative
Juneau, Alaska 99811

Dear Rep. Malone:

I believe some time ago I talked to you about a film we have of Tyonek.

The film has everything in it from Old Village to New one. Everything a villager did in the past are recreated, from weaving baskets to Indian Chief doing the war dance. We need in excess of $80,000.00 to finish the film.

To finish the film we must, (1) Film a Tyonek shooting a moose and every family head going to get their share.

(2) Beluga Hunt.

(3) The first Oil Company on Tyonek lands and its effect on the Tyoneks and finally narrating the film.

We would appreciate anything you can do for us to get this very important and historic film completed.

Sincerely,

Emil McCord Sr.

EM/ab
c.c. Attorney Clark Gruening
Carol Hodge
Village File

TYONEK HISTORY FILM PROJECT

Sometime back the NVT council gave Emil McCord the assignment of coodinating the efforts to search for funding and to revive the completion of this film project started in 1966. Frank Brink was employed by the Village council to make a film to depict the history of our tribe. He worked for about 4 years and shot over 20,000 feet of film. His wife, Jo, made all the costumes, did all the research of the anthropology and history of the ancient times of our people. About five years ago Frank had worked and got a committment from NBC to produce a one-hour documentary for Public Service TV to be televised nationwide. A proposal had been written to obtain the funding and Tyonek was required to put up $10,000 as matching seed money. Apparently, the Village did not have the money to spend at that time and the project fell through.

With the hard work and interest of Emil McCord, Sr, this project was been revived. Emil coordinated the efforts of several people here in Anchorage, including myself, and Frank Brink was notified to come to Alaska with some work footage and a budget to get the project started again. Communicating with Emil, I arranged with Carroll Hodge, Channel 7, KAKM, to have a showing at my house on Sunday, October 22nd. I had called the public affairs people of ARCO, Sohio/BP , Xerox, and others who may be able to contribute. The showing lasted from 3p.m. until 7 p.m. That next day Arco called to apologise for not showing up. None of the other companies came.

I met with Gary Holthaus, Alaska Humanities Forum, Thursday Nov. 2, and got the materials to submit a grant proposal. Gary was confident that we would be sucessful, providing we can get $30,000 from the private sector. That way Ak Humanities Forum might be able to match that plus give us an outright grant pf $27,000 to bring us up to the $87,330.00 we need to finish the project.

I want to apologise to Emil for the misunderstanding of the film storage. Frank had indicated that several letters were written to the council in the past giving instructions as to how to store the film. Apparently that letter is in the files somewhere and had never been paid attention to. Nevertheless, it was the request of Frank (who has the knowledge and concern of the film) to get the film from KAKM and hold it until he arranged proper storage. The showing of the two reels of the original film cannot be checked for damage until Frank can get it to a laboratory. Just running the film on a regular projector can damage the film for use later. When I retreived the film from KAKM it was just sitting out in one of the outside rooms where anyone could get to it and the temperature was not as Frank said it should be. Because of the importance and value of this original film, Frank is very concerned that it

be cared for properly so that the footage not be lost. In viewing two reels of work footage, already nearly a dozen people who were living are now dead. This film cannot be replaced, therefore, for that alone it is irreplaceable.

Frank is going to check on the cost of storage in a special vault in Hollywood with a company that does this type of sotrage and will let me know what the cost will be and whether we should store it there.

Today, Nov 9, 1978, I met with ARCO, Tom Brennan, Public Affairs, and showed the two reels of work footage Frank left with me. I wrote a new budget, as per Frank's figures and a cover letter with a summary and narrative of the film. This was given to Mr. Brennan and he is to call me back a week from next Monday to let me know what ARCO may be willing to contribute. (See attached packet).

The next step is to contact others, EXXON, XEROX, the Cook Inlet Historical Society, the National Endowment for the Humanities, and others to seek funding. This will take alot of effort and time on my part. Frank also left some instructions for me to write up some information he needs and to look for an anthropologist. I have contacted Rosita Worl and she is going to contact some others and meet with me soon to discuss the project.

All the funding from the private sector must be committed before we submit the one to the Alaska Humanities Forum by Jan 1, 1978. If we are sucessful in getting $30,000 committed from the private sector, then the Humanities Forum proposal will have a better chance of success.

In regards to the above work that is involved with getting all the pieces together, I will need to use the Anchorage office typewriter, telephone, and stationery. Already I have had a run-in with Bob McGlosion about this. I want to make it clear that much of what the Village council requires me to do will require me to use the above things mentioned. I do not have the proper typewriter at home to write the business letters, contracts, etc., that must be done in a business-like manner. If I cannot have use of the Anchorage office then everything will have to be sent to the Village for your secretary to do the typing. This will slow things down and make it difficult to operate properly. I will not do the work if this permission is not granted. It is only because of my desire to help Tyonek that I do alot of what I do, and, without bragging, I do the work well. I woould like an immediate reply to straighten out this matter, as there is much work to be done and it needs to done as quickly as possible.

Respectfully submitted,

Esther O. Kaloa

Esther O. Kaloa
Business Consultant

I wish to produce a one-hour documentary film tracing three periods in the history of the tiny (200 member) tribe of Tyonek Indians who live of the west shore of Cook Inlet in Alaska.

The first period will trace the roots and rituals of this anchient Athabascan tribe.

The second period will reveal the effects of the tribe's first contact with foreign cultures-Russian (1796-1867) and American (1867 to the present).

The third period will document the catastrophic impact of oil exploration of the Tyonek Reservation and the instant inheritance of approximately sixteen million dollars. It will further show how members of the tribe attempted to cope with the monumental physical and psychological changes in their struggle for cultural survival.

Brief History

In 1963, oil exploration accelerated throughout Alaska with three areas coming under intense investigation. They were the North Slope, the Kenai Peninsula, and the Cook Inlet Basin. As a part of the Cook Inlet exploration, the Panamerican Petroleum Oil Co.,(late Amco) obtained United States government approval to do exploratory drilling on the Tyonek Reservation.

The tribal council met , and from tribal records determined that the oil company might have no authority to enroach upon

the reservation without approval of the Tyonek people and compensation to tribe.

At that historic meeting, the tribe voted to seek legal advice to determine their in the matter. A prominent Alaskan attorney Stanley McCutcheol volutcered his services to represent the tribe. He obtained an injunction against Panamerican Petroleum Oil Company, and after a year's legal battle, the oil company was required to pay lease monies to the Tyonek tribe versus other government agencies. Subsequent to this action the Pan American Oil Company paid Tyonek approximately fourteen million dollars for oil and gas lease rights on the reservation.

Prior to 1963, the Tyonek's depended mostly on fishing, hunting and trapping for survival. Tribal tales confirm periods of starvation during several winters when moose and fish take was down. At those times some tribal members either became seriously ill or died. Most affluent Alaskans were ignorant of Tyonek needs or ignored them. However, there are accounts of emergency food supplies being sent to Tyonek village by concerned citizens This will reveal the status of the tribe when it was the recipie of 14 million dollars.

In an unprecented action, the Tyonek Village Council determined that rather than divide the money per capita among the tribal members, they would establish a master family plan for the judicious use of the funds to provide adequate housing, health care, education and guaranteed employment for every adult who was able to work. The plan also included resource development,

old age assistance, and pensions. It further provided for investments for the future welfare of the tribe. No lump sums were given to any tribal member except an initial house-hold fund of $5000 for each family or household.

When the plan was completed, the old Tyonek village was systematically torn down. The village consisted of small one and two room log and clapboard cabins, where in some cabins ice often formed on the damp floors and parts of moose carcasses would hang down from the rafters. As many as eight people would bed down for the night in space no larger than twelve by twelve feet.

New prefabricated electrically heated houses were built. From that time on the Tyoneks were physically comfortable. However, there began a series of accidents and tragedies that involved alcohol, violent arguments, fatal shootings, fires, drownings. and with it all, a prevailing loneliness brought on by changes for which the culture was unprepared.

As the tribe struggled to adjust to a new way of life, some questionable investments were made, some money was misused and squandered in spite of all precautions. But perhaps, the saddest effect of all the deaths of a munber of young bright people, still in their teens, whose own security may have been so threatened by cataclysmic change that they were unable to cope. However, there were values of better health and social services that did accrue.

valuable tribal traditions and a thrust to strengthen those which deal with family unity and pride. There is a strengthening of interest and devotion to their religious faith nurtured by the Russia Orthodox church, the major symbol of hope for release from the depression that has affected the lives of many Tyonek villagers since the change in their way of life. The church with its symbols and colorful ceremonies was the closest substitute for the ancient tribal rituals of thanksgiving, sacrifice and blessing.

For the Tyoneks the road back is long and precarious, but there is a feeling of hope and a growing sense of pride in a heritage once on the way to extinction.

This is the story of the Tyonek people I wish to explore on film. I am convinced that such an ethno-historical document on film could have a number of long-range benefits. The film could be used by other Native Americans like the Navajos who are faced with a decision regarding the development of shale oil resources on their reservation. Also, since the Tyonak people were involved in the largest native land claims settlement in American history (this is a part of the oil period of Tyonek history), their response and participation in the settlement would provide insights for many native groups contemplating the same experience.

Native Village of Tyonek- estimated expenses -

to be provided by the Village

TRANSPORTATION	
Round trip from Shreveport, Louisiana to Tyonek for two people-	$1100.00
Round trips from Anchorage to Los Angelos (1)	376.00
Trips to Tyonek for four people (approx)	120.00
FOOD	
Three people for six months, average $350 per month	2100.00
Lodging at Tyonek for six months, average for 3 people @ $200.00 per month	1200.00
Technical assistance (other than normal cooperation participation, interviews, etc.)	
Reservation transportation(to include by vehicle, boat, etc.)	
Mechanical-technical assistant	
Scene reconstruction (from each period of Tyonek history, the primative; the foreign influence; the coming of oil) It is difficult to accurately assess the many services to support and recreate scenes for shooting. This estimate of half-time equivalent services for six Tyonek people for six-months-to be paid by Tyonek village.)	21,000.0
Archival slides and still photos of old village and people prior to 1966 (approximately 500 slides and 300 stills)*	550.00
Archival footage (16mm color) old homes, people. village activities prior to 1966 (this also includes the tearing down of old homes and construction of new homes and new village activities from 1963 to 1966) estimated 5,000 feet at $3.00 per foot*	15,000.0
Total of Tyonek funds and services	$41,446.00

* Most of the above costs have already been expended or film shot, the costs of transportation, food and lodging will be needed ($5396.00), the $21,000 for six people from Tyonek can be [illegible]00 if those people volunteer. The $15,000 balance for archival film is that which is already shot, but not paid for. We may check with Frank to see if this cost is included in the $87,000.00 budget.

ESTIMATED BUDGET ONE HOUR 16mm COLOR DOCUMENTARY FILM

15,000 ft. ECO raw film stock @ $15.00 per 100 ft.	$2250.00
Ten-1800 ft rolls ¼" professional recording tape @ $7.50 per roll	75.00
Laboratory Costs:	
processing 15,000 ft @ .10¢ per ft.	1500.00
conforming-350 cuts (estimate) @ $2.50 per cut	875.00
sound selection and editing (lab production service) 50 hrs. @ $35.00 per hr.	1750.00
Music (composing, performing, scoring, editing)	5000.00
Narration, recording, editing, (written, plus live interview)	2500.00
Special effects	1500.00
Titles and credits	800.00
Workprint (archival footage and new footage) 20,00 ft @ 18¢ per ft.	3600.00
Trial prints, two-2000 ft @ 36¢ per ft.	1440.00
Release prints, two 2000 ft @ 26¢ per ft.	1040.00
Miscellaneous reserves	5000.00
Contract fees:	
Producer, director, cameraman, editor narrator, composer-for 1 year	30,000.00
Asst. producer, still camera, research, interviewer, $2500 per mo.,-6 mos.*	15,000.00
TOTAL ESTIMATED COST	$87,330.00

* Anthropologist/sociologist to be hired in Alaska

MANAGEMENT OFFICE
1675 "C" STREET — ROOM 245
ANCHORAGE, ALASKA 99501

November 9, 1978

Tom Brennan, Director
Public Affairs
Atlantic Richfield Company
711 W 8th Avenue
Anchorage, Alaska 99510

Dear Mr. Brennan,

As per our telephone conversations you will find attached a summary and narrative of the film tracing the history of the tribe of Tyonek.

It is the intent of the Native Village of Tyonek to find means to finish this film which was begun in 1966. Frank Brink, a well known man in his field of theater and film, was employed to produce and direct the movie. Due to the untimely death of Albert Kaloa, Jr, who played the main character of chief throughout the trilogy of the history of the tribe, continuation of the film making was stopped.

For several years an attempt to find funding sources to complete the film was unsuccessful. With the efforts of many interested parties the Alaska Humanites Forum has shown an interest to assist the Village to complete the film. They are willing to match funds allocated from the private sector, and also, to provide a grant.

With this possibility, the Native Village of Tyonek is now soliciting for funds from the private sector. The total amount budgeted to complete the fiming amounts to approximately eighty-seven thousand dollars ($87,000.00). We need to obtain thirty-thousand dollars ($30,000.00) from the private sector. Tyonek has already invested thirty-eight thousand dollars and will provide board and room for the staff when the filming process begins again, and transportation.

Mr. Brink has negotiated with CBS to provide a one-hour documentation on Public Service TV. We hope this to be the main use of the film. There is enough subject matter in the film to produce a minimum of six (6) educational films. This is another market we have.

After seeing some of the footage we have to show, I am sure you will be as enthusiastic and excited as we are to finish this film. It is the most comprehensive film of this type ever made of a history of a people of Alaska and we are proud to be a part of that history. Could you assist us in a contribution, you will be given nationwide recognition if our

Thank you for your interest.

Respectfully submitted,

Esther O. Kalon
Business Consultant
Native Village of Tyonek

NATIVE VILLAGE OF TYONEK, ALASKA

INCORPORATED

TYONEK, ALASKA 99682

MANAGEMENT OFFICE
1675 "C" STREET — ROOM 246
ANCHORAGE, ALASKA 99501

March 20, 1980

Bill Parker
Capitol, Room 104
Juneau, Alaska 99811

Dear Representative Parker,

I am writing to request your support for House Bill No. 663 that was introduced by Representative Malone on February 4, 1980. The Bill seeks an $80,000.00 appropriation for the Tyonek Native Village to complete a historical and cultural film of our village which is located on the west shore of Cook Inlet. The film, which was started several years ago using our own resources, traces the development of our culture and village from ancient times to the present. Although a portion of the film has already been completed we need additional funds to finalize this important documentary.

This film is not only of great importance to the people of Tyonek, but could be a valuable aid to all of the Native people of Alaska by providing an insight on the problems that we have faced and the methods that we have used to overcome these obstacles.

Your favorable consideration of support for this Bill will be deeply appreciated by all of our people.

Sincerely,

David Trenton,
President

HB
685

(7)

COMMITTEE REPORT

HOUSE

2/7/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 685

"An Act relating to regional housing authorities."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

(Rev. 12/78)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL ..... NO. 685....

By ..ELLASON.....

"An Act relating to regional housing authorities."

Regional housing authorities.

Introduced in the House ..2/7...., 19..80

1-002

HISTORY IN THE HOUSE

19		
		Read first time and referred to Committee on
Feb.	7	Community and Regional Affairs
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: SSHB 685 re Regional Housing Authorities

ORIGINAL SPONSOR: Eliason
RECEIVED FROM: --

OTHER SPONSORS: _____
FURTHER REFERRALS: --

HEARING DATE: 4/18/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	X
		Ray Metcalfe	

Jack Smody, Deputy Director HUD
E. Allen Robinson, Economist, HUD

Legally there is no reason why Sitka Community Association couldn't be given the power to function as a regional housing authority. Any recognized non-profit corporation can participate. If additional authorities were added to the enabling legislation, it would not reduce the amount of money available to Alaska. The "fair share" allocation method is used statewide and would continue to be used.

The materials distributed by HUD were referred to and explained. These included: A map of the regions used for distribution purposes by HUD; chart of assisted housing programs completed 1970-1979, under construction or planned for 1980; figures for the funded assisted housing in Alaska; and chart for the assited housing allocation plan by household type and household size, 1979.

Considerations for the committee:
Conventional loans are open to anyone. Some of the program specify Indian housing. A municipality, IRA, etc. could in fact function as a housing authority. There must be the ability to manage for 25 years and there must be an entity HUD can deal will. A cooperation agreement and application are part of the process.

It has generally been determined that it requires 200 units to make a project financially workable. The maximum owners/ renters can pay is 25% of their income including utilities.

In Sitka, ther is a program reservation for 34 units. There have been problems constructing these units because of questionable land ownership status. 24 units for the elderly have been completed.

Parr - As the application process seems elaborate, there might be some merit to the argument for economy of scale in the issue. It might be beyond the capability of the smaller group to actually manage such a project.

Smody - Takes in excess of 200 units to carry a project financially

COMMITTEE ACTION: Committee recommends that HUD, Sitka Community Ass'n. and Tlingit Haida Housing Authority meet on issue. Bill not passed out.

TAPE # 9 SIDE 1 Footage 121-1358

for 25 years. The average time from application to construction nationally is 18 months while in Alaska it is 9 months. Two people would be needed to administer, an executive director and an administrative assistant. The regional housing authorities were established in 1974. Some were carried for 2 years before they could get started. It is important to cut down administrative costs as much as possible.

Joe Wilson, Tlingit Haida Central Council

Concerned over the creation of another "competing" group. Tlingit Haida appoints Commissioners of the Tlingit Haida Housing Authority Bd. Not opposed to IRAs functioning as housing authority but (1) it would put them in competition with other communities in Southeastern Ak. (2) IRA organizations are federal entities. Artic es and bylaws may be restictive in allowing this involvement as they can only serve their own native membership.

Johann Dybdall , Tlingit Haida Housing Authority

Discusses allocation of units to Southeastern Ak. Refers to pervious testimony. In response to question on the place of residence of the board members, Dybdall responds that they are from Sitka, Klukwan, Angoon, Hydaberg, and Craig.

Parr - Observes that economy of scale, i.e., a critical mass of people with expertise to handle the housing programs may be necessary and that IRAs are too small. If the problem was the unfair allocation of units, there might be a legitimate reason for giving the responsibility to the IRAs. There doesn't appear to be discrimination because of geographic regions. Generally, bill does not appear to be desirable.

Carney - Disagrees. MCre local control is desirable. Not convinced it is going to cost as much as HUD representatives indicated to administer.

Parr - No testimony has indicated any real reason for doing this. No discrimination is being practiced. There is no proof that the IRA can develop the program better.

Zharoff - Agrees with Parr. Regional housing authority in Kodiak contacted and they agree with the sentiments generally expressed by Parr.

Branson - Concerned that the bill opens the door to all the IRAs.

Eliason - The issue is not discrimination, rather local control.

Parker - Suggests that HUD representatives, Tlingit Haida Housing Authority, Sitka Community Association, and Rep. Eliason get together to solve the problems with the uncompleted housing project of 34 units. Bill will be held in committee pending the outcome of the meeting.

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: SSHB 685 Re regional housing authorities

ORIGINAL SPONSOR: Eliason
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: --

HEARING DATE: 4/14/80 Teleconference with Ketchikan/Sitka

MEMBERS PRESENT:

Bill Parker	Pat Carney X
Margaret Branson X	Charlie Parr X
Pat O'Connell x	Fred Zharoff X
	Ray Metcalfe

Andrew Hope, Pres., Sitka Community Association, Sitka

Supports passage of the bill. Sitka Village Planning Council was formed in 1968. Received a planning award in 1972. The housing unit in question has been in progress for 8 years. The City/Boro of Sitka and the Metlakatla Indian Association support the bill. The Association believes they can avoid delays if they can administer the projects themselves. Other aspects of community development can be incorporated into the planning in addition to housing. Comprehensive planning can be carried out if it is done on a local level. Local self determination is the issue.

Although the bill specifies just the Sitka Community Association, the resolution asks that all tribal councils be empowered to function as housing authorities.

The fact that the Sitka Community Association is a local organization will help to expedite things. Having to deal with out-of-town agencies is difficult. Local contractors would also benefit as they would be able to keep tabs on things.

Information on the allocations could be received from HUD, DPDP, and Dept. C&RA.

Ed K. Thomas, Ex. Director, IRA Council, Ketchikan

Administers programs. Community Block grant funds are administered by the Council. Supports the bill and an amendment which would include the Ketchikan Native Association as well. Many communities would be excluded the way the legislation is currently drafted. The problem of housing needs in Ketchikan is great and they have received little. The money is not being distributed properly. Want an opportunity to deal with the agencies themselves. In favor of having all tribal councils included.

Keith Red Eagle, Member of Sitka Community Association, Sitka

Directs CETA program. Supports bill. Most urgent that action be taken and that regional housing be created. Have been experiencing difficulties in getting HUD housing. Frustration, one-way communication, and delay have been their experiences.

COMMITTEE ACTION: No action on bill.

TAPE # 8 SIDE 1 Footage 1272-1709

Robert Nielson, Community Housing Program, Sitka

Communication gap exists with the Tlingit/Haida Housing Program. If the local group were given housing authority, they could work more effectively with the local Planning and Zoning Commission.

Marty Lasse, Planner for the Ketchikan Indian Ass'n., Ketchikan

Rep. Dick Eliason - sponsor of the bill

The Sitka Community Association is working out of a $900,000 building now. It isn't a small operation. Highly credible. As he is not acquainted with all of the IRAs, he doesn't know if they could all function effectively. Sitka could be viewed as a "pilot project'. They could probably administer better than T/H. He is not asking for a blanket authority, rather just that the Sitka group be allowed to operate. The bill is limited to the Sitka Community Assocation. The Ass'n was incorporated in the 1930s ; was inactive for a time and now has been reactivated within the last 8 years.

Branson - Could the Tlingit/Haida Housing Authority contract with the Sitka Community Association.

Rep. Dick Eliason - Not sure but assumes this would be possible. Communication gap is the biggest problem.

Parr - Appears that as the statute relates to ASHA's powers, that this would include non-native as well as native housing.

The Committee requests that a HUD representative be available to answer questions at the next ;hearing on the bill. Also want to know compostion of T/H bo rd, whether Sitka has representation. And if municipalities could function as a housing authority.

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: SS HB 685 relating to Regional Housing Authorities

ORIGINAL SPONSOR: Eliason
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 3/31/80

MEMBERS PRESENT: Bill Parker, Margaret Branson, Pat O'Connell, Pat Carney, Charlie Parr, Fred Zharoff, Ray Metcalfe

Andy Ebona, Executive Director, Tlingit Haida Central Council
Johan A. Dybdahl, Tlingit Haida Housing Authority

No formal position on the bill. There are alot of problems caused by the amendment, however. Concern that there will be a reduction in the unit allocations . Difficulties in putting together a housing project were noted. Expertise required. Management feasibility must be demonstrated. The funding for a project could be in jeopardy if the project is not properly managed. Dependency on government subsidies must be realized and additionally, T/H has been there with monetary support when it has been necessary.

Andy Ebona - Must address the question of whether this will open the door for other IRAs as well to function as regional housing authorities. As there are well over 200 IRAs this could present a problem. Concern that passage of this and inclusion of many IRAs could be a problem in that HUD office in Anchorage can manage only a certain number of people per housing authority. Staffing to administer the monies and programs might be a problem.

Existing T/H authority should be used. Other entities shouldn't be created as housing authorities because there are problems. Under HUDs formula of "fair share allocation", units would be lost if construction isn't accomplished. Questions if local group could develop expertise.IRAs were crated by the "wisdom" of BIA. The intervention of the federal government in "Indian Country" only confuses the issue. Don't create an entity just because there are problems.

Eliason - opportunity to prove themselves should exist for the Sitka Community Association.Ak. State HOusing authority had units in Sitka originally. Twoenty four units of elderly housing were under management. The Sitka "40" project is the reason for the request of the Sitka Community Association to function as a housing authority. Sitka INdian Village was

COMMITTEE ACTION: No Action

TAPE # 6 SIDE 1 Footage 844-1247

targeted and the units and problems existed with finding usable land in this area. The project was then changed to 34 units. Appraisal problems and waiver took 18 months.

Dybdahl- Central Council money was used to buttress programs which otherwise would have died. Property cost have been paid by the Central Council. HUD would have withdrawn if Central Council weren't backing.

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 685 Relating to Regional Housing

ORIGINAL SPONSOR: Eliason
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: --

HEARING DATE: 3/24/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Rep. Dick Eliason

Reviewed history of request and discussed the resurgence of the Sitka Community Association. Eliason stressed that the intent was not to eliminate those groups which already have the housing authority but rather to add this additional group.

Parr- Points out that these housing authorities have the same authority as ASHA and that there should be some caution as to who is allowed to exercise what amounts to substantial power re housing.

Bruce Horowitz, Alaska Legal Services

Supports giving Sitka Community Association, which is an IRA Council, the power to function as a housing authority.

Parr- If you open up the authority to IRAs you will have a real problem given the number of them in the state.

Eliason - There would be closer supervision and review of proposed projects if the group is right in Sitka and that's one of the reasons why it would be advantageous to allow HB685 to pass.

O'Connell - Has the idea of subcontracting or delegating of the contractual powers been pursued?

Committee requests that Tlingit Haida Central Council position on the issue be part of the decision making and requests that the Council be notified of the proposal.

COMMITTEE ACTION: No action.

TAPE #5 SIDE 2 Footage 1645-end of tape

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER SJHB685 RE Relating to Regional Housing Authorities

Received from _____ Fical Note _____
Referred to _____ LAA Legal Contact Berrier

Priorities given to region now. Different groups bying ~~was~~ might be a problem.

CONTACTS:

Sponsor: Eleason 3876 4150

C+RA - Veronica Clark

Contacts - attached

Sitka Community Ass'n. 747-3207 - Nay Boxbridge *Endorsed resolution.

Tlingit/Haida Central Council - Local Chapter
Pres. Jerald Thomas (H) 966-3029 (W) 966-3017 Box 625 Sitka 99835

[Mark Jacobs, Jr., Vice Pres (H) 747-8168
Doesn't support. Small local group. Won't improve program. Delays are still going to be there.
Avoided because 638 Self Determination Act resurrected. BIA called them ↑
Delay is problem. HUD regs say 100% concurrence + 2 people won't move. City plan to widen street can't be changed. Program has been operating. No ~~prog~~ problem as worded. As long as it doesn't threaten local program.]

Central Council opposed to bill. IRA's doing battle with Central Council. Minimum of 200 houses required. State + HUD $ combined.

[BIA creating resurgence of IRAs]

T/H Housing Authority - Yohann Dipdall 6-2192
✓ Ak. Native Brotherhood - Bob Willard, HNB 6-2049
✓ Sea Alaska - Richard Stitt 6-1512
✓ T/H Central Council - Andy Ebona, Ex. Director

Bonnie Lassiter DPDP
2/3 - 1/3 match

Teleconference - Sitka/Metlakatla
4/14/80 8:30 A.M. (Fred Contact)

(over)

Contacts:

4/18/80 Hearing

Tribal
Chief Tribal Office
BIA → IRA Councils

Tim DeAsis
58 6-7143
58 7454

✓ Andy Ebona 6-1432 Joe Wilson

✓ Johana Dybdall 6-2192 Farmer's Home - John Whitemeyer - 6-7140 Elderly Housing Marketing

Jack Roderick - 745-2176 Public Health Service water/sewer

Larry Kimball - DPDP - 3545 Salley Rue - 3577 Hatterman

Leg. should determine what kind of

✓ * John Duffy - HUD - Anch.
x Newton Chase > 271-4183

✓ Harry Goldbar, ASHA 279-7643

Commerce - Dave Creekman

Regional housing authorities not restricted for to native programs. Same as ASHA powers. Municipality of Anch. could choose to establish own program. Implied restriction lifted. None of cities or boros have chosen to exercise.

AS 18.55.010 - 996. Also supplement

If IRAs know what U getting into, then it would be O.K. Outside most are local authorities, city or county. But might complicate matters. Fragmentation of housing power within state is problem. Too many entities competing for funds might be problem.

Political considerations. Logic originally justified and conditions of Ak. justify. In non-urban areas where ASHS doesn't have

Only concern would be too many groups competing "Fair share allotment" to state. Then allocation based ~~down~~ breaking down on native/non/native lines. Private entrepreneurs & ASHA compete. HUD determination would be based on who had greater need and better development program.

✓ Jack Smody 271-4344
HUD
Regional office - Nili Benedict, Director of Housing
✓ Al Robinson, Area office market analyst manager
Wouldn't effect allocation.

Pete Gallett -
Questions -
* Methodology for distribution of funds
* Eligibility of housing authority to function
* Impact of additional housing authorities would still have - loss would be to existing Agency.

Fair share basis - } subsequent yrs.
Section 8 subsidy }

5 allocation areas - ① Anch.
4 non metro areas -

② Arctic
Matzebuc

③ Central
④ South Central
⑤ South Eastern

Different experiences of production / non production
Less funds for T/H
To allocate as show administrative capacity
Admin. funds also part of funding.
Contracting possible

✓ Tom Abel, Craig
826-3228

✓ Ed Thomas
Kotzebue Indian Corp. 225-5158

99929
Hoonah 874-3747 Eddie Pol Churchhill
Corporation Assn Box 868

Andy Hope
Sitka Community Assn
Box 4360
Mt. Edgecomb 99835

Mattahatta Indian Assn
Greg Ajal
886-4868

ALASKA STATE LEGISLATURE

Notice sent to attached list

PUBLIC HEARING

DOCUMENT TO BE CONSIDERED: SS HB685 Relating to regional housing authorities

SPONSOR OF DOCUMENT: Rep. Dick Eliason

SPONSOR OF HEARING: House Community and Regional Affairs Committee

TIME: 8:30 A.M.

DATE: Monday, March 31, 1980

PLACE: Capitol, Room 112

SUBJECT MATTER OF DOCUMENT: Adds Sitka Community Association to those groups empowered to function as regional housing authorities.

Your comments on the bill are welcomed. Please write to the Chairman (Pouch V, Juneau, Ak.,)or call at 465-3875.

Rep. Bill Parker
Chairman

Ms. Janie Leask, Ex. Vice
AFN
1577 C ST. Suite 304
Anchorage, Ak. 99501

Mr. Andy Ebona
Central Council T/H
One Sealaska Plaze
Suite 200
Juneau, Ak. 99801

Mr. Jim Wilson, Ex.Dir.
SEACAP
P.O. box 449
Juneau, Ak. 99802

Mr. Bob Lohr
RURALCAP
P.O. Box 3-3908
Anchorage, Ak. 99501

Mr. M. Jamin
Ak. Legal Services
301 NBA Bldg.
Ketchikan, Ak. 99901

Ms. Mildred Weil
AK. LEGAL SERVICES
P.O. Box 131
Sitka, Ak. 99835

Mr. Roger Lang, Pres.
ANF
411 W. 4th Ave.
Suite 314
Anchorage, Ak. 99501

ALASKA STATE LEGISLATURE

Upon request to attached list

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Rep. Bill Parker
Chairman

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 4-14-80

LOCATION: Ketchikan Info Office

SUBJECT: SS HB 685 - Regional Housing Authorities

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Marty Lasse	Ketchikan Ind. Corp	PO 6855, Ketchikan	225-5158	✓	✓
Edward Thomas	Ketchikan Ind. Corp	Box 6855, Ktn	225-5158	✓	✓

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Marty Lasse — Here to Testify —

REPRESENTING Ketchikan Indian Corporation — Here to Observe —

MAILING ADDRESS PO 6855 Ketchikan Zip 99901

TELEPHONE NUMBER 5-5158

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Marty Lasse
(Signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?
Through the legislative

Would you have participated in this hearing if the network were not available? No

If yes, did you use the network
— instead of travel
— instead of phone conversations
— instead of mailed testimony?

Are you also providing written testimony? _____

DATE 4-12-80 SUBJECT HB-685 LOCATION KTN

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch V Juneau 99811
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Edward Thomas

Here to Testify ✓

REPRESENTING Ketchikan Indian Corp

Here to Observe ✓

MAILING ADDRESS P.O. Box 6855 Zip 99901

TELEPHONE NUMBER 225-5158

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Edward K. Thomas
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?

News media

Would you have participated in this hearing if the network were not available? No

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? Yes

DATE 4/16/88 SUBJECT H.B. 685 LOCATION Ktn

TESTIMONY

CRAIG COMMUNITY ASSOCIATION
P.O.Box 25
Craig, Alaska 99921

April 17,1980

Honorable Bill Parker
Pouch V
Juneau, Alaska 99811

R.E. HB 685

Dear Representative Parker:

The Craig Community Association (CCA), IRA Council, has been reorganized and active since January 1977; and now has an established office. The CCA now is the primary funding agency for the Craig Native community; presently we provide a comprehensive early childhood program in Craig and Klawock; we contract directly with the BIA for Johnson O'Malley Program funds; provide four CETA-PSE positions; and through a full time administrative office we provide administrative support to all programs, write proposals, and coordinate with any and all appropriate persons; or entities in regard to their relationship with the Craig Native community.

Our present budget, (direct grant and contract monies), is approximately $258,000.00 We also have approximately $90,000.00 in program monies which we affect indirectly, or which feeds into our programs indirectly. We presently employ 15 persons fulltime and also budget for some part time positions as well as local consulting services.

Attached you will find Resolution 80-10 of the Craig Community Association, IRA Council, concerning local housing arthorities.

The Craig Community Association supports local housing authority formation for the following reasons:

1) Craig has received only 15 houses and only one phase. (HUD)
2) On site maintenence is either very sporadic or nonexixtent for the existing houses.
3) In two unsuccessful attempts to reach agreement with the City of Craig, Tlingit & Haida Regional Housing Authority did not coordinate with existing, active, Native organizations; and did not follow up with negotiations.
4) Though the Craig Community Associaiton has designated a Housing Committee, there has been no communication from T&HRHA to explore possible coordination.
5) As a result of inadequate communication and coordination the housing needs of the low and moderate income persons in Craig are not being met.
6) As a result of poor communication and coordination, the community of Craig has no inputs into existing programs.
7) We strongly feel that if a local housing authority existed that negotiations with the City could begin; and, ultimately, be successful.
8) There is a severe housing shortage in Craig

On March 28,1980 the Craig Community Association sent a telegram to Terry Gardiner, Oral Freeman, and Robert Ziegler asking for support for amending Title 18 to allow IRA Councils to form local housing authorities. By copy of this letter we once again ask support.

Thank you for allowing us to present this testimony and for contacting our office in regard to Hb 685.

Sincerely,

Thomas H. Abel

Thomas H. Abel
President

enclosures
THA/vms

cc Rep. Gardiner
Rep. Freeman
Sen. Ziegler

RESOLUTION 80-10
of the
CRAIG COMMUNITY ASSOCIATION
IRA COUNCIL
CRAIG, ALASKA

TITLE: Creation of Local Native Housing Authorities

Whereas, the Craig Community Association, IRA Council, is a duly constituted Indian Tribe organized pursuant to the Acts of Congress of June 18, 1934(49 Stat. 984) and May 1, 1936(49 Stat. 1250), and is recognized by the U.S. Government as a tribal governing body; and

Whereas, Regional Native Housing Authorities were created by the Alaska State Legislature in 1971 under Title 18.55.995 and,

Whereas, these Regional Native Housing Authorities were modeled on the Alaska Native Claims Settlement Act Regional Corporations, and

Whereas, the regional approach has failed on same occasions to take local concerns into consideration, and

Whereas, the enabling legislation required that: "A housing authority created by this section may not transact business or exercise powers granted to it until the governing body of the named association has, by proper resolution, declares that there is a need for the authority to function, gives it the authority to function and has named its commissioners...", and

Whereas, under principles of the Indian Self Determination and Education Assistance Act, the Central Council of Tlingit and Haida is not a Tribal Governing body. The Central Council is required to obtain resolutions of support from tribal governing bodies at the local level before they are permitted to contract programs for those communities, and

Whereas, the Department of Housing and Urban Development recognizes those Native Housing Authorities under Title 24, Section 805.108: "An Indian Housing Authority (IHA), may be established: Pursuant to a state law which provides for the establishment of IHAS with all necessary legal powers to carry out low income housing projects for Indians."

Therefore Be It Resolved, by the Council of the Craig Community Association: That the Alaska State Legislature be requested amend Title 18 of the Alaska Statutues, to allow local Alaska Native Tribal Governing bodies to create local housing authorities.

CERTIFICATION

I, the undersigned as President of the Craig Community Association, IRA Council, do hereby certify that the foregoing Resolution CCA 80-10, was adopted by the Craig Community Association, IRA Council at a special meeting held March 4, 1980 by a unanimous quorum vote.

ATTEST:

Charlene Thomas
Secretary

Thomas S. Abel
President

excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being.

DEFINITIONS

25 USC 450b.

SEC. 4. For the purposes of this Act, the term—

(a) "Indian" means a person who is a member of an Indian tribe;

(b) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

(c) "Tribal organization" means the recognized governing body of any Indian tribe; any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities: *Provided*, That in any case where a contract is let or grant made to an organization to perform services benefitting more than one Indian tribe, the approval of each such Indian tribe shall be a prerequisite to the letting or making of such contract or grant;

(d) "Secretary", unless otherwise designated, means the Secretary of the Interior;

(f) "State education agency" means the State board of education or other agency or officer primarily responsible for supervision by the State of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

REPORTING AND AUDIT REQUIREMENTS

Record-keeping.
25 USC 450c.

SEC. 5. (a) Each recipient of Federal financial assistance from the Secretary of Interior or the Secretary of Health, Education, and Welfare, under this Act, shall keep such records as the appropriate Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

88 STAT. 2204
88 STAT. 2205

(b) The Comptroller General and the appropriate Secretary, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in the preceding subsection of this section, have access (for the purpose of audit and examination) to any books, documents, papers, and records of such recipients which in the opinion of the Comptroller General or the appropriate Secretary may be related or pertinent to the grants, contracts, subcontracts, subgrants, or other arrangements referred to in the preceding subsection.

(c) Each recipient of Federal financial assistance referred to in subsection (a) of this section shall make such reports and information available to the Indian people served or represented by such recipient as and in a manner determined to be adequate by the appropriate Secretary.

(d) Any funds paid to a financial assistance recipient referred to in subsection (a) of this section and not expended or used for the purposes for which paid shall be repaid to the Treasury of the United States.

PENALTIES

25 USC 450d.

SEC. 6. Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any recipient of a contract, subcontract, grant, or subgrant pursuant to this Act or the Act of April 16, 1934 (48 Stat. 596), as amended, embezzles, willfully misapplies, steals, or obtains by fraud any of the money, funds, assets, or property which are the subject of such a grant, subgrant, contract, or subcontract, shall be fined not more than $5,000 or imprisoned for not more than two years, or both, but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both.

25 USC 452.

WAGE AND LABOR STANDARDS

25 USC 450e.

SEC. 7. (a) All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting or decorating of buildings or other facilities in connection with contracts or grants entered into pursuant to this Act, shall be paid wages at not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act of March 3, 1931 (46 Stat. 1494), as amended. With respect to construction, alteration, or repair work to which the Act of March 3, 1921 is applicable under the terms of this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934 (48 Stat. 948, 40 U.S.C. 276c).

40 USC 276a note.

5 USC app. II.

(b) Any contract, subcontract, grant, or subgrant pursuant to this Act, the Act of April 16, 1934 (48 Stat. 596), as amended, or any other Act authorizing Federal contracts with or grants to Indian organizations or for the benefit of Indians, shall require that to the greatest extent feasible—

25 USC 452.

INDIAN PREFERENCE

(1) preferences and opportunities for training and employment in connection with the administration of such contracts or grants shall be given to Indians; and

(2) preference in the award of subcontracts and subgrants in connection with the administration of such contracts or grants shall be given to Indian organizations and to Indian-owned economic enterprises as defined in section 3 of the Indian Financing Act of 1974 (88 Stat. 77).

25 USC 1452.
88 STAT. 2205
88 STAT. 2206

CARRYOVER OF FUNDS

25 USC 13a.

SEC. 8. The provisions of any other laws to the contrary notwithstanding, any funds appropriated pursuant to the Act of November 2, 1921 (42 Stat. 208), for any fiscal year which are not obligated and expended prior to the beginning of the fiscal year succeeding the fiscal year for which such funds were appropriated shall remain available for obligation and expenditure during such succeeding fiscal year.

25 USC 13, 13a.

Sec.
271.17 Pre-application technical assistance.
271.18 Tribal request for initial contracts.
271.19 Status of contracts in effect before effective date of regulations.
271.20 Recontracting.
271.21 Submission of requests to contract.
271.22 Review and action by Superintendent.
271.23 Review and action by Area Director.
271.24 Area Office recommendation to decline.
271.25 Review and action by Commissioner.
271.26 Appeal of Commissioner's decision to decline.
271.27 Technical assistance after declination.
271.28 Failure of Bureau Agency or Area Office officials to act.

Subpart C—Additional Requirements for Trust Responsibilities

271.31 Applicability.
271.32 Contractable functions or programs.
271.33 Content of application.
271.34 Criteria for declining to contract.

Subpart D—General Contract Requirements

271.41 Advance payments.
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271.46 Recordkeeping.
271.47 Records—access to and retention.
271.48 Freedom of information.
271.49 Annual reporting.
271.50 Penalties.
271.51 Federal contracting laws and regulations.
271.52 Term of contract.
271.53 Performing personal services.
271.54 Contract funds.
271.55 Savings under contract.
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Subpart E—Contract Revision or Amendment

Sec.
271.61 Requesting revision or amendment.
271.62 Review and action by contracting officer.
271.63 Contracting officer's recommendation to decline.
271.64 Review and action by Area Director or Commissioner.
271.65 Appeal of Area Director's or Commissioner's decision to decline.
271.66 Revisions or amendments proposed by Bureau.

Subpart F—Retrocession and Reassumption

271.71 Retrocession.
271.72 Full retrocession procedures.
271.73 Tribal assumption of retroceded contracts.
271.74 Reassumption.
271.75 Cancellation for cause.
271.76 Bureau operation of retroceded and reassumed contracts.
271.77 Authorized position and end-of-year employment ceiling reserve for Bureau operation of retroceded, reassumed or cancelled contracts.

Subpart G—Hearings and Appeals

271.81 Hearings.
271.82 Appeals from decision or action by Area Director.
271.83 Appeals from decision or action by Commissioner.
271.84 Appeals from Bureau decision to cancel contract for cause.

AUTHORITY: Sec. 102, Public Law 93-638, 88 Stat. 2203, unless otherwise noted.

Subpart A—General Provisions

§ 271.1 Purpose and scope.

(a) The purpose of the regulations in this Part is to give the application and approval process for non-profit contracts with the Bureau under section 102 of Title I of the Indian Self-Determination and Education Assistance Act (Public Law 93-638, 88 Stat. 2203). Title I is known as the Indian Self-Determination Act. Contracts under the Act include "tribal governmental functions" as defined in § 271.2(q), "business related functions" as defined in § 271.2(d), and certain contractable trust resources programs or parts of programs as set forth in § 271.32. The nature of contracts with Indian entities which do not fall within the purview of the Act, including contracts which may provide for profit, and the conditions for entering into such contracts, are set forth in the regulations implementing the Act of June 25, 1910 (36 Stat. 861, 25 U.S.C. 47), commonly referred to as the "Buy Indian" Act.

(b) Section 104 of Title I of the Act provides authority for making grants for certain purposes. It is the Bureau's policy to make grants for the purpose specified in Section 104 of the Act in lieu of contracts. Part 272 of this chapter gives the procedures and requirements for obtaining grants under section 104 of the Act.

(c) Nothing in these regulations shall be construed as:

(1) Affecting, modifying, diminishing, or otherwise impairing the sovereign immunity from suit enjoyed by an Indian tribe;

(2) Authorizing or requiring the termination of any trust responsibility of the United States with respect to the Indian people; or

(3) Permitting significant reduction in services to Indian people as a result of this Part.

(d) Nothing in these regulations shall be construed to mandate a tribe to apply for a contract or contracts with the Bureau to plan, conduct, and administer all or parts of any Bureau program. Such applications under these regulations are strictly voluntary.

§ 271.2 Definitions.

As used in this part: (a) "Act" means the Indian Self-Determination and Education Assistance Act (Public Law 93-638, 88 Stat. 2203).

(b) "Area Director" means the official in charge of a Bureau of Indian Affairs Area Office.

(c) "Bureau" means the Bureau of Indian Affairs.

(d) "Business related function" means all programs authorized to be administered by the Bureau for the benefit of Indians enumerated as line items in the Bureau's annual budget request under Tribal Resources Development as the Sub-activities of Business Enterprise Development, Credit and Indian Action Teams; Revolving Funds for Loans; Indian Loan Guaranty and Insurance Funds; and also programs or parts of programs connected with construction projects but exclusive of the actual construction of the project.

(e) "Commissioner" means the Commissioner of Indian Affairs.

(f) "Days" means calendar days.

(g) "Economic enterprise" means any commercial, industrial, agricultural, or business activity that is at least 51 percent Indian owned, established or organized for the purpose of profit.

(h) "Indian tribe" means any Indian Tribe, Band, Nation, Rancheria, Pueblo, Colony or Community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) which is federally recognized as eligible by the United States Government through the Secretary for the special programs and services provided by the Secretary to Indians because of their status as Indians.

(i) "Indian" means a person who is a member of an Indian tribe.

(j) "Previously private school" means a school (other than a Federal school formerly operated by the Bureau) that is operated primarily for Indian students in any grade or grades from age 3 years through grade(s) 12; and, which at the time of application is controlled, and sanctioned or chartered by the governing body(s) of an Indian tribe(s).

(k) "Recontracting" means the entering into a contract with a tribal organization which holds a contract for the same program.

(l) "Resolution" means the formal manner in which the tribal government expresses its legislative will in accordance with its organic documents. In the absence of such organic document, a written expression adopted pursuant to tribal practices will be acceptable.

(m) "Secretary" means the Secretary of the Interior.

(n) "Superintendent" means the official in charge of a Bureau of Indian Affairs Agency Office.

(o) "Tribal Chairman" means tribal chairman, governor, chief or other person recognized by the tribal government as its chief executive officer.

(p) "Tribal government, "tribal governing body" and "tribal council" means the recognized governing body of an Indian tribe.

(q) "Tribal governmental function" means all programs authorized to be administered by the Bureau for the benefit of Indians enumerated as line items in the Bureau's annual budget requests under the Activities of Education and Indian Services, the Subactivities of Direct Employment and Road Maintenance, and those programs related to Irrigation and Power Operation and Maintenance identified as a part of the subactivity minerals, mining, irrigation and power under the Activity of Tribal Resources Development.

(r) "Tribal organization" means the recognized governing body of any In-

dian tribe; or any legally established organization of Indians or tribes which is controlled, sanctioned, or chartered by such governing body or bodies or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities; *Provided*, That a request for a contract must be made by the tribe that will receive services under the contract; *Provided further*, That in any case where a contract is let to an organization to perform services benefiting more than one Indian tribe, the approval of each such Indian tribe shall be a prerequisite to the letting of such contract.

(s) "Trust resources" means natural resources, land, water, minerals, funds or property, asset, or claim, including any intangible right or interest in any of the foregoing, which is held by the United States in trust for any Indian tribe or any Indian individual or which is held by any Indian tribe or Indian individual subject to a restriction on alienation imposed by the United States.

(t) "Trust responsibility" means, for the purposes of this part only, the protect, manage, develop and approve authorized transfers of interests in trust resources held by Indian tribes and Indian individuals to a standard of the highest degree of fiduciary responsibility.

§ 271.3 Revision or amendment of regulations.

In order to make any substantive revisions or amendments to the regulations in this Part, the Secretary shall take the following actions:

(a) Consult with Indian tribes and national and regional Indian organizations to the extent practicable about the need for revision or amendment and consider their views in preparing the proposed revision or amendment.

(b) Present the proposed revision or amendment to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives.

(c) Publish the proposed revisions or amendments in the Federal Register as proposed rulemaking to provide adequate notice to, and receive comments from, all interested parties.

(d) After consideration of all comments received, publish the regulations in the FEDERAL REGISTER in final form not less than 30 days before the date they are made effective.

(e) Annually consult with Indian tribes and national and regional Indian organizations about the need for revision or amendment, and consider their views in preparing the revision or amendment.

(f) Nothing in this section shall preclude Indian tribes or national or regional Indian organizations from initiating request for revisions or amendments subject to paragraphs (a), (b), (c) and (d) of this section.

§ 271.4 Statement of policy.

(a) The Congress has recognized the obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational as well as other Federal services to Indian communities so as to render such services more responsive to the needs and desires of those communities.

(b) The Congress has declared its commitment to the maintenance of the Federal Government's unique and continuing relationship with and responsibilities to the Indian people through the establishment of a meaningful Indian self-determination policy which will permit an orderly transition from Federal domination of programs for and services to Indians to effective and meaningful participation by the Indian people in the planning, conduct, and administration of those programs and services.

(c) It is the policy of the Bureau to facilitate the efforts of Indian tribes to plan, conduct, and administer programs, or portions thereof, which the Bureau is authorized to administer for the benefit of Indians and to facilitate the coordination of all Federal and other programs on Indian reservations.

(d) It is the policy of the Bureau to continually encourage Indian tribes to become increasingly knowledgeable about Bureau programs and the opportunities Indian tribes have regarding them; however, it is the policy of the Bureau to leave to Indian tribes the initiative in making requests for contracts and to regard self-determination as including the decision of an Indian tribe not to request contracts.

(e) It is the policy of the Bureau not to impose sanctions on Indian tribes with regard to contracting or not contracting; however, the special resources made available to facilitate the efforts of those Indian tribes which do wish to contract should be made known to all tribes, as should the current realities of funding and Federal personnel limitations.

(f) Contracting is one of several mechanisms by which Indian tribes can exercise their right to plan, conduct, and administer programs or portions thereof which the Secretary is authorized to administer for the benefit of Indians. Another mechanism afforded Indian tribes is the use of a grant, as provided in Part 272 of this chapter, or other resources, to plan the manner in which it wishes the Bureau to operate a program or portion thereof.

(g) Contracting by its very nature places Bureau officials in the dual position of assisting Indian tribes, in many instances, by furnishing technical assistance in preparation of contract proposals, and of carrying out their fiscal and administrative responsibilities as officials of the Federal Government. It is recognized that very often these two positions are in opposition to each other. The Act and these regulations are designed to address this problem to the degree practicable. The Commissioner, Area Directors and Superintendents, as line officers of the Bureau, are expected to balance these two positions within the framework of the regulations in this Part.

(h) The regulations in this Part are not meant to and do not change the eligibility criteria which individuals must meet to be eligible for any program currently operated by the Bureau. The eligibility criteria for each Bureau program is given in the Part of Chapter I, Title 25 of the Code of Federal Regulations which deals with that program. A contractor shall use the existing Bureau eligibility criteria in operating all or parts of a Bureau program under a contract under this part unless a waiver is obtained from the Commissioner. The Commissioner may not waive eligibility criteria established by statute. The Commissioner may waive eligibility criteria established by regulation in Chapter I, Title 25 of the Code of Federal Regulations.

Subpart B—Application Process

§ 271.11 Eligible applicants.

Any tribal organization is eligible to apply for a contract or contracts with the Bureau to plan, conduct, and administer all or parts of Bureau programs under section 102 of the Act. However, before the Bureau can enter into a contract with a tribal organization, it must be requested to do so by the Indian tribe or tribes to be served by the contract in accordance with § 271.18.

§ 271.12 Contractable Bureau programs.

Tribal organizations are entitled to contract with the Bureau to plan, conduct, and administer all or parts of any program which the Bureau is authorized to administer for the benefit of Indians. All or parts of any program include:

(a) Any part of a Bureau program which is divisible from the remainder of the program so long as the contract does not significantly reduce benefits to Indians served by the non-contracted part(s) of the program. However, to the extent that it is within the Bureau's existing authority and the program or part thereof involves only one tribe and one Bureau Agency or Area Office, the benefits provided to Indians by the non-contracted part(s) of the program may be reduced at the request of the tribe. When the program or part thereof serves more than one tribe, the benefits provided by the non-contracted part(s) of the program may be reduced when all of the tribes served consent to a reduction.

(b) A single employee position only when the functions to be performed provide a direct service to Indians and meets the criteria in paragraph (a) of this section.

(c) Programs or parts of programs or services that are authorized but not currently operated or provided by the Bureau.

(d) Operation of, or services provided by, previously private schools.

(e) All of the foregoing paragraphs of this section apply to trust resources programs or portions thereof. Additional criteria for contractable trust resources programs, or portions thereof, are given in § 271.32.

nder § 14–7.5003 has been changed to clarify the method by which preference is to be given to Indian firms in the awarding of subcontracts, consistent with efficient performance of the contract.

Authorship Statement

The primary author of this regulation is Mr. William Opdyke, Office of Administrative and Management Policy, Office of the Secretary.

Determination of Significance

The Department of the Interior has determined that this document is not a significant rule and does not require a regulatory analysis under Executive Order 12044 and 43 CFR Part 14.

Pursuant to the authority of the Secretary of the Interior contained in 5 U.S.C. 301, 41 CFR Chapter 14 is amended as stated below.

Dated: October 22, 1979.

William L. Kendig,

Assistant Secretary of the Interior.

1. The Table of Contents of Part 14–1 is amended by adding a new § 14–1.354 as follows:

Subpart 14–1.3—General Policies

Sec.

* * * * *

14–1.354 Indian preference in employment, training, and subcontracting opportunities.

2. Subpart 14–1.3 is amended by adding a new § 14–1.354 as follows:

Subpart 14–1.3—General Policies

* * * * *

§ 14–1.354 Indian preference in employment, training, and subcontracting opportunities.

(a) *Statutory requirements.* Section 7(b) of the Indian Self-Determination and Education Assistance Act (Sec. 7(b), Public Law 93–638; 88 Stat. 2205; 25 U.S.C. 450e(b)) requires that any contract or subcontract entered into pursuant to the Act; the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452), as amended, (the Johnson-O'Malley Act); or any other Act authorizing contracts with Indian organizations or for the benefit of Indians shall require that, to the greatest extent feasible: (1) Preferences and opportunities for training and employment in connection with the administration of such contracts shall be given to Indians; and, (2) Preference in the award of subcontracts in connection with the administration of such contracts shall be given to Indian organizations and to Indian-owned economic enterprises as defined in section 3 of the Indian Financing Act of 1974 (Sec. 3, Pub. L. 93–262; 88 Stat. 77; 25 U.S.C. 1452).

(b) *Applicability.* (1) The Indian Preference clause, set forth in § 14–7.5002 of this chapter, shall be included in all solicitations issued and contracts awarded by: (i) the Bureau of Indian Affairs, except solicitations issued and contracts awarded pursuant to Titles I and II of Pub. L. 93–638, (25 U.S.C. 450 et seq.; and 25 U.S.C. 455 et seq., respectively), (ii) a procuring activity other than the Bureau of Indian Affairs when the contract is entered into pursuant to an act specifically authorizing contracts with Indian organizations and, (iii) a procuring activity other than the Bureau of Indian Affairs where the work to be performed is specifically for the benefit of Indians and is in addition to any incidental benefits which might otherwise accrue to the general public.

(2) The Indian Preference Program clause, set forth in § 14–7.5003 of this chapter, shall be included in all solicitations issued and contracts awarded by a procuring activity which may exceed $50,000 which contain the clause required by paragraph (b)(1) of this § 14–1.354 and where, prior to solicitation, it is determined that the work under the contract will be performed in whole or in part on or near an Indian reservation(s). The Indian Preference Program clause may also be included in solicitations issued and contracts awarded by a procuring activity which may not exceed $50,000, but which contain the clause required by paragraph (b)(1) of this § 14–1.354 and which, in the opinion of the procuring activity, offer substantial opportunities for Indian employment, training and subcontracting.

(c) Definitions. For purposes of this § 14–1.354, the following definitions shall apply:

(1) "Indian" means a person who is a member of an Indian Tribe. If the contractor has reason to doubt that a person seeking employment preference is an Indian, the contractor shall grant the preference but shall require the individual within thirty (30) days to provide evidence from the Tribe concerned that the person is a member of that Tribe.

(2) "Indian Tribe" means an Indian Tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688; 43 U.S.C. 1601) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(3) "Indian organization" means the governing body of any Indian Tribe or entity established or recognized by such governing body in accordance with the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451).

(4) "Indian-owned economic enterprise" means any Indian-owned commercial, industrial, or business activity established or organized for the purpose of profit provided that such Indian ownership shall constitute not less than 51 percent of the enterprise.

(5) "Indian reservation" includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act, (85 Stat. 688; 43 U.S.C. 1601 et seq.).

(6) "On or near an Indian reservation" means on a reservation or the distance within that area surrounding an Indian reservation(s) that a person seeking employment could reasonably be expected to commute to and from in the course of a work day.

(d) Compliance enforcement. (1) The procuring activity concerned shall be responsible for conducting periodic reviews to insure contractor compliance with the requirements of the clauses set forth in §§ 14–7.5002 and 14–7.5003 of this chapter. These reviews may be conducted with the assistance of the Indian Tribe(s) concerned.

(2) Complaints of non-compliance with the requirements of the clauses set forth in §§ 14–7.5002 and 14–7.5003 of this chapter which are filed in writing with the procuring activity shall be promptly investigated and resolved by the contracting officer.

(e) Tribal preference requirements. (1) Where the work under a contract is to be performed on an Indian reservation, the procuring activity may supplement the clause set forth in § 14–7.5003 of this chapter by adding specific Indian preference requirements of the Tribe on whose reservation the work is to be performed. The supplemental requirements shall be jointly developed for the contract by the procuring activity and the Tribe. Supplemental preference requirements must represent a further implementation of the requirements of section 7(b) of Pub. L. 93–638 and must be approved by the Office of the Solicitor for legal sufficiency before being added to a solicitation and resultant contract. Any supplemental preference requirements to be added to the clause in § 14–7.5003 of this chapter shall be included in the solicitation and

ANCSA

(C) $70,000,000 during each of the third, fourth, and fifth fiscal years;

(D) $40,000,000 during the sixth fiscal year; and

(E) $30,000,000 during each of the next five fiscal years.

(2) Four percent interest per annum, which is authorized to be appropriated, on any amount authorized to be appropriated by this paragraph that is not appropriated within six months after the fiscal year in which payable.

(3) $500,000,000 pursuant to the revenue sharing provisions of section 9.

Fund expenditures for propaganda or political campaigns, prohibition. Penalty.

(b) None of the funds paid or distributed pursuant to this section to any of the Regional and Village Corporations established pursuant to this Act shall be expended, donated, or otherwise used for the purpose of carrying on propaganda, or intervening in (including the publishing and distributing of statements) any political campaign on behalf of any candidate for public office. Any person who willfully violates the foregoing provision shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $1,000 or imprisoned not more than twelve months, or both.

Distribution.

(c) After completion of the roll prepared pursuant to section 5, all money in the Fund, except money reserved as provided in section 20 for the payment of attorney and other fees, shall be distributed at the end of each three months of the fiscal year among the Regional Corporations organized pursuant to section 7 on the basis of the relative numbers of Natives enrolled in each region. The share of a Regional Corporation that has not been organized shall be retained in the Fund until the Regional Corporation is organized.

REGIONAL CORPORATIONS

SEC. 7. (a) For purposes of this Act, the State of Alaska shall be divided by the Secretary within one year after the date of enactment at this Act into twelve geographic regions, with each region composed as far as practicable of Natives having a common heritage and sharing common interests. In the absence of good cause shown to the contrary, such regions shall approximate the areas covered by the operations of the following existing Native associations:

(1) Arctic Slope Native Association (Barrow, Point Hope);

(2) Bering Straits Association (Seward Peninsula, Unalakleet, Saint Lawrence Island);

(3) Northwest Alaska Native Association (Kotzebue);

(4) Association of Village Council Presidents (southwest coast, all villages in the Bethel area, including all villages on the Lower Yukon River and the Lower Kuskokwim River);

(5) Tanana Chiefs' Conference (Koyukuk, Middle and Upper Yukon Rivers, Upper Kuskokwim, Tanana River);

(6) Cook Inlet Association (Kenai, Tyonek, Eklutna, Iliamna);

(7) Bristol Bay Native Association (Dillingham, Upper Alaska Peninsula);

(8) Aleut League (Aleutian Islands, Pribilof Islands and that part of the Alaska Peninsula which is in the Aleut League);

(9) Chugach Native Association (Cordova, Tatitlek, Port Graham, English Bay, Valdez, and Seward);

(10) Tlingit-Haida Central Council (southeastern Alaska, including Metlakatla);

(11) Kodiak Area Native Association (all villages on and around Kodiak Island); and

(12) Copper River Native Association (Copper Center, Glennallen, Chitina, Mentasta).

Note that these are not the regional corporations

↓

a tribe is a village or a regional or village corp.

Any dispute over the boundaries of a region or regions shall be resolved by a board of arbitrators consisting of one person selected by each of the Native associations involved, and an additional one or two persons, whichever is needed to make an odd number of arbitrators, such additional person or persons to be selected by the arbitrators selected by the Native associations involved. Boundary disputes, arbitration.

(b) The Secretary may, on request made within one year of the date of enactment of this Act, by representative and responsible leaders of the Native associations listed in subsection (a), merge two or more of the twelve regions: *Provided*, That the twelve regions may not be reduced to less than seven, and there may be no fewer than seven Regional Corporations. Region mergers. Limitation.

(c) If a majority of all eligible Natives eighteen years of age or older who are not permanent residents of Alaska elect, pursuant to subsection 5(c), to be enrolled in a thirteenth region for Natives who are non-residents of Alaska, the Secretary shall establish such a region for the benefit of the Natives who elected to be enrolled therein, and they may establish a Regional Corporation pursuant to this Act. Thirteenth region.

(d) Five incorporators within each region, named by the Native association in the region, shall incorporate under the laws of Alaska a Regional Corporation to conduct business for profit, which shall be eligible for the benefits of this Act so long as it is organized and functions in accordance with this Act. The articles of incorporation shall include provisions necessary to carry out the terms of this Act. Incorporation.

(e) The original articles of incorporation and bylaws shall be approved by the Secretary before they are filed, and they shall be submitted for approval within eighteen months after the date of enactment of this Act. The articles of incorporation may not be amended during the Regional Corporation's first five years without the approval of the Secretary. The Secretary may withhold approval under this section if in his judgment inequities among Native individuals or groups of Native individuals would be created.

(f) The management of the Regional Corporation shall be vested in a board of directors, all of whom, with the exception of the initial board, shall be stockholders over the age of eighteen. The number, terms, and method of election of members of the board of directors shall be fixed in the articles of incorporation or bylaws of the Regional Corporation. Management.

(g) The Regional Corporation shall be authorized to issue such number of shares of common stock, divided into such classes of shares as may be specified in the articles of incorporation to reflect the provisions of this Act, as may be needed to issue one hundred shares of stock to each Native enrolled in the region pursuant to section 5. Stock, issuance.

(h)(1) Except as otherwise provided in paragraph (2) of this subsection, stock issued pursuant to subsection (g) shall carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to stockholders, shall permit the holder to receive dividends or other distributions from the Regional Corporation, and shall vest in the holder all rights of a stockholder in a business corporation organized under the laws of the State of Alaska, except that for a period of twenty years after the date of enactment of this Act the stock, inchoate rights thereto, and any dividends paid or distributions made with respect thereto may not be sold, pledged, subjected to a lien or judgment execution, assigned in present or future, or otherwise alienated: *Provided*, That such limitation shall not apply to transfers of stock pursuant to a court decree of separation, divorce or child support. Stockholders' rights.

the corp. is distinctly separate from the "associations"

CORRESPONDENCE

K
I
C

Ketchikan Indian Corporation
(IRA Council)
P.O. BOX 6855
429 DEERMOUNT AVENUE
Ketchikan, Alaska 99901
PHONE: (907) 225-5158

BOARD OF DIRECTORS
(IRA Council)

RANDY WILLIAMS
President

CARYL GOULD
Vice-President

ALBERT KETAH JR
Secretary

FLOYD GUTHRIE
Treasurer

DORIS VOLZKE
Councilwoman

JOE DEMMERT, JR
Councilman

ALFRED JACKSON
Councilman

MARY E. GUTHRIE
Councilwoman

April 14, 1980

Chairman Bill Parker
Community & Regional Affairs Committee
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Sir:

As a follow-up to the teleconference April 14, 1980 on H. B. 685 we would like to summarize our position as one of frustration with the inefficiency and poor service delivery from the Tlingit-Haida Regional Housing Authority to the Native community of Ketchikan.

We feel that legislation enabling the creation of local housing authorities will result in strong and viable local housing programs. Currently, programs are either not available to the local citizens, as in the case of our proposal for turn-key housing, or else the service delivery is interminably slow.

In the matter of property rights of potential turn-key home owners, we intend to address this according to the law and give our assurances that one of our responsibilities as a local housing authority will be to eliminate this problem as is currently being experienced through Tlingit-Haida Regional Housing Authority.

For the amendment itself, please include the following:

* Section 1. AS 18.55.996(a)(10) is amended to read:

(10) Tlingit-Haida Central Council or Alaska Native Brotherhood (Southeastern Alaska including Metlakatla and excluding Baranof Island and Revillagigedo Island w/exception of Saxman).

* Section 2. AS 18.55.996(a) is amended by adding a new paragraph to read:

(14) Sitka Community Association (Baranof Island).

(15) Ketchikan Indian Corporation
(Revillagigedo Island, excluding Saxman).

Thank you for your time and attention.

Sincerely,

Edward K. Thomas, Executive Director

Marty Lasse

Marty Lasse, Tribal Planner
Ketchikan Indian Corporation

EDT:MS:fs

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

March 27, 1980

Representative Richard Eliason
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Dick:

Be advised that the Assembly of the City and Borough of Sitka supports the Sitka Community Association in its request to be designated as the Housing Authority within the Sitka area.

Very truly yours,

Fermin Gutierrez
Administrator

cc: Andrew Hope, S.C.A.

mb6yny

02227 NL TDA CRAIG ALASKA 66 03-28-55P AST

PMS REP RICHARD ELIASON

1936

JUN

THIS TELEGRAM WILL INDICATE THE FULL SUPPORT OF THE CRAIG PM 8 51

COMMUNITY ASSOCIATION IRA COUNCIL FOR HB685. RESOLUTION 83-13

OF THE CRAIG COMMUNITY ASSOCIATION STATES QUOTE THEREFORE BE

IT RESOLVED BY THE COUNCIL OF THE CRAIG COMMUNITY ASSOCIATION

THAT THE ALASKA STATE LEGISLATURE BE REQUESTED TO AMEND TITLE

18 OF THE ALASKA STATUTES TO ALLOW LOCAL ALASKA NATIVE TRIBAL

GOVERNING BODIES TO CREATE LOCAL HOUSING AUTHORITIES UNQUOTE.

THOMAS H ABEL PRESIDENT

CRAIG COMMUNITY ASSOCIATION

JA02 0009 11.58 JA01 0038 11.58 04/08/80

Chairman Parker

TO HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

FROM KETCHIKAN INFO OFFICE

THE FOLLOWING INQUIRY IS FROM MARTY LASSE, KETCHIKAN INDIAN CORPORATION, PHONE # 225-5158, EXT. 217:

WHAT IS THE CURRENT STATUS OF HB 685 WITH YOUR COMMITTEE? DO YOU PLAN TO PASS IT OUT OF COMMITTEE, ARE YOU HAVING HEARINGS, AND ARE THERE ANY PROPOSED AMENDMENTS?

PLEASE RESPOND THIS OFFICE OR CALL MISS LASSE AT THE ABOVE NUMBER. THANK YOU. EOM/SLW

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

March 27, 1980

Representative Richard Eliason
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Dick:

Be advised that the Assembly of the City and Borough of Sitka supports the Sitka Community Association in its request to be designated as the Housing Authority within the Sitka area.

Very truly yours,

Fermin Gutierrez
Administrator

cc: Andrew Hope, S.C.A.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

K
I
C

Ketchikan Indian Corporation
(IRA Council)
P.O. BOX 6855
429 DEERMOUNT AVENUE
Ketchikan, Alaska 99901
PHONE: (907) 225-5158

BOARD OF DIRECTORS
IRA Council
RANDY WILLIAMS
President
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Councilmember
JOE DEMMERT, JR.
Councilmen
ALFRED JACKSON
Councilmen
MARY E. GUTHRIE
Councilmember

April 17, 1980

The Honorable Bill Parker
Representative, State of Alaska
Pouch V
Juneau, Alaska 99801

Dear Sir:

We are most interested in having HB685 amended to include all IRA Councils. We added our name to the present amendment to follow the form as set by Sitka Community Association; but since the issue has become a discussion on the feasibility of IRA Councils, in general, being open to develop individual housing authorities, we would like to the Committee to know that we do very much support this legislative change.

Individual IRA Councils representing individual communities with unique needs are in the best position to communicate directly with citizens, local government bodies and contractors for a service delivery of high accountability. From a citizen view-point, having a local and accessible agency is critical. Low-income people do not have extra funds to make long distance phone calls or visits to Juneau to work on their own behalf. We must remember the varied circumstances surrounding each community and not, through fear or paternalism, dismiss local control as watered-down or fragmentary.

The State already supports a divisional housing authority system as evidenced by ASHA plus the regional Native Housing Authority Legislation already in existence.

We feel very strongly on this issue and wish we could be present for comments. Please know we appreciate your attention and efforts in this matter.

Sincerely,

Edward K. Thomas

Edward K. Thomas
Executive Director

EKT/emg

Whereas, the Craig Community Association, Inc. Council, is a duly constituted Indian Tribe organized pursuant to the Acts of Congress of June 18, 1934(49 Stat. 984) and May 1, 1936(49 Stat. 1250), and is recognized by the U.S. Government as a tribal governing body; and

Whereas, Regional Native Housing Authorities were created by the Alaska State Legislature in 1971 under Title 18.55.995 and,

Whereas, these Regional Native Housing Authorities were modeled on the Alaska Native Claims Settlement Act Regional Corporations, and

Whereas, the regional approach has failed on some occasions to take local concerns into consideration, and

Whereas, the enabling legislation required that: "A housing authority created by this section may not transact business or exercise powers granted to it until the governing body of the named association has, by proper resolution, declares that there is a need for the authority to function, gives it the authority to function and has named its commissioners...", and

Whereas, under principles of the Indian Self Determination and Education Assistance Act, the Central Council of Tlingit and Haida is not a Tribal Governing body. The Central Council is required to obtain resolutions of support from tribal governing bodies at the local level before they are permitted to contract programs for those communities, and

Whereas, the Department of Housing and Urban Development recognizes those Native Housing Authorities under Title 24, Section 805.106: "An Indian Housing Authority (IHA), may be established Pursuant to a state law which provides for the establishment of IHAS with all necessary legal powers to carry out low income housing projects for Indians."

Therefore Be It Resolved, by the Council of the Craig Community Association: That the Alaska State Legislature be requested amend Title 18 of the Alaska Statutues, to allow local Alaska Native Tribal Governing bodies to create local housing authorities.

CERTIFICATION

I, the undersigned as President of the Craig Community Association, IRA Council, do hereby certify that the foregoing Resolution CCA 80-10, was adopted by the Craig Community Association, IRA Council at a special meeting held MARCH 4, 1980 by a unanimous quorum vote.

ATTEST:

Secretary

Thomas D. Abel
President

Whereas, the Craig Community Association, IRA Council, is a duly constituted Indian Tribe organized pursuant to the Acts of Congress of June 18, 1934(49 Stat. 984) and May 1, 1936(49 Stat. 1250), and is recognized by the U.S. Government as a tribal governing body; and

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Secretary

Thomas S. Abel
President

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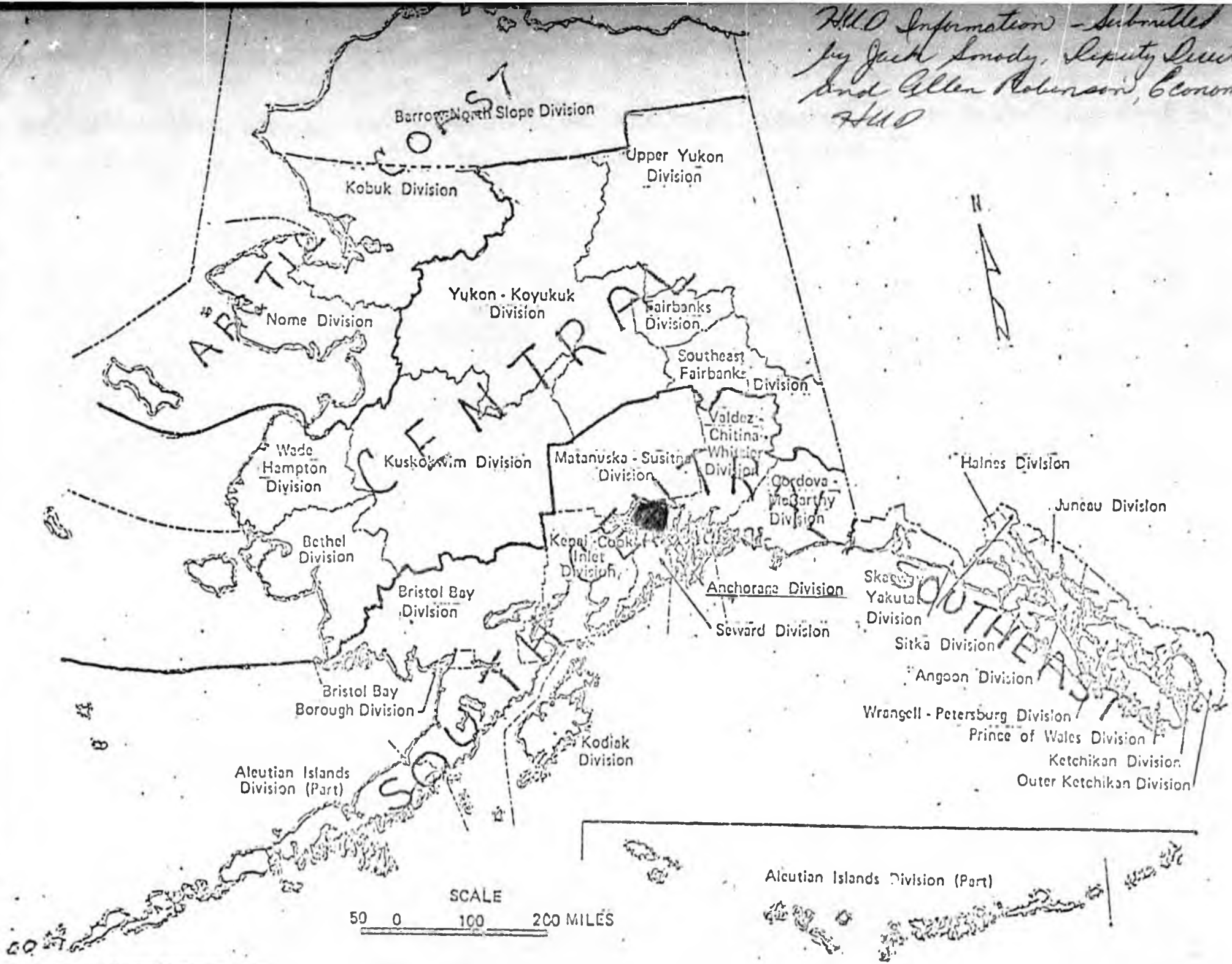
HUD Information - Submitted by Jack Smody, Deputy Director and Allen Robinson, Economist, HUD



Assisted Housing Programs Completed 1970-1979, Under Construction, or Planned for 1980.
By Allocation Area and Locality in Alaska
As of October 11, 1979

Area	Locality	Units	Locality	Units	Area & Locality	Units	Locality	Units		
Arctic Coast Area					South Central Area					
	Kiana 16+15	31	Barrow 9+11	80	New Stuyahok	17	Valdez CG	28		
	Kivalina 7+4+15	26	St. Michael 25+23	48	Manokotak	19	St. Paul	20	Fmlla	
	Elim	35	Stebbins	20	English Bay 20+1	26	Kodiak		Kenai	36
	Noorvik 31+1+20+10	52	Savoonga 25+25	50	Ouzinkie 8+33+1	41	SSF 36 (236)	91	Kenai	8
	Shismaref 21+20	41	Gambell	60	Sand Point 5+15+1	31			Palmer	37
	Point Hope 24+1+30	55	Teller	30	King Cove	28	Kenai + (10 mo) 224	34	Kodiak	59
	Selawik 26+18	44	Shaktoolik 6+21	27	Homer CG	20	St. George	5		35
	Buckland	12	Wales	18	Cordova CG	20	Seward 231	36		
	Wainwright 25+12	37	Nuiqsut 30+5	35	Togiak	30	Cantwell	20	LIPH	
	Unalakleet 19+20+30	69	Atkasook	13	Naknek	15	Mentasta	14	Selderia	18
	Ambler	16	Shungnak	18	South Naknek	15	Tyonek	27	Copper Cen	12
	Golovia	10		1,057	Dillingham	50	Ezultna	5	Gulkana	8
	Anaktavik Pass	8	Nat. Corp: Kotzebue	42	Akhiok	15	Port Lions 25+14	35	Kodiak	54
	Deering	8	Total	1,099	Karluk 8+15	23	Unalaska	20	Dillingham	20
	Kaktovik 8+5	13			Larsen Bay	15	Nikolski 1+4	17		112
	Koyuk 20+4	26			Old Harbor	45	Akutan	18		
	Noatak 5+22	30			Levelock	15	Port Graham	31	BIA 1970+	48
	Nome 20F+50	70			Clark's Point	15	Tatitlek	18		
	Kotzebue 48+9	57			Ateknagik	15	Port Heiden	14	Total	295
	Shungnak	18			Egegik	25		919		
Central Area					Palmer Fmlla & Elderly	6	Other	295		
	Aniak	31	Kipnuk	32			Total	1214		
	Nightmute	7	Atmautluk	24	Southeastern Area					
	Akiachak	15	Toksook Bay	26	Juneau 1+P+4 15+25+1+12E	142				
	Chefornak 14+2	21	Napakiak	20	" (236) 96+41E	137			BIA -78	65
	Emmonak 17+1+30	48	Alakanuk 31+15	56	" State (4 Mod)	72			74-79 Bethel	218
	Kotlik	17	Bethel 183+23	206	Wrangell 10+32	52			Fmlla N.P.	32
	Minto	20	Fairbanks-		Petersburg 14 G+24	35				315
	Quinhagak 6+55	61	20F+96+60		Ketchikan 14+50F 30	80	METRO - Anchorage SMSA			
	Chevak 25+1	26	Fr. Estates +13 Park west +84	(510)	Yakutat 9+35+15 (4)	70	Sec 8		Elderly	
	Scammon Bay	15	(38 Mil)		Angoon 10+25 (12E)	67	E107-004	58	Eastchester	119
	Hooper Bay 24+1+30	55	Fort Yukon	40	Metlakatla 25+25	50	" 004	67	Pioneer Hms	150
	Pilot Station	22	Galena 6+60	36	Sitka 24E	61	" 006	429	Eagle River	57
	Mountain Village	28	Tanacross	15	Klukwan 23+15	38	" 007	97	Sub total	326
	Kaltag 14+17	36	Takotna	5	Haines 15+12E+9MR	46	" 009	30		
	Mekoryuk	20	McGrath	30	Saxman 21+12	32	" 012	125		
	Goodnews Bay	20	Nenana	20	Hoonah 15+30+15+12E	107	" 014	95	Indian AWOR	45
	Holy Cross	15	Sheldon Point	13	Kake 30+20+12	62	" 016 (MR)	13		
	Kwethluk	30	Marshall	24	Craig 15+9E	24	KBL NEW	71		
	Tetlin	13	St. Marys	20	Klawock 20+12	44	Sub total	985	Total Metro	1761
	Chalkyitsik	11	Russian Mission	27	Hydaburg 15+12	52				
	Eek	17	Northway	20	Kasaan MR	15	236 (4)		Total Dwellings	5,639
	Tununak	23	Akolmiut	51	Total	1,192	Jan Lk I,B	125		
	Tanana	25		1,818			Woodside	18	Grand Total	7,400

HUD Accomplishments in FY 77, FY 78, and FY 79 Assisted Housing
Metro and Non-Metro Areas in Alaska
As of September 30, 1979

	FY 77 Units	FY 77 Contract Auth Reserved	C.A. Percent	FY 78 Units	FY 78 Contract Auth Reserved	C.A. Percent	FY 79 Units	FY 79 Contract Auth Reserved	C.A. Percent
Metro									
Anchorage SMSA	513	$2,592,288	100%	567	$2,637,471	100%	153	$891,148	100%
Section 8	513	2,592,288		395	1,895,796		108	601,488	100%
New	17	96,780		93	503,964		—	—	
Mod Rehab	—	—		—	—		13	82,392	
Existing	496	2,495,508		201	1,091,712		95	519,096	
Loan Mgt	—	—		101	300,120		—	—	
LIPH	—	—		172	741,675		—	—	
AWR	—	—		80	272,300		—	—	
AWOR	—	—		92	469,375		—	—	
Sec 8 + LIPH	513	2,592,288		567	2,637,471		108	601,488	
Indian	—	—		—	—		45	289,660	
Non-Metro	484	$1,764,639	100%	575	$3,574,685	100%	1236	$2,448,175	100%
1. Arctic Coast	41	369,440	13%	170	901,783	25%	236	1,016,139	12%
Sec 8	41	369,440		—	—		—	—	
Existing	9	46,440		—	—		—	—	
AWOR	32	323,000		—	—		—	—	
Indian - AWR/New	—	—		170	901,783		236	1,016,139	
2. Central	227	400,076	51%	67	495,279	14%	594	$3,018,817	45%
Sec 8	192	1,183,176		—	41,830		82	484,095	
New	192	1,183,176		add. funds	41,830		23	194,028	
Mod Rehab	—	—		—	—		38	194,235	
Existing	—	—		—	—		21	95,832	
LIPH	—	—		—	—		—	—	
Sec 8 + LIPH	192	1,183,176		—	—		82	484,095	
Indian - New	35	216,900		67	453,449		512	2,534,557	
3. South central	99	313,607	11%	318	2109439	59%	300	771737	32%
Sec 8	79	179,244		—	—		88	469,104	
New	55	68,580		—	—		—	—	
Mod Rehab	—	—		—	—		10	45,216	
Existing	—	—		—	—		78	423,888	
FmHA	24	110,664		—	—		—	—	
LIPH	—	—		90	581,968		74	368,713	
Sec 8 + LIPH	24	179,244		90	581,968		162	837,817	
Indian - New	20	134,363		228	1,527,471		138	933,920	

Indian - AWR/New	—	—		170	401,783		236	1,016,139	
2. Central	227	1,400,076	51%	67	495,279	14%	594	3,018,817	45%
Sec 8	192	1,183,176		—	41,830		82	484,095	
New	192	1,183,176		add. funds	41,830		23	194,028	
Mod Rehab	—	—		—	—		38	194,235	
Existing	—	—		—	—		21	95,832	
LIPH	—	—		—	—		—	—	
Sec 8 + LIPH	192	1,183,176		—	—		82	484,095	
Indian - New	35	216,900		67	453,449		512	2,534,557	
3. South central	99	313,607	11%	318	2,109,439	59%	300	1,771,787	32%
Sec 8	79	179,244		—	—		88	469,104	
New	55	68,580		—	—		—	—	
Mod Rehab	—	—		—	—		10	45,216	
Existing	—	—		—	—		78	423,888	
FmHA	24	110,664		—	—		—	—	
LIPH	—	—		90	581,968		74	368,713	
Sec 8 + LIPH	24	179,244		90	581,968		162	837,817	
Indian - New	20	134,363		228	1,527,471		138	933,970	
4. Southeast	117	681,516	25%	20	68,184	2%	111	641,432	11%
Sec 8	117	681,516		20	68,184		61	350,988	
New (sec 202)	93	562,284			—		—	—	
Mod Rehab	—	—			—		61	350,988	
FmHA	24	119,232		add. funds	13,104		—	—	
Loan Mgt	—	—		20	55,080		—	—	
Indian - New	—	—		—	—		45	290,444	
GRAND TOTAL (metro & nonmetro)	997	$5,356,927		1,142	6,212,156		1,389	7,339,323	

FY 79 Assisted Housing Allocation Plan by Household Type & Household Size

Anchorage Area Office

As of September 30, 1979

Project No	Location/Program	Contract Auth.	Total Units	Household Type: Elderly	Family	Lg. Family	Household size: Eff	1	2	3	4	5
	METRO	891,148	153	13 (8)	70 (46)	70 (46)	—	11	72	57	13	—
	Indian - AWOR	289,660	45	—	6	39	—	—	6	26	13	—
12-7	Anchorage	289,660	45	—	6	39	—	—	6	26	13	—
	Section 8	601,488	108	13	64	31	—	11	66	31	—	—
E102-044	Anchorage - Existing	519,096	95	—	64	31	—	10	54	31	—	—
E102-016	Anchorage - Mod Rehab	82,392	13	13	—	—	—	1	12	—	—	—
	NonMETRO	6,448,175	1236	43 (4)	471 (38)	722 (58)	6	111	282	274	213	14
	Indian	1,775,110	931	—	265	666	—	4	146	234	197	4
	LIPH	368,713	74	4	45	25	—	12	37	15	10	—
	Section 8	1,304,187	231	39	161	31	6	95	99	25	6	—
	New	194,028	23	23	—	—	—	23	—	—	—	—
	Mod Rehab	590,434	109	16	93	0	6	60	43	—	—	—
	Existing	519,720	99	—	68	31	—	12	56	25	6	—
	1. Arctic	1,016,139	236	—	63	173	—	—	19	54	30	—
	Indian	1,016,139	236	—	63	173	—	—	19	54	30	—
B-14	St. Michael	155,662	23	—	6	17	—	—	6	11	6	—
B-15	Unalakleet	203,037	30	—	2	28	—	—	2	18	10	—
B-16	Elim	236,877	35	—	8	27	—	—	8	18	9	—
B006-001	Kivalina	101,518	15	—	3	12	—	—	3	7	5	—
	Bartlett Rehab	319,045	133	—	44 est.	89 est.						
	2. Central	3,018,652	594	23	185	386	—	37	100	113	131	—
	Indian	2,534,557	512	—	133	379	—	—	62	106	131	—
7-7	Tanana	169,197	25	—	15	10	—	—	15	4	6	—
7-8	Nulato	203,037	30	—	5	25	—	—	5	11	14	—
7-9	Northway	135,358	20	—	5	15	—	—	5	11	4	—
9-13	Tululksak	182,733	27	—	5	22	—	—	5	9	13	—
9-18	Akolmiut	345,163	51	—	7	44	—	—	7	14	30	—
B007-002	Kwiguk	115,054	17	—	2	15	—	—	2	10	5	—
B007-001	Nulato	67,679	10	—	5	5	—	—	5	3	2	—
B009-004	Alakanuk	169,198	25	—	2	23	—	—	2	12	11	—
B009-005	Nightmute	47,375	7	—	1	6	—	—	1	2	4	—
B009-003	Atmautluk	162,430	24	—	1	23	—	—	1	12	11	—
B009-001	Kipnuk	216,573	32	—	6	26	—	—	6	5	21	—
B001-002	Aniak	209,805	31	—	8	23	—	—	8	13	10	—
	Bartlett Rehab	510,955	213	—	71	142						

			2603	63	7		30				5		25				5	11	14		
7-9		Northway	135	358			20				5		15				5	11	4		
9-13		Tuluksak	182	733			27				5		22				5	9	13		
9-18		Akolmiut	345	163			51				7		44				7	14	30		
B007-002		Kaltag	115	054			17				2		15				2	10	5		
B007-001		Nulato	67	679			10				5		5				5	3	2		
B009-004		Alakanuk	169	198			25				2		23				2	12	11		
B001-005		Nightmute	47	375			7				1		6				1	2	4		
B009-003		Atmautluk	162	430			24				1		23				1	12	11		
B001-001		Kipnuk	216	573			32				6		26				6	5	21		
B001-002		Aniak	209	805			31				8		23				8	13	10		
		Bartlett Rehab	510	955			213				71		142								
		Section 8	484	260			82		23		57		7		37		38	7			
B006-001		Bethel - New	194	028			23		23						23						
N02-002		Fairbanks - Mod Rehab	194	400			38				38				12		26				
F102-015		Fairbanks - Existing	95	832			21				14		7		12		12	7			
	3	Southcentral	771	787			300		14		165		121		36		143	180	37	4	
		Indian	93	970			138				66		72		4		62	47	21	4	
13-9		Port Lions	67	679			10				3		7				3	3	2	2	
16-2		Sand Point	74	447			11				3		8				3	6	2	1	
16-7		Akutan	121	822			18				3		15				3	8	5	2	
11-8		Nikolski	40	607			6				6						6				
15-3		English Bay	135	358			20				10		10				10	7	3		
15-4		Port Graham	209	805			31				21		10				21	7	3		
B015-001		Tatitlek	121	822			18				7		11				7	6	5		
B010-001		Port Heiden	94	751			14				9		5		4		5	5			
B013-001		Ouzinkie	67	697			10				4		6				4	5	1		
		IPH	368	713			74		4		45		25		12		37	15	10		
P013-001		Kodiak	251	584			54				29		25				29	15	10		
P010-001		Dillingham	117	129			20		4		16				12		8				
		Section 8	469	104			88		10		54		24		20		44	18	6		
K102-002		Kenai Mod Rehab	45	216			10		10						10						
K102-013		Kenai Existing	131	472			30				24		6		3		16	6			
K102-016		Kenai Existing	292	416			48				30		18		2		28	12	6		
	4	Southeast	641	432			106		6		58		42		6	38	20	27	15		
		Indian	290	444			45				3		42				3	27	15		
B004-003		Kasaan	92	760			15				3		12				3	7	5		
B004-001		Hoonah	96	165			15						15					10	5		
B004-002		Yakutat	101	519			15						15					10	5		
		Section 8	350	988			61		6		55				6	38	17				
K104-002		Yakutat MR	81	036			6		6						6						
104-002		Haines MR					9				9					9					
K104-001		Juneau MR	269	952			46				46					29	17				

Sitka Community Association

Sitka Community Association
P.O. Box 4360
Mt. Edgecumbe, Alaska 99835
747-3207

The Sitka Community Association is a designated prime sponsor under the Department of Labor, Employment and Training Administration. This allows us to receive funds under the CETA for Employment and Training.

Comprehensive Employment and Training Act
CETA

The Comprehensive Employment and Training Act provides for Classroom Training, On the Job Training, Work Experience, and Public Service Employment for eligible adults and youth.

The Act is designed to assist primarily economically disadvantaged segments of the population. The Department of Labor, Employment and Training Administration, recognizes economically disadvantaged as being a person who is either:

1. A member of a family which receives public assistance.
2. A member of a family whose income during the previous 6 months or an annualized basis was such that
   (a) The family would have qualified for public assistance.
   (b) It does not exceed the poverty level.
   (c) It does not exceed 70 percent of the lower living standard income level.
3. A foster child on whose behalf state or local government payments are made.
4. Where such status presents a significant barrier to employment
   (a) A client of a sheltered workshop.
   (b) A handicapped individual.
   (c) A person residing in an institution; a facility providing 24 hour support such as prison, hospital, or community care facility; or
   (d) A regular out-patient of a mental hospital, rehabilitation facility or similar institution.

The Sitka Community Association CETA Program is administered under Titles II, III, IV, and VI. Eligibility for Title II requires a person to be unemployed 15 of 20 weeks prior to application. For Title VI the period is 10 of the last 12 weeks. In addition to the periods of unemployment, individuals must be economically disadvantaged, as described above. Title IV authorizes operation of the youth programs. The families of participating youth must meet the same eligibility requirements of the other titles.

The Sitka Community Association began its program in December of 1978. At our peak employment period, we provided jobs for 47 adults and 41 students in 1979. This does not include the many individuals that worked in the program and moved on to unsubsidized employment or furthered their formal education.

We presently have 35 Public Service Employee participants. In February of 1980, we will add an 'in-school' youth program that will extend through the summer.

Lack of funding for FY 1980 will not allow us to operate our Public Service Employee program past May 30. We are presently seeking additional funding for FY 1981.

We recently received funding under Title VII of the CETA, which allows us to employ eligible participants in the private sector for apprenticeship training in the construction trades. This will begin in Januay 1980 and run through September 30, 1980.

For further information about the Sitka Community Association CETA Program please contact Keith Redeagle or Robert Nielsen at the Sitka Community Association Building, 456 Katlian St., P.O. Box 4360, Mt. Edgecumbe, Alaska 99835; or call 747-3207, 3208, or 3209.

Higher Education Program

Policy. It is the policy of the Bureau of Indian Affairs and its contractors to encourage all qualified Native students to seek higher education. Scholarship grants *are not a right.* Funds are appropriated by Congress to aid Native students who are in financial need *after* other sources of funds are applied.

Scope of Program. The program provides financial assistance for post-secondary education in accredited colleges and universities with the intent that the assistance will lead to the attainment of a Bachelor of Science or Bachelor of Arts degree. Students may begin at a two-year college if they later intend to transfer to a four-year institution to complete their studies. Graduate students are also eligible for assistance.

Type of Aid. Scholarship grants do not have to be repaid. They are awarded to qualified applicants yearly. All students must apply or reapply *each* year.

Eligibility Requirements.

1. Students must be ¼ or more Alaska Native (Aluet, Eskimo, and Indian).
2. Students must be residents of the Sitka — Mt. Edgecumbe area.
3. Students must be accepted for enrollment in an accredited college or university.
4. Students must have financial need.
5. If a student has received previous college assistance through another Bureau of Indian Affairs agency or contractor, he or she must be in good standing with that program.

Selection of School. Scholarship grants may be used at any accredited in-state or out-of-state school, whether public or private.

Use of Funds. Grant funds may be used for tuition, subsistence, fees, books, supplies, and miscellaneous expenses related to school attendance. Each student is responsible for his or her travel to and from school.

Student Responsibility.

1. Students must maintain acceptable academic standing; maintain school conduct within the policies and rules of the institution attended and demonstrate satisfactory progress toward degree requirements. Students must send a copy of their grades for each term to the Higher Education Program as soon after the end of the term as possible.
2. Students must inform the Higher Education Program of their withdrawal from school and the reason for the withdrawal.
3. Students must keep the Higher Education Program advised of their current school address.

4. Students must inform the Higher Education Program if they transfer to another institution before the end of the academic year.
5. Students should attempt to earn at least $400.00 during the summer months (sophomores — $500; juniors, seniors and graduate students — $600).

Application Procedure.

1. Students must apply for financial assistance at the institution they plan to attend and complete all necessary forms.
2. Students must complete a Higher Education Program application on or before *April 1st* for the following school year which begins in September. Applications received after April 1st will be considered on a first-come first-serve basis.
3. Students must submit copies of their high school transcript or GED scores and a letter of acceptance to the Higher Education Program.

Further Information: Contact Jan Garcia, Director: Higher Education Program, Sitka Community Association, Box 4360, Mt. Edgecumbe, Ak. 99835; 747-3207, 3208, or 3209.

Adult Vocational Training Program

Objective. The primary objective of the Adult Vocational Training Program is to assist those individuals who apply who are either unemployed or underemployed and need a skill in order to obtain reasonable and satisfactory employment, to acquire such necessary skills.

Scope of Program. The program provides counseling, vocational guidance and direct aid to enable eligible Alaska Natives and American Indians to enter and complete vocational training programs at accredited schools and institutions, including those recognized by the Alaska State Department of Education. Training programs cannot exceed 24 months, except for those in registered nursing programs who may receive up to 36 months of training.

Type of Aid. Financial assistance is a grant, not a loan. It does not have to be repaid.

Eligibility Requirements.

1. Applicant must be ¼ or more Alaska Native or American Indian.
2. Applicant must be a resident of the Sitka — Mt. Edgecumbe area.
3. Applicant should be between the ages of 18 and 35.
4. Applicant must be in need of training and financial assistance.
5. Applicant should not have received previous training under this, or other Bureau of Indian Affairs Adult Vocational Training Programs.

Selection of School. All training facilities must meet the eligibility requirements of the state in which they are conducted and be approved by the Juneau Area Director of the Bureau of Indian Affairs.

Trainee Responsibility.

1. Trainees must meet full-time training criteria.
2. Trainees are required to make satisfactory progress in their course of training and to conform to a reasonable standard of conduct.
3. Trainees are required to maintain good attendance records.

Further Information. Contact Jan Garcia, Director: Employment Assistance, Sitka Community Association, Box 4360, Mt. Edgecumbe, Ak. 99835; 747-3207, 3208, or 3209.

Direct Employment Program

Objective. The primary objective of the Direct Employment Program is to assist those eligible who voluntarily seek permanent employment to enable them to become self-sufficient and self-supporting.

Scope of Program. Services include transportation to the job site, subsistence enroute, a living stipend (not to exceed one month) pending receipt of the first paycheck, funds for clothing or tools if needed, pre-departure counseling and referral services at the job site.

Type of Aid. Financial assistance is a grant. It does not need to be repaid.

Eligibility Requirements.

1. Applicant must be ¼ or more Alaska Native or American Indian.
2. Applicant must be a resident of the Sitka — Mt. Edgecumbe area.
3. Applicant must be in need of financial assistance.
4. Applicant should not have received Direct Employment Services during the preceding 6 months.
5. Applicant must be able to verify full-time employment.

Further Information. Contact Jan Garcia, Director: Employment Assistance, Sitka Community Association, Box 4360, Mt. Edgecumbe, Ak. 99835; 747-3207, 3208, or 3209.

Social Services

Overview. Social Services at the Sitka Community Association is funded through the Bureau of Indian Affairs in Juneau, Alaska. Pat Williams, MSW, is Director of Social Services and Joni Lewis is the Eligibility Worker. Social Services has three components: General Assistance, Child Welfare, and Social Services. Our working hours are 8:30–5:00, Mon–Fri.

General Asistance. General Assistance is for those people who are unemployed or under-employed. Eligibility is determined by family size and amount of rent, if any. Any income such as unemployment benefits, etc. are deducted from the basic grant. Persons who have applied for Social Security or Security Supplemental Income, but who have not received payments, may apply for general assistance also.

This is temporary assistance since other resources have to be investigated. Persons applying for general assistance are required to actively seek suitable employment. You must be at least ¼ Native American and/or Alaska Native and a resident of Sitka to apply for this program.

Child Welfare. If you have dependents that are not your biological children, under 18 years of age, and are residing in your household you may be eligible for child welfare. We fund child welfare only for the interim until the family makes application with state services for ADC (Aid to Dependent Children). Therefore, child welfare is only temporary funding and not an on-going assistance program. You must be at least ¼ Native American and/or Alaska Native and a resident of Sitka to apply for this program.

Social Services. Pat Williams, Director of Social Services, offers counseling to families and individuals in need. Social Services works closely with the Native Education Counselors in providing counseling services to the entire family. If you are experiencing crisis in your family, or if you would like to discuss parenting concerns, call Ms. Williams for an appointment.

Joni Lewis is a certified alcoholism counselor. She provides counseling to the alcoholic and his or her family. She is also available for consultation.

There is no charge for these services.

Career Resource Center

The career Resource Center is located on the second floor of the Sitka Community Association Building.

The services available through the Center are:

1. To enable SCA members to obtain Vocational Career Counseling and testing.
2. To improve basic educational weaknesses through individual self-directed use of the materials at the career Education Resource Center.
3. Through use of self-directed designed materials individuals may become educationally capable of taking advantage of the SCA Higher Education and Employment Assistance programs.
4. To enable SCA members to: identify specifically and assess their talents; increase their educational abilities; explore occupations and training programs or schools which match their talents and abilities; and implement their decisions to further their education or training.

Specific materials available for use are:

1. Exploring Careers filmstrips and tapes.
2. Life skills series — pamphlets.
3. Job skills series — pamphlets.
4. Strong–Campbell interest inventory.
5. Skills for daily living learning packets.
6. Career Exploration learning packets.
7. Community Resources.
8. Occupational outlook materials.
9. Information on colleges such as location, cost to attend, size of student body, and general studies offered.

In addition to Career guidance the Center offers help in obtaining a GED. Help is available to enroll in the GED program, to help work out problems that prevent clients from attending classes or tutoring sessions for the GED, and also to determine entry level for the GED.

Counseling is also available to alleviate any fears or reservations about the Adult Basic Program. Information and one-to-one consultation is available for everyday problems such as consumer problems, budgeting, and identifying community resources to meet specific needs.

(3) provisions relating to the subordination of the state's interest in and application of annual payments of principal and interest or the proceeds of a permitted sale of, or insurance or prepayments on, the mortgages; and

(4) the right of the authority to repurchase the mortgages at a predetermined price. (§ 3 ch 134 SLA 1976)

Effective date. — Section 4, ch. 134, SLA 1976, makes this section effective June 9, 1976, in accordance with AS 01.10.070(c).

Article 3. Slum Clearance and Redevelopment Act.

Section

934. State aid for an urban redevelopment or urban renewal project in a disaster area

Sec. 18.55.934. State aid for an urban redevelopment or urban renewal project in a disaster area.

(c) For purposes of this section, "cost of the project" includes, in addition to costs directly related to the project, the sum total of all costs of financing and carrying out the project. These include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project, an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary.
(am § 22 ch 168 SLA 1978)

Effect of amendment. — The 1978 amendment added subsection (c). As the rest of the section was not affected by the amendment, it is not set out.

Article 5. Regional Native Housing Authorities.

Section

995. Purpose and intent
996. Creation of authorities
997. Residential loans

Sec. 18.55.995. Purpose and intent. The legislature finds that an acute shortage of housing and related facilities exists in the villages of

Alaska and that adequate housing cannot be provided by the private sector due to the economic depression which exists in most villages of Alaska. It is the purpose and intent of the legislature to provide a means for certain native associations to form public corporations with the powers and duties comparable to the Alaska State Housing Authority. (§ 1 ch 123 SLA 1971; am § 2 ch 151 SLA 1975)

Effect of amendment. — The 1975 amendment, effective June 19, 1975, deleted "for the specific purpose of implementing the President's National Indian Program for Indian Housing, under which the State of Alaska's share initially will be 1,200 new homes in 1972, in the remote housing program" from the end of the second sentence.

Legislative committee report. — For report on ch. 151, SLA 1975 (HCS CSSB 289 am H), see 1975 Senate Journal, p. 769; 1975 House Journal, p. 1275.

Sec. 18.55.996. Creation of authorities. (a) The following associations are given the authority specified in (b) of this section:

(1) Arctic Slope Native Association (Barrow and Point Hope)

(2) Bering Straits Association (Seward Peninsula, Unalakleet, St. Lawrence Island)

(3) Northwest Alaska Native Association (Kotzebue)

(4) Association of Village Council Presidents (southwest coast of Alaska including all villages in the Bethel area and all villages on the Lower Yukon River and Lower Kuskokwim River)

(5) Tanana Chiefs Conference (Koyukuk, the middle and upper Yukon River villages and the upper Kuskokwim and Tanana River villages)

(6) Cook Inlet Association (Kenai, Tyonek, Eklutna and Iliamna)

(7) Bristol Bay Native Association (Dillingham, Upper Alaska Peninsula)

(8) Aleut League (Aleutian Islands, Pribilof Islands and that part of the Alaska Peninsula which is in the Aleut League)

(9) North Pacific Rim Native Corp. (Cordova, Tatitlek, Port Graham, English Bay, Valdez, Seward, Eyak and Chenega)

(10) Tlingit-Haida Central Council or Alaska Native Brotherhood (Southeastern Alaska including Metlakatla)

(11) Kodiak Area Native Association (all villages on and around Kodiak Island)

(12) Copper River Native Association (Copper Center, Glennallen, Chitina and Mentasta)

(13) Alaska Federation of Natives, Inc.

(b) There is created with respect to each of the associations named in (a) of this section a public body corporate and politic to function in the operating area of the individual associations to be known as the regional housing authority of the associations possessing all powers, rights and functions now or subsequently specified for the Alaska State Housing Authority, under the Alaska State Housing Authority Act (§§ 10 — 290 of this chapter) except those specified with respect to the construction and acquisition of public buildings for lease to the state or any

subsequently specified authority which is inconsistent with § 995 of this chapter. The authority shall have the power to enter into agreements with local government, other political subdivisions of the state, the state or the federal government for the exercise of a function or power relating to construction, operation and maintenance of public facilities or public utilities. Upon execution of such an agreement and for the period of the agreement the authority shall have the same powers and functions relating to the subject matter of the agreement as those which may legally be exercised by the governmental unit with whom the agreement is made including the authority to separately or together with the other unit borrow money and issue notes, bonds or other evidence of indebtedness to finance a project within the scope of the agreement subject to the express limitations, if any, contained in the agreement. All obligations or liabilities of the regional housing authorities shall remain their own and shall not be obligations or liabilities of the state.

(f) The authority shall have the power to acquire, construct, operate and maintain group homes, multipurpose community centers, child care centers and other community facilities.

(g) If an activity associated with the planning, financing, construction or operation of a project by a regional housing authority established in this section conflicts with an activity of the Alaska State Housing Authority, the governing body of the municipality in which the project is located shall resolve the conflict.

(am §§ 3, 6 ch 151 SLA 1975; am § 1 ch 274 SLA 1976; am § 1 ch 12 SLA 1977)

Effect of amendments. — The 1975 amendment, effective June 19, 1975, added the present second and third sentences of subsection (b) and added subsection (f).

The 1976 amendment, in paragraph (9) of subsection (a), substituted "North Pacific Rim Native Corp." for "Chugach Native Association," deleted "and" preceding "Seward," and added "Eyak and Chenega" to the end.

The 1977 amendment, effective March 31, 1977, added subsection (g).

As the rest of the section was not affected by the amendments, it is not set out.

Legislative committee report. — For report on ch. 151, SLA 1975 (HCS CSSB 289 am H), see 1975 Senate Journal, p. 769; 1975 House Journal, p. 1275.

Sec. 18.55.997. Residential loans. (a) In addition to the powers authorized to a regional housing authority under § 996 of this chapter, a regional housing authority may, in accordance with procedures and policies adopted and approved by the board of directors of the Alaska Housing Finance Corporation, make loans for the purchase or development of residential housing in rural areas of the state. A loan shall be secured by collateral in an amount acceptable to the board of directors of the Alaska Housing Finance Corporation. The rate of interest on a loan authorized by this section may not exceed an interest rate approved by the board of directors of the Alaska Housing Finance Corporation.

(b) In this section,

(1) "development" means the construction of a new residence or the repair, remodeling, rehabilitation or expansion of an existing home;

(2) "rural" means any community of the state with a population of 4,500 or less that is not connected by road or rail to Anchorage or Fairbanks. (§ 11 ch 167 SLA 1978)

Effective date. — Section 16, ch. 167, SLA 1978, makes this section effective July 18, 1978, in accordance with AS 01.10.070(c).

Chapter 56. Alaska Housing Finance Corporation.

Section
10. Findings and purpose
20. Alaska Housing Finance Corporation
30. Corporation governing body
50. Administration of affairs
52. Executive director
60. Employment of personnel
88. Administrative procedure
90. General powers
92. Veterans' loans for residential housing
94. New capital city mortgage loans
95. Mortgage insurance
115. Independent financial advisor
125. Capital reserve fund
210. Definitions

Sec. 18.56.010. Findings and purpose.

(d) The program of making loans for residential housing to veterans in accordance with AS 26.15 has increased and improved the supply of adequate housing in the state, and the continuation of the program is essential to the economic growth of the state and the expansion of the supply of adequate residential housing in the state. Participation by the Alaska Housing Finance Corporation in the program of purchasing and insuring state veterans' loans as provided in this chapter will be of material aid in insuring the continuance of the program of making loans for residential housing to veterans in accordance with AS 26.15.

(e) Expansion of the program of the Alaska Housing Finance Corporation of purchasing insured and uninsured mortgage loans is essential to the economic growth of the state and the supply of adequate residential housing in the state.

(f) The legislature finds that enabling the Alaska Housing Finance Corporation to assist in financing the program of veterans' loans for residential housing in accordance with AS 26.15 and to expand its program of purchasing other mortgage loans serves a public purpose in benefiting the people of the state. The Alaska Housing Finance Corporation is empowered to act on behalf of the state and its people in serving this public purpose for the benefit of the general public. (am § 4 ch 151 SLA 1975)

Effect of amendment.

The 1975 amendment, effective June 19, 1975, added subsections (d), (e) and (f).

As the rest of the section was not affected by the amendment, it is not set out.

Legislative committee report.

For report on ch. 151, SLA 1975 (HCS CSSB 289 am H), see 1975 Senate Journal, p. 769; 1975 House Journal, p. 1275.

HB
689

(7)

COMMITTEE REPORT

HOUSE

2/8/80

FURTHER: FINANCE

Date: _____

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 689

"An Act providing for the issuance of general obligation bonds in the amount of $25,520,000 for the purpose of paying the cost of capital improvements for water and sewer systems; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION
JAY S. HAMMOND, GOVERNOR
POUCH O – JUNEAU 99811

December 12, 1979

The Honorable John G. Fuller
Box 689
Nome, Alaska 99762

Dear Mr. Fuller:

For the last several months, our Village Safe Water (VSW) program staff has been working with the 12 regional Native health corporations to develop a priority list of candidate villages for future projects, funded under the Village Safe Water Act. Our purpose is to provide you and others in the Alaska Legislature with a prioritized list of 15 villages which we and the regional health corporations feel are most in need of improved sanitation services.

The selection process began last July when letters were sent to each health corporation, asking them to select up to three communities in their area to be considered along with candidate villages from the other 11 regions. To guide their deliberations, the health directors were asked to consider a number of factors, the most important being the availability of safe drinking water. For instance, melting ice or collecting river water for drinking is less safe and convenient than having a protected community well nearby. In addition, to avoid duplication of effort we asked the health corporations not to consider communities where sanitation improvements are proposed by the U.S. Public Health Service (PHS) or some other agency. We also reminded the health directors that the Attorney General recently ruled that Village Safe Water funds cannot be used for solid waste disposal facilities. So only villages needing water supply, sewage disposal, bathing and/or laundry services were to be considered.

Seven of the 12 health corporations responded with candidate villages and supporting background information on each. Some of those that chose not to participate indicated that the Public Health Service had already provided sanitation services for all villages in their regions. VSW program staff then reviewed and checked the information submitted and used it to develop the following statewide priority list.

Regional Health Corporation	Village	Priority
Yukon Kuskokwim Health Department	Newtok	1
Copper River Health Department	Copper Center	2
Aleutian Pribilof Island Association	Nelson Lagoon	3
Copper River Health Department	Chistochina	4
Bristol Bay Health Department	Portage Creek	5
Tanana Chiefs Health Authority	Eagle Village	6
Tanana Chiefs Health Authority	Rampart	7
Tanana Chiefs Health Authority	Ruby	8
Yukon Kuskokwim Health Department	Chefornak	9
Bristol Bay Health Department	Kokhanok	10
Yukon Kuskokwim Health Department	Stoney River	11
Bristol Bay Health Department	Pedro Bay	12
North Slope Borough Health Department	Point Lay	13
Copper River Health Department	Cantwell	14
Mauneluk Association	Selawik	15

This list reflects the relative need for improved sanitation services in each village, with special emphasis on the need for safe drinking water. For example Newtok, a community of 154 people, was placed at the top of the list because residents can only use rainwater for drinking, and it is only seasonally available. Water can be obtained at the BIA School, but residents are limited to 5 to 10 gallons per family per day. While the regional school district plans to drill a well to serve a new high school in Newtok, there are no provisions to extend service to the village. In addition, PHS does not plan to improve sanitation services in this community.

Copper Center, population 275, is number two on the list. In this interior community some residents obtain their drinking water from individual home wells drilled by PHS in 1965. However, of the original 29 wells, 10 are not operating, and most of the others produce water of poor chemical quality. Iron and manganese concentrations exceed drinking water standards and create taste, color and odor

problems. Due to community growth since 1965, there are now about 75 homes in need of an acceptable water supply. With Copper Center anticipating electrical service from a hydroelectric system, the difficulty of powering sanitation systems may be less than in some other villages.

At Nelson Lagoon, which is number three on the list, residents must travel 16 miles to obtain drinking water. The shallow, hand driven wells in the village produce brackish water suitable only for washing clothes. Also Nelson Lagoon has excellent potential for the use of wind power to generate electricity. It is very likely that a VSW facility in this village could be powered by wind energy.

The fourth village is Chistochina, population 33, where residents obtain their drinking water from Sinona Creek, which is littered with dead salmon during the summer months. Water and sewer systems installed by PHS in 1970 have failed.

Number five on the list is the Bristol Bay community of Portage Creek, where water is available from the school. Eleven of 13 families use this source. However, the school is closed for the summer months, and in the winter the well occasionally runs dry.

In Eagle Village, sixth on the list, residents must drive three miles in the summer to the City of Eagle for drinking water. In the winter months the Yukon River is the preferred source of supply. This community has no water system and there are no prospects for improvements from other agencies.

Rampart, with a population of 58, is seventh on the list. Village residents haul water from a nearby creek except for a two week period during breakup.

In Ruby (eighth) and Chefornak (ninth) there is critical need for sanitation improvements, but PHS plans projects in those villages in the near future.

In Kokhanok, Stoney River and Pedro Bay (tenth, eleventh and twelfth respectively), good sources of drinking water are available to residents, but sewage disposal problems may exist.

Point Lay was placed thirteenth on the priority list because $400,000 in VSW Funds have already been authorized for sanitation improvements there. Also, the North Slope Borough assembly has apparently appropriated an additional $100,000 for this purpose.

Cantwell and Selawik were placed at the bottom of the list because water and sewer facilities already exist in those communities, and additional improvements are scheduled in the near future by the PHS.

More detailed background information on each of these communities can be found in the enclosed village data summary.

Estimating the cost of Village Safe Water projects in specific villages is nearly impossible at the time a bond bill is being considered. Costs can vary from $100,000 to more than $1 million depending on what services are to be included, and local factors such as availability of water, type of treatment required, waste disposal options, power availability, and soil conditions.

What services will be provided by a VSW facility (i.e. the scope of the project) is largely a matter of choice by the village receiving it. Choices authorized by the VSW Act are water supply, sewage disposal, bathing and laundry services. The project scope must be negotiated with the village after funding for their facility has been approved in a bond election.

After project scope is established, the cost of providing the selected services can be estimated based on local conditions and preliminary engineering investigations. At this time alternate sources of energy to power the VSW facility are investigated. The technical and economic feasibility of appropriate alternate energy sources are evaluated, and incorporated into the design of the facility whenever possible.

To accommodate the problem of having to identify funds for VSW projects before their costs are known with any accuracy, the Department recommends a "group funding" approach. This technique is based on the assumption that the cost of groups of five projects varies much less than the cost of individual projects. From past construction experience in the VSW program, the total cost of several randomly selected groups of five projects was determined in 1981 construction dollars. The average cost of these groups of five projects is $6.5 million in equivalent 1981 dollars, or $1.3 million per project.

Because VSW facilities, and virtually any other village utilities project will fail prematurely without some degree of technical, management and financial assistance, this Department has been requesting and receiving general fund

appropriations for operation and maintenance assistance to villages receiving VSW facilities. An inevitable consequence of constructing more VSW facilities is the need for larger appropriations for operation and maintenance assistance as the facilities are completed.

If you have any questions on the VSW priority list or desire additional background information on any of the communities involved, please contact me.

Sincerely,

Ernst W. Mueller
Commissioner

Enclosure

04020

December 1979

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
CHEFORNAK (CALISTA) PRIORITY #9	204/33 up	Flat, marshy tundra	Rain water collected off roofs	Only seasonally available	REAA to complete new school July, 1980/plan to drill well and treat water but no provisions to serve village	Indiscriminate dumping of honey buckets	Mike Frank Bill Adams LSKD 543-2871 Jordan Shur 543-2500 Steve Haver PHS 543-2251 Pete Tom Chefornak 878-8001 Earl Chase YKHC 543-2506	Need watering point closer to village that produces good quality drinking water and facility to dispose of liquid waste
			River water	Quality of river water varies with tides/silt and salt problems noted				
			PHS well	Residents complain of salty taste (482 mg/l TFR) haul distance is 1/2 mile	28 HUD Houses proposed for 1981 PHS sanitation services to follow			
			School well	Poor quality water produced / school well farther from village than PHS well				
KOKHANOK (BRISTOL BAY) PRIORITY #10	88/15 stable	Terrain very rocky	Water hauled from Iliamna Lake	Source of supply produces good tasting drinking water but no treatment provided	none	Honey buckets	Frank Williams PHS 279-6661	Central watering point, bathing laundry and sewage disposal service
STONEY RIVER (CALISTA) PRIORITY #11	69/14 stable	Rolling hills soils probably of sand and	5 or 6 families use hand driven well points with	Good quality Good quantity				

KOKHANOK (BRISTOL BAY) PRIORITY #10	88/15 stable	Terrain very rocky	Water hauled from Iliamna Lake	Source of supply produces good tasting drinking water but no treatment provided	none	Honey buckets	Fran Williams PHS 279-6661	Central watering point, bathing laundry and sewage disposal service
STONEY RIVER (CALISTA) PRIORITY #11	69/14 stable	Rolling hills soils probably of sand and gravel	5 or 6 families use hand driven well points with pitcher pumps Rest haul from river in winter and use neighbor's wells in summer months	Good quality Good quantity Water produced River turbid in summer months/ good quality in winter	none	Indiscriminate dumping of honey buckets	Bob McHenry Kuspuk School 675-4320 Jordan Suhr 543-2500	Water supply not pressing problem/ waste disposal system needed
PEDRO BAY (BRISTOL BAY) PRIORITY #12	65/11 stable	Rocky, well drained	Residents haul or pump water from Lake Iliamna	Supply not treated but good tasting water available year round	HUD Houses tentatively scheduled for 1981/PHS sanitation improvements to follow	Honey buckets	Frank Williams PHS 279-6661	Central watering point, bathing laundry and sewage disposal facility
PT. LAY (NORTH SLOPE) PRIORITY #13	72/63 stable	Flat poorly drained tundra	Freshwater lake	Village hauls water 1/2 mile/ ice used in winter/un-protected source not treated	$100,000 in NSB funds earmarked for improvements $400,000 in State funds available for sanitation improvements NSB plans to move village to new site in March, 1980	Indiscriminate dumping of honey buckets big problem	Art Wyback PHS 452-8251 Amos Agnasagga IRA Council 824-8001	Centralized washeteria/ laundromat at new village site

VILLAGE CANDIDATE SELECTION - VSW

/HOMES END	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
/33 P	Flat, marshy tundra	Rain water collected off roofs	Only seasonally available	REAA to complete new school July, 1980/plan to drill well and treat water but no provisions to serve village	Indiscriminate dumping of honey buckets	Mike Frank Bill Adams LSKD 543-2871 Jordan Shur 543-2500 Steve Haver PHS 543-2251 Pete Tom Chefornak 878-8001 Earl Chase YKHC 543-2506	Need watering point closer to village that produces good quality drinking water and facility to dispose of liquid waste
		River water	Quality of river water varies with tides/silt and salt problems noted				
		PHS well	Residents complain of salty taste (482 mg/l TFR) haul distance is 1/2 mile	28 HUD Houses proposed for 1981 PHS sanitation services to follow			
		School well	Poor quality water produced / school well farther from village than PHS well				
15 le	Terrain very rocky	Water hauled from Iliamna Lake	Source of supply produces good tasting drinking water but no treatment provided	none	Honey buckets	Frank Williams PHS 279-6661	Central watering point, bathing laundry and sewage disposal service
14 le	Rolling hills soils probably of sand and gravel	5 or 6 families use hand driven well points with pitcher pumps	Good quality Good quantity Water produced				
		Rest haul from river in winter and use neighbor's wells in summer months	River turbid in summer months, good quality in winter	none	Indiscriminate dumping of honey buckets	Bob McHenry Kuspuk School 675-4320 Jordan Suhr 543-2500	Water supply not pressing problem/ waste disposal system needed
1 e	Rocky, well drained	Residents haul or pump water from Lake Iliamna	Supply not treated but good tasting water available year round	HUD Houses tentatively scheduled for 1981/PHS sanitation improvements to follow	Honey buckets	Frank Williams PHS 279-6661	Central watering point, bathing laundry and sewage disposal faoility
3 e	Flat poorly drained tundra	Freshwater lake	Village hauls water 1/2 mile/ ice used in winter/un-protected source not treated	$100,000 in NSB funds earmarked for improvements $400,000 in State funds available for sanitation improvements NSB plans to move village to new site in March, 1980	Indiscriminate dumping of honey buckets big problem	Art Wyback PHS 452-8251 Ar gnasagga IRA Council 824-8001	Centralized washeteria/ laundromat at new village site

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATIC
CHEFORNAK (CALISTA) PRIORITY #9	204/33 up	Flat, marshy tundra	Rain water collected off roofs	Only seasonally available	REAA to complete new school July, 1980/plan to drill well and treat water but no provisions to serve village	Indiscriminate dumping of honey buckets	Mike Frank Bill Adams LSKD 543-2871
			River water	Quality of river water varies with tides/silt and salt problems noted			Jordan Shur 543-2500
			PHS well	Residents complain of salty taste (482 mg/l TFR) haul distance is 1/2 mile	26 HUD Houses proposed for 1981 PHS sanitation services to follow		Steve Haver PHS 543-2251
			School well	Poor quality water produced / school well farther from village than PHS well			Pete Tom Chefornak 878-800
							Earl Chase YKHC 543-250
KOKHANOK (BRISTOL BAY) PRIORITY #10	88/15 stable	Terrain very rocky	Water hauled from Iliamna Lake	Source of supply produces good tasting drinking water but no treatment provided	none	Honey buckets	Frank Willi PHS 279-666
STONEY RIVER (CALISTA) PRIORITY #11	69/14 stable	Rolling hills soils probably of sand and gravel	5 or 6 families use hand driven well points with pitcher pumps	Good quality Good quantity Water produced			
			Rest haul from river in winter and use neighbor's wells in summer months	River turbid in summer months/ good quality in winter	none	Indiscriminate dumping of honey buckets	Bob McHenry Kuspuk Scho 675-432
							Jordan Suhr 543-250
PEDRO BAY (BRISTOL BAY) PRIORITY #12	65/11 stable	Rocky, well drained	Residents haul or pump water from Lake Iliamna	Supply not treated but good tasting water available year round	HUD Houses tentatively scheduled for 1981/PHS sanitation improvements to follow	Honey buckets	Frank Willi PHS 279-666
PT. LAY (NORTH SLOPE) PRIORITY #13	72/63 stable	Flat poorly drained tundra	Freshwater lake	Village hauls water 1/2 mile/ ice used in winter/un-protected source not treated	$100,000 in NSB funds earmarked for improvements $400,000 in State funds available for sanitation improvements NSB plans to move village to new site in March, 1980	Indiscriminate dumping of honey buckets big problem	Art Wyback PHS 452-825
							Amos Agnasa IRA Council 824-800

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
CANTWELL (AHTNA) PRIORITY #14	62/14 stable	Silt and gravel along river/ scattered permafrost	Individual wells	Good quality Good quantity water produced	20 HUD Houses proposed for 1980/PHS sanitation improvements to follow	Septic tanks/ outhouses	Dan Rogness PHS 279-9628 Jessie Berberich Elenor Dementi Cantwell 768-2282	
SELAWIK (NANA) PRIORITY #15	500/100 up	Flat poorly drained tundra	Complete village safewater facility	Quality of water is ok/residents prefer nearby creek for drinking water	PHS proposes rain catchment system for 18 new HUD houses/ dumpsite for trash and sewage lagoon for VSW effluent	Village Safe Water facility has wastewater treatment plant/ residents dispose of waste in honey buckets	Rich Haskins Mauneluk 442-3311 Greg Drexler PHS 279-9628	Village request funds for solid waste disposal site

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
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SELAWIK (NANA) PRIORITY #15	500/100 up	Flat poorly drained tundra	Complete village safewater facility	Quality of water is ok/residents prefer nearby creek for drinking water	PHS proposes rain catchment system for 18 new HUD houses/ dumpsite for trash and sewage lagoon for VSW effluent	Village Safe Water facility has wastewater treatment plant/ residents dispose of waste in honey buckets	Rich Haskins Mauneluk 442-3311 Greg Drexler PHS 279-9628	Village request funds for solid waste disposal site

December 1979

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
NEWTOK (CALISTA) PRIORITY #1	154/25 up	Flat, poorly drained tundra	Rain water used for drinking when available Centrally located BIA well/most residents get drinking water here	Only seasonally available Good quality water produced/ quantity limited residents limited to 5 gallons per day	New REAA H.S. planned for 1980/plan to drill well/ no intention to serve village	Indiscriminate dumping of honey buckets	Al Johnson BIA 543-3121 Jordan Suhr 543-2500	Increase village water supply and improve waste disposal and additional services pending negotiation with village
COPPER CENTER (AHTNA) PRIORITY #2	275/100 down	Sandy, rocky soil. some permafrost	29 individual wells drilled by PHS in 1969 Community Hall well	10 wells not operating remaining wells produce water of poor chemical quality/iron and manganese exceed state drinking water standards/taste and odor problems/very hard water Iron concentrations exceed state drinking water standards	none	Individual septic tanks most working	Bill Giles PHS 279-6661 Copper River Health Dept. 822-3333	Renovate abandoned wells, provide treatment to operating wells/drill approximately 75 new wells for residents and provide treatment where necessary
NELSON LAGOON (ALEUTIAN/PRIB) PRIORITY #3	61/17 up	Village built on porous sand spit adjacent to Bering Sea	Nine hand dug wells 6-10' deep. Deep well drilled by PHS 1973 hit salt water School has 8' deep well	Water brackish/ used only for washing clothes Water meets state standards	none	Indoor toilets sewage to septic tanks	Rory Mayra PHS Sanitarian 279-6661 Aleutian/ Pribilof Island Association 276-2700	Watering point with treatment plus additional services pending negotiations with village

NELSON LAGOON (ALEUTIAN/PRIB) PRIORITY #3	61/17 up	Village built on porous sand spit adjacent to Bering Sea	Nine hand dug wells 6-10' deep. Deep well drilled by PHS 1973 hit salt water School has 8' deep well 16 Mile Lake	Water brackish/ used only for washing clothes Water meets state standards but salty taste unacceptable to villagers Most residents haul water for drinking/route to lake blocked by ice in winter lake produces excellent quality water	none	Indoor toilets sewage to septic tanks	Rory Mayra PHS Sanitarian 279-6661 Aleutian/ Pribilof Island Association 276-2700	Watering point with treatment plus additional services pending negotiations with village
CHISTOCHINA (ATHNA) PRIORITY #4	33/14 down	Soil composed of sand and gravel/ flat terrain adjacent to flood plain	PHS piped water system built in 1970/ well was source of supply Sinona River	Quality and quantity of water good/ system failed in 1974 due to O&M problems Undeveloped unprotected source littered with dead fish in summer	none	Sewer system failed/privies used	Bill Giles PHS Sanitarian 279-6661	Renovate village water system and additional services pending negotiations with village

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
NEWTOK (CALISTA) PRIORITY #1	154/25 up	Flat, poorly drained tundra	Rain water used for drinking when available Centrally located BIA well/most residents get drinking water here	Only seasonally available Good quality water produced/ quantity limited residents limited to 5 gallons per day	New REAA H.S. planned for 1980/plan to drill well/ no intention to serve village	Indiscriminate dumping of honey buckets	Al Johnson BIA 543-3121 Jordan Suhr 543-2500	Increase village water supply and improve waste disposal and additional services pending negotiation with village
COPPER CENTER (AHTNA) PRIORITY #2	275/100 down	Sandy, rocky soil, some permafrost	29 individual wells drilled by PHS in 1969 Community Hall well	10 wells not operating remaining wells produce water of poor chemical quality/iron and manganese exceed state drinking water standards/taste and odor problems/very hard water Iron concentrations exceed state drinking water standards	none	Individual septic tanks most working	Bill Giles PHS 279-6661 Copper River Health Dept. 822-3333	Renovate abandoned wells, provide treatment to operating wells/drill approximately 75 new wells for residents and provide treatment where necessary
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December 1979

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
PORTAGE CREEK (BRISTOL BAY) PRIORITY #5	66/13 stable	Village on hill area well drained	School has 80' well/ 11/13 families use school as watering point	Untreated water, slight iron taste/well runs dry in winter School shuts off supply June-mid August	none	Honey buckets used by village/ school has 1,500 gallon septic tank and drainfield	Ron Perkins PHS 842-5201	Central watering point, bathing, laundry and sewage disposal service
EAGLE VILLAGE (DOYON) PRIORITY #6	54/21 up	On west bank of Yukon River/ poorly drained, subject to flooding	Single community well Eagle City Well Yukon River	Generator and well pump out of order,well no longer used People travel 3 miles to Eagle City well and haul water back Water hauled from Yukon in winter, untreated, unprotected source	none	Outhouses	Ethel Beck Health Aide 729-8001 Tanana Chiefs Conference 452-8251	Communit, well and water treatment
RAMPART (DOYON) PRIORITY #7	58/31	Hilly terrain but poorly drained in spots	Nearby creek provides water for all residents School hauls	Water tastes fine but supply is untreated and unprotected/ water turbid for 2 week per period during breakup/haul distance 2 1/2 miles on good road Two 500 gallon	none	Outhouses	Dan Wheel Rampart Resident 358-8001 George King	Community water and sewer system

RAMPART (DOYON) PRIORITY #7	58/31	Hilly terrain but poorly drained in spots	Nearby creek provides water for all residents	Water quality fine but supply is untreated and unprotected/ water turbid for 2 week per period during breakup/haul distance 2 1/2 miles on good road	[illegible]		Rampart Resident 358-8001	and sewer system
			School hauls from same creek as village	Two 500 gallon storage tanks, plus chlorination			George King Principal 358-8001	
RUBY (DOYON) PRIORITY #8	220/74 up	Hilly terrain but poorly drained in spots	Primary source is spring, 2,000 gallon storage tank, log spring house	Spring closed by ADEC summer 1979 because of reported episodes of bacteria contamination	PHS has plans to drill community well in late 1979 or early 1980	Outhouses	Dan Rogners PHS 279-9628 Stan Justice ADEC 452-1714 City Clerk Ruby 989-8001	Water and sewer system and perhaps other services
			3 mile spring (along highway)	Unprotected source				
			10 mile spring (along highway)	Unprotected source				
			Ruby Roadhouse	Residents can buy for 5¢ per gallon				
			School 235' well	Quality good, quantity limited A few residents haul water from school		School has septic tank/ leachfield		

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
PORTAGE CREEK (BRISTOL BAY) PRIORITY #5	60/13 stable	Village on hill area well drained	School has 80' well/ 11,13 families use school as watering point	Untreated water, slight iron taste/well runs dry in winter School shuts off supply June-mid August	none	Honey buckets used by village/ school has 1,500 gallon septic tank and drainfield	Ron Perkins PHS 842-5201	Central watering point, bathing, laundry and sewage disposal service
EAGLE VILLAGE (DOYON) PRIORITY #6	54/21 up	On west bank of Yukon River/ poorly drained, subject to flooding	Single community well Eagle City Well Yukon River	Generator and well pump out of order/well no longer used People travel 3 miles to Eagle City well and haul water back Water hauled from Yukon in winter, untreated, unprotected source	none	Outhouses	Ethel Beck Health Aide 729-8001 Tanana Chiefs Conference 452-8251	Community well and water treatment
RAMPART (DOYON) PRIORITY #7	58/31	Hilly terrain but poorly drained in spots	Nearby creek provides water for all residents	Water tastes fine but supply is untreated and unprotected/ water turbid for 2 week per period during breakup/haul distance 2 1/2 miles on good road	none	Outhouses	Dan Whelan Rampart Resident 358-8001	Community water and sewer system
			School hauls from same creek as village	Two 500 gallon storage tanks, plus chlorination			George King Principal 358-8001	
RUBY (DOYON) PRIORITY #8	220/74 up	Hilly terrain but poorly drained in spots	Primary source is spring, 2,000 gallon storage tank, log spring house 3 mile spring (along highway) 10 mile spring (along highway) Ruby Roadhouse School 235' well	Spring closed by ADEC summer 1979 because of reported episodes of bacteria contamination Unprotected source Unprotected source Residents can buy for 5¢ per gallon Quality good, quantity limited A few residents haul water from school	PHS has plans to drill community well in late 1979 or early 1980	Outhouses School has septic tank/ leachfield	Dan Rogness PHS 279-9628 Stan Justice ADEC 452-1714 City Clerk Ruby 989-0001	Water and sewer system and perhaps other services

Testimony of

Ernst W Mueller

Commissioner of Environmental Conservation

On House Bill 689

Before the

House Committee on Community and Regional Affairs

March 7, 1980

I am Ernst W. Mueller, Commissioner, Department of Environmental Conservation. I am here today to testify on H.B 689, for the provision of bond funds for the award of grants to build water and sewerage facilities throughout the State of Alaska. These funds are administered by my Department in the Facility Construction and Operation Section. Two programs are included in the bond bill.

(1) Construction grants, which are available only to incorporated municipalities. Fifty percent of non-federally financed costs can be granted. Costs of operation and maintenance support of water and sewerage facilities are not grant eligible under this program.

(2) Village Safe Water. Grants under this program are available with populations ranging between 25 and 600, or to second class cities. One hundred percent funding is available for construction. Costs of operation, and maintenance support of facilities are grant eligible, these funds are included in the Department's operating budget.

The capital budget submittal fully describes these programs and a detailed delineation of the $25.520 million bond request. The primary purpose of the program is to improve sanitation facilities, improve public health and protect the quality of the environment. A secondary benefit results from stimulation of the local economy due to employment opportunities generated during construction. In the case of the VSW projects, which are performed under force account by the villages, valuable construction and management skills are imparted to the community.

This program differs from other State capital construction programs in that the Department has no firmly established set of projects at the time the bond funds are requested, or even when approved by the voters. Construction grants projects are developed by the municipal grantee in accordance with local planning requirements. They proceed at a pace selected by municipalities. The Department is often unaware of the specific project until an application is received. Therefore, to meet continually changing needs, it is necessary to have adequate funds available upon demand. Of course, the Department has performed a statewide needs assessment to provide us with basic information of sewage and water supply requirements.

In order to assure that there are adequate funds available, the Department projects past bond obligation rates and then adds an inflation factor to forecast future needs. This process is explained in the capital budget submittal. To date, this method has been very accurate. The $23.0 million request is nearly identical with the need forecast two years ago. Having an adequate supply of bond funds

available allows us to meet all grantee requests without requiring us to determine which communities can construct facilities when there are not funds available for all communities' needs. The program can run on a first-come, first-served basis.

Having adequate funds also has a secondary benefit in that the Department's administrative procedures and costs can be kept lower, since we are not required to establish a detailed ranking of priorities among the communities. If priority allocation of funds was necessary, the Department would be forced to require additional paper work from the grantee to enable us to make these decisions.

The VSW needs are also projected, based on past expenses for building a standard type of facility. The actual facilities to be built have not yet been determined. However, the bush caucus has been provided with a priority list of projects detailing in which communities the Department feels the greatest public health needs exist. The $2.520 million requested for the VSW Program would fund approximately three new projects. This amount is suggested due to the limitations of our existing small staff to handle new projects. Since the VSW projects require a far greater amount of staff work per project than does the construction grants program, we are limited to approximately two new projects per engineer. If the Legislature chooses to fund more than the first group of projects listed on the priority list, the Department would like the opportunity to submit an additional fiscal note to assure that proper staffing becomes available.

The Department favors H.B. 689 for $25.520 million if there are no changes in AS 46.03 030. If AS 46.03 030 is amended by either adding solid waste facilities or changing the percentage of grant funding, the dollar amount in H.B. 689 needs to be increased, so that the projects can be funded. The eligibility of solids waste facilities would require an additional $8-$10 million in H.B. 689. In addition, an appropriation of $2.5-$3 million to cover the time period July 1, 1980 to December 31, 1980 would be required, so that communities would have money available immediately for solid waste purposes. A fiscal note has been prepared showing an increased need to hire more staff for the operation of the expanded grants program. This fiscal note requests a total of $82,700 to cover the salaries and support costs of an engineering position and an administrative assistant. The Department endorses the concept of adding solid waste facilities to our grants program if adequate funding is provided.

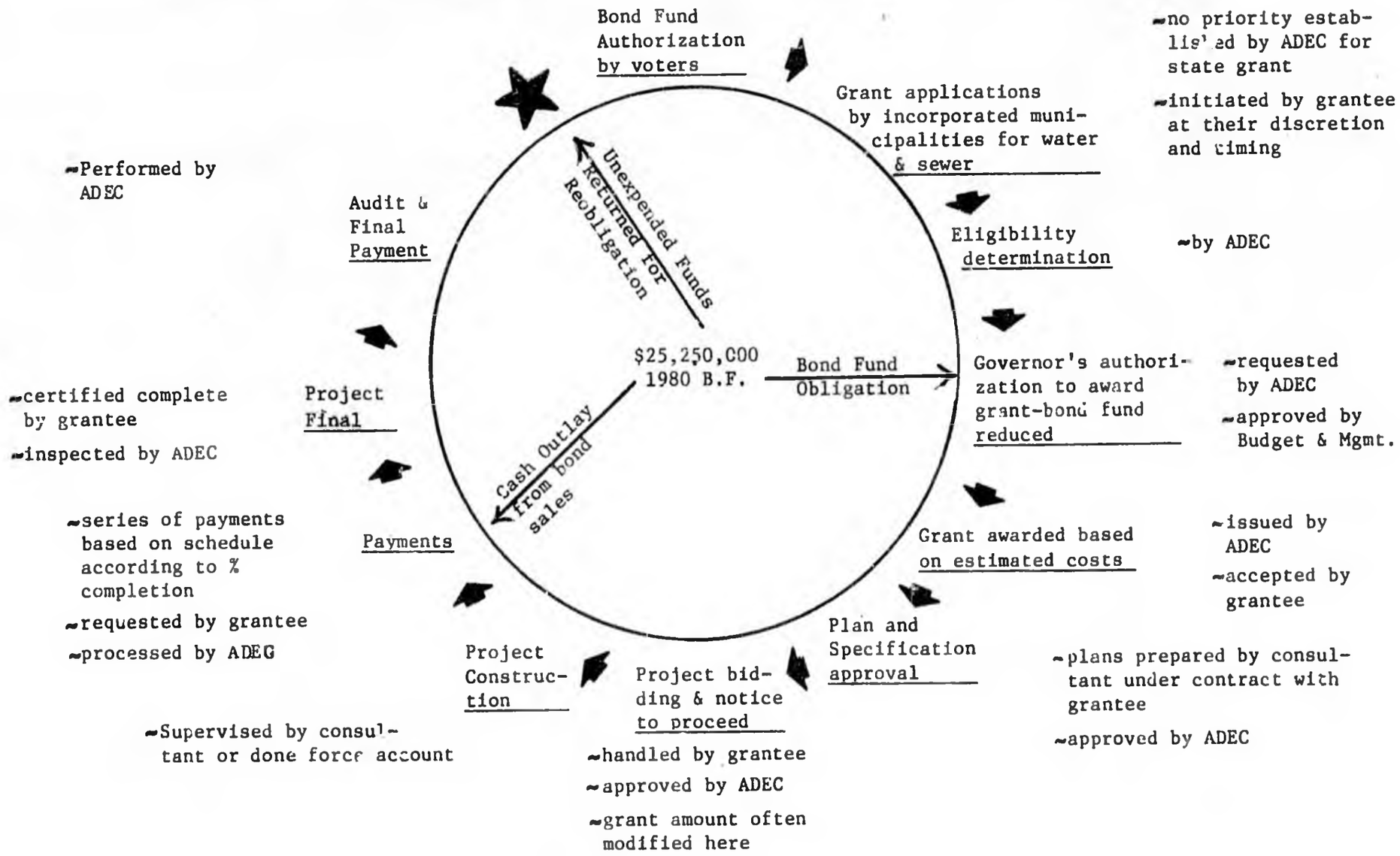
Increasing the percentage of grant participation above the current level of 50 percent is a serious concern of the Department. It has been our experience that as the grantee's percentage of project contribution is lowered, there is often a corresponding decrease in the level of active project participation by the grantee. The 50 percent level of funding appears to be adequate to ensure that the grantee administers this project properly. It is also probable that should State grants be increased to too high a percentage of toal project cost, municipalities would have little interest in applying for federal grants (which require more paper work). The EPA provides approximately $18-20 million per year for sewerage system projects in 12.5 percent for a total of 87.5 percent in grant funding. If, for example, the State grant

percentage was raised from 50 percent, there would be a strong likelihood that some communities would settle for a lesser total grant to avoid EPA grant requirements. An immediately increased annual demand of $18-$20 million on the State bond funds could result.

Should the Legislature choose to alter either the grant percentage or include solid waste facilities as grant eligible, a corresponding increase in the amount of the bond proposition will be required if the same number of projects are to be funded in the future.

Thank you for this opportunity to provide comments on H.B. 689. I would be glad to provide any further information you may need.

* * * *


Bond Fund Authorization by voters
-no priority established by ADEC for state grant
-initiated by grantee at their discretion and timing
Grant applications by incorporated municipalities for water & sewer
Eligibility determination
-by ADEC
Governor's authorization to award grant-bond fund reduced
-requested by ADEC
-approved by Budget & Mgmt.
Grant awarded based on estimated costs
-issued by ADEC
-accepted by grantee
Plan and Specification approval
-plans prepared by consultant under contract with grantee
-approved by ADEC
Project bidding & notice to proceed
-handled by grantee
-approved by ADEC
-grant amount often modified here
Project Construction
-Supervised by consultant or done force account
Payments
-series of payments based on schedule according to % completion
-requested by grantee
-processed by ADEC
Project Final
-certified complete by grantee
-inspected by ADEC
Audit & Final Payment
-Performed by ADEC
Unexpended Funds Returned for Reobligation
$25,250,000 1980 B.F.
Bond Fund Obligation
Cash Outlay from bond sales

MEMORANDUM State of Alaska

TO: Ron Lind
Director, Division of
Management and Budget
Office of the Governor

ATTN: George Matz

DATE September 2[illegible], 1979

FILE NO:

TELEPHONE NO:

FROM: Budget Analyst

SUBJECT:

Ernst W. Mueller
Commissioner
Department of Environmental
Conservation

1980 Capital Budget

Attached for your review and consideration is the Department's 1980 capital budget proposal. This submittal is in two parts; Village Safe Water and Construction Grants. With Departmental reorganization both programs are now located in the Facility Construction and Operation Section, Division of Field Operations.

Our analysis of budget needs indicates that $25,520.0 will be required to continue our construction programs at their current level of activity. Therefore, we respectfully request that you support our request for a 1980 bond proposition totaling $25,520.0.

The budget format does not exactly lend itself to our construction programs. Where differences occur we have attempted to explain our procedures on the budget forms. Please feel free to contact us if additional information clarity is required.

Relationship with Objectives

The Village Safe Water (VSW) Act (AS 46.07) calls for "the installation of ... at least one facility for safe water and hygienic sewage disposal in each village." According to the VSW Act a "facility shall include, at a minimum a source of clean water, such as a well with pumping facilities or utilization of surface water treated so it is safe and healthful for use, shower bath facilities, an adequate means of hygienic sewage disposal, and facilities for the washing of clothes."

When a VSW facility providing safe water supply and sewage disposal services has been completed in a village, progress toward budget objectives 1 and 3 has been made in the amount of the population of the village. Department activities other than VSW construction, such as enforcement of the drinking water regulations, also contribute to achieving objectives 1 and 3.

Need for Capital Construction

The Alaska Water assessment task force, chaired by the VSW program managers, did a cursory inventory of village sanitation facilities in 1976 and discovered that: 1) about 25,000 rural Alaskans (about half the village population) depend on domestic water supply methods in immediate need of improvements, 2) less than half of the industrial and institutional establishments in villages have adequate water supplies, and 3) in more than two-thirds of Alaska's villages, the environment is being unacceptably contaminated by human wastes. A copy of the task force report is enclosed.

The task force report also reveals that water supply and waste disposal methods in more than two-thirds of Alaska's villages are in violation of State and federal laws and regulations.

Nearly all of the more than 200 villages in Alaska lack the financial, technical and management resources to obtain adequate sanitation services and comply with legal environmental standards on their own.

Management Strategy

Imposing enforcement penalities on the villages would serve no useful purpose because most of the villages are unable to respond without outside assistance. Similarly, motivation and education programs alone do not help. Sanitation services of the kind defined in the VSW Act will not exist in the villages without money to build physical facilities.

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

ANAYLTIC STATEMENT Continued (2)

The U.S. Public Health Service (PHS) administers a federal program for installing water supply and waste disposal systems in Native villages. But the federal program is currently confined to villages receiving housing projects, and not all villages satisfy the eligiblity criteria for PHS projects. Hence, it is only through the VSW program that many villages might hope for financial assistance in obtaining sanitation services.

The type of VSW facility built in a particular village depends on local conditions such as surface topography, soil conditions, availability of water sources, village layout, and the needs and desires of village residents. To date, VSW projects have consisted of a central community structure, usually wood frame, where people can go to get safe water, dispose of hand carried sewage, use rest rooms, take showers and do laundry. Pipe water distribution and sewage collection systems, either above or below ground, serving individual homes are also possible, as are vehicle haul systems for delivery to individual homes. But no such systems have yet been selected by villages receiving VSW projects.

Very few villages in Alaska have the financial, technical and management resouces to successfully operate and maintain any utility systems, including VSW facilities, without outside assistance. But there are no continuing programs though which such assistance is available. For the few (about a dozen) VSW facilities built so far, this Department has requested and received annual general fund appropriations to provide operation and maintenance assistance. But providing financial assistance for VSW operation and maintenance has not been adopted by the State as a continuing long term commitment. Until the operation and maintenance future of village utilities is more secure, the Department recommends limiting VSW construction to no more than two facilities per year. That means an annual construction budget of about $1,2000,000 at FY 81 prices.

Construction Priorities

VSW construction priorities are established jointly by VSW staff and the directors of the 12 regional native health corporations. The intention is to let village residents themselves, through their regional representatives, decide who is most in need of VSW services.

CONTINUATION FORM

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

PROJECT TITLE

01-1033 (7/79)

REVISED DATE

ANALYTIC STATEMENT Continued (3)

Before a legislative session, during which bond funds are authorized (i.e., once every two years), each health corporation director is invited to select candidate village(s) from his region. The number of candidate villages from each region depends on the amount of construction money anticipated and until adequate operation and maintenance provisions are made a construction rate of one or two facilities per year is recommended. After the regional candidates are selected, the health corporation directors meet jointly with VSW staff to review the candidate villages and rank them in order of need for VSW services. Then the priority list is presented to the Legislature, along with a recommendation of how much construction money should be authorized.

The cost of a VSW facility can vary from less than $100,000 for a simple watering point in a small village, to more than $1,000,000 for a facility in a large village offering all the services authorized by the VSW Act. Estimating the cost of a particular VSW project is not feasible as part of the prioritizing because it is a long, involved and expensive process to negotiate the appropriate scope of the project in a village and to determine what that scope of project will cost for the local conditions that exist. It is not reasonable to ask a village to participate in that effort unless they have a funded project.

It is highly desirable to carry out a construction schedule established with the regional health corporations. A primary purpose of those corporations is to speak for the villages concerning sanitation utility problems. Their recommendations of how fast to build facilities and where to build them, made with the advice and assistance of VSW staff, should be persuasive. But no matter how construction priorities and expenditure rates are determined, no facility should be built unless its operation, maintenance and management future is provided for.

If funds are not available for VSW construction because a bond issue fails, a general fund capital appropriation could be considered. But without funds for capital construction, the contribution of VSW program activities toward achieving objectives 1 and 3 could not be made.

CONTINUATION FORM

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

PROJECT TITLE

01-1033 (7/79)

REVISED DATE

AGENCY SUBMISSION						GOVERNOR'S RECOMMENDATION Please Do Not Write In This Area			
AGENCY PRIORITY	OBJ. NO(S)	PROJECT TYPE	PROJECT TITLE AND LOCATION	AGENCY FUNDING YEAR 81	FUNDING SOURCE	GOVERNOR'S FUNDING YEAR	GOVERNOR'S FUNDING YEAR	GOVERNOR'S FUNDING YEAR	GOV'S PRIORITY
	1 3	C, E P	Village Safe Water Project(s), Statewide		FED. RCPTS.				
					GEN FUND				
				2,520.0	G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = 142.0						
			EXPECTED YEAR = FY 85		TOTAL				
					FED. RCPTS				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST =						
			EXPECTED YEAR =		TOTAL				
					FED. RCPTS				
					GEN FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST =						
			EXPECTED YEAR = FY		TOTAL				
					FED. RCPTS				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST =						
			EXPECTED YEAR = FY		TOTAL				
					FED. RCPTS				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST =						
			EXPECTED YEAR = FY		TOTAL				

PROPOSED FUNDING YEAR _____

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

PROJECT TYPE CODES

C Bldg. Construction	L Land
I Other Improvement	P Professional Svcs.
E Equipment	O Other

34 PROPOSED SIX—YEAR CAPITAL PROGRAM

REVISED DATE _____

01-1034 (7/79)

AGENCY SUBMISSION						GOVERNOR'S RECOMMENDATION Please Do Not Write In This Area			
AGENCY PRIORITY	OBJ. NO(S)	PROJECT TYPE	PROJECT TITLE AND LOCATION	AGENCY FUNDING YEAR 83	FUNDING SOURCE	GOVERNOR'S FUNDING YEAR_____	GOVERNOR'S FUNDING YEAR_____	GOVERNOR'S FUNDING YEAR_____	GOV'S PRIORITY
	1 3	C, E P			FED. RCPTS.				
					GEN FUND				
				3,040.0	G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = 171.1						
			EXPECTED YEAR = FY 87		TOTAL				
					FED. RCPTS.				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = _____						
			EXPECTED YEAR = _____		TOTAL				
					FED. RCPTS.				
					GEN FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = _____						
			EXPECTED YEAR = FY _____		TOTAL				
					FED. RCPTS.				
					GEN FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = _____						
			EXPECTED YEAR = FY _____		TOTAL				
					FED. RCPTS				
					GEN FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = _____						
			EXPECTED YEAR = FY _____		TOTAL				

PROPOSED FUNDING YEAR _____

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

PROJECT TYPE CODES

C	Bldg. Construction	L	Land
I	Other Improvement	P	Professional Svcs.
E	Equipment	O	Other

34 PROPOSED SIX-YEAR CAPITAL PROGRAM

REVISED DATE _____

01-1034 (7/79)

AGENCY SUBMISSION						GOVERNOR'S RECOMMENDATION Please Do Not Write In This Area			
AGENCY PRIORITY	OBJ. NO(S)	PROJECT TYPE	PROJECT TITLE AND LOCATION	AGENCY FUNDING YEAR 85	FUNDING SOURCE	GOVERNOR'S FUNDING YEAR	GOVERNOR'S FUNDING YEAR	GOVERNOR'S FUNDING YEAR	GOV'S PRIORITY
	1 3	C, E P			FED. RCPTS.				
					GEN FUND				
				3,670.0	G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = 206.6						
			EXPECTED YEAR = FY 89		TOTAL				
					FED. RCPTS				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST =						
			EXPECTED YEAR =		TOTAL				
					FED. RCPTS				
					GEN FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST =						
			EXPECTED YEAR = FY		TOTAL				
					FED. RCPTS				
					GEN FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST =						
			EXPECTED YEAR = FY		TOTAL				
					FED. RCPTS				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST =						
			EXPECTED YEAR = FY		TOTAL				

PROPOSED FUNDING YEAR _____

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

PROJECT TYPE CODES

C Bldg. Construction	L Land
I Other Improvement	P Professional Svcs.
E Equipment	O Other

34 PROPOSED SIX—YEAR CAPITAL PROGRAM

REVISED DATE _____

01-1734 (7/79)

PROJECT TITLE	LOCATION(S)	AREA SERVED	ELECTION DISTRICT(S)
VSW Projects (1980 bonds)	Alaska Villages	Alaska Villages	

OBJ. NO(S)	OPERATING BUDGET BRU(S)	NAME(S)	BUDGET COMPONENT NUMBERS	START DATE	COMPLETION DATE
1, 3		Program Operation		January, 1981	December, 1983

PROJECT NARRATIVE

At the present time, there are four projects on the VSW priority list for 1980 bond funds. They are Circle, Portage Creek, Point Lay and False Pass. However, currently this priority list is being reevaluated and new candidate villages are being selected by the health corporation directors. It is anticipated that a new priority list will be complete by December 1979. After this, the appropriate scope of the project for each village will be negotiated with village residents, and a preliminary cost estimate made based on the scope of project and local conditions. This process will continue through the priority list until the $2,520,000 in 1980 construction bonds are used up. Past VSW construction experience suggests there will be money for about three projects.

Project Need -

Conditions in the first four villages on the VSW priority list which illustrate the need for improved sanitation services are summarized below:

1. Circle - 51 people, get water from trading post in summer, but most haul untreated water from Yukon River in winter. Privies and honey

PROJECT TYPE

- [X] Building Construction (C)
- [ ] Other Improvement (I)
- [ ] Equipment (E)
- [ ] Land (L)
- [X] Professional Services (P)
- [ ] Other (O)

APPROPRIATION REQUEST

1002	FED. RCPTS.	
1003	G/F MATCH	
1004	GEN. FUND	
1005	I/A RCPTS.	
	G.O. BONDS	2,520.0
	TOTAL	2,520.0

PROJECT CHARACTERISTICS

- [X] Totally New Facility
- [ ] Addition to Existing Facility
- [ ] Renovation of Existing Facility
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized Funds to Enable Completion
- [ ] One of Several Phases
- [ ] Major External Funding Source
- [ ] Other

PROJECT PURPOSES

- [X] Protect Human Health & Safety
- [ ] Protect Capital Assets
- [X] Protect Natural Resources or Natural Environment
- [ ] Improve Efficiency & Economy of State Government
- [ ] Improve Services or Accommodate Increased Demand for Services
- [ ] Accommodate New Program Requirements
- [X] Respond to Legal or Policy Mandate
- [ ] Improve Efficiency & Economy of Alaskan Infrastructure
- [ ] Other

SITE FEATURES

NO	YES	
[X]	[ ]	Site Currently Owned?
[X]	[ ]	All Utilities Available?
[X]	[ ]	Access Already Available?

OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE)		FIRST OPERATING YEAR 82	ULTIMATE ANNUAL YEAR 85	PREVIOUS YR–PRIORITY
FUNDING SOURCE	FED. RCPTS.			AGENCY PRIORITY
	GEN. FUND	52.8	142.0	
				GOVERNOR'S PRIORITY
TOTAL ANNUAL OPERATIONAL COST		52.8	142.0	
POSITION (FTE)		0	0	

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

01-1035a (7/79)

35a PROPOSED CAPITAL PROJECT

REVISED DATE _____

CAPITAL PROJECT EXPENDITURES (CASH FLOW)	TOTAL	BUDGET YEAR	BUDGET YEAR Plus 1	BUDGET YEAR Plus 2	BUDGET YEAR Plus 3	BUDGET YEAR Plus 4	REMAINING COST
Planning and Engineering	252.0	70.0	110.0	72.0			
Land							
Construction	2,268.0		800.0	1,250.0	218.0		
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	2,520.0	70.0	910.0	1,332.0	218.0		

CONTINUATION OF NARRATIVE

1. Circle Continued

   buckets for sewage disposal, and evidence of sewage surfacing from school sewage disposal system. No PHS project planned.

2. Portage Creek - 66 people, some get water from school during school year, otherwise use untreated water from river. Honey buckets for sewage with indiscriminate dumping. No PHS project planned.

3. Point Lay - 50 people, in summer haul untreated water from lake a mile away, in winter melt ice. Honey buckets for sewage with indiscriminate dumping. No PHS project planned. Village received $400,000 VSW capital appropriation from Legislature in FY 80 budget, but that's not enough because local conditions are so difficult (e.g., permafrost; flat, poorly drained tundra; lack of good quality water sources).

4. False Pass - 56 people, piped water service to homes from cannery system, no treatment but no evidence of contamination. Main problem is raw sewage discharged on ground and on beach. No PHS project for sewage disposal planned.

The scope of each VSW project will be tailored to alleviate the specific sanitation problems in the villages. Human health and safety will be protected by providing a safe, dependable drinking water source for all village residents. In all four villages there is sewage pollution of the natural land and water environment which jeopardizes the health and safety of village residents, and violates federal and State environmental regulations. Also, the Village Safe Water Act calls for adequate sanitation services in all villages in the State.

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

PROJECT TITLE

35b PROPOSED PROJECT ANALYSIS

REVISED DATE

Site features such as land ownership, utilities available, and access will be determined when project scope is negotiated with each village and preliminary estimates are made.

Project Description -

The physical features of a VSW facility depend on the services to be provided in a particular village, and on local environmental conditions. Most projects involve developing a safe, dependable water source using a well if subsurface conditions make it possible; or a surface water source if ground water is not accessible. Unorthodox methods such as rain collection are sometimes used when water sources are unusually difficult to develop. Water treatment equipment is installed as necessary depending on the bacteriological and chemical quality of water sources available. Pumping, storage and dispensing equipment and structures, with appurtenant mechanical and electrical systems, are required for a simple watering point. Energy sources can be village AVEC systems, village owned electrical systems, school generators, and wind generators and waste heat recovery, if feasible.

When rest rooms, sewage disposal, and bathing and laundry services are also provided, more extensive structures and equipment are required. Nearly all building are wood frame so that village residents can do most of the constructing and handle maintenance. Rest rooms usually contain standard flush toilets, urinals and lavatory fixtures, with water saving devices used when appropriate. Bathing facilities include standard showers when sufficient water is available, and saunas where steambaths are a traditional method of bathing.

Laundry services are provided by standard washers, extractors and dryers with water saving devices used when appropriate.

Sewage treatment and disposal methods vary greatly depending on local conditions. Lagoons are used when possible to minimize operating problems. But primary and secondary treatment systems are sometimes necessary when subsurface disposal is impossible (e.g., due to permafrost) and effluent must be discharged to the land surface or a natural water body.

CONTINUATION FORM

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

PROJECT TITLE _____

01-1033 (7/79)

REVISED DATE _____

Documentation of Estimated Capital Cost -

The request for $2,520,000 in 1980 bonds is to fund $1,200,000 in VSW projects in SFY 81, and $1,320,000 worth of projects in SFY 82. The amount in SFY 82 includes a 10% inflationary increase over SFY 81 costs.

The scope and cost of individual projects have not yet been determined for reasons given earlier, and costs vary greatly. Based on previous VSW construction experience, however, it is estimated that for any group of three or four VSW facilities, construction costs will average about $800,000 per facility at SFY 81 prices. This estimate is based only on past projects and does not include any engineering estimates for actual projects on the priority list for 1980 bonds. The intention is to go as far down the priority list as $2,520,000 will allow, and it is expected that about three projects can be funded.

Analysis of Estimated Operational Expenses -

The operation, maintenance and mangement costs for a VSW facility depend on the extent and complexity of the physical plant, the inclination and ability of the village to manage the utility system, and such things as power, fuel and transportation costs that vary from village to village. Based on the operational experience of the eleven existing VSW facilities, ultimate annual operating costs are proving to be about 10% of construction costs. So for a facility constructed in SFY 81 for $800,000, the ultimate annual operating cost is expected to be $80,000 in SFY 81 dollars.

Money to pay operating costs for VSW facilities generally comes from three sources: 1) fees paid by village residents who use facility services, 2) fees paid by institutions (e.g., schools, FAA sites, health clinics) provided with VSW water and sewer services, and 3) operation and maintenance assistance grants from this Department. The amount of O&M grant assistance provided is the amount by which the other two revenue sources fall short of meeting approved operating expenses. The grant assistance can vary from none at all in a large village where the residents have money to use their facility frequently and where institutions agree to pay substantial fees, to 70 or 80 percent of operating costs in relatively poor

small villages with no institutions paying fees. Over the 5 year operating history of the VSW program, O&M grant assistance from the State has averaged about 50% of total operating costs, and that figure is used for estimating the impact of the 1980 bond projects on the State operational budget.

The first year a VSW facility operates, the costs of operation, maintenance and management are higher than the ultimate annual operating costs. Plant operators and village administrators require special training and guidance until they learn the ropes; "bugs" in the physical plant must be worked out; and stocks of operating supplies, spare parts and standby equipment are accumulated. Based on past operational experience with VSW facilities, first year operating costs are estimated to average about 30 percent more than ultimate operating costs, or about 13 percent of construction costs.

The only increase expected in the Department's operating budget for SFY's 81 and 82 due to the 1980 VSW bond projects is for the O&M grants. Administration of the construction and O&M programs can be handled by existing staff.

Identification of Alternatives Considered -

There are several means by which villages can attain sanitation services, including PHS construction projects, Housing and Urban Development grants, Economic Development assistance grants and grants from the State Department of Community and Regional Affairs. Only the PHS program, however, is big enough to make visible improvements in village sanitation conditions.

For many, and perhaps most, of the more than 200 villages, the PHS program is the apprporiate source of assistance for sanitation services. They have more than 15 years of experience in rural sanitation, a multi-million dollar construction budget funded by the federal government, and a large relatively talented staff with established working relationships with villages throughout the State.

The PHS program can serve only Native villages, however, and there are some Native villages likely never to receive PHS assistance because they do not meet eligiblity requirements for the federal program (e.g. technical feasibility and economic feasibility). Such villages usually lack the technical and management expertise it takes to parlay assistance like HUD community assistance grants and EDA development grant into sanitation services. Also, the VSW Act specifies that State assistance to villages for sanitation facilities will be provided through the VSW program

Once it is determined that the VSW program will be the means for helping a village attain sanitation services, there are many methods for providing them. Selecting appropriate methods in determining the scope of the project. Among the possibilities are a piped water and sewer system serving individual homes, a central facility with vehicle haul service to individual homes, a central facility with no haul service, a simple watering point, several watering points scattered throughout the village, privies for sewage disposal, and several sewage dump sites scattered throughout the village with piped sewage collection to central treatment and disposal. After project scope is determined, there is a multitude of engineering choices to be made of ways to develop and build the facility.

Basically, it is village residents who select the "alternatives" that are most appropriate as the means for solving their sanitation problems, with advise and guidance from VSW staff. Factors considered in making those choices include minimizng construction costs, keeping the project as small and simple as possible, and minimizing operating requirements and costs. The engineering choices of how to build a facility according to a selected scope of project are recommended by professional engineers hired as design consulants. The consultants' recommendations including such things as floor plans, pump sizes and types, water and sewage treatment methods, floor covering, and type of foundation, are considered by VSW staff and village administrators, and either accepted or appropriately modified. The classical engineering criterion of attaining the desired service or function at the least cost is the basis for selecting among design alternatives.

CONTINUATION FORM

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

PROJECT TITLE

01-1033 (7/70)

REVISED DATE

PROJECT TITLE	LOCATION(S)	AREA SERVED	ELECTION DISTRICT(S)

OBJ. NO(S)	APPROPRIATION REQUEST		OPTION 1	OPTION 2
	1002	FED. RCPTS.		
	1003	G/F MATCH		
	1004	GEN. FUND		
	1005	I/A RCPTS.		
		G.O. BONDS		
	TOTAL			

OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE)		OPTION 1 ULTIMATE ANNUAL YEAR ____	OPTION 2 ULTIMATE ANNUAL YEAR ____	PREVIOUS YR-PRIORITY
FUNDING SOURCE	FED. RCPTS.			AGENCY PRIORITY
	GEN. FUND			
				GOVERNOR'S PRIORITY
TOTAL ANNUAL OPER. COST				
POSITION (FTE)				

NARRATIVE

An appropriate role for the VSW program in meeting rural sanitation needs has never been defined. Soon after the VSW act was passed the Department realized there was no rational basis for deciding how many VSW facilities should be built, how fast they should be built, how construction priorities should be established, how operation and maintenance needs should be met and other such questions. Hence the Department embarked on an ambitious comprehensive planning effort, the purpose of which was to prescribe a complete strategy for meeting all rural sanitation needs. The intention was to consider all existing programs and resources devoted to village sanitation, and involve all major participants in rural sanitation programs in the planning process, so that everyone would subscribe to the grand design and participate in its implementation.

After devoting more than three years to the comprehensive planning effort, it appears that completing the project as originally conceived is not feasible. A detailed report on work completed so far, is enclosed. Included in the report is a discussion of why it is not feasible to attain the original planning objectives according to the original schedule, and recommendations for redirecting the planning effort.

The revised planning effort will consist of concentrating on specific questions of immediate consequence to the VSW program, such as: 1) should financial, technical and management assistance for VSW facilities be accepted as a long-term service of the State, 2) how will it be determined whether a PHS or a VSW project is most appropriate for a given village, 3) how many VSW projects can be built per year without overtaxing

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

01-1037 (7/79)

37 POTENTIAL CAPITAL PROJECT

REVISED DATE

Department's management capacity for construction projects and in the O&M assistance program. At least until the narrowed planning effort reveals answers to some of these basic questions concerning the scope of the VSW program, the Department recommends that construction be limited to levels indicated on form 34 of this budget request.

It is conceivable, however, that planning results available before the term of the six year plans has expired might suggest an accelerated construction schedule. If so funds for those future projects would be included in a capital budget request at the appropriate time, and supported with VSW planning results.

CONTINUATION FORM

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

PROJECT TITLE

01-1033 (7/79)

REVISED DATE

the Legislature independent of a Department capital budget request.

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	ESTIMATED TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
CH 271 SLA 1976	Tanana VSW	746.5	746.5	746.5	7/79	Site cleanup and minor mechanical adjustments yet to complete.
79-225 79-1	Federal Contribution	560.0	560.0	560.0		
79-13	Contribution from REAA School	100.0	100.0	100.0		
CH 145 SLA 1978	Bethel VSW	2,000.0	2,000.0	2,000.0	6/80	Paid 120.0 to date. City will request remainder as they need it.
CH 145 SLA 1978	Cantwell VSW	50.0	0	(see status)		No useful purpose for funds has yet been discovered.
CH 145 SLA 1978	McGrath VSW	400.00	200.0	400.0	6/81	Paid 157.0 to date. City will request remainder as they need it.
CH 145 SLA 1978	Kotzebue VSW	1,800.0	0	900.0	6/81	City has not yet requested money, and is completing community planning.
CH 145 SLA 1978	Kobuk VSW	400.0	20.0	400.0	6/81	Project scope not yet negotiated with village.
CH 145 SLA 1978	Kotlik VSW	400.0	246.0	400.0	6/81	Paid 246.0 through RSA with DOTPF. Scope of rest of project not yet determined
CH 145 SLA 1978	Kipnuk VSW	400.0	40.0	400.0	6/81	Scope of project has been negotiated. Engineering design is next.
CH 145 SLA 1978	Koyuk VSW	400.0	20.0	400.0	6/81	Scope of project not yet negotiated with village.
CH 145 SLA 1978	Point Lay VSW	400.0	0	(see status)		Waiting for decision about village. Relocation to be made.
CH 145 SLA 1978	Shaktoolik VSW	400.0	20.0	400.0	6/81	Scope of project not yet negotiated with village.
CH 145 SLA 1978	Hooper Bay VSW	100.0	10.0	100.0	6/81	Scope of project not net negotiated with village.
CH 145 SLA 1978	Akiachak	1,000.0	40.0	1,000.0	6/81	Akiachak has been selected. Project scope not yet negotiated with village.

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM Facility Construction & Operation

01-1038 (7/79)

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

Management Strategy

The Department awards grants from unobligated bond funds to communities on a first-come, first-serve basis as eligible projects are identified and approved by the Governor. The community is responsible for determining whether a project's in its best interest and meets local planning and zoning requirements. The Department reviews all plans and specifications for conformance with sound engineering standards.

Since projects are initiated by local government and proceed at a pace determined by local resources and politics it is impossible for the Department to attempt to forecast needs based on anticipated project development. Forescasting bond needs is also complicated by the provision in the statue that allows the Department to match federal funds. Since many federal funding programs are available it would be difficult to coordinate bond fund needs with their projects. In the past we have attempted to estimate bond fund needs by contacting municipal officals to determine their projected needs. Unfortunately, this has not proven very satisfactory. Since municipal priorities often change without our knowledge, thereby throwing off our projections. In addition, emergency or unplanned projects often arise which had not been anticipated.

Therefore, the Department's belief that we can best estimate our future bond needs by extrapolating past bond fund obligation rates to meet future needs. The present obligation rate is just slightly over $1.0 million per month. Unobligated bond funds from the 70, 72, 76 and 78 authorizations total approximately $23.325 million. Projecting current obligations from October 1979 through December 1982 with a construction inflation rate of 10% a year the following table was generated:

October - December 1979	$1.0 million X 3 months	=$ 3.0 Million
1980-	$1.0 million X 1.1 X 12 months	= 13.2 million
1981	$1.1 million X 1.1 X 12 months	= 14.5 million
1982	$1.2 million X 1.1 X 12 months	= 15.8 million
		$46.5 million

Relation With Objectives

Alaska Statute 46.03.030 authorizes the Department to award grants to incorporated municipalities for the construction of water and sewerage facilities. These projects provide safe, dependable water supplies and reduce the chances of water-borne diseases and environmental degradation through the collection and treatment of sewage. Projects aided with construction grant funding enable the Department to progress toward meeting budget objectives 1 and 3 as outlined in the Policy Budget for FY81. These objectives call for the reduction in the number of people exposed to pollution related health hazards. These hazards may be the result of improperly treated domestic water supplies or the insanitary disposal of domestic wastes.

Need for capital construction

Alaska Statute 46.03.030 authorizes the Department of Environmental Conservation to grant to incorporated municipalities, as funds are available, up to a maximum of 50 percent of the non-federally financed costs of eligible water and sewerage projects. Grants awarded under this statute assist municipalities in constructing sewage treatment facilities complying with public law 95-217 and the Alaska Water Quality Standards. In addition, grants for water supply projects enable communities to provide adequate quantities of potable water to rapidly expanding residential areas. High construction costs and the rapid population increases make state construction grant assistance highly desirable, if not mandatory if state and federal laws are to be met.

The construction grant program has had a very successful history of accomplishment. Bond issues of $8, $32, $29.5 and $19.7 million have been approved in 1970, 1972, 1976 and 1978 respectively for a total of $89.2 million. These funds have aided in the construction of over 200 projects, many of which would not have been possible without State assistance. These facilities have greatly reduced the hazards of water borne disease outbreaks and protected the aquatic environment from water contaminants.

Expansion of water and sewerage services are essential to the organized development of communities. Many areas within the State lack soil conditions suitable for the development of closely spaced on-lot water and sewage disposal systems. In these areas housing density must be decreased if the health of the residents is to be protected. Since few people can afford large tracts of land, growth patterns generally result in subdivisions. Within an incorporated municipality, many communities are utilizing the water and sewerage grants to provide these services to newly developing areas, assessing the benefiting property owners for the remaining 50% of costs. In many areas developed without benefit of the grants, failing septic tank systems are now necessitating the con-struction of sewerage systems, there by resulting in double costs to the residents. The cost of the septic system can now be avoided and growth can proceed without fear of health hazard due to contaminated drinking water supplies.

Management Strategy

The Department awards grants from unobligated bond funds to communities on a first-come, first-serve basis as eligible projects are identified and approved by the Governor. The community is responsible for determining whether a project's in its best interest and meets local planning and zoning requirements. The Department reviews all plans and specifications for conformance with sound engineering standards.

Since projects are initiated by local government and proceed at a pace determined by local resources and politics it is impossible for the Department to attempt to forecast needs based on anticipated project development. Forecasting bond needs is also complicated by the provision in the statue that allows the Department to match federal funds. Since many federal funding programs are available it would be difficult to coordinate bond fund needs with their projects. In the past we have attempted to estimate bond fund needs by contacting municipal officals to determine their projected needs. Unfortunately, this has not proven very satisfactory. Since municipal priorities often change without our knowledge, thereby throwing off our projections. In addition, emergency or unplanned projects often arise which had not been anticipated.

Therefore, the Department's belief that we can best estimate our future bond needs by extrapolating past bond fund obligation rates to meet future needs. The present obligation rate is just slightly over $1.0 million per month. Unobligated bond funds from the 70, 72, 76 and 78 authorizations total approximately $23.325 million. Projecting current obligations from October 1979 through December 1982 with a construction inflation rate of 10% a year the following table was generated:

October - December 1979	$1.0 million X 3 months	=$ 3.0 Million
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1981	$1.1 million X 1.1 X 12 months	= 14.5 million
1982	$1.2 million X 1.1 X 12 months	= 15.8 million
		$46.5 million

Subtracting the unobligated bond funds from the $46.5 million we are left with unmet needs totaling $23,175 million. Rounding this need down to the next whole number we estimate that $23.0 million will be required to maintain the construction grants program at its current level of activity. This estimate is consistent with the $24.0 million figure projected in the last capital budget submittal.

If funds e not available for construction grants projects because of failure of the bond proposition, a general fund capital appropriation could be considered. Without the funds for capital construction, the contribution it is impossible for the Department to attempt to forecast needs based on anticipated project development. Forecasting bond needs is also complicated by the provision in the statute that allows the Department to match federal funds.

AGENCY SUBMISSION						GOVERNOR'S RECOMMENDATION Please Do Not Write In This Area			
AGENCY PRIORITY	OBJ. NO(S)	PROJECT TYPE	PROJECT TITLE AND LOCATION	AGENCY FUNDING YEAR 81-82	FUNDING SOURCE	GOVERNOR'S FUNDING YEAR_____	GOVERNOR'S FUNDING YEAR_____	GOVERNOR'S FUNDING YEAR_____	GOV'S PRIORITY
I	1 3	C E P O	All projects to be funded from 80 bond proposition ULTIMATE ANNUAL OPERATING COST = -0- EXPECTED YEAR = FY _____	 23,000.0 	FED. RCPTS. GEN FUND G.O. BONDS TOTAL				
			ULTIMATE ANNUAL OPERATING COST = _____ EXPECTED YEAR = _____		FED. RCPTS. GEN. FUND G.O. BONDS TOTAL				
			ULTIMATE ANNUAL OPERATING COST = _____ EXPECTED YEAR = FY _____		FED. RCPTS. GEN FUND G.O. BONDS TOTAL				
			ULTIMATE ANNUAL OPERATING COST = _____ EXPECTED YEAR = FY _____		FED. RCPTS. GEN. FUND G.O. BONDS TOTAL				
			ULTIMATE ANNUAL OPERATING COST = _____ EXPECTED YEAR = FY _____		FED. RCPTS. GEN. FUND G.O. BONDS TOTAL				

PROPOSED FUNDING YEAR _____

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction and Operation

PROJECT TYPE CODES

C Bldg. Construction	L Land
I Other Improvement	P Professional Svcs.
E Equipment	O Other

34 PROPOSED SIX—YEAR CAPITAL PROGRAM

REVISED DATE _____

01-1034 (7/79)

AGENCY SUBMISSION						GOVERNOR'S RECOMMENDATION Please Do Not Write In This Area			
AGENCY PRIORITY	OBJ. NO(S)	PROJECT TYPE	PROJECT TITLE AND LOCATION	AGENCY FUNDING YEAR 83-84	FUNDING SOURCE	GOVERNOR'S FUNDING YEAR____	GOVERNOR'S FUNDING YEAR____	GOVERNOR'S FUNDING YEAR____	GOV'S PRIORITY
I	1	C E	All projects to be funded		FED. RCPTS.				
					GEN FUND				
				36,000.0	G.O. BONDS				
		P O	from 1982 bond proposition						
			ULTIMATE ANNUAL OPERATING COST = -0-						
			EXPECTED YEAR = FY ____		TOTAL				
					FED. RCPTS.				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = ____						
			EXPECTED YEAR = ____		TOTAL				
					FED. RCPTS.				
					GEN FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = ____						
			EXPECTED YEAR = FY ____		TOTAL				
					FED. RCPTS.				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = ____						
			EXPECTED YEAR = FY ____		TOTAL				
					FED. RCPTS.				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = ____						
			EXPECTED YEAR = FY ____		TOTAL				

PROPOSED FUNDING YEAR ____

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM FACILITY CONSTRUCTION AND OPERATION

PROJECT TYPE CODES

C Bldg. Construction	L Land
I Other Improvement	P Professional Svcs.
E Equipment	O Other

34 PROPOSED SIX-YEAR CAPITAL PROGRAM

REVISED DATE ____

01 1034 (7/79)

AGENCY SUBMISSION						GOVERNOR'S RECOMMENDATION Please Do Not Write In This Area			
AGENCY PRIORITY	OBJ. NO(S)	PROJECT TYPE	PROJECT TITLE AND LOCATION	AGENCY FUNDING YEAR 85-6	FUNDING SOURCE	GOVERNOR'S FUNDING YEAR_____	GOVERNOR'S FUNDING YEAR_____	GOVERNOR'S FUNDING YEAR_____	GOV'S PRIORITY
I	1/3	C E P O	All projects to be funded from 1984 bond proposition ULTIMATE ANNUAL OPERATING COST = -0- EXPECTED YEAR = FY _____	42,000.0	FED. RCPTS. GEN FUND G.O. BONDS TOTAL				
			ULTIMATE ANNUAL OPERATING COST = _____ EXPECTED YEAR = _____		FED. RCPTS. GEN. FUND G.O. BONDS TOTAL				
			ULTIMATE ANNUAL OPERATING COST = _____ EXPECTED YEAR = FY _____		FED. RCPTS. GEN FUND G.O. BONDS TOTAL				
			ULTIMATE ANNUAL OPERATING COST = _____ EXPECTED YEAR = FY _____		FED. RCPTS. GEN. FUND G.O BONDS TOTAL				
			ULTIMATE ANNUAL OPERATING COST = _____ EXPECTED YEAR = FY _____		FED. RCPTS. GEN. FUND G.O. BONDS TOTAL				

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM FACILITY CONSTRUCTION AND OPERATION PROPOSED FUNDING YEAR _____

PROJECT TYPE CODES

C	Bldg. Construction	L	Land
I	Other Improvement	P	Professional Svcs.
E	Equipment	O	Other

34 PROPOSED SIX—YEAR CAPITAL PROGRAM

REVISED DATE _____

PROJECT TITLE	LOCATION(S)	AREA SERVED	ELECTION DISTRICT(S)
Construction Grants (1980 Bonds)	State - Wide	State - Wide	All

OBJ. NO(S)	OPERATING BUDGET BRU(S)	NAME(S)	BUDGET COMPONENT NUMBERS	START DATE	COMPLETION DATE
1& 3		Program Operation		January 1981	N.A.

PROJECT NARRATIVE

Projects are not known or defined at this time. Projects are identified by municipalities as the need develops. Applications are reviewed and project eligibility determined on a first-come, first-served basis up to the availability of funds. Eligible projects include water source development, treatment and distribution and sewage collection treatment and discharge. Projects occur state-wide and costs and project scope are determined by the grantee. Grants will be awarded up to the limit of bond authorization. The length of project time varies but probably averages 1.5 years.

PROJECT TYPE

- [X] Building Construction (C)
- [ ] Other Improvement (I)
- [X] Equipment (E)
- [ ] Land (L)
- [X] Professional Services (P)
- [X] Other (O)

APPROPRIATION REQUEST

1002	FED. RCPTS.	
1003	G/F MATCH	
1004	GEN. FUND	
1005	I/A RCPTS.	
	G.O. BONDS	23,000.0
	TOTAL	23,000.0

PROJECT CHARACTERISTICS

- [X] Totally New Facility
- [X] Addition to Existing Facility
- [ ] Renovation of Existing Facility
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized Funds to Enable Completion
- [X] One of Several Phases
- [ ] Major External Funding Source
- [ ] Other

PROJECT PURPOSES

- [X] Protect Human Health & Safety
- [ ] Protect Capital Assets
- [X] Protect Natural Resources or Natural Environment
- [ ] Improve Efficiency & Economy of State Government
- [ ] Improve Services or Accommodate Increased Demand for Services
- [ ] Accommodate New Program Requirements
- [X] Respond to Legal or Policy Mandate
- [ ] Improve Efficiency & Economy of Alaskan Infrastructure
- [X] Other Reduce unemployment and stimulate economy

SITE FEATURES

NO	YES	
[X]	[ ]	Site Currently Owned?
[X]	[ ]	All Utilities Available?
[X]	[ ]	Access Already Available?

OPERATIONAL COST & NO. PERSONNEL N.A. INCREASE (DECREASE)		FIRST OPERATING YEAR ____	ULTIMATE ANNUAL YEAR ____	PREVIOUS YR–PRIORITY
FUNDING SOURCE	FED. RCPTS.			AGENCY PRIORITY
	GEN. FUND			
				GOVERNOR'S PRIORITY
TOTAL ANNUAL OPERATIONAL COST				
POSITION (FTE)				

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM FACILITY CONSTRUCTION AND OPERATION

01-1035a (7/79)

35a PROPOSED CAPITAL PROJECT

REVISED DATE ____

CAPITAL PROJECT EXPENDITURES (CASH FLOW)	TOTAL	BUDGET YEAR 1981	BUDGET YEAR Plus 1 1982	BUDGET YEAR Plus 2	BUDGET YEAR Plus 3	BUDGET YEAR Plus 4	REMAINING COST
Planning and Engineering	3,840.0	1,848.0	1,998.0				
Land							
Construction	18,000.0	8,600.0	8,400.0				
Equipment	600.0	288.0	312.0				
Administration and Other	560.0	270.0	290.0				
Total Annual Expenditure (Capital Cost)	23,000.0	11,000.0	12,000.0				

CONTINUATION OF NARRATIVE

The grantee is responsible for project administration including: local planning and zoning requirements; determination of project scope, engineering agreements, grant administration, land and right-of-way acquisition; project inspection and operation and maintenance of the completed project. The Department awards the grant, reviews plans and specifications and monitors project development.

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM FACILITY CONSTRUCTION AND OPERATION

PROJECT TITLE

35b PROPOSED PROJECT ANALYSIS

REVISED DATE

PROJECT TITLE	LOCATION(S)	AREA SERVED	ELECTION DISTRICT(S)

OBJ. NO(S)	APPROPRIATION REQUEST		OPTION 1	OPTION 2
	1002	FED. RCPTS.		
	1003	G/F MATCH		
	1004	GEN. FUND		
	1005	I/A RCPTS.		
		G.O. BONDS		
		TOTAL		

OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE)		OPTION 1 ULTIMATE ANNUAL YEAR ____	OPTION 2 ULTIMATE ANNUAL YEAR ____	PREVIOUS YR–PRIORITY
FUNDING SOURCE	FED. RCPTS.			AGENCY PRIORITY
	GEN. FUND			
				GOVERNOR'S PRIORITY
TOTAL ANNUAL OPER. COST				
POSITION (FTE)				

NARRATIVE

This form does not apply to construction grants since the grantee identifies the project needed to provide a solution to a specific problem.

Form 38 Narrative

Since grantees proceed with projects at their discretion, the Department has no way to estimate the rate of payments or anticipated completion date. Therefore, the column for estimated expenditures gives only the most current expenditure for each project and the column for the estimated completion date has been left blank. The remainder of the form has been completed for each project that has been awarded a grant and is segregated by bond fund. There are some potential projects for which the Governor's authorization has been received but for various administrative or technical reasons of non-compliance by the grantee the grants have not been awarded. Therefore, the total for amounts authorized will not yield the same results as records kept by administration for bond fund balances.

CATEGORY NRMEC AGENCY ENVIRONMENTAL CONSERVATION PROGRAM FACILITY CONSTRUCTION AND OPERATION

01-1037 (7/79)

37 POTENTIAL CAPITAL PROJECT

REVISED

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-222	Anchorage - E-3 Trunk, Phase I	225,000	-0-	225,000		Design
79-75	Anchorage-E-3 Trunk Crossing	19,400	-0-	19,400		Plans Approved
79-95	Anchorage - S.E. Int. Crossing New Seward Hwy.	45,700	-0-	45,700		Design
79-95	Anchorage-S.E. Inter Crossing New Seward Hwy.	250,000	-0-	250,000		Design
79-109	Anchorage-S.E. Int. Crossing New Seward Hwy.	204,300	-0-	204,300		Design
79-109	Anchorage-S.E. Inter. Crossing Old Seward Hwy.	32,480	-0-	32,480		Plans Approved
79-75	Anchorage-S.E. Inter Diamond E-2	97,742	-0-	97,742		Construction
79-123	Anchorage-S.E. Inter E-2 O'Malley	837,500	-0-	837,500		Design
79-75	Anchorage-E1 Trunk Phase I	615,000	-0-	615,000		Design
79-191	Anchorage-O'Mally at New Seward Hwy. Lat.	10,500	-0-	10,500		Final Design
79-109	Anchorage -E-1-1 Trunk Phase II	1,282,470	-0-	1,282,470		Preliminary Design
79-123	Anchorage - D-3 Trunk	112,500	-0-	112,500		Preliminary Design
79-75	Anchorage- E-2 Trunk Airport Road Sewer	124,022	-0-	124,022		Construction
79-60	Anchorage Inter'n	401,635	-0-	401,635		Final Design
78-40	Anchorage - Trunk Sewer A-2, Phase II	122,059	109,853	12,206		Completed Pending Audit

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction and Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1038 (7/79)

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
78-21	Anchorage - DeBarr Road Sewer	34,593	31,134	3,459		Completed Pending Audit
78-21	Anchorage - Pancho Villa Extension	8,753	7,878	875		Completed Pending Audit
78-82	Anchorage - "C" Street Trunk Sewer	35,750	-0-	35,750		Construction Completed
78-158	Anchorage - Roberts Subdivision	4,547	4,092	455		Completed Pending Audit
78-54	Anchorage - Mis. Lat. Extension 1977-1	23,374	21,036	2,338		Completed Pending Audit
78-82	Anchorage - LID 50-8	70,331	-0-	70,331		Construction
78-40	Anchorage - LID 75	138,166	138,166	-0-		Completed Pending Audit
77-294	Anchorage - LID 60 Westgate	204,425	183,983	20,442		Completed Pending Audit
77-294	Anchorage - LID 76 Pleasant Valley	98,430	98,430	-0-		Completed Pending Audit
77-294	Anchorage - LID 77 Creekside	51,016	51,016	-0-		Completed Pending Audit
77-294	Anchorage - LID 80 Lloyd	37,983	34,184	3,799		Completed Pending Audit
77-294	Anchorage - LID 81 McGill	81,082	72,974	8,108		Completed Pending Audit
78-54/40	Anchorage - LID 87	256,325	230,693	25,632		Completed Pending Audit
78-128	Anchorage - LID 89 Baxter	8,868	7,981	887		Completed Pending Audit
79-123	Anchorage - LID 90 Wyatt	53,800	-0-	53,800		Design

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction and Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1030 (7/79)

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-123	Anchorage - LID 91 Campbell	257,500	-0-	257,500		Plans Approved
79-95	Anchorage - LID 92 Kelly	145,000	-0-	145,000		Plans Approved
79-75	Anchorage - LID 93 Homecrest	43,928	-0-	43,928		Bid Awarded
79-123	Anchorage - LID 94 Hathor	220,000	-0-	220,000		Design
79-123	Anchorage - LID 95 Marys	64,500	-0-	64,500		Design
79-222	Anchorage - LID 96 Timothy	67,000	-0-	67,000		Preliminary Design
79-222	Anchorage - LID 98 Shelikof	104,500	-0-	104,500		Preliminary Design
79-222	Anchorage - LID 100 Century	23,600	-0-	23,600		Preliminary Design
79-172	Anchorage - I/I Report	134,883	-0-	134,883		Step I Initiated
79-123	Anchorage - Girdwood	857,106	-0-	857,106		Sewer Construction
79-169	Anchorage - Girdwood					Sewer Construction
77-294	Anchorage - Phase I Water	188,000	188,000	-0-		Being Audited
79-109	Anchorage - Eagle River	725,000	-0-	725,000		Under Construction
80-159X	Anchorage - S Street 8" Water 14th to Scenic	15,210	-0-	15,210		Preliminary Design
80-27	Anchorage - 16" Water Main Dowling Rd.New Seward Hwy.	10,938	-0-	10,938		Preliminary Design

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction and Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-222	Anchorage - Misc. Water Main Extension	26,000	-0-	26,000		Preliminary Design
79-172	Anchorage - 10th Ave. Water	85,200	-0-	85,200		Pre-Design
79-172	Anchorage - Bluff & Richardson Water	44,186	-0-	44,186		Plans Approved
79-172	Anchorage - "A" Street Alley Water	29,930	-0-	29,930		Pre-Design
79-167	Anchorage - E 68th Avenue Water	70,740	-0-	70,740		Pre-Design
80-27	Anchorage - 36" Trans Mission Main Dam to WTP	-1,546,960	-0-	1,546,960		Preliminary Design
79-95	Anchorage - "A" St. Water Main	164,775	-0-	164,775		Bid Awarded
78-305	Anchorage - Willow Street Main	12,221	12,221	-0-		Completed Pending Audit
78-305	Anchorage - Improvement District #311	51,761	51,760	1		Construction Complete
80-19	Anchorage - Grumman Water District #313	45,150	-0-	45,150		Preliminary Design
79-179	Anchorage - Shelikoff Subdivision Water	91,563	-0-	91,563		Pre-Design
79-75	Anchorage - Lake Otis-Dowling	444,500	-0-	444,500		Design
79-95	Anchorage - Inter. Airport Road Water	337,348	-0-	337,348		Design
79-109	Anchorage - Auk. Power Well #4	76,250	-0-	76,250		Design
78-305	Anchorage - Well House #12	229,500	-0-	229,500		Design

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1030 (7/79)

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
78-305	Anchorage - Production Well #12	60,935	18,281	42,654		Design
78-305	Anchorage - 36th Ave. Main	195,261	58,578	136,683		Construction
78-336	Anchorage - Railroad Bore Crossings	17,958	16,530	1,428		Completed Pending Audit
78-305	Anchorage - E 4th Ave. Main	28,359	28,359	-0-		Completed Pending Audit
78-156	Anchorage - Water Well #7	117,699	105,929	11,770		Completed Pending Audit
77-410	Anchorage - Water Improvement Unit #8	89,216	65,046	24,170		Completed Pending Audit
77-410	Anchorage - Test Wells	42,688	32,715	9,973		Complete
79-167	Anchorage - 3 Mis. Test Wells	58,375	-0-	58,375		Design
79-109	Anchorage - 5th Unga/ Gambell	620,037	-0-	620,037		Design
78-40	Anchorage - Airport Water	38,639	34,775	3,864		Completed Pending Audit
78-248	Barrow - Sewage Trucks	81,813	63,000	18,813		Delivered - Need Costs
78-336	Cordova - Upper "C" Sewage	26,200	23,580	2,620		Completed Pending Audit
78-156	Cordova - I/I	12,213	9,770	2,443		EPA Audit Needed
78-82	Cordova - Whiskey Ridge	190,727	152,582	38,145		Construction
78-305	Cordova - Industrial Park Water	83,267	66,614	16,653		Design

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1030 (7/79)

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-123	Cordova - Coast Guard Dock Water	7,183	2,155	5,028		Design
79-167	Cordova - APW Bypass	5,083	-0-	5,083		Design
79-191	Cordova - North Side Interceptor	43,614	-0-	43,614		Design
80-19	Cordova - Odiak Park Waterline	114,088	-0-	114,088		Design
80-19	Cordova - Cedar Street Sewer	10,219	-0-	10,219		Design
80-19	Cordova - Water Study	3,000	-0-	3,000		Design
76-267	Dillingham C-020066	2,960	-0-	2,960		Step I awarded
79-167	Fairbanks - Sludge Study	5,643	-0-	5,643		Step I Awarded
79-167	Fairbanks - Derby Tract Sewer	250,000	-0-	250,000		Design
78-248	Fairbanks - S. Water Addition	867,539	-0-	867,539		Construction
79-60	Fairbanks - Ballaine Lake	3,273	-0-	3,273		Step I Awarded
79-191	Fairbanks - Fairground W & S Ext.	157,288	125,836	31,452		Construction
79-191	Fairbanks Derby Tract Water Extension	400,000	-0-	400,000		Design
80-159X	Fairbanks - E. Slater Dr. Sewer Extension	170,000	-0-	170,000		Preliminary Design
80-159X	Fairbanks - E. Slater Dr. Water Extension	98,000	-0-	98,000		Preliminary Design

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1030 (7/79)

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-95	Haines - Highland Oslund	21,000	-0-	21,000		Construction
80-159X	Haines - Tower Road Water & Sewer	3,175	-0-	3,175		Design
79-95	Haines - Small Tract Road Water	19,065	17,158	1,907		Completed Pending Audit
78-202	Haines - Battle Road Water and Sewer	22,500	-0-	22,500		Construction
78-40	Haines - Helms Loop	17,538	-0-	17,538		Construction
79-60	Haines - 1978 Service Connections	4,400	2,420	1,980		Construction
78-336	Haines - Tom's Sewer Extension	3,919	2,467	1,452		Completed Pending Audit
80-19	Homer - Bear Creek Sub. Water & Sewer	87,902	48,346	39,556		Construction
78-202	Homer - East Trunk Sewer	22,986	20,687	2,299		Completed Pending Audit
78-320	Homer - Ridgeview Water and Sewer	110,618	97,970	12,648		Completed Pending Audit
78-336	Homer - Bartlett Water and Sewer	62,616	53,138	9,478		Completed Pending Audit
79-167	Homer - Kachemak Lake, Bayview	264,748	211,798	52,950		Design
80-159X	Homer - Kachemak Bay p.f. Sewer	56,315	-0-	56,315		Construction
80-159X	Homer - Benson Subdiv. Hansen Ave. Imp. Dist.	61,600	-0-	61,600		Design
79-109	Homer - Spit #56	18,522	2,500	16,022		Construction

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

CH./ SLA/ OR RP/	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
78-320	Juneau - Hospital Water	111,300	-0-	111,300		Design
78-21	Juneau - AJ Water	201,000	110,550	90,450		Construction Complete
77-443	Juneau - Lemon Creek	1,318,750	948,313	370,437		EPA Audit Pending
77-410	Kenai - STP Expansion	55,113	-0-	55,113		Design
77-294	Kenai - Water Reservoir	94,895	75,916	18,979		Pending EPA Audit
79-123	Kenai - Sewer Lift Sta.	30,000	-0-	30,000		Design
79-172	Kenai - Airport Way Sewer	143,500	43,050	100,450		Design
80-19	Ketchikan - Highlands Sub. Div. Phase I	197,500	-0-	197,500		Plans Approved
80-19	Ketchikan - Tongass View Resubdivision	86,000	-0-	86,000		Construction
80-19	Kodiak - Shelikof Water Lines	28,948	-0-	28,948		Construction
78-320 336	King Salmon #81	2,820	-0-	2,820		Step I Awarded
79-222	Kodiak Borough Island Lake 69	6,186	-0-	6,186		Step I Awarded
78-320	Nenana - Water & Sewer	220,779	-0-	220,779		Design
77-378	Petersburg - #47	52,243	1,519	50,724		Collectors Pending Audit
80-159X	Palmer West Interceptor	219,284	-0-	219,284		Step 2 & 3

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-75	NSB - Sewage Vehicles	145,000	-0-	145,000		Purchased
78-156	Saxman - Water	34,000	-0-	34,000		Design
77-410	Seldovia - Water	40,000	32,000	8,000		Construction
80-159X	Seldovia - Sewera e 71	1,807	-0-	1,807		Step I Awarded
78-156	Seward - Bayview	76,000	68,400	7,600		Construction
78-202	Seward - Jesse Lee Hts.	22,574	-0-	22,574		Completed Pending Audit
78-54	Seward - Water Improvement	270,000	243,000	27,000		Construction
78-336 79-172	Seward - Sewer #51	57,331	10,018	47,313		Design Design
78-82	Sitka - Sawmill Ext	318,000	254,400	63,600		Construction
79-191	Sitka Harris Is. Water Extension	37,500	-0-	37,500		Design
78-305	Ketchikan - Sewer #53	140,363	-0-	140,363		Design
79-222	Soldotna - Kobuk St. Water and Sewer	185,000	-0-	185,000		Construction
79-222	Soldotna - Sterling Street W & S	220,000	-0-	220,000		Construction
80-19	Wrangell St. Michael St. Water	10,072	-0-	10,072		Plans Approved
7[illegible]-41[illegible]	Wrangell - Sewer #45	12,415	-0-	12,415		EPA Audit Pending

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38: STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
77-410	Nome STP	25,037	24,592	44		Design
78-54	~~Anchorage - 5th Ave~~	163,664	163,66[illegible]	1		Construction
	TOTAL	20,706,262	4,479,056	16,227,206		

CATEGORY NPMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1030 (7/79)

CH.# SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-18	Anchorage - Camp Creek Force Main #2	205,000	44,793	160,207		Under Construction
79-18	Anchorage Camp Creek Pump Station	129,000	-0-	129,000		Under Construction
78-21	Anchorage - C Street Trunk Sewer	150,000	-0-	150,000		Construction Complete
77-443	Anchorage - LID 78 DeBarr	161,660	145,494	16,166		Complete Pending Audit
79-60	Anchorage - STP Exp.	85,000	-0-	85,000		Design
77-294	Anchorage - 78" W. Interceptor	1,120,000	-0-	1,120,000		Plans Approved
77-102 77-180	Anchorage - Girdwood	1,792,503	905,192	887,311		EPA Audit Pending
74-146	Anchorage - Phase I Water	930,530	770,470	160,060		Being Audited
79-18	Anchorage - E. 26th Avenue	32,672	31,186	1,486		Completed Pending Audit
79-18	Anchorage - Telemetering Phase II	49,500	-0-	49,500		Construction
77-267	Anchorage - Water Well #7	117,699	105,929	11,770		Completed Pending Audit
79-18	Anchorage - Dowling Road - Potter	112,185	89,748	22,437		Construction
77-443	Bethel - University Water & Sewer	247,500	136,125	111,375		Construction
78-320	Cordova - North Side Interceptor	564	-0-	564		Design
77-129	Cordova - I/I	2,500	2,500	-0-		EPA Audit Pending

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1030 (7/79)

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
75-291	Cordova - Sewer #1	414,407	371,993	42,414		EPA Audit Pending
79-45	Cordova - Industrial Park Water	8,267	8,267	-0-		Design
76-267	Dillingham C-020066	2,888	-0-	2,888		Step I Awarded
77-180	Fairbanks - C-020039	2,475,653	1,874,300	601,353		EPA Audit Pending
79-60	Haines - Harbor Water	16,000	-0-	16,000		Construction
79-45	Homer - Lakeside Village	241,802	193,441	48,361		Construction
77-129	Haines - I/I	1,546	1,546	-0-		EPA Audit Pending
79-60	Anchorage - Inter. Airport Road Sewer	401,635	-0-	401,635		Design
76-190	Juneau - Express Crossing	9,300	8,370	930		Completed Pending Audit
76-291	Juneau - AJ Water	130,527	110,550	19,977		Completed
76-275	Juneau - Lemon Creek	270,000	169,250	100,750		EPA Audit Pending
77-275	Kenai - Anchor Point School	10,000	9,000	1,000		Completed Pending Audit
76-190	Kenai - Water System	223,200	153,620	69,580		EPA Audit Pending
77-267	King Salmon #81	3,000	-0-	3,000		Step I Awarded
75-291	Kodiak - #74 STP	985,318	742,910	242,408		EPA Audit Pending

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-45	Naknek - #82	3,665	-0-	3,665		Step I Awarded
77-180	Nome - STP	7,579	7,277	302		Design
76-315	North Slope Borough D.H.	2,250,000	918,750	1,331,250		Design - Construction
79-18	NSB - Water Vehicles	135,000	-0-	135,000		Purchased
79-18	NSB - Point Hope	336,935	-0-	336,935		Construction
79-18	NSB - Anaktuvuk Pass	246,200	-0-	246,200		Construction
79-60	Palmer - Water System Improvement	651,275	-0-	651,275		Construction
75-291	Petersburg - Sewer #47	780,285	778,174	2,111		Collectors Pending Audit
75-45	Seldovia - Water & Sewer	60,000	-0-	60,000		Design
77-180	Seward - Jesse Lee Hts.	180,813	162,732	18,081		Pending Audit
75-291	Seward - Sewer #51	11,875	11,875	-0-		Design
75-291 79-45	Sitka - Sewer #52	141,473	17,653	123,820		Design
75-291	Ketchikan - Sewer #53	29,375	29,375	-0-		Design
75-291	Skagway - #46	502,961	417,912	85,049		EPA Audit Pending
77-275	Soldotna - STP Expan. #76	3,500	3,500	-0-		Design

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1030 (7/79)

CH./ SLA/ OR RP/	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
75-291	~~Valdez - Airport~~ and Sewer	210,184	168,147	42,037		EPA Audit Pending
75-291	Valdez - STP #49	973,675	741,925	231,750		EPA Audit Pending
77-267	Valdez - Zook Sub.	100,000	45,745	54,255		Completed Pending Audit
77-378	Wrangell - 12" Trans.	15,800	14,220	1,580		Completed Pending Audit
77-294	Wasilla - #73	6,375	6,278	97		Step I Awarded
77-129	Whittier - Sewer #80	166,599	-0-	166,599		Design Construction
75-291	Wrangell - #45	751,275	615,650	135,625		EPA Audit Pending
76-315	Unalaska Water	175,300	126,494	48,806		EPA Audit Pending
	Kodiak STP 130384	312,000	249,600	62,400		EPA Audit Pending
	Skagway Water	221,200	176,960	44,240		EDA Audit Pending
	Juneau-Airport Water	70,500	63,450	7,050		State Audit Pending
	TOTAL	18,673,700.	10,430,401	8243,299		

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED

CH.#, SLA# OR RPI	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
76-146	Kenai - WS Improvement and Expansion 75	124,700	124,700	-0-		EPA Audit Pending
77-102	Homer - Spit #56	2,500	2,500	-0-		Construction
77-443	Anchorage - Pressure Red. Station	70,000	40,000	30,000		Construction
76-146	Nome - STP	3,500	3,500	-0-		Design
78-305	Palmer - West Interceptor	3,438	-0-	3,438		Step I Awarded
76-292	Seldovia - Water	9,763	-0-	9,763		Delayed
76-292	Seldovia - Sewer 71	2,625	-0-	2,625		Step I Awarded
79-45	Soldotna STP 76	22,603	-0-	22,603		Design
76-146	Petersburg - Sewer	115,404	99,241	16,163		Collectors Pending Audit
75-291	Unalaska - Water	312,750	312,750	-0-		EPA Audit Pending
78-320	Unalaska - #64	4,350	-0-	4,350		Step I Awarded
N/A	Anchorage - Phase I Water	500,000	500,000	-0-		

CATEGORY NRMEC AGENCY Environmental Condervation PROGRAM Facility Construction Operation

38 STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1030 (7/79)

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH JUNE 1979	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
	Anchorage Phase II Wt.	104,477	100,459	4,018		State Audit Pending
	Palmer - Airport W & S	30,000	17,404	12,596		EPA Audit Pending
	TOTAL	1,306,110	1,200,554	105,556		

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction & Operation

38: STATUS OF CURRENTLY APPROVED CAPITAL PROJECTS

REVISED DATE

01-1030 (7/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 436

Title An Act relating to grants for solid waste processing or disposal facilities; etc.

Requested by Kerttula Date February 12, 1980

II. FISCAL DETAIL

Agency Affected Department of Environmental Conservation

Program Category Affected Facility Construction and Operation Section

BRU, Program, or Subprogram(s) Affected Environmental Quality Operations

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

Assumes annual inflation of 8%

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	66.7	72.0	77.8	84.0	90.7	97.6
200	TRAVEL	8.0	8.6	9.3	10.1	10.9	11.8
300	CONTRACTUAL	4.5	4.9	5.2	5.7	6.1	6.6
400	COMMODITIES	1.0	1.1	1.2	1.3	1.4	1.5
500	EQUIPMENT	2.5	0.0	0.0	0.0	0.0	0.0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	82.7	86.6	93.5	101.1	109.1	117.5

FUNDING (Thousands of Dollars)

GENERAL FUND	82.7	86.6	93.5	101.1	109.1	117.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	2.0	2.0	2.0	2.0	2.0	2.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

If S.B. 436 is adopted, authorizing the award of solid waste construction grants, it will be necessary to amend S.B. 131 to add an additional $10.0 million to cover the increased grants burden. Also an additional $2.5 to $3.0 million appropriation will be needed to cover the award of grants from the July 1, 1980 effective date through the time when bond funds are approved for use. Should S.B. 436 be amended further to increase the grant percentage to 75% this fiscal note will need to be amended.

IV. DATE February 14, 1980 PREPARED BY Keith Kelton

AGENCY Alaska Department of Environmental Conservatio

PHONE 465-2610

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 689 Bonds $25 Million for water/sewer

ORIGINAL SPONSOR: Rules - Gov. Request
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 3/10/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	X
		Ray Metcalfe	X

Ernest Mueller, Commissioner Dept. Environmental Conservation
Keith Kelton, Chief, Facilities Construction & Operations Section

Made reference to the Senate C&RA CS on SB 131, originally introduced by Sen. Kerttula which raised the bond amount to $41 million and included grants for solid waste facilities construction.

Discussion and questions concentrated on the Village Safe Water Act, its effectiveness, and the prioritization of the projects to be funded by the bonds in the villages.

The Commissioner pointed out that two major changes had taken place in the Village Safe Water program during the last 5 years including: 1. the projects had been simplified a great deal 2. Local labor was now being used extensively in the projects.

In response to whether the communities were able to afford continued support of the projects after they were installed, Mueller responded that there had been a problem in Beaver.

Mr. Kelton reviewed the bond chart developed by the Dept. which outlined the process followed after the bonds were approved by the voters.

Parr questioned the ability of the Dept. to handle increased amount of funding and whether staff would be necessary. As relected in the Senate fiscal note on the subject, additional staff would be necessary if solid waste was to be added to the bond bill.

It was clarified that bond money could be used for bond specifications. Budget and Management is responsible for processing the application.

Housing and health clinics in the facilities are authorized in the statutes and are available if the communities indicate interest in such. The State works with the Public Health Service in constructing projects.

COMMITTEE ACTION:

TAPE # 1 SIDE 1 Footage 1987

Jerry Lovett, City Manager, Cordova
Supports the bill and also SB 436.

Parr - questions if sludge can be dumped. Thought that it had been illegal since 1972.

Carney - Questions DEC on villages included in the list of those who would get funding.

Branson - Suggests amending line 1 page 2 to include "solid waste" construction grants. This will be included in a CS.

(OVER)

Original sponsor: Kerttula

Offered: 2/20/80
Referred: Finance

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 131

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

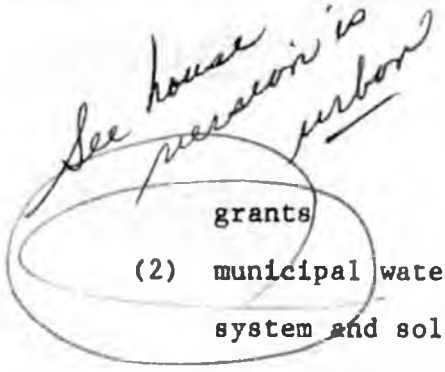
For an Act entitled: "An Act providing for the issuance of general obligation bonds in the amount of $41,520,000 for the purpose of paying the cost of water and sewerage system and solid waste facility construction; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. For the purpose of paying the cost of water and sewerage system and solid waste facility construction, general obligation bonds of the state in the principal amount of not more than $41,520,000 shall be issued and sold. The full faith, credit and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

* Sec. 2. If the issuance of these bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1980 Water Supply and Sewerage Systems and Solid Waste Facilities Construction Fund" shall be established, to which shall be credited the proceeds of the sale of the bonds described in sec. 1 of this Act except for the accrued interest and premiums. The amount of $41,520,000 is appropriated from the "1980 Water Supply and Sewerage Systems and Solid Waste Facilities Construction Fund" to the Department of Environmental Conservation to be allocated as follows:

Project	Location	Amount
(1) village safe water construction		



	grants	statewide	$ 2,520,000
(2)	municipal water supply, sewerage system and solid waste facilities construction grants	statewide	39,000,000

* Sec. 3. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of $146,000 or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the next general election and shall read substantially as follows:

Proposition

State General Obligation Water Supply and Sewerage Systems and Solid Waste Facilities Construction Bonds $41,520,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $41,520,000 for the purpose of paying the cost of village and municipal water supply, sewerage system, and solid waste facilities construction?

Bonds Yes [ ]

Bonds No [ ]

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Introduced: 2/8/80
Referred: Community & Regional Affairs and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 689

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for the issuance of general obligation bonds in the amount of $25,520,000 for the purpose of paying the cost of capital improvements for water and sewer systems; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. For the purpose of paying the cost of capital improvements for water and sewer systems, general obligation bonds of the state in the principal amount of not more than $25,520,000 shall be issued and sold. The full faith, credit and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

* Sec. 2. If the issuance of these bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1980 Water Supply and Sewerage Systems Fund" shall be established, to which shall be credited the proceeds of the sale of bonds described in sec. 1 of this Act except for accrued interest and premiums. There is appropriated from the "1980 Water Supply and Sewerage Systems Fund" to the Department of Environmental Conservation the amount of $25,520,000, allocated in accordance with the following projects and estimates:

	Project	Location	Amount
(1)	Village safe water construction grants	Statewide	$ 2,520,000

(2) Urban water and sewer construction grants Statewide 23,000,000

* Sec. 3. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of $89,400, or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. The amount withdrawn from the public facility planning fund for the purpose of advance planning for the improvements financed under this Act shall be reimbursed from the proceeds of the sale of bonds authorized by this Act.

* Sec. 5. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the next general election and shall read substantially as follows:

Proposition

State General Obligation Water Supply and Sewerage Systems Bonds $25,520,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $25,520,000 for the purpose of paying the cost of capital improvements for water and sewer systems?

Bonds Yes [ ]

Bonds No [ ]

* Sec. 6. This Act takes effect immediately in accordance with AS 01.-10.070(c).

C&RA

BILL WORK SHEET

BILL NO. 689 re GO Bonds $25,520,000 Water & Sewer

Received from _____
Referred to _____

Original Sponsor _____
Fiscal Note _____

LAA Legal Research Contact _____

CONTACTS:

See SB 342 (same)

SB 342 made part of CS SB 131 $41,520,000 and solid waste facility construction added

Demming Cole Contacted
Keith Kelton (DEC) 15 min statement
Go along 75% - should be more $ in the bond fund.
SB 131 8-10 million for 2 yrs. for solid waste

Terry Leruth - City Mgr. Cordova - wants - talk

Senate Bills

Committee Substitute for Senate Bill 131 presently reflects:

1. Title and body contents of SB 342

2. $10 million G.O. Bond increase - covering solid waste facilities, plus new wording when relating to same.

3. $ 6 million G.O. Bond increase - raising State share from 50% to 75%

Committee Substitute for Senate Bill 436 presently reflects:

1. Page 1, line 10, section 1 - new wording (per Dept. Environmental Conservation request) to incorporate the raising of the State share from 50% to 75%

2. Amending typewriter error, page 1, line 28 to read (d) instead of (e)

3. Page 2, Line 21, Section 5 - adding a new paragraph stating "solid waste" definition as stated in HB 353, (per D.E.C. request and in answer to Mr. Baldwin's concern, our bill drafter.)

Issue Paper
Water and Sewer Construction Grants
December 1979

The Department, through the Facilities Construction and Operation section, administers a grant program which is directed toward providing incorporated communities with assistance in the construction of water and sewerage services. Two basic grant programs are administered: the State general obligation bond water and sewer grant program authorized by AS 46.03.030; and the federal wastewater pollution control program authorized by the Clean Water Act of 1977.

Under the State water and sewer grant program, incorporated municipalities may apply for grants to fund up to 50 percent of project costs for new water and sewerage facilities. If federal funding is involved in a project, State grants are limited to half the non-federal share of eligible project costs. Funded projects include facilities needed for community expansion as well as facilities needed to correct existing public health and environmental problems.

The Department performs the following administrative responsibilities in support of this program:

- review of grant applications
- review of project plans and specifications
- analysis of project construction and operating costs

- processing of grant offers and payment requests
- inspection of projects during construction and following completion
- preparation of project audit reports to ensure that grant funds were properly utilized by grantees.

Eligible projects are presently funded as need arises, after a review to ensure that projects are capable of meeting the need identified at an acceptable life cycle cost. The source of funding for these grants is general obligation bond funds which have been periodically authorized by the voters. Presently, approximately $18,112,626 are available for obligation to projects through this program.

Since July, 1976, $37,358,030 has been obligated to water and sewage projects throughout the state. Of this total, $14,465,1[illegible] (38.7%) was for community water supply projects; $9,450,000 (25.3%) was for sewage treatment and intercepter facilities (matching EPA funding); and $13,442,850 (36.0%) was for sewage collection facilities. These grants have supported projects in major communities in all regions of the state. The program is not heavily used by bush communities because the Public Health Service and the State Village Safe Water programs are addressing utility needs of remote areas. It is also usually difficult for small remote communities to raise the 50 percent matching requirements. In some instances, however, projects in remote areas are funded through the program in conjunction with other federal, state, or local funding sources.

The grant program for construction of sewage treatment facilities is administered under the authorization of the federal Clean Water Act of 1977. This Act mandates that community sewage treatment works achieve secondary treatment by 1983, except those communities capable of discharging effluent into marine coastal waters which receive good tidal mixing may be allowed to follow less stringent requirements. Secondary treatment is a broad term for many methods of treating sewage through the use of biological processes, and usually results in removal of 85% of the pollutants. Depending upon congressional appropriations from year to year, Alaska is allocated $16-25 million annually. These funds are then available to communities to finance 75 percent of the cost of sewage treatment and intercepter projects. The State water and sewage grant program mentioned above contributes an additional 12 1/2 percent toward such projects leaving only 12 1/2 percent to be funded locally.

The Clean Water Act assigns the Environmental Protection Agency the responsibility for this grant program. The Act also stipulates that EPA may delegate the administration of the program to the states, and makes funding available to those states which assume administration of the program. Alaska assumed responsibility for a major portion of the program in December of 1978 (one of the first states to do so) and was awarded a grant of $245,349 to cover costs of administration through June, 1980. EPA has reserved funding to defray State administration expenses in subsequent fiscal years.

In order to reduce the significant delays in grant processing which occurred under EPA administration, and to better ensure that projects are consistent with the unique requirements of Alaska, the Department assumed responsibility for the following administrative tasks:

- preparation of annual project priority list
- review of grant applications
- review of consultant agreements
- review and approval of plans and specifications
- review and approval of project change orders
- review and approval of O & M manuals.

Under agreement with EPA, State certification of these items will be accepted as if performed by EPA staff (subject to periodic audit). It is expected that additional administrative tasks will be delegated the state, including:

- facility plan approval
- interim and final project inspections
- eligibility determinations
- review and approval of planning documents
- preparation of necessary environmental assessments
- issuance of numerous other technical approvals required for each project.

Since 1975, grants averaging $20,000,000 a year have been awarded to 30 communities throughout the state. As with the State water and sewer grant program, mainly the larger communities have benefitted from the program. Recent modifications of the Clean Water Act present opportunities for making funding available to smaller communities for innovative, individual, or non-conventional sewage handling facilities.

SB-151 TITLE & SPONSOR SUMMARY 09:31 3/05/80 PAGE 1 OF

AMENDED TITLE:
AN ACT PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT OF $8,000,000 FOR THE PURPOSE OF PAYING THE COST OF SEWERAGE SYSTEMS CONSTRUCTION; AND PROVIDING FOR AN EFFECTIVE DATE $8,000,000 (BONDS)

PRIME SPONSOR: KERTTULA.

CO-SPONSORS:

CURRENT STATUS 2/20/80 IN (S) FINANCE

SB-456 SENATE ACTION 09:34 3/05/80 PAGE 2 OF

DATE	SEN	PAGE	LEGISLATIVE ACTION
02/12/80	01	0241	FIRST READING -- COMMITTEE REPORTS
02/20/80	01	0319	CRA -- CS04
			FINANCE
			RULES
****	**	**	*** *** ***

In S Finance 3/5/80

HB
698

COMMITTEE REPORT

(7)

HOUSE

2/11/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 698

"An Act relating to the composition and representation requirements of general law boroughs; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 698 Composition and Apportionment of Assemblies

ORIGINAL SPONSOR: Branson
OTHER SPONSORS:
RECEIVED FROM:
FURTHER REFERRALS: --

HEARING DATE: 4/11/80

MEMBERS PRESENT:			
Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	
		Ray Metcalfe	X

Branson - Discusses concept of the proposed bill as an amendment to correct duel majority problem created by floor amendment when bill was passed during the last session.

Chitwood - Presents alternative proposal developed by the Municipal League. Says AML proposal is an attempt to simplify the law yet solve some of the problems.

Branson - Doesn't support the League's suggested bill and approach. Maintains that once every 10 years isn't too often to ask the voters if they want to retain their exisiting method of representation.

Metcalfe - Expresses concern for the people outside of the cities and says that the duel majority is vital.

Palmer McCarter, Director of Local Assistance, Dept. of C&RA Support HB698. Floor amendment of 1979 jeopodizes local governments ability to develop a plan for representation and to have it adopted. Discusses the difficulty of getting a majority when you have 3 options or plans for 2 different categories of voters (inside and outside cities) to vote on. Strongly urges that the committee support the bill.
Attorney General has raised an issue related to the current law in the second option offered the voters -- current law allows that a borough may create districts and have election at large but require the candidates to live within districts of substantially equal population. The use of the term "substantially" may be a problem. A.G. has recommended elimination of that term.

Branson - Legal people have stated that 10% diviation is allowable and Billy Barrier of Legislative Research does not think the exisiting wording is a problem.

COMMITTEE ACTION: No action.

TAPE # 8 SIDE 1 Footage 921-1280

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 598 Composition/Representation-Boroughs

ORIGINAL SPONSOR: Branson, Malone, O'Connell OTHER SPONSORS: ____

RECEIVED FROM: -- FURTHER REFERRALS: --

HEARING DATE: 4/18/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	X
		Ray Metcalfe	

The bill was passed out of committee with committee recommendations (see attached). There were no witnesses to testify.

COMMITTEE ACTION: Bill passed out.

TAPE # 9 SIDE 1 Footage 0-91

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

December 21, 1979

To: Elected Officials
Administrators
Attorneys
Board of Directors
Legislative Committee

From: Ginny Chitwood

Re: Borough Assembly Apportionment

Enclosed are copies of the current law on borough assembly apportionment and a draft of proposed revisions. Ron Larson, Legislative Committee Chairman, will preside at a hearing on this subject in Juneau on Friday, January 25 at 9:00 am in the Juneau Municipal Building. The purpose of the meeting is to bring all ideas together and draft a final version for presentation to the AML Board of Directors. Mayor Larson asks that you review the enclosed material. If you cannot attend the meeting, please forward your suggestions to him at the Matanuska-Susitna Borough or to the AML office.

cc: Senator Sturgulewski
Representative Parker
Representative Branson
Jack Chenoweth

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER HB698 RE Composition/Representation requirements General Law Boros

Received from —
Referred to —

Fical Note
LAA Legal Contact Chenoweth

Bronson, Malone, O'Connell ✓

CONTACTS: Gilmore ✓ (will telecopy info)

Sponsor: Mrs Brymer, Clerk - Kenai - Improves reapportionment bill. No one happy c bill reapportionment. 11 member assembly. Won't have to reduce number from 16. Will it be retroactive? Approval inside outside city is problem. Election for 16 with weighted vote. Asked C&RA for opinion. Memb from Pegues says is illegal. No AG's opinion received yet. Questions whether they ever get it. In most states it is not [illegible]

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 4, 1980

to: House Community & Regional Affairs Committee

from: Ginny Chitwood

re: assembly composition, apportionment and reapportionment

Attached for your consideration is a draft of a proposed assembly composition, apportionment and reapportionment bill prepared by a special Alaska Municipal League committee. I am preparing a sectional analysis and a comparison between this bill, HB 698, SB 137 - passed last year, and current law that I will distribute prior to Friday's committee meeting.

OFFICE OF THE MUNICIPAL ATTORNEY
KETCHIKAN GATEWAY BOROUGH
AND
CITY OF KETCHIKAN

334 FRONT STREET
P. O. BOX 7300
KETCHIKAN, ALASKA 99901
(907) 225-3111, EX. 327

March 13, 1980

Ms. Marge Gorsuch
Pouch Y
Capital, Room 104
House Community & Regional
Affairs Committee
Juneau, Alaska 99811

Re: H.B. 689 - Composition and Apportionment of General Law Boroughs

Dear Ms. Gorsuch:

As per your request, attached is a list of the points contained in the Alaska Municipal League proposal for amendment of A.S. §§ 29.23.021 - .025. This summarizes the problems perceived by the boroughs and the Municipal League in the statutes on the subject of borough apportionment and composition which was enacted last year.

Please note, however, that we do agree with Representative Parr's comments at the committee hearing on March 7 that the law in this area could be greatly simplified and that, in effect, A.S. 29.23.023 and A.S. 29.23.025 could be repealed completely. Representative Parr suggested that the only duty of the State was to ensure that equal representation was provided in all borough assemblies, but beyond that (except for any special provisions governing weighted voting or institutional representation) the boroughs (like cities) should be permitted to determine their own local apportionment and composition. In support of that position, a bill was drafted to be presented to the House Community and Regional Affairs Committee by the Municipal League.

I would strongly recommend that this latter alternative be considered favorably by the committee as a simple and concise way to clea up the problems raised in the attached memo.

Thank you.

Sincerely,

Richard M. Treiser
Assistant Municipal Attorney

cc: Ginny Chitwood,
Alaska Municipal League

Enclosure

OFFICE OF THE MUNICIPAL ATTORNEY
KETCHIKAN GATEWAY BOROUGH
AND
CITY OF KETCHIKAN

334 FRONT STREET
P. O. BOX 7300
KETCHIKAN, ALASKA 99901
(907) 225-3111, EX. 27

TO: HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

FROM: RICHARD M. TREISER, ASSISTANT MUNICIPAL ATTORNEY KETCHIKAN GATEWAY BOROUGH, FOR ALASKA MUNICIPAL LEAGUE

DATE: MARCH 13, 1980

RE: APPORTIONMENT AND COMPOSITION OF GENERAL LAW BOROUGHS

The following is a summary of problems and recommendations for changes in the provisions of A.S. 29.28.021 - .025. References are made to the statutes enacted last year, effective January 1, 1981.

1. Provide that review and change in form of representation/composition be by ordinance (ratified by the voters) at the option of the Assembly or as necessary to accomplish reapportionment, not mandatory every ten years. (See A.S. 29.23.023(a)).

2. Provide a forth alternative to forms of representation to permit a combination of the other forms and clarify that multiple member districts are permissible. (See A.S. 29.23.023(a)).

3. Provide a specific and sufficient time schedule (90 days after ordinance adopted) to hold an election to approve a change of form of representation. (See A.S. 29.23.023(b)).

4. Provide that only one form of representation be selected by the assembly and presented for ratification, not all four alternatives. (See A.S. 29.23.023(b)).

5. Provide that a simple majority, not a dual majority is required for ratification of a form of representation. (See A.S. 29.23.023(b)).

6. Provide a specific time period (4 months) for the Assembly to seek approval of a different form if the first is rejected. (See A.S. 29.23.023(c)).

7. Provide that the Department of Community and Regional Affairs shall determine the form upon failure to gain ratification, but then only if a change in representation is necessary and not if the existing form may lawfully be retained.

8. Clarify that any districts called for will be determined after a form is approved at election and provide a specific and sufficient time to prepare the same (2 months for at-large forms, 6 months for districts).

9. Provide a specific and sufficient amount of time to effectuate the new form of representation (the next regular election held not sooner than 60 days after adoption of the implementing ordinance).

10. Clarify that institutional representation is prohibited, but that Council members are not ineligible to be elected to the Assembly and vice-versa. (See A.S. 29.23.023(c)).

11. Clarify that any general law borough which changes its form of representation while reapportioning must do so according to the election and other procedures and time limits provided in A.S. § 29.23.023. (See A.S. 29.25.025(b)).

12. Provide for a moratorium (of 2 years) on citizen's reapportionment petitions after the Assembly has reviewed its apportionment and found it proper or has corrected it. (See A.S. 29.23.025(d)). This does not prevent reapportionment by the Assembly at its own initiative or by court order or law during this period.

13. Provide that reapportionment shall not be subject to election or approval by the voters except inasmuch as it involves a change in form of representation. (See A.S. 29.23.025(d)).

14. Provide specific and sufficient time limits: 1) for preparing a new apportionments plan (6 months for districting plans), 2) for the Department of Community and Regional Affairs to do so upon failure of the Borough, and 3) for the Borough to effectuate that plan (at the next regular election not sooner than 60 days after adoption. (See A.S. 29.23.025(e) and (g)).

15. Permission for weighted voting, which is otherwise lawful. (See A.S. 29.23.021(c)).

from Matanuska-Susitna Borough. 3-7-80

ESTIMONY OF JAMES EKSTEDT ON HOUSE BILL 698 BEFORE

THE HOUSE COMMITTE ON COMMUNITY AND REGIONAL AFFAIRS, MARCH 7, 1980

Jim Ekstedt

Ladies and gentlemen my name is James Ekstedt and I am a member of the Assembly of the Matanuska-Susitna Borough and represent the Palmer area before the Borough Assembly. I have been a member of the Borough Assembly for three years and also am serving as a member of the City Council for the City of Palmer. I am also a member of the Board of Directors of the Alaska Municipal League. I have been asked to appear before this Committee today on behalf of the Assembly of the Matanuska-Susitna Borough and the citizens of the Matanuska-Susitna Borough whose form of government and assembly apportionment will be affected by State Statutes during the coming year.

I wish to first address House Bill 698, offered by Representatives Branson, Malone and O'Connell. As I understand the bill, it would replace a subsection in Alaska Statutes 29.23.023 which presently requires that proposals concerning modification of the form of representation be submitted to the voters and that votes be tabulated in separate classifications for first and home rule cities of the borough and on the other hand for the remaining area of the borough. House Bill 698 would eliminate the need to classify votes cast on proposed forms of representation and would instead provide that a plurality of the votes on the question would decide the issue. While I am in general agreement with the change proposed by House Bill 698, I believe that that bill does not go far enough in addressing some of the major problems which our Borough Assembly and the Alaska Municipal League see in the present reapportionment statutes which were

enacted into law last year. I believe that your Committee should seriously consider additional amendments to Alaska Statutes 29.23 which would correct many of the deficiencies our Assembly sees in those reapportionment statutes. I understand that Mrs. Ginny Chitwood, the Executive Director of the Alaska Municipal League has furnished this Committee with a copy of a bill drafted by the Assistant Municipal Attorney for the Ketchikan Gateway Borough which bill has both the support of the Alaska Municipal League and the Assembly of tne Matanuska-Susitna Borough.

We believe that enactment of the bill prepared by the Alaska Municipal League would correct many of the deficiencies that presently exist in statutes governing selection of the form of representation and reapportionment. I would like to address some of those problems that exist in present law and indicate how the bill proposed by the Alaska Municipal League would effectively deal with and resolve those problems.

1. Present law (found at AS 29.23.021(C) catagorically prohibits weighted voting on borough assemblies even though weighted voting schemes can be implemented in order to make the one man one vote principal work. On the other hand the bill proposed by the Alaska Municipal League would allow weighted or fractional voting so long as the basis for doing so is not contrary to the one man one vote principal of the Federal and State Constitutions. In other words, the bill proposed by the Municipal League would allow general law boroughs such as the Kenai Peninsula Borough who have serious problems of distance and communication between various population centers to continue to use the fractional or weighted vote if the fractional or weighted vote complies with the one man one vote principal.

While I do not believe that the Assembly of the Matanuska-Susitna Borough wishes to use the fractional or weighted vote, I believe that other municipalities in the state should be allowed that option if the fractional weighted vote can be used to assist them in implementing the one man one vote principal.

2. The present law found at AS 29.23.023 absolutely requires that all boroughs submit a ballot proposition to their voters no later than January 31, 1981 and every ten years thereafter asking voters to select from among certain alternate forms of representation of their assemblies. This requirement is mandatory; and borough assemblies have no choice but submit the question of form of representation to their voters even though neither the assemblies nor the electorate wish to even face that question. On the other hand the bill proposed by the Alaska Municipal League merely allows boroughs to mofidy their form of representation from time to time if the question is submitted to the voters for their approval. If the assembly is satisfied with its form of representation, it would not be required to endure the expense, delay and confusion of submitting the question of its own form of representation to the voters. We believe that the Legislature should not be in the business of mandating to local governments that, contrary to the wishes of many local governments including the Matanuska-Susitna Borough they submit the question of its form of representation to the voters on a periodic basis. We do believe that if the assembly chooses to alter its form of representation then that question should be submitted to the voters for their approval.

3. The wording of the present statutes governing submission of the form of representation to the voters appears to require that the voters select from three alternate propositions: First, that assembly members be elected at large; second, that assembly members be elected at large but be required to live within certain election districts; and third, that assembly members be elected by and from election districts established by the borough. We believe that such a ballot would be cumbersome, expensive and confusing. On the other hand the bill proposed by the Municipal League would allow the assembies to select a new form of representation and submit only that form of representation to the voters. Obviously, if the voters rejected that form of representation the assembly could continue with its existing form or alternatively submit yet another form to the voters. We believe that this alternate method of submitting the question to the voters is much less confusing and would probably result in more reasoned decisions by the electorate on this important question.

4. The present law preserves the requirement that votes cast on the form of representation be tabulated in dual catagories, one or first class and home rule cities and the other for all other areas of the borough. The bill prepared by the Alaska Municipal League abolishes the classification system and would allow a change in the form of representation if that change were approved by a majority of votes cast on that question. To the extent that House Bill 698 abolishes the dual classification system, our Assembly is in accordance with the change proposed in that bill.

Present law requires that borough assemblies determine whether they are malapportioned if they receive a petition signed by 50 voters which "contains evidence" that the existing apportionment scheme does not meet constitutional standards. We believe that the standard contained in present law for determination of reapportionment is far to low and would require assemblies to suspend their business and evaluate those petitions even though many do not contain sufficient evidence to persuade the assembly that in fact the body is malapportioned. On the other hand the bill proposed by the Alaska Municipal League requires assemblies to consider reapportionment petitions only if the petition has "reliable and accurate data" showing that the assembly is malapportioned and if that data is sufficient to serve as a basis for reapportionment. Certainly our Assembly does not want to impose undue burdens on citizens who honestly believe that our body is malapportioned but our Assembly also feels that we should not be required to engage in the time consuming and expensive process of determining whether we are in fact malapportioned unless petition contains accurate data which effectively demonstrates the need for consideration of our apportionment and can assist us in resolving any inequities in our present districting.

5. The present statutes have no provisions whatsoever limiting the number of reapportionment petitions which can be submitted to the borough assembly. In other words, the assembly is legally obligated to consider virtually frivolous reapportionment petitions ad seriatim even though similar petitions have been previously rejected. On the other hand the bill proposed by the Alaska Municipal League proposes a two year moratorium on consideration of reapportionment petitions if the assembly

hears such a petition and decides that it is apportioned fairly within the one man one vote principal of the constitution. We believe that such a moratorium is an important change that should be made to existing law to eliminate presentation of frivolous or repetitive reapportionment petitions to our borough assembly.

The present statutes provide only that changes in assembly apportionment shall be effective on the first regular election after approval of a reapportionment ordinance. This section does not in any way tell us how the new assembly is to be elected, how to deal with existing terms, and how to determine the length of terms of new members. On the other hand the bill proposed by the Alaska Municipal League addresses transition between existing and future apportionment plans and would require an election for all assembly seats within 60 days after reapportionment of the assembly. After that election, borough assembly members would draw straws for the length of their respective terms and would establish staggered terms of office. While there may be alternate methods of handling transition between present and future apportionment, we believe that the method contained in the bill proposed by the Alaska Municipal League satisfactorily addresses that question and should be adopted by your Committee.

6. Current law also requires that the reapportionment plan adopted by the assembly be submitted to the voters for approval. Our Assembly believes that location of boundaries of assembly districts is ultimately a technical or legal question which should not be submitted to the voters. Clearly the assembly is required by the Constitution of the

State of Alaska and that of the United States to devise a reapportionment plan which is consistent with the one man one vote principal. Once that decision has been properly made, we believe the voters should not be required to decide whether they agree with the precise boundaries selected by the borough assembly provided that such boundaries preserve the one man one vote principal. The bill proposed by the Alaska Municipal League eliminates the requirement that redistricting plans be submitted to the voters for their approval, and thereby eliminates the need to have voters decide technical or legal questions beyond their expertise or capabilities.

In summary, our Assembly finds that many problems exist with the present statutes governing reapportionment. While we are in agreement with Representatives Branson, Malone and O'Connell that the dual classification system for counting votes on representation questions should be ended, we believe that House Bill 698 does not go far enough in addressing the problems our Assembly finds in those existing statutes. I would therefore, on behalf of the Assembly and citizens of the Matanuska-Susitna Borough urge this Committee to adopt the recommendations made by the Alaska Municipal League for modification of the reapportionment statutes. I would be happy to answer any questions this Committee may have.

I. REQUEST

Bill/Resolution No. HB 698 boroughs

Title An Act relating to the composition and representation requirements of general law

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact

IV. DATE _____ PREPARED BY McKie Campbell

AGENCY Community & Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

Assembly Composition, Apportionment and Reapportionment

AML Draft - sectional analysis

Section 1

Repeals AS 29.23.021, 29.23.023, and 29.23.025 on assembly composition and apportionment, composition and representation requirements for general law boroughs, and assembly recomposition and reapportionment. These three sections were enacted into law during 1979 and become effective January 1, 1981.

Section 2

Sec.29.23.021. Assembly composition and apportionment.
(a) consistent with U.S. Constitution
(b) assembly of newly incorporated borough as set out in incorporation petition; existing assembly consistent with this chapter.
(c) weighted vote allowed.

Sec.29.23.023. Composition and representation of general law borough.
(a) assembly by ordinance may change to:
1.-elected at large
2.-elected at large, reside in district
3.-elected by and from districts
4.-combination of above
(b) ordinance ratified by voters and not subject to referendum
(c) if voters turn down ordinance, assembly may propose another form of representation; if no form ratified within 4 months of the first election, Dept. of C&RA selects form.
(d) if at large, assembly has 60 days to adopt implementing ordinance; with other forms, assembly has six months to implement; if not done, Dept. of C&RA has six months to implement.
(e) ordinance applicable at next election held not sooner than 60 days after apportionment becomes effective;
(f) assembly by ordinance may change the number of assembly members.
(g) no institutional representation.

Sec.29.23.025. Assembly reapportionment.
(a) not later than 7/31/81 and thereafter within four months after decennial census, assembly by resolution determines if malapportioned.
(b)at times other than decennial census assembly by resolution may determine if malapportioned when presented by a petition of borough voters or upon its own initiative.
(c) 2 year reapportionment moratorium after change in apportionment.
(d) if malapportioned, assembly shall devise new apportionment according to standards of AS 29.23.021 and may change form of representation or composition.
(e) changes called for in (d) must be according to procedures in AS.29.23.023 for ~~changes~~ general law boroughs.
(f) six month time limit to reapportion; if not then Dept of C&RA does it.
(g) effective at the next election held not soomer than 60 days.

3/6/82

Assembly Composition, Apportionment, and Reapportionment

SB 137 - effective 1/1/81

Repeals existing AS 29.23.020.

AS.29.23.021. Assembly Composition, and Apportionment.
(a) consistent with US Constitution
(b) assembly of newly incorporated borough composed and apportioned as set out in incorporation petition and may be changed by ordinance; assembly of existing borough as set out in 29.23.023.
(c) no weighted voting.

AS.29.23.023. Composition and Representation Requirements for General Law Boroughs.
(a) by 7/31/81 and thereafter within four months of a decennial census report, election on alternate forms of representation:
1.-elected at large
2.-elected at large, reside in district
3.-elected by and from districts.
(b) two tabulations of votes - inside cities and outside. (no provision for what happens with different pluralities.)
(c) no institutional representation

AS.29.23.025. Assembly recomposition and reapportionment.
(a) by 7/31/81 and thereafter within four months of a decennial census report, assembly by resolution determines if malapportioned.
(b) if malapportioned assembly by ordinance shall reapportion within three months and may change composition.
(c) assembly by ordinance may reapportion or change composition on the basis of other reliable population data or by petition of more than 50 voters.
(d) ordinances in (b) and (c) must be ratified by voters.
(e) establishes four month time limit for (b) and if ordinance not approved then Dept. of C&RA reapportions.
(f) provides for judicial review.
(g) effective date - next regular election.

AS.29.18.050(4). assembly of new general law boroughs may not exceed 11 members.

HB 698.

AS 29.23.023(b) repeals the dual tabulation and replaces it with assembly by ordinance providing for form of representation which conforms to election results of (a)

3/6/80

Assembly Composition, Apportionment, & Reapportionment

existing law until 1/1/81

AS.29.23.020
(a) number of assembly members, apportionment, and voting procedures determined by incorporation petition, charter, or ordinance; must be consistent with US Constitution.
(b) reapportionment - within six months after decennial census
1.-assembly by resolution determines is malapportioned;
2.-if malapportioned, assembly by ordinance provides for reapportionment;
3.-ordinance must be ratified by voters.
(c) tabulation of vote - two classifications: inside first class and home rule cities and outside; if voters don't approve plan, Dept. of C&RA provides for reapportionment.
(d) may reapportion following same procedures between decennial census reports if petitioned by voters or on assembly initiative.
(e) effective next regular election
(f) provides for judicial review.

3/6/80

repealed by sec. 21 [24] ch. 83, SLA 1979

Sec. 29.23.021. Assembly composition and apportionment [Effective January 1, 1381]. (a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with AS 29.23.023 and prescribed by charter or ordinance.

(c) An assembly may not provide for weighted voting. (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.023. Composition and representation requirements for general law boroughs [Effective January 1, 1981]. (a) The borough assembly shall provide for its composition and for the form of its representation. Not later than July 31, 1981, and thereafter within four months after the report of a federal decennial census, the assembly shall propose and submit to the voters at a regular election or special election called for the purpose, alternative forms of representation by which members are

(1) elected at large by all qualified voters of the borough;

(2) elected at large by all qualified voters of the borough, but required to live within an election district or zone established by the borough for election of assembly members, with each district or zone being of substantially equal population; or

(3) elected by and from election districts or zones established by the borough for the election of borough assembly members.

(b) The proposals set out in (a) of this section shall be submitted to the voters. The vote on the proposals submitted to the voters shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and home rule cities in the borough.

providing for its composition and the form of representation which conforms to the form of representation receiving a plurality of the votes in each classification at that election.

(c) A member of the assembly of a general law borough may not be elected or appointed by and from the council of a city in the borough. (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.025. Assembly recomposition and reapportionment [Effective January 1, 1981]. (a) Not later than July 31, 1981, and thereafter within four months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 — 29.23.023.

(b) If the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021 — 29.23.023, the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may change the composition of the assembly.

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 borough voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall make the determination requested.

(d) An ordinance adopted by the assembly under (b) or (c) of this section shall be submitted to the voters for approval. In order for the ordinance to be approved it must receive the approval of a majority of the votes cast.

(e) Within four months of a determination by the assembly that the current apportionment does not meet the standards of AS 29.23.021 — 29.23.025, the assembly shall adopt an ordinance providing for

reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 — 29.23.023.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which follows approval of a reapportionment ordinance. (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

The legislature intended that all reapportionment ordinances be submitted to the electorate. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.040. Regular term of office. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. The regular term of office begins on the first Monday following certification of the election. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972; am § 4 ch 83 SLA 1979)

Effect of amendment.

The 1979 amendment, effective June 2, 1979, rewrote the second sentence.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides that the terms of borough assemblymen elected or appointed to dual borough assembly-city council seats are not effected by the amendment made to AS 29.23.040 by sec. 4, ch. 83, SLA 1979 until reapportionment of the assembly is required or proposed under AS 29.23.020 or under AS 29.23.021 — 29.23.025.

Sec. 29.23.060. Procedure.

Cross reference.

As to abstaining from official action when there is a conflict of interests, see AS 29.23.555.

TO: Bill Parker

FROM: Ginny Chitwood

change to AS 29.23.021

add (d) - see next page

eliminate Sec 29.23.023

is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.021. Assembly composition and apportionment [Effective January 1, 1981]. (a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with AS 29.23.029 and prescribed by charter or ordinance.

(c) An assembly may not provide for weighted voting. (§ 1 ch 83 SLA 1979)

(d)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2213), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.023. Composition and representation requirements for general law boroughs [Effective January 1, 1981]. (a) The borough assembly shall provide for its composition and for the form of its representation. Not later than July 31, 1981, and thereafter within four months after the report of a federal decennial census, the assembly shall propose and submit to the voters at a regular election or special election called for the purpose, alternative forms of representation by which members are

(1) elected at large by all qualified voters of the borough;

(2) elected at large by all qualified voters of the borough, but required to live within an election district or zone established by the borough for election of assembly members, with each district or zone being of substantially equal population; or

(3) elected by and from election districts or zones established by the borough for the election of borough assembly members.

(b) The proposals set out in (a) of this section shall be submitted to the voters. The vote on the proposals submitted to the voters shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and home rule cities in the borough.

The other classification shall consist of all votes cast in the remaining area of the borough. The borough assembly shall, within three months of the certification of the results of the election adopt an ordinance providing for its composition and the form of representation which conforms to the form of representation receiving a plurality of the votes in each classification at that election.

(c) A member of the assembly of a general law borough may not be elected or appointed by and from the council of a city in the borough. (§ 1 ch 83 SLA 1979)

include this wording as part (d) in AS 29.23.021

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.025. Assembly recomposition and reapportionment [Effective January 1, 1981]. (a) ~~Not later than July 31, 1981, and thereafter~~ Within ~~four~~ two months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021. ~~— 29.23.023.~~

(a) Eliminate 1st phrase, change "four" to "two", delete reference to 29.23.023

(b) If the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021 — ~~29.23.023~~, the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may change the composition of the assembly.

(b) Eliminate reference to 29.23.023 and add "by ordinance"

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 borough voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall make the determination requested.

(c) Add "by ordinance" and a provision at the end requiring Dept of CRA review if requested by petitioners.

(d) An ordinance adopted by the assembly under (b) or (c) of this section shall be submitted to the voters for approval. In order for the ordinance to be approved it must receive the approval of a majority of the votes cast.

(e) Within ~~four~~ six months of a determination by the assembly that the current apportionment does not meet the standards of AS 29.23.021 — 29.23.025, the assembly shall adopt an ordinance providing for

(e) change "four" to "six"

(e) cont. change "four" to "six" and delete reference to 29.23.023.

(g) delete "which follows approval of a reapportionment ordinance" + replace with "held not sooner than sixty (60) days following approval of a reapportionment ordinance."

reapportionment, and submit the ordinance to the voters. If, at the end of the ~~four~~ six month time period, an ordinance providing for reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 ~~—29.23.022~~.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly ~~which follows approval of a reapportionment ordinance~~ held not sooner than sixty (60) days following approval of a reapportionment ordinance (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

The legislature intended that all reapportionment ordinances be submitted to the electorate. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.040. Regular term of office. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. The regular term of office begins on the first Monday following certification of the election. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972; am § 4 ch 83 SLA 1979)

Effect of amendment.

The 1979 amendment, effective June 2, 1979, rewrote the second sentence.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides that the terms of borough assemblymen elected or appointed to dual borough assembly-city council seats are not effected by the amendment made to AS 29.23.040 by sec. 4, ch. 83, SLA 1979 until reapportionment of the assembly is required or proposed under AS 29.23.020 or under AS 29.23.021 — 29.23.025.

Sec. 29.23.060. Procedure.

Cross reference.

As to abstaining from official action when there is a conflict of interests, see AS 29.23.555.

(1) class;

(2) name;

(3) boundaries;

(4) [Effective until January 1, 1981] composition and apportionment of the assembly or council;

[Effective January 1, 1981] composition and apportionment of the assembly or council, but the number of members of a borough assembly may not exceed 11;

(5) for a first class borough, a designation of areawide powers to be exercised;

(6) for a second class borough, a designation of areawide and nonareawide powers to be exercised;

(7) maps, documents, and other information required by the Department of Community and Regional Affairs;

(8) for first class city incorporation, the signatures and resident address of 50 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;

(9) for second class city incorporation, the signature and resident address of 25 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;

(10) for borough incorporation, the signature and resident address of 15 per cent of the permanent resident voters in each first class city and 15 per cent of voters in the area outside first class cities based on the number who voted in the respective areas in the last general election;

(11) for a city, a designation of the powers proposed by the petitioners to be exercised;

(12) a proposed operating budget for the municipality projecting sources of income and items of expenditure through the first full fiscal year of operation. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972; am § 2 ch 212 SLA 1976; am § 3 ch 83 SLA 1979)

Effect of amendments.

The 1976 amendment, effective June 21, 1976, substituted "and nonareawide powers to be exercised" for "powers to be exercised and of powers to be exercised in the area outside cities only" at the end of paragraph (6), deleted "to show that the proposed municipality meets the standards for incorporation" from the end of paragraph (7), inserted "or of 15 per cent of the permanent resident voters" in paragraph (8), added the language beginning "whichever is greater" to the end of paragraph (8), substituted "25 permanent resident voters or of 15 per cent of the permanent resident voters" for "10 permanent resident voters" in paragraph (9), added the language beginning "whichever is greater" to the end of paragraph (9), and added paragraphs (11) and (12).

The 1979 amendment, effective January 1, 1981, added "but the number of members of a borough assembly may not exceed 11" to the end of paragraph (4).

(4) delete provision enacted last year + go back to original

Jan Williams

Election

Fed. requirement

Voting Rights Act —
any 1 / has had * test
came under ~~ss~~ Act.
other standard —
Ak. covered —
minority language group
' average intelligence
' less than average

' districts included

Amch / Fbks. not covered —
Provide assistance at polls —
Anything / effects

not effective until
Any state or fed agency
needing to review has done
so 60 days for response

* Court would determine who
pays costs —
Court discretion to award
fees.

HB
797

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 797Reclassification of Home Rule Cities

ORIGINAL SPONSOR: Branson
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 3/21/80

Teleconference with Anch., Fbks., Valdez, Ketchikan, Sitka

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	X
		Ray Metcalfe	X

Charlie LaPage. City Council Member, Valdez/Box 830, Valdez 99686
Support HB 797. Has two questions:

1. p. 3 Lines 10,11 Assumes that the charter of the home rule city would become the charter of the unified municipality -What about provision for a new or transitional charter? This is not addressed.
2. P. 3 Lines 25-29 This section seems to make moot the intent of the legislation as the unified municipality could be included in a borough at some later date.

Parr - Asks if this isn't really annexation? Cites p. 3 lines 25-29.

LaPage points out that Valdez has discussed the situation with Cordova and agreed that it would be difficult for them to be together. Provides for a one-step conversion to a home rule municipality.

Parr- Again asks what the difference is between home rule borough and unificed municipality and home rule city with annexed areas? Would have to provide services to annexed areas.

LaPage- Unified city/borough would be the best situation.

Parr- Isn't the issue that the pipeline revenues are at stake?

COMMITTEE ACTION: No action.

TAPE # SIDE _____ Footage _____

(b) If a proposed charter is rejected, the charter commission shall prepare another proposed charter to be submitted to the voters at a regular or special election to be held within one year after the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved and the question of adoption of a charter shall be treated as if it had never been proposed or approved. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency' in paragraph (2) of subsection (a).

Sec. 29.13.080. Charter amendment. A municipal charter may be amended as provided in the charter or by initiative referendum as provided in AS 29.28.060—29.28.110, except that no amendment shall be effective unless ratified by the voters. (§ 2 ch 118 SLA 1972)

Article 2. Home Rule Limitations.

Section
100. Limitation of home rule powers

Sec. 29.13.100. Limitation of home rule powers. Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. They supersede existing and prohibit future home rule enactments which provide otherwise:

(1) AS 29.13.080 (charter amendment)

(2) AS 29.18.140 (borough transition)

(3) AS 29.23.020—29.23.050 (city representation and vote on borough assembly)

(4) AS 29.23.250(a) (election and term of mayor)

(5) As 29.23.540 (prohibitions respecting appointment and removal of personnel)

(6) AS 29.23.560 (municipal reports)

(7) AS 29.23.580 (meetings public)

(8) AS 29.28.010, 29.28.020(b) — 29.28.030 (municipal elections)

(9) AS 29.28.130—29.28.250 (recall)

(10) AS 29.33.010(b) (areawide borough powers)

(11) AS 29.33.290(c) (acquisition of additional areawide powers)

(12) AS 29.43.020—29.43.040 (powers of cities outside boroughs)

(13) AS 29.48.033 (garbage and solid waste services)

(14) AS 29.48.035(b) (effect of areawide exercise of borough power)

(15) AS 29.48.035(c) (borough building code jurisdiction within cities)

(16) AS 29.48.037 (extraterritorial jurisdiction)

(17) AS 29.48.040—29.48.100 (utilities)

(18) AS 29.48.180 (codification)

(19) Repealed by § 8 ch 147 SLA 1972, effective September 10, 1972.

(20) AS 29.48.210 (expenditure of borough revenue)

(21) AS 29.48.220 (post audit)

(22) AS 29.53.010—29.53.350, 29.53.400 (borough and city property tax)

(23) AS 29.53.415(d) (interest on sales tax)

(24) AS 29.58.180(b) (security for bonds)

(25) AS 29.58.315 (bond attorneys, bond and financial consultants)

(26) AS 29.68.010 (annexation and exclusion)

(27) AS 29.68.030—29.68.110 (merger and consolidation)

(28) AS 29.68.500—29.68.580 (dissolution)

(29) AS 29.73.020 (eminent domain)

(30) AS 29.73.030 (adverse possession)

(31) AS 29.73.040 (taxation of municipalities)

(32) AS 29.73.050 (municipal name changes)

(33) AS 29.23.555 (conflict of interest). (§ 2 ch 118 SLA 1972; am §§ 2, 8 ch 147 SLA 1972)

Revisor's note (1972).—In ch. 118, SLA 1972, AS 29.48.035(b) was omitted from the list in AS 29.13.100. Since, by its own terms, it applies to home rule municipalities, it has been included here as AS 29.13.100(14); succeeding paragraphs (including the one added by § 2, ch. 147 SLA 1972) have been renumbered. For specific discussion of AS 29.13.100, see 1972 House Journal, p. 1720 or 1972 Senate Journal Supplement No. 3, p. 3.

Effect of amendment. — The 1972 amendment, effective September 10, 1972, added paragraph (33) and repealed paragraph (19).

Chapter 18. Incorporation.

Article
1. Requirements (§§ 29.18.010—29.18.030)
2. Procedures (§§ 29.18.050—29.18.150)
3. Transitional Assistance (§§ 29.18.180—29.18.200)
4. Development Cities (§§ 29.18.220—29.18.460)

Article 1. Requirements.

Section
10. First class cities
20. Second class cities
30. Organized boroughs

Sec. 29.18.010. First class cities. A community having 400 or more permanent residents may incorporate as a first class city. (§ 2 ch 118 SLA 1972)

CARA

BILL WORK SHEET

HB
BILL NO. 797 re Reclassification of Home Rule Cities

Received from _____
Referred to —

Original Sponsor Branson
Fiscal Note _____

LAA Legal Research Contact _____

CONTACTS:

Valdez - Mark Lewis ✓
Cordova - Perry Loriett ✓
Wrangell - Joyce Basler, Clerk ✓ Four communities have missed out.
Petersburg 772-4511 Jerry Van Vleck

Elections - Patty Ann Palley re fiscal note
official impact

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE 3/12/80

CONFIRMATION OF TELECONFERENCE

TO MARGE GORSUCH

FROM DEBORAH GAZAWAY

SCHEDULED DATE OF TELECONFERENCE 3/12/80

LOCATIONS (Site, Room, etc.)

ANCHORAGE - 1024 W. 6th

FAIRBANKS - 101 College Rd., Bldg F, Rm 252

*KKan - 415 Main St. Rm 301

*SITKA - 210 LAKE ST

JUNEAU - CAPITOL BLDG, GOVERNOR'S CONFERENCE RM

TIME 1:30 PM.

SUBJECT HB 797

CHAIRMAN REP. PARKER

NOTES *municipal officials from ~~Haines~~, PETERSBURG WILL ATTEND at either Sitka L.I.O. or Ketchikan L.I.O.

If any of the above information is incorrect or has changed since our last contact with you, please call the Juneau Teleconference Office ASAP.

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Mailing Lists

Copy of Teleconference
Notice and copy of HB 797)

Cordova Times
P.O. 200
Cordova 99574

Petersburg Pilot
PO Box 930
Petersburg 99833

Valdez Vanguard
PO Box 157
Valdez 99686

Triangle Sentinel
Box 798
Triangle 99929

KLAM
Cordova
Box 278
99574

KFSK-FM
Box 149
Petersburg 99833

KSTK-FM
Box 382
Triangle

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Rep. Margaret Branson
FROM: Rep. Bill Parker
RE: Teleconference HB 797
DATE: 3/14/80

Margaret,

Copies of HB 797 and the Teleconference notice have been forwarded to those on the attached mailing list.

Please let us know if you want any additional people contacted.

Mrs. Sheila Gallagher ABC
3201 " C" ST., Suite 201
Anchorage, Ak. 99503

Mrs. Josephine Anderson
P.O. Box 351 ABC
Wrangell, Ak. 99929

mr. Charles Bettisworth
Local Boundary Commission
P.O. Box 80299
Fairbanks, Ak. 99701

Mr. Sig Strandberg
Local Boundary Commission
7235 Blackberry St.
Anchorage, Ak. 99502

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Petersburg, Ak. 99833

Ms. Joyce Rasler
Clerk
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Wrangell, Ak. 99929

Mayor Richard McCormick
P.O. Box 531
Wrangell, Ak. 99929

Mr. Kenneth Mason
Council Member
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Mr. Robert Maxand
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Mr. Garry O'Conner
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Mr. Fred Chiei
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Pouch 6-650
Anchorage, Alaska 99502

Mr. Ben March
Assemblyman
Pouch 6-650
Anchorage, Alaska 99502

Mr. Dave Rose
Assemblyman
Pouch 6-650
Anchorage, Alaska 99502

Ms. Lidia Selkregg
Assemblyperson
Pouch 6-650
Anchorage, Alaska 99502

Ms. Carol Maser
Assemblyperson
Pouch 6-650
Anchorage, Alaska 99502

Mayor William R. Wood
410 Cushman Street
Fairbanks, Alaska 99701

Mr. Willis Droz
City Manager
410 Cushman Street
Fairbanks, Alaska 99701

Ms. Ruth Burnett
Council member
410 Cushman Street
Fairbanks, Alaska 99701

Mr. Ted Lehne
Council Member
410 Cushman Street
Fairbanks, Alaska 99701

Mr. Joseph Marshall
Council Member
410 Cushman Street
Fairbanks, Alaska 99701

Mr. Mike Mikell
Council Member
410 Cushman Street
Fairbanks, Alaska 99701

Mr. Ron Punton
Council Member
410 Cushman Street
Fairbanks, Alaska 99701

Mr. Robert Sunberg
Council Member
410 Cushman Street
Fairbanks Alaska 99701

Mayor Bill Walker
P.O. Box 307
Valdez, Alaska 99686

Mr. John Jaeger
Council Member
P.O. Box 307
Valdez, Alaska 99686

Mr. Stephen McAlpine
Council Member
P.O. Box 307
Valdez, Alaska 99686

Mr. Art Vergere
Council Member
P.O. Box 307
Valdez, Alaska 99686

KRBD
2415 Hemlock St.
Ketchikan, AK 99901
Att: Carolyn Willingham

Ketchikan Daily News
P.O. Box 7900
Ketchikan, Ak 99901
Att: Ken O'Toole

Southeastern Log
P.O. Box 7900
Ketchikan, AK 99901
Att: Ken O'Toole

KMXT
P.O. Box 484
Kodiak, AK 99615
Att: Lin Stafford

KVOK
P.O. Box 53
Kodiak, AK 99615
Att: Loren Bridges

Kodiak Times
P.O. Box 631
Kodiak, AK 99615

Kodiak Daily Mirror
P.O. Box 1307
Kodiak, AK 99616
Att: Roger Brigham

KOTZ
P.O. Box 78
Kotzebue, AK 99752
Att: Brad Reeve

KICY
P.O. Box 820
Nome, AK 99762
Att: Ralph Fondell

KNOM
P.O. Box 988
Nome, AK 99762
Att: Tom Busch

Nome Nugget
P.O. Box 610
Nome, AK 99762
Att: Albro Gregory

KIFW
P.O. Box 229
Sitka, AK 99835
Att: Dave Selaski

Sitka Daily Sentinel
P.O. Box 799
Sitka, AK 99835
Att: Thad Paulson

KJ̈ZZ
338 Denali St.
Anchorage, AK 99501
Att: Bill Hampton

KFQD
9200 Lake Otis
Anchorage, AK 99507
Att: Norma Herrin

KANC
8819 Jewel Lake
Anchorage, AK 99502
Att: Shari Gilbert

KBYR
1007 W. 32nd Ave.
Anchorage, AK 99503
Att: Norma Goodman

KENI
P.O. Box 1160
Anchorage, AK 99510
Att: Lynn Roberts

KHAR
3900 Old Seward Hwy.
Anchorage, AK
Att: Sandi Marsh

KYAK/KGOT
2800 E. Dowling
Anchorage, AK 99507
Att: Les Snow

KHVN
2607 Fairbanks
Anchorage, AK 99503
Att: Clay Shelton

KSKA
P.O. Box 1900
Anchorage, AK 99510

Anchorage Times
P.O. Box 40
Anchorage, AK 99510
Att: Clint Andrews

Anchorage Daily News
Pouch 6616
Anchorage, AK 99502
Att: Stan Abbott

Tundra Times
639 "I" St.
Anchorage, AK 99501

The Valley Sun
Pouch M
Wasilla, AK 99687

The Chugiak-Eagle River Star
Box 1107
Eagle River, AK 99577

KYUK
P.O. Box 468
Bethel, AK 99559
Att: Carol Schatz

Tundra Drums
P.O. Box 868
Bethel, AK 99559
Att: Rosie Porter

KDLG
P.O. Box 670
Dillingham, AK 99576
Att: Bob King

Bay Advertiser
P.O. Box 224
Dillingham, AK 99576
Att: Dorothy Anderson

KFAR
P.O. Box 910
Fairbanks, AK 99707
Att: Phyllis Whitehead

KFRB
P.O. Box 950
Fairbanks, AK 99707
Att: Anne Spink

KIAK
P.O. Box 73410
Fairbanks, AK 99707
Att: Peter Van Nort

KJNP
P.O. Box O
North Pole, AK 99705
Att: News Dept.

KUAC
Univ. of AK
Fairbanks, AK 99701
Att: Phil Falkowski

Daily News Miner
P.O. Box 710
Fairbanks, AK 99707
Att: Dermot Cole

Tundra Times
410 2nd Ave.
Fairbanks, AK 99701
Attn: Editor

KQOK
P.O. Box 950
Soldotna, AK 99669
Att: John Davidson

KSRM
P.O. Box 950
Soldotna, AK 99669
Att: Jim Heim

Peninsula Clarion
P.O. Box 1341
Kenai, AK 99611

Homer News
P.O. Box 254
Homer, AK 99603
Att: Tom Gibboney

KTKN
P.O. Box 8500
Ketchikan, AK 99901

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 797

Title An Act relating to the reclassification of home rule cities

Requested by House Community & Regional Affairs Committee Date 3-18-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Boundary Commission

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The agencies responsible for carrying out the tasks required by HB 797 are already in place and sufficiently funded. Reclassification by a home rule municipality to unified status would not, in itself, create any fiscal impact.

IV. DATE 3-18-80 PREPARED BY Palmer McCarter

AGENCY Community & Regional Affairs

PHONE 465-4707

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

ADOPTED AUGUST 1972

March 19, 1980

Representative Bill Parker
Chairman, House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: HB 797, Reclassification of Home Rule Cities

Dear Sir:

The City of Wrangell is a Home Rule City located outside an organized borough and are very concerned with any legislation which may affect us.

We support the concept of House Bill No. 797. Adoption of this legislation would provide us with a flexibility that is not now available. The Voters would have the option of reclassification if they should determine it would be beneficial to the community.

Very truly yours,

Joyce Rasler

Joyce Rasler, CMC
City Clerk

cc: E. J. Haugen, Representative
Pete Melend, Senator
Dept. of Community & Regional Affairs
Alaska Municipal League

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: HB 797 - reclassification of home rule cities

COMMITTEE: House C&RA

DATE: March 21, 1980

TIME: 1:30 p.m.

SITES PARTICIPATING: Anch, Fbx, Ktn, Jnu, Sitka

CONFERENCE MODE: Audio

LOCATION: Room 301, SOB

MODERATOR: Bonnie Potter

NOTES:

CONFIRMATION OF CONFERENCE CENTER: yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	3/17/8	3
News releases (local)	Ktn Daily News KRBD KTKU	
News releases (outlying media)		
Direct mail		
Phone contacts		
Other:		

NUMBER IN ATTENDANCE 0

NUMBER TESTIFYING 0

Alaska State Legislature

TELECONFERENCE HEARINGS

Time - PACIFIC STANDARD

TELECONFERENCE CONTACT SHEET — TAKEN BY FRED/DEBORAH

TOPIC: HB997 - 'Reclassification of home rule cities'

COMMITTEE: H C&RA

DATE: 3/21/80 DAY: FRIDAY

TIME: 1:30 PM SCHEDULED DURATION: 2-3 hrs.

SITES PARTICIPATING: ANCH; FBX; KTN; JNO; STKA

CONFERENCE MODE: Audio X Video ____

CONTACT MAR. Gorsuch

PHONE 465-3824

DATE SCHEDULED 3/6/80

LOCATION ____

MODERATOR ____

PERSONS PARTICIPATING	SITE
Chair: REP. PARKER	JUNEAU

PUBLICITY:

___ Invitational

___ Committee making contacts

___ PSAs ___ date ___ quantity

___ News Release ___ date ___ quantity

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ___ date ___ quantity

___ Phone ___ date ___ quantity

___ Post at Info. Office

___ Post other local locations

SPECIAL NOTES:

Committee is contacting the municipal people of each area

JUNEAU LOCATION:

Gov's Conf. Rm.

POST-TELECONFERENCE NOTE:

Participants 0

Observers 0

Total 0

Legislative Affairs Agency
Legislative Teleconferencing Network
[illegible] 99811
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: March 21, 1980

LOCATION: Valdez

SUBJECT: HB ~~932~~ 997
House Senate

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
CHARLES F. LAPAGE	CITY OF VALDEZ	BX 830 VDZ 99686	835-4407		✓

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Charles F. LaPage — Here to Testify ✓

REPRESENTING City of Valdez — Here to Observe _____

MAILING ADDRESS Box 830 Valdez Zip 99686

TELEPHONE NUMBER 835 4451

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Charles F. LaPage
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network

✓ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE March 21, 1980 SUBJECT House Senate HB [illegible] 197 LOCATION Valdez

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811
Phone: 465-4980

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 797
Title An Act relating to the reclassification of home rule cities
Requested by House Community & Regional Affairs Committee Date 3-18-80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Local Boundary Commission
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The agencies responsible for carrying out the tasks required by HB 797 are already in place and sufficiently funded. Reclassification by a home rule municipality to unified status would not, in itself, create any fiscal impact.

IV. DATE 3-18-80 PREPARED BY Palmer McCarter
AGENCY Community & Regional Affairs
PHONE 465-4707

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

Article 5. Simultaneous
Incorporation and Unification

Sec. 29.68.620. SIMULTANEOUS INCORPORATION AND UNIFICATION AUTHORIZED. Notwithstanding other provisions of law relating to incorporation and unification, an area conforming to the standards set forth in A.S. 29.18.030, which contains one or more cities within its proposed boundaries, may simultaneously incorporate and unite to form a single unified municipality by complying with this chapter.

Sec. 29.68.630. SIMULTANEOUS INCORPORATION AND UNIFICATION TO BE PROPOSED BY PETITION OR RESOLUTION. Simultaneous incorporation and unification of an area shall be proposed by filing a petition with the Department of Community and Regional

Affairs conforming with the requirements of section 640 of this chapter, or by resolution of the council of a first class home rule city within the proposed unified municipality. Such a resolution shall present the proposition required in §640(a) of this chapter, include all information required by §640(c), and shall be presented to the Department of Community and Regional Affairs. Such a resolution may be adopted not more often than once every 12 months.

Sec. 29.68.640. PETITION REQUIREMENTS.

(a) The petition shall read:

"PETITION FOR ELECTION CONCERNING SIMULTANEOUS INCORPORATION AND UNIFICATION AND ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION CHARTER

We, the undersigned, qualified voters of the proposed unified municipality do hereby petition that the following proposition be placed before the voters within the proposed unified municipality as provided by law:

'Shall there be simultaneous incorporation of the area described as

and formation of a charter commission (the charter commission members to be elected as elsewhere provided in this ballot) to prepare, adopt and submit to the voters for their approval or rejection a proposed charter uniting the incorporated area and all cities within it as a single unit of home rule government having the powers,

duties and functions of a unified government as authorized by law?

Yes [ ] No [ ]'

Signature	Address	Inside First Class or Home Rule City	Outside First Class or Home Rule City"

(b) The petition shall be signed by at least

(1) that number of qualified voters within the proposed unified municipality who live outside of all first class and home rule cities in the proposed unified municipality equal to 25 per cent of the qualified voters who voted in the last general election; and

(2) that number of qualified voters residing in each first class and home rule city located within the proposed unified municipality equal to 25 per cent of the qualified voters who voted in the last general election in each city.

(c) The petition shall include all information about the proposed unified municipality which is required by A.S. 29.18.050.

Sec. 29.68.650. REVIEW. The Department of Community and Regional Affairs shall review the petition to determine whether it complies with §640 of this chapter. A deficient petition shall be immediately returned to the person who initiated it with a statement indicating which requirements have not been satisfied.

Sec. 29.68.660. INVESTIGATION AND CALL FOR CHARTER COMMISSION NOMINATIONS. Once it is determined by the Department of Community and Regional Affairs that a petition meets the requirements of §640 of this chapter, the following actions shall be taken:

(1) the Department of Community and Regional Affairs shall comply with the provisions of A.S. 29.18.070 and A.S. 29.18.080(a), concerning the incorporation aspects of the petition or resolution;

(2) the Local Boundary Commission shall comply with the provisions of A.S. 29.18.080(b) and A.S. 29.18.090 concerning the incorporation aspects of the petition or resolution.

Sec. 29.68.780. ELECTION ON CHARTER.

(a) The proposed charter adopted by the charter commission shall be submitted to the voters at the election specified in §740 of this chapter. The Department of Community and Regional Affairs shall prepare the ballots for use in the election in the manner in which regular municipal elections are conducted. In addition, the Department of Community and Regional Affairs shall publish notice of the election by radio and television in a manner intended to apprise the entire proposed unified municipality population of the election.

(b) A person who is a qualified voter within the proposed unified municipality may vote in the election on the proposed charter.

(c) If a majority of the votes cast in the area of the proposed unified municipality outside all first class and home rule cities and a majority of the votes cast in the remaining area of the proposed unified municipality, composed of all first class and home rule cities, are cast in favor of the proposed charter, the charter is ratified. If the charter is ratified, two copies of the charter shall be filed with each of the following authorities:

the Department of Community and Regional Affairs. A copy with signatures affixed shall also be filed with the clerk of each city within the proposed unified municipality.

Sec. 29.68.770. PUBLICATION AND POSTING OF PROPOSED CHARTER. Within 10 days after filing the proposed charter, the Department of Community and Regional Affairs shall have it published once in at least one newspaper having general circulation distributed within the proposed unified municipality, if there is a newspaper having general circulation distributed within the proposed unified municipality. In addition, the Department of Community and Regional Affairs shall have a copy of the proposed charter posted in at least three public places within each city of the proposed unified municipality and each area outside cities. Copies of the proposed charter shall be made available by the Department of Community and Regional Affairs to the public at both the office of the Department of Community and Regional Affairs and the office of the clerk of each city within the proposed unified municipality. The Department of Community and Regional Affairs shall publish notice by radio and television of the publication, posting, and availability of the proposed charter in a manner intended to apprise the entire proposed unified municipality population of the existence of the proposed charter.

(1) lieutenant governor;

(2) commissioner of the Department of Community and Regional Affairs;

(3) district recorder for the area of the unified municipality;

(4) clerk of each city in the unified municipality.

(d) If a proposed charter is rejected, the charter commission shall prepare, adopt and submit another proposed charter to the voters within the proposed unified municipality at a general election, or a special election called by the Department of Community and Regional Affairs, held within 120 days of the date of the first charter election. If the second proposed charter is also rejected, the Charter Commission shall submit a third proposed charter to the voters at an election called by the Department of Community and Regional Affairs and held within 120 days of the second charter election. If the third proposed charter is rejected, the Charter Commission shall be dissolved, and the question of simultaneous incorporation and unification shall be treated as if it had never been proposed or approved.

Sec. 29.68.790. ELECTION OF INITIAL OFFICERS AND EFFECT OF RATIFIED CHARTER.

(a) After ratification of the charter, nominations for initial officers of the unified municipality shall be made by petition in the form prescribed by the lieutenant governor which include. the name and address of the nominee and a statement of the nominee that he is qualified under the provisions of this title for the office that he seeks. A person may file for and occupy more than one office, but he may not serve simultaneously as municipal mayor and as member of the municipal assembly or council. Petitions to nominate elected municipal officers must include the signatures and resident addresses of 50 voters in the area of the unified municipality, or that area of the unified municipality from which the officers are to be elected under the composition and apportionment set out in the accepted incorporation petition.

(b) Election of the initial officers shall occur within 90 days after ratification of the charter. The elected initial officers shall take office on the first Monday following certification of their election. The initial elected assembly or council members shall determine by lot the length of their terms of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

(8) designation of the new unified municipality's official name, subject to the provisions of (b) of this section;

(9) other charter provisions which the charter commission elects to include and which may be included in a home rule charter under this chapter and the state constitution.

(b) The area to be unified shall be known as a borough or a city or by some other designation consistent with existing law.

Sec 29.68.750. PUBLIC HEARINGS. Both before and after drafting the proposed charter, the charter commission shall hold a public hearing in each area of the proposed unified municipality represented on the charter commission by the eight charter commission members who were not elected at large. Other public hearings may be held by the charter commission whenever and wherever it believes necessary and appropriate.

Sec. 29.68.760. FILING OF PROPOSED CHARTER. Upon the adoption of a proposed home rule charter by the charter commission, the charter shall be signed by at least a majority of the total membership of the commission and shall be filed with

(1) provisions for adjustment of existing bonded indebtedness and other obligations in a manner which will reserve a fair and equitable burden of taxation for debt service, subject to §800 of this chapter;

(2) provision for the establishment of

(A) service areas;

(B) sections, if desired; and

(C) reapportionment of the sections, if established;

(3) provision for nonpartisan government and provision for the selection, organization, authority and responsibilities of the governing body and its executive and administrator;

(4) the transfer or other disposition of property and other rights, claims, assets and franchises of the local government to be unified under the charter;

(5) provision for exercise of the rights of initiative and referendum as required by A.S. 29.13.050;

(6) a method of amending the charter;

(7) the date on which the charter, if approved at the charter election required by §780 of this chapter, is effective;

(e) Vacancies on the charter commission shall be filled by a majority vote of the commission. The person appointed to fill a vacancy must be a qualified voter of the same area as the person whom he succeeds and must have been a qualified voter of that area for at least one year immediately preceding the date of his appointment.

(f) The Department of Community and Regional Affairs may grant a per diem allowance to the commission members and may reimburse the members for travel expenses incurred in carrying out the duties prescribed by this chapter.

(g) Costs, fees, and other expenses incurred by the charter commission shall be paid by the State.

Sec. 29.68.740. CHARTER PREPARATION. (a) A charter commission established under this chapter shall prepare, adopt and submit a proposed home rule charter for the area to be unified to the voters for approval or rejection at an election called by the Department of Community and Regional Affairs and held within 60 days of the date of publication and posting of the proposed charter as required in §770 of this chapter. The charter shall include among its provisions:

candidates who received the highest number of votes from their respective areas shall serve as members of the commission.

Sec. 29.68.730. CHARTER COMMISSION ORGANIZATION AND PROCEDURE. (a) The charter commission authorized by this chapter shall hold its first meeting within 30 days of the date of certification of its election. The commission shall elect from among its members a chairman and a deputy chairman.

(b) A majority of the total membership of the charter commission constitutes a quorum. No decision of the commission is valid or binding unless approved by that number of members necessary to constitute a quorum.

(c) The charter commission may elect other officers from among its membership, adopt rules governing its procedures and hire and discharge commission employees. Rules adopted must conform with the provisions of this chapter.

(d) Meetings of the charter commission shall be open to the public at all times. A journal of commission proceedings shall be kept and shall be available for public inspection at the Department of Community and Regional Affairs.

(c) The election of charter commission members shall take place at the same time as the election on the question of simultaneous incorporation and unification. If the petition fails, no charter commission members are elected.

(d) An Alaska voter who has been a resident of the area within the proposed unified municipality for 30 days before the date of the election order may vote.

(e) The lieutenant governer shall supervis the election in the general manner prescribed by the Alaska Election Code (A.S. 15.05 - 15.60). The State shall pay all election costs under this section.

Sec. 29.68.710. REQUIREMENTS FOR APPROVAL OF SIMULTANEOUS INCORPORATION AND UNIFICATION. If a majority of the votes cast within the boundaries of the proposed unified municipality favors the proposition for simultaneous incorporation and unification, the proposition shall be approved.

Sec. 29.68.720. REQUIREMENTS FOR ELECTION OF CHARTER COMMISSION. If simultaneous incorporation and unification is approved, those charter commission

each of these areas shall be proportionate to the respective populations as determined by the Department of Community and Regional Affairs.

Sec. 29.68.700. ELECTION. (a) After accepting the petition or resolution for simultaneous incorporation and unification, and after the date fixed for receiving nominations for charter commission candidates, the Department of Community and Regional Affairs shall immediately notify the lieutenant governor of its acceptance of the petition. Within 30 days after notification, the lieutenant governor shall order an election in the proposed unified municipality to determine whether the voters desire simultaneous incorporation and unification of the proposed unified municipality. The election shall be held not less than 30 nor more than 90 days after the date of the election order.

(b) The ballot on the question of simultaneous unification and incorporation shall be worded exactly as provided in §640(a) of this chapter.

after notice of the call for nominations has been given by the Department of Community and Regional Affairs.

Sec. 29.68.680. QUALIFICATIONS OF CHARTER COMMISSION CANDIDATES. A person is eligible to be nominated as a candidate for the charter commission if he has been a qualified voter of the area within the proposed unified municipality from which he seeks election for at least one year immediately preceding the date his nomination petition is filed with the Department of Community and Regional Affairs.

Sec. 29.68.690. COMPOSITION OF CHARTER COMMISSION. The charter commission members shall be qualified voters and shall consist of 11 members, three of whom shall be residents elected at large from the area of the proposed unified municipality and 8 of whom shall be (1) residents of and elected from the area outside cities in the proposed unified municipality or (2) residents of and elected from a city or cities in the proposed unified municipality. The number representing

(3) if the Local Boundary Commission determines that the proposed municipality meets the standards for incorporation, it shall accept the petition or resolution and the Department of Community and Regional Affairs shall issue a call for the nomination of charter commission candidates, specifying the filing deadline and outlining the procedure described for making nominations under §670 of this chapter.

Sec. 29.68.670. NOMINATION OF CHARTER COMMISSION CANDIDATES. (a) Charter commission candidates shall be nominated by a petition signed by at least 50 qualified voters of the area within the proposed unified municipality from which the candidate seeks election or by a number of qualified voters from that area equal to at least 10 per cent of the number of votes cast from that area in the last general election, whichever is less.

(b) Nomination petitions shall be filed with the Department of Community and Regional Affairs on or before the date set by the Department of Community and Regional Affairs, which date shall not be less than 30 days

Sec. 29.68.650. REVIEW. The Department of Community and Regional Affairs shall review the petition to determine whether it complies with §640 of this chapter. A deficient petition shall be immediately returned to the person who initiated it with a statement indicating which requirements have not been satisfied.

Sec. 29.68.660. INVESTIGATION AND CALL FOR CHARTER COMMISSION NOMINATIONS. Once it is determined by the Department of Community and Regional Affairs that a petition meets the requirements of §640 of this chapter, the following actions shall be taken:

(1) the Department of Community and Regional Affairs shall comply with the provisions of A.S. 29.18.070 and A.S. 29.18.060(a), concerning the incorporation aspects of the petition or resolution;

(2) the Local Boundary Commission shall comply with the provisions of A.S. 29.18.060(b) and A.S. 29.18.090 concerning the incorporation aspects of the petition or resolution.

duties and functions of a unified government as authorized by law?

Yes [ ] No [ ]'

Signature	Address	Inside First Class or Home Rule City	Outside First Class or Home Rule City"

(b) The petition shall be signed by at least

(1) that number of qualified voters within the proposed unified municipality who live outside of all first class and home rule cities in the proposed unified municipality equal to 25 per cent of the qualified voters who voted in the last general election; and

(2) that number of qualified voters residing in each first class and home rule city located within the proposed unified municipality equal to 25 per cent of the qualified voters who voted in the last general election in each city.

(c) The petition shall include all information about the proposed unified municipality which is required by A.S. 29.18.050.

shall revise, repeal, or reaffirm all city ordinances, resolutions and orders in force within the unified municipality at the time of unification. Each ordinance, resolution, regulation, or order in force at the time of unification shall remain in force until superseded by action of the new governing body.

Sec. 29.68.820. RIGHT TO STATE AND FEDERAL FUNDS PRESERVED. All provisions of law authorizing contributions of any kind, in money or otherwise, from the state or federal government to cities shall remain in full force and effect with respect to a unified municipality organized under §§ 620 - 830 of this chapter.

Sec. 29.68.830. POWERS OF A UNIFIED MUNICIPALITY. A municipality organized under §§ 620 - 830 of this chapter shall have all powers

(1) not prohibited it by law or charter;

(2) granted to organized boroughs and first class cities.

Sec. 29.68.840. EFFECT. §§620 - 830 of this chapter do not modify the procedures for incorporation pursuant tc §§29.18.050 - 29.18.150 or for unification pursuant to §§29.68.240 - 29.68.440.

(c) The ratified charter becomes effective on the same day that the elected initial officers take office and operates to dissolve all local governments within the area of the unified municipality in accordance with the charter.

Sec. 29.68.800. ASSETS AND LIABILITIES. A municipality created by simultaneous incorporation and unification shall succeed to all the assets and liabilities of the local governments it unified. A bonded indebtedness or other debt incurred before unification shall remain the tax obligation of the area which contracted the debt, except that the tax obligation may be spread over a larger area by ordinance if the governing body determines that the asset for which the bonded indebtedness or other debt was incurred was used for the benefit of the larger area before unification, or is so used after unification. However, pre-unification bonded indebtedness or other debt for sewage collection systems, water distribution systems, and streets, even if determined to be used for the benefit of a larger area than that which incurred the debt, shall remain the tax obligation of the area which incurred the debt.

Sec. 29.68.810. ORIDNANCES. Within two years after ratification of the charter, the governing body of the unified municipality

HB
804

COMMITTEE REPORT

HOUSE

7

2/18/80

FURTHER: FINANCE

Date: _____

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 804

"An Act making a special appropriation to the City of Cordova for improvements and extensions to the city's water supply system; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210 602 Railroad Ave.
CORDOVA, ALASKA 99574
"The Friendly City"

Reply to:

February 5, 1980

Mr. Jalmer Kerttula, Senator
Alaska Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Kerttula:

We have just received the Cordova water supply feasibility study prepared by Merrell & Associates/Black & Veatch. The study was commissioned to solve our ongoing water supply problem due to winter freeze-up, damaged pipeline and summer dry-up due to lack of snow pack.

To briefly summarize the report, the consultants recommend that the Murchison Falls Creek supply (near Pete Lovseth's home) be improved with an additional 18" supply line, treatment, 3-500,000 gallon storage tanks and supplement the 6" supply lines to the canneries with 10-12" lines plus some operational improvements to the existing system to provide a year-round reliable supply of 3.3 million gallons of water per day to the city. This will provide sufficient water supply to keep the canneries operating at full capacity (see letters from Marpac, Inc., North Pacific Processors and St. Elias) during both salmon and crab seasons. You might note Marpac's letter indicating firm plans for a bottomfish fishery which will require a great deal more water.

The proposed 3-500,000 gallong storage tanks will insure a constant pressure and will replace 1-35,000 gallon and 1-100,000 gallon tank. The improvements and storage will reduce the water flow deficiencies and aid in obtaining a ower fire rating combined with a lower fire insurance rate.

The first year, Phase I design and construction, cost is $3,000,000 and a 1981, Phase II design and construction cost is $1,600,000.

The Governor's supplemental budget, as I understand, is based on a "Construct Now" program; in other words those projects which can be constructed in 1980, thus giving an infusion into the sluggish Alaskan economy.

The project, Phase I, can be designed and bid by May 15, 1980 The project would, at a minimum. employ from 30-45 persons directly plus a great deal of material, shipping, and support labor. The gillnet season in Cordova was a disaster last year and the 1980 forecast is dim. These people will need work and this project would provide that work.

I request that you work to amend HB 558, the "Now" bill to include $1,500,000 to implement Phase I of the Cordova water supply feasibility study which will provide needed jobs and combined with Phase II will provide the City of Cordova with a reliable water supply. A firm water supply will insure faster cannery development and assure the continued viability of the Cordova fish processing industry.

We strongly urge your support and effort in the funding of this vital project.

Very truly yours,

Perry Lovett
City Manager

PL:mcrs

cc. Rep, Margaret Branson

ST. ELIAS Ocean Products, Inc.

P.O. Box 548 Cordova, Alaska 99574 Telephone 424-7171

The FINEST In SEAFOODS

SALMON
Kings
Reds
Chums
Pinks

CRAB
Dungeness
King

CLAMS
Razor

HALIBUT

SHRIMP

Frozen
Fresh
Canned
¼# or 4#
Sizes

January 26, 1980

Mr. Perry Lovett
City of Cordova
Box 1210
Cordova, AK 99574

Dear Mr. Lovett,

We need three things to keep the seafood industry in business.

The first requirement is water. We need at least 900,000 gallons of water, per 24 hour day, when operating at full capacity. Last year, with the big season, this amounted to many days. Our water supply was short; so at times we had to limit production. This year a big catch is predicted for the Bristol Bay area. We're going to fly in plenty of fish and bring in tenders from that area. Water is our No.1 necessity and you just don't have it.

Our second problem is dredging. This is essential if we are to get boats to our dock for unloading. We talked about this in Anchorage at the E.D.A. meeting of December 18, 1979.

Our third necessity is electricity; which is a matter to be discussed with our co-op.

Please give these items careful consideration as they mean much to Cordova's livlihood.

Sincerely,

James A. Poor

morpac
inc.

February 1, 1980

Mr. Perry Lovett
City Manager
City of Cordova
Box 1210
Cordova, Alaska 99574

Dear Perry:

This is to inform you of Morpac, Inc. need for a substantial supply of water for this coming season and an increase for us in the near future for the expansion of our freezer plant and the future plans for a bottom fish operation.

In the past we have had to shut down operations or curtail them due to the lack of water which has been costly to us and the employees at Morpac, Inc. We also experienced low water pressure this last summer during the heavy canning season which effected the operation of the filler machine on the salmon line. This also causes great concern to us regarding fire protection.

At the present our peak period is 600,000 gals. per day. This would increase during the expansion to 1,000,000 gals. per day.

We feel there is a definite need for the City of Cordova to increase and improve the water system for the continuing growth of the industry and welfare of its citizens.

We are definitely behind you in your program to up-grade and expand this system. If you need any additional help or information please do not hesitate to call.

Yours truly,

Morpac, Inc.

John C. Hewitt
Superintendent Freezer Operations

JCH/laj

4215 21st AVENUE WEST / SALMON BAY OFFICE BLDG. / SEATTLE, WASHINGTON 98199 / TELEPHONE: (206) 284-2940

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 804 Appropriations/Cordova Water Supply System

ORIGINAL SPONSOR: Branson
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 3/12/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

Branson - Reviews history of bill and general need for the improvements. Discussion included a review of per capita bonded indebtedness in Cordova and other areas statewide.

COMMITTEE ACTION: Bill passed out of committee.

TAPE # 4 SIDE 2 Footage 595-698

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER HB 804 RE Cordova / $1,500,000 water system

Received from _____ Fical Note 2631
Referred to Finance LAA Legal Contact _____

CONTACTS: Lovett, Mgr. Cordova

Sponsor: Bronson ✓
Keith Kelton 2610
Deming Cole

["Cordova Water Supply Feasibility Study"
Merrill + Associates / Black + Veatch
Jan '80]

Eligible from grant construction (50% paid by state)
Statues require.
* This money could be used as local match
Total cost ~ $6 million - ?

~~EPA~~ '78 bond fund $16 million - 50% of needs

Local GO Bonds & 4 past - Cordova -

Perry Lovett - Close ~~Cost~~ to bond limit ?
Ch. ↑

[non-profit
Internal municipal audit ~~of~~ safeguard]

[Through Dept. ?]

Need -
Local match -
Bonded indebtedness. [$4,290,800 outstanding
6,744,462 authorized]

Easy to maintain.

DEC - 50%
5 million
$1.5 million / locally raised
4% sales tax -
water bonds outstanding

Timing - Dept. ability + handle
Budget + Management
Guidelines
Project Outlines
Contract then sent out

Bond issue = $1,500,000 May - Oct
Cordova

CORDOVA WATER SUPPLY FEASIBILITY STUDY

for

CITY of CORDOVA, ALASKA

MERRELL & ASSOCIATES / BLACK & VEATCH

JANUARY 1980

Figure 5-5 ALTERNATIVE 4 AND 7 - MURCHESON FALLS - CRATER LAKE

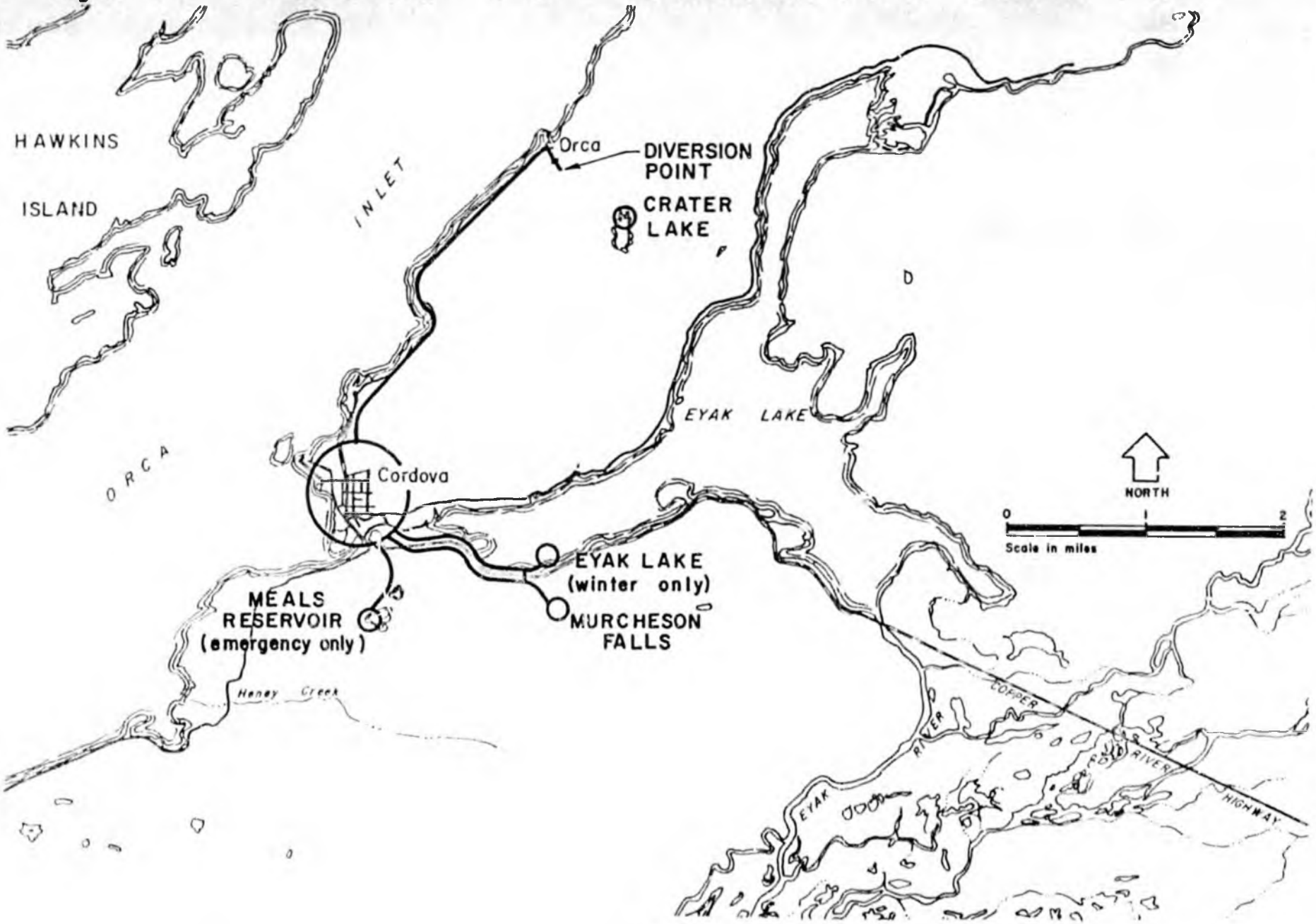

Table 5-6. COST SUMMARY - ALTERNATIVE 4
MURCHESON AND CRATER

Capital Costs	
Murcheson Falls Creek	
Catchment improvements	$ 85,000
Transmission line, 18-inch	500,000
Crater Lake Intake from Lake	
Catchment and intake facilities	182,000
Transmission line, 18-inch	1,340,000
Chlorination and metering	56,000
~~Eyak Lake Treatment Plant~~ Elliott	833,000
Meals Emergency Supply	220,000
Total capital cost	$3,226,000
30% Contingency, Engineering, Legal, etc.	968,000
TOTAL ALTERNATIVE COST	$4,194,000
Annual Costs	
Power	$ 34,000
Personnel	30,000
Supplies, equipment, etc.	22,000
TOTAL ANNUAL O&M COST	$ 86,000

Alternative 4 - Murcheson and Crater

Alternative 4 would utilize both Murcheson Falls Creek and Crater Lake as principal sources of supply. Rather than taking the water directly from Crater Lake, however, this alternative assumes a diversion facility on the downstream tributary from Crater Lake near Orca at elevation 195. The location of the diversion facility would permit the operation of the supply source without the use of automatic control valves. This would be similar to the operation of Murcheson Falls supply. It should be noted that this alternative is the only one which presents some potential for the development of power associated with the water supply project. The development of a joint water supply and power project was considered and is presented as Alternative 7.

Alternative 4, utilizing the diversion near Orca, would require approximately 13,000 feet of 18-inch transmission main from the diversion facility to the distribution system in town. A disinfection system for this supply would also be required.

Improvements at Murcheson Falls and Eyak Lake would be similar to those identified for Alternative 1. Once again, the Eyak Lake treatment plant would be utilized as a winter-only supply when adequate quantities are not available from the principal sources.

This alternative is presented graphically in Figure 5-5, with associated costs presented in Table 5-6.

Eyak Lake not necessary if water taken from the Lake rather than downstream tributary.

Figure 5-6 ALTERNATIVE 5- MURCHESON FALLS REINFORCED

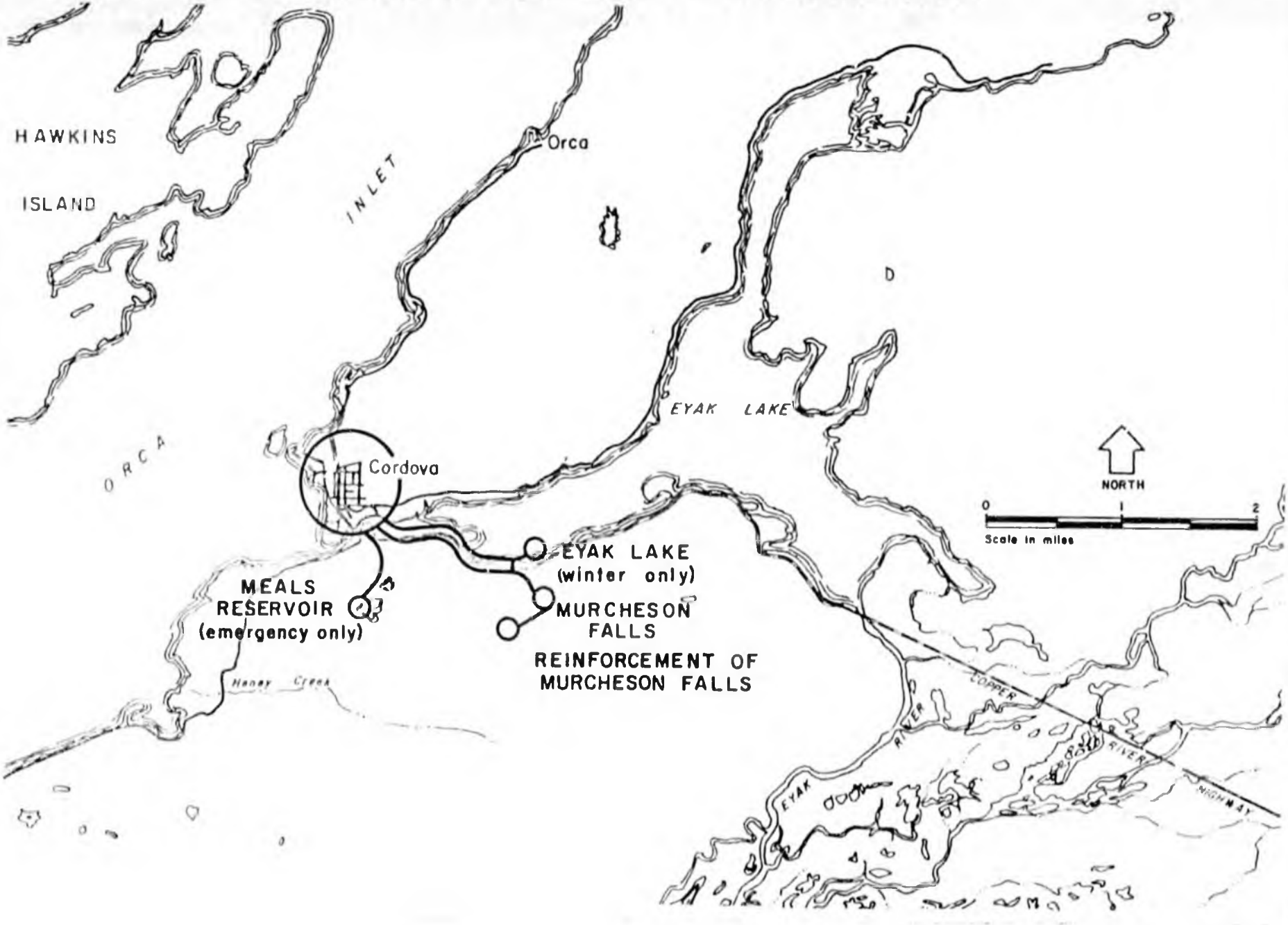

Table 5-7. COST SUMMARY - ALTERNATIVE 5
MURCHESON REINFORCED

Capital Costs	
Murcheson Falls Creek	
Catchment improvements	$ 85,000
Transmission line, 18-inch	500,000
Reinforcement diversion and transmission	474,000
Eyak Lake Treatment Plant	833,000
Meal Emergency Supply	220,000
Total capital cost	2,112,000
30% Contingency, Engineering, Legal, etc.	634,000
TOTAL ALTERNATIVE COST	$2,746,000
Annual Costs	
Power	$ 34,000
Personnel	28,000
Supplies, equipment, etc.	21,000
TOTAL ANNUAL O&M COSTS	$ 83,000

Alternative 5 - Murcheson Reinforced

Alternative 5 would utilize Murcheson Falls Creek as the primary source of supply, with reinforcement from the watershed immediately to the west. Meals Lake will function as an emergency and a secondary supply source. The Heney Creek tributary will continue to be maintained with minimal capital improvements to the catchment facility and the transmission line. Specifically, these improvements will include replacement of approximately 200 feet of transmission line on the side of the canyon wall in Heney Creek Canyon and the modification of the catchment to allow easier maintenance. These improvements will, hopefully, be sufficient to keep the system operating as a secondary source to Murcheson Falls for a ten-year period. During the winter months, or during prolonged periods of dry weather, Meals Lake will be drained to its practical limit. When both Murcheson Falls and Meals Lake are depleted, Eyak Lake will serve as the emergency source. Beyond ten years, it is expected that hydroelectric power will be developed which will cause the pumping and treating of water from Eyak Lake to be more economical, thus removing the need to maintain the Heney Creek supply in case of a major failure.

The improvements necessary at Murcheson Falls would include the same improvements required for Alternative 1. Reinforcement of Murcheson Falls Creek would involve the construction of a diversion facility on the main tributary creek in the adjacent watershed and a transmission line from the new diversion facility to the Murcheson Falls Creek watershed. This additional supply into the Murcheson Falls drainage would not make the supply dependable year-round, but would minimize the length of time that treated water from Eyak Lake would be required. The water treatment plant for Eyak Lake would be similar to that described in Alternative 1, including the joint utilization of a disinfection system for both the Eyak Lake and Murcheson Falls Creek supplies.

This alternative is presented graphically in Figure 5-6, with associated costs presented in Table 5-7.

Table 6-1. CAPITAL COST SUMMARY -
RECOMMENDED SYSTEM IMPROVEMENTS

Project Element	1980	1981
Murcheson Falls Improvements	$ 111,000	
Transmission Line	650,000	
Murcheson Reinforcement		$ 616,000
Water Treatment Plant		1,083,000
Distribution Main	286,000	
Storage Reservoirs	1,019,000	510,000
Meals Emergency Supply Improvements	286,000	
Telemetry	59,000	
Totals	$2,411,000	$2,209,000
TOTAL PROJECT COSTS	$ 4,260,000	

O&M cost of $112,000 to the annualized capital cost gives a total first year annual cost of $247,000. Adding this cost to the City's 1979/80 budget for "Water Operation and Maintenance" of about $230,000 would cause the costs for total water service to approximately double. If the existing water rate structure did not change but was updated to take into effect the increased costs, the monthly cost to a residence would be approximately $25.00, and the metered production cost would be about $0.73 per 1000 gallons.

There are several things which will have an impact on the ultimate charge to the customer that cannot be accurately estimated at this time. They include savings in annual cost now required to operate and maintain the existing system, actual

construction cost of improvements, amount of grant funds made available from other sources for construction, changes in the rate structure, and changes in water usage. Without a rate analysis, it is not possible to accurately reflect the increased costs back to a flat-rate charge or a metered water rate. It is recommended that such a rate analysis be performed.

For discussion purposes, based upon a 50 percent grant, there are three cost elements:

1. Annualized capital cost, including principal and interest,

2. Project operation and maintenance cost for the capital improvements, and

3. Existing operation and maintenance budget.

Based upon these elements, the monthly service charge for residential users would be between $18 and $25 per month.

An important factor in the net cost of water system improvements which should be considered is the effect on fire insurance rates. The proposed system improvements would easily permit the water system to qualify for the next higher rating. If the next higher rating were obtained following the implementation of the proposed project, it would result in an approximate ten percent (10%) reduction in fire insurance costs to both the industries and commercial establishments in Rancho Cordova.

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210 602 Railroad Ave.
CORDOVA, ALASKA 99574
"The Friendly City"

Reply to:

February 5, 1980

Mr. Jalmer Kerttula, Senator
Alaska Senate
Fouch V
Juneau, Alaska 99811

Dear Senator Kerttula:

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To briefly summarize the report, the consultants recommend that the Murchison Falls Creek supply (near Pete Lovseth's home) be improved with an additional 18" supply line, treatment, 3-500,000 gallon storage tanks and supplement the 6" supply lines to the canneries with 10-12" lines plus some operational improvements to the existing system to provide a year-round reliable supp of 3.3 million gallons of water per day to the city. This will provide sufficient water supply to keep the canneries operating at full capacity (see letters from Marpac, Inc., North Pacific Processors and St. Elias) during both salmon and crab seasons. You might note Marpac's letter indicating firm plans for a bottomfish fishery which will require a great deal more water.

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The first year, Phase I design and construction, cost is $3,000,000 and a 1981, Phase II design and construction cost is $1,600,000.

The Governor's supplemental budget, as I understand, is based on a "Construct Now" program; in other words those projects which can be constructed in 1980, thus giving an infusion into the sluggish Alaskan economy.

The project, Phase I, can be designed and bid by May 15, 1980 The project would, at a minimum. employ from 30-45 persons directly plus a great deal of material, shipping, and support labor. The gillnet season in Cordova was a disaster last year and the 1980 forecast is dim. These people will need work and this project would provide that work.

I request that you work to amend HB 558, the "Now" bill to include $1,500,000 to implement Phase I of the Cordova water supply feasibility study which will provide needed jobs and combined with Phase II will provide the City of Cordova with a reliable water supply. A firm water supply will insure faster cannery development and assure the continued viability of the Cordova fish processing industry.

We strongly urge your support and effort in the funding of this vital project.

Very truly yours

Perry Lovett
City Manager

PL:mcrs

cc. Rep, Margaret Branson

ST. ELIAS Ocean Products, Inc.

P.O. Box 548 Cordova, Alaska 99574 Telephone 424-7171

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SALMON
Kings
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CRAB
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King

CLAMS
Razor

HALIBUT

SHRIMP

Frozen
Fresh
Canned
¼# or 4#
Sizes

January 26, 1980

Mr. Perry Lovett
City of Cordova
Box 1210
Cordova, AK 99574

Dear Mr. Lovett,

We need three things to keep the seafood industry in business.

The first requirement is water. We need at least 900,000 gallons of water, per 24 hour day, when operating at full capacity. Last year, with the big season, this amounted to many days. Our water supply was short; so at times we had to limit production. This year a big catch is predicted for the Bristol Bay area. We're going to fly in plenty of fish and bring in tenders from that area. Water is our No.1 necessity and you just don't have it.

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Our third necessity is electricity; which is a matter to be discussed with our co-op.

Please give these items careful consideration as they mean much to Cordova's livlihood.

Sincerely,

James A. Poor

morpac inc.

February 1, 1980

Mr. Perry Lovett
City Manager
City of Cordova
Box 1210
Cordova, Alaska 99574

Dear Perry:

This is to inform you of Morpac, Inc. need for a substantial supply of water for this coming season and an increase for us in the near future for the expansion of our freezer plant and the future plans for a bottom fish operation.

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We feel there is a definite need for the City of Cordova to increase and improve the water system for the continuing growth of the industry and welfare of its citizens.

We are definitely behind you in your program to up-grade and expand this system. If you need any additional help or information please do not hesitate to call.

Yours truly,

Morpac, Inc.

John C. Hewitt
Superintendent Freezer Operations

JCH/laj

4215 21st AVENUE WEST / SALMON BAY OFFICE BLDG. / SEATTLE, WASHINGTON 98199 / TELEPHONE: (206) 284-2940

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 586 ans S. B. 352

Title An Act Requiring Fiscal Notes for Bills Affecting a Municipality

Requested by House Committee on Community & Regional Affairs Date

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		54.8	59.2	63.9	64.0	74.5
200	TRAVEL		1.5	1.6	1.7	1.9	2.0
300	CONTRACTUAL		4.8	5.1	5.5	6.0	6.5
400	COMMODITIES		.5	.5	.6	.6	.7
500	EQUIPMENT		1.0	0	0	0	0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		62.6	66.4	71.7	77.5	83.7

FUNDING (Thousands of Dollars)

GENERAL FUND	62.6	66.4	71.7	77.5	83.7	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	2	2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

To prepare fiscal notes on all bills relating to municipalities would require an additional Local Government Specialist III (Range 17) and a Clerk/Typist III (Range 8) - Personal Services costs are based on these figures plus 28% for benefits.

Contractual costs are for an additional 300 sq. feet of office space (.5), base telephone rate and long distance tolls for 1 (1.0), and Mag Card rental (3.3). Travel is figured at 1.5 per year. In many instances the LGS will need to go to the municipalities to research fiscal impact of bills. The commodities cost is for the costs of printing forms. All the above costs are increased at 8% a year for inflation.

The one time equipment cost is for desks, office equipment, etc. for two.

IV. DATE _____ PREPARED BY McKie Campbell

AGENCY Community & Regional Affairs

PHONE 465-4735

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O — JUNEAU 99811

March 10, 1980

The Honorable Bill Parker
House of Representatives
Capital Bldg., Room 104
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

Please be advised that H.B. 804, providing for a special appropriation to the City of Cordova for water and sewer projects, will have no fiscal impact on this department.

However, should such appropriations proliferate into a significant number, additional staff will be requested in future budgets.

Sincerely,

Dale Wallington

Dale Wallington
Administrative Officer
Dept. of Environmental
Conservation

HB
846

(7)

COMMITTEE REPORT

HOUSE

2/18/80

FURTHER: FINANCE

Date: 10 Mar 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 846

"An Act making a supplemental appropriation to the Department of Community and Regional Affairs for the program of state aid to local governments; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB846 Supplemental Appropriation/State Aid to Local Governments

ORIGINAL SPONSOR: Carney
OTHER SPONSORS:
RECEIVED FROM:
FURTHER REFERRALS: Finance

HEARING DATE: 3/10/80

MEMBERS PRESENT:				
	Bill Parker	X	Pat Carney	X
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

Ginny Chitwood Ak. Municipal League
League support legislation.

Palmer McCarter, Dept. C&RA
Reviews legislative history of the revenue sharing program and funding for the program. The Free Conference Committee in 1979 Session approved funding to the 83% level. 85% was paid out to municipalties. HB 905 is the governor's supplemental bill which would bring the funding level back up to 83%.
The figure being suggested in this bill would fund revenue sharing 100%. The Governor has said that he has no objection to this full funding. SB437 redefines "total project costs". McCarter encourages the committee's support. Mentions that in Rep. Gardiner's HB192, the new revenue sharing method would separate hospital and road monies in different funds.

Parr - In Anchorage, Ak. Hospital might be taken over by the Indian Public Health service. Questions what will happen to the construction money paid for that hospital by the state if this happens?

McCarter - There would be no reimbursement to the state for these monies. Hospital must be municiapally owner, privately owned or non-profit to get the revenue sharing funds.

Chitwood - Governor vetoes 100% funding in 1979 although the legislature made an attempt to fund it totally.

John Carlson, Mayor, Fairbanks
Supports.

COMMITTEE ACTION: Bill passed out of committee.

TAPE # 2 SIDE 1 Footage 47-597

PART 2.
MUNICIPAL SERVICES REVENUE SHARING PROGRAM.

Chapter
30 State Aid to Local Governments

CHAPTER 30.
STATE AID TO LOCAL GOVERNMENTS.

Section
10. Scope of regulations
20. Standards for payments of entitlements under AS 43.18 and this chapter
30. Date of eligibility
40. Application
50. Appeal
60. Population data
70. Financial reports
80. Prepayment and budgets
90. Overpayment and adjustment
100. Prorating the annual appropriation for the program
110. Incorporation or dissolution of an applicant
120. Unified municipalities
130. Final determination for the program
140. Definitions

19 AAC 30.010. SCOPE OF REGULATIONS. The regulations in this chapter are prescribed for implementing, interpreting, and making specific the act providing state aid to local governments, AS 43.18.010 – 43.18.045. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.020. STANDARDS FOR AYMENTS OF ENTITLEMENTS UNDER AS 43.18 AND THIS CHAPTER. Applicants for payments under AS 43.18.010 – 43.18.045 will demonstrate to the department that they are qualified for payments in the following categories of service for which they have power and exercise the power with a minimum level of financial support:

(1) POLICE PROTECTION: An applicant is eligible for payment if the following minimum standards are met:

(A) the applicant must provide police protection with one or more police officers on duty or on call at all times;

(B) a police officer must be at least 19 years of age and must not have been convicted by a court of a crime which is classified as a felony in this state within the past 10 years;

(C) an applicant will not be eligible to receive revenue sharing funds unless a police officer within 12 months after his appointment has satisfactorily completed a basic course in police training approved by the Department of Public Safety. The commissioner may grant an extension of time for the completion of the basic program by a police officer upon presentation of evidence by the municipality that a police officer is unable to complete the basic program within 12 months of his appointment due to illness, injury, family emergency, military service or special duty assignment. An extension may also be made when the commissioner determines that it would be in the public interest.

(D) notwithstanding the provisions of (A) and (B) of this section, the commissioner may waive the requirements set forth in paragraph (C) on presentation of evidence by the municipality and acceptance of the evidence by the Police Standards Council that a police officer is otherwise qualified based on work experience, education, or training;

(E) recognition of the applicant by the Police Standards Council as a "participating police department" is evidence of eligibility under this section.

(2) FIRE PROTECTION:

(A) a municipal applicant is eligible for payment if it provides fire protection. Fire protection includes, but is not limited to, fire protection provided by a volunteer fire department which is currently registered with the State Fire Marshal and which has official recognition and financial support from the municipality in which it is located;

(B) a volunteer fire department located

outside a municipality is eligible if it meets the following criteria:

(i) it is currently registered with the State Fire Marshal; and

(ii) minimum financial support as defined in 19 AAC 30.020(10) is provided; and

(iii) unexpended funds are dedicated irrevocably for the operation and maintenance of fire protection services;

(C) organizational grants shall be made on the same basis to facilitate the organization of a volunteer fire department in an area not in a municipality upon application of the proposed fire protection group to the State Fire Marshal and approval of an application according to standards of organization and service prescribed by regulations promulgated by the State Fire Marshal, and upon submitting an application for state aid to the department.

(3) AIR OR WATER POLLUTION CONTROL: An applicant is eligible for payment under this category if it meets either of the following minimum standards:

(A) the municipality is engaged in a comprehensive study of an air pollution control program or implementing an air pollution control program; or

(B) the municipality has a sanitary sewage treatment facility and sewage disposal system which is in compliance with state law or the sewage treatment facility is under construction and will meet state requirements.

(4) LAND USE PLANNING: An applicant is eligible for payment if the following minimum standards are met:

(A) the municipality shall be in the process of preparing or updating a comprehensive land use plan or be implementing a comprehensive land use plan through exercise of platting or zoning powers; and

(B) if a municipality has a population over 12,000 persons, the municipality, to qualify for aid under this paragraph, shall employ a staff planner charged with the primary responsibility for land use planning and plan implementation; or

(C) if the municipality has a population fewer than 12,000 persons, the municipality shall qualify for aid under this paragraph by availing itself of planning assistance through one of the following:

(i) a staff planner charged with the primary responsibility of land use planning and plan implementation or a planning commission engaged in the preparation or implementation of a comprehensive land use plan; or

(ii) an annual contract with a recognized planning firm to provide land use planning and plan implementation on a consulting basis with a work program outline approved by the Department of Community and Regional Affairs; or

(iii) participation in the state's continuing planning advisory service program of the Department of Community and Regional Affairs through assistance in the preparation or implementation of a comprehensive planning program.

(5) PARKS AND RECREATION: An applicant is eligible for payment if one or more of the following minimum standards are met:

(A) a municipality must provide a park or recreational facility available to the public; or

(B) the municipality provides a recreational program on a regular and continuing basis available to the public.

(6) TRANSPORTATION FACILITIES: An applicant is eligible for payment under this category if it operates one or more of the following facilities:

(A) a small boat harbor which provides deep water shelter, either natural or artificial, on the coast of a sea, lake, river or other body of water; or

(B) a port or dock which has the capability of receiving cargo from and discharging cargo to commercial vessels; or

(C) an airport for the convenience of private and commercial aircraft. Excluded are airports exclusively operated and maintained by a federal or state agency or by a private party, airports maintained on a seasonal basis, and natural landing strips; or

(D) a transit system for the transportation of people in accordance with established tariffs by rail and monorail, or buses specifically designed and constructed to accommodate the general public.

(7) ROAD MAINTENANCE: An applicant is eligible for payment under these categories if one or both of the following minimum standards are met:

(A) a public road, street or highway maintained by an applicant must be dedicated to public use by licensed automotive equipment; specifically excluded are roads, streets or highways maintained by a federal or state agency or maintained by the applicant pursuant to an agreement with a federal or state agency;

(B) an ice road maintained by an applicant must connect two or more inhabited areas and be used by licensed automotive equipment.

(8) HEALTH FACILITIES AND HOSPITALS: An applicant is eligible for payment under these categories if one or more of the following minimum standards are met:

(A) Municipal Health Services: an applicant shall have and exercise the health power and have within its boundaries a qualifying hospital under (B) or (C) of this section;

(B) Municipal Hospitals: an applicant must have and exercise the power to provide hospital facilities and services. Payment shall be based on the number of beds actually set up for patient care limited to the number of beds licensed as of July 1 of the entitlement year by the Department of Health and Social Services and provided for in the current construction design of the hospital. Funds received under this subparagraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the applicant determines;

(C) Nonprofit Hospitals: an applicant shall certify to the department before June 30 of the entitlement year that the hospital is in compliance with all standards for hospitals which have been adopted by the applicant. Payments to the applicant shall be transferred immediately to the hospital in accord with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(D) to be eligible under (B) or (C) of this section, the hospital must be licensed as a general hospital by the Department of Health and Social Services; hospitals wholly operated or wholly supported by a federal or state agency are ineligible under (B) and (C) of this section;

(E) Health Facilities: an applicant must have and exercise the power of health service. Payment shall be based on the number of beds set up for patient care, or payment shall be made per health facility as the applicant determines;

(F) to be eligible under (E) of this section, a health facility shall be a public health center, maternity home, community mental health center, facility for the mentally or physically handicapped, nursing home, or convalescent center which is licensed, when required, by the state under AS 18.20.010 – 18.20.130 or if licensing is not required, approved by the department, and is owned or operated by an applicant or by a nonprofit corporation or other nonprofit sponsor. Facilities wholly operated or wholly supported by a federal or state agency are ineligible;

(G) financial eligibility for hospitals and health facilities and health services shall be based on the financial support provided by

the applicant and excludes those services that are actually provided or wholly funded by a federal or state agency. Any unexpended entitlement received shall be dedicated irrevocably for the service, operation, or maintenance of the health facility or health service;

(H) funds received by a municipality under (A) or (E) of this section shall be used for expenses of health services or operation and maintenance of facilities as the applicant determines.

(9) CONSTRUCTION AID: an applicant is eligible for payment if the following minimum standards are met:

(A) if construction of a hospital or health facility began after January 1, 1968, and state matching aid for construction approved for payment to the municipality or other facility sponsor constitutes less than 25 percent of the total project cost, the state shall pay to the municipality or other facility sponsor each fiscal year a sum equal to $2,500 per bed for the maximum number of beds provided for in the construction design of the hospital or health facility. State aid provided for in this section shall continue until the municipality or other facility sponsor has received an amount which, combined with state matching money for construction of the hospital or health facility, equals 25 percent of the total project cost. No funds received for construction shall be used for any other purpose;

(B) state matching aid for construction means any construction aid program administered by the Department of Health and Social Services;

(C) project or construction costs shall be those contracted costs that are eligible for financial participation under the Hill-Burton Construction Program for construction of new buildings, including, but not limited to, the expansion, replacement and modernization of existing buildings and initial equipment of any such buildings; including architect and consultant fees, but not including the cost of land acquisition and offsite improvements;

(D) other facility sponsor shall refer to a public or nonprofit corporation which owns or operates, or both, a hospital or health facility which is located outside the corporate limits of a municipality.

(10) FINANCIAL BASIS FOR ELIGIBILITY: (a) A determination that a service was provided or a power was exercised shall be based on the financial support provided during an applicant's fiscal year containing July 1, 1976. Subsequently, the financial support shall be determined from the applicant's previous fiscal year containing July 1 of the previous entitlement period.

(b) Financial support is defined as a minimum cash disbursement of not less than 20 percent of the amount received for a category of service funded during the previous fiscal year or, in the case of a newly acquired power, a budget appropriation not less than 20 percent of the amount to be received for the eligible category of service. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010 AS 44.47.050(14)
AS 43.18.040 AS 44.47.160

19 AAC 30.030. DATE OF ELIGIBILITY. Eligibility for receipt of state aid provided by AS 43.18.010 – 43.18.045 is predicated upon the possession and exercise of a power or provision of a service by an applicant as of July 1 of the entitlement period. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.040. APPLICATION. (a) Application for state aid to local governments under AS 43.18.010 – 43.18.045 shall be made on forms prescribed by the commissioner.

(b) Not later than August 15 of the entitlement period, the department will forward application forms to each municipality incorporated before July 1 of the entitlement period and to every other potential applicant incorporated before July 1 of the entitlement period which the department is aware of and which it believes may be eligible for state aid.

(c) As a condition to participation in the program, application for state aid under AS

43.18.010 – 43.18.045 shall be returned to the department mailed no later than November 1 of the entitlement period. Based on information certified by the municipal officials and contained in the application submitted, the commissioner will prepare an initial determination of entitlement no later than December 15 and will mail notice of the amount of entitlement to each applicant determined eligible. However, if the commissioner determines that an applicant has failed to comply substantially with AS 43.18.010 – 43.18.045 and the regulations of this chapter or failed to provide the category of service or failed to exercise the power funded during a previous entitlement year, the commissioner will reduce the current entitlement of the applicant by the difference between the sum of the prior year payments and the proper entitlements, or demand the sum of payment and prepayment amount be repaid to the department if the current entitlement is insufficient. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.050. APPEAL. (a) Within 10 days after receipt of the notice of entitlement from the department, an applicant may appeal the determination of initial entitlement to the commissioner. The appeal shall be in writing and shall identify the particular category or categories to which the applicant takes exception, the determination of entitlement to which the applicant takes exception, and the reasons for its exception. The appeal shall include all relevant supporting evidence.

(b) The commissioner shall review the record of appeal and enter the final determination of entitlement. The commissioner may affirm or modify the determination of entitlement previously entered, and shall notify the applicant of the decision.

(c) If the applicant fails to appeal an initial determination within the time set forth in subsection (a) of this section, the determination of entitlement entered pursuant to sec. 40(c) of this chapter constitutes the final determination of the department.

(d) The manner of computation of population may not be made the subject of an appeal. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.060. POPULATION DATA. (a) The date for determination of population of an applicant is July 1 of the entitlement year.

(b) The population data used in determination of allocations of state aid and adjustments to those allocations will be the official report of the United States Bureau of the Census. However, an applicant may substitute for the official report of the United States Bureau of the Census

(1) an enumeration, certified as true and correct by the governing body of the municipality or chief administrative officer of a volunteer fire department located outside a municipality, specifying the names of residents of the municipality, service area, or area served by a fire department, prepared according to the criteria established by the department; or

(2) an estimate of population based upon other reliable data such as public school enrollment figures, public utility connections, registered voters, and certified employment payrolls; or

(3) the latest military population supplied by the adjutant general for the military population residing on a military reserve; or

(4) the latest available population estimate prepared by the Division of Employment Security, Alaska Department of Labor.

(c) The commissioner may require each applicant which offers an estimate of its population to submit such evidence as may be necessary to verify computation of the population estimate. The commissioner may require the applicant to provide further information within 10 days of the date of receipt of notification, or the estimate will be rejected and allocations made on the basis of the best data available to the department. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010(c) AS 44.47.050(14)
AS 43.18.040 AS 44.47.160

19 AAC 30.070. FINANCIAL REPORTS. (a) Each unified municipality, organized borough, home rule city, city of the first class, hospital, nonmunicipal health facility, or other facility sponsor shall submit one copy of its annual audit for the fiscal year preceding the entitlement period. Preparation of the audit shall be by a licensed accountant.

(b) Each city of the second class and each volunteer fire department located outside a municipality shall submit an audit or certified statement of income and expenditures of the accounts and financial transactions for the fiscal year preceding the entitlement period in a form approved by the commissioner.

(c) No payment of a final entitlement for the applicant will be made until an audit or statement of income and expenditures is filed by the applicant with the department. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010(c)
AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.080. PREPAYMENT AND BUDGETS. (a) The commissioner may provide for prepayment to an applicant a sum not to exceed 50 percent of the previous year's entitlement computed without regard to any proration and not to exceed the current year's entitlement.

(b) Prepayments will be allowed to an applicant upon receipt by the department of a completed application and approved budget mailed no later than October 1 of the entitlement year.

(c) Prepayments shall be deducted from the entitlement prior to transmittal of the balance of the entitlement due. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.090. OVERPAYMENT AND ADJUSTMENT. (a) After mailing of prepayments, if the commissioner determines that the prepayment mailed to an applicant exceeds the entitlement payable to an applicant during the entitlement period, the commissioner shall

(1) request that the difference between the amount of prepayment and the proper entitlement be repaid to the department; or

(2) reduce, in the next entitlement period, the entitlement to an applicant by the difference between the sum of the payments and the proper entitlement.

(b) After mailing of the balance of the entitlement due to an applicant, if the commissioner determines that the sum of the prepayment and final payment exceeds the entitlement payable to the applicant during an entitlement period, the commissioner shall

(1) request that the difference between the sum of the payments and the proper entitlement be repaid to the department; or

(2) reduce, in the next entitlement period, the entitlement to an applicant by the difference between the sum of the payments and the proper entitlement. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.020
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.100. PRORATING THE ANNUAL APPROPRIATION FOR THE PROGRAM. If the amount appropriated is insufficient for the purpose of each applicant's share authorized under AS 43.18.010 – 43.18.045, such funds as are available shall be distributed pro rata among the applicants based upon the notices of final entitlement. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.110. INCORPORATION OR DISSOLUTION OF AN APPLICANT. (a) An applicant which is incorporated during the entitlement period is not eligible to receive state aid for the entitlement period during which it was incorporated.

(b) An applicant which is to be dissolved pursuant to AS 29.68.500 during the entitlement period will receive an entitlement payment prorated over the number of days in the entitlement period during which it has been in existence.

(c) Grants shall be made to facilitate the organization of volunteer fire departments located outside a municipality from the funds available. Requests may be made any time during the entitlement year on a proper application form. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.120. UNIFIED MUNICIPALITIES. For purposes of AS 43.18.010 – 43.18.045 and the regulations of this chapter, a unified municipality shall be treated as an organized borough. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.130. FINAL DETERMINATION FOR THE PROGRAM. The Department of Community and Regional Affairs will finally approve or disapprove entitlements based upon information provided by the applicant and other departments of the state. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.140. DEFINITIONS. Unless the context indicates otherwise, in this chapter

(1) "commissioner" means the Commissioner of the Department of Community and Regional Affairs;

(2) "department" means the Department of Community and Regional Affairs;

(3) "applicant" means any municipality, volunteer fire department located outside a municipality, or other facility sponsor;

(4) "facility" means a permanent improvement constructed, operated or maintained for the convenience of the public. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

payees. (§ 7-1-6 (c) ACLA 1949; am § 20 ch 186 SLA 1957; am § 1 ch 44 SLA 1969; am § 5 ch 149 SLA 1978)

Effect of amendment. — The 1978 amendment added the present second sentence.

Chapter 18. State Aid to Local Governments.

Article
2. Aid for School Construction (§§ 43.18.100 — 43.18.135)

Article 1. Aid for Miscellaneous Municipal Purposes.

Section
10. State aid to local governments
30. Local tax levy reduction

Sec. 43.18.010. State aid to local governments.

(j) If construction of a facility began after January 1, 1968 and state matching aid for construction approved for payment to the local government or other facility sponsor constitutes less than 25 per cent of the total project cost, the state shall pay to the local government or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility or five per cent of the total project cost, whichever is greater. State aid provided for in this subsection shall continue until the local government or other facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost. No funds received for construction shall be used for any other purpose.

(k) A city or borough may not receive state shared revenue based on the population residing on that portion of a military reservation annexed to a city or borough after January 1, 1973, except as provided in this subsection. If a military reservation is located within a city or borough, the city or borough is limited in its entitlement to state shared revenue, based on the population residing on the reservation, as follows: 50 per cent of the amount paid per capita for police protection under (a)(1) of this section; 25 per cent of the amount paid per capita for parks and recreation under (a)(5) of this section; and 50 per cent of the amount paid per capita for transportation facilities or services under (a)(6) of this section.

(l) For the purposes of (j) of this section, "total project cost" includes, in addition to costs directly related to the project, the sum total of all costs of financing and carrying out the project. These include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative

and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary.

(am § 24 ch 168 SLA 1978; am § 3 ch 173 SLA 1978)

Effect of amendments.

The first 1978 amendment added subsection (l).

The second 1978 amendment, effective July 1, 1978, added "or five per cent of the total project cost, whichever is greater" to the end of the first sentence of subsection (j).

As the rest of the section was not affected by the amendment, it is not set out.

Editor's note. — Subsection (k) is set out above to correct a typographical error in the main pamphlet.

Sec. 43.18.030. Local tax levy reduction. (a) The intent of §§ 10—100 of this chapter in authorizing state aid for educational purposes and municipal services is that municipalities which levy taxes reduce those levies in reasonable proportion to the amount of state aid received by the municipality for a given fiscal year.

(b) If the municipality levies and collects real or personal property taxes, the governing body shall furnish the following notice with tax statements mailed for the fiscal year for which aid is received under AS 14.17 and §§ 10—100 of this chapter:

"NOTICE TO TAXPAYER

For the current fiscal year the (city) (borough) has been allocated the following amount of state aid for school and municipal purposes under the public school foundation program (Alaska Statutes 14.17), the municipal services revenue sharing program of Alaska Statutes 43.18.010 — 43.18.050, and the program of state aid for retirement of school construction debt (Alaska Statute 43.18.100):

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	$
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT	$
AID BASED ON MUNICIPAL SERVICES FURNISHED (fire protection, police protection, air or water pollution control, land use planning, road maintenance, parks and recreation, transportation facilities and services, hospital operation)	$
Total Aid	$

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 846
Title A supplemental appropriation for the program of state aid to local governments.
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Community Development
BRU, Program, or Subprogram(s) Affected Local Government Assistance - Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact to the Department.

IV. DATE February 28, 1980 PREPARED BY Mary Foster
AGENCY Community & Regional Affairs
PHONE 465-4734

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

ALASKA STATUTES
TITLE 43, CHAPTER 18
STATE AID TO LOCAL GOVERNMENTS
AS 43.18.010 - AS 43.18.045

Section

10. State aid to local governments
12. Area cost-of-living differential
20. Construction and implementation of chapter
30. Local tax levy reduction
40. Regulations
45. Unification, merger, or consolidation of municipalities

Sec. 43.18.010. STATE AID TO LOCAL GOVERNMENTS. (a) During each fiscal year the state shall pay to a city or organized borough of any class which has power to provide the following services and exercises that power

(1) $12 per capita to cities and boroughs providing police protection, subject to the conditions of this paragraph and (g) of this section;

(A) municipal police protection shall be available 24 hours a day;

(B) municipal police officers shall be U. S. citizens who are at least 19 years of age and who have not been convicted of a crime involving moral turpitude within the past 10 years;

(2) $7.50 per capita to cities and boroughs providing fire protection;

(A) fire protection includes, but is not limited to, fire protection provided by a volunteer fire department registered with the state fire marshal which has official recognition and financial support from the city or borough in which it is located;

(B) in addition to the grants authorized under this section, the state shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or a city a sum for protection purposes equal to $7.50 per capita for the population served by the department, as determined by the state fire marshal using the latest figures of the United States Bureau of the Census or other reliable data; grants shall be made on the same basis to facilitate the organization of volunteer fire departments in an area not in an organized borough or a city, upon application of the proposed fire protection group to the state fire marshal and approval of applications according to standards of organization and service prescribed by regulations promulgated by the state fire marshal;

(3) $2 per capita to cities and boroughs providing air or water pollution control or both;

(A) in order to qualify for air pollution control aid the municipalities shall be either engaged in comprehensive study of an air pollution control program or implementation of an air pollution control program;

(B) in order to qualify for water pollution control aid the municipalities shall either have primary or secondary sewage treatment facilities under construction or be providing primary or secondary sewage treatment;

(4) $2 per capita to cities and boroughs providing land use planning, subject to the conditions of this paragraph;

(A) the municipalities shall be in the process of preparing or updating a comprehensive land use plan or be implementing a comprehensive land use plan through exercise of zoning powers; and

(B) if the municipality has a population of fewer than 12,000 persons, the municipality shall qualify for aid under this paragraph by availing itself of planning assistance through either:

(i) a staff planner charged with the primary responsibility of land use planning and plan implementation; or

(ii) an annual contract with a recognized planning firm to provide land use planning and plan implementation on a consulting basis with a work program outline approved by the Department of Community and Regional Affairs; or

(iii) the State's continuing planning advisory service program through the Department of Community and Regional Affairs;

(C) if a municipality has a population over 12,000 persons, the municipality, to qualify for aid under this paragraph, shall employ a staff planner charged with the primary responsibility for land use planning and plan implementation;

(5) $5 per capita to cities and boroughs providing for parks and recreation;

(6) $5 per capita to cities and boroughs providing transportation facilities or services limited to municipally-operated small boat harbors, ports, airports, or transit systems.

(b) During each fiscal year the state shall pay to a city or organized borough of any class which has power to provide for road maintenance and exercises the power a sum equal to $1,500 a mile for each mile of road, street or highway maintained by the local government, excluding the official state highway system, roads, streets or highways not dedicated to public use, any roads, streets or highways maintained under the local service road program (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regulations adopted by the Department of Highways. No payments may be made for maintenance of roads not used by automotive equipment. Frozen waterways and connections from inhabited areas to the waterways which may be safely used for public transportation by automotive equipment and are so used during a portion of a year are eligible for payments of $900 per mile if the waterways and connections are maintained during the period of use by a municipality or combination of municipalities. The Department of Community and Regional Affairs after consultation with the Department of Highways, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipality is eligible for the shared revenue unless the municipalities involved have agreed in writing to a particular distribution.

(c) For purposes of this section, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls.

(d) If a borough exercises the powers in (a) of this section in the borough area outside cities only, or in a service area only, the grants authorized under this section shall be based on the population of the borough area outside cities or the service area respectively.

(e) If the services in (a) and (b) of this section are provided by a service area, the borough shall give to the service area an amount equal to the funds provided by the state for the services provided by the service area.

(f) Funds received by a city, borough, or service area under this section may be expended for any public purpose for which it has power to expend public funds, except as provided in (h) of this section.

(g) If a city within an organized borough provides police protection services, the borough may not qualify for aid under (a)(1) of this section unless

(1) police protection services are provided in the borough area outside cities, or if limited to a service area, in the service area, through borough contract with a city or the state; or

(2) the borough assumes and exercises power to provide police protection services on an areawide basis in the manner provided by law.

(h) During each fiscal year the state shall make payments as follows

(1) $2 per capita to a municipality which has the power to provide health facilities and services and in which a hospital is located;

(2) in addition to the payment made under (1) of this subsection

(A) the state shall make payments to a municipality which has the power to provide hospital facilities and services and which exercises the power on the basis of $1,000 per bed for each bed actually used for patient care limited to the number of beds provided for in the construction design of the hospital, or $75,000 a hospital for those hospitals with 10 or more beds, or $25,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; funds received under this subparagraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(B) the state shall make payments on the basis set out in (A) of this paragraph to a municipality for nonprofit hospitals not operated by a municipality if the municipality first certifies to the department that the hospital is in compliance with all standards for hospitals which have been adopted by the municipality; in the absence of this certification the funds which would have gone to the hospital lapse into the state general fund; payments to the municipality shall be transferred to the hospital in accord with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(C) a hospital may not receive payment under both (A) and (B) of this paragraph;

(3) $1,000 per bed to an organized borough or city outside an organized borough in which a health facility is operated for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or $4,000 per health facility as the local government may determine;

(4) funds received by a municipality under (1) or (3) of this subsection shall be used for expenses of health services or operation and maintenance of facilities as the municipality determines;

(5) before funds may be distributed under this subsection, the commissioner of health and social services shall certify to the distributing agency that any accumulation of assets by non-profit corporations or other recipients under this subsection are dedicated irrevocably to a public purpose.

(i) In (h) and (j) of this section

(1) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general hospital; the term excludes facilities operated or wholly supported by the state or the federal government;

(2) "health facility" means public health centers, maternity homes and community mental health centers, facilities for the mentally or physically handicapped, nursing homes and convalescent centers which are licensed, when required, by the state under AS 18.20.010 - 18.20.130 and are owned or operated or both by a local government or by a non-profit corporation or other non-profit sponsor; the term excludes facilities operated or wholly supported by the state or the federal government.

(j) If construction of a facility began after January 1, 1968 and state matching aid for construction approved for payment to the local government or other facility sponsor constitutes less than 25 percent of the total project cost, the state shall pay to the local government or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue until the local government or other facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 percent of the total project cost. No funds received for construction shall be used for any other purpose.

(k) A city or borough may not receive state shared revenue based on the population residing on that portion of a military reservation annexed to a city or borough after January 1, 1973, except as provided in this subsection. If a military reservation is located within a city or borough, the city or borough is limited in its entitlement to state shared revenue, based on the population residing on the reservation, as follows: 50 percent of the amount paid per capita for police protection under (a) (1) of this section; 25 percent of the amount paid per capita for parks and recreation under (a) (5) of this section; and 50 percent of the amount paid per capita for transportation facilities or services under (a) (6) of this section.

Sec. 43.18.012. AREA COST-OF-LIVING DIFFERENTIAL. (a) State payments to a city or an organized borough or to an unorganized borough volunteer fire department under sec. 10 of this chapter shall reflect area cost-of-living differentials. Amounts distributed shall be based upon the sum of per capita, per mile and per bed or facility grants due each city or organized borough or volunteer fire department multiplied by the appropriate area cost-of-living differential. The area cost-of-living differential for each city and organized borough or volunteer fire department shall be determined annually by election district under the provisions of AS 39.27.030; however, the area cost-of-living differential to be applied shall not result in an amount to be distributed less than the base allocation.

(b) The election districts used in (a) of this section are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor, September 3, 1965.

Sec. 43.18.020. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a) This chapter may not be construed so as to create a debt of the state.

(b) The special municipal services account is established. Funds to carry out the provisions of sec. 10 of this chapter may be appropriated annually by the legislature to the account. If amounts in the account are insufficient for the purpose of each local government's or other recipient's share authorized under sec. 10 of this chapter, such funds as are available shall be distributed pro rata among eligible local governments and other recipients.

(c) Money in the special municipal services account which, at the end of the fiscal year for which the money is appropriated, exceeds the amount required for the allocations authorized in this chapter reverts to the general fund.

Sec. 43.18.030. LOCAL TAX LEVY REDUCTION. (a) The intent of this chapter in authorizing state aid for municipal purposes is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of state aid received by a local government for a given fiscal year.

(b) The governing body shall furnish the following notice with tax statements mailed for the fiscal year for which aid is received under this chapter:

"NOTICE TO TAXPAYER

For the current fiscal year the (city) (borough) has been allocated the following amount of state aid for school and municipal purposes under the Public School Foundation Program (Alaska Statutes 14.17) and the revenue-sharing provisions of Alaska Statutes 43.18:

SCHOOL AID	$
AID BASED ON MUNICIPAL SERVICES FURNISHED (fire protection, police protection, air or water pollution control, land use planning, road maintenance, parks and recreation, transportation facilities and services, hospital operation)	$
TOTAL AID	$

The millage equivalent of this state aid, based on the present dollar value of a mill in the municipality, is _____ mills."

Sec. 43.18.040. REGULATIONS. The Department of Community and Regional Affairs shall adopt regulations necessary to carry out the purposes of secs. 10 - 99 of this chapter. The regulations shall include minimum standards required to qualify a municipality for grants for each service and provisions for a performance report adequate to demonstrate to the department that each service for which credit

was allowed was actually performed by the municipality, at least at the prescribed minimum level.

Sec. 43.18.045. UNIFICATION, MERGER OR CONSOLIDATION OF MUNICIPALITIES. If a borough and the cities within the borough merge, consolidate or unify in accordance with AS 29.68, the amount of revenue sharing to which the successor municipality is entitled shall be computed for the first year and each year thereafter as if the merger, consolidation or unification had not occurred, and the successor municipality shall recieve not less than the amount so computed.

F I N A L
A N N U A L R E P O R T

FISCAL YEAR 1979

STATE AID TO LOCAL GOVERNMENTS

MUNICIPAL SERVICES REVENUE SHARING PROGRAM

(AS 43.18.010 -045)

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
POUCH B
JUNEAU, ALASKA 99811
AUGUST 1979

Expenditures for the State Aid to Local Governments Municipal Services Revenue Sharing Program during the period July 1, 1978 to June 30, 1979 are as follows:

GRANT ENTITLEMENTS BY CLASSIFICATION OF MUNICIPAL SERVICES

	Applicants Participating	Approved Entitlements	Actual Entitlements @ 88.712%
Police Protection	92	$ 3,537,731	$ 3,138,392
Fire Protection	140	2,789,642	2,474,747
Air/Water Pollution Control	57	768,746	681,970
Land Use Planning	29	758,664	673,026
Parks and Recreation	104	1,962,962	1,741,383
Transportation Facilities	40	2,206,753	1,957,655
Road Maintenance			
Public Roads	84	2,025,713	1,797,051
Ice Roads	11	150,156	133,207
Health Services	12	564,328	500,627
Hospitals	14	1,522,000	1,350,197
Health Facilities	76	1,090,000	966,961
Construction Aid	4	$ 2,501,769	$ 2,219,370
Entitlements		$19,878,464	$17,634,586
Cost-of-Living Allowance (COLA)		1,346,292	1,194,323
Total Entitlements		$21,224,756	$18,828,909
Less Prior Year Adjustments		61,981	54,985
Final Entitlements		$21,162,775	$18,773,924

GRANT ENTITLEMENTS BY CLASSIFICATION OF RECIPIENT

	Applicants Participating	Approved Entitlements	Actual Entitlements @ 88.712%
Organized Boroughs	8	$ 2,229,924	$ 1,978,211
Unified Governments	3	11,240,334	9,971,526
Home Rule Cities	11	3,631,621	3,221,684
First Class Cities	21	1,126,158	999,038
Second Class Cities	87	1,589,485	1,410,064
Unorganized Borough Fire Protection Groups	28	60,942	$ 54,063
Entitlements	158	$19,878,464	$17,634,586
Cost-of-Living Allowance (COLA)		1,346,292	1,194,323
Total Entitlements		$21,224,756	$18,828,909
Less Prior Year Adjustments		61,981	54,985
Final Entitlements		$21,162,775	$18,773,924

RATES USED TO COMPUTE GRANT ENTITLEMENTS
UNDER THE STATE AID TO LOCAL GOVERNMENTS
MUNICIPAL SERVICES REVENUE SHARING PROGRAM

Municipal Services	Rates
Police Protection	$12 per capita
Military	6 per capita
Fire Protection	$7.50 per capita
Air(*)/Water(**) Pollution Control	$2 per capita
Land Use Planning	$2 per capita
Parks and Recreation	$5 per capita
Military	1.25 per capita
Transportation Facilities	$5 per capita
Military	2.50 per capita
Road Maintenance	
Public Roads	$1,500 per mile*
Ice Roads	900 per mile**
Health Services	$2 per capita
Hospitals	$75,000 per hospital*
	25,000 per hospital**
	1,000 per bed***
Health Facilities	$4,000 per facility*
	1,000 per bed**
Construction Aid	$2,500 per bed*
	5% of construction cost**
	(whichever is greater)

DEFINITIONS

COLA - means cost-of-living allowance used in computing total grant entitlements.

FY 79 - means the fiscal year ending June 30, 1979.

	Total for Boroughs & Unified Govt's	Total for Cities	Total for Fire Protect-ion Groups	Total FY 1979 Approved Entitlements
Police	$ 2,167,788	$ 1,369,943		$ 3,537,731
Fire	1,859,306	869,394	$ 60,942	2,789,642
Air/Water	590,612	178,134		768,746
Land Use Planning	706,808	51,856		758,664
Parks & Recreation	1,546,252	416,710		1,962,962
Transportation	1,906,158	300,595		2,206,753
Roads	925,605	1,250,264		2,175,869
Health Services	449,186	115,142		564,328
Hospitals	779,000	743,000		1,522,000
Health Facilities	580,000	510,000		1,090,000
Construction Aid	1,959,543	542,226		2,501,769
Entitlements	13,470,258	6,347,264	60,942	19,878,464
COLA	308,783	1,026,068	11,441	1,346,292
Total Entitlements	$13,779,041	$7,373,332	$72,383	$21,224,756
Less Prior Year Adjustments				61,981
Final Approved Entitlements				$21,162,775
TOTAL APPROPRIATED TO THE REVENUE SHARING ACCOUNT				$18,688,000
PLUS SPECIAL APPROPRIATION FOR FIVE LATE APPLICANTS (Seward, Upper Kalskag, Lower Kalskag, Copper Center VFD, and Iliamna VFD)				$ 106,327
Total FY 1979 Appropriation				$18,794,327
ACTUAL DISBURSEMENT				18,773,924
BALANCE				$ 20,403

NOTES

As the total entitlements exceeded the amount appropriated to the revenue sharing account, each recipient's share was prorated at 88.712%.

All FY 1979 grant funds were allocated when entitlements were prorated; however three cities failed to submit FY 1978 financial statements by June 30, 1979, a prerequisite to receipt of State shared revenues. This accounts for the balance.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Adjustments	Prorated 88.712% Entitlement
Anchorage, Municipality of	184,775	(1,855,140)	(1,381,620)	369,550**	369,550	(943,108)	(1,329,285)	(583,320)*	369,550	404,000***	36,000* 380,000**	1,959,543**	9,980,666	-0-	9,980,666		8,854,048
City Service Area	63,756						318,780										
Eagle River Fire Service Area	7,921		59,408														
Chugiak Fire Service Area	6,481		48,607														
Girdwood Service Area	603		4,560			3,040		14,490									
Anchorage Fire Service Area	169,206		1,269,045														
Anchorage Roads and Drainage Service	155,995							557,355									
Anchorage Police Service Area	145,932	1,751,184															
Anchorage Parks and Recreation Service Area	169,206					846,030											
Eagle River/Chugiak Recreational Facilities Service Area	14,476					72,380											
Military (Not included in the Municipality's Population)	17,326	103,956				21,658	86,630										
Glen Alps Service Area	65							11,475									
Juneau, City and Borough of	22,105	(108,960)	(164,295)	42,738**	44,210	110,525	110,525	(76,725)*	44,210	75,000*	74,000**		851,188	-0-	851,188		755,106
Service Area #1	7,416	88,992	55,620					21,345									
Service Area #2	1,664	19,968	12,480					7,035									
Service Area #3	199							48,345									
Service Area #4	1,478		11,085														
Service Area #5	9,623		72,173														
Service Area #6	747		5,602														
Service Area #7	441		3,308														
Service Area #8	537		4,027														
Sitka, City and Borough of	8,787	105,444	65,903		17,574	43,935	43,935	23,115*	17,574	75,000*	4,000* 12,000**		408,480	15,318	423,798		375,960
Bristol Bay Borough	1,685	12,638			3,370	8,425		(6,630)*					31,063	8,154	39,217		34,790
So. Naknek Road District								6,630									
Fairbanks North Star Borough	60,227		(110,828)	120,454*	120,454	(308,629)	(316,123)	(91,860)*					1,068,348	160,252	1,228,600		1,089,916
Ester Fire Service Area	1,100		8,250														
North Star Fire Service Area	6,500		48,750														
University Fire Service Area	7,177		53,828														
Public Roads Service Areas								91,860									
Military (Not included in the Borough's Population)	5,995					7,494	14,988										
Haines Borough	1,924												2,723	204	2,927		2,597
Fire Service Area #1	363		2,723														
Kenai Peninsula Borough	25,281		(31,320)	50,562*	50,562	(19,000)				(150,000)*			301,444	22,608	324,052		287,473
Nikiski Fire Service Area	3,489		26,168														
Bear Creek Fire Service Area	687		5,152														
North Kenai Recreation Service Area	3,800					19,000											
South Kenai Peninsula Hospital Service Area										75,000*							
Central Kenai Peninsula Hospital Service Area										75,000*							

See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Adjustments	Prorated 88.712% Entitlement
Ketchikan Gateway Borough	13,071		(5,123)		26,142		65,355										
Shoreline Fire Service Area	683		5,123										96,620	-0-	96,620		85,714
Kodiak Island Borough	8,926		(13,898)		17,852	(10,830)		(22,500)*	17,852	75,000*	16,000*						
Fire District #1	1,759		13,193								30,000**		203,932	15,295	219,227		194,481
Karluk Fire District	94		705														
Nonareawide Service Road Service Areas	2,166					10,830		22,500									
Matanuska-Susitna Borough	20,360		(70,958)		40,720	101,800		(88,200)*									
Wasilla Fire Service Area	3,619		27,143										301,678	11,313	312,991		277,661
Butte Fire Service Area	2,122		15,915														
Greater Palmer Fire Service Area	3,027		22,703														
Sutton Fire Service Area	693		5,197														
Road Service Areas								88,200									
North Slope Borough	8,187	98,244		7,308**	16,374		40,935	33,255*			28,000*		224,116	75,639	299,755		265,919
TOTAL BOROUGHS		2,167,788	1,859,306	590,612	706,808	1,546,252	1,906,158	925,605*	449,186	779,000	84,000* 496,000**	1,959,543**	13,470,258	308,783	13,779,041		12,223,665

See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Adjustments	Prorated 88.712% Entitlement
CITIES																	
Akhiok	118		885			590							1,475	111	1,586	295	1,145
Akiachak	354	4,248	2,655			1,770		3,000* 8,100**			4,000*		23,773	7,132	30,905		27,416
Akiak	192	2,304				960					4,000*		7,264	2,179	9,443	1,343	7,186
Akolmiut	608	7,296	4,560			3,040	3,040	40,275**			8,000*		66,211	19,863	86,074		76,358
Alakanuk	533	6,396	3,998	1,066**		2,665		6,000* 3,600**			4,000*		27,725	8,318	36,043	4,680	27,823
Aleknagik	227	DID NOT SUBMIT APPLICATION															
Allakaket	216		1,620			1,080		4,050*					6,750	2,278	9,028		8,009
Ambler	273	3,276	2,048	546**		1,365		7,?00*			4,000*		18,435	6,22?	24,657		21,874
Anaktuvuk Pass	173	DID NOT SUBMIT APPLICATION															
Anderson Military	470 114		3,525			2,350 285		7,500*					13,660	4,610	18,270		16,208
Angoon	527	6,324	3,953	1,054**	1,054	2,635	2,635	7,770*					25,425	953	26,378		23,401
Aniak	355	4,260	2,663			1,775		6,150*			4,000*		18,848	6,361	25,209		22,363
Anvik	102	DID NOT SUBMIT APPLICATION															
Atmauluak	186	2,232	1,395			930		13,500**			4,000*		22,057	6,617	28,674		25,437
Barrow	2,715		20,363			13,575							33,938	11,454	45,392		40,268
Bethel	3,608	43,296	27,060	7,216**	7,216	18,040	18,040	11,175* 43,200**			4,000* 41,000**		220,243	66,073	286,316		253,997
Brevig Mission	194	DID NOT SUBMIT APPLICATION															
Buckland	176	2,112				880					4,000*		6,992	2,360	9,352	1,651	6,832
Chefornak	204		1,530								4,000*		5,530	1,659	7,189		6,378
Chevak	461	532				2,305							7,837	2,351	10,188		9,038
Chauthbaluk	119	1,428	893	238**		595					4,000*		7,154	2,414	9,568		8,488

See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Adjustments	Prorated 88.712% Entitlement
Clark's Point	98	DID NOT SUBMIT APPLICATION															
Cordova	2,780	33,360	20,850	5,560**	5,560	13,900	13,900	11,700*	5,560	75,000*	12,000*		197,390	29,609	226,999		201,375
Craig	587	7,044	4,403	1,174**	1,174	2,935	2,935	6,405*			4,000*		30,070	-0-	30,070		26,676
Deering	117	1,404	878								4,000*		6,282	2,120	8,402		7,454
Delta Junction	892		6,690		1,784	4,460		12,885*			4,000*		29,819	4,473	34,292		30,421
Dillingham	1,360	16,320	10,200	2,720**	2,720	6,800	6,800	5,700*					51,260	13,456	64,716		57,411
Diomede	125		938								4,000*		4,938	1,481	6,419		5,694
Eagle	124					620		3,540*			4,000*		8,160	1,224	9,384		8,325
Eek	307	3,684	2,303			1,535							7,522	2,257	9,779		8,675
Ekwok	111	DID NOT SUBMIT APPLICATION															
Elim	288	DID NOT SUBMIT APPLICATION															
Emmonak	556	6,672	4,170			2,780		3,615*					17,237	5,171	22,408		19,879
Fairbanks Military Annex	30,462 5,995	365,544 35,970	228,465	60,924**				127,875*	60,924	126,000**	71,000** 12,000*	414,330*	1,503,032	225,455	1,728,487		1,533,375
Fort Yukon	637	7,644	4,778		1,274	3,185		23,070*			4,000*		43,951	14,833	58,784		52,149
Fortuna Ledge	210	2,520	1,575								4,000*		8,095	2,429	10,524		9,336
Galena	985	11,820	7,388	1,970**		4,925		8,370*			4,000*		38,473	12,985	51,458		45,649
Gambell	447	5,364	3,353			2,235		10,500*					21,452	6,436	27,888	12,360	13,775
Golovin	118	1,416	885			590					4,000*		6,891	2,067	8,958		7,947
Goodnews Bay	248	2,976	1,860	496**				1,125*					6,457	1,937	8,394	2,841	4,926
Grayling	181			362**									362	122	484		429
Haines	1,366	16,392	10,245	2,732**	2,732	6,830	6,830	15,660*					61,421	4,607	66,028		58,575

See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Adjustments	Prorated 88.712% Entitlement
Holy Cross	302		2,265	604**		1,510		6,000*			4,000*		14,379	4,853	19.232		17,061
Homer	2,055	24,660	15,413	4,110**		10,275	10,275	12,945*			4,000*		81,678	6,126	87,804		77,893
Hoonah	1,093	13,116	8,198	2,186**		5,465	5,465	6,000*			8,000*		48,430	3,632	52,062		46,185
Hooper Bay	648	7,776				3,240	3,240						14,256	4,277	18,533		16,441
Houston	440		3,300					38,325*					41,625	1,561	43,186		38,311
Hughes	98		735			490							1,225	413	1,638		1,453
Huslia	216		1,620	432**		1,080		23,355*			4,000*		30,487	10,289	40,776		36,173
Hydaburg	380		2,850	760**		1,900	1,900	3,540*			4,000*		14,950	-0-	14,950		13,262
Kachemak	151	DID NOT SUBMIT APPLICATION															
Kake	679	8,148	5,093	1,358**		3,395		1,530*					19,524	732	20,256		17,970
Kaktovik	192		1,440			960							2,400	810	3,210		2,848
Kaltag	257		1,928	514**		1,285		3,000*					6,727	2,270	8,997		7,981
Kasaan	46		345			230					4,000*		4,575	-0-	4,575		4,059
Kenai	5,364	64,368	40,230	10,728**		26,820	26,820	65,535*					234,501	17,588	252,089		223,633
Ketchikan	8,293	99,516	62,198			41,465	41,465	24,900*	16,586	92,000***	8,000* 20,000**		406,130	-0-	406,130		360,286
Kiana	331	3,972	2,483			1,655		4,530*			4,000*		16,640	5,616	22,256		19,744
King Cove	566	6,792	4,245	1,132**		2,830	2,830				4,000*		21,829	5,730	27,559		24,448
Kivalina	227	2,724	1,703			1,135					4,000*		9,562	3,227	12,789		11,345
Klawock	323	3,876	2,423	646**	646	1,615		2,535*			4,000*		15,741	-0-	15,741		13,964
Kobuk	176	DID NOT SUBMIT APPLICATION															
Kodiak	5,754	69,048	43,155	11,508**		28,770	28,770	22,020*					203,271	15,245	218,516		193,850
Kotlik	305	3,660				1,525					4,000*		9,185	2,756	11,941		10,593

See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Adjustments	Prorated 88.712% Entitlement
Kotzebue	2,526	30,312	18,945	5,052**		12,630	12,630	23,280* 3,150**					105,999	35,775	141,774		125,771
Koyuk	160	1,920	1,200			800					4,000*		7,920	2,376	10,296		9,134
Koyukuk	124		930			620					4,000*		5,550	1,873	7,423		6,585
Kupreanof	42		315		84								399	15	414		367
Kwethluk	444	5,328	3,330			2,220					4,000*		14,878	4,463	19,341		17,158
Larsen Bay	137	DID NOT SUBMIT APPLICATION															
Lower Kalskag	218	DID NOT SUBMIT FINANCIAL STATEMENT ON TIME															
Manokotak	250	3,000	1,875	500**							4,000*		9,375	2,461	11,836		10,500
McGrath	382		2,865		764	1,910		11,115*					16,654	5,621	22,275		19,761
Mekoryuk	186	2,232	1,395	372**		930					4,000*		8,929	2,679	11,608		10,298
Mountain Village	573	6,876	4,298	1,146**		2,865		5,250* 16,200**			4,000*		40,635	12,191	52,826		46,863
Napakiak	307	3,684	2,303			1,535		3,720*			4,000*		15,242	4,573	19,815		17,578
Napaskiak	215	2,580	1,613	430**							4,000*	1,000**	9,623	2,887	12,510		11,098
Nenana	503	6,036	3,773			2,515	2,515	16,140*					30,979	9,294	40,273	3,387	32,722
New Stuyahok	297	DID NOT SUBMIT FINANCIAL STATEMENT															
Newhalen	105	DID NOT SUBMIT APPLICATION															
Newtok	154	1,848	1,155			770							3,773	1,132	4,905		4,351
Nightmute	135	1,620	1,013			675							3,308	992	4,300		3,815
Nikolai	152					760		1,380*			4,000*		6,140	2,072	8,212		7,285
Nome	2,892	34,704	21,690	5,784**		14,460		17,550* 117**	5,784	75,000*		126,896**	301,985	90,596	392,581		348,267
Nor.Jalton	226	DID NOT SUBMIT FINANCIAL STATEMENT															

See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Adjustments	Prorated 88.712% Entitlement
Noorvik	524	6,288	3,930	1,048**		2,620		3,300*					17,186	5,800	22,986		20,391
North Pole	461	5,532	3,458	922**				16,080*					25,992	3,899	29,891		26,517
Nuiqsut	182	DID NOT SUBMIT APPLICATION															
Nulato	382		2,865			1,910		6,150*			4,000*		14,925	5,037	19,962	8,226	10,411
Old Harbor	342	4,104	2,565	684**		1,710	1,710	5,775*					16,548	1,241	17,789		15,781
Ouzinkie	177		1,328			885		1,050*					3,263	245	3,508		3,112
Palmer	2,141	25,692	16,058	4,282**			10,705	26,760*	4,282	75,000*			162,779	6,104	168,883		149,820
Pelican	221		1,658		442	1,105	1,105	1,650*			4,000*		9,960	747	10,707		9,498
Petersburg	3,197	38,364	23,978	6,394**	6,394	15,985	15,985	13,575*	6,394	75,000*	4,000*		206,069	7,728	213,797		189,664
Pilot Station	301	3,612	2,258	602**		1,505		1,500*					9,477	2,843	12,320		10,929
Platinum	58	696	435			290							1,421	426	1,847		1,639
Point Hope	464	DID NOT SUBMIT APPLICATION															
Port Alexander	101		758				505						1,263	47	1,310		1,162
Port Heiden	89		668			445		39,900*			4,000*		45,013	11,816	56,829		50,414
Port Lions	232	2,784	1,740	464**		1,160	1,160	3,660*					10,968	823	11,791		10,460
Quinhagak	451	5,412	3,383					750*			4,000*		13,545	4,064	17,609	3,852	12,204
Ruby	219		1,643			1,095							2,738	924	3,662		3,249
Russian Mission	167	2,004		334**				1,320*			4,000*		7,658	2,297	9,955		8,831
Saint Mary's	436	5,232	3,270	872**		2,180	2,180	8,145* 9,189**			4,000*		35,068	10,520	45,588		40,442
Saint Michael	283	3,396	2,123			1,415					4,000*		10,934	3,280	14,214		12,610
Saint Paul	550	6,600	4,125			2,750		54,450*					67,925	17,830	85,755		76,075

See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Adjustments	Prorated 88.7121 Entitlement
Sand Point	773	5,798		1,546**	1,546	3,865	3,865	18,000*			4,000*		38,620	10,138	48,758		43,254
Savoonga	409	4,908	3,068								4,000*		11,976	3,593	15,569		13,812
Saxman	272		2,040	544**		1,360		4,350*					8,294	-0-	8,294	2,040	5,548
Scammon Bay	193	2,316	1,448	386**		965		1,875*			4,000*		10,990	3,297	14,287	1,255	11.561
Selawik	554	6,648	4,155										10,803	3,646	14,449	3,484	9,727
Seldovia	612	7,344	4,590			3,060	3,060	9,720*			4,000*		31,774	2,383	34,157		30,301
Seward	2,130	25,560	15,975			10,650	10,650	27,518*		75,000*	64,000**		229,353	17,201	246,554		218,723
Shageluk	223		1,673			1,115		3,000* 2,025**			4,000*		11,813	3,987	15,800		14,017
Shaktoolik	163	1,956	1,223	326**				5,250* 10,800**			4,000*		23,555	7,067	30,622	6,165	21,696
Sheldon Point	143	DID NOT SUBMIT APPLICATION															
Shishmaref	353	4,236	2,648		706	1,765		2,970*			4,000*		16,325	4,898	21,223		18,827
Shungnak	198										4,000*		4,000	1,350	5,350		4,746
Skagway	877	10,524	6,578	1,754**		4,385	4,385	14,250*			4,000*		45,876	3,441	49,317		43,750
Soldotna	2,365	28,380	17,738	4,730**		11,825	11,825	38,820*					113,318	8,499	121,817		108,066
Stebbins	326	3,912	2,445			1,630							7,987	2,396	10,383	4,843	4,915
Tanana	499	5,988				2,495		16,575*					25,058	8,457	33,515		29,732
Teller	258	3,096				1,290		4,035*			4,000*		12,421	3,726	16,147		14,324
Tenakee Springs	134	1,608	1,005			670	670	1,500*					5,453	204	5,657		5,018
Togiak	455	5,460		910**				7,500*					13,870	3,641	17,511	3,968	12,014
Toksook Bay	336	4,032	2,520	672**		1,680					4,000*		12,904	3,871	16,775		14,881
Tuluksak	231	2,772				1,155					4,000*		7,927	2,378	9,105		9,142
Tununak	299	3,588	2,243								4,000*		9,831	2,949	12,780		11,337

See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Adjustments	Prorated 88.712% Entitlement
Unalakleet	632	7,584	4,740	1,264**	1,264	3,160		13,830*			4,000*		35,842	10,753	46,595	1,591	39,924
Unalaska	619	7,428	4,643			3,095		57,630*			4,000* 6,000**		82,796	21,734	104,530		92,731
Upper Kalskag	164	1,968	1,230			820							4,018	1,205	5,223		4,633
Valdez	4,481	53,772	33,608	8,962**	8,962	22,405	22,405	17,430*	8,962	75,000*	4,000*		255,506	47,907	303,413		269,164
Wainwright	429	APPLICATION DENIED															
Wales	130	DID NOT SUBMIT APPLICATION															
Wasilla	2,184							64,575*					64,575	2,422	66,997		59,434
White Mountain	115	DID NOT SUBMIT APPLICATION															
Whittier	292	3,504	2,190	584**		1,460	1,460	15,750*			4,000*		28,948	4,342	33,290		29,532
Wrangell	3,325	39,900	24,938	6,650**	6,650	16,625	16,625	10,560*	6,650	75,000*	4,000*		207,598	7,785	215,383		191,071
Yakutat	442	3,315		884**	884	2,210	2,210	4,965*			4,000*		18,468	1,385	19,853		17,612
TOTAL CITIES		1,369,943	869,394	178,134**	51,856	416,710	300,595	1,100,108* 150,156**	115,142	525,000* 218,000***	300,000* 210,000**	542,226**	6,347,264	1,026,068	7,373,332	61,981	6,486,046

See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Volunteer Fire Departments	Pop.	Entitlement	COLA	Total Entitlement	Prorated Entitlement 88.712
Akutan	70	525	138	663	588
Arctic Village	128	960	324	1,284	1,139
Atka	81	608	160	768	681
Beaver	82	DID NOT SUBMIT APPLICATION			
Belkofski	58	DID NOT SUBMIT APPLICATION			
Birch Creek	40	300	45	345	306
Chalkyitsik	92	APPLICATION DENIED			
Chignik	52	DID NOT SUBMIT APPLICATION			
Chignik Lake	134	APPLICATION DENIED			
Chitna	47	DID NOT SUBMIT APPLICATION ON TIME			
Circle	45	DID NOT SUBMIT APPLICATION			
Copper Center	433	3,248	487	3,735	3,313
Cordova	445	3,338	501	3,839	3,406
Crooked Creek	107	803	271	1,074	953
Delta Junction	725	5,438	816	6,254	5,548
Dot Lake	83	DID NOT SUBMIT APPLICATION			
Glennallen	1,152	8,640	1,296	9,936	8,814
Gulkana	75	DID NOT SUBMIT APPLICATION			
Iliamna	112	840	221	1,061	941
Kipnuk	356	2,670	801	3,471	3,079
Klukwan	145	DID NOT SUBMIT APPLICATION			
Koliganek	144	1,080	284	1,364	1,210
Kongiganak	200	APPLICATION DENIED			
Kwigillingok	206	DID NOT SUBMIT APPLICATION ON TIME			
Levelock	95	713	187	900	798

Volunteer Fire Departments	Pop.	Entitlement	COLA	Total Entitlement	Prorated Entitlement 88.712
Mentasta Lake	80	DID NOT SUBMIT APPLICATION			
Metlakatla	1,119	8,393	-0-	8,393	7,446
Minto	184	1,380	466	1,846	1,638
Myers Chuck	39	293	-0-	293	260
Nelson Lagoon	43	DID NOT SUBMIT APPLICATION			
Nenana	280	2,100	709	2,809	2,492
Noatak	261	DID NOT SUBMIT APPLICATION			
Nome	252	1,890	567	2,457	2,180
Northway Village	198	DID NOT SUBMIT APPLICATION			
Pelican	31	233	17	250	222
Perryville	101	DID NOT SUBMIT APPLICATION			
Pitka's Point	84	DID NOT SUBMIT APPLICATION			
Rampart	64	480	162	642	570
Saint George Island	176	1,320	347	1,667	1,479
Skagway	48	360	27	387	343
Sleetmute	121	DID NOT SUBMIT APPLICATION			
Stevens Village	80	APPLICATION DENIED			
Telida	32	240	81	321	285
Tok	854	6,405	961	7,366	6,535
Tri-Valley (Healy)	716	5,370	1,612	7,182	6,371
Tuntutuliak	240	1,800	540	2,340	2,076
Twin Hills	76	570	150	720	639
Yakutat	126	945	71	1,016	901
TOTAL VFD's		60,942	11,441	72,383	64,213

HB

886

(7)

COMMITTEE REPORT

HOUSE

2/19/80

FURTHER: FINANCE

Date: 21 Mar 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 886

"An Act making a special appropriation to the Department of Community and Regional Affairs, unorganized borough planning account; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[x] replace with CS for AB 886 [ ] same title [x] new title

and recommends it do pass

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[illegible]

[illegible]

[illegible]

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

WO 8002
Chenoweth

Original sponsor: Community and Regional Affairs Committee

Funding Information

General Fund	$300,000
Other Funds	- 0 -
	$300,000

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 886

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Community and Regional Affairs, unorganized borough regional planning account; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of $300,000 is appropriated from the general fund to the Department of Community and Regional Affairs, unorganized borough regional planning account, for allocations to unorganized boroughs for the preparation of management programs.

* Sec. 2. The unexpended and unobligated portion of the appropriation made by this Act lapses into the general fund June 30, 1982.

* Sec. 3. This Act takes effect on the effective date of a version of an Act entitled, "An Act relating to unorganized boroughs, establishing unorganized boroughs, establishing a program of planning assistance for unorganized boroughs, authorizing adoption of home rule charters by unorganized boroughs, and directing submission of recommendations concerning adjustment of the boundaries of service areas of the unorganized borough; and providing for an effective date."

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 492/HB 886
Title Appropriation for planning account of the unorganized borough
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Community Assistance Grant
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		40.7	43.9	47.4		
200 TRAVEL		7.2	7.8	8.4		
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT		2.0	.5	.5		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		49.9	52.2	56.3		

FUNDING (Thousands of Dollars)

GENERAL FUND		49.9	52.2	56.3		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1		
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Department anticipates that one full time position will be needed for administration and coordination of the appropriation within this bill. It is assumed the grant will serve 4 of the 21 areas in the unorganized borough. The position will have to travel to each of the 4 areas on three occasions. It is assumed that grant funds will continue to be appropriated.

Local Government Specialist IV Range 19 - Salary	=	$31,824
Fringes	=	8,910
Travel, 12 trips @ 600	=	7,200
Equipment & Supplies	=	2,000
		$49,934

($500 after FY 81)

IV DATE _____ PREPARED BY Steve Van Sant
AGENCY Community & Regional Affairs
PHONE 465-4787

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

HB 886 TITLE & SPONSOR SUMMARY 11:30 4/21/80 PAGE 1 OF 2

AMENDED TITLE:

AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT
OF COMMUNITY AND REGIONAL AFFAIRS, UNORGANIZED
BOROUGH PLANNING ACCOUNT; AND PROVIDING FOR AN EFFECTIVE
DATE $300,000 (APPROP)

PRIME SPONSOR: HOUSE C&RA COMMITTEE.

CO-SPONSORS:

HB 886 HOUSE ACTION 11:31 4/21/80 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/19/80	01	0394	FIRST READING -- COMMITTEE REPORTS
03/26/80	02	0772	CRA -- DNP01, CS04, NR02
			FINANCE
			RULES
****	**	**	*** *** ***

CURRENT STATUS: 3/26/80 IN (H) FINANCE

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 886

Title Special appropriation to the...unorganized borough regional planning account.

Requested by Community & Regional Affairs Date 4-22-80

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		42.2	45.6	49.2	0	0
200	TRAVEL		7.2	6.5	6.0	0	0
300	CONTRACTUAL		2.7	2.9	3.1	0	0
400	COMMODITIES		.3	.3	0	0	0
500	EQUIPMENT		.7	0	0	0	0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		53.1	55.3	58.3	0	0

FUNDING (Thousands of Dollars)

		53.1	55.3	58.3		
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

		1	1			
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Starting in FY 81 a Local Government Specialist IV would be hired to administer the $300,000 appropriation. It is assumed that the $300,000 appropriation will not last more than 3 years without being replenished. The position will require extensive travel:

Local Government Specialist IV - Range 19 - Salary and Benefits	42.2
Travel 12 trips @ 600	7.2
Contractural (Communications, office space, printing, etc.)	2.7
Commodities and Equipment	1.0
	53.1

Inflation calculated at 8%.

IV. DATE 4-22-80 PREPARED BY Doug Griffin DG.

AGENCY Community & Regional Affairs

PHONE 465-4736

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

HB

897

(7)

COMMITTEE REPORT

HOUSE

2/21/80

FURTHER:

Date: 5 Mar 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 897

"An Act repealing the limitation on the rate of sales tax which may be levied by a municipality."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER 897 RE Repealing limitation of the rate of sales tax levied by a municipality

Received from _____ Fical Note _____
Referred to — LAA Legal Contact _____

HB921 - Introduced at request of P. Guy for Bethel

CONTACTS: State Affairs Committee (M. Miller)

Sponsor: For Haines -
Why limit to 3% as any sales tax has to
Boroughs can go up to 6%
Cities limited to 3%

Boroughs & cities limited to 3%.

Definition of "use tax" not clear
Use tax could be levied along with sales tax.
1973 AG opinion - didn't Sales Tax in Bristol Bay so had to impose sales "use tax". Can call bed tax & use tax

March 18 - advisory election
3% to 4% - eliminate heating fuels & taxation
Out of 4% - would earmark 1½% for
TV station would be covered
Cabazon would be saving $30 mo.
Bed tax would be separate

As long as it goes before the people it is not a problem.
Letter to Bill Ray

United Fishermen AA - Sharon Macklen
Concerns re communities / impose sales tax on fish. If a left limit
Selective selling by fishermen
Bristol Bay - options don't exist - SE different

[Get brief note of co[illegible] re "home rule" & C&RA] Suggests limiting amendment to retail sales

CITY of BETHEL

P. O. Box 388 • Bethel, Alaska 99559
543-2297 — Area Code 907

March 6, 1980

Rep. Bill Parker, Chairman
Community & Regional Affairs
Pouch V
Juneau, Alaska 99811

Rep. Russ Meekins, Chairman
Finance Committee
Pouch V
Juneau, Alaska 99811

The Bethel City Council and Finance Committee have pondered the question of how the local government could receive additional tax dollars that would be fair and equitable. Property tax was ruled out because the City would end up foreclosing on a high percentage of citizens as many of them live off of subsistence or only have seasonal jobs. Fish tax was considered but our boundaries do not cover the point of sale of the fish. The other form of taxation which the Council considered to be fair is a local income tax, as this is the form of revenue that the State and Federal Governments use to fund their services, it should be considered by the legislature.

Since House Bills 897 and 921 have been introduced to increase sales tax from the existing ceiling of 3%, the City of Bethel would like to strongly support its passage by the legislature.

As sales tax is the only viable means of taxation, each community should not be restricted by the present 3% ceiling, it should be a local decision. Each community should have the opportunity to fund its own services through the form of taxation that they feel is the most fair and equitable means.

Your favorable consideration of these bills would be greatly appreciated.

Sincerely,

Lyman Hoffman
City Manager

cc: Rep. Pat Carney
Rep. Pat O'Connell
Sen. George Hohman
Rep. Charles Parr
Rep. Margaret Branson
Rep. Phillip Guy
Rep. Fred Zharoff
Rep. Ray Metcalf
Rep. Vern Hulburt

LH/dla

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99802

#

27025 BETHEL ALASKA 73 3-5 210P AST 1980 MAR 5 PM 5 32

PMS BILL PARKER

CHAIRMAN COMMUNITY AND REGIONAL AFFAIRS

POUCH V 349

JUNEAU ALASKA"

THE CITY OF BETHEL WOULD LIKE TO GO ON RECORD IN SUPPORTING THE INTENT OF HB 897 WHICH WOULD ALLOW EACH MUNICIPALITY TO DECIDE HOW MUCH SALES TAX VERSUS PROPERTY TAX THEY WOULD LEVY IN ORDER TO PROVIDE COMMUNITY SERVICES. AS MUCH FREEDOM IN SELECTING THE LEVEL OF TAXATION AS WELL AS THE SOURCE OF TAXATION IS WHAT SHOULD BE ALLOWED AS THERE ARE SO MANY DIFFERENT CIRCUMSTANCES IN ALASKA. HB 897 CERTAINLY IS IN THE RIGHT DIRECTION.

LYMAN HOFFMAN

CITY MANAGER

RECEIVED
MAR 06 1980
DEPT. OF COMMUNITY AND REGIONAL AFFAIRS

HB
932

(7)

COMMITTEE REPORT

HOUSE

3/4/80

FURTHER: FINANCE

Date: 3/4/80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 932

"An Act creating the office of rural development, and the Rural Development Council; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for _____ [✓] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 932 Rural Development Council

ORIGINAL SPONSOR: Duncan
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 4/11/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	
		Ray Metcalfe	X

Gordon Stockdale, Administrative Assistance, Rep. Duncan
Discusses changes in CS work draft with the committee.

Carney - Suggests word change on p. 4 line 14 which would convey the intent of "encourage in the cration and development of enterprises" rather than the use of"corporations".

Metcalfe - Suggests adding a 7-yr. sunset provision.

Branson - Expresses concern that this appears to be just another Council which has no power. What assurance is there that it will do anything?

Stockdale - Believes that having the Lt. Gov. as Chairman of the Council will assure that something is done.

Parr - Suggests that there be wording added on p. 4, a new #6 which would allow that the Council would be responsible for directing the state use of federal money for rural development purposes. This would address Rep. Branson's concern that the group may prove to be powerless.

Concurrence among committee members that these modifications would be made in the Committee Substitute.

COMMITTEE ACTION: CS to be drafted with amendments discussed.

TAPE # 8 SIDE 1 Footage 00-674

Alaska State Legislature

House of Representatives

COMMITTEE MINUTES — Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB932 Creating Rural Development Council

ORIGINAL SPONSOR: Duncan
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 4/7/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

Gordaon Stockdale, Administrative Assistant, Rep. Jim Duncan

Reviews changes in the committee substitute for the committee.

Parker - Questions if there is a need for a definition of "rural"? Stockdale responds that by defining one might create a vacumm for the urban areas and create a need to establish such a Coucil for the urban areas.

Carney - Believes that the Resource Development Council could do the job for the whole state. Stockdale stresses the need to get a cooperative effort for the rural areas.

Parr - Concerned that the office wouldn't be doing anything specific. Questions what the office can do to create industry. Stockdale says the office could access resource capabilities and facilitate use of such resources. Parr doesn't see that this Council is doing anything "different".

Carney - Doesn't like having just the rural areas addressed. Doesn't like policy statements on p. 1 lines 23-26. The renewable resources of the state should be developed and the Council should be composed of representatives of individual industries (fishing, timbering, etc)

Zharoff - Supports p.1 line 24 statement

Parr - On p. 1 line 24 "if there is an economic base" should be added. Doesn't believe in the statement as it stands.

Carney - Rural like style should be taken into consideration but he doesn't believe it should be given highest priority. Sees this as another bureaucratic office. If the thrust is for whole state concerns, then he questions the staements on p.1 lines 24-26 as a problem.

Bob Palmer, Special Projects Coordinator, Office of the Governor
Reviews President's initiative which led to the

COMMITTEE ACTION:

No action

TAPE # 7 SIDE 1 Footage 260-1505

The concept originated in the White House. It is being interpreted by the Governor's Office as involving wide-spread and broadbased representation. Would use "floating" membership in the group to deal with different problems affecting different areas of the state. Improved economic opportunities would be developed. Solutions would need to be prioritzed. The designation of the lead agency has taken place with the Agricultural Council being used and there would be provision for private sector representatives as well. There would be a need for a full time staff. Currently two individuals are being considered for the job of Executive Director. An administrative order on the subject is being developed by the Governor. Core group would be established similar to HB932. Regional aquaculture association would be included. Agricultureal Action Council reps would be included. The agricultural potential of various areas needs to be expanded and the bottomfish potential developed.

Parr - What would the office do specifically?

Palmer - Would make agricultural loans availalbe.

Parr - Why is a separate Council needed? Why not use the Office of Commerce and Economic Development?

Palmer - The establishment of this separate group is being suggested because the federal government is requiring such a group and has indicated its interest in working with such a group.

Branson - Federal government hasn't done much to stimulate the economy and she believes it is silly to set up such an office to accomodate the federal government.

Palmer - There is a question of whether the monies which are coming into the state are being wisely spent and this group would establish priorities.

Carney - Development oriented prople are not included inthe proposed legislation. There would be no gain in the addition of this Council. The economic base of the whole state should be considered.

Palmer - The role of the exisiting Rural Development Council is different. Parr- That expertise should be used.
Palmer - The Governor is doing that and his Administrative Order should be ready shortly.

Carney - Legislative direction is needed. There should be specialists in different areas of expertise to advise this group.

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 932 Creating Office of Rural Development and Rural Development Council

ORIGINAL SPONSOR: Rules/Request of OTHER SPONSORS: _____

RECEIVED FROM: Budget & Audit(Duncan) FURTHER REFERRALS: Finance

HEARING DATE: 3/19/80 Joint Meeting with Senate C&RA Present: Sturgulewski,Kelly, Mulcahy,Stimson

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Rep. Jim Duncan and Gordon Stockdale, Aide to Rep. Duncan testify on the intnet of HB 932, the history and development of the bill. Addressed their concerns relating to the narrow agency lines which are presently used for developing economic policy for rural Alaska. Want to build a role for the state in rural policy formation and want to bring federal and state resources together.
The specifics of the bill were reviewed and outlined for the Committee by Rep. Duncan.

Sen. Sturgulewski asked if it wasn't the role of the Rural Development Council to develop the policy statements and questioned those on pl. 1.

Stockdale - Pointed out the dependency of the rural areas on CETA funding and the instability of such funding and the need to develop self sustaining entities in rural Alaska.

Carney - The Council should be broadened to relate to the whole state. The Council should include representatives from private industry.

Stimson - Questions why the office is in the Office of the Governor rather than C&RA.

Parr - Questions the role of the state in the existence of a village and the policy statements on p.1. Doesn't believe that the state has a role. Asks shy the Dept. of Commerce and Economic Development can't handle the functions being proposed for the Council in this bill.

Duncan - The prime role of the Office and Council would be coordinative.

Parr - Suggests addition on p. 1 line 24 of "where there is or can be developed an economic base.

COMMITTEE ACTION:

No action.

TAPE # 4 SIDE 2 Footage 19-1636

Metcalfe - Efforts should be coordinated with groups such as the Fairbanks Town and Viallage Association. But there should not be a policy to develop economic support where it can't be developed.

Duncan - This office would cross agency lines.

Parr - Asks relationship with the cooperative Extension Sedrvice and the Rural Development Council.

Stockdale-There are no executive branch members on the Rural Development Council.

Zharoff - Questions the large size of the board (16 members) and asks why Dept. of Commerce and Economic Development isn't included.

Bob Palmer, Special Projects Coordinator, Office of the Governor

White House initiated suggestion for a Rural Policy Group. Thrust was to improve living conditions in rural America. Dept. of Agriculture is the lead agency. The Director of Agriculture is the lead person in Region X. Since the Governor's Office is already pursuing development of such a group and the reorientation of the Agricultural group, duplication of effort would result from the passage of this bill.Committee developed in Governor's Office would be an adjunct of the Agricultural Council.

Parr - Asks if Governor is planning to issue an executive order on the subject?

Palmer - Action Council has been given directive and that will be formalized

Stimson - Sees it as inconsistent that Agricultural Council would head up use of rural development money in Alaska. Focus would not necessarily be strictly agriculture.

Zharoff - Asks how Governor is defininf "rural".

Palmer - This has not been defined.

Mike DeMann

Discussed history of Dept. of C&RA and its origin in the Rural Development Office. Concern that there was no operational program to go along with the policy group. Ak. needs to get its own rural policy act together. We can make a stronger case with the federal government if we have our act together. Membership in the Council needs to be broad. Commerce and Ec. Developemtn is a resource as is DPDP. Sees Office as an opportunity to get the State's act together and to maximize initiative of the Federal Government.

Spud Williams, Tanana Chiefs Conference

Concerned that this is another "social club".Statewide organization needs to be decentralized. In the Interior an economic development district has been formed. Why create another organization? We are creating layers and layers of government on the central level.This can't work. Decentalize through the native non-porfits. Local control is necessary.

Carney - Shares some of Williams' concerns but not his negative approach.

Williams - Make the existing Departments work. Step on tail of Dept. of C&RA and make it work as an advocacy group. It could in fact be economically oriented. It has a rural perspective or "had" such a perspective.

Jeff Smith, Director of Planning, Maneuluk

Regional Strategies are a broad planning effort currently underway in his region. Economic development needs to be specifically addressed. HB932 is excellent. Past policy is to do things "to" rather than "with" people. People want to have a say.

Parr-If initiative is coming from the people, then State and federal governments should be responded to the requests.

Sturgulewski - Problem is lack of coordination. There is no relationship with operating agencies in the direction of rural policy.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Billy Berrier
FROM: Marjorie Gorsuch
DATE: 4/11/80
RE: CS HB932

Billy,

Attached is the latest version of HB 932 which has been passed out of committee with the following modifications to be included in a new CS:

p. 4 Lines 14-15 Rewrite as follows:

(5) encourage and assist in the creation and use of regional development enterprises.

(6) subject to the approval of the Governor, an appropriation by the legislature to this council will direct the state use of federal monies for rural development.

Sunset Provision

The Committee also wants provision for a sunset review of this piece of legislation after a seven year period of time.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 932
Title An Act creating the office of rural development, and the Rural Development Council
Requested by Representative Duncan Date 4-11-80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Local Government Assistance Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 4-11-80 PREPARED BY Palmer McCarter
AGENCY Community & Regional Affairs
PHONE 465-4707

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K–STATE CAPITOL
JUNEAU, ALASKA 99811

465-3600

April 15, 1980

Received after bill was passed out of Committee

The Honorable Russ Meekins
Chairman, House Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: CSHB 932, relating to rural development

Dear Mr. Chairman:

We wish to call to your committee's attention some legal problems presented by CSHB 932, a bill establishing the office of rural development and the rural development council.

The bill provides for members of the legislature to serve on the rural development council then vests the council with a veto power over the expenditure of federal money for rural development. As you know, the ruling in Kelley v. Hammond was that the constitution does not permit that arrangement. Moreover, by vesting the council with that power and with the duty of providing policy direction for the office of rural development and assisting it in its activities, the bill necessarily makes membership on the commission a public office. Members of the legislature may not, of course, hold other office. Begich v. Jefferson, 441 P.2d 27 (Alaska 1968). Were they to accept appointment to this commission, they might forfeit their office as legislators, that being the general rule.

Additionally, the bill provides (Sec. 44.19.22o) for the director of the office of rural development to hire staff and determine their compensation, within the budget limits. No reason occurs why this office should be different from others and not staff and fund positions in accordance with the same rules and procedures as all other agencies. This provision implies a difference.

We would recommend that lines 7-8 on page 2 of the

bill be deleted, that lines 25 and 26 on page 2 be deleted, that everything after the word "council" on line 11 and all of lines 12 and 13 on page 3 be deleted, that the words "legislative co-chairman," on line 29 on page 3 be deleted, and that the first sentence on lines 19-20 on page 4 be deleted.

We appreciate this opportunity to bring these matters to your attention.

Sincerely yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Rodger W. Pegues
Rodger W. Pegues
Assistant Attorney General

RWP/pjg

cc: Honorable Bill Parker, Chairman
House Community & Regional
Affairs Committee

4/16/80

Meeting

Gordon Stockday, A.A.Jim Duncan
Billy Berrier, LAA
Marjorie Gorsuch, A.A. House C&RA

Discussed change in wording on
p. 2 line 6 to relect intent of
committee . Would read:

Appropriations for rural development
from federal money be expended only with concurrence
of the Council.

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE:

LOCATION:

SUBJECT:

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Erika Tritremmel	Tao AL CAP	327 Eagle, Auc.	279-2511	✓	
Carol J Kaehele	Comm. & Reg. Affairs	Pouch B Juneau, AK	465-4711	✓	
Jean Schramm	Comm & Reg Aff.	Pouch B, Juneau	465-4711	✓	
Andrew W. Ebona	TLINGIT-HAIDA CENTRAL COUNCIL	1 SEALASKA PLAZA JNU. AK. 99801	6-1432		X
Arlene G. Dilts	Central Council of the Tlingit & Haida Indian Tribes of Alaska	One Sealaska Plaza, Suite 200 Juneau 99801	586-1432	✓	
Sally Rice	DPOP	Pouch AD Juneau	465-3573	✓	
Gordon Stockdale	Budget & Audit	Pouch V Juneau	465-3858	~~✓~~	X
Jon D. Halliwell	Mayor of Haines	P.O. Box 179 - Haines	766-2336		X
Gerald Anlon	here on RSVP for government	PO Box 48 Iliamna AK 99606	571-1232	✓	
Bob Janes	USDA - Forest Service	Box 1628, Juneau 99802	586-7510	✓	
Robert W. Loeschen	Sealaska Corp	One Sealaska Plaza	586-1512		X

JUNEAU

ANCH. (BARBARA)

RODGER LANG - AK. NATIVE FOUNDATION

PHIL SMITH - RURAL CAP

JACK RODRICK - FARMERS HOME ADMINISTRATION

FBX ~~[illegible]~~) Maxine

Samuel Dementieff

(2)

SITKA (CHARLY)

KKAN (BONNIE)

SOLDOTNA (RHODA)

CHECK WITH Frank Macilhardy KPB

[illegible] SMITH

KODIAK (MARK JO)

BOB [illegible] - KODIAK AREA NATIVE ASSO

DILLINGHAM ([illegible])

BETHEL (WALLY)

NOME (BOB)

CHARLES JOHNSON

GEORGE [illegible]

NAME	REPRESENTS	TEL.	OBSERVE/TESTIFY
CLARENCE ANTIOQUIA	SEALASKA CORP.	586-1512	- OBSERVER
Karen Burstein	F & G Support Bldg.	465-4110	observe
Robert Willard	Alaska Native Brotherhood	586-3301	Obs

KOTZEBUE (MARY)

AL ADAMS

BOB ANOLL

WASILLA (MARY)

ELSIE O'BRIEN

VALDEZ (PAT)

3/28/80

Cont

Roger Lang, Ak Peter

Phil Knapp

Gruele

Roderick

Farmers Home Admin

3 [illegible]

[illegible] Tim [illegible] Warhuchard [illegible] Bro

James [illegible]

[illegible]

[illegible]

[illegible]

State FHA rep

SCR 41 Est. State EC Devel Policy (Senate Resources)

OEDP - mandates regional reps. o

Under EDA reg. (304)

1:6932

3/28/84

Rural Alaska
Community Action Program, Inc.

TO. DISTRIBUTION DATE: April 1, 1980

FROM: Phil Smith, Executive Director

SUBJECT: Attached (testimony on HB 932)

Attached, for your information and comment, is a copy of the testimony I prepared and delivered last Friday before the Joint House/Senate CRA Committees on HB 932.

In essence, it is a good Bill and sorely needed to meet the problems and issues it identifies. My only problem is that it doesn't seem to go far enough to serve as an instrument to truly force the Administration to develop appropriate rural Development policies for Alaska.

I would be interested in your comments and observations. Clearly, the time has come to push this issue.

Thanks for your help.

cc: Rep. Bill Parker
Sen. Arliss Sturgelewski
Rep. Jim Duncan
Bob Knoll, Mauneluk Assn.
Bob Peterson, KANA
Charles Johnson, Kawerak
Roger Lang, ANF
Janie Leask, AFN
Jeff Hiatt, CEDC
Don Argetsinger, Governor's Office
Jim Fisher, USDA
Ms. Lare, DCRA/RDA

• P.O. Box 3-3908, Anchorage, Alaska 99501 • (907) 279-2511

Rural Alaska Community Action Program, Inc.

TESTIMONY OF

PHIL SMITH, EXECUTIVE DIRECTOR
RURAL ALASKA COMMUNITY ACTION PROGRAM, INC.

BEFORE

JOINT HOUSE/SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES

HB 932

MARCH 28, 1980

Administration • P.O. Box 3-3908, Anchorage, Alaska 99501 • (907) 279-2511

LADIES AND GENTLEMEN OF THE JOINT COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS, FOR THE RECORD, MY NAME IS PHIL SMITH. AS EXECUTIVE DIRECTOR OF THE RURAL ALASKA COMMUNITY ACTION PROGRAM, I WELCOME AND APPRECIATE THIS OPPORTUNITY TO TESTIFY ON HOUSE BILL 932, AND TO EXPRESS MY SUPPORT FOR ITS PASSAGE. CLEARLY, THE ISSUE OF RURAL DEVELOPMENT IN ALASKA IS ONE WHICH IS BOTH TIMELY AND APPROPRIATE FOR THE LEGISLATURE TO ADDRESS.

AT THE OUTSET, I WOULD LIKE TO CONGRATULATE THE AUTHOR AND SPONSOR OF THE BILL FOR RECOGNIZING THE SERIOUS PLIGHT OF RURAL ALASKA. FURTHER, THE STATEMENT OF FINDINGS, POLICY, AND PURPOSE CONTAINED IN SECTION 1 OF THE BILL IS LAUDABLE, IF FOR NO OTHER REASON THAN THAT THE BILL PROCLAIMS THE POLICY THAT "VILLAGES AND SMALL COMMUNITIES SHOULD EXIST IN THE STATE." IN SPITE OF THAT IMPORTANT AND SIGNIFICANT POLICY STATEMENT, HOWEVER, SECTION 1 MAY BE A LITTLE TOO OPEN TO INTERPRETATION. TERMS NEED TO BE DEFINED.

FOR INSTANCE, WHAT IS REALLY MEANT BY "RURAL DEVELOPMENT," A "HEALTHLY PRIVATE ECONOMIC BASE," AND "THE ADVOCACY OF A PRIVATE ECONOMY?" IF THE ASSUMPTION IS THAT THE PUBLIC INTEREST IS TO BE SERVED BY THE EXISTENCE OF SMALL TOWNS AND VALLAGES IN ALASKA, THEN THE BILL'S EMPHASIS ON DEVELOPMENT OF A "PRIVATE ECONOMIC BASE" SEEMS TO ME TO RESPOND TO ONLY A SMALL PART OF THE CHALLENGE.

THERE IS NO DOUBT IN MY MIND THAT THERE IS A DEMONSTRATED NEED FOR THE STATE OF ALASKA TO DEVELOP AN ECONOMIC POLICY FOR RURAL ALASKA. ABSENT SUCH A POLICY, THE "ECONOMIC CRISIS" REFERRED TO IN THE BILL WILL UNDOUBTEDLY CONTINUE. ALSO, ABSENT SUCH A POLICY, IT WILL BE DIFFICULT, IF NOT IMPOSSIBLE, TO DEVISE AND IMPLEMENT APPROPRIATE POLICIES RELATING TO ENERGY, TRANSPORTATION, TELECOMMUNICATIONS, HUMAN SERVICES, LOCAL GOVERNMENT, AND THE WHOLE HOST OF OTHER PUBLIC ISSUES WHICH IMPACT THE LIVES OF VILLAGE PEOPLE.

So, yes, we need an economic policy. I am not sure, however, that we need to develop such a policy by transferring all of the assumptions of the Western Cash Economy onto the backs of village people. An "economic policy" for rural Alaska must be one which is appropriate to each locale, not one that is designed only to maximize capital in the private sector in order to develop busisnesses for their own sake. An appropriate economic policy for rural Alaska must include a thorough and sensitive analysis of the nutritional/cultural/economic imperative of subsistence. Additionally, it must be planned and it must grow from the village and from the villager's own aspirations. Any "economic policy" devised in Washington or Seattle or Juneau or Anchorage and thrust upon the villages may well do far more harm than good.

Accordingly, as the language of HB 932 is further developed, I would suggest that the Statement of Findings, Policy, and Purpose be re-worked to demonstrate a high degree of sensitivity to what rural development is really all about -- that is, the well-being of rural Alaskan people on their own terms, with their own expectations being the bell-wether against which to measure its success, and the freedom and the authority to control their own destiny. It is clearly not enough to import the failing of the Western Cash Economy to rural Alaska.

All of the above implies a significant and most complex challenge for those who would develop public policy. Unfortunately, the mechanism proposed in HB 932 (the creation of a "Rural Development Council" and a staff position, both lodged within the Office of the Governor) may not be adequate to respond to the issues and concerns that the Bill itself identifies.

The pervasive assumption behind the need to create the Council and the Office of Rural Development is that existing mechanisms already available to the Administration (such as the Department of Community and Regional Affairs and other line

DEPARTMENTS AND AGENCIES OF STATE GOVERNMENT, THE DIVISION OF POLICY DEVELOPMENT AND PLANNING IN THE GOVERNOR'S OFFICE, THE STATUTORIALLY AUTHORIZED BUT UNFUNDED RURAL AFFAIRS COMMISSION, AND OTHER STRUCTURES AVAILABLE TO THE GOVERNOR) LACK EITHER THE MANDATE, THE WILL. OR THE DIRECTION TO DO THE JOB. SINCE THERE IS A PERCEIVED LACK OF COMMITMENT ON THE PART OF THE ADMINISTRATION TO FORTHRIGHTLY ADDRESS THE PROBLEM, I AM CONCERNED THAT ALL THIS BILL REALLY DOES IS TO HAND THE GOVERNOR YET ANOTHER STRUCTURE WHICH MAY OR MAY NOT FUNCTION. THEREFORE, BOTH THE POWER AND THE AUTHORITY OF THE COUNCIL NEED TO BE CONSIDERABLY EXPANDED.

ANOTHER CONCERN I HAVE WITH THE STRUCTURE, SCOPE, FUNCION, AND MANDATE OF THE COUNCIL, AS OUTLINED BY THE BILL, IS THAT (WITH THE EXCEPTION OF THE DIRECTOR OF THE COOPERATIVE EXTENSION SERVICE OF THE UNIVERSITY), THERE IS NO ROOM FOR FEDERAL INVOLVEMENT. PRESIDENT CARTER'S DECEMBER 20TH PROMULGATION OF THE "SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY" OF THE UNITED STATES GOVERNMENT IS A CLEAR INVITATION AND A CHALLENGE FOR GOVERNORS TO EXTABLISH STATE RURAL DEVELOPMENT COUNCILS AS MECHANISMS FOR INSURING COORDINATION OF JOINT FEDERAL/STATE EFFORTS TO IMPLEMENT LOCAL RURAL DEVELOPMENT PRIORITIES. IN SHORT, THE PRESIDENT IS ASKING STATES TO TELL THE FEDERAL GOVERNMENT WHAT RESPONSES IN FEDERAL POLICY AND PROGRAMS AND FUNDING PRIORITIES ARE NEEDED IN ORDER TO ACTUALIZE THE DEVELOPMENTAL DESIRES OF RURAL AMERICA.

ALTHOUGH I ADMIT IT IS POSSIBLE (EVEN TEMPTING ON OCCASION) TO BE CYNICAL ABOUT THE MOTIVES OF THE FEDERAL GOVERNMENT AS THEY RELATE TO ALASKA, THERE IS EVERY INDICATION THAT, AT LEAST IN THIS INSTANCE, THE PRESIDENT IS SERIOUS. IF THE PURPOSE OF HB 932 IS TO ESTABLISH A STRUCTURE TO TAKE ADVANTAGE OF PRESIDENT CARTER'S RURAL INITIATIVES, IT SEEMS TO ME THAT FEDERAL PARTICIPATION OF THE COUNCIL IS INDICATED.

IN CLOSING, I WOULD LIKE TO REITERATE MY SUPPORT OF HB 932, AND URGE ITS PASSAGE ONCE MORE. AS I NOTED EARLIER, THERE IS A SIGNIFICANT LACK OF POLICY DEVELOPMENT AND POLICY

DIRECTION RELATING TO COMMUNITY DEVELOPMENT IN RURAL ALASKA. THAT THIS FACT IS RECOGNIZED BY THE AUTHORS OF THE BILL AND BY THE COMMITTEES HOLDING HEARINGS ON IT IS A SIGNIFICANT STEP IN THE RIGHT DIRECTION. THE WEAKNESSES IN THE BILL WHICH I HAVE NOTED IN THIS TESTIMONY ARE MINOR. SHOULD THE COMMITTEES BE INTERESTED, I WOULD BE HAPPY TO WORK WITH THE MEMBERS TO ASSIST IN DRAFTING APPROPRIATE AMENDMENTS. BEYOND THAT, I AM SURE THAT OTHERS TESTIFYING TODAY WILL LIKEWISE COMMIT THE NECESSARY TIME AND EFFORT TO ASSURE THAT A COMMITTEE SUBSTITUTE EMERGES WHICH CAN DO THE JOB THAT SO DESPARATELY NEEDS TO BE DONE.

THANKS VERY MUCH FOR THE OPPORTUNITY TO TESTIFY. I WOULD BE HAPPY TO ENTERTAIN ANY QUESTIONS YOU MIGHT HAVE.

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12/6/79

BACKGROUND AND DISCUSSION PAPER ON STATE-LEVEL RURAL DEVELOPMENT COORDINATION

(For Use at December 19 Meeting of USDA Rural Development Coordinating Committee)

Rq; NAGLE

Background:

1. The President's Policy Statement on Small Communities and Rural Development calls for strengthening the interdepartmental Assistant Secretaries Working Group on Rural Development by designating the President's Assistant for Intergovernmental Affairs or his designee to be cochairperson with the Secretary of Agriculture's designee. The statement also assigns to the Working Group primary responsibility for implementing those programmatic initiatives and reforms requiring interagency coordination and cooperation.

2. In calling for support of state rural development councils to institutionalize and coordinate rural development efforts within state government and to provide a focus for coordination with federal agencies, the White House statement echoed the first three directives to State Rural Development Coordinating Committees listed in Secretary Bergland's Memorandum No. 1979 on Rural Development of March 21, 1979:

1) Support the establishment of a governor's rural development council or similar structure for rural development policy management within a State government.

2) Work with the governor's council and/or other appropriate agencies in the State to develop State and local rural development strategies.

3) Develop strategies for targeting USDA resources and encouraging other Federal and State agencies to cooperatively target their programs on locally determined rural needs.

3. Entities already in existence at the time of the Secretary's Memorandum include the Minnesota Rural Development Council under the Office of the Governor, the Alaska Rural Development Council, and Nevada's Resource Action Council. In recent months, governors in North Carolina, New York, New Mexico, and Arizona have established Rural Affairs Councils with staff support provided in part by Section 111 Rural Planning grants from FmHA. Planning for similar councils is underway in Maine, Vermont, New Hampshire, and Puerto Rico. They have also received Section 111 grants to help staff such councils. The governors of West Virginia and Arkansas are currently considering the official designation of present state Rural Development Committees if membership on them is broadened to include all the federal and state agencies with programs that impact on development in rural areas. The Rural Affairs Councils previously in existence, as well as those recently established, vary widely in structure and in the extent of the involvement of federal agencies.

12 States & Puerto Rico

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4. Some outstanding examples of State Rural Development Committees which are successfully involving a wide range of non-USDA federal agencies, as well as state agencies and substate planning districts, include Florida, Massachusetts, Wyoming, Missouri, and Pennsylvania. Other committees that are undergoing revival and restructuring and that show promise of becoming effective interagency coordinating instruments include Washington, Oregon, Idaho, Wisconsin, and Kentucky. In the Kentucky restructuring, consideration is being given to asking the Governor to designate a state cochairperson of the committee who will serve with the elected federal chairperson.

10 states

Most of the other State Rural Development Committees in both membership and emphasis are dominated by USDA. Although some have involved state agencies, very few have managed to attract the non-USDA federal agencies, such as HUD, EPA, and EDA whose funds account for so much of what is spent on development in rural areas. Although the committees have served as useful forums and coordination instruments for USDA itself, few could be described as effective instruments for coordination of agencies and programs outside USDA.

Action Recommendations:

1. The cochairpersons of the Assistant Secretaries Working Group on Rural Development should:

a. invite governors who have already established Rural Affairs Councils to include either directly or on relevant subcommittees or task forces the key federal agencies with development programs impacting on rural areas;

b. invite governors without such councils to establish them with the degree of federal agency involvement that will make the councils the major instrument of rural development coordination as called for in Section 603 of the Rural Development Act of 1972;

c. request the chairpersons of the Federal Regional Councils to establish rural development task forces or subcommittees for each of the Federal Regions;

(d) establish a direct tie between the state councils, the FRC committees, and the Assistant Secretaries Working Group on Rural Development;

e. ask members of the ASWG to direct their respective field staffs to become actively involved in the FRC committees and the state-level Rural Affairs Councils;

f. in states where governors are reluctant to establish official Rural Affairs Councils, ask the present State Rural Development

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Committees to expand their membership or to establish appropriate task forces or subcommittees that would involve the relevant state agencies and such non-USDA agencies as HUD, EPA, EDA, and CSA. Such committees will be considered the major state-level coordination instrument as called for in Section 603 of the Rural Development Act. The Assistant Secretaries who make up the Assistant Secretaries Working Group on Rural Development will be asked to direct the ranking official of their agency in such states to become an active member of the committee.

2. The USDA Rural Development Coordinating Committee should:

   a. Support the Assistant Secretaries Working Group on Rural Development and the White House Office for Intergovernmental Affairs in carrying out the above recommendations, by

      (1) urging the chairpersons of the present State Rural Development Committees to reinforce the invitation to the governors by offering assistance in the establishment of a Rural Affairs Council;

      (2) using the Regional Workshops to win the support and involvement of the Rural Development Committees in the move toward Governors' Rural Affairs Councils;

      (3) ensuring that nothing of value in the work now going on in the state committees is lost in the creation of new entities.

Implications for Present Rural Development Committees:

1. Where governors' Rural Affairs Councils have been created, the former USDA-initiated Rural Development Committees are urged, but not required, to stay in existence. (In North Carolina, New Mexico, and Arizona, where Rural Affairs Councils have been created, the Rural Development Committees, made up of USDA agency heads, have remained in existence. Their continued existence enables the USDA agencies to respond to the initiatives of the Councils, to suggest certain initiatives to the Councils, and to deal with rural development matters more particular to USDA.)

2. Where governors' Rural Affairs Councils are created, the present committees might well decide to rename as "USDA Rural Development Liaison Committees" to keep the distinction clear.

3. Because most of the present State Rural Development Committees are, in effect, USDA committees, with 11 of them now using USDA in their titles, little change would be necessary.

4. For those few present committees that are recognized by governors, state agencies, and non-USDA federal agencies as broadly representative federal/state coordinating instruments, some will very likely be asked to evolve more formally into a governor's officially designated Rural Affairs Council.

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5. Since most of the present Small Farm and Land Use Committees are ~~related or~~ subcommittees or otherwise related to the present Rural Development Committees, a number of options are possible.

a. Some might become subcommittees or task forces of a governor's Rural Affairs Council.

b. Some might emerge as separate committees within the structure of the new USDA State Coordination and Administration Committees. (This would certainly be the case should a Rural Development Committee decide to dissolve itself.)

c. Most will most likely remain and be related to a USDA Rural Development Liaison Committee.

Criteria for Governors' Rural Affairs Councils:

Much more thinking needs to be done. Such entities are pioneer efforts in federalism and public administration. Useful for discussion purposes are some criteria that apparently were considered in the establishment of the New York Rural Affairs Council. As described by the Council's co-vice chairperson, Karen Noble Hanson, the minimum requirements considered for the Council were:

1. Include at least five to six federal agencies.

state legislators?

2. Include major state agencies having rural development mandate or programs.

3. Have representation at the highest level of these agencies so that policy-level persons were present and able to make decisions.

4. Be chaired by the Governor or Lieutenant Governor, personally, with co-chairs of USDA and other state agencies.

5. Having working committees that would bring thoughtful program, legislative, and regulatory ideas or concerns to its attention. The committee would transmit these ideas to the proper state or federal officials.

6. Have the blessing and support of the Governor's office.

7. Be negotiated by written agreement.

8. Be staffed initially be a person from a Section 111 FmHA grant, eventually by the state government directly.

The New York Rural Affairs Council is chaired by the Lieutenant Governor. Co-Vice chairpersons are the head of New York's State Agriculture and Markets Department and the USDA Regional Representative to the Federal Regional

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Council. Federal agencies serving are: USDA, HUD, HEW, CSA, DOT, EPA, and EDA. Nine state agencies are included. Four subcommittees (agriculture, economic development, health, and housing) do the major work of the Council.

As described by Ms. Hanson, "All USDA agency heads have been invited to serve on all subcommittees of the Council. In addition, all USDA agency heads will serve on the subcommittee on agriculture." Apparently, although only one USDA representative will be a member of the Council itself, all USDA agency heads will be invited to all Rural Affairs Council meetings.

Calendar No. 183

96TH CONGRESS
1st SESSION

S. 835

[Report No. 96–171]

To extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation.

IN THE SENATE OF THE UNITED STATES

MARCH 29 (legislative day, FEBRUARY 22), 1979

Mr. RANDOLPH (for himself and Mr. MOYNIHAN) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

MAY 15 (legislative day, APRIL 9), 1979

Reported by Mr. RANDOLPH, with amendments and an amendment to the title

[Omit the part struck through and insert the part printed in italic]

A BILL

To extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regional Development Act of 1979".

SEC. 2. ~~(a) Multistate regional commissions, established under the Appalachian Regional Development Act of 1965 and title V of the Public Works and Economic Development Act of 1965, and strengthened under the Regional Development Act of 1975, have displayed a strong potential for increasing State and substate efforts in behalf of regional concerns. Significant opportunities and problems demanding multistate regional cooperation and State participation remain. In addition, a new range of national problems having regional dimensions has appeared, including community conservation, energy development and conservation, transportation, and export development.~~

~~(b) In the Regional Development Act of 1975, the Congress provided regional commissions with broader authorities and placed the title V regional commissions with the Appalachian Regional Commission in a common framework in which all commissions were encouraged to address shared development problems and issues of regional transportation, health, education, and energy development.~~

~~(c) The potential of multistate decisionmaking when applied to programs and projects of regional significance indi-~~

~~cates the desirability of expanding the regional commissions to cover the entire Nation. The Congress finds that all States should be afforded the opportunity to join a regional commission established under this Act. The Congress also finds that multistate regional institutions represent a unique and productive means of providing incentives for concerted and cooperative action among groups of States acting together with a Federal representative as a regional commission. The Congress also finds that there is need to provide special incentives beyond those authorized in existing legislation to improve the ability of regional commissions to assist Governors to coordinate regional, State, and substate development programs.~~

~~(d) Therefore, it~~ *It* is the purpose of this Act to ~~create a nationwide system~~ *authorize creation* of regional commissions and to provide a framework for regional commissions to coordinate the efforts of Federal, State, and local governments in ~~(1) planning for growth and change so as to maximize the social and economic benefits and to minimize the costs in activities which will improve the quality of life for the people in all the regions of the Nation; (2) implementing regional programs and projects which can be carried out through intergovernmental cooperation; (3) meeting the special problems created in a region as a result of national policies or needs; (4) providing improved means to direct assistance to~~

~~States for resolving shared and interstate regional problems; (5) providing a new mechanism for improving the ability of Federal programs and policies to function effectively, taking into account specific regional differences and perspectives; and (6) serving as a model for simplified and flexible program administration while meeting statutory objectives.~~ *(1) planning and implementing programs to improve the capability of States and local governments to resolve shared and interstate regional problems of economic decline and dislocation due to rapid growth; (2) undertaking shared efforts to establish stable and diversified regional economies and meet basic service needs in areas and communities experiencing economic decline or dislocation due to rapid growth; (3) providing a mechanism for improving the ability of Federal programs and policies to function effectively, taking into account specific regional differences and perspectives; (4) establishing priorities from the regional perspective for public and private investment in areas affected by economic decline or dislocation due to rapid growth; (5) fostering creation of regional institutions to address shared problems and encouraging commonality of services on a regional basis where appropriate; and (6) meeting the special problems created in a region as a result of national policies or needs.*

TITLE I

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1979".

SEC. 102. Section 2 of the Appalachian Regional Development Act of 1965 is amended as follows:

(1) The fifth sentence of subsection (a) of such section is amended by inserting "including the provision of services to people in the region," after "special problems,".

(2) The sixth sentence of subsection (a) is amended to read as follows: "The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, including emerging small cities and urban centers and areas affected by energy development, where the expected return on public dollars invested will be the greatest, and in remote and hard-to-reach areas where there are special problems in providing for human service needs.".

SEC. 103. Subsection (b) of section 105 of the Appalachian Development Act of 1965 is amended to read as follows: "To carry out this section there are hereby authorized to be appropriated to the Commission, *to be available until expended,* for the *two-year* period ending ~~September 30, 1983, to be available until expended, such sums as may be~~

~~necessary.''.~~ *September 30, 1981, not to exceed $7,000,000 (of which not to exceed $1,100,000 shall be available for expenses of the Federal Cochairman, his alternate and his staff) and for the two-year period ending September 30, 1983, $8,500,000 (of which $1,400,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff).*

SEC. 104. Section 106 of the Appalachian Regional Development Act of 1965 is amended as follows:

(1) Paragraph (5) is amended by adding at the end, "The Office of Personnel Management is further authorized, under such terms and conditions as it shall prescribe, to contract with the Commission *and with any regional commission established or recognized under the Regional Development Act of 1979* for coverage as of the date of the Appalachian Regional Development Act Amendments of 1979 in such retirement and other employee benefit programs of the Federal Government, of any employee of the Commission not covered in such programs who gives written notice to the Commission of his desire to come within the purview of such coverage.".

(2) Paragraph (7) is amended by striking out "1979" and inserting in lieu thereof, "1983".

SEC. 105. Title 5, United States Code, is amended as follows:

(1) The last sentence of section ~~5445(a)~~ *5334(a)* of title 5, is amended by striking out "was a Federal employee immediately prior to such employment by a commission and".

(2) Such title is amended by inserting after section 6312 a new section as follows:

"§ 6213. Accrual and accumulation for former Appalachian Regional Commission and title 5 regional commission employees

"Services rendered as an employee of the Appalachian Regional Commission under section 106(2) of the Appalachian Regional Development Act of 1965, or of a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, *or pursuant to the Regional Development Act of 1979* shall be included in determining years of service for the purpose of section 6303(a) of this title in the case of any employee as defined in section 6301 of this title. The provision of section 6308 of this title for transfer of annual and sick leave between leave systems shall apply to the leave system established for such employees.".

SEC. 106. (a) Section 201(g) of the Appalachian Regional Development Act of 1965 is amended by striking

everything after ~~"1979",~~ ~~and~~ ~~inserting~~ ~~in~~ ~~lieu~~ ~~thereof:~~ ~~"$400,000,000~~ ~~for~~ ~~fiscal~~ ~~year~~ ~~1980;~~ ~~$500,000,000~~ ~~for~~ ~~fiscal~~ ~~year~~ ~~1981;~~ ~~$550,000,000~~ ~~for~~ ~~fiscal~~ ~~year~~ ~~1982;~~ ~~$550,000,000~~ ~~for~~ ~~fiscal~~ ~~year~~ ~~1983;~~ ~~$550,000,000~~ ~~for~~ ~~fiscal~~ ~~year~~ ~~1984;~~ ~~$500,000,000~~ ~~for~~ ~~fiscal~~ ~~year~~ ~~1985;~~ ~~and~~ ~~$470,000,000~~ ~~for~~ ~~fiscal~~ ~~year~~ ~~1986.".~~ *"1980", and inserting in lieu thereof: "$350,000,000 for fiscal year 1981; $400,000,000 for fiscal year 1982; $450,000,000 for fiscal year 1983; $500,000,000 for fiscal year 1984; and $500,000,000 for fiscal year 1985.".*

(b) The third sentence of section 201(a) of the Appalachian Regional Development Act of 1965 is amended by striking "three thousand twenty-five" and inserting in lieu thereof "three thousand ~~one~~ ~~hundred~~ *fifty-eight*".

(c) Subsection (h) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking "70 per centum" and inserting in lieu thereof "80 per centum" and by adding at the end the following: "Projects approved after March ~~30,~~ *31,* 1979, and on or before the date of enactment of the Regional Development Act of 1979 may be adjusted to receive a Federal share not greater than 80 per centum.".

SEC. 107. *(a)* Section 202 of the Appalachian Regional Development Act of 1965 is amended by adding the following new subsection:

"(f)(1) The Commission may make grants to the States, ~~including grants for reasonable administrative expenses,~~ for innovative projects and for demonstrations approved pursuant to section 303, of methods and techniques for meeting human services needs of individuals and families in the region which the Commission determines cannot reasonably be accomplished under other provisions of this title or other Federal programs, and shall give special emphasis to demonstrations serving people in the more remote and hard-to-reach areas of the region and in areas impacted by energy development.

"(2) States may carry out such demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(3) Demonstrations may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate *to a maximum of 80 per centum.* No component of a demonstration shall receive financial assistance under this

title after five years following the commencement of the assistance for such component.".

(b) The seventh sentence of section 202(c) of the Appalachian Regional Development Act of 1965 is amended by striking everything after "except" and through "child development demonstrations" and inserting in lieu thereof "that child development demonstrations assisted under this section during fiscal year 1979 may, upon State request, be approved under section 303 of this Act for continued support beyond that period".

SEC. 108. (a) Section 207(c)(2) of the Appalachian Regional Development Act of 1965 is amended by—

(1) inserting "(including land acquisition)" after "reasonable site development costs";

(2) striking "10 per centum" each place it occurs and inserting in lieu thereof "25 per centum"; and

(3) adding at the end thereof "The Secretary (or a State acting under subsection (e) of this section) shall assure that reductions in the cost of housing units due to the acquisition of land pursuant to this section shall accrue to the benefit of ultimate purchasers or tenants of such housing units and not to the financial benefit of any profitmaking entity.".

(b) Section 207 of the Appalachian Regional Development Act of 1965 is amended by adding the following new subsections:

"(f) In furtherance of the purposes of this section, at the request of the Commission *in accordance with section 303 of this Act* the Secretary of Agriculture is authorized to use all of the authority to acquire land under the provisions of section 601(c) of the Powerplant and Industrial Fuel Use Act (Public Law 95–260). Funds for such acquisition shall be provided under this section or by the affected State.

"(g) The Commission is authorized and directed to undertake a demonstration of appropriate incentives or programs to attract large scale housing developers to operate in the central Appalachian region. In conducting such demonstration, the Commission, after consultation with potential developers and to the extent practical, shall select at least three sites or areas, and the Commission is authorized to use the authority of this section or section 302 of this Act.".

SEC. 109. Title II of the Appalachian Regional Development Act of 1965 is amended by inserting after section 208 the following new section:

"BUSINESS, RAILROAD, AND ENERGY RESOURCE ACTIVITIES

"SEC. 209. (a) In order to assist in stimulating agriculture, mining, construction, manufacturing, commercial, and

other economic activities in the region, including the development of indigenous arts and crafts, the Commission is authorized to make grants approved pursuant to section 303 to the States~~, including grants for reasonable administrative expenses~~, for—

"(1) Business related technical assistance, including entrepreneurial development, management advice, market analyses, and utilization or financial feasibility studies.

"(2) Establishing revolving funds to be used for business, agricultural and forestry enterprise development loans, with special emphasis on loans furthering development opportunities for entrepreneurs that are identified through technical assistance activities under this Act.

"(3) Making grants for—

"(A) Projects for the acquisition of rail properties by public bodies where critical to a State investment program approved pursuant to section 303. No such grant for a project shall exceed 80 per centum of the cost thereof, and the non-Federal share may be in cash or in kind, fairly evaluated, including but not limited to equipment and services.

"(B) Projects for the rehabilitation, repair, and modernization of rail properties (except rolling stock) where critical to a State investment program approved pursuant to section 303. No such grant for a project shall exceed 50 per centum of the cost thereof, and the non-Federal share may be in cash or in kind, fairly evaluated, including but not limited to equipment and services.

"(4) Demonstration projects in connection with the development, production, utilization, and conservation of the region's energy resources, including site development where necessary for the feasibility of projects.

"(5) Assistance to communities in maintaining, restoring, or augmenting commercial air passenger service, but not including capital assistance or operating subsidies.

"(b) States may carry out such activities directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(c) Assistance under this section may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-

aid programs or from any service. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share as the Commission determines appropriate.".

SEC. 110. The first sentence of subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 is amended by striking "December 31, 1978" and inserting in lieu thereof "October 1, 1983".

SEC. 111. The last sentence of section 302(b)(1) of the Appalachian Regional Development Act of 1965 is amended to read as follows: "No more than $5,000,000 shall be obligated for such energy resource related demonstrations in any fiscal year under this section or section 209(c)(4), and no more than $2,500,000 shall be obligated for such indigenous arts and crafts demonstrations.".

SEC. 112. Section 302(b) of the Appalachian Regional Development Act of 1965 is amended by adding the following new paragraph:

"(5) The Commission shall investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this section and assistance under section 207 to increase the use of solar energy equipment in residences in the Appalachian region, to assist in the standardization of such

equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment,. and to facilitate inclusion of solar energy equipment installation costs in residential mortgage financing. The Commission is authorized to conduct pilot projects to put in practice the findings of such investigation.".

SEC. 113. Title II of the Appalachian Regional Development Act of 1965 is amended to add a new section 304 as follows:

"SEC. 304. The Commission shall provide for the continuing evaluation of projects and programs authorized under this Act which shall include measures of their effectiveness in achieving the goals and objectives prepared pursuant to sections 102(a)(1) and 225 of this Act. The Commission shall prepare an annual evalution program which (1) includes a statement of specific actions that have been or will be taken as a result of previous evaluations, and (2) lists those specific program evaluations to be performed during the current and succeeding years, including the estimated cost of conduct such evaluation.".

SEC. ~~111.~~ *114.* Section 401 of the Appalachian Regional Development Act of 1965 is amended to read as follows:

"SEC. 401. (1) In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there are authorized to be appropriated to the President, to be available until expended, to carry out this Act *and the Regional Development Act of 1979,* $340,000,000 for the two-fiscal-year period ending September 30, 1981, and $380,000,000 for the two-fiscal-year period ending September 30, 1983.

"(2) No more than 25 per centum of the funds available for obligation in any fiscal year under this section shall be obligated for direct grants by the Commission to carry out the purposes of sections 202(f), ~~207(c),~~ and 209.".

SEC. 115. Section 403 of the Appalachian Regional Development Act of 1965 is amended by adding the following:

"The Commission is authorized and directed to study whether, in view of the purposes set forth in section 2 of this Act and in the Regional Development Act of 1979, any counties contiguous to the Appalachian region should be added to the region or remain in regions established or recognized under the Regional Development Act of 1979, and whether, in view of such purposes, any such counties or blocks of counties currently in the Appalachian region should be transferred to a region established or recognized under the Region-

al Development Act of 1979. Such study shall be conducted in conjunction with the study required under the last sentence of section 308 of the Regional Development Act of 1979, and the results of such study together with any recommendations shall be submitted to the Congress not later than two years after enactment of the Appalachian Regional Development Act Amendments of 1979.".

SEC. ~~112~~ *116.* Section 405 of the Appalachian Regional Development Act of 1965 is hereby repealed.

TITLE II

SEC. 201. This title may be cited as the "Regional Commission Act of 1979".

SEC. 202. (a) The Secretary shall recognize appropriate "development regions" within the United States upon the written request of the Governors of the States in which such region will be wholly or partially located if the Secretary finds that there are common cultural, economic, geographic, natural resource, and social relationships among the areas within such region *and that the region is of sufficient geographic size and population to warrant recognition.*

(b) It is the intention of the Congress that ~~every area of the Nation ultimately be included in a development region, but not in more than one~~ *each area of the Nation be included in not more than one development region.*

(c) It is the intention of the Congress that every region consist of two or more States, except in the case of Alaska ~~if the Secretary determines that a multistate approach is not practical.~~, *which is hereby recognized as the Alaska Development Region.*

(d) The boundaries of a region may be subsequently altered in the same manner as they were established.

ESTABLISHMENT OF REGIONAL COMMISSIONS

SEC. 203. (a) Upon the recognition of a development region, the States shall establish a regional development commission for such region. *In the case of the Alaska Development Region, at the request of the Governor of Alaska, the Secretary shall take any action necessary to establish and operate the Alaska Regional Development Commission not later than October 1, 1979.* Any such commission shall be established and shall operate in accordance with section 502 (b) through (e) of the Public Works and Economic Development Act of 1965. Sections 505(b), 506, 507, and 508 of such Act shall apply to each such commission.

(b) Each regional commission established pursuant to the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965 shall continue in operation under this Act unless boundaries or State membership of such commission are altered pursuant to this Act.

SEC. 204. (a) In carrying out the purpose of this Act, each regional commission shall, with respect to its region:

(1) in accordance with title III of this Act, develop and implement a regional growth policy process which shall include the preparation of (i) a multiyear regional development plan with policies and priorities for action programs to guide Federal, regional, State, private, and substate investments, and (ii) annual regional investment strategies which include specific policies and investment proposals affecting Federal, regional, State, and substate participation in support of regional growth policies and priorities;

(2) develop and implement mechanisms for coordinating the development and growth management activities of State governments and substate entities with regional policy development, including, but not limited to, economic development, coastal zone management, comprehensive planning, environmental protection, energy conservation and development, transportation, *cultural resource development*, outdoor recreation planning, and implementation programs;

(3) conduct, in cooperation with relevant Federal and State agencies and private resources, research on and analysis of interstate and shared problems, re-

sources, and opportunities for advancing regional development;

(4) provide consultation to and continuing liaison with Federal Regional Councils and those Federal agency members whose planning and development activities bear on regional priorities, policies, and plans regarding the regional interest in such activities;

(5) advise Federal agencies that fund multistate organizations not covered by this legislation on the relevance of such funding to regional commission plans, priorities, policies, and programs and on the steps required to avoid duplication of activities;

(6) provide a working liaison (A) with private sector leadership, especially those which operate at the multistate level; (B) with other multistate organizations including other regional commissions; and (C) with substate entities engaged in functional or comprehensive planning which bears on the fulfillment of regional plans, priorities, and policies;

(7) engage in cooperative activities with other regional commissions established under this Act, with other regional organizations, with local governments, and with Federal agencies.

(b)(1) As the Presidentially appointed Federal partner to the Governors, each Federal Cochairman has the dual re-

sponsibility of presenting the national perspective to the regional commission and of communicating the regional concerns of the State members to the Federal Government. Each Federal Cochairman is responsible for coordination and cooperation between the Commission and Federal departments and agencies. As a member of a commission, each Federal Cochairman has the responsibility for fostering the development of a collaborative institutional setting in which both State and Federal members jointly determine regional development policy.

(2) Each Federal Cochairman shall—

(A) present *to the Congress, the committee established under section 302 of this Act, other affected parties, and except in the case of the Appalachian Regional Commission, the Secretary,* on behalf of the Commission, the regional development plan, annual investment strategy, growth policy recommendations, legislative recommendations, and reports on the activities of the Commission;

(B) encourage Federal departments and agencies to apply their programs and policies to support development plans, programs and priorities established by the commission;

(C) involve Federal departments and agencies in the activities of the Commission, as appropriate;

(D) assist the Commission in its participation in the regional growth policy process;

(E) to the extent practicable, consult with appropriate Federal departments and agencies concerning significant programs and projects to be considered by the Commission prior to voting on such matters;

(F) represent, in dealings with the Commission, Federal policies affecting regional development established by the President and, except in the case of the Appalachian Regional Commission, the Secretary;

(G) assure that the Commission gives adequate attention to problems and solutions which are shared by two or more States in the region and preference to projects or programs for which effort by two or more States is useful in addressing needs effectively;

~~(G)~~ *(H)* take a leadership role in the preparation of the Commission budget for submission *through the Secretary (except in the case of the Appalachian Regional Commission) and such persons as the Secretary may designate* to the Office of Management and Budget and the Congress; and

~~(H)~~ *(I)* assure commission compliance with applicable Federal fiscal and management requirements established or identified under section 208 of this Act or, in the case of the Appalachian Regional Commission,

established or identified by the Federal Cochairman *or such Commission.*

Nothing in this Act shall preclude the Federal Cochairman from presenting the Commission's budget to the Office of Management and Budget or from communicating with appropriate committees of the Congress.

(3) When a Federal Cochairman dies, resigns, becomes disabled, is removed, or is absent from the country, a designated assistant or the executive director of the Commission shall perform the routine administrative duties of the Federal Cochairman not involving the exercise of the vote of the Federal Cochairman, until a successor is confirmed or the absence or disability stops.

(c)(1) Each Commission shall employ an executive director as the chief administrative officer of the Commission and such other officers and staff as the Commission may determine. The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff and for such other duties as the Commission may assign. The executive director shall be appointed and may be removed by vote of the Commission. All other officers and employees of the Commission shall be appointed by the executive director under such rules of procedure as the Commission may determine.

(2) All appointments and promotions of officers and employees of the Commission shall be on the basis of merit and fitness and no test or qualification with respect to politics, race, color, sex, age, physical handicap, or religion shall be permitted or given consideration. Any officer or employee of the Commission who is found by the Commission to be guilty of a violation of this ~~section~~ *paragraph* shall be removed from office by the Commission.

(d) In addition to the duties set forth in subsection (a) of this section, the Alaska Regional Development Commission may—

(1) review resources inventories of Federal agencies;

(2) review and make recommendations to the President, the Congress, and the Alaska State Legislature on Federal, State, and local land use plans and proposed activities; and

(3) assist Alaska Native Regional Corporations established pursuant to the Alaska Native Claims Settlement Act (Public Law 92–203) in preparing land use plans.

SEC. 205. (a) An application for a grant or for any other assistance for a specific project under section 207 of this Act shall be made through the State member of the Commission representing such applicant, and such State member shall

evaluate the application for approval. No application for grants or other assistance for specific programs or projects under any provisions of this Act shall be approved unless it is certified by the State member and determined by the Commission, including the affirmative vote of the Federal Cochairman—

(1) to implement the Commission's regional development plan;

(2) to be described in the Commission's annual investment strategy;

(3) to be backed by adequate assurance and evidence that the project will be properly administered, operated, and maintained; and

(4) to otherwise meet the requirements for assistance under this Act.

(b) Nothing contained in this Act shall be interpreted as requiring any State or political subdivision thereof to engage in or accept any project under this Act without its consent.

SEC. 206. (a) In addition to other activities authorized by this Act, the Secretary is authorized to provide to commissions technical assistance and incentive grants to aid the commissions in carrying out their responsibilities under this Act and to undertake new program and policy objectives. In general, such assistance may be provided ~~directly~~ through members of the Secretary's staff or through incentive grants

to the commissions; ~~or, indirectly,~~ through the payment of funds authorized for this section to other departments or agencies of the Federal Government; through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes; or through grants to institutions of higher education or nonprofit organizations. Technical assistance may include studies and plans evaluating the needs of, and developing potentialities for, regional development; administrative management; interregional cooperation; research on improving the conservation and utilization of the human, *cultural,* and natural resources of the region; planning, investigations and studies; economic and demographic information and analysis; and ~~innovative projects, demonstrations, and~~ training programs which will further the purposes of this Act. Special provision shall be made to assure that newly formed commissions are able to function fully and effectively as soon as practicable.

(b)(1) In carrying out its functions under this Act, each commission is authorized to engage in planning, investigations, and studies, and to provide other technical assistance to States, substate areas and communities, both urban and rural, including the payment of administrative expenses to substate planning and development organizations (including economic development districts created under the Public

Works and Economic Development Act), which will further the purpose of this Act, and which have been included in the approved annual investment strategy. Such activities may be carried out by the Commission through the payment of funds to departments, agencies, or instrumentalities of the Federal Government, or through the employment of private individuals, partnerships, firms, nonprofit corporations, or suitable institutions under contracts or grants entered into for such purposes or through grants-in-aid to agencies of State or local governments. ~~Special provision should be made for the development and growth management requirements of small towns, counties, and substate districts.~~

(2) In carrying out this subsection each commission is authorized to provide assistance to communities in maintaining, restoring, or augmenting commercial air passenger service, but not including capital assistance or operating subsidies.

(3) Each commission shall investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this subsection and section 207 to increase the use of solar energy equipment in residences in its region, to assist in the standardization of such equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment, and to facilitate inclusion of solar energy equipment

installations costs in residential mortgage financing. The commission is authorized to conduct pilot projects to put in practice the findings of such investigation.

(c) The Secretary is authorized to make incentive grants to commissions for the following purposes:

(1) Encourage and enable States to develop and improve mechanisms for coordinating State development programs and planning within each State and with commission development programs and planning, with substate development activities and with State budget processes. Such grants are to enable Governors to develop among State agencies and levels of government a unified set of development objectives for programs such as economic development, comprehensive planning, outdoor recreation, *cultural resource development*, coastal zone management, transportation, and environmental protection.

(2) Encourage and enable commissions to develop procedures, including public hearings, consultations, and surveys program review, to enable Governors *and State legislatures* to participate in regional growth policy processes for the purpose of shaping Federal and State programs and policies necessary for the successful implementation of regional plans.

(3) Encourage commission and cooperative State actions augmenting national energy, export, urban, and rural community conservation, and similar policies whose effectiveness would be strengthened by commission and State participation.

(4) Encourage other special activities needed to strengthen the overall program including fostering interregional cooperation; creating regionally based systems for demographic and economic analysis; expanding activities of a multistate character; and increasing State Government financial and other support for commission plans.

SEC. 207. (a) In addition to any authority under the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965, each regional commission is authorized to provide financial assistance for projects which will further ~~regional development, as defined in this Act.~~ *the purpose of this Act as expressed in section 2(d) (1) and (2).* Such projects may include, but are not limited to, transportation, energy development and conservation, environmental and natural resource management activities, fisheries, agriculture, tourism, forestry, export promotion, business or industrial development, productivity improvements, community conservation and growth management, human resources, vocational, educa-

tional and training programs, ~~promotion of~~ *development of indigenous* arts and culture, and flood or other natural hazard protection activities. ~~(b)~~ To the maximum extent practicable, each commission shall provide assistance under this section by transferring funds for programs or projects approved by the commission to the heads of Federal departments or agencies to be used for—

(1) all or any portion of the basic Federal contribution to programs or projects under any Federal grant-in-aid program authorized on or before September 30, 1983, and for the purpose of increasing the Federal contribution to programs or projects under such programs above the fixed maximum portion of the costs of such programs or projects otherwise authorized by the applicable law; and

(2) the Commission contribution to programs or projects and for grants management and technical assistance provided by the department or agency for projects at the request of the Commission.

Notwithstanding any other law, the heads of Federal departments and agencies are hereby authorized to accept such funds, to disburse them in accordance with policies adopted by the Commission, and to provide any assistance which may be necessary to carry out the approved program or project. The Federal portion, including the commission

portion, of the costs of each program or project assisted shall not exceed 80 per centum of such costs.

~~(c)(1)~~ *(b)(1)* Each commission may make direct grants to the States or to qualified multistate organizations ~~or regional organizations established by commissions~~ for innovative projects and for demonstrations of unique methods and techniques for meeting the purposes of subsection (a) of this section which the Commission determines cannot reasonably be accomplished under subsection ~~(b)~~ *(a)* of this section or *any other Federal program* and are in accordance with the regional development plan.

(2) States may carry out such projects and demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through grants with public bodies and private nonprofit organizations.

(3) Such projects and demonstrations may be funded entirely from appropriations to carry out this Act which are apportioned to the commissions by the Secretary or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds provided to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate. No component of any such project or demonstra-

tion shall receive financial assistance under this Act, the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965 after five years following the commencement of any assistance for such component under one of the above Acts.

(4) Except as provided in subsection ~~(d)~~ *(c)*, grants for innovative projects and demonstration under *this* subsection ~~(c)~~ may be made for up to ~~100~~ *80* per centum of the costs of any project.

(5) No grant shall be provided for an innovative program or demonstration project unless the ~~Federal Cochairman~~ *Commission as a matter of policy* determines in what respect the project is innovative and what it is intended to demonstrate and certifies that there is a reasonable plan to evaluate the results of the innovation or demonstration by an independent source and to disseminate the results.

(6) No more than 20 per centum of the funds available to any commission under this title shall be used for the purposes of this subsection or subsection (c) of this section, unless such commission determines that a greater percentage of such funds must be put to such use to implement a major objective of the regional development plan addressing a need shared by two or more States in the region.

~~(d)~~ *(c)* Each commission is authorized to make grants for the operation of any project, including initial operating

funds which comprise, among other things, the cost of recruiting and training qualified personnel, *for which the Commission determines that funds for operation are not available under any other Federal, State, or local program.* A grant for the operation of any project shall be made only if the project or facility is not operated for profit. Such grants may be made for up to 100 per centum of the costs thereof for the two-year period which begins, for each component facility or service assisted under any such operating grant, on the first day that such facility or service enters into operation as a part of a project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of any project shall be made after five years following the commencement of such initial grant for operation of the project. No such grants shall be made unless the Commission is satisfied that the operation of the project will be conducted under efficient management practices designed to avoid operating deficits. The Federal contribution may be provided entirely from funds authorized under this section, or in combination with funds provided under other Federal programs.

~~(c)~~ *(d)* Financial assistance under this section shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law. Funds appropriated to carry out this Act shall be avail-

able without regard to any limitations on authorization for appropriation in any other Act.

~~(f)~~ *(e)* No financial assistance shall be provided under this Act to assist private establishments relocating from one area to another or to enable private contractors or subcontractors to undertake work theretofore performed in another area by other contractors or subcontractors. Section 704(e) of the Public Works and Economic Development Act shall apply to all financial assistance under this Act.

~~(g)~~ *(f)* The authorities and requirements of this section and section 206 of this Act shall supersede and replace the authority of ~~section~~ *sections* 505(a), *509, 515, 516, and 517* of the Public Works and Economic Development Act of 1965.

(g) No commission shall provide financial assistance under this section for the purposes of allowing a recipient to use grant funds to make grants to profit-seeking business enterprises.

(h) No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds exclusive of local funds (other than those originated as revenues collected by the State) and Federal funds, and, in the case of the Appalachian Regional Commission, exclusive of expenditures for participation in the National System of Interstate and De-

fense Highways, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. A commission may recommend a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region. Funds may be provided for programs and projects in a State under this Act only if the commission determines that the level of Federal and State financial assistance under this Act, and under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region will not be diminished in order to substitute funds authorized by this Act.

(i) Each commission in providing assistance under this section shall afford first attention to areas affected by economic decline, and in addition shall address basic service needs in areas experiencing dislocation due to rapid growth, as appropriate.

COORDINATION

SEC. 208. (a) Taking into account all relevant national policies, the Secretary shall coordinate and provide for Federal policy guidance to the Federal Cochairmen.

(b)(1) There is hereby established the Regional Development Council, composed of the Federal Cochairmen of the regional development commissions, which shall serve as a mechanism for consultation regarding policy and administrative improvements in the program authorized by this Act. The ~~Council shall elect~~ *Secretary shall select, after consultation with the members,* one of its members to serve as chairman and one to serve as vice chairman. The council shall participate in the liaison and coordination responsibilities provided under section 302 of this Act.

(2) There is hereby established in the Department of Commerce an Office of Regional Development, which shall be headed by a Director, appointed by the Secretary ~~in~~ *after* consultation with the Chairman of the Regional Development Council, and composed of such staff as may be necessary to carry out its functions. Such Office shall perform such duties in support of the regional commissions as are ~~requested by the commissions or as are~~ prescribed by the Secretary, provide staff for the Regional Development Council, perform reviews and studies, assist the Federal Cochairmen in the preparation of the budget for the commission program, facilitate

intercommission relationships, and provide supplemental technical and support services as necessary for the Federal Cochairmen. In addition such Office shall, subject to the provisions of this Act, assist States in initiating Regional Commissions or proposed boundary modifications~~, and assist the Federal Cochairmen in investigating the effects of the Federal Government's procurement, scientific, technical, and other related policies upon regional and area development.~~

(c) The ~~Office, with the policy guidance of the Secretary and the Council,~~ *Secretary* shall identify the basic areas in which minimum standards of fiscal responsibility and management, *including uniform cost principles,* must be adopted to assure that commission activities are consistent with the provisions of this Act. The ~~Office~~ *Secretary* shall specify such minimum standards *in regulations* and require each regional commission to adopt them as part of their internal regulations. In addition, the ~~Office shall adopt, with policy guidance of the Secretary and~~ *Secretary shall adopt, after consultation with* the Council, procedures and regulations governing—

(1) the recognition of regions and changes in boundaries;

(2) records to be kept by commissions and recipients of commission funds;

(3) administrative policies and procedures developed by the commissions;

(4) the establishment and operation of a management information system covering activities authorized under this Act.

(5) conditions under which the Secretary may withhold funds from a commission for violation of this Act or any regulations adopted under this Act.

(d)(1) Each commission shall develop and adopt administrative policies and procedures to prevent the overobligation of commission funds. Each commission, in accordance with this section, shall develop and adopt specific policies and procedures to promote economy and efficiency in the administration of its programs and operations and to prevent and detect fraud and abuse in such programs and operations.

(2) Each commission shall adopt specific policies and procedures to assure that any program or project which receives assistance is properly and efficiently administered, operated, and maintained.

(e) This section other than subsection (d) shall not apply in the case of the Appalachian Regional Commission. Such Commission shall consider adopting the minimum standards of fiscal responsibility and management and the procedures established under subsection (c) of this section.

(f) The Secretary shall evaluate on an annual basis the performance of the regional commissions, other than the Appalachian Regional Commission, in adhering to procedures

and regulations established under this section and in implementing the provisions of this Act.

BONDING, INSURANCE, LIABILITY

SEC. 209. (a) The executive director of a commission and such other employees as the Commission requires shall be bonded in such form and amounts as the Commission may require. The Commission may pay the premium for the bonds.

(b) The Commission shall purchase insurance and pay the premiums therefor against loss or damage to any of its personal property and against liability for injury to persons of property. Such insurance coverage shall be in such form and amount as the Commission may determine~~, subject to the conditions of any grant from the Secretary~~.

(c) The Commission shall be responsible for claims arising out of negligent acts or omissions of its officers, agents, and employees only to the extent prescribed by law generally with respect to officers, agents, and employees of the Government of the United States.

RECORDS AND AUDIT

SEC. 210. (a) Each Commission shall keep such records which will fully disclose the amount and disposition of the funds provided to the Commission, and such other records which will facilitate an effective audit. The records, books, and accounts shall be available for audit by any member of

the Commission, *the* Secretary *(except in the case of the Appalachian Regional Commission)*, and the Comptroller General of the United States or their duly authorized representatives.

(b) All recipients of assistance from a commission and all contractors of a commission shall keep such records which will fully disclose the amount and the disposition by each recipient of the proceeds of such assistance, the total cost of the project or activity for which such assistance is given or used, and the amount or activity supplied by other sources, and such other records which will facilitate an effective audit. The Secretary *(except in the case of the Appalachian Regional Commission)*, the Commission, the Comptroller General of the United States or any of their duly authorized representatives shall have access for the examination and audit of any books, documents, and records of any and all recipients that are pertinent to assistance received under this title. Any recipient or contractor who fails to abide by this requirement or who refuses to readily make his books available for inspection and audit by those authorized to audit such records shall not be eligible for further funding under this title.

NONDISCRIMINATION

SEC. 211. No person in the United States shall, on the grounds of race, color, national origin, sex, or physical handicap, be excluded from participation in, be denied the

benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from a regional development commission.

SEC. ~~211.~~*212.* (a) There are authorized to be appropriated to the Secretary to carry out this Act other than title I, to be available until expended, for each of the fiscal years 1980, 1981, 1982, and 1983, not to exceed $250,000,000.

(b) After deducting such amounts as are required for the administrative expenses of commissions other than the Appalachian Regional Commission, the Secretary shall distribute the remainder of the sums appropriated under this authorization for any fiscal year as follows:

(1) beginning in fiscal year 1981 any funds in excess of the sums appropriated for fiscal year 1980, but not to exceed 20 per centum of the total sum appropriated each year, ~~to~~ *may* be set aside for the purposes authorized under section 206 (a) and (c) of this Act;

(2) the balance of the sums appropriated to be provided to the eligible commissions (other than the Appalachian Regional Commission) to carry out the activities authorized under sections *206(b)*, 207, and 303 of the Act, according to a formula to be developed by the Secretary after consultation with the commissions and the Senate Committee on Environment and

Public Works and the House Committee on Public Works and Transportation.

(c) Funds appropriated under this section shall be provided by the Secretary to each of the Federal Cochairmen for the benefit of the appropriate regional commission, in accordance with the distribution established under subsection (b) of this section. Obligation of such funds shall be approved by each commission in accordance with section 205 of this Act. Each Federal Cochairman is authorized to receive and hold such funds, subject to the preceding sentence, on behalf of such Commission.

TITLE III

SEC. 301. This title may be cited as the "Regional Growth Policy Process Act".

SEC. 302. (a) The President shall establish an interagency committee, or use an existing committee, composed of a senior White House official (who shall chair such committee), *the Chairman of the Regional Development Council,* and senior officials of the departments and agencies concerned with regional development activities, to provide means for program coordination and support for the regional commissions and the Federal Government in determining policies and recommendations which will further the purposes of this Act.

(b) The President shall assure the provision of effective liaison between the Federal Government and the regional commissions and access to Federal funding and technical assistance for regional development activities.

(c) The recommendations contained in each commission's regional development plan and regional growth policy recommendations shall be brought to the attention of the heads of the Federal departments and agencies by the committee established under subsection (a) and its Chairman, acting together with the Federal Cochairman, and a schedule shall be established by the Chairman for review and response by the agencies and departments affected. The Chairman shall assure that discussions necessary to the resolution of any issues occur between representatives of the commissions and those of the affected Federal departments and agencies. The Chairman shall also attempt to identify and encourage solutions to regional issues which involve the participation of two or more departments or agencies. The Chairman, in transmitting such plans and policy recommendations to the Federal departments and agencies, shall assure that, to the extent practicable, adjustments in policies and procedures necessary to the successful implementation of each commission plan will be made.

(d) To the extent practicable, the Federal Cochairman of a regional commission shall be appointed as chairperson of the appropriate Federal Regional Council.

(e) Each Federal department or agency shall, consonant with law, cooperate with such commissions in assisting them in carrying out their activities under this Act and, to the maximum extent practicable, adjust its procedures and policies in order to assure—

(1) its participation in developing and implementing each Commission's regional development plan; and

(2) coordination among development programs and planning activities within States and between State and regional development programs and planning activities.

(f) Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs shall take steps to assure that, to the maximum extent practicable, such programs are not inconsistent with the goals, objectives, plans, and strategies established by the commissions pursuant to this Act.

(g) Each Federal department and agency shall consult with the appropriate commission or commissions in advance of providing financial assistance to any multistate organization engaged in activities related to the purposes of this title.

SEC. 303. (a) Each Commission shall set requirements for State members to prepare and submit for Commission approval a development plan for their States in the region. Such plan shall be revised annually. Each State development plan shall reflect the goals, objectives, and priorities established in any regional development plan, shall be built upon an assessment of State problems and opportunities that involves the participation of *State legislatures*, local governments, the private sector, and substate planning and development organizations, and shall—

(1) describe the State organization and continuous process for comprehensive development planning, including the procedures established by the State for the participation of development districts in such process; the means by which such process is related to State budget processes; and the method of coordinating development planning, policies, and programs in the State under this Act and other Federal and State programs;

(2) set forth the development goals, objectives, and priorities of the State and identify the needs and opportunities on which such goals, objectives, and priorities are based;

(3) describe the development program for achieving such goals, objectives, and priorities, including

funding sources and recommendations for an implementing investment program, including specific projects to receive assistance under this Act, in sufficient detail to explain their contribution to the goals, objectives, and priorities;

(4) describe the mechanisms established to assure appropriate opportunity for participation of the private sector in development planning and programing and to coordinate activities between public and private institutions;

(5) set forth a system for *periodically* evaluating *in quantitative and qualitative terms, as appropriate,* the effectiveness of plans, programs, and projects affecting the attainment of the goals, objectives, and priorities of the regional and State plans and programs; ~~including, to the extent feasible, quantified measures of impact~~.

(b)(1) Substate planning and development districts certified by the State under subsection (c) of this section provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, States shall consult with local planning and development districts, local units of government, citizens, and private sector organizations, and take into consideration the

goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of substate activities.

(2) Each Commission shall develop a plan for and as soon as practicable require the preparation and execution of areawide action programs which specify interrelated projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area. To the extent permitted under this Act, State and substate planning processes shall be designed to coordinate and utilize to the maximum extent possible existing substate institutions and Federal, State, and local programs and projects in the affected areas and shall consider anticipated private as well as public investments.

(c) No entity shall be certified as a development district for the purposes of this Act, unless the Governor finds that—

(1) it is one of the following:

(A) a nonprofit public body organized or chartered under the law of the State in which it is located;

(B) an agency or instrumentality of a State or local government;

(C) an agency or instrumentality created through an interstate compact; or

(D) a combination of such bodies, agencies, and instrumentalities;

(2) the proposed district is geographically and politically structured to carry out a comprehensive planning and development program;

(3) the district and its governing body have responsibility for all or most of the relevant development planning activities being undertaken in its area;

(4) it is part of a single statewide system of development districts;

(5) the governing body of the district is composed of at least a majority of local elected officials of general purpose local governments from the affected area. *Wherever possible, areawide clearinghouses designated by either the Office of Management and Budget or the Governor pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 as amended or title IV of the Intergovernmental Cooperation Act of 1968, as amended, shall be certified as substate planning and development districts pursuant to this section.*

SEC. 304. (a) Within eighteen months after its establishment or after enactment of this Act, whichever is later, each regional development commission shall prepare in consultation with Federal, State, interstate, private, and substate development organizations and local governments, a multiyear

development plan for its region. The plan shall reflect and accommodate the goals, objectives, and priorities established in the State development plans accepted by the commission. The plan shall be built upon an assessment of regional problems and opportunities that involves the participation of State and local governments and the private sector in the regional development process and shall give due consideration to the planning and proposed activities of other Federal, State, interstate, substate, and local organizations and governments which may significantly affect the region. The plan shall include the following elements:

(1) a review of—

(i) prior regional studies of and plans for the region,

(ii) the current regional economy and the projected economy based on the best available data,

(iii) relevant plans of other public planning bodies and major private sector interests in the region,

(iv) multistate and shared problems requiring regional attention,

(v) the adequacy of existing Federal, State, and local programs and policies to meet the commission's goals and strategies;

(2) a framework for the continuing analysis of data needed to conduct effective regional development activities and to make decisions on programs and project selection;

(3) a determination of necessary and feasible regional goals, objectives, and priorities for regional development;

(4) a development program to achieve the commission's goals and objectives;

(5) strategies to implement the plan and recommended levels of Federal, State, and local funding for implementing Commission programs to attain the goals, objectives, and priorities; and

(6) criteria for the identification and selection of projects which are consistent with the goals of the Commission.

(b) Each Commission shall prepare an annual investment strategy on a Federal fiscal year basis to implement its regional plan. This strategy ~~should~~ *shall* include (i) identification of specific Federal, interstate, State, and substate programs and projects which will assist the commission in regional development activities; (ii) proposed funding of activities under this Act or the Appalachian Regional Development Act of 1965; and (iii) proposed policies which may be adopted by Federal departments and agencies and State and

local governments in order to reflect in the administration of their programs and regulations, insofar as applicable statutes permit, perspectives, conditions, and approaches particular to each region and necessary to the successful implementation of the regional plans. Such strategy shall be transmitted to the committee established under section 302 and, except in the case of the Appalachian Regional Commission, the Secretary, prior to the start of the new fiscal year, *and* shall be used as the basis of consultation with the heads of Federal departments and agencies through the interagency mechanism described in such section.

(c)(1) Prior to a commission vote to approve a regional development plan or annual investment strategy under this section, the Federal Cochairman shall have a maximum of seventy-five days in which to review the plan or strategy and seek review by the Secretary in accordance with paragraph (2) of this subsection. The Federal Cochairman shall vote on the plan or strategy only after consultation with appropriate Federal departments and agencies, in order to assure that—

(A) the plan or strategy is consistent with national economic and social policies and trends,

(B) the plan or strategy addresses shared and interstate regional problems and solutions and provides a mechanism for project or program funding selection

which adequately attends to such problems and needs, and

(C) the plan or strategy reflects interregional consistency and compatibility, so that the activities of a commission will not adversely affect the conditions in or plans of another region.

(2) Except in the case of the Appalachian Regional Commission, the plan described in paragraph (a) of this section shall be reviewed by the Secretary and may be disapproved within sixty days of transmittal, only if the Secretary determines that the requirements of paragraph (1) (A) and (C) of this subsection are not met by the plan.

(d) Each commission shall review its multiyear plan annually and undertake a formal assessment of such plan every five years.

(e) Notwithstanding section 205(a)(1) of this Act, for a period not to exceed eighteen months after the establishment of a commission or the enactment of this Act, whichever is longer, assistance may be provided under this Act on the basis of State development plans and commission annual investment strategies.

SEC. 305. (a) The development planning process and the regional growth policy process shall ~~be ultimately based on~~ *reflect* the goals, objectives, priorities, and recommendations of development districts and local governments as re-

flected in State development plans. ~~The~~ *To the extent practicable, the* regional development plan, and annual investment strategies shall be developed from and shall incorporate such goals, objectives, priorities, and recommendations. The State, in the preparation of a State development plan, and the Commission, in the preparation of the regional development plan and annual investment strategies, shall accommodate and to the extent practicable harmonize the diverse goals, objectives, priorities, recommendations, and needs identified by development districts and local governments.

(b)(1) To the maximum extent practicable, planning processes required or assisted under this Act shall be based on and not duplicate existing planning processes and institutions, and shall make appropriate use of any existing plans for the affected area. Planning assisted under section 302 of the Public Works and Economic Development Act shall be integrated to the maximum extent practicable with planning required or assisted under this Act, and such planning shall be conducted in conjunction with the review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968.

(2) Each commission shall establish a satisfactory process of consultation with general purpose local governments and local planning and development districts to assure compliance with section 303(a), (b)(1) and (b)(2) and section

304(a). Such process of consultation shall provide that any local government or development district may petition to the commission for review of any action of a State or the commission inconsistent with such sections.

~~(b)~~ *(c)* Public and private sector participation in the development of the goals, objectives, and priorities of regions, States, and development districts shall be provided for, encouraged, and assisted. Regional development commissions and member States shall prepare and publish guidelines to assure full opportunity for public and private sector participation in the establishment of such goals, objectives, and priorities.

SEC. 306. When used in this Act:

(1) The term "regional development" means the ~~process of improving conditions and opportunities for individuals, communities, States, and regions through~~ selective management of resources and activities toward the achievement of regional goals in the approved regional plan, including those goals affecting human *and cultural* resources, institutional, community, and economic development;

(2) The term "commission" refers to a regional development commission established pursuant to this Act, the Appalachian Regional Development Act of 1965, or title V of the Public Works and Economic

Development Act of 1965, unless the context indicates otherwise;

(3) The term "Secretary" means the Secretary of Commerce;

(4) The term "State", "States", and "United States" include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories of the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands;

(5) The term "Governor" includes the chief executive officers of the territorial and political units included in the definition of the term "State";

(6) The term "regional growth policy process" means the process of developing and communicating recommendations affecting shared and interstate problems of growth and decline set out in the regional plan and annual investment strategy with specific reference to policy recommendations applicable to the Federal, State, and local governments and necessary to the successful implementation of the plan and strategy;

(7) The term "substate planning and development district" is a multijurisdictional entity certified to a regional development commission either by the Governor or legislature of the State in which such entity is lo-

cated, or by the State officer designated by State law to make such certification, as having responsibility for continuous, coordinated, comprehensive public facilities and services planning. Unless otherwise provided under State law, local development districts previously certified pursuant to the Appalachian Regional Development Act of 1965 and economic development districts designated pursuant to the Public Works and Economic Development Act of 1965 shall be recognized as substate planning and development districts certified pursuant to this paragraph; and

(8) The term "annual investment strategy" means the annual project packages, investment programs, or proposed funding elements of the member States as approved by the Commission and certified by such Commission to be consistent with and in furtherance of an approved regional development plan.

SEC. 307. (a) Each regional commission shall make a full and detailed report each fiscal year to the Congress, each State member, and the Secretary with respect to the commission's past and proposed activities. The first such report shall be made for the first fiscal year in which a commission has been in existence for more than three months after enactment of this Act. Such reports shall be printed and transmitted to

the Congress not later than six months after the end of the fiscal year for which the report is made.

(b) Each biennium, each regional commission, with the assistance of the Secretary (except in the case of the Appalachian Regional Commission), shall submit a report to the Congress of the economic trends, development inhibitors, growth opportunities, and other relevant economic and social data for each region.

(c) Not later than one year after the establishment of the Alaska Regional Development Commission pursuant to section 203(a) of title II of this Act, the Secretary shall submit a report to the President and the Congress on the following issues:

(1) the desirability of creating a joint Federal-State Economic Development and Land Use Planning Commission for Alaska, with land use planning and classification powers;

(2) a proposed structure and recitation of functions and duties of such a commission;

(3) the extent to which such a commission should be integrated with the Alaska Regional Development Commission established pursuant to section 203(a) of title II of this Act.

This report shall be prepared in consultation with the Secretaries of the Interior and Transportation and the Governor of Alaska.

SEC. 308. Within six months after the first biennium after enactment of this Act, the President shall conduct a comprehensive review of the commissions operating under the authority of this Act. This review shall include, among other things, an evaluation of the commissions' program effectiveness, a determination of the effectiveness of Department of Commerce management and support of commissions, any recommendations for preferred placement of the program in the executive branch, and an assessment of the progress made in unifying and coordinating federally assisted regional, State, and substate development programs and planning activities. Within eighteen months after enactment of this Act, the President shall conduct a review of the appropriateness of regional commission and Federal Regional Council boundaries. The President shall report the results of such reviews to the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

SEC. 309. (1) There is hereby established a system of Border Resource Research Institutes under the jurisdiction of the Southwest Border Regional Commission. Within one year after enactment of this section, the Commission shall

designate one university in each border State for membership in the system of Institutes.

(2) It shall be the duty of each such Institute to initiate and support research programs in the various fields relative to border problems and to provide for educational programs and the training of specialists through such research, investigations, and experiments. Such research, investigations, experiments and training may include population issues; water, land and air resource issues; and other aspects of border resource problems, including the dissemination of the results of research deemed potentially significant for the solution of border resource problems.

(3) The Commission is hereby charged with the responsibility for the funding and proper administration of the Institutes and shall prescribe such rules and regulations as may be necessary to carry out these provisions. The Commission shall furnish such advice and assistance as will best promote the purposes of the Institutes and encourage and assist in the establishment and maintenance of cooperation by and between the Institutes and between them and other research organizations.

Amend the title so as to read: A bill to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for multistate regional development commissions to promote balanced development in the regions of the Nation.".

Calendar No. 183

96TH CONGRESS
1ST SESSION

S. 835

[Report No. 96-171]

A BILL

To extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation.

MARCH 29 (legislative day, FEBRUARY 22), 1979

Read twice and referred to the Committee on Environment and Public Works

MAY 15 (legislative day, APRIL 9), 1979

Reported with amendments and an amendment to the title

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER HB 932 RE Rural Development Council

Received from _____
Referred to Finance

Fical Note Requested
LAA Legal Contact _____

CONTACTS:

Sponsor: Rules Committee by Request of Leg. Budget & Audit

Duncan
Noticed re 3/28/80 hearing

DPDE
Gov's Office

Mark Jacobs, Jr. - Sitka 747-8168
Tlingit/Haida Central Council 6-132 Andy Obona

Noticed re 4/7 hearing
✓ Commerce & Ec Devel
✓ Gov's Office
✓ DPDE

Calendar No. 183

96TH CONGRESS, 1st Session | SENATE | REPORT No. 96-171

REGIONAL DEVELOPMENT ACT OF 1979

MAY 15 (legislative day, APRIL 9), 1979.—Ordered to be printed

Mr. RANDOLPH, from the Committee on Environment and Public Works, submitted the following

REPORT

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany S. 835]

The Committee on Environment and Public Works, to which was referred the bill (S. 835) to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multi-State regional development commissions to promote balanced development in the regions of the Nation having considered the same, reports favorably thereon with amendments and an amendment to the title and recommends that the bill as amended do pass.

GENERAL STATEMENT

Nearly 15 years ago, the Congress recognized the fact that certain regions of this nation were not enjoying the economic viability and prosperity common to the rest of the United States. Lagging regions could attribute their difficulties to a variety of reasons: depletion of natural resources; outmigration of population, technological changes resulting in obsolesence in single-industry areas and geographic isolation, among others. Most of the problems in these economically depressed areas transcended State boundaries.

To carry out an effective program of assistance in these distressed region, in 1965 the Congress authorized the creation of multi-state regional commissions through enactment of the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act. These commissions are partnerships of the States and

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the Federal Government. Under the shared guidance of the Governors of the States involved and a Federal representative, a commission's primary responsibility is to develop regional policy to address common problems. Commissions provide a cooperative structure for such problem identification. To carry out a regional investment strategy, a commission provides assistance in assembling, from the array of available existing State and Federal authorities, those programs and projects which will meet the special needs of an area. It works with Federal agencies in selecting and shaping activities appropriate to provide unique responses to regional problems.

It is through regional development commissions that local, State and Federal officials, in spite of individual concerns, can combine resources to address difficulties which are shared by contiguous units of governments. This kind of effort, stemming as it does directly from the people, is vital to the development of workable regional plans. Such a plan must encompass a set of goals and objectives jointly determined by the commission partners after consideration of the views of people from all sections and groups in the region.

The primary purpose and responsibility of the regional commissions established in 1965 was to aid lagging areas—areas of chronic and substantial unemployment and low incomes. This task has not been completed. Strides have been made over the last 10 years and disparities between regions have narrowed. But differences still exist and the widest disparities exist between areas within regions. The commissions are to continue to give first priority to areas of decline. These areas most need help to move forward. Because the problems are deep seated and long-standing, they require the combined ingenuity and resources of the States and Federal Government. Coherent, coordinated strategies must be planned and adhered to. Investment must be concentrated and planned over a long period. There is no short cut to remedy the years of decline. During consideration of this legislation, the Committee reaffirmed its intent that the first priority of a commission is to address declining areas.

States have argued that the commission structure is useful in helping them to cope with sudden, rapid growth and the dislocations such growth brings to a region. The Committee agrees and has expanded the authority to plan for and coordinate policies to deal with dislocations in areas of rapid growth.

Another purpose of the bill is to strengthen and improve the coordination role of the regional commissions. The growth planning process outlined in the bill will improve the ability of the commissions in carrying out this function.

As a result of the White House Conference on Balanced National Growth and Economic Development last year, the President announced in January his desire to institute a regional growth policy process. He reiterated the finding of the conference that the varied economic problems in regions of the Nation suggested a need for strong State and local action to develop regional balanced growth policies and to focus local, State, and Federal funds in accordance with these strategies. President Carter determined that the existing Appalachian Regional Commission and the title V commissions were the vehicles through which such policies should be channeled.

In a unique arrangement, decision making is shared by the chief elected State official—the Governor, and a representative of the Federal government—the Federal Co-chairman. This arrangement has made the Commissions valuable institutions for addressing on a cooperative basis other shared regional matters. While the primary purpose of the commissions is to overcome the gap in income and jobs, they have also become a forum for shared State action on other regional issues such as pollution, coastal zone management, and energy.

Through its unique partnership, the commissions have served a valuable liaison role between the region and the national government. The commissions have been able to represent particular regional issues and opportunities to the various Federal departments and agencies in the formulation of those agencies' policies and programs. Thus regional perspectives can be brought to national policy, helping to tailor national programs to situations as they exist in the particular regions of the country. For example, an energy consuming region of the country such as the Northeast brings a different focus to national energy policy than an energy producing area such as the West. Both of these views should be made known before policy is established. Unnecessary hardship could be avoided and adjustments could be provided for before dislocations occur rather than after the fact.

The commissions also serve as a liaison, bringing national goals and objectives to regional decision makers. Armed with this information, regional policy can be directed to take advantage of national policy where possible. At a minimum the region will avoid policies contrary to national goals.

The Appalachian Regional Commission and the title V commissions were originally authorized by separate acts of Congress. They were last extended by a single statute—the Regional Development Act of 1975. The Committee on Environment and Public Works feels that now, 14 years after their inception, all these commissions should be in a sense melded into a common framework, and made to demonstrate the viability and effectiveness of a well-conceived regional strategy. The committee believes that this legislation will further this objective.

Background

Appalachian Regional Commission

The special needs of the Appalachian Region were recognized by the Congress in 1965 when it passed the Appalachian Regional Development Act. It was envisioned at that time as a unique partnership between the Federal Government and the 13 member States. It was created to address the severe problems of the Appalachian area. In spite of its rich human and natural resources, the area traditionally lagged behind the rest of the Nation in its rate of growth and development.

In the 14 years since its inception, the Appalachian program has come a long way toward fulfilling expectations. It has helped to change the face of the area dramatically by fostering new hope, new initiative, and new enterprise. Some of these advancements are as follows:

Appalachia's poverty population has decreased since 1960 from 31 percent of the total populace to 14 percent in 1976. This represents a

55-percent decline in poverty incidence during a period when nationwide figures show a 48-percent decline.

In per capita income, between 1965 and 1976 Appalachian total personal income climbed from 78 to 85 percent of the national average.

An existing trend of outmigration has been reversed. An average of 58,000 persons per year have migrated to the area.

The region added approximately 1.35 million jobs between 1965 and 1977, bringing Appalachia's official unemployment rate down to a level more nearly approximating that of the rest of the Nation.

In education, as of 1960, only one-third of the region's adult population had completed high school. By 1976, the percentage is estimated to have risen to approximately 60 percent.

In the area of health, the average number of physicians in the region rose from 92 for every 100,000 residents in 1963, to 116 per 100,000 in 1976.

Another major accomplishment under the Appalachian program has been the development of vocational schools. To date, the Commission has invested more than $300 million in a regionwide system of vocational schools. There are now nearly 500 such schools serving 300,000 students.

The importance of the Appalachian development highway system to the economic growth of this mountainous region cannot be overemphasized. Of the entire 3,025 miles now authorized, approximately 1,700 miles, or 56 percent are either completed or under construction. An additional 680 miles of access roads have been built to serve industrial sites, hospitals, schools, or other public facilities. When the entire system is completed, 85 percent of the people of Appalachia will be within 30 miles of a high quality highway. The highway program is vital to the development of Appalachia.

These are significant advances. But much remains to be done. Of Appalachia's 19 million inhabitants, 2.7 million continue to live in poverty. Only six out of the region's 397 counties have a per capita income that has reached the national income average. Despite improvements in the availability of health facilities, serious health problems remain. Infant mortality rates still exceed those of the rest of the Nation. A high incidence of diseases such as hepatitis, streptococcus, tuberculosis, measles, and rubella remains. And the 1976 ratio of 116 physicians to every 100,000 people lags behind the national average of 174 per 100,000.

The Committee considers that the most significant aspect of the total Appalachian experiment has been the continuing development of the partnership role among all levels of government. The experiment is succeeding. This legislation extends the Appalachian Regional Commission for an additional 4 years, and provides it with additional authorities and responsibilities.

TITLE V REGIONAL COMMISSIONS

The Public Works and Economic Development Act of 1965 recognized that there were lagging regions in parts of the country outside of Appalachia. Title V of that Act provided for the establishment of regional development commissions in other sections of the country which had special problems and needs demanding individual analysis

and response. Like Appalachia, they were given broad authority to supplement other Federal grants, to undertake planning and studies, provide technical assistance, and encourage investment plans and the capability of State members to foster economic growth. Federal direction for these programs was placed in the Department of Commerce.

There are now eleven title V commissions, comprising all or parts of 48 States, three of which were designated in December, 1978.

The commissions have pursued a wide variety of programs. They have differed in their development programs as their regions have differed one from the other in the nature and scope of the problems that distinguish them as lagging regions.

Commission programs for the most part are directed toward closing the income gap, creating more jobs, and raising education levels. Programs dealing with transportation, natural resources, regional economic analysis, State investment planning, energy development, vocational education, tourism, and health are typical examples.

In the Regional Development Act of 1975, Congress expanded the program authorities of the commisions in the fields of energy, transportation, health and education—comparable authorities earlier provided the Appalachian Regional Commission. Congress also attempted to upgrade regional development through the commissions by raising the annual authorization from $150 million in 1975 to the present $250 million level. By all accounts, program performance under the commissions has been significantly limited because past Administrations have never requested adequate funding. But this legislation again expands their authorities and provides a more clearly defined framework for their operation within the executive branch.

Purpose of the Legislation

S. 855, as amended, extends the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act, and provides for the creation of regional commissions to promote balanced development in all regions of the Nation to respond to economic distress.

The bill as approved by the Committee continues the operation of the Appalachian Regional Commission and its program for an additional four years, through fiscal year 1983. It also provides a mechanism for the implementation of a similar regional approach to areas of economic distress in the rest of the Nation, most of which are already included in commissions established under title V of the Public Works and Economic Development Act of 1965.

The regional commissions under title II of the reported bill are authorized at not to exceed $250 million for each of the fiscal years 1980, 1981, 1982, and 1983. The nonhighway program authorization for the Appalachian Regional Commission under title I of the bill is $340 million for the 2-fiscal-year period 1980 and 1981, and $380 million for the 2-fiscal-year period 1982 and 1983. The Appalachian Development Highway Program authorizations are $350 million for fiscal year 1981 (an increase of $180 million); $400 million for fiscal year 1982; $450 million for fiscal year 1983; $500 million for fiscal year 1984; and $500 million for fiscal year 1985.

Title III, the "Regional Growth Policy Process Act", provides a means whereby the Federal Government, the States, and regional, substate and local entities can together address, on a regional basis, problems experienced in two or more States.

While a primary purpose of the regional commission program is still to assist areas of economic decline, their authority has been expanded to include hardship caused by sudden rapid growth.

A key feature of the legislation is the creation of an interagency committee at the White House level which shall provide program coordination and support for the regional commissions and the Federal agencies. This will provide the commissions with a visibility which they have lacked under the existing title V program, and should assure them a greater voice in the cohesion and coordination of the multifaceted Federal programs established to assist States and local governments in the resolution of their shared economic problems.

Provisions are included in the legislation which will assure accountability and responsibility on the part of the Federal, commission and State entities under this Act.

In conclusion, the legislation expands the authorities of the regional commissions while at the same time more clearly defines their responsibilities. This is intended to assure the development of an integrated approach to problems of economic distress based on local, State, and regional perceptions, and ultimately reflected in actions by the Federal Government.

Regional Growth Policy Process

Title III of this legislation establishes a regional growth policy process to bring the Federal Government, regional commissions, States, and local governments into a cooperative structure for addressing regional issues.

FEDERAL COORDINATION

The President has proposed this new "process", based on recommendations of the 1978 White House Conference on Balanced National Growth and Economic Development. A January, 1979, memorandum from the President to agency and department heads on the subject of regional commission support provides appropriate background for a discussion of the growth policy process:

> In light of the changing patterns of economic activity across the country, and in order to extend the ability of States and localities to shape Federal policies in behalf of regional concerns, new processes for planning, coordination and policy support are required. To develop and carry them out will require cooperation on the part of the Secretary of Commerce, Federal departments and agencies, the Interagency Coordinating Council, the Federal Cochairmen of the Appalachian and title V Regional Commissions and the Federal Regional Councils.
>
> * * * I am instituting a regional growth policy process to assist the regional commissions in developing and implementing their multiyear regional development plans and annual

> investment programs. These plans and, more importantly, the annual investment programs should be developed from the ground up, reflecting sub-state and State development plans. Through this policy process, the regional commissions will be given an opportunity to prepare recommendations to Federal departments and agencies for solutions to problems of regional growth and decline * * *

This important innovation expands the influence of the commissions beyond their limited funding base to all of the relevant Federal programs, including financial and technical assistance, direct development, and other Federal decisions. Use of the White House Interagency Coordinating Council assures that the regional commission point of view will have the attention of all units of the executive branch.

This opportunity for the governors and Federal cochairmen, acting together as commissions, to address the larger problems shared by the States of each region will require a spirit of constructive accommodation on the part of Federal agencies. Not every problem viewed by a commission to be of regional significance and requiring adaptation of some Federal policy or procedures can be accommodated by the affected Federal agencies. But this new process ought to identify those that can, and do so with reasonable speed.

Section 302 delineates the Federal role in coordinating with the regional commissions. The President is directed to establish an interagency committee for program coordination and support for the regional commissions and the Federal Government is determining policies and recommendations which will further the purposes of this Act. The committee is to be chaired by a senior White House official, and composed of the Chairman of the Regional Development Council, and senior officials of Federal departments and agencies concerned with regional development activities.

Each commission is required to prepare a multiyear regional development plan and annual investment strategies. The interagency committee authorized in section 302 is directed to establish a schedule for review of the recommendations contained in each commission's plan and annual regional growth policy recommendations by the Federal departments and agencies represented on the committee. The commissions are to participate in any discussions with those Federal agencies which are necessary to resolve any issues, and the Chairman is to attempt to identify and encourage solutions to regional issues involving the participations of more than one department or agency.

This section also requires Federal Cochairmen of regional commissions to be appointed Chairpersons of appropriate Federal Regional Councils where practicable. If the Federal Regional Councils are to serve any useful purpose, it is important for them to be linked to the regional commissions.

Federal departments and agencies are directed to cooperate with commissions to the maximum extent possible. They are also directed to assure that existing Federal programs are not inconsistent with commission activities, and to consult with appropriate commissions prior to providing financial assistance to any multistate organization engaged in activities related to regional growth purposes.

REGIONAL PLANNING

Title III also establishes a regional planning process involving all levels of government.

The regional growth policy process set forth in this title emphasizes the importance of a ground-up approach to planning. The participation of substate and local entities is emphasized and the goals, objectives and priorities of communities are accorded great respect in this process. The warp and woof of this planning fabric—from local to multicounty to State to regional—will be as durable as the imagination, hard work and persistence of those involved.

At the same time, there must be adequate guidance from the commissions to States and substate levels. The planning process within a State must be relevant to regional goals and regional planning needs. The committee has no illusions that the process envisaged in this title will be productive if Federal departments and agencies and State and local governments do not develop respect for the plans and strategies generated by it. Without such respect, participants cannot be faulted for resisting the adaptation of their policies or procedures to accommodate the goals and priorities of these plans and strategies.

Section 303 establishes the base for the development planning process, outlining the responsibilities of States and development districts. Each commission shall require State members to prepare and submit a development plan for each State in the region, updated annually. Criteria for such State plans are delineated.

Each commission is directed to develop and require execution of areawide action programs. These programs, prepared at the multicounty level, set forth interrelated projects and schedules of actions and the financial resources necessary to carry them out. Subsection (c) authorizes Governors to certify development districts for these purposes. States are directed to work with local units of government, development districts, citizens, and private interests. A Governor may not certify a development district unless it conforms with specific criteria.

Section 304 describes the commission responsibility to prepare a multiyear development plan and annual investment strategy. The multiyear plan is due within 18 months of enactment. It is to be reviewed annually and formally assessed every five years.

Investment strategies are to be transmitted to the interagency committee and, except for the Appalachian Regional Commission, to the Secretary for use as the basis of consultation with Federal departments and agencies through the mechanism described in section 302. This strategy identifies programs and projects, proposed funding, and proposed policies which may be adopted by Federal agencies and State and local governments to reflect in their respective programs and regulations ways to further the implementation of the regional plan.

After development of a regional development plan or investment strategy, the Federal Cochairman shall have no more than 75 days to review such plan or strategy and to obtain the Secretary's review. The Federal Cochairman is directed to consult with appropriate Federal agencies in the course of that review.

The Secretary of Commerce has disapproval authority over regional development plans of all commissions except the Appalachian Re-

gional Commission. Such disapproval must be made within 60 days of transmittal, and must be predicated on a finding that the plan is inconsistent with certain national and interregional policies and activities.

Regional commissions are to review multiyear plans annually and do a formal assessment of such plans every 5 years.

Section 305 states that the Development planning process and the regional growth policy process are to reflect the goals, objectives, priorities, and recommendations of development districts and local governments as they are presented in approved State development plans. To the extent practicable, regional development plans and annual investment strategies are to be developed from and shall incorporate such goals, objectives, priorities, and recommendations.

The preparation of State and regional plans shall accommodate and harmonize the multiplicity of goals, priorities, recommendations and needs identified by development districts and local governments.

Commissions are required to assure an adequate process of consultation with local governments and development districts.

Accountability

GAO report and Department of Commerce audit

On February 28 of this year the Department of Commerce released a report on its audit of selected activities of the title V regional commissions. In late April the General Accounting Office issued a report addressing the nonhighway activities of the Appalachian Regional Commission.

Both these reports were critical of existing commissions from several standpoints. The Department of Commerce report was directed to commission administrative activities rather than to specific programs. It found deficiencies in coordination, both at the Commerce Department level and with other Federal agencies. Problems were found in the planning, selection, and evaluation of projects, as well as operation and monitoring of completed projects. Inconsistencies in expenditures from program monies and administrative funds exist.

Many of these same problems were also mentioned in the report of the General Accounting Office on the Appalachian Regional Commission. In addition, problems were cited concerning a possible decline in State participation in nonhighway programs and priority of program evaluation.

The Committee recognizes that many of the points raised in these reports are valid. Specific language has been included in this legislation which the Committee believes will alleviate existing problems. The procedure spelled out in title III, the Regional Growth Policy Process, spells out in detail the role of the Federal government in coordinating with the regional commissions. The specific duties of the commissions are outlined in several sections of the bill, principally sections 204 and 304.

State responsibilities for maintenance of effort are spelled out in section 207(h).

Fiscal responsibility and management standards are required on the part of the Federal government and commissions.

The Committee is aware of existing problems in commission administration and programs. This legislation seeks to alleviate those problems while at the same time expanding the regional commission concept to other parts of the Nation. The Committee expects to monitor commission activities closely as they carry out the directives of this legislation.

LEGISLATIVE PROVISIONS

The committee considered the question of accountability to be of grave importance in the development of this legislation. The careful spelling out of the specific responsibilities of each element in this unique Federal, State and substate partnership is essential both from the standpoint of assuring the viability of the program and the protection of the participants.

Recent reports of the General Accounting Office and the Department of Commerce have criticized the operations of existing commissions. This legislation contains a number of safeguards to assure accountability on the part of the Federal, State and commission elements, as well as recipients of assistance from commissions.

For the commissions in title II, the Secretary of Commerce is required in section 208 to identify basic areas in which minimum standards of fiscal responsibility and management must be adopted, including uniform cost principles; to specify such minimum standards in regulations; to require each commission to adopt such standards as part of their internal regulations; and adopt procedures and regulations governing conditions under which the Secretary may withhold funds from a commission for violations of this Act or any regulations adopted under this act. The Secretary is further required to evaluate, on an annual basis, the performance of the commissions in adhering to such procedures and regulations, and in implementing the provisions of this act.

Section 204(b)(2) requires all Federal cochairmen to assure commission compliance with applicable Federal fiscal and management requirements either established under this legislation or by the ARC Federal Cochairman or that commission itself.

In section 210 the commissions themselves are mandated to keep records which will fully reflect the amount and disposition of the funds provided to them, and such other records which will facilitate an effective audit. They are also required, in section 208, to adopt policies to prevent fraud, waste, and abuse in their programs. They must adopt specific policies and procedures to assure that any program or project which receives assistance is properly and efficiently administered, operated, and maintained. Section 210 requires that approval by commissions of applications for grants or other assistance must be predicated upon a determination that there will be proper administration, operation, and maintenance of the project to be undertaken.

In section 208 the Appalachian Regional Commission is encouraged to adopt standards of fiscal responsibility and management. The Committee expects such standards to be no less stringent than those proscribed for the other commissions by the Secretary. The Appalachian Regional Commission is also directed, in section 113, to evaluate, on an annual basis, its effectiveness in achieving the goals and objectives of its program.

Finally, section 210 requires all recipients of assistance from a commission and all contractors of a commission to keep complete records, to be available to any member of the commission or the commission itself, the Comptroller General, and, except for the Appalachian Regional Commission, to the Secretary. Those refusing to comply with this requirement shall not be eligible for further funding under this act.

Role of the Federal Cochairman

Section 204(b)(1) describes the expanded role of the Federal Cochairmen. As the Presidentially appointed partner to Governors, each Federal Cochairman has the dual responsibility for (1) communicating regional concerns of the State members to the Federal Government, and (2) presenting the national perspective to the regional commission.

Title III, the Regional Growth Policy Process Act, significantly enhances the role of the Federal Cochairman. As a statutory participant of the White House-Chaired interagency committee process, his responsibility is to assist in the implementation of regional development plans. He has an expanded role in the preparation and submission of commission budgets. The bill throughout encourages a greater advocacy role for the Federal Cochairman to encourage Federal departments and agencies to support commission plans, programs, and priorities.

The "Federal presence" in the person of the Federal Cochairman is an essential responsibility in the act. It is expected that such Cochairmen will assure commission compliance with applicable Federal fiscal and management requirements established in the act. It is vital that Federal Cochairmen represent the Federal interest in commission determinations with respect to: State maintenance of effort requirements (section 207(h)); commission priority for assisting areas of economic decline; the exercise of commission waivers of the 20 percent limitation on funds for innovative and demonstration projects authorized under section 207(b); the integrity of the relationship between the planning and policy process and project selections; and assuring adequate commission attention to problems and solutions shared by two or more States with each region.

The committee realizes that too little policy guidance has been provided in the past within the Executive Branch to assist the Federal Cochairmen in the exercise of their duties. With a national system of regional commissions and a national commitment to address certain problems at a subnational level, the absence of policy guidance and support inside the Executive Branch is no longer excusable.

Participation of Appalachian Commission Partners

The 1975 amendments to the Appalachian Regional Development Act included provisions to enhance the participation of the Governors as active members of the Commission. The response of the Governors to those amendments has been gratifying. There are a few matters of concern, however, which have been observed in oversight on the Commission's implementation of the 1975 amendments.

While the Governors themselves have been active, occasionally alternates to the State Members have been appointed who do not meet the act's requirement that they be members of the cabinet or of the Governor's personal staff. It is important that only State officials with decision-making authority at the cabinet level or who have full access to the Governor serve as alternates. In addition, it is important that such an alternate attend all the Commission meetings when the State member is not present.

To maintain full gubernatorial participation, Commission meetings at which a quorum of State members must be present should not have to address administrative matters, contract approvals, or personnel questions not involving policy decisions. Minor modifications of annual investment programs also do not have to be decided at meetings which include the personal participation of a quorum of Governors.

In 1975 the Committee was concerned primarily with the role of Governors in the Appalachian Regional Commission. Historically, the Federal Cochairman, as the representative of the President, has been a key participant in the unique partnership experience of the Appalachian Regional Commission since its inception in 1965. The committee intends that the Federal Cochairman remain an active participant in the partnership.

The Federal Cochairman, in partnership with the Governors of the 13 Appalachian States, is charged by statute with working to bring about the growth and economic development envisioned by the Congress in the Appalachian Regional Development Act. There is no question that the Federal Cochairman should be a visible spokesman for the Commission throughout the Region. However, even more important are his responsibilities in Washington. It is the Federal Cochairman's personal responsibility to attend Commission meetings, and to work in concert with the States to develop programs and policies that will help shape the future of the Region. The Federal Cochairman has a full time position with a unique opportunity to influence the future of Appalachia by personal participation in dealings with Federal agencies, the Congress, and within the Commission itself.

There may be occasional instances when the Federal Cochairman must be absent from his duties, and the statute provides for an alternate to serve in his place at those times, and when not serving as such, to perform duties assigned him by the Federal Cochairman. The basic functions of the Federal Cochairman are, of course, not delegable to the alternate or anyone else.

Appalachian Highways

As stated in the general statement at the beginning of this report, approximately 56 percent of the 3,025 miles currently authorized for the Appalachian highway system is either complete or under construction.

The Administration bill (S. 912) authorized $300 million for fiscal years 1980 through 1985 for the highway program. S. 835 as introduced contained a total of $3.5 billion for 7 fiscal years for this purpose. This was the amount calculated by the States to be necessary for the completion of the entire system. The committee reduced these amounts to levels more compatible with anticipated appropriation levels and with

expected construction capabilities. Section 106 of S. 835 authorizes a total of $2.03 billion for 5 fiscal years, as follows:

Fiscal year:	Millions
1981 (an increase of $180 million over existing authorization)	$300
1982	400
1983	450
1984	500
1985	500

S. 835 as amended also provides for a 33-mile increase in the authorized mileage for the system, from 3,025 miles to 3,058 miles. This increase is for centerline alinement and minor rerouting due to environment problems.

The committee is aware that the Commission prepares cost estimates for the Appalachian development highway system as a basis for allocating highway funds among the States. In the past, authorizations and funds have been distributed among the States according to each State's relative share of remaining costs to complete the system, with a maximum limit for any one State. Up to now this has been a workable policy.

However, the committee is also aware of the need to complete individual highway corridors and that some States have accelerated their construction programs utilizing their own funds and by prefinancing. Under present procedures, as States approach completion of their portion of highway corridors within the Appalachian highway system, their relative share of remaining costs diminish, thereby lengthening the time it takes to complete individual highway corridors. Therefore, in allocating authorization and funds in the future, the Commission should take into consideration the need to complete individual highway corridors and the efforts individual States have made to accelerate completion using their own funds on corridor segments in the past or future, as well as prefinancing.

The committee wishes to make clear that the present prohibition on the use of section 214 funds for highway or road construction is intended to preclude section 214 supplemental funding for the Appalachian development highway system or access road projects authorized under section 201 of this Act, or for Federal aid highway programs under title 23 of the U.S. Code.

The committee agrees that the Commission may continue to supplement development projects under other Federal grant-in-aid programs which include incidental road construction as project components, such as the industrial site development programs authorized under title I of the Public Works and Economic Development Act or section 310B of the Consolidated Farm and Rural Development Act; or recreational development projects under the Land and Water Conservation Fund Act.

Appalachian Housing

The problem of adequate basic housing in Appalachia has been severe for some time, and appears to be worsening. Over one million Appalachian homes are substandard—either unsafe, with insufficient plumbing, or overcrowded—in some cases all three. This figure is more compelling when it is realized that in central Appalachia, 38 percent of the housing is inadequate.

Section 107(b) of S. 835 amends section 202(c) to permit continued operational funding for these centers upon the request of a State. The amendment applies only to those projects supported in fiscal year 1979, and is not intended to restore or resume funding for projects whose grant funds ceased prior to that time. Projects initially approved after September 30, 1979, must conform to the existing 5-year limitation. The committee supports current Commission policies which promote and assist projects funded under this section to achieve earliest possible independence from ARC funding. The ability of States and local project sponsors to attract other public and private resources to maintain activities stimulated by flexible ARC aid is vital to the ARC demonstration process and its ability to generate new programs in undeserved areas. The Committee does not intend that the Commission become a direct operating program agency. Discretionary grants made in accordance with this amendment will follow the normal Commission approval process and will be included in state Appalachian development plans and programs, prior to being submitted by the Governor.

Business, Railroad, and Energy Resource Activities

S. 835 as amended adds a new section to title II of existing law authorizing the Appalachian Regional Commission to make grants for the stimulation of agriculture, mining, construction, manufacturing, commercial, and other economic activities. Such grants can be made for business related technical assistance, establishment of revolving funds for business, agricultural and forestry enterprise loans, acquisition and rehabilitation of rail properties by public bodies, and projects for development, production, utilization and conservation of energy resources. States may carry out such activities directly or through the private sector, public bodies, or private nonprofit organizations.

With regard to the railroad activities authorized by this section, acquisition or rehabilitation of rail properties must be deemed critical to State investment plans. The Federal share for acquisition is limited to no more than 80 percent of the total cost, and Federal funding for rehabilitation can be no more than 50 percent. Neither acquisition nor rehabilitation grants may be made for rolling stock.

Incentive Grants

Section 206 of S. 835 authorizes the Secretary to provide technical assistance and incentive grants to commissions. Each commission, in turn, is authorized to provide technical assistance to States, substate areas, and urban and rural communities.

Incentive grants to commissions by the Secretary are authorized for purposes such as improved coordination of development programs and planning; encouragement of procedures enabling Governors to participate in regional growth policy; development of cooperation of State and commission activities augmenting national energy, export, and urban policies; and encouragement of other special activities.

The committee amended this section by adding two additional technical assistance authorities for all commissions. Commissions are authorized to provide assistance to communities in maintaining, restor-

ing, or augmenting commercial air passenger service, excluding capital assistance or operating subsidies.

Further, each commission is directed to investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this subsection and under section 207 to increase the use of solar energy equipment in residences in its region. Commissions are to assist in the standardization of such equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment, and to facilitate inclusion of solar energy equipment installation costs in residential mortgage financing. Commissions are authorized to conduct pilot projects to put into practice the findings of such investigations.

The incentive grant authority in section 206 is an important element of this legislation. It is designed to further encourage commissions in their efforts under this Act, by providing funding for additional activities to those commissions displaying a determined effort to move forward in addressing regional economic problems.

Funds under this section are not to be used for State personnel or administrative costs which should be borne by the States. General concern has been expressed about the shifting of administrative costs to the Federal share of commission funding. The committee intends this matter to be addressed by the Secretary and all of the commissions in establishing rules and regulations.

Commission Authorities

Section 207 includes program authority for the commissions. Existing law is expanded to make clear that commission funds may be spent for broad spectrum of economic activities, including transportation, energy development and conservation, environmental and natural resource management agriculture, and development of indigenous arts and culture.

The bill continues the authority of the commissions to supplement other ongoing Federal programs, to provide "first dollar" and to undertake innovative projects which can not be initiated under other Federal agencies. The bill places a 20-percent limit on the amount of funds the commission may use to undertake innovative projects or demonstrations. A waiver is provided where a commission can show that a larger percentage necessary to carry out a major objective of the commission plan. The Committee is aware of the flexibility provided in the demonstration authority and that, indeed, much of the commissions' effort is to develop new approaches to problems. This flexible authority, however, can be abused and becomes a means of substituting commission funds for other investments in the region. The Committee wants to make clear that this authority will be used only where necessary and on innovative programs.

This section imposes a 5-year limitation on funding any component of any project under this Act, the existing Appalachian Regional Development Act, (Public Law 89–4, as amended,) or the Public Works and Economic Development Act (Public Law 89–136). Funding may be made for up to 80 percent of project costs. Grant approval is contingent upon certification by the Commission that the project is truly innovative.

Grants for project operation may be made only for nonprofitmaking projects for which funds are not available under any other Federal, State, or local program. Such grants may be up to 100 percent for two years from the commencement of project operation, and up to 75 percent for the following three years, after which time no grants may be made for project operation.

The section further specifies that financial assistance under this Act may not be provided to assist in the relocation of private establishments or to enable private contractors or subcontractors to undertake work previously performed in another area by other contractors or subcontractors.

Cultural resource development has been included as an important element in promoting balanced social and economic regional development, with funding for developing and carrying out programs that promote cultural resources development and growth, for research on the conservation and utilization of cultural resources, and for incentive grants at the State level to develop a unified set of development objectives.

Cultural resources are "people magnets"—stimulating tourism, attracting ancillary businesses, and encouraging rehabilitation. They generate large cast flow for a modest investment, and also provide jobs in supplying goods and services while humanizing the environment. Cultural resources are the human and physical assets which contribute to the creation of fine and folk arts, music, theater, dance, literature, design and architecture, including those traditional academic and other institutions and groups which practice, preserve and transmit such arts.

REGIONAL DEVELOPMENT COUNCIL/OFFICE OF REGIONAL DEVELOPMENT

Section 208 establishes a procedure for the Secretary to provide Federal policy guidance to the Federal Cochairmen. A Regional Development Council is established to serve as a mechanism for consultation on policy and administrative improvements in the program established under this act. This Council is to be composed of the Federal Cochairmen, and shall participate in the liaison and coordination responsibilities under section 302. The Council Chairman shall be selected by the Secretary after consultation with the members.

Additionally, this section directs the establishment in the Department of Commerce of an Office of Regional Development, to be headed by a Director appointed by the Secretary, after consultation with the Chairman of the Regional Development Commission and composed of such staff as necessary. This office is to assist the Secretary in carrying out her responsibilities under this act. In addition, the office is to assist commissions in their budget preparations and in their relationships with each other, as well as providing technical and support services as necessary to the Secretary and the Federal Cochairmen. Other related responsibilities are described in the section.

The Secretary is directed to assure that commission activities are consistent with this act by specifying minimum standards of fiscal responsibility and management, and by adopting procedures and regulations governing recognition of regions and boundary changes, record-keeping, administrative policies, and establishment of a man-

agement information system. The section also spells out other accountability requirements discussed elsewhere in this report.

Maintenance of Effort

S. 835 was amended to include a maintenance of effort and substitution section. Section 221 of the Appalachian Regional Development Act (Public Law 89–4) contains a maintenance of effort provision which is intended to assure that the States not view the act as an opportunity to divert from Appalachia those State funds which would have been spent if the Appalachian Act had not been enacted. This section requires States to maintain the same level of expenditures in the Appalachian portions of their States as was spent in the last 2 full fiscal years preceding the date of enactment, that is 1963 and 1964.

The recent report of the General Accountnig Office on the Appalachian Regional Commission suggested that it may be more appropriate to use "proportionate" levels of expenditures rather than "aggregate". The Committee chose instead, in section 207(h), to restate the maintenance of effort provision in an amended form, making it applicable to all regional commissions. The new base line for calculating past State expenditures will, however, be fiscal years 1977 and 1978.

The commissions are directed to give funding priority to areas affected by economic declnie. Activities in areas experiencing rapid growth problems should be primarily directed to basic service needs.

The Committee suggests that the records to be kept by the commissions as required by these amendments should include data which will enable the commissions to monitor State financial participation in their programs.

The Committee has always been concerned that this program not be viewed as simply another conduit of Federal funds and that the States not use these funds to supplant other funding sources.

In its report on the Appalachian programs, the General Accounting Office indicated an increased use of that commission's first dollar authority and recommended the committee place a limit on the use of these funds. The committee does not believe a fixed limitation is warranted at this time, but is concerned about the increasing use of first dollar authority. The committee believes that the commissions need the flexibility provided by the first dollar authority. Regional policy is not bound by the availability of funding and gives commissions leeway in meeting their objectives. The committee is concerned, however, about excessive use of this authority. One of the primary goals and responsibilities of the commissions is to influence other Federal programs. Through excessive reliance on first dollar authority, the commissions duplicate existing programs and tend to become a direct, categorical grant program—a role that has never been intended for the commissions.

The committee believes the commissions must give more attention to this matter and take more effort to tap other funding sources. To assist the commissions in assessing the use of and need for first dollar funds, each annual investment strategy should identify where first dollar money is used.

The committee will continue to maintain a strong interest in this area.

Civil Service

Section 104 extends Federal employment and retirement benefits to Appalachian Regional Commission and title V commission employees whether or nor they were previously Federal employees.

In accordance with existing legislation, ARC employees who were employed by the Federal Government immediately prior to Commission service are eligible for Federal retirement, life, health and disability programs. In establishing benefits for other Commission employees, the Commission has tried to provide comparability for all. With recent changes in the Social Security law and the Federal benefit system, the cost of providing comparability outside the Federal benefit program makes this virtually impossible. It is unfair to those who came to the Commission from State government, local communities and the private sector to receive lesser benefits than those who came from the Federal Government. Therefore, the bill authorizes the Office of Personnel Management to contract with the Commission for staff members' benefits. As the costs of benefits for the Commission staff are shared jointly by the Federal Government and the States, the savings realized would accrue to the Federal Treasury as well as the States.

Appalachian Boundary Study

From time to time since the inception of the Appalachian regional program, States have requested that additional counties be included within the Appalachian region. Such requests were received this year for several counties in Virginia and New York.

With the expansion of the regional commission concept to the rest of the Nation, the problem naturally arises of whether counties contiguous to the Appalachian region should be incorporated into that region or remain in another region established or recognized under this act.

Section 115, therefore, directs the Appalachian Regional Commission to conduct a study. The study shall evaluate the social and economic characteristics of the counties in the Appalachian region and contiguous to it with the goal of identifying, to the extent possible, those characteristics which counties within the region have in common and which therefore constitute reasonable standards for transfer in or out of the region.

The study is to be conducted in conjunction with the Presidential study of commissions and Federal Regional Council boundaries mandated in section 308, and the study results and recommendations are to be submitted to the Congress no later than 2 years after enactment of this act.

Border Resource Research Institutes

Section 309 of S. 835 as amended authorizes the establishment of a system of Border Resource Research Institutes under the jurisdiction of the Southwest Border Regional Commission.

The section requires the Commission to designate one university in each of the States of California, Arizona, New Mexico, and Texas for the purpose of initiation and support of research programs into border resource problems.

Once the Border Commission has designated the four Border Resource Research Institutes and rules and regulations have been drafted, a reasonable annual level of funding for the institutes at the outset would be $250,000 per institute.

The committee realizes that the Research Institute program is new and must be meshed with other Southwest Border Commission efforts. Consequently, the committee recognizes that funding levels for this program must ultimately be determined by the Commission and implementation of the program may be in stages.

The designated universities need not be in one of the counties under the Southwest Border Commission, except when practicable. Instead, the Commission should select the university within the State that has the best capability to undertake studies on border resource problems.

Alaska Regional Commission

In addition to reauthorizing existing commissions, the reported bill recognizes a development region embracing just the State of Alaska and requires the Secretary, at the request of the Governor of Alaska, to establish the Alaska Regional Development Commission no later than October 1, 1979.

This action is based on two findings. First, section 502(f) of the Public Works and Economic Development Act currently authorizes the establishment of certain single-State regional economic development commissions, including Alaska. Second, the committee decided that the State of Alaska meets all the criteria for designation as a development region set forth in this bill.

The circumstances of geography and size call for a unique approach in Alaska. These circumstances result in the existence of several regions within the State which are distinguished from each other by cultural, climatological and economic attributes. Three geographically distinct native groups (Eskimo, Indian, and Aleut) and the dispersed character of timber, fishery, mineral and tourism sectors of the economic base contrast with the similarity of each Alaskan region's difficulties with transportation, communication, social services, promotion of exports, the high cost of living, the high unemployment rate, and the constant battle with a hostile climate.

Upon consideration of these issues, it appears appropriate for Alaska to form a single State commission. Therefore, section 202(c) of the bill recognizes Alaska as the Alaska development region. Section 203(a) requires the Secretary of Commerce, at the request of the Governor of Alaska, to establish and operate the Alaska Regional Development Commission no later than October 1, 1979.

In addition to having all the duties of other commissions, section 204(d) authorizes the following activities which may be undertaken by the Alaska Regional Development Commission: (a) review resource inventories of Federal agencies; (b) review and make recommendations to the Federal Government and State legislature on land use plans and proposed activities; and (c) assist Alaska Native regional corporations in preparing land use plans.

Section 307(c) of the bill authorizes a study by the Secretary of Commerce of the desirability of creating a joint Federal-State Economic Development and Land Use Planning Commission for Alaska,

with land use planning and classification powers. This study is to be completed not later than one year after the establishment of the Alaska Regional Development Commission and is to be conducted in consultation with the Secretaries of the Interior and Transportation and the Governor of Alaska.

Rollcall Votes

Section 133 of the Legislative Reorganization Act of 1970 and the rules of the Committee on Environment and Public Works require that any rollcall votes be announced in this report. During the committee's consideration of this measure six rollcall votes were taken. Each of those votes was publicly announced during the open meetings of the committee for marking up this legislation. The tabulation of the votes is available in the offices of the committee. S. 835, the Regional Development Act of 1979, was ordered reported on May 9 by a vote of 12 to 2. Senators Randolph, Muskie, Gravel, Bentsen, Burdick, Culver, Hart, Moynihan, Stafford, Baker, Domenici, and Pressler voted in the affirmative, and Senators Chafee and Simpson voted in the negative.

Regulatory Impact

The committee believes that this legislation will cause no change in regulatory activity by the Federal Government, or by private business.

Cost of Legislation

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires publication in this report of the Committee's estimate of the cost of the reported legislation, together with estimates prepared by any Federal agency. S. 835 as amended authorizes Federal expenditures of $2,765,500,000 for fiscal years 1980 through 1983, and an additional $1 billion for the Appalachian highway system for fiscal years 1984 and 1985. These amounts are allocated as follows:

Title I: Appalachian Regional Development Act Amendments:	
Administrative expenses:	
1980-81	$7,000,000
1982-83	8,500,000
Highways:	
1981	180,000,000
1982	400,000,000
1983	450,000,000
1984	500,000,000
1985	500,000,000
Nonhighway programs:	
1980-81	340,000,000
1982-83	380,000,000
Title II: Regional Commission Act:	
Programs:	
1980	250,000,000
1981	250,000,000
1982	250,000,000
1983	250,000,000
Total	3,765,500,000

Section 403 of the Congressional Budget and Impoundment Control Act requires each bill to contain a statement of the cost of such bill prepared by the Congressional Budget Office. The report follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., May 15, 1979.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works, U.S. Senate, 4204 Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 835, the Regional Development Act of 1979.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

MAY 15, 1979.

1. Bill number: S. 835.
2. Bill title: The Regional Development Act of 1979.
3. Bill status: As ordered reported by the Senate Committee on Environment and Public Works on May 7, 1979.
4. Bill purpose: The bill authorizes the creation of regional commissions and provides a framework for these commissions to coordinate the development efforts of Federal, State and local governments in most areas requiring intergovernmental cooperation. The bill also extends the authorizations through 1983 for the Appalachian Regional Commission and title V of the Public Works and Economic Development Act of 1965, and it makes existing regional commissions part of a nationwide system of multi-State regional development commissions to promote balanced development in all region of the Nation.

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1979

Title I authorizes appropriations for the Appalachian Regional Commission (ARC), the Appalachian development highway system, and for the nonhighway, regional development activity of all commissions covered by the bill. The title also clarifies the status of existing commission employees within the new commission framework and adds new grant authority for projects involving methods of meeting the human services needs in the region.

Title II of the Appalachian Regional Development Act of 1965 is amended by adding a section designed to stimulate economic investment by providing funds to States to make grants and establish revolving funds for business loans. Grants under this authority are directed toward transportation systems infrastructure, specifically rail and air service.

TITLE II—REGIONAL COMMISSION ACT OF 1979

This title establishes the intent of Congress that every area of the Nation be included as part of a development region and be represented by a regional development commission. All existing commissions (the Appalachian Regional Commission and all commissions created through title V of the Public Works and Economic Development Act of 1965) are automatically covered by authorities est blished in this act, subject to boundary changes authorized by the bill. This title specifies the procedures for creating commissions, their mission, and their role in the intergovernmental regional development process. New commissions require the written initiative of the governors of concerned States and will function according to procedures specified in the act. The bill creates an Office of Regional Development within the Department of Commerce to support regional commissions at the Federal level.

TITLE III—REGIONAL GROWTH POLICY PROCESS ACT

This title establishes an interagency committee to coordinate and support regional commissions and the Federal Government in determining policies and recommendations which will further the programs supported by this bill. In addition, it establishes the requirement for annual development plans for each State in each region and further requires each regional commission to prepare multiyear development plans and annual investment strategies.

Section 309 of title III establishes a system of Border Resource Research Institutes under the jurisdiction of the Southwest Border Regional Commission (SBRC) to address issues crucial to the area. Funding would come from SBRC funds.

The authorization levels established by this bill allow the ARC and other existing commissions to be funded at the level requested by the President for fiscal year 1980. The President's 1980 budget request includes $208.6 million for regional commissions, excluding Appalachian highway funds. The bill authorizes approximately $423 million for those same activities. Additional funds, in excess of the President's request, are provided for all regional commissions for grants and development support activities.

5. Cost estimate:

[In millions of dollars]

Estimated authorization level:[1]	
Fiscal year:	
1980	423
1981	694
1982	844
1983	894
1984	500

[1] For the purpose of this estimate, when specific amounts are authorized to cover a 2-year period (that is, sections 105 and 401 of the Appalachian Regional Development Act of 1965), one-half of the authorized amount is shown in each year. The budget impact of this bill does not include $300 million in fiscal year 1979 and $170 million in 1980 previously authorized for the Appalachian development highway system.

In addition to the amounts shown in the above table, the bill authorizes $500 million for the Appalachian development highway system in 1985. A total of $1.6 billion in outlays from the authorizations in this bill will be incurred after fiscal year 1984.

Including existing authorizations, total funds authorized for these programs are approximately $723 million in fiscal year 1980 and $774 million in 1981.

The costs of this bill fall within budget function 450.

[In millions of dollars]

Estimated outlays:	
Fiscal year:	
1980	172
1981	333
1982	468
1983	635
1984	583

6. Basis of estimate: For the purposes of this cost estimate it is assumed that all authorized funds are appropriated and are available at the start of each fiscal year. The portion of costs attributable to the ARC is assumed to be spent at rates equal to the program's recent spending pattern, with highway and nonhighway spending treated separately. Of the sum authorized by section 113 of the bill, an amount equal to the President's 1980 budget request for ARC nonhighway programs was assumed to be allocated to those programs, with that value inflated in fiscal years 1981 to 1983 by the CBO inflator for the gross national product. The balance of the authorization was assumed to be distributed to regional commissions established by title II of this bill.

To estimate the outlays associated with title II it was necessary to make some assumptions about the number and nature of restructured regional commissions. For the purposes of this estimate it was assumed that the eight existing regional commissions would continue to operate essentially as in the past. Funding for these programs was assumed to be equal to the President's fiscal year 1980 request plus a prorated share of any additional funds. These funds were assumed to be spent at historical rates.

To meet the mandate for new commissions it was assumed that eight additional regional commissions would be recognized in fiscal year 1980. It was further assumed that these commissions would incur administrative expenses similar to the existing commissions, adjusted for startup costs and partial year administration expenses. Grants and other assistance from these new commissions were assumed to start late in fiscal year 1980 with normal activity first occurring in fiscal year 1981.

7. Estimate comparison: None.

8. Previous CBO estimate: On May 15, 1979, the Congressional Budget Office prepared a cost estimate for H.R. 2063, a bill which reauthorized the Appalachian Regional Commission and amended title V of the Public Work and Economic Development Act of 1965. The relevant portions of each bill are similar, except that the House provided authorizations for only 2 years in most instances and did not establish a number of reporting requirements provided for in S. 835.

9. Estimate prepared by: Linwood T. Lloyd (225-7760).

10. Estimate approved by:

C. G. Nuckols
(For James L. Blum,
Assistant Director for Budget Analysis).

HEARINGS

The Subcommittee on Regional and Community Development held 3 days of hearings on this legislation: April 3, 4, and 5, 1979. Issues relative to the subject of this legislation were also discussed in full Environment and Public Works Committee hearings on the proposed fiscal year 1980 budget requests for the Appalachian Regional Commission and the title V commissions. These hearings were held on February 21 and 22, 1979.

MINORITY VIEW OF MR. CHAFEE

As I said in our subcommitee on May 7, referring to the title V commissions:

> We are taking a program that is existing and we are changing it; we are broadening it in a period when we are trying to reduce the pervasive impact of the Federal government on everybody's lives.

These commissions have not achieved their purpose, to date, of trying to foster multistate cooperation in meeting challenges. It is essential that these commissions first prove they can achieve this purpose before we give them a broader mandate.

All too often, title V commissions have become a method of receiving Federal money which is then simply divided amongst the states according to population. In fact, only 20 percent of their projects have been interstate in nature. Because of this, I have tried in the last few weeks to restrict the broadened mandate that this bill encompasses. As the recent audit by the Department of Commerce state,

> The "regional" aspect of the title V program is the one unique quality that distinguishes this program from similar government program concerned with economic development.

Unless this program develops some form of accountability that ensures the funding of truly regional projects, it will not receive my full support.

I have offered several amendments that have strengthened the concept of regional and focused the program on its original goal of aiding distressed areas. For instance, the committee agreed with my motion to limit the primary purpose of the commissions to aiding declining areas.

As regards the Appalachian Regional Commission, I do not believe that its powers should be broadened, mileage added to its highway system and the spending authorization greatly increased (it uses from $450 million in the current fiscal year to $640 million in fiscal year 1983) when already its authorizations and appropriations are far greater than all the title V's combined ($368.7 million appropriated this year for ARC versus $63 million for all the others).

ARC and the title V's were originally conceived to help distressed areas and were to last a finite time. Now they have grown into a nationwide system of commissions constantly conceiving of new rationale to justify their existence, and all viewed as permanent.

The time has come gradually to scale down authorizations for all these commissions with a view to blending their current responsibilities into existing Federal programs.

JOHN H. CHAFEE.

MINORITY VIEWS OF SENATOR SIMPSON

This legislation proposes to make permanent and extend the scope of a cluster of subnational quasi-governments known as Regional Development Commissions. Composed of Governors of the States lying within regional delineations of the country and a Federal cochairman—who has veto power over expenditures of Federal funds—the "title V commissions" are so named from their charter, title V of the Public Works and Economic Development Act of 1965.

The purpose of that act was to "help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development." It was directed to "depressed areas", as they were then termed not only as a humane effort for the people of those neglected areas but also in the broad interest of a healthy national economy. Title V—which established the Regional Action Planning Commissions and which the bill before the Senate proposes to replace while also extending the authority of the separately organized Appalachian Regional Commission—begins by setting forth in section 501 the criteria for identifying seriously lagging regions: high unemployment, low family incomes, poor housing, a single or two-industry economy in long-term decline, substantial outmigration of labor or capital, and the like.

The Regional Commissions were presented at that time as temporary institutions, designed to direct sharply focused assistance to clearly defined problem areas which were unresponsive to the general growth patterns of the national economy—geographic areas suffering an underlying and intractable problem requiring extra-ordinary effort. In short, the Commissions were intended to be a kind of special task force addressing unique and severe problems. They were to concentrate the attention of the participating Governors, together with Federal funds and technical assistance, not only on ameliorating the manifest effects, but also to attack the root cause of distress.

I have reviewed this history because I consider the proposal now advanced to be wholly different—and that it cannot, therefore, be considered simply an extension of the title V commissions as originally conceived and generally accepted. The present proposal is, of course, one that comes to the Congress from the participants in the Regional Commissions and their advocates, so in that sense it is an extension of their hopes and desires for this form of "shadow government."

That this is so may illustrate several things: (1) the natural growth of a bureaucracy once established; (2) the building of a constituency where Federal funds are in prospect; (3) the difficulty of disbanding an organization when its term is done or its task mainly completed; or (4) the passion for coordinated planning and paperwork which may soon overwhelm constitutionally established State, local and Federal Government.

What began as a sharply focused effort directed to limited geographic areas in crisis or chronic distress is now to cover the entire United States "wall to wall."

What began as criteria of distress—the high unemployment and low income guidelines of section 501—has now been abandoned in favor of a type of planning for change through the growth policy process.

What began as "seed money"—supplemental funds designed to attract other Federal, State and local funds—became "first dollar money"; that is, extra funds whenever State priorities or Federal budgets failed to reach the desired project. Next comes 100 percent "demonstration project" funds. There is a curious type of logic here, as in the 50-percent matching programs of yore, which required a State or local "share" to be paid by communities of limited income, and now many of these programs are already 75 or 80 percent Federally funded. The "leverage" effect is to be found instead in the attempt to pry loose additional projects which might otherwise fail the criteria established by the Congress. The "multiplier" is a demonstration project which can be regenerated with Federal funds derived from all taxpayers.

What began as a tightly knit task force directed to priority goals has now become an organization which wants to coordinate all available Federal programs and play power broker for the taxpayer's dollar.

It will be argued that this reorientation of purpose, this change in the philosophy behind the title V commissions should come as no surprise; the trend has long been evident. That is appallingly quite true. The latest fashionable mode for regional commissions to embrace was most recently and effectively presented at the White House Conference on Balanced National Growth and Economic Development, sponsored by the chairman and members of the Senate Committee on Public Works and held in January 1978 as a precursor to the development of this legislation. The precise question before the Congress—upon which we are asked to vote—is whether or not to enact into law the direction of that Conference, as distilled and defined by the administration acting through the Department of Commerce in cooperation with representatives of the National Governors Association.

S. 835 as introduced, and the administration bill as reported by the House Public Works Committee, proposes "a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation." The first purpose of that bill was

> planning for growth and change so as to maximize the social and economic benefits and to minimize the costs in activities which will improve the quality of life for the people in all the regions of the Nation.

I compliment my sincerely motivated colleague, Senator Chafee, in his capacity as ranking minority member of the Regional and Community Development Subcommittee, for his success in eliminating this stunningly broad purpose, and in striking the mandate to create a new political action device. He attempted to hold to the intention of existing law, by directing the clear purpose of the bill to "shared and interstate regional problems of economic decline and dislocation due to rapid growth." I am afraid, however, that these and the other improvements secured in subcommittee, substantial as they are, cannot change the

basic direction given throughout the bill, or the intent of the Administration and the zealous advocates and wily bureaucrats of the title V commissions who support it.

To discover this underlying direction and intent, it is necessary only to review title III of the bill, which I commend to my colleagues for its instructive text:

Section 302, for example, requires the President to establish a committee chaired by "a senior White House official," who is instructed to periodically call on the carpet the heads of various Federal departments and agencies so as to determine whether or not they are carrying out the regional development plans prescribed by the bill, who presumably will knock heads to get "the resolution of any issues" between the regional commissions and the line agencies, and who will fix a schedule "for review and response" to commission plans by the rest of the Federal Government. So begins title III, which we will come to know as the Regional Growth Policy Process Act.

The record of the regional commissions over the past 12 years has been decidedly mixed: some successes with mostly indifferent results, and when a bad result surfaces it is usually blamed on a lack of Federal funds, or upon confused authority. Except, that is, for the Appalachian region, which has been handsomely funded, where life has improved and where in its central region, which elicited the 1965 national response, coal field poverty is being daily exchanged for the problems of boom and "energy impact."

Most recently, the commissions have been criticized through careful and responsible audits by the Department of Commerce and the General Accounting Office. Their findings support observations made by knowledgeable experts for years: that the projects selected often are not regional, that clear priorities and specific objectives are neither formulated nor followed, that even after 14 years goals are not quantified nor progress measured against the goals.

There is simply no way to determine how much of the job has been actually accomplished in the last 2 or 5 or 14 years—or when, if ever, the work of the Regional Commissions will be completed. For example, the GAO report to the Congress of April 27, 1979, addresses—

> Problems and issues that need to be resolved by the Congress, the Office of Management and Budget, and the Commission before the Appalachian experience can be expanded to a nationwide system of multi-State regional commissions.

These evaluations are usually met with much strident philosophical rhetoric, and the full jargon of "creative federalism."

I can perceive four alternative outcomes if this legislation is enacted:

First, its rhetoric would become real, establishing a new political system coordinating all the rest of government; producing economic development planning, growth planning, and land-use planning; successfully presenting before the executive and legislative branches of the Federal Government regional views in which are incorporated State and grassroots goals—while in turn reflecting national policy back down the chain to the regional, State and local levels. Who can believe this will actually occur? It may be a worthy vision, but I think

we would be on fragile and treacherous ground if we believe writing this dream into law will make it so. It smacks of a total lack of confidence in the present American systems of government as we know them—at all levels. Passage of the legislation would implement the full coordination and planning potential of the adminstration bill and S. 835 as introduced. It would not, alone, require large project authority or grant funds. The great paradox of the administration bill, of course, is that this proposed mechanism of such enormous scope is accompanied by a request for only negligible funds in the President's budget.

So a second outcome could be that, realistically and hopefully, the proposed regional growth policy process will never replace the present institutional forms of government. The chief result of enacting this bill would then be only to open the doors of the treasury to rapidly increased funding for the title V commissions. Its advocates may well anticipate multiplying this year's budget of $74 million by tenfold, and then by 10 again. That would not be inconsistent with "parity with Appalachia." It would provide a wonderful cornucopia, largely outside established restraints—such as local taxpayer wrath—and in any event we would greet a new set of players at the game board.

A third outcome could be the limitation of this program to sharply defined areas having special needs of such severity that they merit a specific national contribution for their remedy. It would require each commission to settle on one or two high priority objectives—tackle them, stick to them, and attain them. This is the approach I understand Senator Chafee, to his credit, pursued in subcommittee. But the record of the commissions, including Appalachia, raises great doubt as to their ability or desire to set quantified goals, or to faithfully devote their resources to the specific accomplishment of those established goals.

A fourth outcome could be that even if this legislation is enacted—with all of its high blown promise, and with all its barely submerged hope of grasping at future billions—the Regional Commissions will continue to be ineffective and superfluous. They may continue to be largely ignored, even if given a desk in the White House. But they would retain their extraordinary capacity for stimulating more studies, more think tank capers that demand coordination and signoffs, and a fixed base of operations for yet another set of novel planners. Failing the great new institutional promise, lacking the great escalation in program and project funds, they could remain small and somewhat useful bureaucracies—just as they were originally intended.

To assure that hoped for outcome, however, we need no bill at all.

ALAN K. SIMPSON.

ADDITIONAL VIEWS OF SENATORS BAKER, CHAFEE, DOMENICI, STAFFORD, AND SIMPSON

During the markup of this bill, we opposed the adoption of the provisions establishing a special commission, with broad authority over land use in the State of Alaska. These appear as sections 204(d) and 307(c) in the bill. No hearings were held on these provisions, and legislative language on these subsections was not presented during markup to the committee for its consideration.

The issue is not whether Alaska should be eligible for a separate title V commission. That, indeed, may be reasonable. Rather, we oppose the special character of this commission for three basic reasons:

First, the language of this provision States that the Commission may "review and make recommendations * * * (on) land use plans and proposed activities" and "assist Alaska Native Regional Cooperations * * * in preparing land use plans." We believe that such language establishes a dangerous precedent for extending potential land use authorities to other title V Commissions. That is not, and should not be, the responsibility of these commissions.

It is difficult to find a more politically explosive issue than Federal involvement in local and state land use planning. The battles on this issue have been fought both in committees and on the floor over successive sessions of Congress. Regardless of the merits of Federal involvement—even at the request of the particular State in question—this bill presents neither an appropriate time or place or such legislation. These amendments are an attmept not only to circumvent the Congressional process with regard to Alaskan lands, but also the congressional process with regard to Federal land use planning generally.

Second, these amendments establish the Secretary of Commerce, rather than the Secretary of the Interior, as the focus for this land-use intrusion in Alaska. It should be noted that a land-use commission has existed for Alaska since the early 1970's.

Third, we do not believe that the volatile issues relating to the designation and use of Alaska lands should be determined or affected in this fashion, without benefit of hearings or more thorough evaluation. While we may have disparate views on the issues relating to the proper use of Alaska lands, we are agreed that such a determination should not be considered in the context of the title V program. Resolving the Alaska lands issue is the responsibility of the Congress, which has undertaken that process in other legislation through other committees, with hearings. The back-door approach in this legislation merely muddies the water, and could delay or subvert a reasonable solution.

For these reasons, we oppose strongly the adoption of these provisions in the Committee bill.

HOWARD H. BAKER.
JOHN H. CHAFEE.
PETE V. DOMENICI.
ROBERT T. STAFFORD.
ALAN K. SIMPSON.

Changes in Existing Law

In the opinion of the committee, it is necessary to dispense with the requirements of subsection (4) of rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate.

○

Representative Dale Locker (Ohio)

Washington Report

A new approach to federal policy on rural development

Rural America—its "changing face," its special needs, and the coordination of the hundreds of federal programs that affect its human and natural resources—was the focus of attention in late December as President Carter announced his Small Community and Rural Development Policy.

The policy, as outlined before a gathering of hundreds of state and local officials and representatives of community-based organizations and the small town business and financial community, combines a set of principles to guide the administration of federal programs, a series of organizational and procedural changes to develop the institutional capacity at the federal and state level to deal with rural issues on a continuing basis, and an "action agenda" of over 100 initiatives to help meet pressing rural needs.

In noting the changes in many rural areas—growth in population, expansion in rural employment, diversification of rural economies—the President argued the need for "a forward-looking policy . . . to manage the effects of such change—to enable individuals and communities to solve their problems and to capitalize on their opportunities."

And yet, he continued, "rural people and communities have proportionately greater unmet basic human needs than do other parts of the nation." Almost 40 percent of the nation's poor live in rural areas. Rural areas have 58 percent fewer physicians, 38 percent fewer dentists and 29 percent fewer nurses, on a per capita basis, and yet a higher incidence of chronic disease exists and more workdays are lost due to illness in the rural sector than in urban areas. While 57 percent of the rural poor and 45 percent of the rural elderly do not own an automobile, public transportation carries less than 1 percent of rural residents who work away from home.

To meet these needs and manage the effects of change in rural areas, the President directed his top administrators to manage their programs so as to recognize local priorities and facilitate decision-making, to invest federal funds in ways that complement state-local plans and priorities, to use federal assistance to help leverage private sector investments, to target federal funds to disadvantaged persons and distressed commmunities in rural areas, to provide local citizens and their leaders with assistance for more effective decision-making and development efforts, and to make federal programs more accessible to rural jurisdictions and better adapted to rural circumstances and needs.

The capacity to implement the policy's principles and initiatives was enhanced by a request to Congress for creation of an Undersecretary of Agriculture for Small Community and Rural Development, who will aid the Secretary in carrying out his responsibilities under the Rural Development Act of 1972, and who will co-chair, along with the President's Assistant for Intergovernmental Affairs, a revitalized Working Group on Small Community and Rural Development.

The Working Group will include top officials from the Office of Management and Budget, the Domestic Policy Staff, the departments of Education, Energy, Transportation, Housing and Urban Development, Agriculture, Treasury, Interior, Health and Human Services, Labor, and Commerce, as well as the Environmental Protection Agency, ACTION, the Community Services Administration, the Small Business Administration, and the General Services Administration.

The President also directed the Secretary of Agriculture to appoint an Advisory Council to monitor policy implementation and to advise the Secretary and the Working Group, including participation in an annual review of rural policies, programs and budget levels. Members of the Council will include state and local elected officials, representatives of community-based organizations and other private interest groups, and representatives of the business and financial community.

A second level of advisory bodies would be created with the positive response of governors to the President's invitation to establish State Rural Development Councils. Federal Regional Councils will be directed to set up rural development task forces to assist state implementation efforts, and agency heads will direct their field personnel to participate on the state councils as requested by the governors.

The Secretaries of Housing and Urban Development, Health and Human Services, Education, Commerce, Energy, Labor, Transportation, and Interior, and the Administrators of the Environmental Protection Agency, the Community Services Administration, and the Small Business Administration were also directed to review existing policies and programs in relation to the policy principles, and to designate a senior official to be responsible for monitoring implementation of the policy and to serve as a rural advocate within the agency.

On the Agenda

The "action agenda" announced by the President comprises key actions already taken by the Administration and a series of new proposals which will require executive and/or congressional response to implement. The series of White House Rural Initiatives announced over the past 15 months in the areas of health, sewer and water, rural elderly housing, communications, energy, transportion, and public works forms the core of ongoing agenda items. These actions and new proposals that should be of interest to state legislators include:

Housing—

- extend current four-year, four-state demonstration in state delivery of federal housing and community assistance to other rural distressed communities in those states;
- fully implement initiative on congregate elderly

housing, with social services provided on site ($12.5 million, 10-site demonstration); and
- develop standardized loan application and appraisal forms for HUD, FHA, FmHA, and VA.

Energy—
- implement initiatives to promote small-scale hydroelectric, community-based unconventional gas and small-scale fuel alcohol development;
- support legislation providing $750 million in grants and $1.5 billion in loan guarantees over five years to assist states in meeeting the needs of areas experiencing rapid energy resource development ("boom towns");
- support loans financed from windfall profits tax revenue for construction of small-scale alcohol fuel plants; and
- extend the 4 cents per gallon tax exemption on the sale of gasahol.

Health—
- continue implementation of four-year initiative to construct or rehabilitate 300 primary care clinics and to train and employ rural residents as support staff;
- promote full implementation by HFW of the Rural Health Clinic Services Act;
- place top legislative priority on Child Health Care Program and other preventive care programming for children;
- promote legislation permitting "swing beds" to simplify Medicare and Medicaid reimbursement in rural hospitals; and
- provide incentives to states and local communities to increase access to alcohol and drug abuse programs in rural areas.

Capacity building—
- develop a national program to support locally selected circuit-riding managers to assist rural towns and counties;
- continue to fund FmHA Section 111 rural planning programs;
- provide technical assistance to rural officials on the use of 1980 census data and improve access to detailed data at the small town level;
- negotiate a single set of application, auditing, and reporting requirements for clusters of federal aid programs; simplify and standardize compliance requirements with cross-cutting federal laws and executive orders.

Transportation—
- continue implementation of the components of the June 1979 initiative, including assistance to commuter airlines and small town airports, rehabilitation of railroad branchliners, promotion of rural ridesharing, and coordination and delivery of social service and public transit;
- propose amendments to provide $1.0 million per year from 1981-85 for small airport development; and
- support adequate funding of Section 18 (Nonurbanized Public Transportation Program) of Surface Transportation Act of 1978.

Other items of interest include:
- funding the planning and construction of alternative wastewater systems;
- supporting special emphasis on program needs of rural areas in reauthorizing legislation for vocational education;
- requiring state governments to provide adequate access to welfare programs and the Food Stamp program in sparsely populated areas;
- emphasizing rural downtown revitalization through policy to facilitate transfer and lease of federal property, and convening of a national conference on redevelopment of mainstreet;
- fully implementing the Environmental Protection Agency's policy on agricultural land protection;
- adopting as a national goal the elimination of unsafe drinking water during the 1980's;
- fully implementing the Rural Clean Water Program in FY 1980; and
- completing the joint CEQ-USDA study of the effects of conversion of prime agricultural land to other uses and of measures to control such conversion.

The Working Group began its formal deliberations in late January, at which time the process for the appointment of the Advisory Council was initiated. The White House has been in contact with each governor to encourage the designation of a state rural development council. And during the coming weeks, a series of conferences for state and local officials and others interested in rural affairs will be held throughout the country to assist in publicizing and implementing the small community and rural development policy.

Rep. Dale Locker is Chairman of NCSL's Rural Development Committee.

1964
Rural Development

44.19.580 -
620

Repealed 1965
SLA 1964

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER Rm 104, Capitol

DEPARTMENT Legislature C & R A Committee

ATTENTION Rep. Bill Parker, Chairman

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER _____

DEPARTMENT _____

BY Rep. Duncan DATE _____

02-002 (REV. 10/73)

Alaska State Legislature

House of Representatives

REPRESENTATIVE
JIM DUNCAN
CHAIRMAN
Budget & Audit Committee

MEMBER
Finance Committee

State Capitol
Pouch V
Juneau, Alaska 99811
465-3818

Home Address
P.O. Box 690
Juneau, Alaska 99802

MEMORANDUM

TO: Community & Regional Affairs Committee Members

FROM: Rep. Jim Duncan

DATE: March 24, 1980

SUBJECT: House Bill 932

On Wednesday, March 19, House Bill 932 was first heard by a Joint Session of the Community and Regional Affairs Committee. At that time, some concern was expressed over the advisability of adopting an advocacy position toward rural communities and villages as we propose in House Bill 932.

Please let me assure you that there is nothing in the intent of this legislation that supposes the State must accept extraordinary social responsibility for those communities with little or no resources to develop a local economic base. In fact, our current situation of CETA maintenance of otherwise nonexistent cash economies in the absence of State policy has done more to mandate State responsibilities by default than a well-addressed development policy ever could.

In this bill I hope we begin to address some of the problems of inadequate rural access to State infrastructure, uncoordinated agency practices, lack of Private Sector considerations in State policies, and this State's marginal ability to affect Federal-Alaska economic policies and agency practices. The formation of a council in the Governor's office that will begin to do something rather than create another level of study and advisement requires a special commitment on our part and a special structure to do the job.

In many ways, the high cost of government in Alaska is directly related to the same causes of exceptionally high

risk and the high cost of private capital investments in rural development. These problems can be simultaneously addressed. The government role of defining the limit and degree of development Alaska can tolerate requires a counterpoint that seeks to facilitate development within those imposed limits, to the mutual benefit of both the public interest and the objectives of private enterprise.

These roles, though complimentary, can come into conflict if they are vested in the same structure particularly when private industry seeks a fair hearing of its problems and objectives at the same door they were issued their limitations. Similarly, no appointed public official has quite the objective credibility that an elected officer does to reach across broad agency, state-federal, and private industry boundaries to elicit cooperation.

Please examine the enclosed material which further explains the rationale behind HB 932. I welcome your suggestions for improvements to this bill.

JD:jp
Encls.

March 24, 1980

The Honorable William K. Parker
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Bill,

With reference to HB932, an alternative creating the Governors Office of Rural Development and the Rural Development Council, I would like to offer the following comments:

1) The creation of the Governors Office of Rural Development is the most direct method for meeting the states responsibility to recognize the "special relationship" which exists between the state govenment and rural Alaskans. A possible alternative may be the creation of rural desks within state departments. However; cost constraints make this opiton less attractive.

2) The existing Rural Development Council is capable of providing necessary policy direction and other duties as proposed. Also, the current composition and leadership are dedicated to the orderly and meaningful development of rural Alaska. In addition to most state departments, the current membership includes representation from major nonprofit corporations and federal agencies with significant operating programs in rural Alaska.

If you have any questions or comments please call.

Sincerely,

COMMUNITY ENTERPRISE DEVELOPMENT
CORPORATION OF ALASKA

JEFF HIATT
Special Projects Manager

JH:kra

CEDC

Community Enterprise Development Corporation of Alaska
1011 E. Tudor Road, Suite 210/Anchorage, Alaska 99503. 907-279-4551

Alaska Rural Development Council

INCREASED AWARENESS • IMPROVED COMMUNICATION
BROADENED UNDERSTANDING • COORDINATED ASSISTANCE

MEMBERSHIP

US DEPT AGRICULTURE
- Secretary's Program Rep
- Agric Research Svc
- Agric Stabilization & Conseration Svc
- Coop Extension Svc
- Coop State Research Svc
- Farmers Home Admin
- Food & Nutrition Svc
- Forest Service
- Soil Conservation Svc
- Ak Crop & Lvstk Reporting Svc

US DEPT ARMY
- Corps of Engineers

US DEPT COMMERCE
- Anch District Office
- National Marine Fisheries Svc

US DEPT HEALTH, EDUCATION & WELFARE
- Alaska Liaison
- Alaska Area Native Health Svc

US DEPT HOUSING & URBAN DEV
- Regional Director

US DEPT INTERIOR
- Regional Rep
- Alaska Power Admin
- Bureau of Indian Affairs
- Bureau of Land Mgmt
- Bureau of Mines
- Fish & Wildlife Svc
- National Park Svc

ENVIRONMENTAL PROTECTION AGENCY

FEDERAL ENERGY ADMIN

FEDERAL-STATE LAND USE PLAN COMM

ALASKA, STATE OF
- OFFICE OF THE GOVERNOR
  - Division Policy Dev & Planning
- DEPT COMMERCE & ECON DEVELOP
- DEPT COMMUNITY & REGION AFFAIRS
  - Div of Community Planning
- DEPT EDUCATION
  - Div of Educational Svc
- DEPT ENVIRONMENTAL CONSERVATION
- DEPT OF FISH & GAME
  - Div of Game
- DEPT HEALTH & SOCIAL SVC
  - Div of Public Health
- DEPT HIGHWAYS
- DEPT LABOR
- DEPT NATURAL RESOURCES
  - Div of Agriculture
  - Div of Lands
- UNIVERSITY OF ALASKA
  - Arctic Env Info & Data Center
  - College of Arts & Sciences
  - College of Environmental Science
  - Coop Extension Svc
  - Geophysical Inst
  - Agricultural Experiment Station
  - Inst Arctic Biology
  - Inst Marine Science
  - Rural Educational Affairs
  - School of Ag & Land Resources Mgmt
  - School of Management
  - Sea Grant Program
  - School of Mineral Industry

ALASKA FEDERATION OF NATIVES, INC

ALASKA METHODIST UNIV

ALASKA NATIVE FOUNDATION

ALASKA VILLAGE ELECTRIC COOP

BERING STRAITS NATIVE ASSN

KONIAG, INC

COMMUNITY ENTERPRISE DEV CORP

FAIRBANKS NORTH STAR BOROUGH

FAIRBANKS TVA DEV, INC

KENAI PENINSULA BOROUGH

RURAL CAP

SEALASKA CORP

YUKON-KUSKOKWIM HEALTH CORP

Chairman-Sig Restad, Institute of Agricultural Sciences, Box AE, Palmer, AK 99645.
Vice-Chairman-Fred Reiff, Alaska Area Native Health Service, Box 7-741, Anchorage, AK 99510.
Recording Secretary-Ed Kern, Division of Agriculture, Box 1088, Palmer, AK 99645.
Executive Secretary-James W. Matthews, Cooperative Extension Service, University of Alaska, Fairbanks, AK 99701.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs
March 21, 1980

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TELECONFERENCE NOTICE

The House Community and Regional Affairs Committee, chaired by Rep. Bill Parker, and the Senate Community and Regional Affairs Committee, chaired by Senator Arliss Sturgulewski, will hold a joint teleconference on Friday, March 28 at 1:30 P.M. Juneau time on

HB 932 Creating an Office of Rural Development and Rural Development Council

The teleconference will include testimony from all sites. Persons interested in testifying or observing at this hearing should contact the local Legislative Information Office in the following communities: Anchorage, Bethel, Fairbanks, Dillingham, Kotzebue, Nome, Kodiak, Soldotna, Ketchikan and Sitka. Further information may be obtained from the House Committee Chairman (465-3824) or the Teleconference Coordinator (465-4980).

Introduced: 3/4/80
Referred: Community &
Regional Affairs and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
BUDGET AND AUDIT COMMITTEE

IN THE HOUSE

HOUSE BILL NO. 932

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An act creating the office of rural development, and the Rural Development Council; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. FINDINGS; POLICY, PURPOSE. (a) The legislature finds that there is a public interest in the development of a healthy private economic base in rural Alaska, that the rural areas of the state and the many small communities of the state have been in economic crisis for decades, and that in many rural communities a private economic base has ceased to exist which conditions endanger the economic, social, and cultural well-being of the state's rural citizens and the healthy growth and balance of the state's entire economy. The legislature further finds that while many opportunities for economic growth may be available to rural areas, the problems of the state's rural areas are many and complex, spreading beyond the confines or authority of any one program, any one government, or any one policymaker and therefore requiring a special initiative on the part of all concerned parties.

(b) It is the policy of the legislature that

(1) villages and small communities should exist in the state;

(2) there is a special commitment to the development of a private economic base for villages and small communities;

(3) the state should use its resources and financial strength to encourage a healthy rural economy;

(4) the state has the primary policy responsibility to act and to

catalyze commitment among many interests, including the state, federal government, local governments, and the private sector to promote a private economy in rural areas; and

(5) the advocacy of a private economy compatible with rural life-style should be of the highest priority of state policy.

(c) It is the purpose of this Act to create a governmental structure that will function as the advocate of rural economic issues and rural community issues concerning development within state, federal, and local governments, and in the private sectors, and which will assist rural people and institutions in laying the foundations of a healthy rural private economic base.

* Sec. 2. AS 44.19 is amended by adding new sections to read:

ARTICLE 3C. OFFICE OF RURAL DEVELOPMENT.

Sec. 44.19.191. OFFICE OF RURAL DEVELOPMENT. There is established in the Office of the Governor the office of rural development. The director of the office is appointed by the governor and serves at his pleasure. The governor (may) consult with the council concerning the appointment or discharge of the director.

Sec. 44.19.201. COUNCIL ESTABLISHED. (a) There is established the Rural Development Council as the policy council for the office of rural development. The council consists of

(1) the lieutenant governor;

(2) a member of each house of the legislature appointed by the presiding officer of that house;

(3) four ~~state~~ officers appointed by the governor from among the commissioners of the departments of transportation and public facilities, ~~environmental conservation, health and social services~~, community and regional affairs, and ~~natural~~ resources and the director of the division of policy development and planning; community & development

Six private sector representatives, appointed by the Gov, who are rural area and small communities residents.

(4) two members appointed by the governor who are engaged in private enterprise which has significant rural involvement;

(5) six members appointed by the governor who are residents of rural areas of the state, & small communities and who represent the private sector

(6) the director of the cooperative extension service of the University of Alaska.

(b) The members of the council appointed by the governor serve at the pleasure of the governor. Does this preclude specified terms?

(c) The lieutenant governor is chairman of the council and one of the legislative members shall be elected by the council as legislative co-chairman.

(d) Members of the council serve without compensation but are entitled to per diem and travel expenses provided by law for members of boards and commissions.

Sec. 44.19.211. PURPOSE OF THE COUNCIL. The purpose of the council is to provide policy direction to the office and to assist the office in the performance of the duties of the office. The council shall assist in coordinating the economic development activities of all departments and agencies of government so that the need for those activities and the impact of those activities on rural areas is considered and assist in coordinating the activities of departments and agencies of government which have field responsibilities in the rural areas to the extent that those activities relate to economic development. The council shall also assist the office in its advocacy function.

Sec. 44.19.216. MEETINGS. The council shall meet at the call of the chairman or legislative co-chairman, at the request of a majority of the members, or at a regularly scheduled time as determined by the members. but not less than 4x annually. The ~~state officers listed in AS 44.19.201(a)(3) who are not~~ appointed to the council are ex officio members of the council and may

The Ak Fed representative of USDA / FmHA, Region X Rural Delopment Task Force, the Governor's Special Projects Coordinator,

HB 932

attend and participate in all meetings of the council but may not vote. The council may convene meetings of heads of agencies or departments which are concerned with rural matters or economic development if the council determines a meeting to be useful.

Sec. 44.19.221. POWERS AND DUTIES OF THE OFFICE. The office shall

(1) act as advocate for the development of an economic base in rural Alaska, for community development and for public services which will enhance the opportunity for growth of an economic base in rural Alaska, and for other matters and programs useful to development of the private economy in rural Alaska;

(2) act as the ~~state agency for federal rural development programs when appropriate~~ responsible agency in case of default for rural development;

(3) coordinate rural development programs among departments and agencies;

(4) act as advocate for rural development programs which are not within the jurisdiction of a specific department or agency;

(5) act as advocate for appropriate technology development for rural needs.

Sec. 44.19.226. STAFF. Within budget and appropriation limits, the director may hire staff and determine their compensation. Except for making inquiries, neither the council nor an individual member of the council may give orders to the staff on administrative matters.

Sec. 44.19.231. REPORTS. Before January 15 of each year the office shall submit to the legislature a comprehensive report describing the activities of the council and the office for the preceding year.

Sec. 44.19.236. DEFINITIONS. In AS 44.19.191 - 44.19.236

(1) "council" means the Rural Development Council;

(2) "director" means the director of the office of rural development;

(3) "office" means the office of rural development.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

STATE-FEDERAL INTERAGENCY AGREEMENTS

Prepared by:

Gordon Stockdale
Economic Development
Coordinator

In light of the New White House Small Communities and Rural Development Policy, we face a somewhat steeper effort than we were confronted with before in forging a meaningful agreement with the U.S. Department of Agriculture.

Although the option to negotiate an agreement is still available with the Department of Agriculture, the role of such an agreement as the key instrument for rural development is substantially diminished by President Carter's Rural Policy announcement. White House Aides perceive the President's dramatic invitation to all Governors to ally themselves with his rural effort as extinguishing the need for any special agreements with states.

In truth there is still much to gain from the negotiation of a State/FmHA agreement and if pursued vigorously, that option is still available for Alaska. The benefits of the agreement are obviously most relevant to specifically agricultural development and immediately related infrastructural areas such as transportation and marketing. The agreement may however, have significant impact on other rural development concerns, depending on the Governor's response to the White House Policy announcement, and how well the agreement is articulated with the objectives of the new policy.

There are two distinctly separate issues at this point which must be addressed: The first is the formation of the Rural Development Council in response to the White House Rural Policy announcement of December 20, 1979. The other is the State-Federal Interagency Agreement which should be negotiated to enhance the ability of the Council Chairman to forward Alaska policy recommendations to the Cabinet (agency signatory) level of as broad an agency representation as is possible. To gain the greatest advantage of these complimentary opportunities, it is imperative that we structure the Council to show an extraordinary breadth and depth of rural issue understanding, and a commitment to act.

The agreement for Alaska will probably differ from the existing agreements with other States in several key respects:

1. It should explain at the outset Alaska's unique rural character, the almost complete absence of certain basic government and economic infrastructure commonly perceived in the rural nature of the contiguous United States. (tacitly analogous to an emerging nation)

2. It should state that local community development, state capital improvements, private capital investment, and the investment of federal monies are all inseparable elements in the concept of economic development.

3. It should advance the formation of an Alaska rural development policy which recognizes that the common interests of a wide variety of capital sources and expertise can be brought to bear in the service of Alaska's public interest.

4. It should advance the federally perceived need to adapt the parameters of all programs to suit more specifically the problems they address on the basis of this State's uncharacteristic universe of needs.

5. It should show a long-term commitment to act as an instrument of change, directed to the solution of problems and not merely a forum to address symptoms of prevailing pressures.

There is much more to be done to identify the specific line items that will compose the agreement. At this time, in the absence of a well defined state rural development policy, several options can be considered.

The first of these is to undertake the negotiation of a very specific instrument which will address our current priorities as they are identified by those who are charged with the responsibility to negotiate. This position is laden with serious liabilities however. A rush into specific agreement, prematurely, risks obscuring our need for a representative and thoughtfully developed rural policy. We also risk

limiting the relationship described in the agreement to attending short-term pressing issues rather than committing to a constructive and lasting course of action. The most serious long-term liability in this option is the forfeiture of an Alaska/Federal Policy relationship that would be of real value.

Another possibility is to define development goals in much the same manner of the FmHA agreements with Arizona and Arkansas. These are agreements with very broadly defined general goals. Unlike the specific agreement, they are not very limited in scope and offer little risk of either generating, or being mistaken for policy. These agreements don't confine themselves to pressing, immediate issues, but instead set forth goals that may accommodate a substantial universe of needs and solutions. Unfortunately their generality is their weakness. Because no specific course of action is readily apparent in the text, there is little imperative for action. Also, because this type of agreement is open to a variety of interpretations and applications it offers little direction and is soon regarded as less than serious. Finally, as in the first example, this type of agreement would fail to establish a valuable Alaska/Federal Policy relationship.

An Alaska/FmHA interagency agreement should be a technical instrument, leaving the subject of goals and objectives description to the Governor's Rural Development Council. The instrument should define all state agency roles as they relate to Rural Development and assign the responsibility for coordination and oversight of these roles to a lead agency with a sufficient mandate of authority to direct and supervise. The instrument should further compliment the means and authority by which the Rural Development Council may develop the Governor's policy and instruct the lead agency to execute it.

The agreement should describe a similar structure on the Federal side, but the degree and extent to which Federal agencies may be expected to cooperate can be determined only after considerable negotiation. It must be remembered that Region X, in Seattle, has brokered most of Alaska's federal relationships for many years. It is deeply entrenched and only limited adaptation may be expected unless the Alaska/Federal relationship is important at the Cabinet and White House level in Washington, D.C.

This brings us back to the importance of the White House Small Community and Rural Development Policy announced by President Carter in December. Although it is separate and distinct from the State/FmHA interagency agreements, it can serve to help fuse a purposeful and lasting Alaska/Federal policy relationship.

CENTRAL COUNCIL
tlingit and haida indians of alaska
One Sealaska Plaza - Suite 200
Juneau, Alaska 99801
(907) 586-1432 or 586-3613

TESTIMONY OF ANDREW W. EBONA

on

HOUSE BILL 932, "AN ACT CREATING THE OFFICE OF RURAL DEVELOPMENT, AND THE RURAL COUNCIL: AND PROVIDING FOR AN EFFECTIVE DATE."

(Presenced at the Joint House and Senate Community & Regional Affairs Committee Teleconference on March 28, 1980.)

MADAME CHAIRMAN, MR. CHAIRMAN, HONORABLE SENATE AND HOUSE COMMITTEE MEMBERS, LADIES AND GENTLEMEN. I AM ANDREW W. EBONA, EXECUTIVE DIRECTOR OF THE CENTRAL COUNCIL OF THE TLINGIT & HAIDA INDIANS OF ALASKA. FOR THOSE OF YOU WHO ARE NOT AWARE, THE TLINGIT AND HAIDA CENTRAL COUNCIL IS THE CONGRESSIONALLY-RECOGNIZED GENERAL GOVERNING BODY FOR OVER 16,000 TLINGIT AND HAIDA INDIANS IN SOUTHEAST ALASKA. A MAJORITY OF THOSE CONSTITUENTS RESIDE IN RURAL ALASKA, WHICH MAKES HOUSE BILL 932 EXTREMELY IMPORTANT TO US.

ALLOW ME TO FURTHER QUALIFY OUR TESTIMONY. THE CENTRAL COUNCIL HAS TWO BASIC DEPARTMENTS ... THE DEPARTMENT OF COMMUNITY SERVICES AND THE DEPARTMENT OF HUMAN SERVICES. BOTH WORK DIRECTLY WITH OUR NINETEEN (19) COMMUNITIES IN DELIVERING SERVICES. AS A RESULT OF INPUT FROM THOSE COMMUNITIES, WE FEEL THAT WE CAN STATE POSITIVELY THAT WE HAVE EXTENSIVE WORKING KNOWLEDGE OF THE RURAL AREA. AS A MATTER OF INFORMATION, WE HAVE ALSO PARTICIPATED WITH VARIOUS OTHER REGIONAL NATIVE NON-PROFITS AND STATE/FEDERAL AGENCY REPRESENTATIVES ON A TASK FORCE FOR RURAL DEVELOPMENT. THIS TASK FORCE HAS BEEN IN EXISTENCE FOR THREE YEARS AND HAS BEEN ATTEMPT-

ING TO COORDINATE THEIR EFFORTS IN DELIVERING SERVICES TO THE RURAL COMMUNITIES AS THE RURAL DEVELOPMENT COUNCIL WOULD HOPE TO DO. THE RECOMMENDATIONS AND SUPPORT THAT WE ADVANCE HERE ARE OFFERED IN THE HOPE THAT THE STATE WILL BE ABLE TO UTILIZE AND LEARN FROM OUR EXPERIENCES.

HB 932, "AN ACT CREATING THE OFFICE OF RURAL DEVELOPMENT, AND THE RURAL DEVELOPMENT COUNCIL", PRESENTS A CONCEPT WHICH WE WHOLEHEARTEDLY ENDORSE. WE ARE ALL AWARE THAT ONE OF THE CONDITIONS, WHICH GENERATES OR RELATES DIRECTLY TO MANY OF THE RURAL ALASKA PROBLEMS, IS THE LACK OF AN ECONOMIC BASE IN THE RURAL AREAS. THIS PIECE OF LEGISLATION WAS DEVELOPED IN RECOGNITION OF THIS AND THEREFORE EARNS OUR SUPPORT.

THOSE PROVISIONS WHICH PROVIDE FOR COUNCIL APPOINTMENT ATTEMPT TO SET UP A MECHANISM WHICH WOULD PROVIDE FOR COORDINATION OF EFFORT IN ALL ACTIVITIES DIRECTED TOWARDS THE RURAL COMMUNITIES. THIS IS INDEED LAUDABLE CONSIDERING THE FACT THAT EFFORTS IN THE PAST HAVE BEEN MADE ON AN AGENCY-BY-AGENCY, PIECEMEAL BASIS. WE ARE, HOWEVER, CONCERNED THAT AGENCY REPRESENTATION WOULD OVERWHELM RURAL REPRESENTATION. A WAY TO AVOID THIS WOULD BE TO PLACE THE STATE DEPARTMENT REPRESENTATIVES ON THE RURAL DEVELOPMENT COUNCIL IN AN EX-OFFICIO CAPACITY. WE WOULD ALSO HOPE THAT THE STATE DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT WOULD BE INCLUDED ON THE LIST OF RELATED DEPARTMENTS, SINCE IT IS RURAL DEVELOPMENT THAT IS BEING ADDRESSED.

TO DATE THERE HAS BEEN NO FORMAL STATE POLICY CONCERNING RURAL DEVELOPMENT. THE POLICY OF THE LEGISLATURE AS OUTLINED ON PAGE ONE OF THE BILL WOULD BE ACCEPTABLE AS THE GOALS AND OBJECTIVES OF THE COUNCIL. WE RECOMMEND THAT ONE OF THE RESPONSIBILITIES AND OUTCOMES OF THE COUNCIL

WOULD BE THE DEVELOPMENT OF SPECIFIC POLICIES THE STATE COULD AND WOULD UTILIZE IN COORDINATING RURAL DEVELOPMENT. THIS MEANS THAT THE COUNCIL MUST HAVE SOME SORT OF AUTHORITY TO RECOMMEND STATE POLICY AND TO ASSURE THAT IT IS FOLLOWED.

OTHER CONSIDERATIONS THAT MUST BE TAKEN ARE THE MAKE-UP OF THE COMMUNITIES THAT COMPRISE RURAL ALASKA. THE BULK OF THOSE COMMUNITIES ARE MADE UP OF ALASKA NATIVES. WE URGE THAT THIS BE TAKEN INTO CONSIDERATION WHEN APPOINTMENTS ARE BEING MADE. THE STATE MUST ALSO RECOGNIZE THE ROLES AND THE RESULTING IMPACT THE REGIONAL AND LOCAL PROFIT AND NON-PROFIT NATIVE CORPORATIONS HAVE IN THE RURAL COMMUNITIES. THEY ALSO SHOULD BE REPRESENTED ON THE RURAL DEVELOPMENT COUNCIL.

WITH THE INCLUSION OF THESE RECOMMENDATIONS IN HOUSE BILL 932 THE CENTRAL COUNCIL GOES ON RECORD IN TOTAL SUPPORT OF AN OFFICE OF RURAL DEVELOPMENT AND A RURAL DEVELOPMENT COUNCIL.

Andrew W. Ebona, Executive Director
Central Council of the Tlingit &
Haida Indian Tribes of Alaska
One Sealaska Plaza, Suite 200
Juneau, Alaska 99801
(907) 586-1432

STATE OF ALASKA

JAY S. HAMMOND, Governor

OFFICE OF THE GOVERNOR

DIVISION OF POLICY DEVELOPMENT AND PLANNING

POUCH AD
JUNEAU, ALASKA 99811
PHONE: 465-3512

March 18, 1980

Bill Parker, Chairman
House of Representatives
Community and Regional Affairs
Pouch Y, State Capital
Juneau, Alaska 99811

Mr. ~~Chairman~~ Bill:

You have requested that I appear before your committee and comment on HB932 "An act creating the office of rural development and the Rural Development Council." Although I will be unable to personally attend the hearing, I would like to share with you and your committee my comments on this legislation.

The Division of Policy Development and Planning has had some experience during the last three years in assisting some rural areas of the state undertake planning efforts which would help them direct the kind of development which will occur within their region.

The most notable of these has been the "Regional Strategy" planning program underway in the NANA region. In conjunction with the U.S. Department of Housing and Urban Development and the Alaska Department of Community and Regional Affairs, the Division has provided funds and assistance to the Mauneluk Association to develop a regional development plan. This planning process has served as a vehicle to coordinate the activities of all major government agencies in the region and to make their activities consistent with local needs and desires. The NANA Regional Strategy program which we began almost two years ago was designed to address the problems identified in Section 1 of HB932 which declares that "the problems of the state's rural areas are many and complex, spreading beyond the confines or authority of any one program, any one government, or any one policy maker...."

We agree with this statement and have been working within the executive branch to devise a process which recognizes the unique nature of rural Alaska. We are attempting to create a broadly based coordinating effort which will target the resources of the federal and state governments so that development activities will benefit Alaska's rural citizens to the maximum extent possible.

01-A3LH

As you may know, the Carter Administration has established a Small Community and Rural Development Policy in an effort to coordinate the various forms of federal assistance to rural America, and to better focus on the priority needs, as identified by the State. The mechanisms through which such coordination will be achieved at the federal level are an interagency group of assistant secretaries of major federal agencies in Washington, D.C. and regional task forces composed of members of the federal regional councils. The principal agency in charge of policy implementation at the federal level will be the U.S. Department of Agriculture. At the State level the identification of rural development priorities will be the responsibility of state organizations designated by each Governor. Last fall Governor Hammond designated the Agriculture Action Council as the entity to coordinate this federal policy in Alaska. Recognizing that the Council's mandate is somewhat narrower than the federal initiative, we are presently preparing recommendations to expand the Council's membership as it regards the federal rural development initiative. The proposed expanded membership generally follows the structure of the Rural Development Council proposed in HB932. It is our intent to finance this new organization (we understand that federal funds are available) and develop a work program which will identify priority rural development needs, help to initiate specific projects which will meet those needs and coordinate the state, federal and private resources necessary to bring such projects to fruition. In effect we are attempting to do within an existing framework what this Legislation seeks to accomplish by creating a new organizational structure.

For this reason, we feel this effort can be accomplished without any additional statutory authority.

Please let me know if there is any other information which we can share with the committee which might be helpful in its discussion of this issue.

Sincerely,

Frances A. Ulmer, Director
Division of Policy Development
and Planning

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SUBJECT: Special Assignment on Alaska

THRU: Gordon Cavanaugh
Administrator

THRU: William M. Hunt
Acting Deputy Associate Administrator

TO: Alex P. Mercure
Assistant Secretary
for Rural Development

I met first with the staff director of the Seattle FRC in Seattle. In Juneau, I met with both administrative and legislative staff as arranged by Governor Hammond's assistant, Bob Palmer. I spent considerable time with Secretary's Representative Fisher, FmHA State Director Roderick, Alaska Federation of Natives President Morris Thompson (former head of BIA), the small farms and conservation districts committees, and many other citizens, legislators, and natives. Opinions expressed to me were amazingly consistent on the following issues:

- Political labels are quite unimportant. An organized approach to rural development has bipartisan support in the legislature and between the legislature and the governor. There seems to be wide support for Lt. Governor Terry Miller as the next governor.

- Development needs are well defined and understood, as you heard when you were there last June.

- The State has incredible developmental resources at its disposal through the oil revenues--yet there is universal concern that only the other guy's needs will be met and not everyone's, and that the revenues will be used to meet short-run exigencies rather than to build a viable economy that can sustain itself after the oil revenues cease.

- The State must develop a self-sustaining economy--and, in particular, a viable agriculture economy--in order to avoid continuous boom and bust cycles.

- The main problems are seen as the inflexibility of federal programs, program managers who cannot respond to the unique needs and opportunities of the State, and the lack of coordination among federal programs and the management of them.

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A less widely recognized problem soon became clear: the main problem is not the lack of federal flexibility as much as it is a lack of political consensus in the State. As the President's Policy on Small Community and Rural Development emphasizes, rural development programs of all levels of government come together at the State, not the national level. Effective coordination of policy and activities must, therefore, be under strong leadership within states. Alaska has the resources but has not had the political will to forge a consensus on the use of the resources. Until a consensus is developed, assumption of leadership for rural development involves great risk.

Evidence of the lack of consensus is in the myriad of task forces, committees, subcommittees, conferences, hearings, etc., that exist in the state to bring the right people together and to coordinate their efforts--and to avoid having to make the hard choices. The numbers of them and the frequency of their meetings is mind-boggling in a state with less than half a million population spread over such a great area. The problems and opportunities have been studied, debated, discussed, and reported on almost beyond comprehension. Yet, there exists nothing to bring them together into a coherent whole. Recommendations abound, but no one has yet been able to devise the tradeoffs necessary to subordinate goals and priorities.

Recently, however, several things have fallen into place:

- Governor Hammond has asked Secretary Bergland to work with him to create a state/federal partnership for rural development.

- The staff of Representative Jim Duncan, Chairman of the House Budget and Audit Committee, has just about completed a study and recommendations on desirable relationships for coordinated development among state agencies, and a framework to work out others.

- The President's policy provides the vehicle necessary to get federal agencies organized and working with each other and with state and local officials at the federal and the state levels.

With the exception of one issue, the Alaska Railroad (discussed below), the Federal Government should not attempt to assume the State's burden by setting up a study or a series of task-oriented task forces. The problems have been studied to death. What is needed is full federal support for the State's assumption of the role of convening the important actors to begin to set priorities. Once the priorities have been set, the Federal Government, with the State, can pursue activities--or further studies if necessary--to meet the priorities.

If the Governor is willing to designate a Rural Development Council in accord with the President's invitation, and if he is willing to put it under the leadership of someone with recognized status (the Lt. Governor,

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for example), federal agencies will be willing to participate as per their orders from the Working Group on Small Community and Rural Development. Thus, the structure for state policy-setting plus inter-governmental coordination of policy and implementing actions would be in place.

Life could be breathed into such a structure, and political consensus boosted, by a highly visible state/federal memorandum of agreement to make it all work. USDA, through the Seattle FRC Rural Development Task Force, should take the lead role in preparing and implementing the agreement. (The study being prepared for Representative Duncan's Committee recommends that USDA (FmHA) take the lead among federal agencies. Both the Department and Secretary Bergland are popular in Alaska.) A highly visible agreement and effort to develop a joint investment strategy are very important because of the huge federal presence in Alaska and the universal distrust of the dominant federal partner--the Department of the Interior.

An agreement could specify the course to be followed to reach initial consensus on overall goals and priorities. So that all federal agencies would have reason to actively participate, the agreement could even specify task forces and lead agency responsibility to perform the background work necessary to set priorities. The agreement could provide funding for staff to the Governor's Council: EDA 304 funds could be used as well as FmHA 111 funds. Other agencies, especially Interior, could be encouraged to contribute.

It would take some very high quality staff work to help forge the consensus and leadership that are necessary. Someone will have to be brought into the State at a high salary. This and the high travel costs will make the staff support quite expensive.

RECOMMENDATIONS:

- The Board of Directors of the Council of State Community Affairs Agencies (COSCAA) is meeting in Juneau early in July. This will get some very high-powered state officials into Alaska: e.g., Hank Huckaby, Community Affairs Commissioner in Georgia; and Paula Herzmark, Executive Director of the Department of Local Affairs in Colorado. If we will cover their additional per diem and travel expenses, they will conduct training seminars and dialogues with appropriate state and local officials.

- I understand that Jack Watson and Berry Crawford will be going to Alaska after they attend the USDA Workshop to be held in Spokane, March 17-20. Jack Watson could announce that he and you have directed the newly formed Region X FRC Rural Development Task Force to begin at once to negotiate a memorandum of agreement for a state/federal rural development partnership.

° As a broader than FmHA/State agreement, it could be signed by Jack Watson and you, or perhaps, by the Secretary. A special show of concern and commitment by the Secretary could go far to smooth over the ill feelings for the President that derive from the popular animosity toward Interior and the land settlement issue.

° If the ceremony took place while the COSCAA group was there, the agreement could be credited for the assistance they would be there to provide--and it would impress them too.

° As you know, the Alaska Railroad is crucial to the development of large-scale agriculture in the Delta area near Fairbanks. There is a lot of controversy over freight rates--the RR wants to charge the barley project full costs for returning the empty trains, making the price of the barley noncompetitive. I recommend that a task force to address this issue be set up soon. Berry Crawford has a special interest in it. With your direction, I could work with him and Bob Palmer to get something going right away.

NOTES:

° The Alaska natives control most of the State's developable private land and venture capital. State officials and the public recognize this and seem to be very eager and quite willing to give the natives a prominent role in the State's development.

° On the other hand, at a legislative hearing on discrimination, I heard a lot of testimony that the pipeline and drilling companies discriminate against minorities and women.

° The development of a bottom fishing industry is of special concern to the White House. EDA has funded an infrastructure development planning project to develop a plan that could coordinate and guide investments of public funds by federal agencies, the State, municipal governments, and port districts in support of fisheries development and related community growth. No doubt, a lot can be learned from this project on how to go about creating a joint investment strategy in Alaska.

° A study to inventory all of the task forces, committees, etc., involving federal agencies is underway under the aegis of the Seattle FRC.

signed

CRAIG BIGLER
Program Analysis Officer

BILL ANALYSIS

ASSIGNMENT DATE_____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Community and Regional Affairs	Rules Committee	HB 932

DEPARTMENT POSITION

Strongly supports HB 932, if amended.

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
		Lee McKinney	March 18, 1980

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)

(2) OTHER AGENCIES AFFECTED BY BILL

(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL
RURALCAP		

(3) PROGRAM EFFECTS OF BILL HB 932 creates the office of rural development and the Rural Development Council, established in the Office of the Governor. The Director of the office of rural development is appointed by the Governor. The Rural Development Council is established as the policy council for the office of rural development. The council consists of sixteen members and is chaired by the Lieutenant Governor, and one of the legislative members shall be elected by the council as legislative co-chairman.

(4) FISCAL IMPACT: X ☒ NONE ☐ FISCAL ANALYSIS ATTACHED X To be prepared by Governor's Office

(5) AMENDMENTS PROPOSED:

See comments below:

(6) COMMENTS

This Department supports the establishment of the Office of Rural Development. We wonder whether the Governor would want this in his office inasmuch as he is moving other agencies out of his office into appropriate departments. Our recommendation is to put this in a department and have it function as an independent commission similar to Alaska Municipal Bond Bank Authority, Alaska Industrial Development Authority, etcetera.

In regard to the council membership, we would recommend two members from each house of the legislature to insure broader base representation. We would further recommend the commissioners from the Department of Community and Regional Affairs, the Department of Commerce and Economic Development, the Department of Natural Resources and the Department of Transportation and Public Facilities, with the

Director of the Division of Policy Development and Planning as a fifth member.

In regard to the meetings, we recommend that quarterly meetings be scheduled as a minimum.

On page four, line 19, in regard to staff, we recommend that the full council determine the selection of the executive direc .

March 16 - Sunday

Lee:

1. I never did have an opportunity to call Keith and Rebecca on this bill since I was tied up with RurALCAP.

2. There doesn't appear to be need for a fiscal note on this rural development council bill at this point. I am just preparing the following, which you can feel free to change in any way. Then I thought we could submit a bill analysis to Keith after that, since this information below isn't in final form and you will probably want to change it.

Marie

H.B. 932 establishes an Office of Rural Development in the Office of the Governor. We wonder whether the Governor would want this in his office inasmuch as he is moving other agencies out of his office into appropriate departments. A recommendation might be to put this in a department and have it function as the Alaska Power Authority and Alaska Public Utility Commission out of the Commerce Department, or the State Manpower Services Council out of C & RA, with an executive director and other appropriate staff, as are needed, who would be responsible to the commissioner of the department.

In regard to the council membership, we would recommend two members

In regard to the [illegible]

from each house of the legislature to insure that at least one from each body would be able to attend the meetings. We would further recommend specifically the commissioners from the Department of Community and Regional Affairs, the Department of Commerce and Economic Development, the Department of Natural Resources and the Department of Transportation and Public Facilities, with perhaps the Director of the Division of Policy Development and Planning as a fifth member from the agencies. We recommend deletion of part 4 on page 3 (two members appointed by the governor who are engaged in private enterprise which has significant rural development) as we feel they could be covered by part 5.

Instead of the lieutenant governor chairing the council, we would recommend that one of the public members be elected by the others to chair the meetings.

2. There doesn't appear to be need for a fiscal note on this rural development council bill at this point. I am just preparing the following, which you can feel free to change in any way. Then I thought we could submit a bill analysis to Keith after that, since this information below isn't in final form and you will probably want to change it.

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Instead of the lieutenant governor chairing the council, we would recommend that one of the public members be elected by the others to chair the meetings.

H.B. 932

In regard to the meetings, we recommend that quarterly meetings be scheduled as a minimum.

On page 4, line 19, in regard to staff, we recommend that the full council determine the number of staff they need and make the selection of the executive director and other appropriate staff as needed.

Lee--those are just rough comments from our earlier discussion. I'm not sure what format you want them in at this time -- we have had no request for department comments yet. I'm not sure who you will designate to attend and/or speak at this hearing on Wednesday since you and I both will be gone.

Marie

"RURAL ALASKA IS IN A STATE OF
PROFOUND ECONOMIC DEPRESSION, - HAS BEEN
FOR MANY YEARS"

I. INTENT: Create Rural Development Council to advocate and assist in rural development.

TIMING: Carter has created new Rural Policy - One time opportunity for revising federal relationship; break Region X Policy brokerage.

II. BASIC PROBLEMS:

1. No comprehensive state commitment to rural economy.

2. Village economic institutions have been left to "go it alone."

3. State relates to rural Alaska through narrowly defined agency boundaries.

4. State now has capital resources to leverage private capital in fostering rural development. Existing structure and policy have a history of poor performance.

III. SOME OF THE OBSTACLES:

1. Need for executive commitment to "an active" rural development policy.

2. Failure to recognize private industry role in basic economies (not a strictly government role).

3. Traditional government/private industry adversity precluded partnership approach to development.

4. Failure to recognize rural development is fundamentally urban development.

5. Inadequate direction of public resources to build an economy - needs Executive Commitment.

IV. STATE'S INTEREST:

1. To begin to establish a very fundamental cash economy in rural Alaska - requires special government role.

2. Infrastructure development is an investment; returns are not immediately apparent.

FEDERAL/STATE INTERAGENCY AGREEMENT

1. State agency structure and operational limits are defined in large part by their federal counterpart agencies.

2. Alaska has had virtually no role in Alaska Federal Policy formation.

3. Seattle's Regional Administrators have exercised brokerage of Alaska interests for years - deeply entrenched.

4. Alaska still has an option to exercise the last of the Federal/State Interagency Agreements.

5. We will be the only state with this option under the new White House Rural Development Policy.

6. The structure of the Council is still open. Its membership is the key to taking advantage of the built-in ability to make things happen!

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 21, 1980

Sent to attached 3/21/80

TELECONFERENCE NOTICE

The House Community and Regional Affairs Committee, chaired by Rep. Bill Parker, and the Senate Community and Regional Affairs Committee, chaired by Senator Arliss Sturgulewski, will hold a joint teleconference on Friday, March 28 at 1:30 P.M. Juneau time on

HB 932 Creating an Office of Rural Development and Rural Development Council

The teleconference will include testimony from all sites. Persons interested in testifying or observing at this hearing should contact the local Legislative Information Office in the following communities: Anchorage, Bethel, Fairbanks, Dillingham, Kotzebue, Nome, Kodiak, Soldotna, Ketchikan and Sitka. Further information may be obtained from the House Committee Chairman (465-3824) or the Teleconference Coordinator (465-4980).

Mr. Robert Marshall, Pres.
AHTNA, Inc.
P.O. Box 823
Copper Center, Alaska 99573

Mr. Tim Wallis, Pres.
DOYON LIMITED
First & Hall Streets
Fairbanks, Alaska 99701

Mr. Carl Moses, Pres.
ALEUT Corporation
833 Gambell Street
Anchorage, Alaska 99501

Mr. Jack Wick, Pres.
KONIAG, INC.
P.O. Box 746
Kodiak, Alaska 99615

Mr. Joe Upicksoun, Pres.
ARCTIC SLOPE REGIONAL CORP.
P.O. Box 129
Barrow, Alaska 99723

Mr. John Schaeffer, Pres.
NANA REGIONAL CORPORATION INC.
P.O. Box 49
Kotzebue, Alaska 99752

Mr. Jerome Trigg, Pres.
BERING STRAITS NATIVE CORP.
P.O. Box 1008
Nome, Alaska 99762

Mr. John Borbridge, Pres.
SEALASKA CORPORATION
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Mr. Harvey Samuelson, Pres.
BRISTOL BAY NATIVE CORP.
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Anchorage, Alaska 99510

Central Council of the Tlinget
and Haida Indians of Alaska
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Mr. Martin Moore
CALISTA CORPORATION
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Mr. Cecil Barnes, Pres.
CHUGACH NATIVES, INC.
912 E. 15th Ave
Anchorage, Alaska 99501

Mr. Roy Huhndorf, Pres.
COOK INLET REGION, INC.
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Mr. Morris Thompson, Pres.
AFN
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Ak. Legal Services
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Ak. Native Foundation
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JIM DUNCAN
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MEMBER
Finance Committee

MEMORANDUM

TO: Rep. Bill Parker, Chairman
Community & Regional Affairs Committee

FROM: Jim Duncan

DATE: March 4, 1980

SUBJECT: House Bill 932 -- An Act Creating the Office of Rural Development, and the Rural Development Council

I would appreciate your committee's earliest possible consideration of HB 932. I am enclosing a copy of the bill with backup information.

Gordon Stockdale of my staff or I will be available at your convenience to explain and discuss this important legislation.

JD:jp
Enclosures

"RURAL ALASKA IS IN A STATE OF
PROFOUND ECONOMIC DEPRESSION, - HAS BEEN
FOR MANY YEARS"

I. INTENT: Create Rural Development Council to advocate and assist in rural development.

TIMING: Carter has created new Rural Policy - One time opportunity for revising federal relationship; break Region X Policy brokerage.

II. BASIC PROBLEMS:

1. No comprehensive state commitment to rural economy.

2. Village economic institutions have been left to "go it alone."

3. State relates to rural Alaska through narrowly defined agency boundaries.

4. State now has capital resources to leverage private capital in fostering rural development. Existing structure and policy have a history of poor performance.

III. SOME OF THE OBSTACLES:

1. Need for executive commitment to "an active" rural development policy.

2. Failure to recognize private industry role in basic economies (not a strictly government role).

3. Traditional government/private industry adversity precluded partnership approach to development.

4. Failure to recognize rural development is fundamentally urban development.

5. Inadequate direction of public resources to build an economy - needs Executive Commitment.

IV. STATE'S INTEREST:

1. To begin to establish a very fundamental cash economy in rural Alaska - requires special government role.

2. Infrastructure development is an investment; returns are not immediately apparent.

FEDERAL/STATE INTERAGENCY AGREEMENT

1. State agency structure and operational limits are defined in large part by their federal counterpart agencies.

2. Alaska has had virtually no role in Alaska Federal Policy formation.

3. Seattle's Regional Administrators have exercised brokerage of Alaska interests for years - deeply entrenched.

4. Alaska still has an option to exercise the last of the Federal/State Interagency Agreements.

5. We will be the only state with this option under the new White House Rural Development Policy.

6. The structure of the Council is still open. Its membership is the key to taking advantage of the built-in ability to make things happen!

THE CARTER ADMINISTRATION

SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY

DECEMBER 20, 1979

It is with great personal satisfaction that I announce today my Small Community and Rural Development Policy. I believe it reflects a change in both the programs and the attitudes of the federal government as we seek solutions for the kinds of problems I have seen all my life, growing up and living in a rural area.

We have long needed to translate generalized concerns about rural problems into a set of specific goals, principles, programs, and mechanisms for effective implementation. Building on the many rural initiatives launched during the past two-and-a-half years, this policy provides a clear purpose and a clear program of action for addressing important small community and rural needs, and for managing the profound demographic and economic changes that are taking place in rural America.

Built into this policy is the recognition that rural Americans have extraordinary creativity, dedication, and perseverance. The role of the federal government should be to encourage and support the resources and resourcefulness of rural America and to be the partner of its local leaders.

Nownere is the sense of partnership, neighborliness, and shared responsibility more evidenced than in the communities all across rural America. That is why I am optimistic about the future of this nation and the future of rural and small town America. In many ways, working together and combining our strengths and resources, we can build a better life for all Americans, urban and rural.

Jimmy Carter

THE WHITE HOUSE
December 20, 1979

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COMMITTEE

THE CARTER ADMINISTRATION

SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY

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PART ONE

POLICY STATEMENT

Our Rural Heritage

Rural and small town America is an integral part of the nation's economic and social fabric. Rural America provides our nation's food, fiber, and wood and accounts for most of our domestic mineral and energy supply. It plays an increasingly important role in the nation's manufacturing, trade, and service economy. Earnings from rural exports make a vital contribution to our nation's trade balance. Most important, our national character draws strength from the rural values of hard work, self-reliance, and a sense of community. Rural America is rich and diverse in history, culture, and natural beauty. It is "home" for generations of Americans and where increasing numbers of Americans prefer to recreate and make their future home.

This nation was mostly rural for its first 150 years. Americans were heavily dependent for their livelihood -- often for their very existence -- on what they could themselves produce from the land. At the turn of this century six of every ten Americans still lived in rural places. The changes since then have been dramatic.

The mechanization of agriculture, improvements in transportation and communication, the process of industrialization, and overall economic growth have greatly altered the economic and social organization of America. For our last fifty years we have been mainly a nation of city and suburban dwellers. During this time, most of the old cliches about rural and urban lost their meaning.

As we enter our third century, the living patterns and preferences of Americans are shifting again. These shifts between urban and rural are occurring in the context of an extraordinary diversity within rural America itself. This diversity is mirrored in the variety of our rural areas -- areas that take such divergent forms as a New England coastal fishing village, a Midwest farm community, a mining town in Appalachia, a ranching area in the Rocky Mountains, a settlement of tenant farmers in the Mississippi Delta, a pueblo in the Southwest, a Southern town in transition to becoming a metropolitan center, and a small Western town experiencing "boom growth" from energy development.

The Changing Face of Rural America

For decades the population of urban areas grew while large numbers of people left the farms and small towns. Since 1970 this migration trend has reversed. The annual growth rate of rural areas has averaged 1.3 percent since 1970, exceeding the rate of growth in urban areas by over 40 percent.

Rural employment, previously declining and historically tied to the land, is now growing and diversifying. Not only are new jobs being created at a faster rate in rural than in urban areas but the composition of rural work itself is changing. Although agriculture is still the dominant influence in many rural economies, overall, employment in manufacturing, trade, and professional services now exceeds direct agricultural employment. Agriculture itself has changed enormously. It has become a highly sophisticated, often specialized, component of a larger food and fiber system that includes suppliers on one end of the production chain and processors and marketers on the other.

This growth in rural population, the accompanying expansion in rural employment, and the increasing diversity of rural economies result from a number of factors -- a strong preference for rural and small town living, the movement of retirees to rural areas, longer-distance job commuting, reduced outmovement from farms, and expanded mining, manufacturing, and service activities in rural areas.

Although the dramatic turnaround in population trends and the growth in job opportunities are the predominant influences in rural America in the 1970's, it is important to note that not all rural areas or rural people have shared in this growth. Approximately 500 counties in parts of the Great Plains, the Corn Belt, and the Mississippi Delta continue to lose population as many have been doing for 20 or 30 years. Most of these counties are heavily agricultural and have experienced an exodus of workers from agriculture that has exceeded non-farm job creation.

Of course, even in areas benefiting from economic growth and diversification, the benefits are not always well distributed. Great numbers of rural and small town residents suffer from problems that afflict the poor wherever they live. Problems resulting from the isolation of being poor or old in rural America can have a particularly virulent effect on both body and spirit.

Special Rural Needs

Even though rural America is growing, too many rural residents have failed to benefit from that growth. Too many remain, in the words of President Lyndon Johnson's Rural Poverty Commission, "the people left behind." Notwithstanding the progress that has been made, a disproportionate share of the nation's poor still live in rural areas -- about 40 percent of the total. Virtually all of the nation's persistently poor counties are rural. The toll, whether measured in terms of economic efficiency or human dignity, is too high.

A disproportionately large number of the rural poor are Blacks, Hispanics, and Native Americans. Approximately 27 percent of rural Hispanic people and 38 percent of rural lacks live on incomes below the poverty level (compared to 1 percent for rural Whites). About 40 percent of all Native Americans were living below the poverty level in 1970. Women in both the rural and the urban work force do not share equitably in the economic rewards of their labor. In 1977, the average annual income of women working full-time in rural areas was only 54 percent of the income of rural men. Also, households headed by females made up almost 35 percent of all non-metropolitan households living in poverty.

There are other indications that rural America is not fully sharing in the benefits of our nation's growth and development. Rural areas have 58 percent fewer physicians, 38 percent fewer dentists, and 29 percent fewer nurses, on a per capita basis. Yet, rural Americans suffer from a higher incidence of chronic disease and lose more days from work due to illness or incapacity than their urban counterparts.

Three times the proportion of rural housing units lack complete plumbing as urban units. Over 2 million rural Americans do not have running water in their homes; over 4 million have inadequate sewage disposal systems or none at all; and many rely on sources of drinking water that fail to meet safe drinking water standards.

Less than one percent of rural Americans who work away from home utilize public transportation to get to work -- a statistic that dramatically reveals how dependent rural Americans are on the family car. Yet over 57 percent of the rural poor, and 45 percent of the rural elderly do not own an automobile, contributing even further to their isolation and immobility, not only from jobs, but from vital social services as well.

These problems and others of comparable severity are further compounded by the limited capacity and resources of local governments to respond. Whether small community needs are those associated with growth or with decline, they pose special problems for local governments. About one quarter of all rural people live in or near towns of less than 2,500; three quarters live in or near towns of less than 20,000. Given their small population bases, most small rural governments are limited in the array of public services they can provide. Large-scale urban-oriented technologies are often not economically feasible when applied to small towns and rural areas. And while the range of public services offered by rural governments is more limited, the per unit cost of providing these services is usually higher.

Many small towns, remote from Washington and from their state capitols, lack the "grantmanship" that is so often required to compete successfully for limited Federal and state assistance. This difficulty is compounded by the fact that many federal programs have been formulated with big cities in mind. As a result, such programs frequently contain eligibility and other criteria that hinder access by small communities. Even when assistance is available, the lack of fiscal resources makes it difficult for many small communities to match federal grants and to repay loans.

Even those small communities now experiencing economic growth are finding that along with the blessings, growth brings a new set of problems. Many communities are unprepared for the economic and social adjustments that become necessary. Changing demographic and economic patterns may not only exacerbate chronic and deep-seated problems but they often create new ones.

Some of the problems are already apparent. As a result of rapidly escalating property values and taxes, too many rural families on low and fixed incomes are in danger of losing their land and homes. As a result of the growth in residential, commercial and industrial land use, prime agricultural land is being lost and fragile ecosystems are being impaired. The influx of new residents -- especially when it escalates to "boom growth" -- makes it difficult for local governments to provide essential public services in a timely way.

Why A Rural Policy

My Administration is adopting a Small Community and Rural Development Policy because:

- Rural America's human and natural resources are a mainstay of the nation's economy and contribute very significantly to the American way of life. A conscious and sustained effort is needed to ensure the wise use and continued productivity of these resources.

- Many rural areas are in the midst of significant economic and demographic change -- change that is creating new demands, new problems, as well as new opportunities. A forward-looking policy is needed to manage the effects of such change -- to enable individuals and communities to solve their problems and to capitalize on their opportunities.

- Rural people and communities have proportionately greater unmet basic human needs than do other parts of the nation. We must seek to assure that, to the maximum extent our resources allow, we address these needs and redress inequities.

- The entire nation, including our cities and suburbs, is served best when good jobs, livable incomes, decent housing, a healthy environment, dependable energy supplies, and other basic needs are met in small communities and rural areas and when neither urban nor rural residents have to move in search of a better life.

- Confused and often contradictory policy goals and implementation responsibilities have frustrated past efforts to address rural needs both within the federal government and between the federal government and state and local governments and community-based organizations. We need clear policy direction and a framework for integrating current federal efforts and reviewing future policy initiatives in order to evaluate the impact of actions we take and resources we commit.

- Frequently, past rural programs have been developed in Washington, D.C. on the basis of inadequate and out-of-date information. We need to improve our rural data base. We also need to assure that diverse rural perspectives are available to federal policy makers and program managers. This continuous source of input is particularly important now when rural America is in transition.

Policy Goals and Principles

The Administration's Small Community and Rural Development Policy is designed to recognize the great diversity of rural needs and circumstances. Rather than attemptin to impose a single grand strategy on a diverse rural America, the policy I am announcing sets forth goals and principles, organizational

and procedural arrangements to help ensure their implementation, and a set of new initiatives to fill gaps and deficiencies in existing federal programs. The basic intent is to provide a policy process within which the federal government, in cooperation with state and local governments and the private sector, can provide the greatest degree of support for local efforts to solve problems and improve the quality of rural life.

In partnership with the Congress, state and local governments, and private sector leadership, my Administration is committed to work toward:

- meeting the basic human needs of rural Americans;
- providing opportunities for rural people to be fully and productively employed and providing a favorable climate for business and economic development;
- addressing the rural problems of distance and size; and
- promoting the responsible use and stewardship of rural America's natural resources and environment while preserving the quality of rural life.

In support of these goals, I am directing my Secretaries and Heads of Departments and Agencies to adhere, to the maximum feasible extent, to the following principles, in the administration of federal programs. Specifically, federal administrators are directed to:

- manage their programs in ways that recognize local priorities and facilitate local decision-making in rural America;
- make federal investments in ways that complement state-local development plans and priorities;
- use federal assistance to help leverage private sector investments in rural community and economic development projects and programs;
- give high priority to the targeting of federal assistance to disadvantaged persons and distressed communities in rural areas;
- make federal programs more accessible to rural jurisdictions and community-based organizations, better adapted to rural circumstances and needs, better coordinated, and more streamlined in their administration; and

- make special efforts to provide local citizens and their leaders with the assistance needed for effective community decision making and development efforts.

Implementation

A statement of policy goals and principles is not enough. These goals and principles will only begin to have impact on the needs of rural Americans as they are reflected in changes in the way government acts -- changes in programs, in delivery systems, in accessibility, and sometimes even in attitude. Thus, I am taking two important steps to help ensure that this policy is fully and effectively implemented.

First, I am proposing a rural development action agenda -- a set of specific action steps which the Administration will pursue to address priority rural needs. This action agenda -- outlined in detail in Part Two -- builds upon and expands the White House Rural Development Initiatives of the last two years and is based on advice received from extensive consultations with the Congress, the states, local officials, and rural leaders across the country. Although it is an ambitious agenda, one that is broad in scope and meticulous in detail, it is also unfinished. Many more actions and reforms are needed and will be taken in the future.

Second, I am directing a number of organizational and procedural changes as part of a strategy to develop the institutional capacity needed to solve problems on an on-going basis and assure the effective, sustained implementation of the policy principles identified here. [Such an institutional structure must extend beyond the boundaries of the federal government to state and local governments, rural interest groups, local leaders, and innovators.] [It must provide a basis for the collaborative implementation of programs and initiatives which have been jointly developed.] With these requirements in mind, I am:

- o Asking Congress to create the position of Under Secretary of Agriculture for Small Community and Rural Development. This new position will help carry out Secretarial and Administration policy and assist the Secretary to fulfill his government-wide mandate under the Rural Development Act of 1972.

Alex Mercure

- Placing renewed emphasis on the Working Group on Small Community and Rural Development and directing this group to play an aggressive and effective role in monitoring and assisting the implementation of this policy pursuant to Section 603 of the Rural Development Act of 1972. Toward this end:

Mercure / WATSON

- the Working Group will be co-chaired by the Under Secretary for Small Community and Rural Development (USDA) and my Assistant for Intergovernmental Affairs and Secretary to the Cabinet;

- both the Under Secretary for Rural Development (USDA) and my Assistant for Intergovernmental Affairs will be staffed specifically for this purpose;

- the Working Group will be composed of principal federal program managers, and such others as may be named by the co-chairpersons:

Executive Associate Director (Budget), Office of Management and Budget
Associate Director (Rural and Agriculture), Domestic Policy Staff
Assistant Secretary for Budget and Programs, Department of Transportation
Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development
Assistant Secretary for Housing, Department of Housing and Urban Development
Deputy Under Secretary, Department of Health and Human Services
Assistant Secretary for Employment and Training, Department of Labor
Assistant Secretary for Economic Development, Department of Commerce
* Assistant Secretary for Land and Water Resources, Department of Interior
Assistant Secretary for Rural Development, Department of Agriculture
* Assistant Secretary for Capital Investment and Debt Management, Department of Treasury
Deputy Under Secretary, Department of Energy
Appropriate Representative of the Department of Education
Associate Director of ACTION
Deputy Director, Community Services Administration
* Deputy Administrator, Environmental Protection Agency
Executive Assistant/Director of Administration, General Services Administration
Deputy Administrator, Small Business Administration

- Directing the Secretary of Agriculture to appoint an Advisory Council to monitor implementation results and to advise him (and through him the Working Group) on needed federal actions. The Council will be composed of public officials named by major public interest groups, representatives of community-based organizations and other private interest groups, representatives of the business and financial community, and others to be selected by the Secretary.

- Inviting the nation's Governors to establish State Rural Development Councils as a mechanism for ensuring effective coordination in joint federal-state efforts to implement state and local rural development priorities. The Federal Regional Councils will be directed to establish a rural development task force to assist state implementation efforts, and the Secretaries and Heads of Agencies will direct federal field personnel to participate on the state Rural Development Councils if a governor so desires.

- Directing the Working Group, acting through the Secretary of Agriculture and based on advice of the Advisory Council, to annually review existing and proposed policies, programs, and budget levels to determine their adequacy in meeting rural needs and embodying the policy principles articulated here. A report, based on this review, should be submitted to OMB at an appropriate time in the budget cycle and to other Secretaries and Heads of Agencies as appropriate. The Secretary of Agriculture is further directed to submit a report to me each year that documents the implementation steps pursuant to this policy and that satisfies the reporting requirements of the Rural Development Act of 1972.

- Directing the Secretaries of Housing and Urban Development, Health and Human Services, Education, Commerce, Energy, Labor, Transportation, and Interior, and the Administrators of the Environmental Protection Agency, the Community Services Administration, and the Small Business Administration to review relevant departmental or agency policies and programs in terms of their adequacy in embodying the policy principles and to designate a senior official to be responsible for monitoring implementation of this policy within the agency, serving as a rural advocate within the agency, and acting as a point of contact for small community and rural leaders seeking information or assistance.

A cornerstone of my Administration's Small Community and Rural Development Policy is the coordination of federal, state, and local efforts to serve rural people and enhance their prospects for the future. To help accomplish this important aim, federal officials must be constantly exposed to a range of rural experiences and information and brought into contact with those people who represent rural viewpoints and are working to meet rural concerns. The emphasis on ongoing, institutionalized follow-up and non-federal involvement is intended to provide an environment conducive to the development and execution of policies and programs which are sensitive to rural needs and circumstances.

PART TWO

ACTION AGENDA

What follows is a description of some of the key actions already taken by this Administration to address rural problems and a summary listing of new actions announced today to further address these problems in the context of overall policy goals. The new initiatives are based, to a large extent, on recommendations made during the extensive consultations which were held with Members of Congress, state and local elected officials, and public and private interest groups to identify priority needs and what needs to be done to address them.

Many more actions and reforms are required. No rural policy pronouncement can be viewed as the last word. It must rather serve as a source of guidance, emphasis, priority, and inspiration in the context of which future work must be planned and undertaken. Those problems which could not be fully addressed in this statement will be placed on the 1980 agenda of the Working Group on Small Community and Rural Development and the Advisory Council to that group.

The new initiatives detailed below will be implemented by the Departments and the Working Group on Small Community and Rural Development. The Working Group will assist in establishing lead agency responsibilities, time frames, and where possible, quantitative targets to be reached. The designated agencies will develop work plans, including time schedules, information or other resources needed from other agencies, anticipated problems, and needed policy guidance. Review by the Working Group will provide opportunities for coordinating actions and schedules and sharing resources as needed. The Working Group will also establish monitoring guidelines to assure timely reports on progress and problems encountered in implementing the initiatives.

MEETING THE BASIC HUMAN NEEDS OF RURAL AMERICANS

HOUSING

Actions Already Taken

- A joint agreement between FmHA and HUD initiated a four-year demonstration in state delivery of federal housing and community development assistance to rural disadvantaged populations and distressed communities in four states. During the first two years of the demonstration, over 2,100 new housing units were constructed and an additional 5,484 homes were rehabilitated or weatherized. The program is currently being extended to other rural areas with similar needs in each of the four demonstration states.

- Under the White House Rural Development Initiatives, the Administration announced in January, 1979, a set-aside of funds to construct 10 demonstration elderly congregate housing projects, with social services provided on-site. Since that announcement, FmHA regulations have been changed to make the provision of social services a matter of routine consideration when elderly congregate housing projects are planned. Such housing provides a much-needed alternative to institutional care for the elderly who need social services some of the time.

- FmHA implemented a new rental assistance program providing rent subsidies to nearly 43,000 rural low-income families so they could afford to live in FmHA-financed rental and farm labor housing developments.

- FmHA increased the level of Section 504 low-income housing repair loans and grants from $24 million in 1978 to $43 million in 1979 to better meet the special needs of older Americans.

- The Federal National Mortgage Association (FNMA) has established a "satellite" lending program which permits small lenders to sell their loans to FNMA through approved FNMA seller/servicers. This new correspondent relationship is very important to the typically small and undercapitalized rural lender who could not normally take advantage of the marketing opportunities afforded by FNMA.

- To help cut fuel bills for rural families and implement national energy conservation goals, FmHA and the Rural Electrification Administration (REA) began a program to allow REA-financed cooperatives to use FmHA rehabilitation loan funds to weatherize homes for their customers.

- To increase the availability of federal assistance for homeownership to lower income households, FmHA revised the "good credit history" application procedures to ensure equal credit opportunities without discrimination for FmHA housing loan applicants. In addition, FmHA aggressively emphasized use of the provision allowing low-income borrowers to temporarily suspend housing loan payments when medical problems, loss of jobs, or other emergencies prevent payment.

- o HUD ' - increased funding of state and local human ri commissions to improve fair housing enforcemen. in rural and small communities.

- o The Veterans Administration loan referral system minimizes requirements for direct loans from local lending institutions in rural areas. Eligible veterans can receive VA direct loans up to 60 percent of home mortgage amounts under the program.

- o HUD has begun a Rural 1000 program to facilitate construction of Section 8 assisted housing with eight units or fewer in communities of under 1000 population.

- o HUD has initiated a "rural track processing strategy" to enable one developer to work with local builders to construct small housing developments, scattered in rural communities over a large geographic area.

Action Agenda

to address the following policy objectives: increasing opportunities for low and moderate income rural people to become homeowners or to live in decent rental housing; improving access to federal, state, and local housing programs and resources for lower income residents; ensuring that the housing needs of rural Americans are reflected in national housing programs and standards

- o monitor and fully implement the White House Rural Elderly Housing Initiative which mandates all congregate elderly housing constructed with FmHA funds to have social services provided on site, and provides a $12.5 million 10-site demonstration highlighting this regulatory change;

- • revise the HUD/FmHA Minimum Property Standards for Single Family Housing to permit its adaptation to local conditions and to reduce housing costs; hold interagency t.aining sessions on use of the new Minimum Property Standards handbook;

- • develop and make available variable housing design plans (blueprints) which meet Minimum Property Standards to assist small builders and self-help housing groups;

- make current FmHA grant and loan assistance available to families wish to add on a room or remodel their house to provide living quarters for elderly family relatives;

- continue demonstration project and assess the feasibility of a prototype land bank for residential sites;

- support appropriations for FmHA's Homeownership Assistance Program (HOAP);

- develop and implement an interagency agreement (CSA, FmHA, DOL, HUD, HEW) to provide for coordinated assistance related to FmHA Section 514 farmworker housing construction, including a set-aside of HUD Section 8 rental assistance for Section 514 very-low-income housing repair program;

- make HUD's Certified Housing Counseling program available in rural areas;

- develop standardized loan application and appraisal forms to the extent practical for HUD, FHA, FmHA, and VA to broaden credit opportunities for rural families;

- monitor and fully implement the inter-agency agreement among DOL, HUD, FmHA, and CSA on farmworker housing as a starting point in developing a comprehensive housing policy for migrant and seasonal farmworkers;

- continue the FmHA/HUD funded major national rural cooperative housing demonstration project to develop and maintain an integrated delivery system in rural areas for small rural housing cooperatives to increase homeownership opportunities for rural residents;

- expand to 32 states the delegated mortgage processing program of HUD's Rural Assistance Initiatives, which authorizes local savings and loan associations and other mortgage lenders to process FHA-insured single family mortgage loans under Sections 235 and 203(b), thereby increasing the access to these FHA-insured loans in areas which are some distance from HUD offices.
→ FmHA ?

HEALTH

Actions Already Taken

- In October, 1978 the Administration, working through HEW and FmHA; announced the White House Rural Health Initiatives to finance the construction and rehabili-

tation of 300 primary health clinics in rural areas. Construction of the 300 new clinics and training of rural people to provide staff services will take place over the next four years. These centers will serve about 1.35 million people. In the past year 71 clinics have been authorized for funding under this program and 507 people are being trained to staff them.

- o HEW and FmHA are cooperating to target loan funds for medical facilities to 125 rural communities by the end of 1980. HEW Community Health Services Program's budget has been increased to $40 million to reflect this Administration's support for the requirement that 40 percent of Community Health Center Services go to rural areas.

- o HEW has begun a pilot program to use public schools as sites for primary health care service projects. Over the next year, the department expects to work with six to ten communities to place satellite health centers in schools where vacant space and available school transportation will increase the accessibility of health care for rural residents.

- o To alleviate the shortage of doctors and other health care professionals in small towns and rural areas, the Administration supported passage of the Rural Health Clinics Services Act which expanded the scope of primary health care services performed by physician assistants and nurse practitioners. HEW has certified over 400 clinics for reimbursement for services performed by these health professionals in the eighteen months since the law was signed. In addition, HEW has worked to make mental health services more available by stationing mental health professionals in rural primary care centers. To augment these efforts, additional National Health Service Corps professionals have been assigned to rural areas.

- o To ensure that residents of small towns and rural areas have opportunities to enter the health care professions and help deliver health care services to their communities, the Administration has taken several actions: a joint agreement between HEW and DOL will enable about 500 migrant and seasonal workers to obtain jobs and training in rural health projects; Job Corps graduates can now obtain permanent employment in the Public Health Service; and students of health-related professions will benefit from the current assessment of the accessibility of vocational training programs in rural areas.

- o Significant efforts have been made during the last four years to provide alternative health and supportive

services for older and disabled Americans and to enable them to live independently or with their families. These efforts include an HEW demonstration program to link services of rural primary care centers with local agencies providing support services to the elderly, and the HEW Home Health Program which supports the development and expansion of home health agencies. Since 1977, about 150 of these home health projects have been funded in rural areas.

- Actions taken to direct federal resources to the special needs of rural Americans include: the Black Lung Program which provides health, education, outreach and clinical services to approximately 122,000 victims of black lung disease in rural areas; demonstrations in delivering burn care on a regional basis; the Center for Disease Control program to support state laboratory improvement efforts and provide direct assistance for laboratory technicians working in rural areas.

Action Agenda

to address the following policy objectives: ensuring adequate primary health care services and facilities; alleviating the shortage of doctors and other health care professionals; promoting non-institutional care and independent living for the elderly and disabled; and ensuring that the special health needs of rural Americans are reflected in national health care programs and standards

- monitor and ensure full implementation of the White House Rural Health Clinics Initiatives to support construction and/or rehabilitation of 300 rural primary care health clinics over the next four years and to train and employ rural residents as support staff;

- promote full implementation by HEW of the Rural Health Clinic Services Act including: elimination of federal barriers especially in certification processing, cost reporting and Medicare/Medicaid reimbursement procedures; clinics and personnel and provide incentives for states to expedite reimbursement; evaluation of any legislative or regulatory changes that may be needed, especially with respect to the setting of cost reimbursement schedules and the need to assure public input in the development of regulations; and designation of a focal point within HEW to implement the Act;

- increase the availability of trained medical personnel in rural areas through encouraging and providing inducements to states, private foundations, and others to persuade medical, dental, and nursing schools to admit a greater number of rural students; using regional mechanisms such as AHECs in medical personnel placement, training, and continuing education; placing a greater number of medical personnel in rural areas through the National Health Service Corps; and providing incentives for increasing the number of nurse practitioners and physicians assistants;

- promote legislation permitting "swing beds" which would simplify Medicare and Medicaid reimbursement in small rural hospitals;

- assure that the special health needs of rural areas are recognized in any legislation related to the National Health Plan;

- encourage increased uniformity in Medicaid eligibility, scope, benefits, and coverage across the country (Proposed National Health Plan standards are uniform across the states.);

- place top legislative priority on CHAP and other preventive care programming for children;

- expansion of the WIC program into more rural areas, and improved coordination between WIC and rural health service programs;

- give greater emphasis to provisions in the Health Planning law which provide for sub-regional health groups in formulating local and state plans;

- ensure that health planning agencies adapt national health standards to differing regional and state needs and priorities, and that such standards reflect the unique circumstances and needs of medically underserved populations in isolated rural communites;

- target primary care programs to meet more adequately the needs of medically underserved rural areas and population groups, including minorities, women and migrant and seasonal farmworkers;

- work for passage and full implementation of the Mental Health Systems Act which would provide services in rural areas and would put particular emphasis on rural poverty areas and areas with high concentrations of minorities;

- promote integrated systems of physical and mental primary care through linkage arrangements between agencies providing general health care and specialized mental health agencies and, where possible, seek a single grantee for both activities;

- provide incentives to states and local communities to make greater efforts to reach persons in rural areas with alcohol and drug abuse problems.

WATER AND SEWER

Actions Already Taken

- As part of the White House Rural Development Initiatives, the President announced in December, 1978, an agreement which substantially improves the way in which EPA, FmHA, EDA, and HUD relate to each other and deliver approximately $2.5 billion in water and sewer assistance annually to small towns and rural areas. Features of the agreement include the adoption of common criteria for defining "affordable systems"; single environmental assessments; single A-95 reviews; single construction inspections; and, for FmHA and EDA, a common application form and common auditing and reporting requirements. The agreement also calls for the development of one consistent set of compliance requirements with some 16 cross-cutting federal laws and executive orders, and the common use of a "community profile form" as a means of making an early determination of which agencies might participate in a joint-funded project and meet with the applicant community in a pre-application conference. Over 300 applications have been processed under these new procedures over the past nine months, with the net result that it is now much easier and faster for small rural communities to find out what kinds of assistance are available and how to get it.

- For the first time, the Clean Water Act recognizes the construction of alternative and innovative treatment technologies including on-site systems as an eligible purpose for construction grants; moreover, municipal bodies may receive grants for these purposes to serve small non-profit or commercial institutions as well as residential users.

- EPA has proposed technical assistance training packages for elected officials and citizens involved in Step I facilities planning. These packages will provide local decisionmakers with the background necessary to assess the costs and benefits of various wastewater treatment options. They will also include information on water conservation, wastewater treatment processes, operation

and maintenance problems, cost-effectiveness analysis, and innovative and alternative wastewater treatment systems. These technical assistance training packages will be available for use in rural communities from appropriate State and EPA offices by FY 80.

- Under Section 205(g) of the Clean Water Act, up to 2 percent of the State's allotment may be set aside for management of the Construction Grants Program by the State. Part of this set-aside can be used by the States to manage grants for small communities if it so specifies in its delegation assessment. So far delegation agreements have been signed for Illinois, Texas, California, New Hampshire, and Wisconsin; New York is pending.

- For the first time, EPA grants for water and sewer funding Steps 2 and 3 can be combined into one grant for communities of 25,000 or less population if the total estimated Step 3 cost is $2 million or less ($3 million in States with unusually high construction costs).

- Rural States must set aside 4 percent of their EPA Construction Grants allotment for alternatives to conventional treatment for communities with populations of 3,500 or less, or the sparsely populated areas of larger communities. Other States have the option of setting aside up to 4 percent of their allotments for this purpose.

- The Agricultural Credit Act of 1978 increased the maximum allowable grant for FmHA water and waste disposal projects from 50 percent to 75 percent of eligible project development costs. This change will enable FmHA to provide higher levels of assistance to the most financially needy communities.

- On July 13, 1978, FmHA and EPA signed a Joint Policy Statement relative to implementation of the Safe Drinking Water Act. The Act authorized EPA to set and enforce national drinking water standards but did not provide funds to help water suppliers meet the standards. Most of the communities that will need additional water treatment to meet the standards are in rural areas. Therefore, FmHA has agreed to give priority to applications for loan and/or grant assistance from such communities as part of its financial assistance programs for promoting orderly development in rural communities.

- EDA has changed its regulations to enable communities to receive up to 80 percent total Federal funding for jointly funded projects. The previous regulations restricted the total amount of Federal involvement for

projects in which EDA participates to the percentage allowed by EDA for the redevelopment area (a percentage ranging from 50 percent to 80 percent). This change will enable communities to receive larger federal amounts for projects when EDA is involved.

o Effective October 1, 1978, EDA delegated approval authority for Title I Public Works projects under $500,000 to the Regional Office Directors. This delegation will shorten the time involved for the Federal government to make funding decisions on projects and make EDA more responsive to local government needs.

Action Agenda

to address the following policy objectives: ensuring safe drinking water supplies and adequate sewage treatment and disposal; facilitating dissemination of information about and application of appropriately scaled alternate technologies to meet rural needs and circumstances

- monitor and ensure full implementation of the White House Rural Water and Sewer Initiatives;

we did This! →

- amend the Rural Water and Sewer Agreement (involving EPA, FmHA, HUD, and EDA) to include the Indian Health Service;

- monitor and fully implement the agreements involving EPA and DOL to train disadvantaged rural residents to operate and maintain rural water and wastewater treatment facilities;

Need ↓

- ? encourage the use of EPA's cost-effectiveness criteria for wastewater systems funded by HUD and FmHA;

This →

- place a priority within all relevant agencies on funding the planning and construction of alternative wastewater systems that are often more consistent than conventional systems with the needs and financial resources of rural areas (such technology is eligible for an 85 percent grant under EPA's construction grants program);

o place priority on use of regional management and administrative entities such as septic tank or water supply districts that are appropriate modes for delivery of rural water and wastewater treatment services;

- o adopt as a national goal the elimination of unsafe drinking water during the decade of the Eighties, and appoint a study group with private sector and federal, state, and local government participation to recommend needed actions to achieve this goal;

EDUCATION

Actions Already Taken

- o HEW is studying Federal aid programs to rural schools and examining the impact of allocation formulas on rural school districts. Exploration of measures to reduce the repetitiveness of grant application requirements has begun. Further, HEW is evaluating program regulations and administrative procedures which affect funding for rural education. The Bureau of Elementary and Secondary Education will be working with rural organizations and agencies to develop a rural agenda for future education planning, using the results of these studies.

- o The Fund for the Improvement of Post-Secondary Education has encouraged proposals from a variety of sources to improve post-secondary education, including projects which address the problems endemic to rural locations. In some cases the projects are working to improve the quality and availability of educational information and programs to rural adults. Other projects are targeted to specific audiences: older adults, farmworkers, Indiana and migrant youth residing in rural areas. Grants have also been used to test the effectiveness of cable TV and video for delivering educational services to remote areas.

- o The Northwest Regional Education Laboratory, sponsored by N.I.E., has developed a process for broadening citizen and practitioner participation in addressing the educational problems of rural communities. Their Rural Futures Development Strategy was field-tested at six sites in Utah and Washington in 1977 and is currently being transferred to other rural communities. Among the results of the demonstration is a new effort, in cooperation with five State school board associations, to develop a training program for school board members to strengthen local decision-making procedures on rural school boards.

Action Agenda

to address the following policy objectives: improve basic educational skills, employment skills, and opportunities for post-secondary education; and ensuring that resources for education programs are made available to small and rural communities across the country

- o form an inter-program task force at the new Department of Education to examine program policy effects on rural areas and to develop recommendations for assuring equity for rural constituents;

- o improve access to vocational and adult education in isolated rural areas by establishing this as a priority area for the Bureau of Adult and Vocational Education and supporting a provision in reauthorizing legislation for Vocational Education to include a special emphasis on program needs of rural needs.

INCOME MAINTENANCE, SOCIAL SERVICES AND LEGAL AID

Actions Already Taken

- o Administration efforts to target food stamp benefits to the poorest of the poor resulted in significantly increased participation in rural areas. The majority of the three million new food stamp recipients live in rural areas.

- o As a result of 1978 Head Start Amendments, enrollment of children from very small communities in Head Start programs is now easier as many areas are allowed to develop their own local standards of eligibility.

- o Improvements in social welfare service delivery include a demonstration of the use of satellite diagnostic service centers to make it easier for people living long distances from agency offices to find out and benefit from federal, state and local assistance programs.

Action Agenda

to address the following policy objectives: alleviating poverty; streamlining the delivery of social services in rural areas; and assuring access to legal services

- ensure that rural concerns are addressed in enactment and implementation of welfare reform, particularly: a federal minimum floor for cash assistance; mandated AFDC-UF benefits for two-parent families; requirements for state government to provide adequate access in sparsely populated areas;

- review implementation of the Food Stamp program to assure that it meets rural needs, including: support legislation removing the cap on expenditures, continuation of the non-public-assistance food stamps program; requirements for state governments to provide adequate access in sparsely populated areas;

- aggressively pursue the target of providing at least two legal service attorneys for every 10,000 poor people through the Legal Services Corporation;

- encourage each appropriate Legal Services Corporation office to include rural perspectives in its planning process;

- improve the delivery of legal services to rural areas through encouraging law schools to develop manuals dealing with common legal problems affecting the rural poor; using LEAA funds to establish rural legal education and information centers; using law students in rural legal outreach programs; and formally recognizing and facilitating networking among rural legal services personnel and enhancing peer-to-peer technical assistance.

JOB CREATION AND BUSINESS AND ECONOMIC DEVELOPMENT

JOB CREATION

Actions Already Taken

o As a result of this Administration's Economic Stimulus Programs, unemployment in non-metropolitan areas was reduced by 17 percent during the past two-and-a-half years, representing the creation of over 2.5 million new jobs.

o The Carter Administration has doubled the size of public service employment opportunities in non-metropolitan areas over the past two-and-a-half years (from 93,000 in 1977 to more than 225,000 in both 1978 and 1979) -- the largest public service buildup since the New Deal.

- The Administration has provided the largest expansion of youth employment and training opportunities in history--three times the size of rural youth programs under the War on Poverty.

- Since 1976, the Administration has doubled the number of employment and training opportunities in rural areas for senior citizens, migrant and seasonal farmworkers, and Indian and Native Americans.

- The Administration has implemented the largest and most comprehensive welfare reform demonstration for low income workers. Six of the 15 pilot programs are in rural areas. These programs will create an estimated 7,000 jobs for unemployed heads of low income families.

- As part of the President's Private Sector Initiative (Title VII of the Comprehensive Employment and Training Act of 1977), 65 Private Industry Councils have been established to provide a mechanism for transitioning rural workers from CETA training slots to unsubsidized private jobs through the use of on-the-job subsidies.

- In cooperation with the State of North Carolina, DOL has established a special demonstration project to develop a model for linking employment and training activities with other federally funded rural development programs.

- DOL is in the process of establishing 71 new field offices for the Office of Federal Contracts Compliance Programs which will greatly increase the accessbility of rural minorities and women to DOL's Equal Employment Opportunity enforcement resources.

- Employment components included in the White House Rural Development Initiatives providing for the training and placement of: 3,000 operators of rural water and wastewater treatment systems (1,500 on Indian reservations); 1,000 operators of small-scale hydroelectric and fuel alcohol plants and community-based unconventional gas facilities; 1,500 workers as drivers, mechanics, and dispatchers in rural social service and rural transportation systems; and 500 assistants in rural health care clinics.

- An expanded private sector apprenticeship program in DOL provides opportunities for up to 1,800 Appalachians with emphasis on youth, economically disadvantaged persons, and Job Corps terminations.

- The FmHA-DOL farmworker work experience program under which DOL has transferred almost $7 million to FmHA for placing up to half of all successful trainees in paraprofessional and clerical positions in FmHA offices and the rest in unsubsidized jobs.

- Under a FmHA, DOL, CSA agreement, rural youth are being given construction job training by DOL while rehabilitating homes for low income families under FmHA housing programs. The two-year project is expected to result in the rehabilitation of about 1,000 homes.

- The innovative TVA Cash Corps for Youth Program provides opportunities for rural youth to earn summer income through cash crop production. These opportunities often provide income required for further education, adjusting from rural to urban employment, or acquiring basic farm production and management skills.

Action Agenda

to address the following policy objectives: increasing job opportunities for minorities, women, and the economically disadvantaged; improving vocational guidance, training, and job opportunities for rural youth

- provide a strong rural component to the Employment Initiatives to vigorously implement a new agreement which establishes the goal of placing CETA eligibles in 20 percent of the total number of employment opportunities created from grants and loans made under FmHA's Community Facilities and Business and Industry Loan Program;

- aggressively apply Defense Procurement Order Number 4 which gives preference for government contracts to areas of high unemployment, many of which are in rural areas;

- support the 4-H economics, jobs, and careers programs to assist youth in career decisions and enhance their employment opportunities;

- improve efforts to train farmworkers for skilled agricultural jobs as well as for non-agricultural jobs and give priority consideration to farmworker youth under the interagency Agricultural Entrepreneurship Agreement (involving DOL, CSA, FmHA, and Cooperative Extension);

- o provide improved employment and economic development opportunities for reservation Indians through a comprehensive program to coordinate CETA employment and training programs with the economic development programs of HUD, EDA, FmHA, SBA, and CSA (using the Employment Initiatives as a model);

- o implement a cooperative effort involving TVA, a proposed Tri-Counties Utilities Districts, local elected officials, the State of Tennessee Department of Economic Development, EDD staff, various federal development agencies, private oil and gas interests, and others to develop the unconventional gas resources in the rural counties of Morgan, Fentress, and Scott (Tennessee), as part of a wider demonstration effort of an intergovernmental approach to ensure that local people and communities capture associated benefits (jobs, business development, community improvements, and related economic development); this demonstration will be undertaken as part of the White House Initiative entitled "Area Development from Large-Scale Construction";

- o implement, as part of this same White House Initiative (Area Development from Large-Scale Construction), several additional demonstrations of the intergovernmental strategy for promoting local and minority jobs, small and minority business development, orderly community development, and economic development from large-scale construction; including projects being constructed by the U.S. Army Corps of Engineers, the Water and Power Resources Services and privately financed projects.

ECONOMIC DEVELOPMENT

Actions Already Taken

- o The Administration has sponsored economic development legislation of tremendous potential importance to rural America. The National Public Works and Economic Development Act now being considered by the Congress can bring to bear capital and credit resources sorely needed in many rural areas for private business development.

- o The Small Business Administration has been making one out of every two business loans in non-urban areas. In the past 18 months SBA has made 13,000 loans in non-urban areas.

- The Economic Development Administration (EDA) and the Farmers Home Administration (FmHA) have improved access to needed credit and capital for rural business development. Since 1977 alone, FmHA has obligated $2.5 billion in guaranteed loans to rural businesses. Since 1978, EDA has provided over $17 million in grants for local revolving loan funds serving rural businesses and has made $90 million in direct and guaranteed business loans in rural areas.

- The Department of Housing and Urban Development (HUD) has allocated $171.1 million in urban economic development grants for projects in small cities since August, 1978, under the UDAG program. This is 25 percent of total UDAG funding.

- Credit and capital access for minorities in rural areas have been improved by the new joint efforts of FmHA and the Office of Minority Business Enterprise (OMBE) to assist rural minorities in developing sound business firms funded by FmHA loans. For the first time, $100 million in loan funds have been set aside for minority and women entrepreneurs.

- The National Trust for Historic Preservation has conducted pilot projects in selected small towns to demonstrate the potential benefits of locally orchestrated downtown revitalization requiring minimal outside expertise and support.

- TVA has worked in approximately 30 small communities in the past two-and-one-half years to help them improve and modernize their central business districts and make those communities more attractive and efficient locations for future development.

- USDA, CSA and ACTION sponsored five small farm conferences in 1978 to provide small farmers with a forum for airing priority concerns and advocating actions desired of farm policymakers. The small farm conferences resulted in the initiation of 16 joint pilot projects to help small-acreage farmers increase their production and income.

- Implementation of FmHA's limited resources farmers program, authorized by the Agricultural Credit Act of 1978. Under the program, FmHA state directors earmarked at least 25 percent of their FY 1979 farmer program allocations to low income family farms.

Action Agenda

to address the following policy objectives: improving access to credit and capital; strengthening small farms; expanding markets for rural businesses, contributing to the commercial revitalization of small town "main-street"; and building on the base of federal capital expenditures for major construction projects to assure maximum local, rural economic development

- improve the retailing of federal credit resources (FmHA, CSA, HUD, SBA, EDA) through utilizing mobile offices, increased reliance on savings and loan associations and commercial banks (expansion of FmHA demonstration and implementation of relevant provisions of SBA legislation if passed), and fuller utilization of economic development districts and community-based organizations;

- promote development of community-based organizations through establishing rural Small Business Investment Corporations and implementation of the Consumer Coop Bank;

- make special efforts to ensure that rural small businesses are adequately informed about the Community Reinvestment Act and its potential benefits;

- encourage establishment of rural community development credit unions;

- increase market promotion and related technical assistance for rural businesses through small business export conferences, OPIC, Export-Import Bank, and Commerce;

support rural downtown revitalization through development of a policy to accelerate legally mandated property disposal procedures and facilitate transfers and leases of surplus, condemned, and repossessed federal property;

- support GSA regulation amendments which call for locating federal facilities in central business locations of small as well as big cities (rather than in outlying areas); emphasize location of rural-serving offices in small towns;

- aggressively implement the new Community Conservation Policy designed to coordinate and target federal assistance to downtown revitalization projects;

- o support the creation of a Downtown Revitalization Center to capitalize on the small-town commercial revitalization experience of the National Trust for Historic Preservation, various State government downtown redevelopment programs, and local groups, with a mandate to convene a national conference on redevelopment of "mainstreet"; conduct training seminars for local officials and businessmen, and provide an information and technical assistance clearinghouse.

ENERGY

Actions Already Taken

- o As part of the White House Rural Development Initiatives the President announced in May, 1979, several new steps are being taken to help rural communities develop local energy resources for local utilization. One includes an agreement among nine agencies--including DOE, the U.S. Army Corps of Engineers, EDA, USDA, CSA, and HUD--to target funds and provide the construction of up to 100 small-scale hydroelectric plants by the end of 1981. A second involves commitments from several agencies (EDA, CSA, and DOE) to assist construction of up to 100 small-scale fuel alcohol plants. A third is a grant to the American Public Gas Association to demonstrate the feasibility of utilizing natural gas from coalbeds and other unconventional sources for local development.

- o The Energy Security Corporation will provide funds for biomass conversion to synthetic and alcohol fuels. In addition, the targeted use of portion of a windfall profits tax revenues to provide relief from rising energy bills for low income people will have a special impact in rural areas with their high concentration of low income people.

- o The Appalachian Regional Commission, which has established a policy advisory council on energy, has funded several demonstrations of the use of wood and carpet-mill waste for energy production, has promoted the use of fluidized bed combusition technology to burn high sulfur coal and mine refuse, and has sponsored seminars on coal mining productivity and feasibility of low-head hydroelectric power generation.

- In the areas of conventional energy supplies, final determinations were made under the Natrual Gas Policy Act of 1978 to guarantee sufficient guantities of natural gas to meet 100 percent of current requirements for food and fiber production.

- To conserve energy in rural home heating, the FmHA has adopted improved thermal performance standards for housing units it finances, is demonstrating a low-cost solar water and space heating system, and is allowing use of wood-burning stoves and furances in the housing it finances.

- To deal with fuel logistics, the Federal Highway Administration and the Appalachian Regional Commission are devising a detailed state-by-state assessment of road needs attributable to energy production. In addition, the FRA is working with other agencies to devise solutions to the problems associated with disruptions that often result from the movement of coal unit trains through small towns.

- White House Rural Development Initiatives to promote rural ridesharing (discussed below) contribute to energy conservation in the largest category of rural energy use--transportation.

- In the area of weatherization, the DOE weatherization program for low income households will now allow the use of non-CETA labor on installation crews where there is a significant shortage of CETA personnel, overcoming a major barrier to the full implementation of this program in many rural areas. Also, an agreement has been established between REA and FmHA to conduct rural energy audits and and make available FmHA Section 502 loans and Section 504 loans and grants for the weatherization of low income rural households.

- To integrate energy conservation into economic development planning, DOE and EDA have made available grant funds to as many as 20 rural Economic Development Districts to develop integrated economic development and energy plans giving special attention to energy conservation efforts and alternative energy resources.

- To guarantee adequate fuel supplies for agriculture and rural transportation, DOE's Economic Regulatory Administration has ruled that four percent of middle distillate fuels, including diesel, planned for delivery into a State must be set aside for redistribution by partici-

pating States to meet energy shortages and hardship cases. Also, the Economic Regulatory Administration has re-allocated gasoline supplies among major suppliers to ensure that the needs of agriculture and farm markets continue to be given the highest priority; and in the event that gasoline rationing is implemented, the Administration has established relatively larger percentages of gasoline supplies for those predominantly rural States where residents are highly dependent on automobiles and must drive longer distances.

- In DOE's Industrial Process Heat Program, 23 projects are under contract to demonstrate the feasibility of using solar energy for producing industrial process heat. Nearly two-thirds of these projects are located in rural areas and contribute to rural industrial development. These systems, in various phases of design, construction and operation, will generate thermal energy for applications such as commercial processing forgood, lumber drying, heating greenhouses, and use in other industries such as concrete block manufacturing, chemicals, and oil refining.

- DOE and USDA are cooperating in a program to adapt solar energy for on-farm uses in agriculture. More than 50 experiments are being conducted in 28 states emphasizing the design of solar systems which can be constructed of materials and equipment readily available to farmers. In order to transfer solar energy technology and systems designs from the research laboratory to the farm site, a pilot program of on-farm demonstrations has been initiated. At present, 91 projects in nine states have been authorized for solar energy heating of swine and poultry houses and dairy buildings, and a similar number of projects is planned in 1980 for crop and grain drying.

- The Appalachian Regional Commission has funded several demonstrations of the use of wood as a low-cost alternative source of energy for homes, hospitals and small businesses. These demonstrations have included the pyrolysis of wood in Tennessee for use as a heating fuel and gas, a wood gasification plant in Georgia to heat a hospital, and a timber-for-fuel development organization in North Carolina.

Action Agenda

to address the following policy objectives: reducing dependence on foreign oil through conservation while ensuring that necessary energy supplies are dependably available for agricultural production and marketing; encouraging and supporting the development of innovative alternative energy resources to meet rural community needs; and protecting the quality of rural life by mitigating the negative consequences of energy development on small towns

- monitor and ensure full implementation of the White House Rural Energy Initiatives to promote small-scale hydroelectric, community-based unconventional gas, and small-scale fuel alcohol development;

- support passage of authority to make direct or guaranteed loans that would be financed from windfall profits tax revenues for the construction of small-scale alcohol fuel plants, and extend the 4¢ per gallon tax exemption on the sale of gasohol;

- provide DOE grant assistance to community-owned gas utilities for unconventional gas exploration and development;

- assist states to meet rapid increases in needs for public facilities and services resulting from new or expanded energy development through support for legislation which would provide up to $750 million through FmHA for grant assistances over five years with a limit of $1.5 billion in total loan guarantees; states would be encouraged to use federal impact assistance to establish revolving funds through which assistance would be distributed to localities, primarily in the form of loans;

- implement in connection with several already federally-funded energy development projects an intergovernmental strategy developed under the White House Rural Development Initiatives to promote local jobs, business development, and orderly community development;

- use DOE, EDA, NASA and USDA resources in support of the commercialization and utilization of selected energy technologies which are especially suited to rural and small town circumstances (e.g., wood, wind, solar heat for processing, and small-scale hydro);

- make available variable housing design plans which include as options use of solar heat, solar hot water, passive heating and cooling, earth berm insulation, and adequate orientation for solar exposure;

- increase the allocation of public service employment slots (under CETA) to weatherization projects where existive CETA resources are insufficient to match funds for materials.

ADDRESSING THE RURAL PROBLEMS OF DISTANCE AND SIZE

TRANSPORTATION AND COMMUNICATIONS

Actions Already Taken

- As part of the White House Rural Development Initiatives, several transportation initiatives were announced in June, 1978, in the areas of social service/rural public transit, air service, rail branchline rehabilitation, and ridesharing. These include:

  - an agreementamong CAB, FAA, EDA, FmHA, and SBA to coordinate and target assistance ($200 million) to commuter airlines wanting to enter and serve rural markets, and to small community airports wanting to upgrade facilities;

  - an agreement among DOT, HEW, CSA, ACTION, FmHA, and DOL to improve the coordination and delivery of social service and public transit, including a commitment to train and place 1,500 CETA eligible persons as drivers, mechanics, and dispatchers working in Section 18 transportation systems; arrangements to provide surplus government vans to Section 18 systems; a set-aside of FmHA loan funds to help purchase special equipment; cooperative action by the insurance industry, State regulatory agencies, and the Federal government to make insurance more available, flexible and affordable for social service and public transit providers; and measures to reduce the large paperwork burden imposed on transportation providers by the billing, accounting, and reporting requirements of social service agencies;

  - an agreement among FRA, EDA, and FmHA to provide coordinated assistance for the rehabilitation of railroad branchlines which are given high priority in State rail plans; and

- a series of actions to promote rural ridesharing (carpooling, vanpooling) including commitments by CAAs, USDA's Cooperative Extension Service, and EDDs to promote and support ridesharing in rural areas, an IRS clarification that passenger pick-up, driver incentive, and maintenance mileage are eligible vanpooling uses for purposes of determining eligibility for the 10 percent investment tax credit; arrangements whereby surplus and excess vehicles will be made available to CSA, EDA, and USDA in their efforts to promote ridesharing; and issuance by DOE of a proposed rule to assure bulk users sufficient gasoline to maintain operation of vanpools during periods of shortage.

o Passage of the Nonurbanized Public Transportation Program (Section 18) as a part of the Surface Transportation Assistance Act of 1978 moves rural transit out of the research and demonstration phase--under FHWA's Rural Public Transportation Demonstration Program (Section 147), over 100 two-year demonstration projects were funded at a total cost of $25 million--with a clear legislative mandate to develop an ongoing program that provides operating as well as capital, administrative, and technical assistance.

o Administration proposals passed the Congress in 1978 strengthened the Federal Railroad Administration's Local Rail Service Assistance program by shifting its focus away from temporary continuation of service on abandoned rail lines to capital rehabilitation of potentially viable lines that have not yet been abandoned. The funds go to rehabilitate, before abandonment, the lines carrying five million gross ton miles of traffic or less per mile annually through grants or loans to railroads; provide alternate transportation facilities and services (e.g., team tracks for use by shippers); and assist in maintaining service on branchlines which have been abandoned by private rail carriers.

o An expanded program for the renovation or replacement of bridges will primarily benefit rural counties.

o The Airline Deregulation Act of 1978 contained several key provisions for rural areas. Among other things it:

- authorizes CAB to require "essential air service" for a 10-year period and to provide subsidies to a regulated carrier or a replacement commuter airline to assure the continuation of essential service as necessary;

- requires CAB to determine within one year of enactment what constitutes "essential air service" for each location served at the time of enactment and authorizes CAB to adjust these definitions and develop definitions for other locations to accommodate future needs;

- requires commuter aircraft to the maximum extent feasible to conform to the FAA safety requirements imposed on larger passenger aircraft;

- permits commuter airlines (for craft with 30 or more seats) to enter into interline agreements with trunk and local air service carriers to provide through-ticketing services;

- exempts from CAB regulation commuter aircrafts carrying cargo weighing less than 18,000 pounds and carrying fewer than 56 passengers; and

- makes commuter airlines eligible for the first time for FAA's aircraft loan guarantee program (for the purchase of the planes and replacement parts).

o The Administration is proposing amendments to the Airport and Airway Development Act of 1970 which would provide greater opportunities for small airports to receive airport development grant assistance. More funds would be available for all eligible airport development, including aircraft parking areas, terminals, runways, taxiways, and emergency buildings and vehicles. Approximately 12 percent of the funds available for airport development will be used to foster small community air service. This would total about $.5 billion for the years 1981-85 or approximately $100 million per year.

o The Commerce Department's National Telecommunications and Information Administration (NTIA) has filed proposals with the Federal Communications Commission to drop restrictions on ownership of cable TV in some rural areas and to create a new class of low power broadcast stations.

o The Department of Agriculture has instituted a program to help rural telephone companies provide television and other services. REA will make available increasing amounts up to $40 million in 1982 for direct loans and loan guarantees to support rebuilding rural telephone lines. The portion of the telephone plant, or other broadband facilities, which will be used to carry commercial television signals will be financed through the Business and Industrial Loan Program of FmHA.

- As part of the President's civilian space policy, NTIA will assist Federal, State and local agencies in the procurement of satellite communications services for rural areas and will conduct technical and economic analyses on this use of communications satellites.

- NTIA has begun distributing grants for public communications facilities. Under legislation developed by the Administration and Congress in 1978, many of these grants will go to rural areas that have inadequate public broadcasting service.

Action Agenda

to address the following policy objectives: overcoming the problems of isolation from job sites, social services, and the government; improving accessibility to new technologies; reducing the dependence of rural residents on the private automobile, addressing the special problems which rural entrepreneurs have in gaining access to raw materials and markets because of the problems of transportation

- monitor and ensure full implementation of the White House Rural Transportation Initiatives;

- support adequate funding for Section 18 of the Surface Transportation Act of 1978;

- monitor and ensure full implementation of the White House Rural Communications Initiatives to enable rural residents to assess modern communications technology.

CAPACITY BUILDING

Action Already Taken

- A range of agency-funded programs have been undertaken to increase the management capacity of target communities. These funding commitments are exemplified by the following: HUD has granted $3.5 million to 16 states for technical assistance projects aimed at building management capacity building program, Economic Development Districts (EDD's) have received increased assistance to carry out economic development planning. CSA funded a Virginia State University project to demonstrate how state land grant colleges and extension services can work with community action agencies to assist low income farmers. TVA has entered into an agreement with the Tennessee Valley

Center for Minority Economic Development to provide special assistance to rural areas with predominantly minority populations, helping them take the necessary steps to participate more fully in the region's economy. CSA made a grant to the Emergency Land Fund in Atlanta for the purpose of providing assistance to minority farmers and landowners. A consortium of agencies (including EDA, FMHA, EPA, and HUD) funded the National Demonstration Water Project which has created a network to assist rural communities in developing the capacity to meet their water and sewer needs.

- HUD developed a simplified Housing Assistance Plan for small cities applying for single-purpose grants.

- For FY 1980 CDBG competition, the selection criteria have been changed slightly to eliminate a perceived bias towards certain kinds of projects to allow small communities to select activities addressing critical locally-identified community development needs.

- The Bureau of the Census sponsored a new State Data Center program, which is a Federal-State-local cooperative program whose objective is to improve access to and use of statistical information by State and local government planners and decision-makers.

Action Agenda

to address the following policy objectives: improving access to federal programs; improving targeting and delivery of technical assistance; improving coordination among federal agencies, other levels of government and private organizations in rural areas; and developing and disseminating better information about rural conditions

- develop a national program to support locally selected circuit-riding managers to assist small communities and rural counties;

- promote intergovernmental assignments of federal personnel to rural jurisdictions and organizations, to increase knowledge of and sensitivity to rural problems within federal agencies as well as assist in meeting local capacity building needs;

- o encourage and support higher priority within the Cooperative Extension Service to provide outreach and technical assistance to low income and isolated rural residents;

- o convene a White House meeting to explore options and develop cooperative plans for the participation of philanthropic, educational, religious, and charitable organizations in rural capacity building and other rural development projects;

- o recruit retired executives as SCORE volunteers to provide technical and management assistance to governments and businesses in rural areas; explore other options and incentives to encourage the private sector to provide technical and management assistance for rural institutions;

- o support continued funding of the FmHA Section 111 rural planning program to provide state and local capacity building assistance;

- o encourage federal field offices (EDA, HUD, Census) and the land grant institutions, incooperation with ISETAP, to provide technical assistance to rural officials on the use of 1980 census data and improve access to detailed data at the rural community level;

- o direct the Working Group on Small Community and Rural Development, in cooperation with ISETAP, to develop a rural research agenda, including data needs, and to assist in coordinating federally-sponsored applied research and data collection;

- o negotiate a single set of application, auditing, and reporting requirements for each of several frequently combined clusters of federal aid programs to reduce red tape and paperwork burdens; simplify and standardize compliance requirements with cross-cutting federal laws and executive orders.

PROMOTING THE RESPONSIBLE USE AND STEWARDSHIP OF AMERICA'S NATURAL RESOURCES AND ENVIRONMENT

Actions Already Taken

- o In October 1978, the Secretary of Agriculture issued a USDA policy on land use which directs USDA agencies to: advocate the retention of important farmlands and forestland, prime rangeland, wetlands , and other lands

designated by State and local governments; advocate actions that reduce the risk of flood loss, minimize impacts of floods on human safety, health and welfare, and restore and preserve the natural and beneficial functions and values of floodplains; advocate and assist in the reclamation of abandoned surface-mine lands and in the planning for the extraction of coal and other nonrenewable resources in ways that will facilitate later restoration of the land to its prior productivity; advocate the protection of threatened and endangered animal and plant species and their habitats, designated archaeological, historic, and cultural sites, and designated ecosystems; advocate the conservation of natural and manmade scenic resources, and assure that these agencies protect and enhance the visual quality of the landscape. A USDA Land Use Committee has been providing leadership for implementation of the policy, and USDA agencies were given one year to bring their programs and actions into compliance.

- EPA also has promulgated an Agricultural Lands Protection Policy, which is aimed at retaining prime and unique farmland, farmland of local and statewide importance, farmlands in or contiguous to environmentally sensitive areas, and farmlands with significant capital investments in "Best Management Practices."

- In mid-1979, CEQ and USDA initiated an interagency study of the factors affecting the availability of agricultural lands and their conversion to other uses. The study will be completed and findings and recommendations submitted in late 1980.

- The Department of Interior and USDA's Soil Conservation Service are providing technical and financial assistance to landowners to protect the environment from the adverse effects of coal mining practices. Since 1978, 2,200 acres of abandoned mine land have received such treatment as stabilization, control of erosion, and sediment, enhancement of water quality, and return of the land to useful purposes. TVA has undertaken a surface mine reclamation program under which thousands of acres of mined land are being revegetated.

- The Department of Interior is preparing a National Plan of Action to combat desertification. It will identify means of reversing the decline of biological productivity of arid and semiarid areas in the rural west.

- The Heritage Conservation and Recreation Service has directed a comprehensive review of federal programs affecting barrier islands on the Atlantic and Gulf coasts to develop a plan for protecting them.

- The Department of Commerce has funded 19 state coastal zone management programs to assure that the shores of oceanic and inland water bodies are managed and used for public good.

- Land use planning for the public lands, most of which are in the rural west, is committed to being accomplished cooperatively with local communities. To the extent practical, plans are being made to be compatible with those of local governments. The resulting benefit is orderly use and conservation of land and resources.

- National Park Service improvements to sewer, water, and waste disposal systems within the parks has resulted in cleaner and safer conditions in nearby communities. Federal and State regulations have been met, which assures that effluent into streams, groundwater, and the atmosphere is safe and clean.

- National Park Service responsibility for monitoring of air and water quality within park areas results in constraints on pollution sources from outside the parks. This has a beneficial effect on surrounding communities within the entire region.

- EPA has funded water resource planning and management programs in every state.

- The Forest Service, in cooperation with the State Foresters in Mississippi, Alabama, Kentucky, Oregon, and West Virginia are working with low income and limited resource farmers to find ways to better utilize their farm woodlots as income-producing properties. This is a part of the Department's Small Farm Assistance Project.

- Under the Yazoo-Little Tallahatchie Flood Prevention projects the Forest Service has planted 840 million trees on 750,000 acres of eroding lands to protect soil and water resources and provide raw materials to local industries--creating jobs and income for area residents.

- Since 1977, 851,900 people were provided assistance by the Soil Conservation Service in planning and applying conservation measures. Application of these conservation practices has had a very positive environmental, social and economic impact on adjacent lands and communities.

- Over 27,500 units of government were provided assistance by SCS in resource management, and over 23,500 land use plans were reviewed for units of government to determine adequacy of standards.

- More than 300 measures were completed in rural areas and communities through USDA's Resource Conservation and Development Program, at a cost of about $25 million. These included measures for critical erosion control, rural recreation, and flood prevention.

- In FY 1978 and 1979, 32 flood hazard studies have been undertaken by SCS to assist rural communities in development of floodplain management programs to reduce flood losses.

- A water and related land resource study has been undertaken by SCS on the lands of the Colorado River Indian Reservation, Arizona, to assist those native Americans in the wise use of their land and water resources.

- Nearly 200 county Important Farmland Inventories were made and another 320 prepared to guide rural communities in land use decisionmaking involving retention of agricultural lands.

Action Agenda

to address the following policy objectives: preserving agricultural land and promoting pollution-free land, air, and water

- monitor and fully implement EPA's policy on agricultural land protection for all programs with particular attention to the siting and sizing of wastewater treatment facilities

- continue implementation of joint EPA-USDA programs demonstrating the application of best management practices to control non-point source pollution from agricultural runoff;

- fully implement the Rural Clean Water Program in FY 1980;

- move aggressively to complete the joint CEQ-USDA study of the effects of conversion on prime agricultural lands to other uses and of measures to control such conversion;

- promote and demonstrate means of using farm and nonfarm generated organic waste for land treatment and sources of nutrients.

PAST AND PRESENT:

STRUCTURE OF STATE RURAL RESPONSIBILITIES

January, 1980

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This report briefly reviews state responsibility and organization from the perspective of Alaska's varied rural populations.

The report probes state organization and function in terms of the potential "role and placement" of a state structure charged with encouraging the development of a private economic base in rural areas. The report does not seek "fault" in existing programs, or suggest fault through past action or inaction, but rather seeks to indentify rural programs which offer creative association for some "new" structure charged with forging a state/private partnership devoted to expanding a "private" economic base in rural Alaska.

At Issue: A Rural Strategy

In the final analysis this report is suggestive that the state needs to be continually developing and modifying a broad and flexible "Rural Economic Development Strategy."

Secondly, the state needs the MEANS by which to implement and sustain such long-range policies.

Thirdly, the state needs to take the leadership by establishing a structure on the Alaska level, designed to maxmimize and coordinate federal, state, local, and private resources available for desirable rural economic development projects. The more detailed consideration of the proper design of such a state structure, and the placement of such a structure within the framework of state government, is the subject of a companion report to this document.

Lastly, as a matter of statewide economic policy, this report suggests that rural development is fundemental to urban development. Rural economic growth should be an important urban economic goal, since such development is essential to broadening the economic base of the state's commercial centers.

GOVERNMENT STRUCTURE AND "POLICY"

Government generally is a highly organized structure designed to provide a variety of "services" that a society has determined to be necessary. Therefore the established structure of government says something about established policy, the priority of various policies, and about the "lack of such policy."

In the case of an Alaskan rural economic policy, there is essentially no clearly identifiable structure, and therefore there is no apparent state rural economic policy, or policies. There are, of course, many state rural "service" programs, and a large variety of state rural policies addressing various rural needs, but few touch upon the the seemingly primary need of "an economic base."

However, this should not be suprising since Alaska state government, or any other similar government, is generally a structure developed to deliver the more traditional services --education, transportation, health and social services, and etc. It is perhaps an unusual circumstance, that our government systems in this country often focus strong issue on "things economic," but rarely do they develop the means to effect strong economic policy. The problem of effecting rural policy is even more acute, since a lack of infrastructure and isolation limit the normal means of "advocacy."

Under any circumstance the distance between our American government systems and our private economic systems is significant, and only when unusual tools are available to a government, or there is crisis, is policy generally able to bridge the distance and weld government and private economic goals to some common purpose. In view of our public and private systems "seperation," Alaska's potential for success in forging a state/private partnership must be open to issue. However, Alaska does have some special and unusual "tools" at-hand --tools that most other government have no hope of having available.

ALASKA: SPECIAL TOOLS FOR SUCCESS

First; the general state of collapse of the Alaska rural economy in many regions means there are few entrenched interests to complicate and make policy change difficult.

Second; Alaska is in many respects the most "rural" of all the states, providing opportunity for Alaska to gain federal recognition of its rural economic needs on the federal agency level.

Third; Current federal policy is shifting to emphasize federal support for private efforts that contribute to a continuing private economic base, with special emphasis on rural economic initiatives. Alaska has special opportunity to take advantage of both old and new federal resources, and also has special reason to sell its often unusual needs to the federal government.

Fourth; The structure of the State of Alaska is less complex, and has a clearer line of authority than most other governments, creating special opportunity to expedite and coordinate federal resources. In other words, Alaska has a genuine executive structure, while most other governments (competing for resources) are structured into something akin to a "committee of executives."

Fifth; The state is Alaska's largest resource owner. Aside from being a political entity, the State of Alaska is one of the largest and and most diversified resource corporations in North America.

The role of resource owner is untypical of other governments, and gives the state both special opportunity (and responsibility) to promote economic development and to forge a mutually beneficial partnership with the private economic structure needed to develop those resources.

Sixth; The state is also a large financial corporation well beyond the bounds of the usual government service institution. The state's resource disposition provides it with "excess revenues" well beyond the state's immediate and future service demands, leaving opportunity for the prudent use of excess financial capital as a tool in encouraging private development.

Seventh; The settlement of Alaska Native Land Claims has provided a unique private structure in rural Alaska, and has created opportunity for the state to work in partnership with that unique private corporate structure. The land claims settlement has created a rural network in private interests that has both lands and some financial capital. The native corporations represent a "local opportunity" for partnership and for participation in development, which is completely unavailable in most other similar areas of "third world" economic conditions. The native corporations have the unusual nature of having the efficient structure of the private corporation, but also having a local base.

Eighth; The economy of Alaska has access to a large federal landmass, and its various resources, as well as significant marine resources and the nation's largest continental shelf.

Ninth, The final special difference for an Alaska economic initiative may be in the "timing." The timing is very likely "right" in terms of the: 1) maturing of the land claims corporation, 2) in terms of the maturing of the state resource and land base, 3) in terms of the state's financial resources, 4) in terms of world crisis over long term resource commitment and availability, and lastly, 5) in terms of the evolution of federal policy to stress private development, and the opportunity for maximizing federal financial resources and generating federal cooperation and coordination.

Nevertheless, the forging of a tri-partnership --state, federal, and private-- to address rural economic problems and develop an Alaska rural development policy, is not a easy task. However, in any such policy the state must have primary responsibility, and it is the state that has the lasting interest in insuring that rural economic policies are developed and can be sustained over a sufficient period of time. If an emphasis on rural economic problems is to be initiated, then it is the state that has the responsibility for initiation.

Initiation by the state also provides a certain acknowledgement by other partners, especially the federal government, of the state's leadership in setting economic priorities, in economic and environmental planning, and in allocating monetary resources. Such leadership also provides opportunity for a commanding role in maximizing state financial resources available for development by addition of federal and private effort.

THE "PLACE" OF A RURAL INITIATIVE STRUCTURE

The end result of a review of state rural service responsibility is a determination of whether a structure, designed to promote policy enhancing a rural "economic foundation," belongs "within" the traditional government service structure, or is best placed "outside" of normal government delivery institutions.

The general conclusion of this report in reviewing state rural programs appears to recommend that such a structure should stand "separate" from the general programs. The basic function of the routine delivery of rural service, and the task of maintaining a continually changing rural economic development strategy, appear to be inherently separate.

Many reasons can be presented in defense of such a "separation," but these reasons, in terms of detail, belong more properly in the companion report to this document which deals with the potential conceptual design of a state policy structure.

However, such reasoning ranges from the traditional separation of the private economy and government service roles in our American systems, the special "advocate" nature of an economic policy structure, and the need for a structure to be an advocate of rural services related to rural economy that are broader than the function of any one agency.

Finally, to be successful in bridging the gap between private and public systems, such a policy group needs the strong political adjacency and backing of both the executive and the legislative.

The success of government dealing with the private policy sector may be rooted in government respecting the private-policy sector as a sector to be treated with a respect, and on an equal footing, with the policy branches of government. Therefore, the suggestion that state dialogue with the private sector be subordinated to a sub-bureaucracy status may be fatal to a successful policy partnership. In other words, a policy partnership suggests a certain equality and mutual interest among the parties.

A principal determination of the policymaker in seeking to "place" a state structure charged with encouraging a private economic base, may therefore be, whether the public policymaker chooses to treat the private sector as an equal and independent partner in policy, or whether that private sector is a subordinate partner suggestive that it is to be "directed" by some line-agency.

However, this is not to suggest that such a rural economic development structure does not have a strong interest in, and relationship too, the rural service agencies and the state's role in community development. An economic development structive would be strongly supportive of rural service needs, especially as they impact development opportunities.

Hence, in "placing" a state policy structure charged with addressing economic issues, a number of primary considerations have thus far surfaced. They are:

1) The issues of whether the mission and the charge of economic advocacy are not inherently different, and therefore such a structure perhaps should not be subordinate in a line-agency with service functions.

2) The need for a political adjacency to governor and legislature in order to maintain momentum, and

3) The issue of treating the private policy sector as a legitimate policy level co-equal.

THE RURAL POLICY SYSTEMS

The previous discussion questioned the placement of a state rural economic policy structure essentially "within" the state line-service functions. However, the policy structure external to the state government itself must also be reviewed in terms of such a state system.

In rural Alaska four basic policy systems are identifiable. The systems are familiar structures in American policy, but as might be expected, in rural Alaska some of those structures are underdeveloped or almost non-existant.

It is not "within" any one of these systems that a rural development strategy must be forged, but rather between such systems. The structure by one means or another, to be successful, must forge a partnership among these systems.

These identifiable policy systems are, in their broadest context, as they apply to rural Alaska:

1) The federal policy system.

2) The state policy system.

3) The local government policy system.

4) The private enterprise policy system.

The first three systems are clearly recognizable, although each has its special difficulties in dealing with the problems of rural Alaska. However, it is perhaps unfortunate that the American "alter-ego" to government, our very dynamic private economic system, is not recognized and communicated with as a fundemental policy system.

As indicated the above systems each have their problems when applied to rural Alaska. The special problems of the state system and the local government system will be discussed in more detail in following material. However, the federal system deserves some brief comment, since the system has "more established economic roles" than state and local systems, but must suffer from sheer logistics of policy between remote policy centers and extremely isolated Alaska rural communities in a bi-cultural setting. The federal government also faces the very realistic problem of having to establish policy criteria on a norm that fits an incredible variety of national situations.

Despite areas of extreme policy dispute between the state and federal government, the federal government does offer significant resources that can be applied to a rural development initiative.

ORIGINS OF STATE RURAL POLICY

The state largely inherited the rural policy system from the federal government. The Territorial government also carried out certain rural service functions. It is perhaps easy to point an accusing finger at the federal government, alledging a neglect of rural Alaska, but it should also be remembered that Alaska Territorial government was a form of "self government" and had the option to function in rural regions.

There are many reasons why Alaska Territorial Government did not expand its functions into the rural regions, and many of those reasons are very practical and many are simply circumstantial under the conditions of the period. Conversely, a case can be made that the federal government made significant efforts, especially when one considers the practical circumstances of that government in dealing with rural Alaska. Like all government, the federal agencies depend on policy, and policy depends on "appropriations" that generally derive from a political base. Obviously, Alaska had little political base, and the far flung and isolated rural needs of the state lacked even the cohesion necessary for a local advocacy. Most federal agencies lacked support for carrying out Alaska functions, while others received "fall-out" support from general "Indian" legislation enacted by the Congress

It is not the function of this report to go into detail concerning the problems of early rural policy. However, a few brief comments lend perspective to the later development of rural policy under statehood.

Presently, state rural policy is primarily aimed at delivering in rural areas the "traditional" services of government. And, in view of the difficulty the state has had in simply forging policy for the more traditional services in rural areas, it is not suprising that the state has been incapable of addressing a "less traditional" role regarding the economic plight of its rural populations.

In general, the circumstances that retarded the delivery of basic services in rural Alaska, simply more fully eclipsed a policy recognition of economic conditions and attendant state responsibility.

First, in early statehood, since the state was not delivering the traditional basic services, it was unlikely that the state should perceive self-responsibility for the more non-traditional and difficult to service economic problems. Additionally, generally government will not respond to more difficult development of "economic policy" unless there is a crisis. There are some exceptions, such as the nation's long history of addressing agricultural economic policy. Hence, economic policy in the area of U.S. agricultural policy has become "traditional policy." Additionally, in places like rural Alaska, hidden away from general policy-view (and public) view by isolation, wilderness, and culture misperceptions, despite severe economic problems, the existance of such "crisis" was simply not recognized.

Secondly, in early periods Alaska rural policy was fractured, and additionally there was no traditional local government system to be the conveyor of local needs to "the citizens," and to be the purveyor advocacy to senior governments.

Third, in the early years of statehood there was a perception, despite the declarations of the State Constitution, that native issues were federal issues, and that native Alaskans were still the "wards" of the federal government.

Fourth, state responsibility was further undercut by assertions that rural problems were the result of federal neglect (somehow justifying further state neglect).

Fifth, there was general recognition that rural services were expensive. Therefore there was a natural, and perhaps quite practical, resistance on the part of the revenue impoverished young state to create rural services, or to encourage an early transfer of many functions from the federal government.

Sixth, a public perception that statehood and local control would bring a magically improving general economy tended to undercut entry into economic policy. Statehood itself was perceived to be the economic solution for all Alaska. The economic emphasis of the time was more on the government-revenue side of the economic equation.

Seventh, the federal poverty programs were implemented in the early 1960s. Many of these programs were administered by the state, and others were delivered directly to rural Alaska. The programs appeared to be dramatically attacking rural poverty, and did tend to "finance" the entry of the state into rural responsibility. However, most of the programs focused on traditional government policy areas, such as education and basic services, and there was not a coordinated emphasis on the causes of rural poverty --the lack of "cash" industry and the rising demand for "cash" in the rural economy. The programs for the most part were conceived in Washington D.C. and funded on an "on-gain/off-again" short term grant basis. The cycle of poverty programs failed to recognize that much of pre-war rural Alaska had a variety of "cash" industries that fit community life-style, but that post-war Alaska saw those industries sink into almost total recession.

The poverty programs did their job in identifying that rural Alaska was in "poverty," in providing an element of advocacy that substituted for the lack of infrastructure, and in easing the state into a rural outreach.

Eighth, land claims settlement contributed to public misconceptions and adversity. Land claims helped dramatically forge state rural issue and policy, but tended to distract from a detailed focus on very basic rural needs. Public reaction to land claims was that native Alaska (rural Alaska) has land and money, so let them solve their own problems. Oddly, the land claims structure should have been "welcomed" as an economic middle-ground structure usable by government in development policy.

Ninth, the gigantic economic issues of the pipeline period of the early 1970s tended to sweep aside lesser and more homegrown economic problems. The pipeline was a distraction. The "euphoria" of the pipeline boom, both within and outside of government, created the assumption that something would rub-off on everyone.

Tenth, rural political representatives have generally been at a disadvantage in securing policy attention and service dollars, partially due to the lack of a local government funding vehicle for channeling state monies for local services. For example, broad funding formulas have allowed urban lawmakers to sercure most appropriation needs on almost an "automatic" annual basis. One formula delivered basic school support for urban areas, and another picked up local debt service. Such formulas delivered urban educational services and also relieved local tax burdens for other purposes and services. Maintaining such services required only minimal political effort each year, with all urban lawmakers having a common interest. In contrast, rural lawmakers have constantly been required to fight line-by-line for service approprations within the budget, often in competition with fellow rural representatives. Under such conditions the rural lawmakers quickly "expends" his political opportunities for minor gains in "bricks-and-mortar." Despite urgent long range problems, the rural politician has had little excess energy to devote after battling for immediate needs. Applied to economic development, rural lawmakers have had difficulty in just marshalling their talents for the "most basic" of traditional basic services, let alone entry into such long-range, complex, and less traditional policy arenas as restoring a private rural economic base.

The lack of substantial local governments in rural Alaska creates many problems. The rural state representative is left being a substitute local government representative, and the state is often cast in the role of substitute local government. However, this report does not suggest that creation of "local government" in rural Alaska will necessarily resolve local-government oriented problems. Obviously, rural Alaska lacks population density and the usual dynamics that makes local government viable, and therefore caution should be exercised in attempting to create a system that may be unrealistically "grafted" on top of rural communities. The lack of a "cash" economy in rural regions may be prerequisite to a genuine local government --a government that rural people feel belongs to "them" and not the state.

This report earlier suggested that a crucial issue in a public/private partnership in development is whether the public treats the private as a "respected" policy equal, or whether it attempts to subordinate that policy partner. Suggested was that an equality is perhaps crucial to a true partnership and creativity. The same may be true of local government, which is often termed a "lesser" government. It may be important to a rural "economic initiative" partnership, as well as to the proper relationship of a rural local government with the state, that the policymaker determine whether rural local government belongs to a rural public, or is simply a step-child of the state for the state's convenience, and whether in any partnership the policymaker (and the state) views such a relationship as one of equals, or of a subordinate relationship. The

relationship, and <u>be suggestive of a subordinate role of the state.</u>

BENCHMARKS IN ALASKA RURAL POLICY

Alaska rural policy has its origins in the Territorial period in Territorial legislation, in federal legislation, and in the organic legislation of the federal government that granted powers to Alaska level governments of the period. The basis for the expanding policy role of Alaska government in that time was linked to: 1) the ability of the Territory to carry out functions, and 2) its desire, or lack of desire, to responsibly tax itself to carry out policy functions and services.

Limit on Territorial Powers

In granting powers to Alaska in various pieces of organic legislation dating even to pre-Territorial status, the Congress saw fit to limit the ability to finance through "bonding," which correspondingly limited the ability of the Territory to finance capital projects. Since most rural needs were "facility" oriented and expensive, that basic federal limitation considerably hamstrung Territorial government. Depending on the period, the Territories ability to "tax" was also limited.

As a result statehood and the ability to bond represented a crucial benchmark in the state being able to finance rural programs.

Congress reenforced the situation by granting the Alaska cities the right to bond for facilities. In reviewing the situation it is easy to conclude that Congress desired to keep the Territorial government weak.

Alaska Willingness to Tax

The ability of the Territory to tax was also in question at times, with such question being aimed mostly at the ability to tax the lucrative fishing industry. Alaska was willing to tax its "outside" owned industries, Congress under lobby by Seattle interests was reluctant, but it must also be acknowledged that when it came to taxation the Territory also showed a very "marked disinterest" in taxing its own citizens by any means.

Hence, while Alaska decried federal dominance it was reluctant to "pay-its-own-way." As a result Territorial government resembled something of a "pass-through" agency." With little money of its own, the Alaska government took in federal funds and other earmarked revenue, and passed those funds through to local government.

In the pre-statehood period it was local government that had the ability to bond themselves, tax themselves, and which were the primary recipient of Territorial federal funds. The weak Territorial government did not have unrestricted funds to spend in rural regions, and the lack of a local government infrastructure left the rural citizens out of the basic funding pattern. The pattern simply reenforced the "division" of the Alaskan urban/rural spheres, and the dominance of the federal government in the rural area. The lack of revenue, and the lack of a willingness of the Territory to raise its own from its own citizens, simply meant there was no "Territorial presense" in rural Alaska.

Perhaps the crucial benchmark paving the way for Alaska rural policy was the Territories decision to "tax itself" after a bloody 1948 election surrounding the issue. Territorial Gov. Ernest Gruening for a decade had advocated the need for a comprehensive schedule of Alaska taxes to finance government, and for a decade the Territorial Legislature steadfastly refused such a program. In exasperation Gruening in 1948 aggressively campaigned against the legislature, and suprisingly won a majority that enacted Alaska's first really comprehensive revenue base.

The decision to tax was an important decision in declaring an assertive self-responsibility, and while benefits were not oriented towards rural Alaska, the revenue availability would begin a long process of accepting more expensive rural responsibilities. Oddly, the tax benchmark was likely a crucial step in the final drive for statehood. The period 1948 - 1953 saw lawmakers begin to organize a very fractures government, saw a leveling of federal agency power, saw the Territory complete an organized compilation of its laws, saw the abolition of the Alaska Fund with a coordinated tax system, the creation of a Territorial Department of Fisheries (as an assertion of local management), and the creation of the Alaska Statehood Committee.

Territorial Influences on Alaska Structure

The Territorial experience was one of wrestling with a fractured Territorial government, with a variety of elected officials, a weak legislature, a federally appointed governor, and policy strings that disappeared into the maze of Washington D.C.

The Territorial experience had established the firm place of local government in the policy framework of Alaska political thinking. The new emphasis was not so much to create a "super-executive" structure, but to create a structure far removed from the cob-webs of the Territory, where the line of responsibility was clear and where there was clearly some "one" in charge.

Constitutional Benchmarks

The constituion Alaskans drafted in 1955 produced a number of rural benchmarks and framed a few ongoing policy dilemmas.

The constitution created generally a simple executive structure with the governor clearly responsible for all actions. While Alaska has its ongoing problems in making government function, the simple structure of the Alaska system in the long-run should be an advantage for rural needs, policy development, and coordination of multi-government effort. Many other state's administrative structure resembles a "committee" of executives.

The constitution declared responsibility for ALL its citizens, laying both the legal and policy foundation that native Alaska, and therefore rural Alaska, was the responsibility of the state.

The constitution recognized the unresolved nature of Alaska native land claims.

The constitution attempted to deal with the problem of local government by declaring that Alaska would be divided into governmental units called "boroughs" (State Constitution, Article X). The lack of local government still causes problems in state dealings with rural Alaska, but also, the fundemental problems that have precluded the normal creation and function of local government in such remote rural areas are also still with us.

Early Statehood Benchmarks

In the early period of statehood the state government was not without rural concerns. The state attempted entry into vocational education aimed at rural areas, and airports were a high priority. A Rural Development Agency was established in the Office of the Governor, which acted as the representative of the governor in assessing and resolving urgent rural problems, and which also administered a small grants program (now lodged in the Rural Assistance Division, Department of Community and Regional Affairs). However, in the first half of the 1960s state efforts were constrained by budget uncertainty as the state absorbed functions from the federal government and attempted to establish a revenue base. Under such circumstances the state budget was small, growing from $60-million to $154-million by 1965. Early bond issues totaled only $30-million (1960), $17-million (1962), and $13-million (1964).

The real rural issues began to surface in the mid-1960s as the state's financial ability grew and as confidence grew that the could pay for new effort in policy.

In 1965 the Legislature developed a concept of rural regional high schools, and presented a $5-million bond issue to the public. While the concept ultimately never came into existance, the public DID APPROVE THE BONDS. The action was an important legislative, and public, declaration that the state was ready to begin carrying out its rural education service responsibilities, and that the state, not the federal government has the responsibility for educating rural Alaskans (native Alaskans). Likewise, the issue recognized the severe problems of secondary education for rural citizens.

In 1966 Land Claims settlement became an issue for the first time in the public policy forum.

Additionally, in the 1966 elections issue surfaced as to whether the state should create a Department of Native Affairs to tackle rural Alaska problems. The issue produced considerable debate, contributed to public awareness of "things rural," but floundered in both the native and non-native community on the basis of not wishing to create another "little-Bureau of Indian Affairs," and on concerns that such an agency would create difficult racial question. The issue lead to the counter suggestion of creating a Department of Community and Rural Affairs.

On the Congressional level by 1964 Alaska representatives were beginning to press for an Alaska Housing Program for rural communities, and press for upgrade and transfer of BIA schools to the state.

The mid-1960s also saw the entry of the federally instigated war on poverty programs. The programs made contribution to developing "rural awareness" on the part of both policy maker and public, and likewise contributed to grass-roots awareness of problem solving on the rural level.

By 1966 native land claims had brought about the first phase of the land freeze, and the land claims problem was rapidly becoming the state's most serious issue.

By 1968 significant efforts were being made to bring electrical services to Alaska rural communities. The Alaska Village Electrical Co-operative (AVEC), organized to finance through the the federal Rural Electrification Agency (REA), also required a somewhat hasty organization of many Alaska rural communities into Alaska fourth class cities.

Throughout the majority of the 1960s two adjacent policy/issue streams were developing. Independent issue forces were developing such as land claims, as well as political forces such as the Alaska Federation of Natives, and other non-profit corporation agencies in the form of rural need advocates (AVEC, poverty non-profits, etc.). And, in the other stream,the improving revenue base of state government, more than $200-million by fiscal 1969, allowed a cautious state expansion into rural service needs. In perspective, the 1960s was a period when Alaska was unsure it could meet the basic obligations of statehood in terms of financing government, and as events of the decade provided "confidence," the state showed willingness to confront more costly rural service needs.

The discovery of oil and Prudhoe Bay in 1968 and the entry into a "surplus revenue" condition in 1969 with the receipt of the $900-million set the stage for facing more rural responsibility on the part of the state.

On one hand the rural areas suffered in the "funding process" because they were not part of local government systems, and therefore could not participate in the almost "automated" state transfer of funds to Alaska local governments that saw additional funding equally more than half of the $900-million shifted to urban areas in the next five years. On the other hand, the existance of excess funds meant that rural areas could push for additional education funds, transportation improvements, and other health service needs.

By 1971 the legislature had created the rural State Operated School System SOS, and while short-lived, the effort was aimed at providing rural Alaska a sembalance of autonomy, input, and substitute local government in the area of education.

In terms of funding for education, the stepped up appropriations in essence represented the first <u>significant state money</u> that the state had put into rural education. Prior to 1970 the state's receipts under federal PL-874 impact funding approximately equaled the state's rural school outlay for operations (Note: The federal government generously allowed the state to receive maximum impact funds even treating open-to-entry federal lands as maximum federal impact).

The state in the early 1970s enacted such legislation as a Village Safe Water Act (although little more than a declaration of responsibility for health needs), it addressed the needs for community roads, trails, and designed state municipal revenue sharing so small communities could obtain a share for the barest expressions of responsibilities such as fire, police, and etc.

Settlement of Land Claims in 1971 began a process of constructing a private corporate infrastructure throughout rural Alaska. However, there was unfortunately little state effort to recognize that structure in any institutional construction, or to take an interest in the survival and success of those unique creations on the part of the state.

The legislature did create in the early 1970s the Department of Community and Regional Affairs, which was designed to collect together rural and community functions of state govenment. The assumption existed that such a department would provide adequate "rural linkage." However, while the department has in many cases performed very capably, it was created as a line-agency (program agency), and as such too much was expected in regard to such an agency pursuing problems that exist outside the scope of defined programs or are multi-agency.

The legislature in the mid-1970s hammered out the Rural Education Attendance Area legislation (REAAs), disbanding the old SOS school system in favor or regional districts.

The REAAs represented a significant policy step in creating (education-service) local government, in allowing a genuine measure of regional autonomy and self-determination, in providing a funding formula taking the burden off rural lawmakers to have to fight for each individual school need. The REAAs also sought to follow native corporation boundaries, seeking to achieve a social and geographic compatibility.

THE PATTERN OF STATE SERVICES

The present pattern of state services being extended into rural Alaska are very BASIC AND TRADITIONAL SERVICE ORIENTED.

The entry into rural services follows the traditional American pattern of education, transportation, and health and social services.

On the rural community level this translated into the presence of teachers, school facilities, an airport, roads in trails, the availability of safe water, and to a lesser degree the presence of sewage disposal, electrical service, and adequate housing. Of these services teachers, school buildings, roads, trails, and airports can be funded either by formula or by state appropriation. However, water, sewage, and community electricity are utility in nature, implying some measure of local support and responsibility. Additionally, adequate housing implies some ability to support that housing.

It is in the area of utility services, housing, and personal income that state policy runs into the "void" that is at the bottom of rural issue. The issue is the lack of rural economy, the lack of ability to support services, housing, and family.

A review of state service responsibility in rural area reflects emphasis on blindly providing categorical services. It is the Department of Education's responsibility to facilitate education. It is the Department of Transportation's responsibility to provide roads and airports as directed by the legislature, it is the responsibility of the Department of Environmental Conservation to police safe water, it is the Department of Community and Rural Affairs responsibility to operate various assigned community assistance efforts. Each department has its functions and carries out that function. However, schools need electricity, water, and sewage, and homes and people need services, and the later need income for paying for such services and for purchasing other personal needs.

In the final analysis, no state agency is responsible for any kind of comprehensive addressing of the problems of rural economy.

The failure to address an Alaska rural economy is not a failure of program agencies and their specific authorities, but rather a failure of state policy to recognise that while services are urgently needed, they coumpound the problem of rural economics --the widening division of "cash available" and "cash needed" to pay for services.

The economic conditions of rural Alaska date to the 1940s, and while rural Alaska has always lacked services, it has not always lacked an economy. Pre-World War II rural Alaska had a variety of "cash" industries, depending on the rural region, that quite amply supported the rural life style of the period.

Such rural industries were fur, fish, gold, labor intensive transportation, woodcutting, and etc., all of which declined into disasterous conditions by the mid-1950s. External influences and changing technology eroded the rural economy. The price of gold was frozen in the early 1930s, spelling a slow death for Alaska mining, fur fashions changed and fur farming, synthetics, and fur imports snuffed out the fur industry, the bush plane eclipsed labor intensive transportation, and the convenience of oil killed off the woodcutting industry. In 1948 the Alaska Railroad altered its Yukon River steamboats from woodburners to oil, and overnight the woodyards and much economy disappeared from the Yukon Valley. Likewise the decline of major industry saw the decline of fishing for barter and cash.

A strong case can be made that for the past quarter century rural Alaska has been in severe depression and almost nobody noticed. This can be contrasted with the quick response and issue attached to the current problems of the state's urban economies. The difference is likely that a sophisticated infrastructure exists in the urban areas to demand that economic crisis be recognized and dealt with to the extent possible.

By and large it was not the role of the state service agencies to notice and deal with such a fundemental issue as rural economy, an issue obviously far exceeding the boundaries on the jurisdiction of any one, or for that fact, all such agencies.

The purpose of reviewing state services within the context of economic rural needs is that while such agencies must remain largely within their categorical responsibilites, these same agencies are very valuable front-line allies in an rural economic initiative. Regardless of however the state chooses to address the broad issues of rural economic plight, the facts also are that a fairly small number of state agencies have the rural organization and community level experience that must be brought into any such effort.

The following section will review state agency from the stand-point of both present rural involvement and the nature of that involvement.

RURAL EMPHASIS OF STATE AGENCIES

State government growth over two decades has produced a greater state presence in rural areas. Growth has produced a developing pattern of state agencies with a viable rural network of employees in the field.

Agencies with singificant rural presence divide into functions which by their nature must remain narrow, such as police functions, and agencies which have sigificant community development potential. The following chart reflects agencies with large numbers of employees "outside" Juneau, Fairbanks, and Anchorage.

STATE EMPLOYMENT BY DEPARTMENT AND LOCATION
(Timeframe 1977)

Agency	Juneau	Anchorage	Fairbanks	Other	Total
Governors Office	174	106	25	21	326
Administration	307	102	90	170	669
Law	59	69	29	17	174
Revenue	150	85	11	10	256
Education	260	92	6	77	435
* Health Soc. Serv.	411	741	188	461	1,801
Labor	406	201	84	77	768
Commerce/Econ Dev.	123	118	8	3	252
Military Affairs	11	104	4	32	151
** Natural Resources	38	171	51	144	504
** Fish and Game	202	230	79	364	875
** Public Safety	134	300	100	313	847
Environmental Cons.	78	10	16	15	119
* Community & Reg Affr.	99	39	7	14	159
* Trans & Pub Facil.	874	763	440	1,117	3,194
Legislature	122	50	13	18	203
Alaska Court System	37	245	81	120	483
TOTALS	3,485	3,526	1,232	2,973	11,216

* Agencies with large rural organizations and/or responsibilities.

** Agencies with specialzed rural functions.

Several other organizations outside of the state structure deserve mention. One is the University of Alaska, which has a growing rural network, and other other are the Rural Education Attendance Areas (REAAs). The latter are of interest not only because of their comprehensive local government coverage, but because their boards constitute publically elected representation.

The following review of state agencies will be reviewed in order of groups of agencies reflecting:

1) Agencies with either large numbers of rural employees in the field, significant rural responsibilities, or with both.

2) Agencies with large field organizations but with highly specialized responsibilities, and which therefore might not be appropriately called upon in some coordinative rural effort.

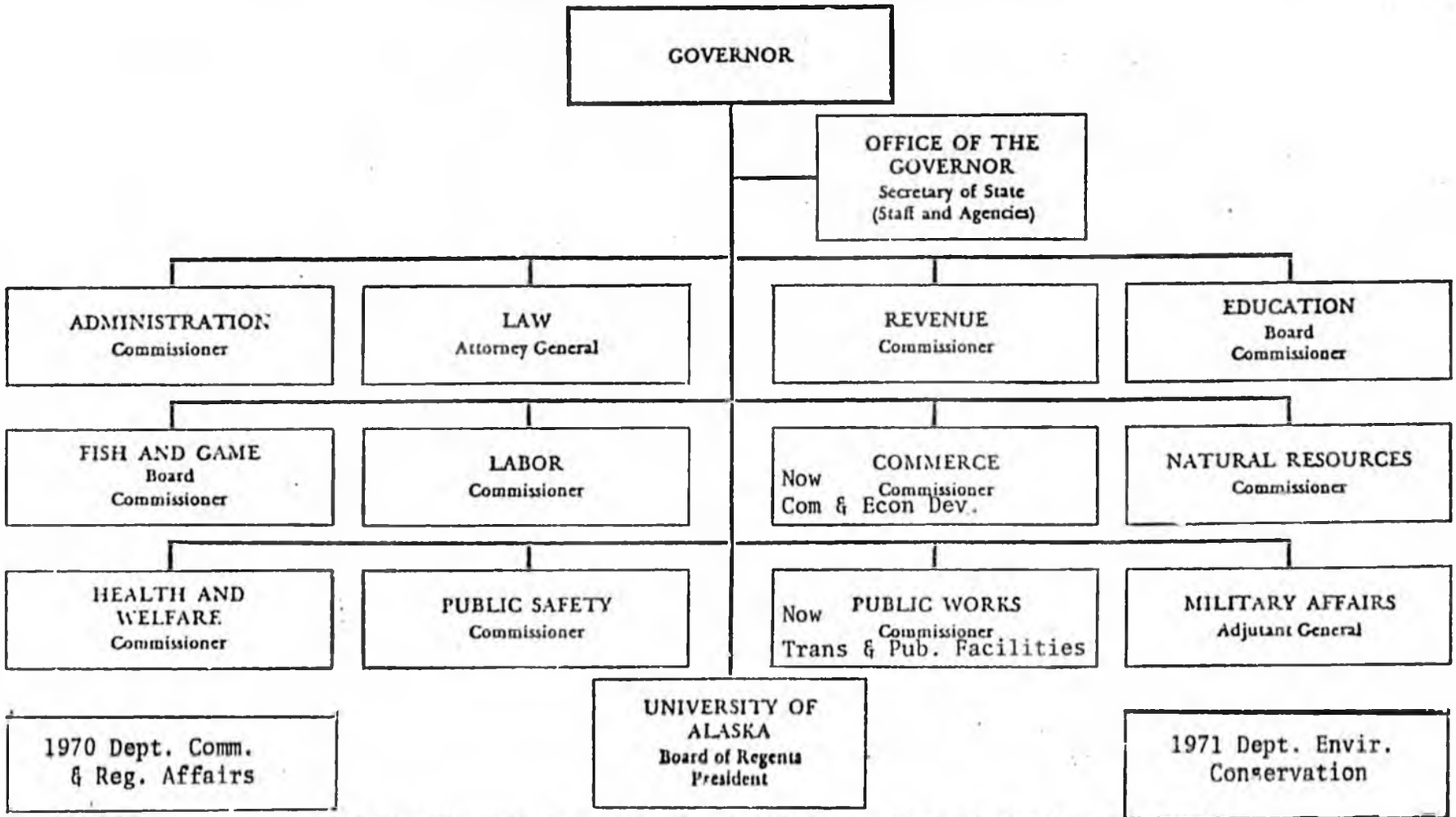
3) Agencies with small rural field staff operations, but which have a large policy impact on potential rural issues. Agencies with potential for rural involvement.

4) Agencies without significant rural field operations and with little definitive rural responsibility.

The following page provides a view of how the architects of Alaska government established state agencies in 1959 with twelve departments (the contitution limited departments to 21). The basic organization has altered little in two decades. Two new agencies have been added, another department was created and then merged with Commerce (Dept. Commerce & Economic Dev.), while the early day version of Public Works was split into thr Departments of Highways and Publig Works, and then remerged in 1977 into Transportation and Public Facilities.

Alaska 1959

ORGANIZATION OF THE EXECUTIVE BRANCH



Principal departments and agencies based on the State Constitution and the State Organization Act of 1959. Members of the Fish and Game and Education Boards and the Board of Regents appointed by Governor. Commissioners of Education and Fish and Game appointed by Governor from names submitted by Boards. Heads of all other principal departments directly appointed by Governor. All appointments subject to legislative confirmation. The administration of the University of Alaska is specifically established by the Constitution and is not under the same direct executive control as the principal departments included here.

GOVERNOR'S OFFICE

The Governor's office is both a kind of "super-agency" and a kind of "catch-all" agency, inheriting functions which either do not fit elsewhere or which have inherent conflicts in role (example: The Public Defender would be suspect if under the Department of Law and the state's chief prosecuter. There is also a tendency to place "advocacy" agencies in the Governor's Office, since their role of advocacy may clash with line-service roles and since their actions shape basic new policy.

Obviously many functions of the Governor's office have an impact on rural policy, but a few have a very important policy shaping role.

They are:

--POLICY DEVELOPMENT AND PLANNING
  --Coastal Zone Management Subagency

--OFFICE OF TELECOMMUNICATIONS

--GROWTH POLICY COUNCIL (Office Lt. Governor)

Other agencies of the Governor's Office have a very definite but special role in rural policy, such as the HUMAN RIGHTS COMMISSION and CRIMINAL JUSTICE PLANNING COMMISSION. The Office of International Fisheries and the state's trade office functions in Denmark and Tokyo could have an important rural relationship in regard to facilitating private economic initiative.

The Division of Policy Development and Planning can have a large impact on rural policy, and especially on rural private economic development. However, DPDP is an agency that must maintain a very broad planning perspective, and must carry out functions that must make it at times an "adversary," as opposed to an "advocate." An example may be the agencies difficult role in Coastal Zone Management, where it may have to oppose local demands (such as current differences over the North Slope Borough's proposed Coastal Zone Plan).

DPDP must also be broadbased and have continual involvement in all sorts of policy, including rural policy, and for that very reason DPDP may not be able to act as a genuine rural economic advocate.

Telecommunications is an agency in the Office of the Governor that has functioned as an "advocate" in terms of rural communications issues, and general Alaska communications issues in recent years. Telecommunicat- could have been assigned to DPDP, but it is doubtful if DPDP could have specialized and have acted as "advocate" as did the Office of Telecommunications.

OFFICE OF THE GOVERNOR

Significant policy and/or rural field impact

Potential rural impact

Specialized or limited rural impact

GOVERNOR AND STAFF

LT. GOVERNOR AND STAFF

BUDGET AND MANAGEMENT

POLICY DEVELOPMENT AND PLANNING

INTERNATIONAL FISHERIES

CRIMINAL JUSTICE PLANNING

HUMAN RIGHTS COMMISSION

GROWTH POLICY

PUBLIC OFFICES

ELECTIONS

VOLUN-TEER SERVICES

CZM OCS

TELE-COMMUN-ICATION

LIMITED ENTRY

PUBLIC DEFENDER

POLICE STANDARDS

ARTS COUNCIL

HISTOR-ICAL COMM.

DEPARTMENT COMMUNITY AND REGIONAL AFFAIRS

The Department of Community and Regional Affairs Department has the responsibility to meet the state's responsibility to render maximum assistance to government and the community and regional level. The Department is therefore not necessarily a department charged with "maximum" rural obligations. However, the department is perceived by many policy-makers as a Department with special rural obligations, and the department also perceives itself to a certain extent in that manner. The charge of the department places CRA in a position of assisting in rural areas where government is small, inadequate, lacks professional management, and in many respects acting as "subsitute" government where non exists at all.

The Department has five divisions:

(1) Administrative Services
(2) Manpower
(3) Community Planning
(4) Local Government Assistance
(5) Community and Rural Assistance

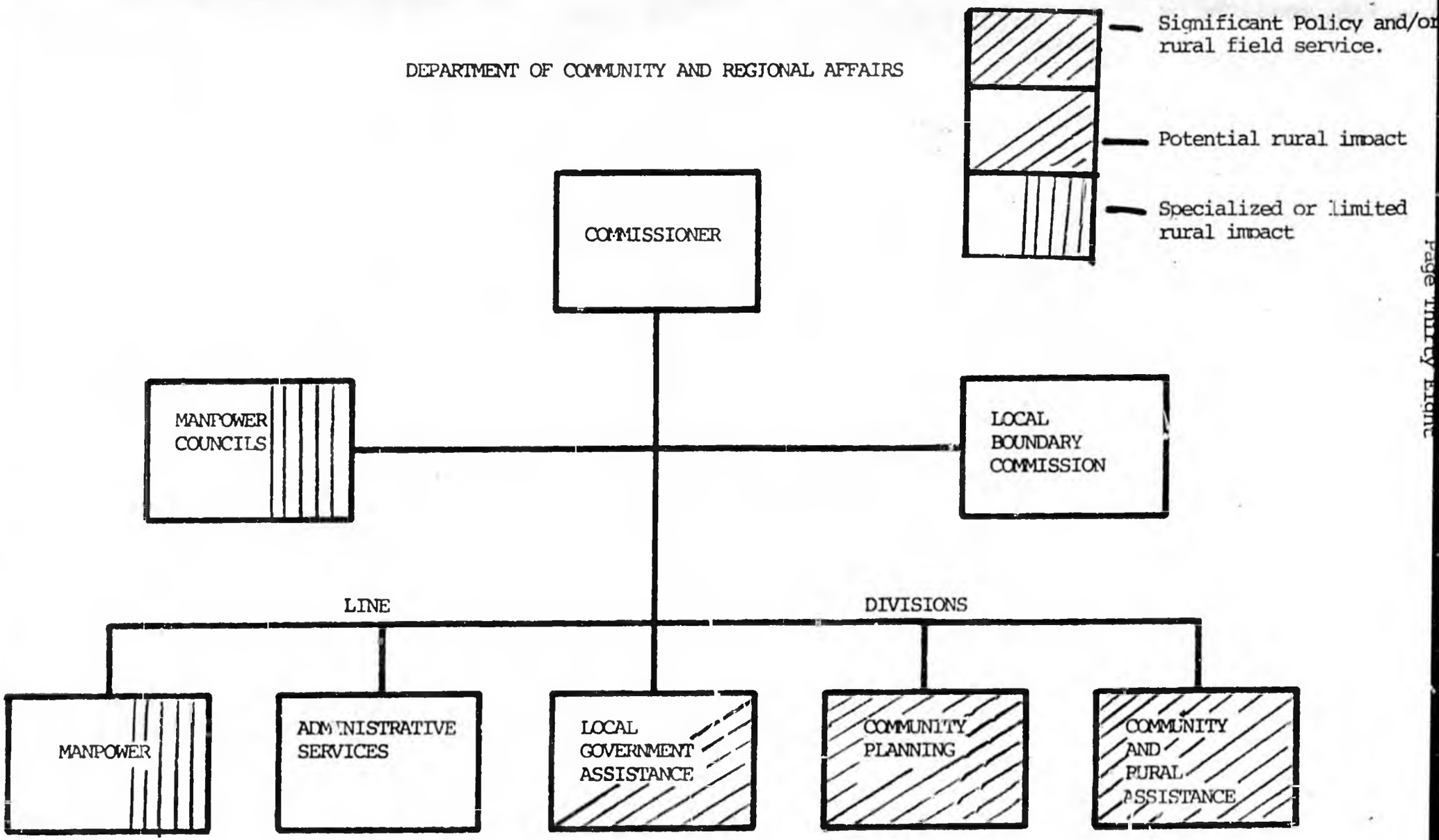
The Department also is the seat of policy groups or commissions such as: 1) THE STATE BOUNDARY COMMISSION, 2) MANPOWER COUNCILS, and more recently 3) THE PRIVATE INDUSTRIES COUNCIL (PIC).

The Department maintains offices in key rural centers, and operating programs such as the rural assistance grants projects, has a valuable rural outreach.

CRA now has an important rural presence and as rural Alaska wrestles with difficult local government problems, the department will have an even more important role. However, the future demands of local government in rural Alaska will tend to specialize CRA in the government area, creating new obligations that will tax its resources in maintaining its program service obligations.

The department is now presently small with primary rural responsibility placed in its community planning function, local government assistance function, and rural assistance and grants program. CRA will be an important partner in economic advocacy in rural Alaska, and it is likely in that process that whatever structure is designed as a rural economic advocate, will likewise be an advocate of maximizing CRAs program and service functions.

Community and Regional Affairs, although quite small compared with other departments, must be selected as one of the four to five departments with significant rural policy and field obligations. The Department has also the most "generalized" functions of those rural agencies (as compared with Transportation, or HSS) and therefore the Department may be a likely nominee for a lead-functionary among program-service agencies in bringing together coordination in the field on economic projects.



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DEPARTMENT OF TRANSPORTATION AND PUBLIC FAILITIES

The Department has the largest number of employees in state government. Many employees are either in planning and construction, or maintenace along transportation systems connecting major urban centers, but nevertheless, a sizable number of employees are represented in rural areas.

The Department has four major units:

1) Administration
2) Design and Construction
3) Maintenance and Operations
4) Facility Planning and Research
**Trabsportation Planning (Office of Commissioner)

The Department is very important to rural areas because of its planning and development of rural transportation systems, its planning and development of facilities, and its maintenance of such facilities. In both areas the department has critical possible SUPPORT and EXPERTISE to offer private development in rural areas.

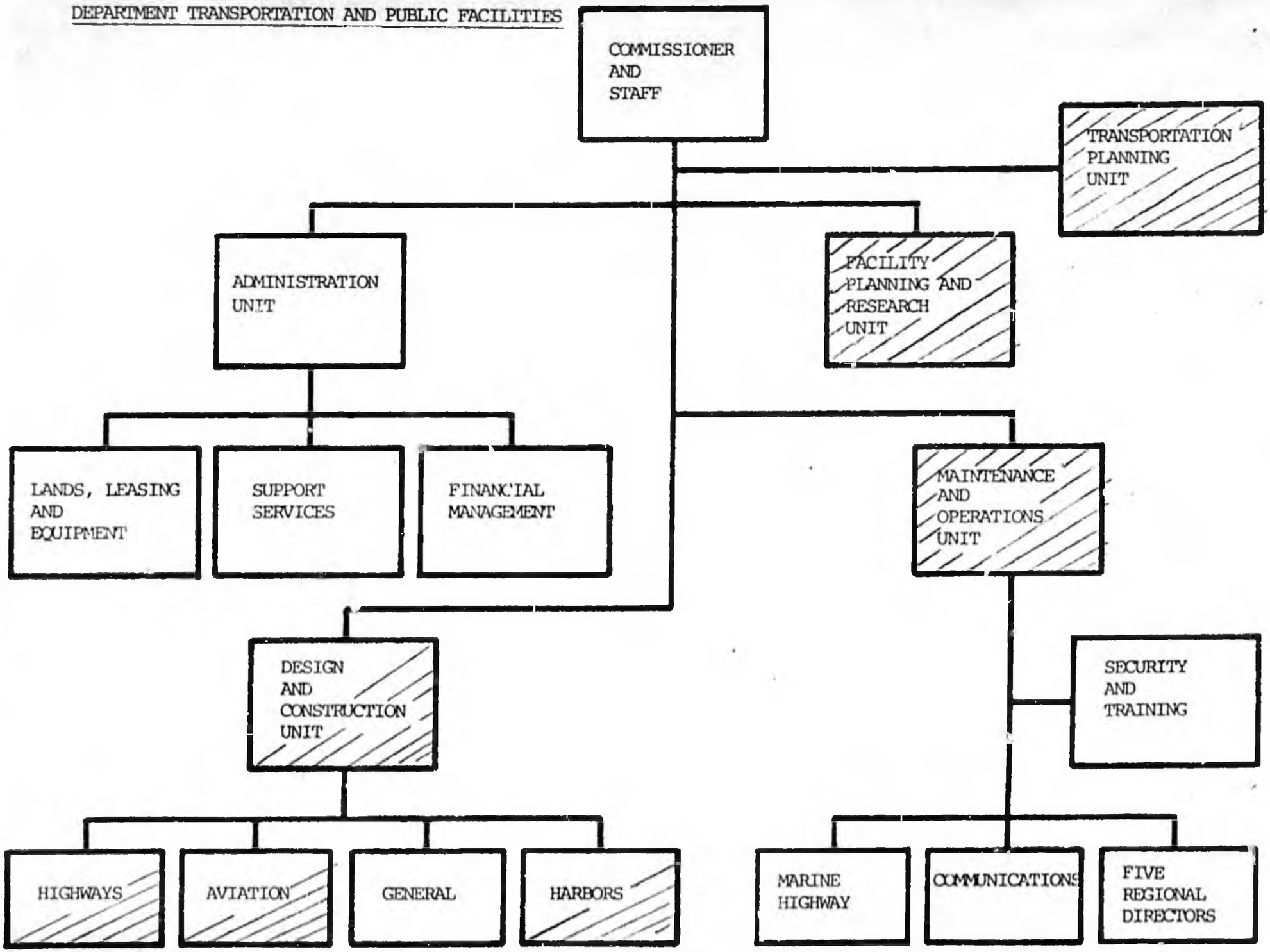
DOT important rural functions are:

1) TRANSPORTATION AND FACILITY PLANNING: Important in terms of possible coordination and support of rural development in the private area.

2) MAINTENANCE AND OPERATIONS: A valuable field staff with rural experience.

3) DESIGN AND CONSTRUCTION UNITS: Important in building to rural needs. A source of practical development experience for rural projects.

DEPARTMENT TRANSPORTATION AND PUBLIC FACILITIES



DEPARTMENT HEALTH AND SOCIAL SERVICES

The Department is the state's second largest department and is perhaps the largest in terms of employees functioning on the field level in rural areas of the state.

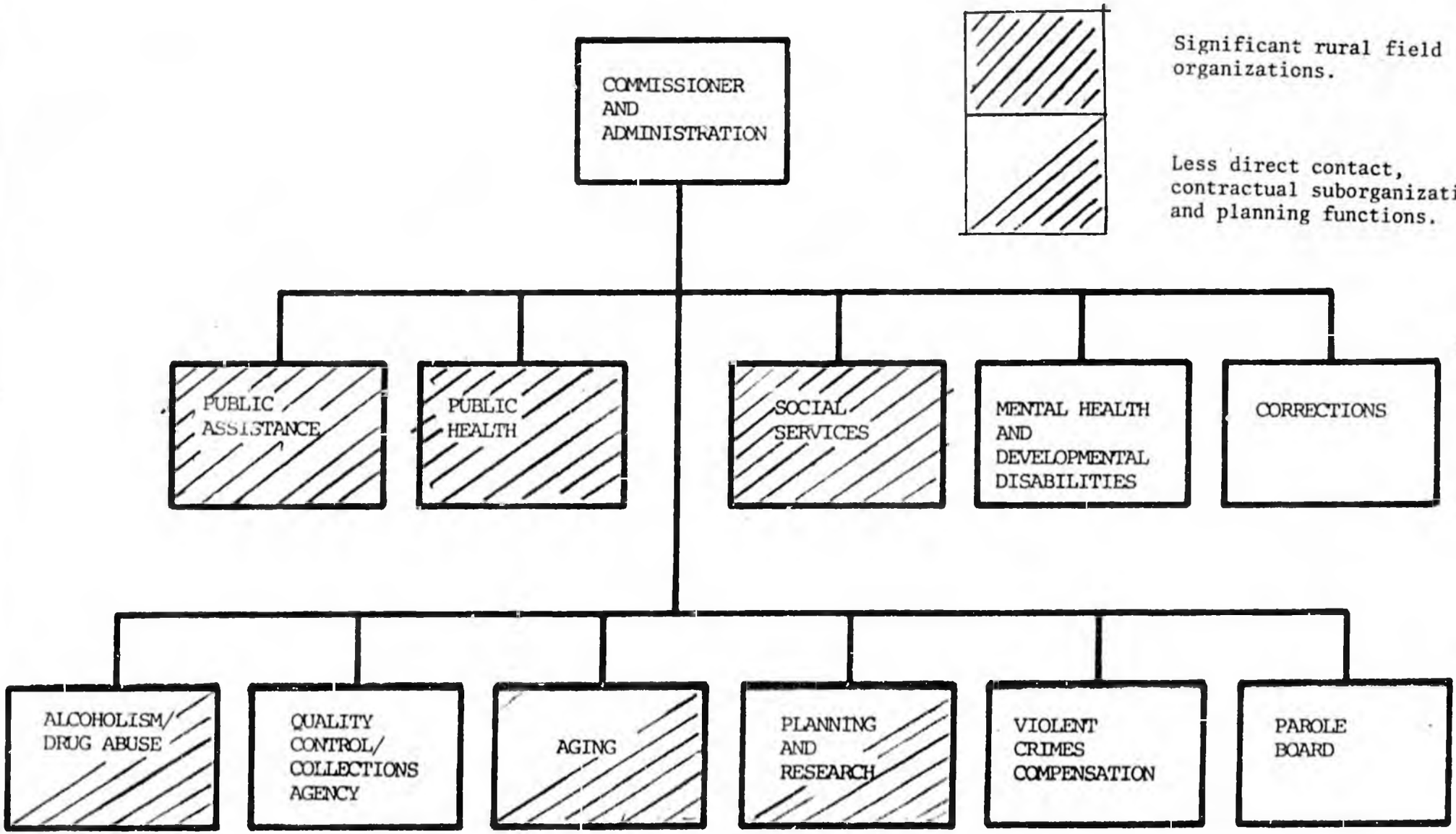
HESS has rather specialized program functions, but in any effort at developing a coordinated rural awareness and effort, the fact is that the department has the most strategically placed field staff. The contact of the staff with communities is also reasonably frequent and regular. The Department is also contact and program involvement with a great many rural Alaska non-profit corporations that deliver various kinds of contract services.

Ironically the department with this "largest rural presence" is the department that is charged with putting on the social and economic "band aids" in an almost futile attempt to patchup the results of decades of economi and social deterioration.

The key field divisions are: PUBLIC ASSISTANCE, PUBLIC HEALTH, SOCIAL SERVICES, and less directly ALCOHOLISM, AGING, and PLANNING AND RESEARCH.

Despite the seeming gap between HSS programs and the function of an economic initiative, it may be important that the department b· included among departments that would be partr · to economic initiative.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES



DEPARTMENT OF FISH AND GAME

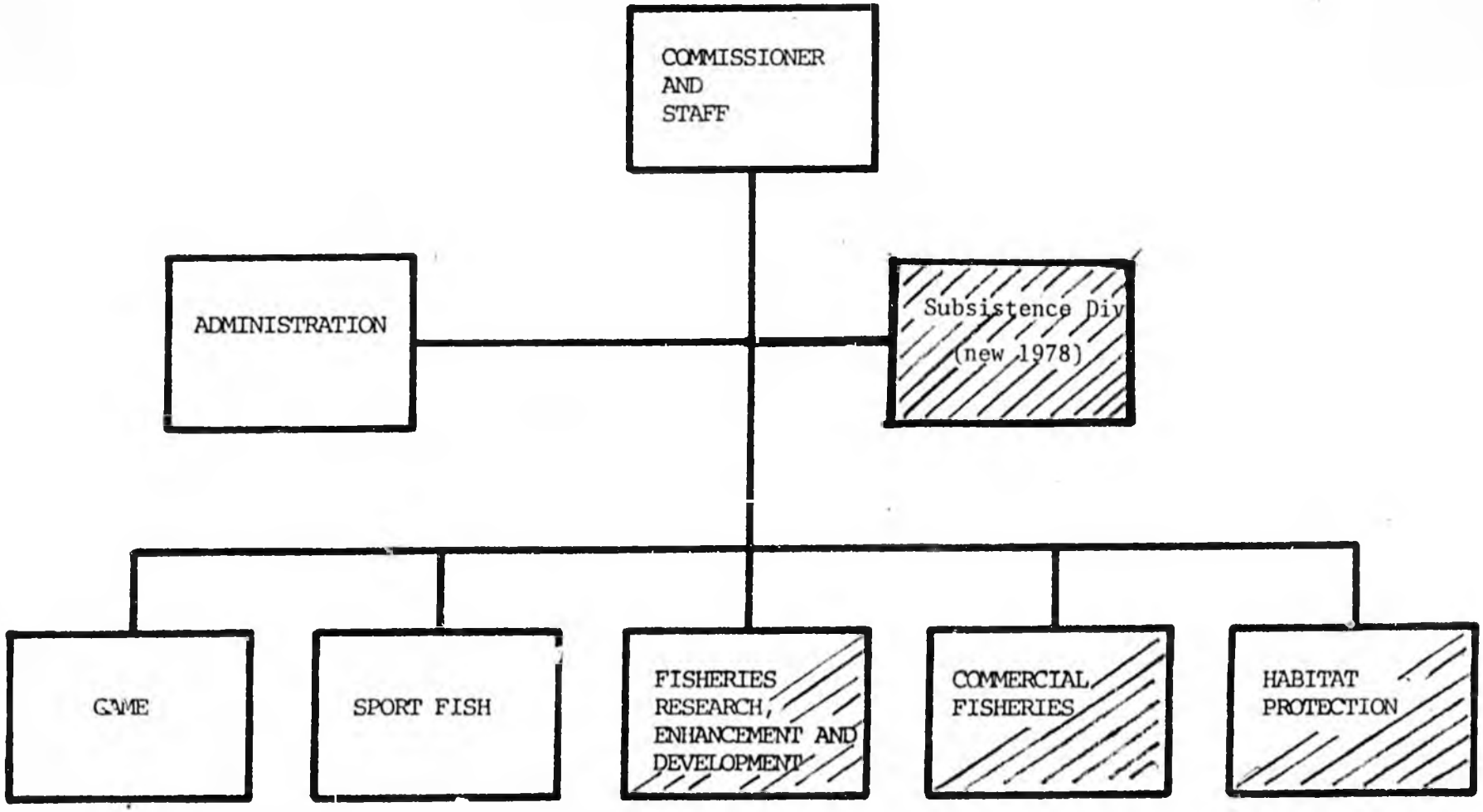
The Department of Fish and Game has a sizable rural staff, but one which has rather specialized functions in most cases. The Department has five principal divisions: GAME, SPORT FISH, COMMERCIAL FISHERIES, HABITAT PROTECTION, FISHERIES RESEARCH, ENHANCEMENT, AND DEVELOPMENT, and a sixth unit added in 1978 to deal with SUBSISTENCE.

Fisheries Research and enhancement, commercial fisheries, and habitat protection all can be involved in rural issues and problems. However, in terms of an expectation of "early" advocacy, the divisions may have a conflict in role, since they must police and question various proposals made against their primary spheres of interest. Such units cannot be expected to be policeman, evaluator, and advocate.

The subsistence division implemented in 1978 for the first time created a unit within the department that was broadly oriented towards a rural issue --use of the resource for subsistence. The broad charge of the division has also equipped it to function more in the role of advocate of rural needs than other departmental units.

It may be in a rural economic initiative that the Subsistence Divison might prove an effective coordinator between other units and external structures involved in rural development.

DEPARTMENT OF FISH AND GAME



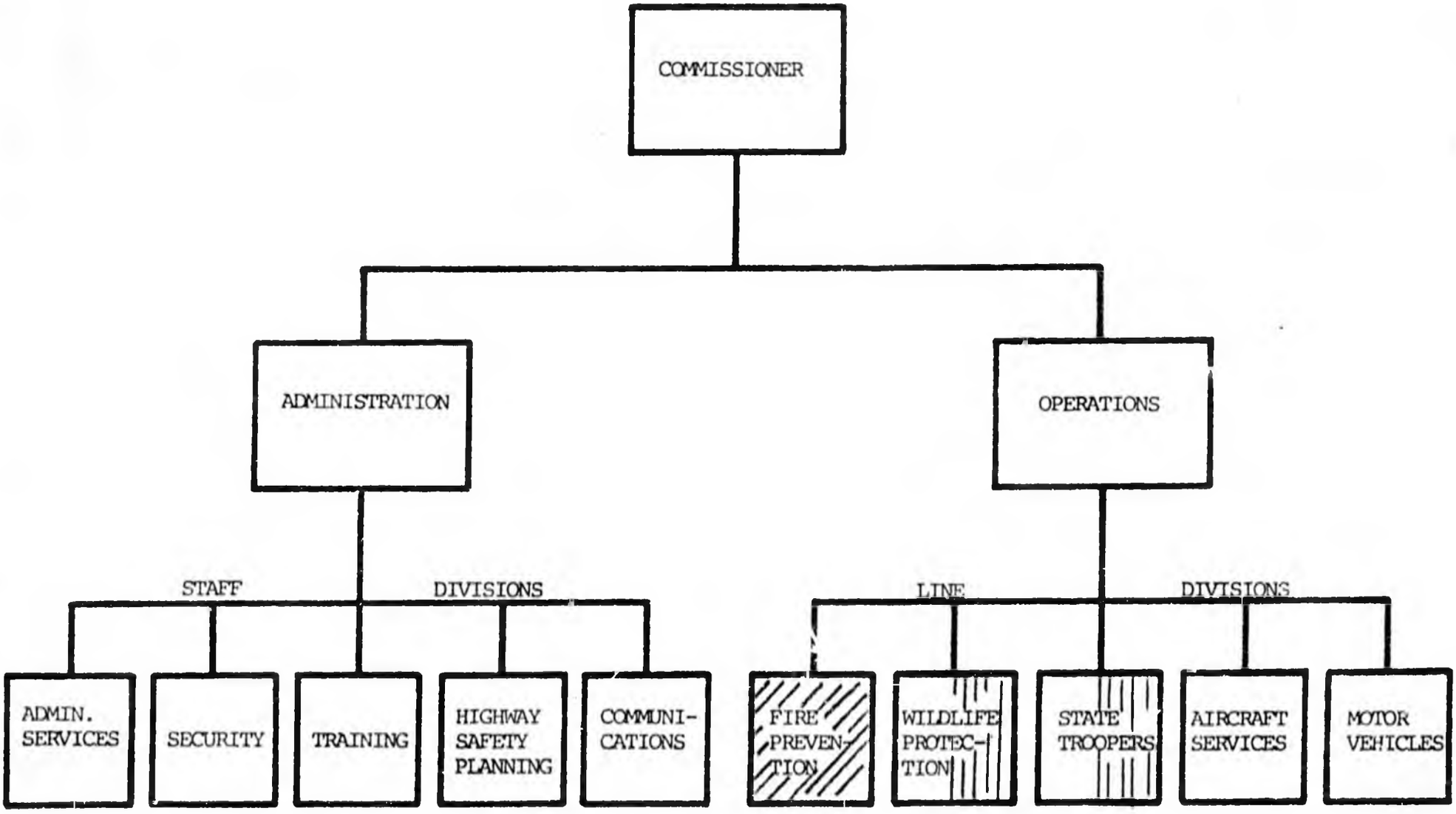
DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety is perhaps the most field oriented department in state government. The department is literally a field agency. However, while the department has an excellent rural spread of employees, and an excellent communications network, its specialized police function removes it from being a functional part of any rural coordinative unit. The role of the department is simply inherently different from development functions.

The department also operates the division of Wildlife Protection, and while this unit is extensively rural oriented, it has even a stronger conflict.

The division within Public Safety that could have significant rural impact, and become significant rural advocate in terms of community development and protection, is the DIVISION OF FIRE PREVENTION.

DEPARTMENT OF PUBLIC SAFETY



DEPARTMENT OF NATURAL RESOURCES

The Department has a small rural field operation, and that field operation is largely through the state's expanding development of park facilities. The Department is not a rural field "operative," but is and can be a significant department in terms of policy that can impact rural lifestyle and development.

The Department has primary say in disposition and/or management of a large portion of the state's surface and subsurface resource wealth.

Key divisions with rural policy impact in the department are:

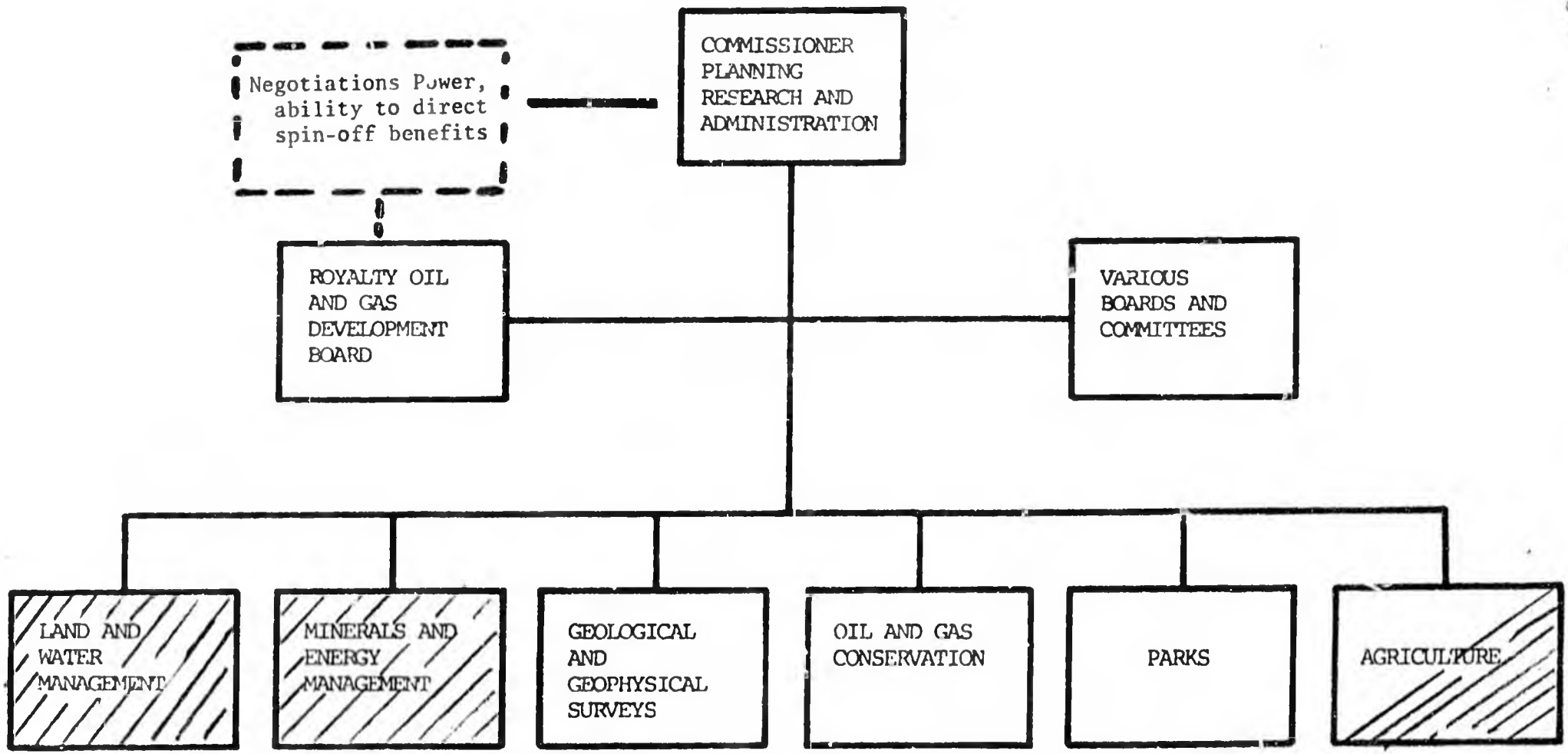
1) LAND AND WATER MANAGEMENT: Management and disposition of state land and water resources. This division can have a positive impact on cooperating with community projects, and/or cooperating with native land management and development.

2) MINERALS AND ENERGY MANAGEMENT: Manager of the state's oil disposition (together with Oil and Gas Conservation).

3) AGRICULTURE: Charged with Alaska agricultural policy, which will have an expanding place in the Alaska economy in the next quarter century.

The Department has tends to be the lead negotiator in major resource contracts of state leased resources (Alpetco, Gas Pipeline, as well as the specific resource lease). This role involves delicate decisions that concern spin-off, or soft benefits, and as a result the department could have a crucial place in determine whether "macro-scale" projects in some manner can be made to benefit or underwrite the "micro-economies" of small rural communities.

DEPARTMENT OF NATURAL RESOURCES

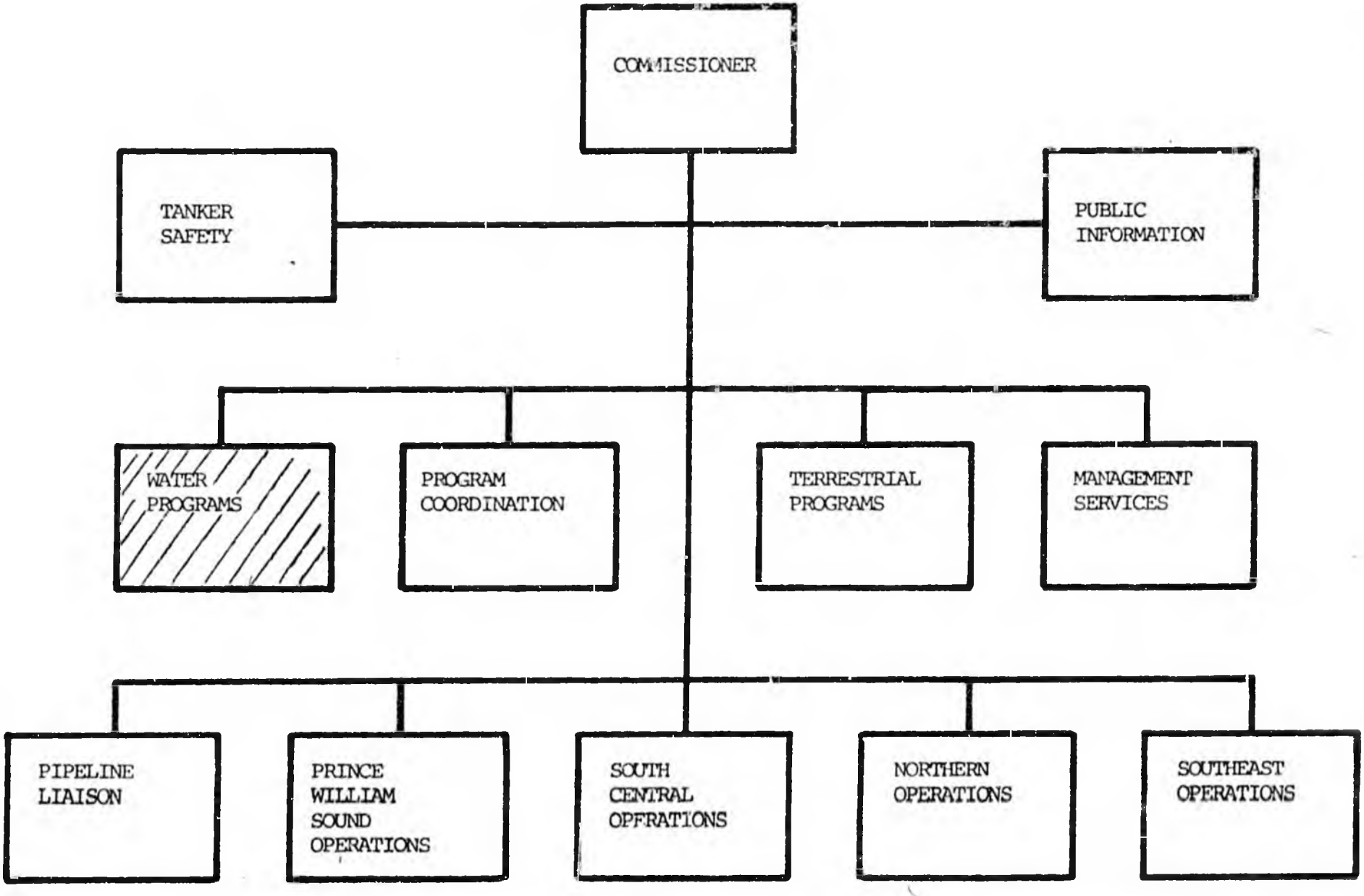


DEPARTMENT OF ENVIRONMENTAL CONSERVATION

The department is small and has responsibility for maintaining the state's environmental quality. As such DEC must be both the operator of several service programs and the state "advocate" of the environment. Such a role of advocacy would appear to prohibit to a certain extent its participation in rural economic development initiative. This is not to suggest DEC could not participate in coordination and attempts to speed consideration of a project. However, the DEC could not be expected to be THE ADVOCATE.

DEC does administrate the state's program of small community water and sewage development. Such programs are essential to rural community development, and could relate to private economic development. DEC must act as developer and policemen at times, and faces some conflicts in the sewer and water area. DEC must be the critic of systems at times to the extent that a technology is not realistic within the framework of a small rural community. The department can in such circumstances recommend the subsidy of systems, but this may reflect interdepartmental conflict since the agencies policemen role may lead to compacting its own future budget, and/or developing complicated utility projects that pull DEC into management to the extent of being perhaps undesirable and secondly the type of situation no bureaucracy will volunteer for.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION



DEPARTMENT OF EDUCATION

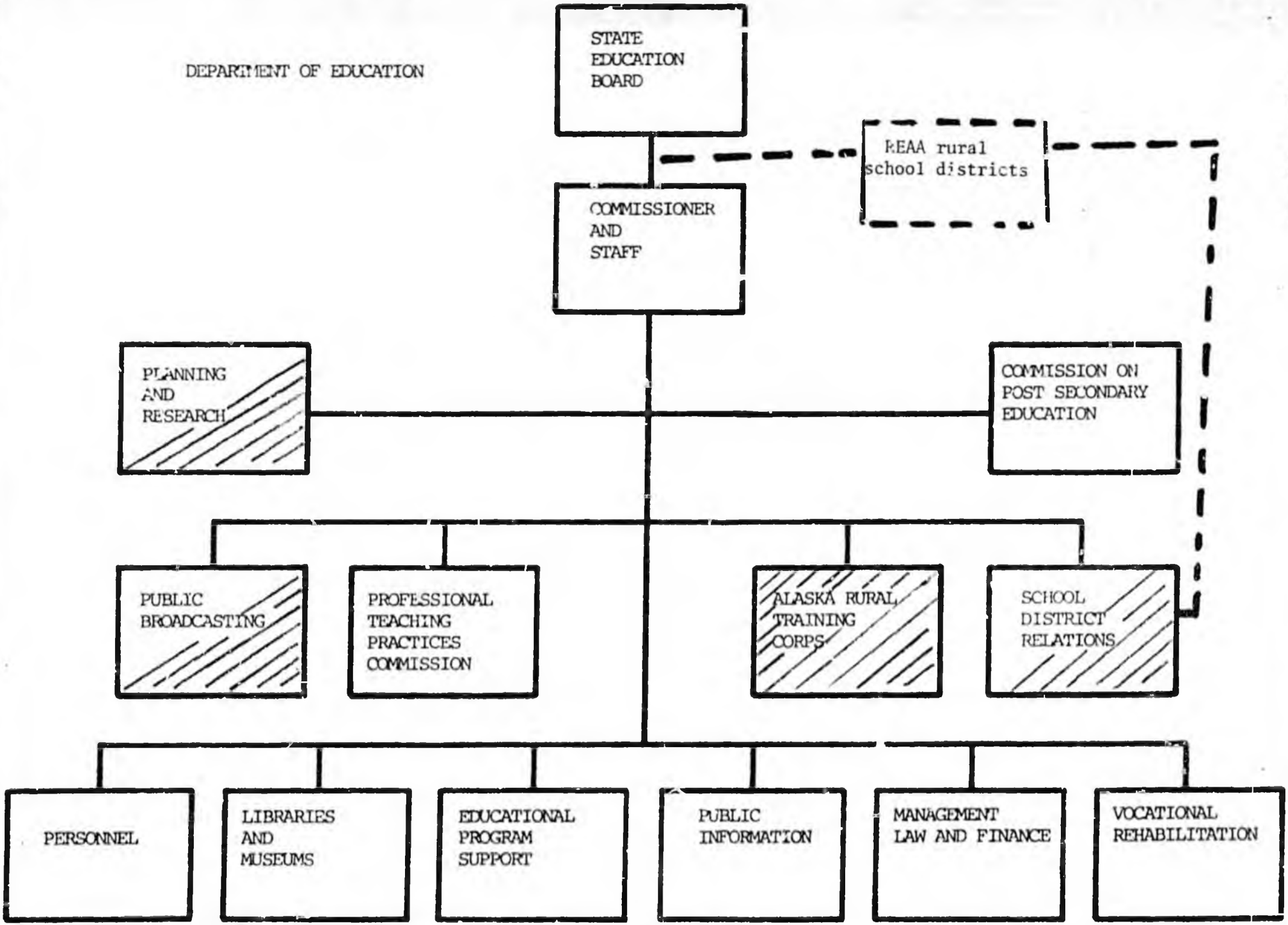
The Department of Education no longer has a direct rural field operation as it did up until the creation of rural independent school districts (although 100% state supported).

The REAAs could be treated as an offshoot of the department, but since they also represent a very significant element of region-wide locally elected government in rural Alaska, they are best treated as seperate entities.

The significant divisions of the department therefore are the ALASKA RURAL TEACHING TRAINING CORPS, SCHOOL DISTRICT RELATIONS, PLANNING AND RESEARCH, and the PUBLIC BROADCASTING COMMISSION.

The Public Boardcast Commission has significant rural impact, since that agency is in charge of expanding public roadio stations in the rural areas of the state. The stations provide a unique sense of community contact in rural Alaska and provide a vital communications link.

DEPARTMENT OF EDUCATION



DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

The department is a merger of the old Department of Economic Development and the Department of Commerce. The Development function has largely become the Division of Economic Enterprise, which carries out some research and keeps basic state economic data.

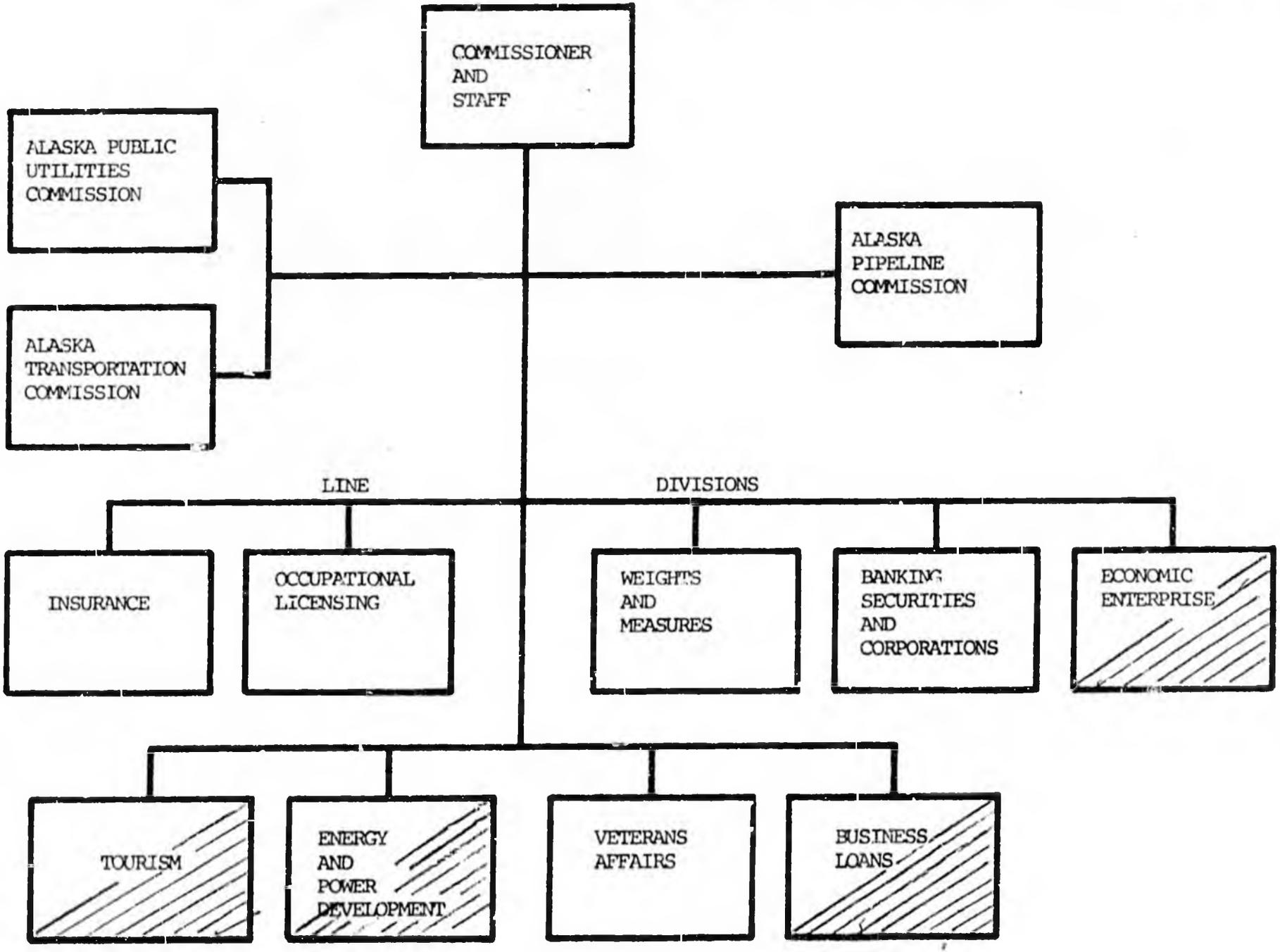
However, the department could take on substantial rural interests if the state becomes the department to which a variety of state loan programs are assigned under the current condition of excess revenue. The department already operates the state's business loan program.

The department could also take on various roles in terms of management assistance to development corporations, and could become "home" in the event rural conditions required an occassional "state corporation" to carry out certain functions.

Commerce to date has been something of a collection of state regulatory and licensing functions. However, in the future the role of the department may be well worth considering as a partner in carrying out a rural economic initiative.

Development related authorities, although more independent, tend to be attached to Commerce. Currently the Alaska Housing Authority, the Alaska Housing Finance Corporation, Alaska State Development Authority, and the Alaska Power Authority, all of rural development significance, are attached to the agency.

COMMERCE AND ECONOMIC DEVELOPMENT



OTHER STATE DEPARTMENTS

The other state departments do not carry out what might be termed either rural field operations or definitive rural policy.

The remaining departments are the departments of:

--REVENUE

--LABOR

--ADMINISTRATION

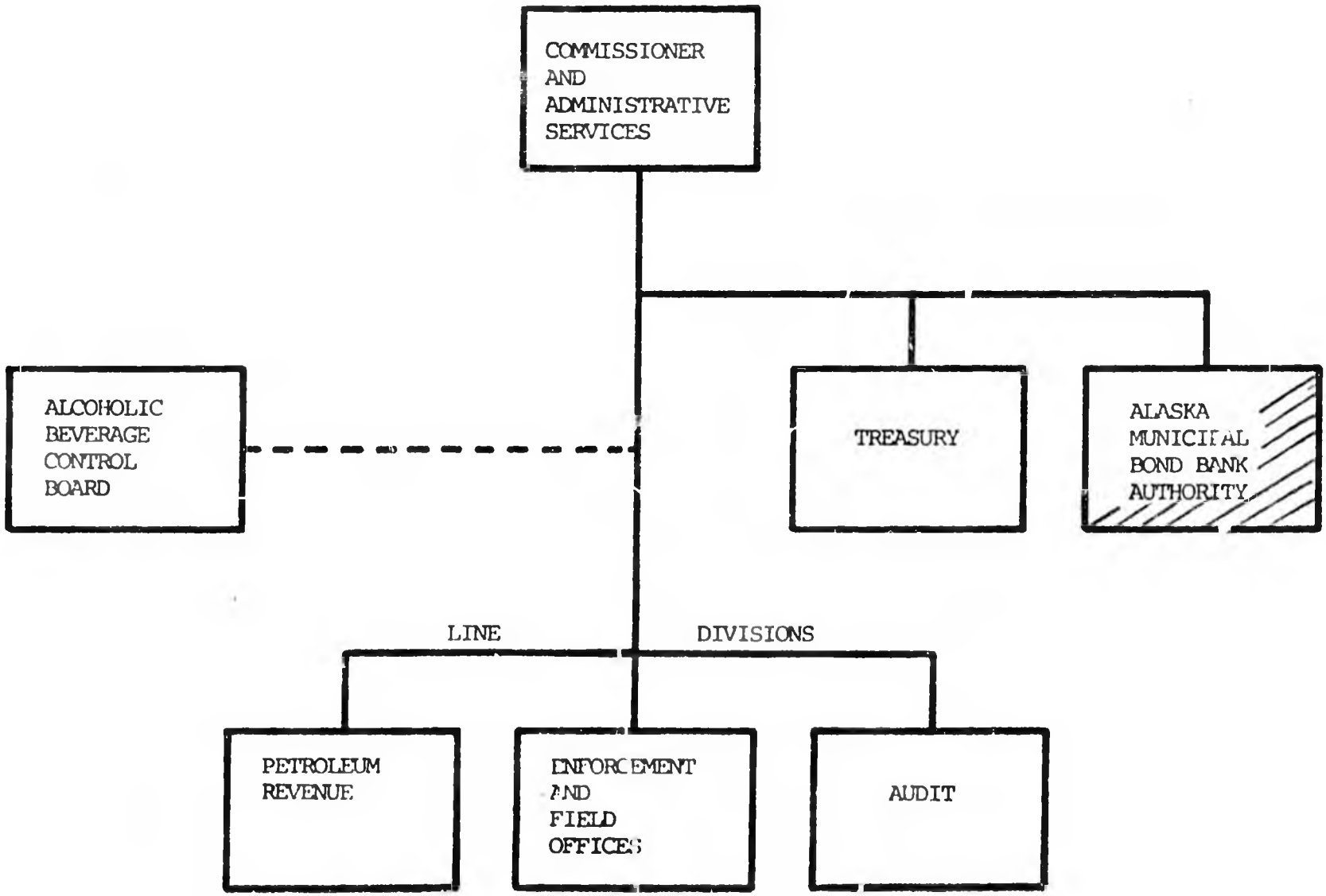
--LAW

--MILITARY AFFAIRS

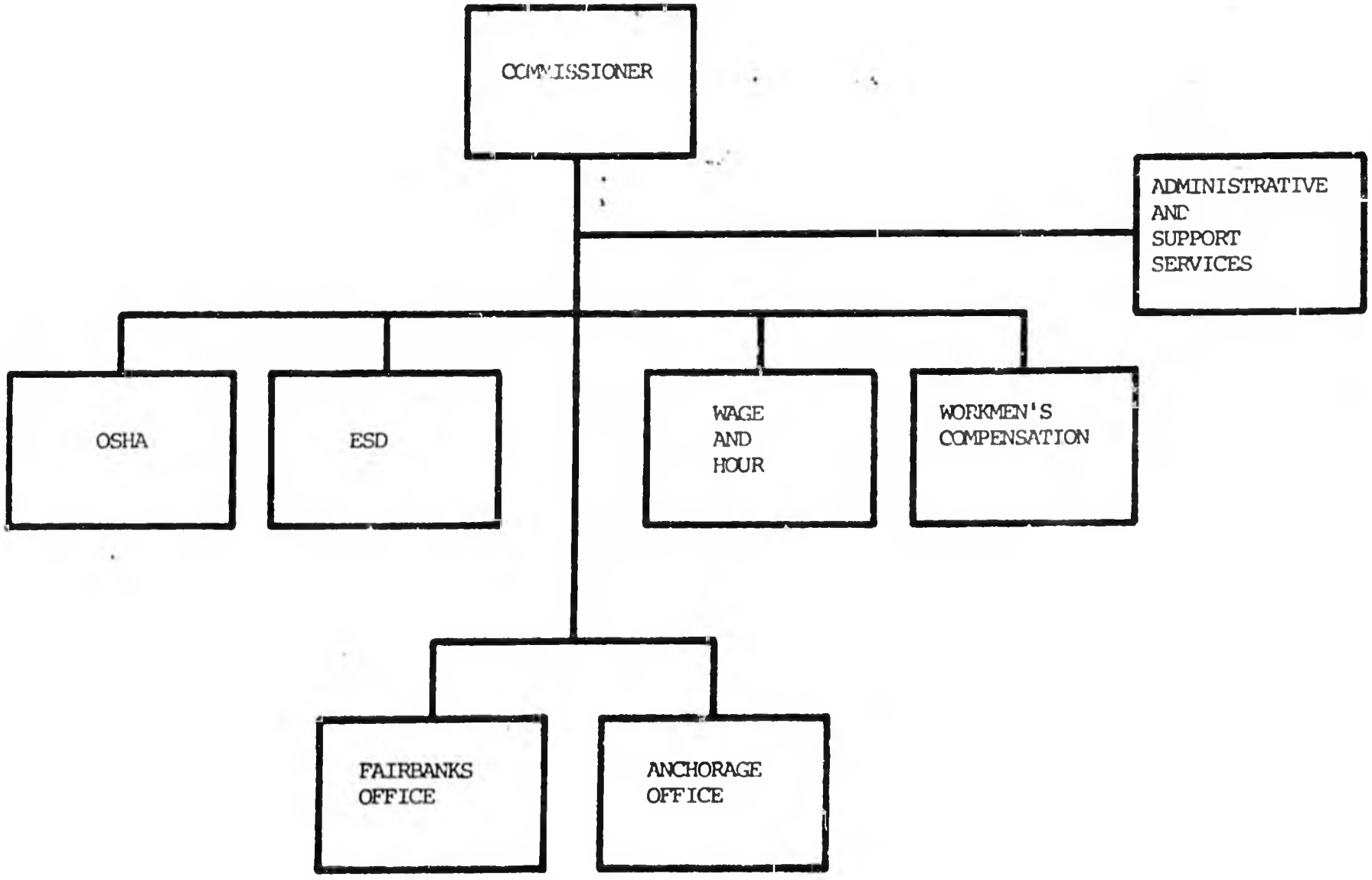
Each department has some rural functions, and several could at some point take on significance. For example, the functions discussed in relation to the Department of Commerce (loan funds etc.) might end up in revenue under new policy. Military Affairs includes the rural Alaska National Guard, and an active Department of Labor could have rural impact via innovative affirmative action programs.

It should be noted that one of the state's first corporate structures for handling a margin of excess revenues for investment, The Alaska Renewable Resources Corporation, was attached to the Department of Revenue (although independent in authority).

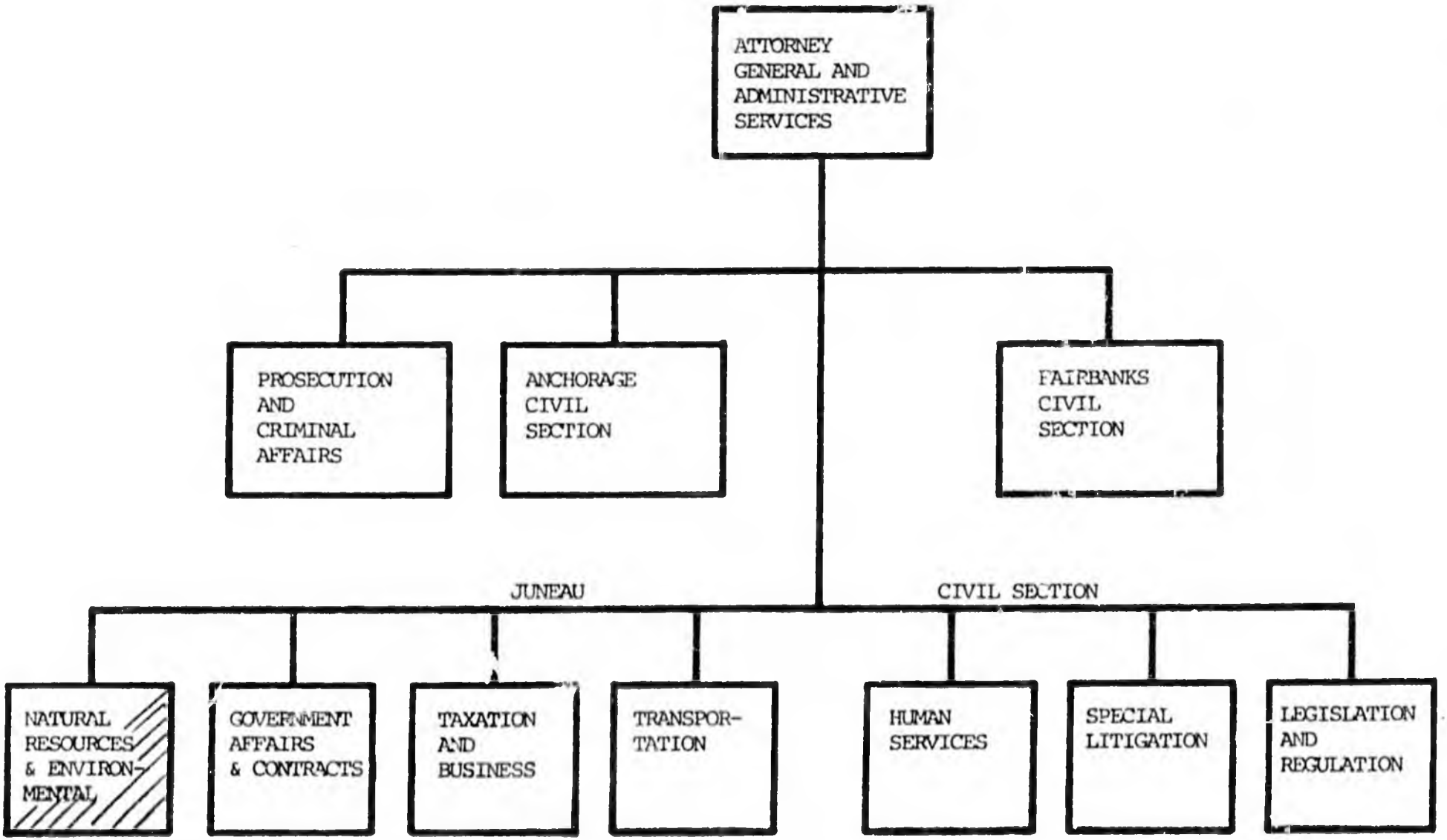
DEPARTMENT OF REVENUE



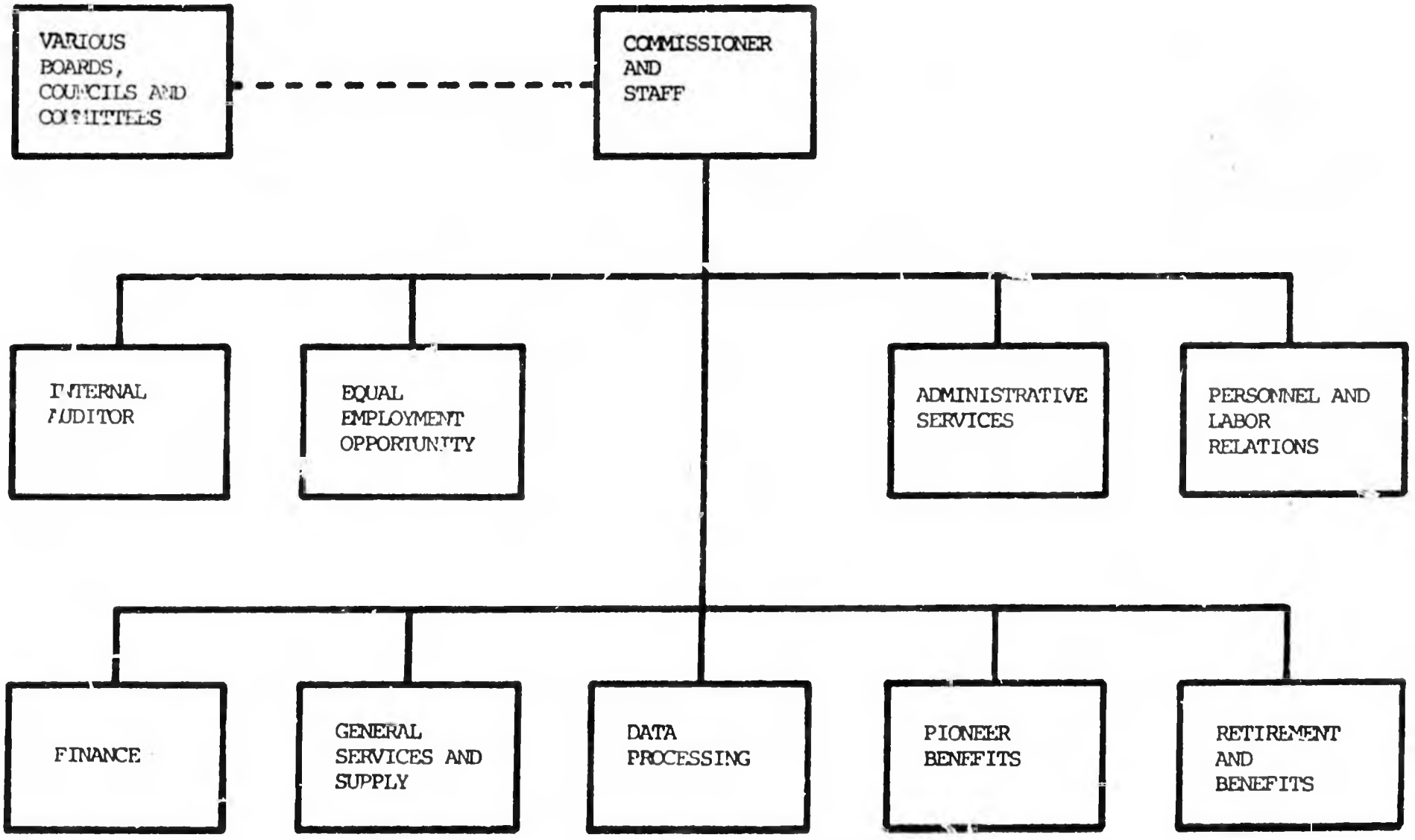
DEPARTMENT OF LABOR



DEPARTMENT OF LAW



DEPARTMENT OF ADMINISTRATION



OTHER SIGNIFICANT QUASI-STATE STRUCTURES

Two other organizations with significant rural organizations and/or impact which must be considered are:

--THE RURAL EDUCATION ATTENDANCE AREAS (REAAs)

--THE UNIVERSITY OF ALASKA (and Cooperative Extension Service)

The REAAs are significant in that they provide a framework of universal local government in rural Alaska where there previously was no such framework. The function of the REAA is education, but regardless, it represents a source of input, decision making, and even possible administration from "duly elected" representatives of the public.

This paper does not suggest requiring REAAs to necessarily function beyond the educational function. However, in the past leadership and input in rural Alaska often came from non-elected leaders since there were no comprehen other governments. The REAA structure now DOES PROVIDE for a source of input from "elected leaders."

Additionally, on a voluntary basis the REAAs could function as an administrative organization carrying out an assigned function, contract, or providing the framework for administration of some function on to a smaller and less able rural community. In any event, the REAAs provide a basis for rural regionalization, and a basis for a possible relationship to a rural economic initiative.

The University of Alaska has also grown into a statewide institution stretching from Ketchikan to Kotzebue, and functioning in rural areas through the Cooperative Extension Service attached to the university structure. The university in Alaska is also charged with post-secondary education delivery far beyond the "classic university." The university structure could prove valuable in training, management assistance, in technical assistance to communities, and in many other respects.

THE PRIMARY RURAL "FIELD AND POLICY" DEPARTMENTS

This review of state function and organization reflects certain key agencies which have useful rural field organizations. Those agencies therefore "stand-out" for selection in the sense the state's rural service organizations must be coordinated in relation to a rural economic initiative.

Agencies with primary field organizations are:

1) DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

2) DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

3) DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Agencies with primary policy impact:

4) DIVISION OF POLICY AND PLANNING (Office Governor)

PRIMARY RURAL AND FIELD POLICY DEPARTMENTS (Continued)

Agencies with secondary policy impact:

5) DEPARTMENT OF NATURAL RESOURCES

6) DEPARTMENT ENVIRONMENTAL CONSERVATION

Agencies with special rural relationship:

7) UNIVERSITY EXTENSION SERVICE

8) RURAL EDUCATION ATTENDANCE AREAS (REAAs)

STATE ADMINISTRATION TASK FORCE

The primary state agencies listed above are essentially a "de facto" rural problem task force and rural projects coordinating group (minus University Extension Service and REAAs)

Their role is a "de facto" one that exists whether formalized or not. The inherent responsibilities of the departments mean they can either function on a less formal basis, even to the extent of coordination via destructive "turf battles," or their existance and functional relationship can be recognized in any degree from simple "mutual recognition" and agreement to appointment to some highly institutionalized structure. It is likely in most instances that policy issues or projects will affect only a limited number of the above agencies.

THE ROLE OF STATE "RURAL DEPARTMENTS"

The previously discribed "rural" oriented departments can be marshalled to provide efficient new state service programs in rural Alaska. The structure of state government is simple enough in Alaska, and the structure of the departments in question is simple enough, to achieve coordination and cooperation. However, what is meant here is relatively "established" concepts of state services.

Next, as local government is created in rural Alaska, these respective departments likely can achieve a relative successful measure or cooperation in aiding that government, and in providing a measure of "substitution" where the local government framework is inadequate. It should be remembered that the difficult natural basis for local government in rural Alaska, may make the latter (substitution) the probable route for some years to come.

Last, we should recognize that the departments are primarily "service" departments with a broad range of responsibilities. Hence, their role as a rural advocate, or moreso, as a rural development advocate, may pose many conflicts. It is therefore likely that a structure designed for economic advocacy in rural Alaska must exist outside the departmental structure. Some seperate structure must be present to act as a rural advocate, leaving the departments free to cooperate and at times to oppose projects and proposals. However, the advocate must be present to push concepts into the policy forum.

Additionally, rural problems exist because their are a special set of problems, hence a special advocate. Hence, a rural structure is needed to isolate attention to those rural problems, but by nature that institution should be temporary and likely close to the seat of political policy.

Lastly, a rural advocate charged with the problems of developing a "private" rural economy, faces a sphere outside the usual provinces of government. Crossing into that opposite sphere is difficult, is likely beyond the capacity of routine departments with a myriad of other problems and demands, and will require a continued support and awareness of the makers of political policy.

Hence, a structure charged with rural economic advocacy will have to function seperate from the service departments, will likely have to remain free of "service" attachments of its own, will have to stand "between" govenment and the private sector, and will have to draw on a sustained executive/legislative political support (rather than a bureaucratic support).

The advocacy of rural development on occassion will be able to deal in "marco-size development," in attempts to tailor large projects to support rural needs. But by-and-large the structure will have to face the task of "micro" development, of thinking small for small communities, in terms of a half dozen jobs instead of a thousand jobs.

A STATE "ADVOCACY STRUCTURE:"

--FOR ALASKA RURAL ECONOMIC DEVELOPMENT

January, 1980

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This report suggests several alternative policy structures for guiding a special process of encouraging private economic development in rural Alaska, and for giving that process a "sustainable" emphasis over an extended period of time.

The suggested structures ARE NOT solutions in themselves, but merely represent functional vehicles that can help develop and sustain effort to create a private economic base in rural Alaska.

The proposals inherent in this report are based on the serious conditions of the economy of much of rural Alaska. Additionally, they make a case as to why the "present" might provide special conditions, resources, and a timeliness in attacking such difficult conditions.

PURPOSE IN THE BROADEST SENSE

In the broadest sense, the purpose of a special structure is ma shall, coordinate, and sustain existing and potential federa and private resources capable of contributing to growth of a omic base for the rural communities and regions of the sta

Further, the structure should provide a single focal point for involving rural Alaska people in the process. Such a structure would be a first attempt at building a state-relationship with Alaska rural development's mosy unique partner --the native land claims corporations.

The private land, capital, and social base of the rural village corporation represents a grassroots structural resource in itself. The availability of such a field level structure in a depressed region is a most favorable circumstance of infrastructure in such general conditions of third-world economic void. However, the state has essentially ignored the existance of the corporations and any inherent state interest in their success or failure.

Any structure must also address "community development" issues basic to a private economic base. However, care must be taken that community development does not dominate the structure, or tend to divert energy from more difficult to resolve economic tasks.

The most important purpose of a special structure must be a strong "missionery dedication" to creation of private economy in rural regions.

THE SPECIAL "PRIVATE" CHARACTER

Two basic features of the mission of rural development in Alaska appear to justify a special structure og government, whether that structure is temporary or permanent.

First, the charge to generate a "private economic base" is not a familiar role of government. Second, responsibilities of such a policy effort tend to overlap the established categories of government programs.

THE NEED FOR SPECIAL EMPHASIS

Special emphasis to a problem outside the bounds of traditional government services is difficult to achieve for line-agencies. A mission may be so critical, and so varied, that indeed it MUST OPERATE BEYOND THE BOUNDARIES OF TRADITIONAL SERVICE AGENCIES. But architects of such things "beyond" the bounds of those service agencies, often fashioned as so-called "coordinators," must concede that more often than not, such creations become quickly isolated and powerless to carry out their tasks within government.

A purported "special structure" cannot hope to invade the "turf" of entrenched agencies, unless first the legislature is thoroughly convinced of the depth of the target problem, and secondly unless the state executive is equally convinced.

In order to avoid the inevitable muted-isolation of such a special structure, the construction of the unit must build-in strong political backing and involvement. Such backing is essential precisely because such a structure is being asked to INTERFERE WITH THE ESTABLISHED ROUTINES OF OLD LINE AGENCIES, or is being asked to "reach" where they cannot reach.

Confronted by an "outside structure" charged with coordination, or the like, an established line-agency will generally take the easiest path. Generally that easiest path is to resist outside interference. Only if there is a very strong commitment in high level policy ranks, or after an agency gets its fingers slapped, will traditional agencies opt to "cooperate," since that then becomes their "easiest path." In other words, in constructing a special structure policymakers must analyze how to give a separate structure special "clout."

A special structure, in commission or agency form, and whether permanent or temporary, cannot be justified unless lawmakers are convinced of the following:

(1) . . . that the economic problem in rural Alaska is catastrophic in scope, or lacking that extreme;

(2) . . . that the mission does not fit traditional program agencies, or spreads beyond the bounds of a number of agencies;

(3) . . . that the problems require a special emphasis, or perhaps are problems easy to slide off for "future action," therefore tending to submerge the mission under the day-to-day crisis of a department.

(4) . . . that the problems are so serious and complex that a line agency lacks the "clout" to deal with the issue, or to initiate action and propose solution without special political backing.

(5) . . . that the mission is genuinely not to "run program," but rather to coordinate and provide muscle for other existing state programs and resources, and to provide the same between government and other institutions (federal, state, local government, non-profit, private).

Additionally, inherent in many of the foregoing criteria is that a special rural development structure should be cast in the role of "advocate." The role of advocate could pose inherent conflicts within some departments, and in the case of a planning agency may compromise that agency by presupposing the outcome of careful planning work. The role of the planning agency may require a very close partnership with the advocate agency, but the planning agency may be something of an alter-ego partner, being required to occassionaly criticize and oppose the more active advocacy of its alter-ego partner.

THE MEASURE OF THE ALASKA "RURAL ISSUE"

The measure of the problem of "rural economy" in Alaska measures very high against most of the previous criteria. Individuals may differ in assessment of degree of the problem, or in the nature of solution, but few are likely to disagree that the condition of the state's rural community economy is indeed catastrophic and has been for more than three decades.

From another view, economic events of the past several decades in Alaska have wrought tremendous growth and changes in urban Alaska. But the economic gap, as well as the sense of alienation between urban and rural Alaska, has widened. This division also tends to follow unfortunate racial lines among Alaskans.

The economic contrasts of rural and urban Alaska presents a picture of prosperous urban islands floating in a sea of rural economic depression.

Whatever the cause or whomever, if anyone, is to blame, the economic condition of much of rural Alaska is undisputably a human tragedy and an embarassment to our democratic economic systems.

SPECIAL OPPORTUNITIES OF THE PRESENT

It is difficult for our system of government to reach into the private economic sector and participate in constructing economic equity. The independence and separate dynamics of our government systems and our private economic systems do not always relate to each other. However, in critical times our systems, while perhaps slow to respond, have generally proven able to rectify glaring inequities.

Looking for the means to build a public/private relationship, a case can be made that unused federal resources are available. Additionally, it appears that federal economic policy is shifting to emphasize priority policy: . . . that only "private jobs" can resolve severe economic problems in the long run.

Present federal policy is shifting resources to rural and development initiatives that stress private development and private employment. These so-called "White House Initiatives" hold out great opportunity to those who are ready for them, for those who can put them together with other available resources, and for those like Alaska, that have a genuine underdeveloped rural base that is starved for "risk capital."

CURRENT ACTION

Recognizing the federal opportunity, the Alaska Legislative Budget and Audit Committee, together with the State Administration, has been working to put together a series of federal/state agreements designed to coordinate federal economic resources through a single federal lead agency, and to put that agency together with a state working counterpart.

The effort would be to coordinate federal resources of value in a rural economic initiative, to maximize those resources, and to clear federal/state barriers to development (regulatory, etc.) on a timely basis.

The state working counterpart would be WHATEVER SPECIAL STRUCTURE THE LEGISLATURE AND EXECUTIVE chooses to approve (which is the primary subject of this report).

PRIVATE RESOURCES

A case can be made also that private resources are now available for rural development that were not present in the past.

The native corporate structure has matured and gained experience in the last eight years. The capital assets of the native corporations, and especially the village corporations represent a "resource" that should be assisted by state and federal development policy.

However, the capital of native corporations in many respects is no different than any other capital. Despite the fact such capital has a social base in the form of resident community stockholders, such capital must still find and/or develop viable projects which offer both reasonable security of the investment and adequate return. It must be stressed that under the law, the native corporations ARE NOT social welfare organizations, but are established as profit making private corporations. They have the same problems in facing high risk frontier development as other corporations, except that their personal motivation to "do it" in the face of higher risk is likely stronger. However, it is possible that the proper use of state and federal resources, in conjunction with native corporate resources, might be able to reduce risk to native capital and encourage the flow of such assets into rural development.

The current proposal to pre-pay the remainder of the state's obligation under land claims settlement will also add significantly to the financial base of native corporation capital. Such an action may be the single largest, and the simplest action, the state can take in regard to rural development.

The private land and resource base that is a part of the land claims structure is also a significant factor in rural development. The goal of a state structure should be to help assist and direct capital to grassroots rural development, regardless of whether that capital is private, state, federal, or native, and to encourage the use of state, federal, and native land and resources in a coordinated fashion in behalf of encouraging a rural private economic base.

Additionally, Alaska financial institutions are now considerably stronger and more varied than a decade ago. They have stronger ties to outside institutions, and due to such world scale developments as Prudhoe Bay, new significance of fisheries resources, a capital and resource base from land claims, Alaska commands a respect far beyond the measure of its present economic production.

STATE RESOURCES

The chief asset of the state is its "position" to act as a focal point in bringing together available existing resources, and to apply to an effort to construct a viable rural private economy.

The state must be, and is the natural initiator of a search for, and a marshalling of, economic resources. Obviously, federal agencies do not come seeking difficult and often risky development efforts.

The state also has basic resources of its own to offer that it did not have a decade ago. The state has the ability to act as initiator of community services related to private development, such as utilities, transportation facilities, and technical assistance. The state has the ability to participate in capital, or to attack basic private financing issues such as fire insurance in rural areas. The state has a "field network" available through program agencies, which with proper coordination, could assist in both local community development and private projects.

The state also offers a superior basic structure with which to coordinate with federal institutional participants. The Alaska structure has a strong central line of authority leading from the governor, and is vastly different than the fractured multi-elective structure that exists in many other states.

THE ALASKA DIFFERENCE: LENGTH AND DEPTH OF COMMITMENT

Alaska requires a long-term commitment to rural economic problems. The state's rural problems are not a result of recent economic recession, or existing sick industries, the problems are a result of more than a quarter century of economic collapse and difficult cultural adjustments. The Alaska effort may require the better part of a decade..

It is here --in length and depth of commitment-- where Alaska differs markedly from the manner in which other state's will approach the development of SPECIAL FEDERAL AGREEMENTS to enhance private economic development. A review of the few existing agreements, and potential agreements, indicates that the agreements appear geared towards one or two "priorities-of-the-day." They seem to carry a hidden presumption of temporariness about them, and lack a strong tie to "joint" executive/legislative commitment and development of intrastate mechanism to focus on more than the "issues-of-the-day." In this respect it is likely the initial motivation of Alaska is different from other states.

In reviewing the federal opportunity for both the state to command and coordinate federal resources, there appears to be a significant opportunity for Alaska to be the only, or at minimum one of the few, states to approach the agreements with a much longer range view in mind.

Alaska has the opportunity to get the federal government committed to state rural development, committed to special treatment and coordination, and to keep that commitment going for a prolonged period. However, in order to command the long-term commitment of the federal government the state must first itself be committed.

As previously stated, economic initiatives under our separate public and private policy systems require a deep commitment to bridge the gap. In Alaska this means a commitment of the executive and the legislature, and further a broadbased commitment within the legislative body. Oddly, the effort must command the commitment of the urban legislator and the perception that the effort is also vital to the urban economies of the state.

Commitment of rural policymakers to such an effort is something to be taken for granted, with some exceptions. However, rural backing and rural development as a "rural issue, can isolate the effort as a regional issue, and one therefore elgible to be pushed, shoved, cut, threatened, bargained, and generally politically played-out in the precarious wars of short-term legislative policy. Unfortunately, long term issues requiring a breadth and depth of commitment, issues needing an expectation of sustainability over time, do not always fare well in the battles of more immediate political pie-cutting.

However, the commitment of urban legislators could provide the commitment to rural development the sustainability it needs. Urban lawmakers have an interest of their own in an expanding and healthy rural economy.

Previously Alaska was described as a series of urban economic islands floating in a sea of economic depression. Whether that picture is overstated can be argued, but the lesson of the protrayal cuts both ways. The picture not only reflects a non-existant rural economy, and all which that infers, but equally a precariously isolated urban economic structure.

The picture is one of precariously narrow urban economies based primarily on government spending, cycles of construction and singular resource development booms, and one of urban communities failing to develop themselves as broad commercial centers serving a growing economy far beyond their own borders.

In other words, for the state's narrow based and isolated urban economies, rural development is "urban development." It is not only urban development, but offers a strongly stabilizing ingredient for the urban economic structure. It is almost impossible to undertake development in most rural areas of the state that does not benefit the urban commercial centers. However, the converse is not true, since urban development may hold no benefits for rural communities.

Urban policymakers may also consider the long-range ramifications of continued neglect of a rural economy:

(1) . . . that the urban/rural economic contrast is both a serious ethical and functional problem for Alaska.

(2) . . . that the end-results of continued rural economic poverty tend to become urban social and economic problems due to out-migration into urban areas.

(3) . . . that in future general economic constrictions, urban unemployed will tend to outmigrate from the state, but that the rural unemployed, represented mostly by native Alaskans, are unlikely to outmigrate except to urban areas due to deep cultutal ties.

(4) . . . that while Alaskan urban economies have grown dramatically over the past several decades, those economies remain narrow.

(5) . . . that in order to develop a stable commercial center, the center must have an economy to serve "elsewhere."

(6) . . . that rural development promotes both direct, and indirect economic activity for urban centers.

(7) . . . . that rural development expands opportunity for larger scale rural resource development, since expanding economic benefits will increase confidence of both urban and rural parties that that such "development" can be managed for mutual benefit.

There must also be an awareness that rural Alaska needs a scale of development we might term "micro development." However, urban inrerests tend to key on "marco-development" scale projects, projects on a scale where it is often simply asssumed that there is enough "economic fall-out" to benefit everyone. However, this is not necessarily true, and especially so for non-urban areas.

Carefully managed "marco-scale" development may be made to pay some dividends to rural Alaska. But what rural Alaska does need is micro-development, development that is small, not nearly so exciting and romatic to advocate for policymakers, but which fits the needs and the life-style of rural communities. In a sense, a structure charged with rural economic advocacy will need to learn to "think small," and it will take some adapting on the part of policymakers to think in terms of thousands of dollars, tens of jobs, and etc., instead of on sweeping scales of billions of dollars, world scale resources, and thousands of jobs.

THE POSSIBLE ALASKA STRUCTURES

The purpose of creating a structure is to provide a functional vehicle for policy focus, and to put the label "special" on the structure. Such labeling tends to put the structure, and the policy community, "on notice" that they intend to do something, and to invite scrutiny if they show a lack of performance. A special structure also tends to isolate itself sufficiently to invite participation of interested parties.

Three types of structures appear possible:

(1) A SPECIAL COMMISSION, responsible to the Governor, and working out of the Office of the Governor.

(2) AN OFFICE created within the Office of the Governor. A small agency essentially part of the executive staff.

(3) Assignment to an existing agency with related interests, either creating a new unit thereto, or reorganizing an existing unit.

The basic alternative "settings" for a structure will be discussed in terms of the least viable first.

Assignment to Existing Department

The assignment of the task of rural development advocacy and coordination to an existing department immediately relegates the issue to whatever is the status of that agency.

If the agency is a sub-unit of an existing division, of an existing department, then it is likely the federal government would view the state effort in much the same manner of other states --that the structure has one of two priorities and little other interest.

It is not the intent here to be critical of the ability of any one of several possible agency operators, but rather to suggest that it is asking alot of a sub-component agency to be able to become not only an interagency coordinator among state agencies, but also between state and federal governments and between government and the private sector.

As a sub-component within a line-department, a rural economic development initiative would first have to command its fair share of attention by department heads from among the "daily crisis" of regular operating programs.

Next, since such a rural effort would reach beyond departmental confines, not only would the rural effort have to battle for survival among competing demands within the department, but also it would have to survive among competing demands outside the department. Such a program would constantly require the department chief officer to run interference in coordinating problems with other departments, as well as with key players in the governor's office and with other institutions. The sub-departmental assignment can be made to look good on an organizational chart, but likely asks a line-agency chief, already besieged with enough operational problems, to unrealistically wear thin their welcome in "unhappy" interdepartmental "turf" battles, much less to provide the "extra-energy" to provide leadership to draw together federal, state, and private interests.

The fact remains, that programs are just that, they are designed to deliver an established service in a beneficial manner and with a mimimum of bureaucratic boat-rocking both "within and "without" the departmental organization. A department may well prove the exception, especially if it is new and must find its policy niche, when there is exceptional political backing, or when there is unusual leadership.

However, in viewing something as complex as a rural development effort involving multiple departments, governments, and other institutions, the process appears to supercede the primary "operations" role of a state line-department.

The structure must be capable of:

--FIRST, capable of refining its charge to projects which can be accomplished. The structure must participate in selecting rural priority efforts.

--SECOND, it must determine who, if anyone, is presently charged with a needed function, must encourage rural responsibilities be assigned departments, and give backing to departments in carrying out their rural functions.

--THIRD, the rural structure must be capable of some leeway in independent articulation. It cannot be just the state administration's spokesmen, since one of its purposes will be to inject "unfinished ideas" into the"

--executive policy forum
--legislative policy forum
--private policy forum
--and the public forum

--FOURTH, the rural structure must plow new ground in that it should not be a GOVERNMENT PROGRAM, but must be a facilitator of private effort. It must strike a respectful partnership with the "private policy" sector.

--FIFTH, the structure must be cast in a role of "advocate" for rural initiative --for rural action.

Last, there is always the very real problem of the tendencies in an operational department to convert potential of a popular effort into gain for its own agency budget needs.

If a departmental placement for structure is to be considered, there are a number of potential candidates with rural field organizations. Key among them would be the Department of Community and Regional Affairs, and the Department of Transportation and Public Facilities.

Additionally, the Division of Policy and Planning (DPDP) in the Office of the Governor, would serve as a home for such a structure, either as an intregal port on of the division, or as a more defined sub-component like the Office of Coastal Zone Management. However, there could also be conflicts of fundemental roles. The rural effort needs the partnership, the resources of DPDP, and DPDP should be encouraged to build a strong rural planning component. But DPDP also may need to be the alter-ego of the rural structure, as it functions as rural advocate. It would appear DPDP's planning role should be to put the product of advocacy into a larger scheme, and as alter-ego be the necessary critic of the much more activist rural advocacy agency.

A CABINET LEVEL AGENCY

The creation of a special agency in the Office of the Governor is perhaps the simplest creation. Such an office would be small and it is likely its ability to function, and command policy attention within that framework, would be largely dependent on the capability of the person heading such as office.

The office could serve well enough as the focal point for state interaction with the federal/state interagency agreements. And, in terms of carrying out the intrastate functions of the federal/state agreements, such an office would probably be able to carry out its task of state department coordination.

However, open to question is whether such an office could carry out the "expanded" mandate of a significant rural development initiative. Since rural Alaskans, and legislators, would not be on the inside of such a construction, it is likely the tendency would be for those interests to become critics of actions, lack of actions, or both.

It is also doubtful that such an office left simply in that form, could be the injector of unfinished ideas into various forums, or if so, that the injection would tend simply to be into the executive policy forum shielded from the dynamics of more public policy forums. Additionally, circumstances would tend to make the office "spokesmen" for the state administration on rural economic issues, limiting the dynamics of the structure.

If a simple agency structure is selected, then effort will be required to give the office high prestige, and to provide it with staff. The dimensions of the office might be expanded by merging the function with the Private Industries Councils created federal Title VII, thereby providing the agency with a rural private outreach and some dynamics of rural "input." However, at this point the Office begins to take on the posture of the commission/ agency form of structure.

Under conditions of other times a modified Office structure could suffice, but today the senior policy structure of the state is virtually besieged by "macro-issues," such as d-2, OCS, bottom fishery, gas pipeline, gas liquids development, excess revenue policy, Beaufort Sea development, and many others.

The heavy burdens of Alaska policy going into the 1980s would appear to suggest that a long-range rural policy structure most be given "something extra" to program it for survival.

STRUCTURAL SETTING

The structural setting of a cabinet level office would be much like the other "offices" of the governor, except that a portion of its responsibility would face "outward" from state government to interface with the federal interagency agreements and the federal/state joint function. In many respects the structural arrangement of the rural structure need not be much different if developed in a "commission" form.

The special office could be flanked on one side by the Private Industries Council (PIC), which could act as an advisory group, even to the extent of merging staff functions. The office should also be flanked by the Division of Policy and Planning (DPDP), which could beef up its own rural planning capability and establish direct liaison with the rural office.

It is preferrable under the Alaska strong executive concept that the office be clearly responsible to the governor, and that the governor in the final analysis be responsible for the rural office. The purpose of attaching other involvements is not to erode or substitute for executive responsibility, but to provide some of the special elements previous described. Such features could add political strength by tapping legislative input, involve input from rural advisory features, and achieve status by the involvement of a key political officer such as the Lt. Governor.

However, such features added to a cabinet level office transcends into the third alternative structure, esentially which seeks to construct involvement of other key interests without dilluting the final "executive" responsibility of the office

A RURAL COMMISSION/AGENCY STRUCTURE

The third alternative structure initially appears the most complex. However, the appearance of complexity is derived largely from trying to name the main compenents of the rural structure, and determine their basic purposes. In a sense naming such a structure merely formalizes what likely exists in a "de facto" sense anyway.

The concept of the commission structure would simply be to draw together in one place the "key parties" with rural roles, and then to balance out that more institutional group with a balance of rural field representatives. The structure should remain firmly within the executive framework. The policy group would bring together the following components.

--INSTITUTIONAL REPRESENTATIVES, not necessarily limited to state officials.

--LEGISLATIVE REPRESENTATION, providing a balance against administration.

--RURAL PUBLIC REPRESENTATION, providing for non-institutional balance from the rural field areas.

--PRIVATE SECTOR REPRESENTATION, providing representation from private business, possible finance.

The group would be a comission capable of acting as a "whole," but it would also be a commission capable of acting in the form of its natural "parts," the basic components of these subcommittees being drawn from the sectors they represent on the commission:

--DEPARTMENTAL COORDINATING SUBCOMMITTEE

--RURAL ADVISORY SUBCOMMITTEE

--PRIVATE SECTOR SUBCOMMITTEE

In order to allow the commission to function more efficiently it is suggested the governor name an executive committee of five:

--One agency representative
--One Legislative Representative
--Two rural representatives
--The chairman (of the commission)

The structure would be designed to allow, when appropriate, each subcomponent to operate on its own in special areas of concern and assignment. However, at the request of the subcommittees, or the direction of the chairman, the subcommittees would overlap depending on the problem being addressed. Additionally, legislators would be considered members of any of the subcommittees. The system would allow for each subcommittee to specialize in its natural area, with rural representatives minimizing rural outreach and input

The function of the executive committee would be to also operate as the key component in facing the federal government, and in efficiently dealing with the smaller issues of implementing the federal/state inter-agency agreements.

The executive committee would be the state salesperson in the federal market place, seeking to maximize federal resources.

An innovation in the executive committee structure might be to call the legislative representative the "Legislative Co-Chairman." The suggestion is that the legislative co-chairman would not have the same management perogratives of the chairman, but could be used to maximize the presence of the commission by carrying to the federal level the power of legislative position as well as being charged with rural leadership as (Legislative) Co-Chairman. In considering the latter suggestion, it should be remembered that there is a difference between the "elected" leaders and the agency presentatives reception in Washington offices. The elected representatives has no constraints in skipping middle-management, or in the unquestioned right of calling on Washington level political support and in involving them in deliberations. The posturing of the legislative co-chairmanship would solely to an attempt to sustain the rural effort by tapping political power and political presense as the state structure faces Washington D.C. Equally, the Lt. Governor might be used to be the Chairman of the state structure, thus again tapping the political strength and presense of the elective leaders.

The goal of tapping the state's political power structure is to provide a strong and unified executive/legislative policy face towards Washington D.C. (such policy links also facilitate federal links to the state).

In terms of excecutive functions on the internal Alaska level the legislative possition should not violate the integrity of the traditional Alaska executive system. In this area the position of legislators would be that of members.

In terms of the policy structure reaching out for input into rural Alaska, here the legislators could again play a stronger role, perhaps even facilitating common outreach efforts between legislative committees and the commission effort.

MEMBERSHIP

The Commission shall be composed of not more than 14-members, with four being institutional members, two being legislators, two being members of the private economic community, and six being members from rural areas.

Legislators could be appointed by the governor, or by the presiding officers of each chamber.

Legislation should provide for the membership of the director of the University Cooperative Extension Service on the commission as one of the four instititional members.

The legislation should name state departments with key rural field and/or planning responsibility, requiring the Governor to name two as institutional members. The legislation should state that other chief administrators shall serve ex-officio at the request of the Governor or Lt. Governor.

The legislation should name the Lt. Governor as an institutional member and name the Lt. Governor as Chairman of the Commission unless he chooses not to serve on the commission. In such event the Governor shall name another Chairman from any of the membership.

Two private economic community members should be appointed by the governor, representing private business and/or financial expertise.

Six members should be appointed who live in rural areas. It is suggested that these members be drawn from a list of nominations from the boards of the Rural Education Attendance Areas (REAAs). Requested should be first nomination of REAA board members willing to serve, and preferrably with private business experience in rural areas, and second for nominations other than board members. The intent is to move towards using the state's only region-wide elective rural officers for public input in state policymaking affecting their communities. The legislation should ask that the governor's appointment from those nominations recognize the various rural regions of the state as much as is possible comensurate with a small number of members to be appointed.

AGENCY DIRECTOR AND STAFF

The Legislation should provide for the appointment of the Director of the rural structure by the governor.

The gubenatorial appointment makes clear the primary executive loyalty and nature of the structure. Additionally, the act of inviting legislators into a titular role of an executive commission denotes a certain amount of trust between the two branches of government on rural advocacy. As a practical matter, the governor may be well advised to consult with the commission in selecting a director, while making it very clear that the director has the support and confidence of the governor. In this regard, it should be considered that the director will have to function among other department heads in coordinating rural functions. If it is not clear that the director is the "governor's person," then the functionality or the ability to coordinate and cooperate with other agencies is open to question. Without executive recognition, the director is likely to quickly become the underling of whatever key administration official on the commission DOES HAVE THE GOVERNOR'S CONFIDENCE.

The legislation should also provide for commission staff within the provisions of legislative budgeting. The nature of the commission may also mean that some staff can be provided by federal grants. In staffing expertise should be split between employees with practical rural awareness and staff that has expertise in working within government and private agency structures.

AGENCY/COMMISSION DESIGN

The design of the commission appears complex. It is in reality quite simple. The appearance of complexity comes from trying to arrive at a design of any unit whereby the pieces of the unit can remain separate when necessary (or when working on issues and problens which need not involve the other components of the commission)

--The design allows for the federal government to design whatever cooperating unit it desires and attach it to the state creation.

--Whatever federal working unit could 1) function seperately, and 2) be part of a unified state/federal working council, depending on working goals and conflicts. And, 3) a federal designee (likely of the federal designated lead agency under interagency agreements), could be a federal vice-chairman of any combined unit.

--The state executive committee could function as a separate state unit in direct Washington lobby efforts.

--The state executive committee is designed to simplify the federal interface and internal state interagency coordination.

--The full state Rural Development Commission is designed to function as a whole in dealing with problems, policy, and projects.

--The State Rural Development Commission is designed to function in its natural "parts" in 1) attacking problems unique to those parts, and 2) in trying to fullfill obligations to have an "outreach and input" to and rural rural areas of the state.

--The State Rural Development Commission in its "parts" will also be able to accomodate overlapping between those parts based on the "overlap" of problems and the "overlap" of the individual "interest" of members.

--The state/federal structure at the top will be able to direct the function of state/federal subunits who actually exist in, and have practical field knowledge of, rural Alaska regions.

--In keeping with establishing a line of authority, the State Rural Development Agency would work under the "direction" of the Governor through the offices of the Lt. Governor acting as Chairman. The commission would provide the carry-through on rural issues.

THE KINDS OF ISSUES AND PROBLEMS

The kinds of issues and problems the rural structure will handle will be varied. The central theme of the commission at any period in "time" will depend on what is possible within the historical circumstances of that time period.

--The development of a private economic base in terms of "specifics" will in part depend on practical economics --practical potentials of "what's" possible "where," and "when."

--The structure may address the issue of "what the state should do" in helping prevent failure and default of smaller native/private corporations actually located in rural areas.

    --possible maintenance of a village management assistance effort like attempted by Alaska Native Foundation (through CRA, or by contract).

--State potential in encouraging native capital investment in rural areas, and in participating in the "security" of front-line rural investments.

--The development of state loan instrumentalities, and state bonding authorities, in such a manner as to be practically useful for potential rural investors.

--Identification and resolution of other rural "blockages" to private investment.

    --fire insurance.
    --bonding availability.
    --utility infrastructure.
    --transportation
    --training Assistance

--An advocate to "tailor" large "macro" economic projects, whether a major petroleum project, or an applicant for state industrial bonds, to respond not just to such things as generalized affirmative action, but more specifically to the "micro-economic" needs of more remote rural communities (if an employer can rotate an employee from Anchorage or Texas, it is possible to rotate an employee from a rural village.

THE WHITE HOUSE

WASHINGTON

December 26, 1979

MEMORANDUM FOR FEDERAL REGIONAL COUNCIL CHAIRPERSONS

FROM: JACK WATSON

SUBJECT: Implementation of the President's Small Community and Rural Development Policy

As you know, the President announced his Small Community and Rural Development Policy on December 20, 1979. The Federal Regional Councils are being called upon to play an important role in its implementation.

Several copies of the President's policy statement are enclosed (additional copies are available on request). As you will note, the policy articulates a set of general goals and policy principles, identifies over 100 specific action steps to be taken during the year to address pressing rural needs, and provides the institutional capacity needed to enable us to develop programs, solve problems, and translate a continually evolving "action agenda" into concrete results. Elements of this implementation strategy include:

- Creation of the position of Undersecretary of Small Community and Rural Development at USDA. The Undersecretary will assist the Secretary of Agriculture in carrying out his mandate, under the Rural Development Act of 1972, to coordinate rural development activities throughout the Administration.

- Formation of a Working Group on Small Community and Rural Development to provide a continuing assessment of priority rural needs and to design, coordinate, and implement responsive policies and programs. This Working Group will be made up of high-level federal program managers and will be co-chaired by the new Undersecretary and me.

- Establishment by the Secretary of Agriculture of an Advisory Council to monitor implementation results and advise him and the Working Group on needed federal actions. The Council will be composed of elected officials from the major public interest groups, representatives of community-based organizations and private interest groups, representatives of the financial community and others.

- An invitation to the nation's Governors to establish State Rural Development Councils as a mechanism for ensuring effective coordination in joint federal-state rural development efforts

- A Presidential directive to the Secretaries and Heads of Agencies to review relevant agency policies and programs in terms of their adequacy in embodying the policy principles and to designate a senior official to be responsible for monitoring implementation of this policy within the agency, serving as a rural advocate, and acting as a point of contact for small community and rural leaders seeking information and assistance.

Building on steps that some of you have already taken, the implementation strategy also calls for creation of rural development task forces by the FRCs to assist the State Rural Development Councils in implementing joint federal-state rural development plans.

Since USDA and particularly FmHA will play a key role government-wide in implementing the President's policy, I request that you designate the appropriate FmHA Area Coordinator in your region as Chairman of the FRC Rural Development Task Force. Each should be backed up by a State FmHA Director. I am instructing Gordon Cavanaugh, FmHA Administrator, to have his Area Coordinators contact you in this regard.

Please feel free to call on Berry or me to answer any questions you may have as you move ahead with your plans to help implement the President's policy.

Warm regards and best wishes for the new year.

THE WHITE HOUSE

WASHINGTON

December 26, 1979

Dear Ed:

On December 20, 1979, President Carter announced the Administration's Small Community and Rural Development Policy. In recognition of the essential role played by the states within our federal system, the President has, as part of his policy, invited the nation's Governors to establish State Rural Development Councils as a mechanism for ensuring effective coordination in joint federal-state efforts to implement state and local rural development priorities. Furthermore, he is directing the Federal Regional Councils to establish rural development task forces to assist state efforts, and is instructing federal field personnel within the states to participate directly on the State Rural Development Councils when invited to do so by the Governors.

I want to add my voice to this invitation and assure you that I will work closely with you to help implement those programs and projects which are given high priority within your state.

Several copies of the President's policy statement are enclosed. As you will see, it articulates a set of general goals and policy principles, identifies over 100 specific action steps to be taken during the year to address pressing rural needs, and provides the institutional capacity to enable us, in a partnership effort, to develop programs, solve problems, and translate a continually evolving "action agenda" into concrete results. Besides inviting the Governors to establish State Rural Development Councils, a key feature of the policy involves the creation of an Under Secretary for Small Community and Rural Development within the Department of Agriculture. The new Under Secretary and I will co-chair a Working Group on Small Community and Rural Development, a group made up of principal federal program managers here in Washington.

Please feel free to call on me or Berry Crawford of my staff to answer any questions you may have as you move ahead with your state's rural development plans.

Warm regards and best wishes for the new year.

Sincerely,

Jack

Jack H. Watson, Jr.
Assistant to the President
for Intergovernmental Affairs

The Honorable Ed Herschler
Governor of Wyoming
Cheyenne, Wyoming 82002

Enclosures

THE WHITE HOUSE

WASHINGTON

January 29, 1980

Dear Fob:

Several weeks ago I sent you copies of the Administration's Small Community and Rural Development Policy and joined the President in inviting you to establish a State Rural Development Council.

The State Rural Development Councils will play a key role in a Federal-state-local partnership to expand opportunities for rural and small town development. To provide ideas on how you might organize and operate your council, I am enclosing a copy of a working paper jointly prepared by the National Governors' Association and U.S. Department of Agriculture staff. You may have suggestions beyond the contents of this paper which we would be happy to discuss with you. We simply want to build on any successful organizational efforts you may have under way.

It would be helpful if you would designate a member of your staff, or an agency head, with whom we can follow up to tailor a Federal response which will best meet the needs of Alabama. Your designee will be contacted by the Chairperson of the Federal Regional Council serving your state to begin implementing the partnership effort contemplated in the President's policy.

As always, please feel free to call on me or Berry Crawford of my staff to answer any questions you may have. In addition, your staff may wish to contact Bill Bivens, NGA's Senior Policy Fellow for Rural Affairs and a principal staff liaison with my office. His number is (202) 624-7734.

I look forward to working with you as implementation of the Small Community and Rural Development Policy proceeds.

Sincerely,

Jack

Jack H. Watson, Jr.

The Honorable Forrest H. James, Jr.
Governor of Alabama
Montgomery, Alabama 36104

Enclosure

NGA-USDA Staff Working Paper

STATE RURAL DEVELOPMENT COUNCILS: FOCUS FOR THE SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY

On December 20, 1979, President Carter formally announced his Administration's Small Community and Rural Development Policy. In outlining his strategy to develop the institutional capacity needed to solve problems on an ongoing basis and assure the effective implementation of the policy principles, the President announced that he is:

> Inviting the nation's Governors to establish State Rural Development Councils as a mechanism for ensuring effective coordination in joint federal-state efforts to implement State and local rural development priorities.

The President further stated that:

> The Federal Regional Councils will be directed to establish a rural development task force to assist state implementation efforts, and the Secretaries and Heads of Agencies will direct federal field personnel to participate on the State Rural Development Councils if a governor so desires.

Both of these steps are particularly relevant to the President's direction to the Secretaries and Heads of Departments and Agencies that, "to the maximum feasible extent," they administer their programs to "make federal investments in ways that complement state-local development plans and priorities."

Responsiveness to Governors

Clearly, the President's Small Community and Rural Development Policy is in significant measure a response to the Governors' call for a state-federal partnership in community and economic development.

Late in 1977, the National Governors' Association Task Force on Urban Policy proposed that a national urban policy be derived from state comprehensive growth strategies. In mid-1979, the NGA articulated its latest "Comments on the Development of a National Rural Policy," which stated in part that "a state development strategy for rural areas ought to be used as the primary guide for the funding decisions of EDA, EPA, FmHA, and HUD in most small cities and rural areas." The Presidential response has been positive.

Framework for Partnership

In presenting a set of principles to guide federal program administration, the President's rural policy recognizes the need for a strong partnership among all levels of government and between the public and private sectors. Each of the more than 100 specific actions to be taken requires some level of intergovernmental and interagency cooperation in planning and implementation.

The policy provides for an improved federal institutional structure and capacity to help realize the state-federal partnership. An interdepartmental Working Group for Small Community and Rural Development, co-chaired by the President's Secretary to the Cabinet and the soon-to-be-created Under Secretary

for Rural Development at USDA, will be responsible for ensuring that the President's policy is fully and actively supported by all relevant federal agencies. The direct involvement of the President's Assistant for Intergovernmental Affairs and Secretary to the Cabinet makes clear the Administration's commitment to making this arrangement work effectively.

In the field, the federal institutional focus for the policy will be centered in a Rural Development Task Force established under each of the ten Federal Regional Councils (FRCs), which have been reinvigorated by the Administration. These task forces will serve as communications conduits between the national-level Working Group and federal field officials. They will coordinate federal responses to rural development needs and priorites and will serve as sources of information and assistance to State Rural Development Councils. An important function will be to help promote and maintain federal sensitivity to rural needs and circumstances and state and local rural development priorities.

Governors' Rural Development Councils

To foster the state-federal partnership at the State level, the President's policy recognizes and underscores the vital role of the Governor as the master link in the intergovernmental chain. The President's invitation to Governors to create State Rural Development Councils reflects a deep understanding of the central role of Governors in coordination of federal as well as state programs. It recognizes that only Governors have the authority and capacity to organize effective coordination efforts, with the necessary political and bureaucratic balance to allow all

parties to reach agreement on mutually supportive development strategies and implementation procedures. It emphasizes that program implementation takes place at other than the national level by directing attention to state-local plans and priorities as well as local priorities and decision-making.

Thus, the President's policy reflects a federal desire to be a more willing and effective partner in state and local development efforts. To pursue this objective, the President is directing federal agencies to increase the effectiveness of their programs by working closely with state and local governments, as well as with each other.

Given a policy that federal investment decisions should consider and support state and local development priorities and efforts to the maximum extent possible, the State Rural Development Councils can:

- provide the Governor a forum for identifying opportunities for joint investments targeted to shared rural development concerns and priorities;
- provide the Governor an institutional vehicle for conducting broad-based assessments of rural conditions and progress toward accomplishment of rural development goals;
- provide the Governor an organizational base for identifying and addressing interagency and intergovernmental procedural obstacles to timely implementation of mutually desirable resource allocations;
- facilitate coordinated leadership of rural development efforts and agreement on complementary roles and relationships among state and federal agencies and other participants;
- stimulate and facilitate the formulation of joint investment strategies which go beyond a project-by-project approach and support their implementation.

Policy Implementation Linkages

The purpose of the President's invitation to the Governors is not simply to erect new institutional structures, but to suggest a workable mechanism for pursuing joint goals. The invitation offers an opportunity to help change federal agency perspectives and practices in line with the principles that the President articulated:

- o recognition of local priorities and facilitation of local decision-making by federal program managers;
- o investment of federal resources in ways that complement state-local development plans and priorities;
- o use of federal assistance to help leverage private sector investments in rural development;
- o accordance of high priority to the targeting of federal assistance to disadvantaged persons and distressed communities;
- o reform of federal programs to make them more accessible, better suited to rural circumstances, more streamlined administratively, and better coordinated; and
- o provision of assistance to rural citizens and leaders, to promote effective community decision making and development efforts.

It is expected that Governors will find it useful to include key state legislators from rural districts, representatives of rural local governments, rural private sector leaders, and rural citizen group representatives on their State Rural Development Councils, to assist the federal and state agency representatives in identifying priorities for joint attention. Inclusion of such grass-roots representation may be particularly valuable in helping to sensitize federal officials to rural circumstances and needs in the state.

Experience in the few states where Governors have established

development councils indicates above all the need for flexibility. States differ significantly in the number of federal agencies represented in each, the level of authority of on-site federal field office heads, the way state government is organized and how it relates to local governments, economic and demographic patterns, and type and severity of development needs.

In the more effective existing councils, representation includes virtually all state agencies active in rural and small community development, all development-oriented federal departments with offices in the state, and state associations of local governments and/or their inter-local planning and development district agencies. State legislative membership varies, as does representation of the state land-grant university systems. Experience has also shown the importance of having a full-time staff support group for the councils. In view of this, the federal Working Group will pursue the possibility of federal financial support for a staff component to State Rural Development Councils.

possible sources:
- Sec. 111 (USDA)
- Sec. 302 (HUD)
- Sec. 701 (EDA)

Governors' development councils appear to work best when established as state-level coordination devices aimed at resolving identifiable issues involved in strategy implementation. While councils may discuss development policy needs, as well as policy coordination, it is not appropriate for the federal participants to assume to advise the Governor on state policy matters. Rather, they should communicate policy recommendations based on state concerns to federal agency officials.

Much of the work of the more active councils has been

focused on specific issues and has been conducted through functionally oriented task forces or committees. Economic development, health, housing, and transportation have been common topics for specific actions. Governors may wish to organize the work of their Rural Development Councils around state-specific rural issues so as to avoid generalized discussions which may not contribute to tangible actions to solve rural problems.

Each state is faced with numerous feasible organizational options for structuring its way of working with federal agencies. It may, in fact, already have an effective state rural development committee which can be further strengthened. The precise choice is not nearly as important as the fact that the federal government is inviting the states to play the key intergovernmental role in rural development. The states are being offered an opportunity to help determine how, where, and when federal program dollars will be spent for rural development purposes.

STATE RURAL DEVELOPMENT COUNCILS

State Contacts

Arizona

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Phoenix, Arizona 85007

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Executive Assistant

Larry Landry, Director
Office of Economic Planning & Development

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James R. Richardson
Commissioner
State Planning Bureau
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Hawaii State Capitol
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Bill J. Starnes, State Planning Director
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Office of the Governor
Lansing, Michigan

Lt. Governor Brickley

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Ms. Nancy Olson, Coordinator
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Governor Office
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Office of the Governor
Little Rock, Arkansas 72201

Mr. Steve Smith
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Little Rock, Arkansas 72201

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Concord, New Hampshire 03301

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(603) 271-2155

Mr. Jimmy E. Hicks, Principal Planner
Office of State Planning
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Concord, New Hampshire 03301

STATE OF ALASKA
THE LEGISLATURE

POUCH V, STATE CAPITOL
JUNEAU, ALASKA 99811

SENATE

Senator Sturgulewski
Chairman, Senate C/RA

TO Marge Hansuck Hs. C/RA

REMARKS:

These came to our office by mistake - but copies have been made for our file

FROM Tasha DATE 4-8-85

LAA 25-S

Susan

Please give me one copy and send this copy on to Marge Hansuck Have made Back slip for you. Thx.

T

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE:

LOCATION:

SUBJECT:

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Elsie O'Bryon	City of Houston	SR Box 2727, Wasilla	892-6638		✓

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 3/28/80
LOCATION: KODIAK
SUBJECT: HB-932

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Robert Atkinson	Kodiak Area Native Assoc.	PO Box 172 Kodiak AK	486-5525	X	X
Ann M. Moen	KODIAK ISLAND BOROUGH OEDP COMMITTEE	P.O. Box 1246 - Kodiak	486-5736	X	

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: HB - 932

COMMITTEE: Joint House & Senate Community & Regional Affairs

DATE: 3/28/80

TIME: 11:30

SITES PARTICIPATING: All

CONFERENCE MODE: Audio

LOCATION: Soldotna

MODERATOR: Rhoda Eady

NOTES:

CONFIRMATION OF CONFERENCE CENTER: _____

PUBLICITY:

Invitational - Committee made

	Date	Quantity
PSAs	_____	_____
News releases (local)	KBBI, KSRM } radio	_____
News releases (outlying media)	Cheechako, Clarion } N. papers	_____
Direct mail	_____	_____
Phone contacts	_____	_____
Other:		

NUMBER IN ATTENDANCE 2
NUMBER TESTIFYING 1

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch V Juneau 99811
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 3/28/80
LOCATION: Soldotna
SUBJECT: HB-932

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Frank McDougall	Kenai Peninsula Borough	Box 850, Soldotna	262-4441		✓
James E Fisher	U.S.D.A - Representative	2221 E. No. Lights Anch 99504	276-7741	X	

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME James E. Fisher

Here to Testify _____

Here to Observe X

REPRESENTING _____

MAILING ADDRESS 2221 E. NO Lights, Suite 126 Zip 99504

TELEPHONE NUMBER 276-7741

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Pleas. indicate your consent by signing below:

James E. Fisher
(signature)

EVALUATION: Have you participated in other legislative teleconferences? Yes If so, how many? 5-6

How did you learn about this hearing?
LTN schedule

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network
in addition to
_____ ~~instead of~~ travel
_____ instead of phone conversations
_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE _____ SUBJECT _____ LOCATION _____

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Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
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PARTICIPATION FORM

NAME Frank McMahon

Here to Testify ✓

Here to Observe ____

REPRESENTING Kenai Peninsula Borough Economic Development Council

MAILING ADDRESS Box 850, Soldotna Zip 99669

TELEPHONE NUMBER 262-4944

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Frank McMahon
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? ____

How did you learn about this hearing?
Advised By Borough Mayor's Office.

Would you have participated in this hearing if the network were not available? YES

If yes, did you use the network

____ instead of travel
✓ instead of phone conversations
____ instead of mailed testimony?

Are you also providing written testimony? YES

DATE Forthcoming SUBJECT HB 932 LOCATION Soldotna

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

PACIFIC STANDARD TIME

TELECONFERENCE CONTACT SHEET

TAKEN BY FRED

TOPIC: H.B. 932
CREATING OFFICE OF RURAL DEVELOPMENT & RURAL DEVELOPMENT COUNCIL

COMMITTEE: House/ SEN. C.&R.A.

DATE: 3/28 DAY: FRI

TIME: 1:30 - SCHEDULED DURATION: 2 HOURS

SITES PARTICIPATING: ALL

CONFERENCE MODE: Audio X Video ____

CONTACT TWYLA OR MARTORIE

PHONE 3712 3824

DATE SCHEDULED 3/19

LOCATION ____

MODERATOR ____

PERSONS PARTICIPATING

SITE

ALL

PUBLICITY:

___ Invitational

___ Committee making contacts

✓ PSAs TO BE PROVIDED
date quantity

___ News Release ____ ____
date quantity

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ____ ____
date quantity

___ Phone ____ ____
date quantity

✓ Post at Info. Office

✓ Post other local locations

SPECIAL NOTES:

JUNEAU LOCATION:
GOV'S CONFERENCE ROOM

POST-TELECONFERENCE NOTE:

Participants 2

Observers ____

Total 2

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: March 28, '80
LOCATION: Kotzebue
SUBJECT: HB 932

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Al Adams	Kic	Box 333 Kotz	442-3165		✓
Bob Knoll	Maunelok Assn	Box 256 Kotz	442-3311		✓

TELECONFERENCE HEARINGS

PACIFIC STANDARD TIME

TELECONFERENCE CONTACT SHEET

TAKEN BY FRED

TOPIC: H.B 932
CREATING OFFICE OF RURAL DEVELOPMENT & RURAL DEVELOPMENT COUNCIL

COMMITTEE: House/Sen. C.&R.A.

CONTACT IVYLA OR MARJORIE

PHONE 3712 3824

DATE: ~~3/18~~ 3/28 DAY: FRI

DATE SCHEDULED 3/19

TIME: ~~1:30~~ 1:30 - SCHEDULED DURATION: 2 HOURS

LOCATION Mat-Su

MODERATOR Mary

SITES PARTICIPATING: ALL

CONFERENCE MODE: Audio X Video ____

PERSONS PARTICIPATING	SITE
	ALL

PUBLICITY:

___ Invitational

___ Committee making contacts

✓ PSAs TO BE PROVIDED
date quantity

___ News Release ____ _____
date quantity

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ____ _____
date quantity

___ Phone ____ _____
date quantity

SPECIAL NOTES:

___ ~~Post~~ at Info. Office

___ ~~Post~~ other local locations

JUNEAU LOCATION:
GOV's CONFERENCE ROOM

POST-TELECONFERENCE NOTE:

Participants	1
Observers	0
Total	1

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811
Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME ELSIE M. O'BRYAN Here to Testify X

REPRESENTING CITY OF HOUSTON Here to Observe _____

MAILING ADDRESS SR Box 2727 - HOUSTON ALASKA Zip 99694

TELEPHONE NUMBER 892-6138

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Elsie M. O'Bryan
(signature)

EVALUATION: Have you participated in other legislative teleconferences? _____ If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 3/29 SUBJECT AB 932 LOCATION Mat-Su

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch V Juneau 99811

Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME ANN M. MOEN

Here to Testify _____

Here to Observe X

REPRESENTING _____

KODIAK ISLAND BOROUGH OEDP COMMITTEE

MAILING ADDRESS P.O. Box 1246. KODIAK, ALASKA Zip 99615

TELEPHONE NUMBER 486.5736

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Ann M. Moen
(signature)

EVALUATION: Have you participated in other legislative teleconferences? YES If so, how many? 1

How did you learn about this hearing?

BOROUGH MANAGER

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 3/28/80 SUBJECT HB 932 CREATING AN OFFICE of RURAL DEVELOPMENT and RURAL DEVEL. COUNCIL LOCATION KODIAK

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch V . Juneau . 99811

Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Bob Peterson — Here to Testify X

REPRESENTING Kodiak Area Native Association — Here to Observe X

MAILING ADDRESS PO Box 172 Zip

TELEPHONE NUMBER 486-5325

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Robert Peterson
(signature)

EVALUATION: Have you participated in other legislative teleconferences? _____ If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? No

If yes, did you use the network

X instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? No

DATE 3/28/80 SUBJECT HB-932 LOCATION Kodiak

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811
Phone: 465-4980

TELECONFERENCE HEARINGS

PACIFIC STANDARD TIME

TELECONFERENCE CONTACT SHEET

TAKEN BY FRED

TOPIC: H.B. 932
CREATING OFFICE OF RURAL DEVELOPMENT & RURAL DEVELOPMENT COUNCIL

COMMITTEE: House/Sen. C.R.A.

DATE: ~~3/18~~ 3/26 DAY: FRI

TIME: ~~10~~ 1:30 - SCHEDULED DURATION: 2 HOURS

SITES PARTICIPATING: ALL

CONFERENCE MODE: Audio X Video ____

CONTACT TWYLA OR MARJORIE

PHONE 3712 3824

DATE SCHEDULED 3/19

LOCATION ____

MODERATOR ____

PERSONS PARTICIPATING | SITE

ALL

PUBLICITY:

___ Invitational

___ Committee making contacts

✓ PSAs TO BE PROVIDED (date / quantity)

___ News Release ____ ____ (date / quantity)

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ____ ____ (date / quantity)

___ Phone ____ ____ (date / quantity)

SPECIAL NOTES:

___ ~~Post~~ at Info. Office

___ ~~Post~~ other local locations

JUNEAU LOCATION:

GOV.'s CONFERENCE ROOM

POST-TELECONFERENCE NOTE:

Participants 4

Observers 4

Total 8

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Jeff Hiatt

Here to Testify _____

Here to Observe ✓

REPRESENTING CEDC of Alaska
AK Rural Development Council

MAILING ADDRESS 1011 E Tudor Rd Ste 210 Zip 99503

TELEPHONE NUMBER 907/279-4551

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:.

J A Hiatt
(signature)

EVALUATION: Have you participated in other legislative teleconferences? Yes If so, how many? ONE

How did you learn about this hearing?

called by House Comm & Regional Affairs

Would you have participated in this hearing if the network were not available? UNK

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? YES

DATE 3-28-80 SUBJECT HB 932 LOCATION ANC

Legislative Affairs Agency
Legislative Teleconferencing Network

Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME BOB BRADLEY

Here to Testify _____

REPRESENTING CEDC

Here to Observe X

MAILING ADDRESS _____ Zip _____

TELEPHONE NUMBER 279-4551

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:.

_____
(signature)

EVALUATION: Have you participated in other legislative teleconferences? YES If so, how many? MANY

How did you learn about this hearing?
JEFF WYATT

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? NO

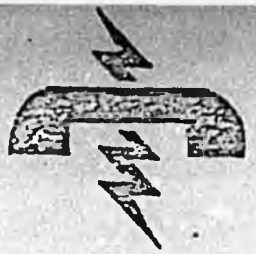
DATE 3/28/90 SUBJECT Rural Dev. Council LOCATION Anch.

Legislative Affairs Agency
Legislative Teleconferencing Network

Phone: 465-4980

00811

TELECONFERENCE HEARINGS



Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Kate

Here to Testify ____

REPRESENTING Dept. Comm. Reg. Affairs

Here to Observe X

MAILING ADDRESS 225 Cordova, Bldg. B Zip 99501

TELEPHONE NUMBER 276-1721

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:.

Kate
(signature)

EVALUATION: Have you participated in other legislative teleconferences? ____ If so, how many? ____

How did you learn about this hearing?

Would you have participated in this hearing if the network were not available? ____

If yes, did you use the network

____ instead of travel

____ instead of phone conversations

____ instead of mailed testimony?

Are you also providing written testimony? ____

DATE 3-28-90 SUBJECT HB 932 LOCATION Anch

Legislative Affairs Agency
Legislative Teleconferencing Network

Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Mike Barnhart Here to Testify ____

REPRESENTING Self Here to Observe ✓

MAILING ADDRESS 3037 S. CIRCLE Zip

TELEPHONE NUMBER 349-7711

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

EVALUATION: Have you participated in other legislative teleconferences? yes If so, how many? ____

How did you learn about this hearing?

Would you have participated in this hearing if the network were not available? ____

If yes, did you use the network

____ instead of travel

____ instead of phone conversations

____ instead of mailed testimony?

Are you also providing written testimony? ____

DATE 3-29-80 SUBJECT HB 932 LOCATION Anch

Legislative Affairs Agency
Legislative Teleconferencing Network
Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Michael DeMan — Here to Testify X

REPRESENTING SELF — Here to Observe X

MAILING ADDRESS Box 582 Anch Zip 99510

TELEPHONE NUMBER 688-9092

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:.

Michael DeMan
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 4/29/80 SUBJECT * HB 932 LOCATION AK

Legislative Affairs Agency
Legislative Teleconferencing Network
[illegible] 99811

Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME ROGER LANG — Here to Testify X

REPRESENTING ALASKA — Here to Observe ____
NATIVE FOUNDATION

MAILING ADDRESS 411 WEST 4TH AVE. ANCH AK Zip 99501

TELEPHONE NUMBER 274-2541

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:.

Roger Lang
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? 0

How did you learn about this hearing?
REP. DUNCAN'S OFFICE

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network
____ instead of travel
____ instead of phone conversations
____ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 3-28-80 SUBJECT H.B. 932 LOCATION ANCH

Legislative Affairs Agency
Legislative Teleconferencing Network
Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME JACK RODERICK Here to Testify X

REPRESENTING FARMERS HOME ADMINISTRATION Here to Observe ~~X~~

MAILING ADDRESS BOX 1289, PALMER, ALASKA Zip 99501

TELEPHONE NUMBER 745-2176

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:.

Jack Roderick
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? _____

How did you learn about this hearing?
Representative Bill Parker

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network
X instead of travel
_____ instead of phone conversations
_____ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 3-28-80 SUBJECT HB 932 LOCATION Anch

Legislative Affairs Agency
Legislative Teleconferencing Network Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Phil Smith — Here to Testify X

REPRESENTING Rural CAP — Here to Observe ____

MAILING ADDRESS Box 7-3908 Anchorage Zip 99501

TELEPHONE NUMBER 279-2511

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Phil Smith
(signature)

EVALUATION: Have you participated in other legislative teleconferences? Yes If so, how many? 7-4

How did you learn about this hearing?
Telephone call from Committee; d/c, mailings

Would you have participated in this hearing if the network were not available? Yes

If yes, did you use the network
X instead of travel
____ instead of phone conversations
____ instead of mailed testimony?

Are you also providing written testimony? No

DATE March 28, 1980 SUBJECT HB 932 LOCATION ANC

Legislative Affairs Agency
Legislative Teleconferencing Network
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: HB 932 - creating office of rural development and Rural Development Council

COMMITTEE: House & Senate C&RA

DATE: 3/28/80

TIME: 1:30 p.m.

SITES PARTICIPATING: All

CONFERENCE MODE: Audio

LOCATION: Ktn Info Office

MODERATOR: Bonnie Potter

NOTES:

CONFIRMATION OF CONFERENCE CENTER: yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	3/24/80 Ktn Daily News	3
News releases (local)	KTKN KRBD	
News releases (outlying media)		
Direct mail		
Phone contacts		

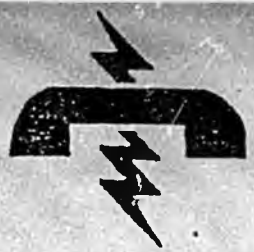
Other:

NUMBER IN ATTENDANCE 0
NUMBER TESTIFYING 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

TELECONFERENCE HEARINGS



PACIFIC STANDARD TIME

TELECONFERENCE CONTACT SHEET

TAKEN BY FRED

TOPIC: H.C. 932
CREATING OFFICE OF RURAL DEVELOPMENT & RURAL DEVELOPMENT COUNCIL

COMMITTEE: House/Sen. C.O.R.A.

CONTACT TWYLA OR MARJORIE

PHONE 3712 3824

DATE SCHEDULED 3/19

DATE: ~~3/19~~ 3/28 DAY: FRI

LOCATION

TIME: ~~1:30~~ 1:30 - SCHEDULED DURATION: 2 HOURS

MODERATOR

SITES PARTICIPATING: ALL

CONFERENCE MODE: Audio X Video

PUBLICITY:

PERSONS PARTICIPATING — SITE

ALL

___ Invitational

___ Committee making contacts

✓ PSAs TO BE PROVIDED
date quantity

___ News Release ___ ___
date quantity

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ___ ___
date quantity

___ Phone ___ ___
date quantity

✓ Post at Info. Office

✓ Post other local locations

SPECIAL NOTES:

JUNEAU LOCATION:

GOV.'s CONFERENCE ROOM

POST-TELECONFERENCE NOTE:

Participants 0

Observers 0

Total 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

HB 932

LA21 1620 15.00 JA01 0058 15.00 03/28/80

##
###########

TO DEBORAH FROM MAXINE

I HAVE TO PEOPLE TO TESTIFY FROM FAIRBANKS

SAMUEL S DEMIENTIEFF, DOYON LTD BOARD

HELEN BARRETT, INTERIOR VILLAGEW ASSOC

CAN YOU GET THIS UP TO THE COMMITTEE?????????? FBX/LIO/MW

LA21 1834 15.55 JA01 0077 15.55 03/28/80

##
########

TO: DEBORAH G.

FROM: MAXINE W

THE FOLLOWING IS A LIST OF PARTICIPANTS ON TODAY'S TELECONFERENCE
SEN. & HSE. JOINT COMMUNITY & REGIONAL AFFAIRS 3/28/80:

1. HELEN BARRETT, INTERIOR VILLAGE ASSOC., 127 1/2 MINNIE ST.,
   FAIRBANKS 99701 PH. 452-1601

2. SMAUEL S. DENIENTIEFF, DOYON LTD, BOARD MEMBER, 127 1/2 MINNIE ST.,
   FAIRBANKS 99701 PH. 452-1601

FBX/LIO/MW

LA33 1610 14.59 JA01 0057 14.59 03/28/80

TO SIOUX

WE HAVE ONE PERSON WHO WILL BE TESTIFYING
ON THE TELECONFERENCE ON H.B. 932.

THE NAME OF THE PERSON IS :

MR. AL ADAMS REPRESENTING KOTZEBUE VILLAGE CORP.

EOM

RICH

LA11 1183 10.53 JA01 0017 10.53 03/28/80

TO DEBORAH OR FRED
FR KATHI

THE FOLLOWING HAVE INDICATED A DESIRE TO TESTIFY ON HB 932 THIS MORNING.

ROGER LANGE
PHIL SMITH, RURALCAP
A PERSON FROM ALASKA NATIVE FOUNDATION
A PERSON FROM ALASKA FEDERATION OF NATIVES

HOUSE & SENATE C. & R. A.
3/28/80
TELECONFERENCE

RICH

LA11 1183 10.53 JA01 0017 10.53 03/28/80

TO DEBORAH OR FRED
FR KATHI

THE FOLLOWING HAVE INDICATED A DESIRE TO TESTIFY ON HB 932 THIS MORNING.

ANCHORAGE

ROGER LANGE
PHIL SMITH, RURALCAP
A PERSON FROM ALASKA NATIVE FOUNDATION
A PERSON FROM ALASKA FEDERATION OF NATIVES

FAIRBANKS

THE FOLLOWING IS A LIST OF PARTICIPANTS ON TODAY'S TELECONF
SEN. & HSE. JOINT COMMUNITY & REGIONAL AFFAIRS 3/28/80:

1. HELEN BARRETT, INTERIOR VILLAGE ASSOC., 127 1/2 MINNIE ST., FAIRBANKS 99701 PH. 452-1601

2. SMAUEL S. DENIENTIEFF, DOYON LTD, BOARD MEMBER, 127 1/2 MINNIE ST., FAIRBANKS 99701 PH. 452-1601

FBX/LIO/MW

KOTZEBUE

THE NAME OF THE PERSON IS :

MR. AL ADAMS REPRESENTING KOTZEBUE VILLAGE CORP.

EOM

H&S C&RA

CHAPTER 60
RURAL DEVELOPMENT ASSISTANCE GRANT PROGRAM

Section

10. Scope of Regulations
20. Program Authority
30. Eligible Applicants
40. Eligible Projects
50. Grant Limitations
60. Form and Content of Application
70. Review of Application
80. Decision on Application
90. Filing Deadlines
100. Monitoring of Grant
110. Completion of Grant
120. Forced Closure of Grant
130. Appeals
140. Technical Assistance
150. Definitions

19 AAC 60.010. SCOPE OF REGULATIONS. The regulations in this chapter are prescribed for implementing, interpreting, and making specific the act providing state aid for rural development assistance, AS 44.47.130 - 140. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.020. PROGRAM AUTHORITY. The authority of the Department under AS 44.47.130 - 140 is delegated by the commissioner of Community and Regional Affairs to the Division of Local Government Assistance. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.030. ELIGIBLE APPLICANTS. (a) All communities in the state are eligible for rural development grants except:

(1) any first class or home rule city with a population greater than 2,000;

(2) any organized borough or unified municipality unless that organized borough or unified municipality has authority to receive and expend funds for the project proposed and further provided that the project directly benefits an otherwise eligible applicant, as defined in (b) of this section.

DRAFT

(b) An I.R.A., tribal or traditional council or a non-profit community organization, located within an organized borough or unified municipality, may apply for and receive a rural development grant if the following conditions exist:

(1) the borough or unified municipality in which the entity is located does not possess the necessary authority to receive and expend funds for the particular project; and

(2) the governing body of the borough or unified municipality has gone on record as supporting or stating non-opposition to the project.

(c) In the absence of a municipal government any I.R.A., tribal or traditional council, or a non-profit community organization representing an eligible community may apply for a rural development grant.

(d) Two or more eligible applicants may join together and submit a single application. In such case, the total amount of funding for which the project is eligible shall be an amount equal to the number of eligible applicants multiplied by $40,000.00.
(Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.040. ELIGIBLE PROJECTS. To be eligible, projects must generate community development, the product of which may be, but is not limited to:

(1) creation of or continuance of permanent jobs in the community;

(2) an additional source of permanent income to the community;

(3) establishment of basic community facilities;

(4) a study determining the feasibility of a project leading to community development. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.050. GRANT LIMITATIONS. (a) Grants to any one community may not exceed $40,000.00 in any fiscal year. Applications requesting funding for more than one fiscal year will be considered.

(b) All projects constructed with rural development grant funds, either wholly or partially, shall be open and available to the public during the normal hours of operation of the facility.
(Eff. / / Register)

Authority: AS 44.47.160

DRAFT

19 AAC 60.060. FORM AND CONTENT OF APPLICATION. (a) Application for a rural development grant shall be made on forms prescribed by the director. Application forms are available to eligible communities upon request.

(b) The following documents shall be appended to the application form:

(1) a resolution, signed by the governing body of the applicant community, endorsing the project;

(2) for applicants defined in 19 AAC 60.030(b), a statement from the governing body of the municipality stating the municipality lacks the authority to carry out the project and endorsing or stating non-objection to the project;

(3) a letter of intent or other form of cooperative agreement from each additional agency that will contribute to the project, if applicable;

(4) if a construction project, land documents such as title, lease, special use permit, or other documents demonstrating the applicant's authority to build upon and occupy the property;

(5) if a construction project, a plan of the proposed project;

(6) a list of materials to be purchased, if applicable;

(7) rental, lease, or other use agreements the project will be subject to upon completion, if applicable.

(8) if the applicant is located in a municipality which exercises the zoning power and/or building code power, an affidavit from the appropriate municipal official stating the proposed project complies with local zoning requirements and/or building codes.

(9) If a construction project, a letter from the State Fire Marshall's Office, stating that it has reviewed the construction plans. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.070. REVIEW OF APPLICATION. (a) Within 10 days of receipt of a grant application the division shall review it and determine if it contains all of the information required by these regulations. If the application is determined complete, the application shall be evaluated in accordance with the criteria established in section 080 of this chapter and a recommendation for or against funding, or for deferral of the project made to the director.

DRAFT

(b) If an application is found deficient, it may be returned to the applicant together with comments conducive to correction of the deficiencies and resubmission of the application, or the applicant shall be requested, in writing, to submit additional information which will correct the deficiencies. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.080. DECISION ON APPLICATION. (a) A decision to fund a rural development grant shall be made by the director. The director's decision shall be based upon the following criteria:

(1) commitment of the applicant to the project;

(2) economic condition of the community;

(3) impact of the project on the community;

(4) condition of basic community facilities;

(5) capability of the applicant to adminster the grant;

(6) availability of other funding sources;

(7) relative priority with respect to other applications and with the overall public interest.

(b) In entering a decision to fund a grant application, the director may make funding of the grant contingent upon additional stipulations not contained in the grant application.

(c) Upon approval, disapproval, or deferral of a grant application, the applicant shall be notified in writing.

(d) A grant is considered awarded when the application has been approved and when the applicant and the department have signed a letter of agreement specifying, among other items, the purpose of the grant, the amount and the period of performance. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.090. FILING DEADLINES. (a) Grant applications will be considered for approval two times per year. In order to be considered, grant applications must be submitted in accordance with the following:

(1) application period No. 1. Applications must be submitted to the division postmarked no later than December 1. A decision will be entered no later than February 1.

DRAFT

(2) application period No. 2. Applications must be submitted to the division postmarked no later than June 1. A decision will be entered no later than August 1.

(b) A grant application received after the deadline or considered but not funded in one application period will automatically be considered in the next application period, unless withdrawn by the applicant.

(c) Notwithstanding other provisions of this section the director may accept an application postmarked after December 1 if it is determined that the annual appropriation is sufficient to fully fund all previously submitted eligible applications. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.100. MONITORING OF GRANT. Each grant shall be monitored by the division. At any time during normal business hours there shall be made available to the division all records with respect to all matters covered by the letter of agreement. The division reserves the right to audit, examine, and make excerpts for transcripts from records relating to all matters covered by the letter of agreement. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.110. COMPLETION OF GRANT. (a) The project is considered completed and the grant closed when:

(1) the letter of agreement is fully executed; and

(2) the applicant requests that unused funds be returned to the division or the bank account reaches a zero balance; and

(3) all expense reports, invoices, and checkbooks, including check stubs and unused checks, have been returned to the division; and

(4) the governing body of the applicant community has adopted a resolution accepting the project as a public facility.

(b) Upon completion of the requirements of (a) of the section the division shall notify the grantee that the grant is closed.
(Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.120. FORCED CLOSURE OF GRANT. (a) Upon failure to comply with the letter of agreement and any other grant stipulations, the division may give written notice by certified mail to the grantee, specifying such failure and stating the action needed to correct the deficiencies. Corrective action shall be taken by the grantee within 10 days of receipt of such written notice. The division may withhold payment of grant funds until there has been compliance by the grantee.

DRAFT

(b) If the grantee fails to comply with (a) of this section, the division, after giving at least 15 days written notice, may:

(1) close the bank account and return any remaining funds to the grant fund; and

(2) notify the grantee that the grant has been closed for cause, stating the cause, and stating that this closure will be considered in the evaluation of any future application. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.130. APPEALS. (a) Within 30 days of receipt of a letter advising the applicant that the director has denied a grant application, the applicant may appeal the denial to the commissioner. The appeal must be in writing and must identify the part or parts of the letter of denial to which the applicant takes exception.

(b) Upon receipt of a proper appeal of a denied application, the commissioner will review the record and enter a final determination. The commissioner may affirm, reverse, or modify the decision of denial. The applicant shall be notified in writing, within thirty days of the commissioner's decision. Notification shall include an explanation of why the decision was rendered.

(c) If the applicant fails to file an appeal within the time set forth in (a) of this section, the director's decision constitutes the final determination of the department.

(d) The commissioner's decision is final and is an act of discretion. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.140. TECHNICAL ASSISTANCE. The division will make every reasonable effort to respond to an eligible applicant's request for technical assistance in community development, grant development, grant administration and management. (Eff. / / Register)

Authority: AS 44.47.160

19 AAC 60.150. DEFINITIONS. Unless the context indicates otherwise in this chapter:

(1) "commissioner" means the commissioner of the department of community and regional affairs.

(2) "community" means a city of any class or an unorganized village which is a social unit.

DRAFT

19 AAC 60.150

(3) "community development" means a fluid condition in which changes occur and there is maximum participation and cooperation among local people whose own resources are tapped for the betterment of the community;

(4) "department" means the department of community and regional affairs;

(5) "director" means the director of the division of local government assistance;

(6) "division" means the division of local government assistance within the department of community and regional affairs;

(7) "facility" means a permanent improvement constructed, operated, or maintained for the convenience of the public;

(8) "grant" means a rural development assistance grant awarded pursuant to these regulations;

(9) "grantee" means an eligible applicant who has been awarded a rural development assistance grant;

(10) "grant project" means the project for which use of rural development assistance grant funds is authorized as defined in the letter of agreement between the applicant and the division;

(11) "I.R.A. council" means a village council formed under the provisions of the Indian Reorganization Act of 1934 whose constitution and/or charter has been ratified by the Bureau of Indian Affairs, Department of the Interior. An I.R.A. council representing more than one community is excluded;

(12) "project" means a permanent improvement constructed, operated and/or maintained for the convenience of the public or a study which will lead to such permanent improvement;

(13) "tribal or traditional council" means an eligible recipient under the Indian Self-Determination and Education Assistance Act (25 U.S.C 450) or the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 and 24 C.F.R. Section 571.3(c));

(14) "non-profit community organization" means a local, rural organization that has organized under state law, adopted by-laws and elects its governing body in a manner that insures equal representation of the people residing in the community. Any non-profit organization representing more than one rural community is excluded. (Eff / / Register)

Authority: AS 44.47.160

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B – JUNEAU 99811

April 7, 1980

RE: Proposed Regulations - Rural Development Assistance Grant Program

Dear Legislators, Municipal Officials and other citizens:

Enclosed are copies of the notice of proposed regulations for the Rural Development Assistance (RDA) grant program and the proposed regulations.

Our purpose in submitting proposed regulations is as follows:

1) to make clear how applicants apply and qualify for the RDA grant program;

2) to clarify existing language and procedures.

You may submit oral or written statements or arguments at the hearings, or mail written statements directly to the Department as suggested in the attached notice. Closing date for comments will be May 15, 1980, 4 o'clock p.m.

Additional copies of the proposed regulations may be obtained at our Anchorage, Juneau, Bethel, or Nome offices.

If you have any questions about the proposed regulations or have any suggested changes, please call or write.

Sincerely,

Palmer McCarter by PKP

Palmer McCarter
Director

PM/1/lh

Enclosures:

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF
THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Notice is hereby given that the Department of Community and Regional Affairs, under authority vested in AS 44.47.160, proposes to amend regulations in Title 19 of the Alaska Administrative Code to implement AS 44.47.160 (concerning rural development) as provided below.

19 AAC 60.010-160, "Rural Development Assistance Grant Program Regulations" received 16 public hearing during September and October, 1978. For the purpose of taking testimony in connection with adopting the regulations.

Those regulations are hereby amended as follows:

----minor changes are made in wording of sections

----several sections reorganized and renumbered.

----19 AAC 60.090 (REVIEW PERIOD AND FILING DEADLINE) is amended to change application and review dates.

Notice is also given that any person interested may present oral or written statements or arguments relevant to the actions proposed at hearings held as provided below:

Small Conference Room, Second Floor, 225 Cordova Street, Building B, Anchorage, at 9:00 a.m. on April 30, 1980.

Conference Room, Second Floor, Community Building, 150 3rd. Street, Juneau, at 9:00 a.m. on April 30, 1980.

Governor's office, Second Floor, State Office Building on Front Street, Nome, at 9:00 a.m. on April 29, 1980.

Governor's office, Old Eskimo Building, Kotzebue at 1:00 p.m., April 30, 1980.

Local Government Assistance Division Office, Kuskokwim Office Building, Bethel, at 10:00 a.m. on April 25, 1980.

Conference Room, State Office Building, 675 7th. Avenue, Fairbanks, 9:30 a.m., May 7, 1980.

Copies of the proposed regulations may be obtained by writing: Division of Local Government Assistance, Department of Community and Regional Affairs, 225 Cordova Street, Building B, Anchorage, Alaska, 99501, or calling 276-1721.

The Department of Community and Regional Affairs, upon its own motion or at the instance of any interested person, may at the hearing or after it, adopt the proposals substantially as described above without further notice or may decide to take no action on them.

April 7, 1980

Palmer McCarter

Palmer McCarter, Director
Local Government Assistance Division
Deptartment of Community and Regional Affairs

PM/lh

Alaska State Legislature

TELECONFERENCE HEARINGS

PACIFIC STANDARD TIME

TELECONFERENCE CONTACT SHEET

TAKEN BY FRED

TOPIC: H.B. 932
CREATING OFFICE OF RURAL DEVELOPMENT & RURAL DEVELOPMENT COUNCIL

COMMITTEE: House/SEN. C.&R.A.

DATE: 3/28 DAY: FRI

TIME: 1:30 - SCHEDULED DURATION: 2 HOURS

SITES PARTICIPATING: ALL

CONFERENCE MODE: Audio X Video ____

CONTACT TWYLA OR MARJORIE

PHONE 3712 3824

DATE SCHEDULED 3/19

LOCATION VALDEZ

MODERATOR PAT HICKOK

PERSONS PARTICIPATING

SITE

ALL

PUBLICITY:

___ Invitational

___ Committee making contacts

✓ PSAs TO BE PROVIDED
date quantity

___ News Release ___ ___
date quantity

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ___ ___
date quantity

___ Phone ___ ___
date quantity

✓ Post at Info. Office

✓ Post other local locations

SPECIAL NOTES:

JUNEAU LOCATION:

GOV'S CONFERENCE ROOM

POST-TELECONFERENCE NOTE:

Participants	0
Observers	3
Total	3

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: March 28, 1980

LOCATION: Valdez

SUBJECT: HB 932
Creating Office of Rural

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Beverly Churchill	self	Box 1352	835-5207	X	
Ralph Hopson	self	Box 1550	835-2534	X	
J. Krentzer	self	Box 1235	835-2510	X	

LA33 1610 14.59 JA01 0057 14.59 03/28/80

TO SIOUX

WE HAVE ONE PERSON WHO WILL BE TESTIFYING
ON THE TELECONFERENCE ON H.B. 932.

THE NAME OF THE PERSON IS :

MR. AL ADAMS REPRESENTING KOTZEBUE VILLAGE CORP.

EOM

LA11 1183 10.53 JA01 0017 10.53 03/28/80

TO DEBORAH OR FRED
FR KATHI

ANCHORAGE

THE FOLLOWING HAVE INDICATED A DESIRE TO TESTIFY ON HB 932 THIS
MORNING.

ROGER LANGE
PHIL SMITH, RURALCAP
A PERSON FROM ALASKA NATIVE FOUNDATION
A PERSON FROM ALASKA FEDERATION OF NATIVES

LA21 1620 15.00 JA01 0058 15.00 03/28/80

##########
##########

TO DEBORAH FROM MAXINE

I HAVE TO PEOPLE TO TESTIFY FROM FAIRBANKS

SAMUEL S DEMIENTIEFF, DOYON LTD BOARD

HELEN BARRETT, INTERIOR VILLAGEW ASSOC

CAN YOU GET THIS UP TO THE COMMITTEE?????????? FBX/LIO/MW

LA21 1834 15.55 JA01 0077 15.55 03/28/80

##########
########

TO: DEBORAH G.

FROM: MAXINE W

THE FOLLOWING IS A LIST OF PARTICIPANTS ON TODAY'S TELECONFERENCE
SEN. & HSE. JOINT COMMUNITY & REGIONAL AFFAIRS 3/28/80:

1. HELEN BARRETT, INTERIOR VILLAGE ASSOC., 127 1/2 MINNIE ST.,
FAIRBANKS 99701 PH. 452-1601

2. SMAUEL S. DENIENTIEFF, DOYON LTD, BOARD MEMBER, 127 1/2 MINNIE ST.

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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate CS for CS for HB 932 am Fin
Title An Act creating the Rural Development Council
Requested by _____ Date 5-28-80

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Commissioner's Office
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		118.2	139.0	158.4		
200 TRAVEL		68.9	75.8	83.4		
300 CONTRACTUAL		25.3	27.9	30.7		
400 COMMODITIES		2	2.2	2.4		
500 EQUIPMENT		3.5	.5	.6		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		217.9	245.4	275.5		

FUNDING (Thousands of Dollars)

GENERAL FUND		217.9	245.4	275.5		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3		
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
Assumptions:
1) Office of Rural Development and staff support based in Juneau;
2) Four required meetings per year, plus two special meetings;
3) Start-up costs in FY 81
4) Need for coordination of the Council's activities will be centered around the appointed Director, with research and clerical support by staff;
5) July 1, 1980 effective date
6) 10% inflation in FY 82 and FY 83.

Personal Services includes salaries and benefits for three full time employees:
Executive Director (Range 23A), a
Research Analyst III (Range 18A) and
Secretary I (Range 10A).

IV. DATE 5-28-80 PREPARED BY Marie Matsumoto for Lee McAnerney, Commissioner
AGENCY Department of Community & Regional Affairs
PHONE 465-4700

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

FISCAL NOTE - Continued SCS for CS for HB 932 am F

Travel costs include travel and per diem for 16 board members for two meetings in Juneau, two in Anchorage and two in the bush and travel and per diem for the staff for the six meetings, six trips to rural communities and one trip for the Director to Washington, D.C. for meetings and advocacy.

Contractual costs are for printing and advertising and professional fees and services as well as office support (rentals of space, typewriter, telephone, copier use, etc.). Commodities and Equipment are for start up and maintainance of a small office.

HB
947

(7)

COMMITTEE REPORT

HOUSE

3/7/80

FURTHER:

Date: 3 Oct

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 947

"An Act relating to the term of office of borough assemblymen; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title

[ ] replace with CS for [ ] new title

and recommends

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 947 Term of Office of Borough Assemblymen

ORIGINAL SPONSOR: Eliason
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 4/9/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	X
		Ray Metcalfe	

Jack Chenoweth, Leg. Legal Research

Explains changes in the Committee Substitute.

Bill circulated among committee members and passed out.

COMMITTEE ACTION: CSHB 947 passed out of Committee.

TAPE # 7 SIDE 2 Footage 1-103

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 947 Term of Office of Borough Assemblymen

ORIGINAL SPONSOR: Eliason
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 3/24/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Rep. Dick Eliason

This bill is seen as a technical housekeeping measure. In Sitka the Borough assembly meetings are held on Tues. and that is the traditional time for swearing in new members. Refers to letter from Sitka.

Discussion of the 1979 law and the wording of the original law followed.

Palmer McCarter, Director of Local Assistance, Dept. C&RA

Supports HB947. Questions however the deletion of lines 16,17, "the current term may not be altered". Discusses the history of the current wording with passed with HB66. There was a presumption that the first Monday of Octover was the election date. Runoff elections created conflicts. Attorneys chose to amend section. McCarter says the proposed wording in HB947 is preferable.

Branson - Suggests that the bill read that the term of office would begin "immediately" following certification. What would happen thought in the case of a runoff election?

O'Connell - Suggest that deleted wording in fact be included as part of (a)

Palmer McCarter - suggests it may be necessary to have a fixed date for the beginning of a term of office.

Suggestion made that legal research clarify some of the questions raised.

COMMITTEE ACTION: No Action

TAPE # 5 SIDE 2 Footage 11' -1644

SCSCSHB 947 - ASSEMBLY APPORTIONMENT & REAPPORTIONMENT

BACKGROUND & SUMMARY

Last session the House attached a complicated assembly apportionment and reapportionment bill to a Senate passed municipal code cleanup bill and adopted a floor amendment that made the prescribed process virtually impossible to implement. Because it was very late in the session with no time for a free conference committee and because the effective date of the bill wasn't until January 1, 1981, the Senate decided to accept the House version and amend it this session to make the reapportionment procedures workable. Senate CS for CSHB 947 sets out assembly apportionment standards in AS 29.23.021, revises and simplifies the reapportionment procedures in AS 29.23.025, and repeals AS 29.23.023 which contains the most onerous provisions of the bill (SB 137) that passed last year.

* * * * * * * * *

PROBLEMS WITH AS 29.23.023, ENACTED LAST YEAR

SCSCSHB 947 repeals AS 29.23.023 which provided:

Special Election on Form of Representation. Required special election following decennial census asking borough residents if they want their assembly members elected at large, elected at large but required to live in a district, or elected by and from districts. Boroughs must go to the expense of a special election whether or not there is any dissatisfaction with the current form of representation, and whether or not the assembly is malapportioned. This provision is not necessary because there already exists in law the initiative procedures which may be used by borough residents to change their form of representation.

Dual Plurality Tabulation. Results of above election must be tabulated both inside and outside cities; the assembly must devise a reapportionment plan which "conforms to the form of representation receiving a plurality of the votes in each classification at that election." Nowhere in the law does it say what happens if the people inside the cities vote one way and the people outside vote another.

Short Time Limit. AS 29.23.023 allows only four months for the assembly to devise a reapportionment plan, adopt an ordinance, and get that ordinance ratified by borough voters. Because of the amount of time needed for legal notices for adoption of ordinances and elections, assemblies would have very little time to come up with a reapportionment plan.

* * * * * * * * * * *

HIGHLIGHTS OF SENATE CS for CSHB 947

Apportionment Standards. As 29.23.021, as revised by SCSCSHB 947, sets out standards for assembly apportionment:

1.-consistent with equal representation standards of US Constitution;
2.-apportionment set out in incorporation petition approved by voters;
3.-no weighted voting;
4.-no institutional representation (city council may not appoint one or more of its members to serve on borough assembly).

Reapportionment Procedure. As 29.23.025, as revised by SCSCSHB 947, sets out procedures for assembly reapportionment:

1.-assembly determine if malapportioned within 2 months of census report;
2.-if malapportioned, assembly has 6 months to adopt by ordinance a reapportionment plan that must be ratified by voters;
3.-if no plan approved within 6 months, C&RA Commissioner provides reapportionment (similar provision in current law);
4.-allows reapportionment at times other than following a census;
5.-provides for advisory review by C&RA Commissioner and for judicial review;
6.-specifies election at which reapportionment plan goes into effect.

AS 29.23.025 is applicable to boroughs but not to unified municipalities. Another part of SCSCSHB 947 clarifies that unified municipalities must provide for reapportionment in their charters.

Miscellaneous Provisions. SCSCSHB 947 also deletes the requirement that the number of assembly members of new boroughs not exceed 11 and allows boroughs to establish by ordinance or charter the date on which assembly terms begin.

Introduced: 3/7/80
Referred: Community & Regional Affairs

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the term of office of borough assemblymen; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

reapportionment, and submit the ordinance to the voters. If, at the end of the four-month time period, an ordinance providing for reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 — 29.23.023.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which follows approval of a reapportionment ordinance. (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

The legislature intended that all reapportionment ordinances be submitted to the electorate. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.040. Regular term of office. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. The regular term of office begins on the first Monday following certification of the election. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972; am § 4 ch 83 SLA 1979)

Effect of amendment.

The 1979 amendment, effective June 2, 1979, rewrote the second sentence.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides that the terms of borough assemblymen elected or appointed to dual borough assembly-city council seats are not effected by the amendment made to AS 29.23.040 by sec. 4, ch. 83, SLA 1979 until reapportionment of the assembly is required or proposed under AS 29.23.020 or under AS 29.23.021 — 29.23.025.

Sec. 29.23.060. Procedure.

Cross reference.

As to abstaining from official action when there is a conflict of interests, see AS 29.23.555.

Introduced: 3/7/80
Referred: Community & Regional Affairs

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the term of office of borough assemblymen; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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(b) The regular term of office begins on the ~~first~~ Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

STATE OF ALASKA
THE LEGISLATURE

POUCH V - STATE CAPITOL
JUNEAU, ALASKA 9981[illegible]
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 29, 1980

SUBJECT: Terms of borough assemblymen
(Work Order Number 8250)

TO: Representative Richard I. Eliason

FROM: John B. Chenoweth
Legislative Counsel

This bill is provided without insertion of a name of a sponsor: I cannot put your name to the bill because of the personal bill deadline rule.

Mr. Hallgren, the City/Borough attorney, will be in touch with you to admit that the request embodied in the first page of his February 25th letter is in error; the law presently provides that which he asks you to accomplish.

T[illegible] statutory cite at the top of page 2 of his letter, on which the request he makes on page 2 of that letter is based, is incorrect. The provision which poses a problem for him is AS 29.23.040. The bill draft attached addresses his concern with reference to the latter provision.

You may wish to indicate to Mr. Hallgren that the source of the 1979 amendment of AS 29.23.040, that is, the source of the "problem" mentioned in page 2 of the letter, was Senate Bill 137, a bill offered by the Governor. With reference to the 1979 change, the governor's transmittal letter says:

> The [amendment of AS 29.23.040] merely specifies when newly-elected assemblymen take office, correcting an obvious oversite. . . . (Emphasis added.)

You may want to advise Mr. Hallgren that his complaint relative to legislative instrusion into the concerns of a home rule municipality ["I wish that your colleagues would someday quit poking the legislative stick in the eye of the home rule municipality and stop creating problems where none existed before."] should as well be addressed to the Department of Community and Regional Affairs, on behalf of the administration, in recognition of its zeal to suggest correction of "obvious oversights" in Title 29.

JBC:ljb

Enclosure

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M April 1, 1980

SUBJECT: House Bill 947, relating to the term of office of a borough assemblyman, and proposed CSHB 947, relating to elected officials of a borough.

TO: Representative Bill Parker, Chairman
House Community and Regional Affairs Committee

FROM: John B. Chenowe[illegible]
Legislative Counsel

In reviewing this bill preparatory to completing the committee substitute requested, I discovered a drafting error in the original. The question of policy which attends that error deserves the committee's attention.

In the original, I bracketed language relating to the "current term of incumbent assemblymen", believing that the reference was to assemblymen who were serving on the date the provisions of the Municipal Code revision took effect. Under that interpretation, the reference having survived its usefulness, I proposed its deletion.

The reference, I find, is intended to cover assemblymen who are serving at the time a proposed change in term of office is expected to take effect, whenever that proposed change occurs. Accordingly, I have restored the provision, redrafting it for clarity.

If members of the committee are of the opinion that the term of office of an assemblyman should not be "protected" from extension or contraction because of change of charter provision or ordinance relating to term of office, the material should be deleted from the bill.

JBC:ljb

Enclosure

I. REQUEST

Bill/Resolution No. HB 947

Title Term of office of borough assemblymen

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected N/A

Program Category Affected N/A

BRU, Program, or Subprogram(s) Affected N/A

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact.

IV. DATE March 13, 1980 PREPARED BY Mary Foster

AGENCY Community & Regional Affairs

PHONE 465-4734

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

WO 8250
Chenoweth

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the term of office of borough assemblymen; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. If the term is changed by charter or ordinance, the term of an assemblyman holding office at the time the change takes effect is not affected by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 698 boroughs

Title An Act relating to the composition and representation requirements of general law

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact

IV. DATE _____ PREPARED BY McKie Campbell

AGENCY Community & Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

Assembly Composition, Apportionment and Reapportionment

AML Draft - sectional analysis

Section 1

Repeals AS 29.23.021, 29.23.023, and 29.23.025 on assembly composition and apportionment, composition and representation requirements for general law boroughs, and assembly recomposition and reapportionment. These three sections were enacted into law during 1979 and become effective January 1, 1981.

Section 2

Sec.29.23.021. Assembly composition and apportionment.
(a) consistent with U.S. Constitution
(b) assembly of newly incorporated borough as set out in incorporation petition; existing assembly consistent with this chapter.
(c) weighted vote allowed.

Sec.29.23.023. Composition and representation of general law borough.
(a) assembly by ordinance may change to:
1.-elected at large
2.-elected at large, reside in district
3.-elected by and from districts
4.-combination of above
(b) ordinance ratified by voters and not subject to referendum
(c) if voters turn down ordinance, assembly may propose another form of representation; if no form ratified within 4 months of the first election, Dept. of C&RA selects form.
(d) if at large, assembly has 60 days to adopt implementing ordinance; with other forms, assembly has six months to implement; if not done, Dept. of C&RA has six months to implement.
(e) ordinance applicable at next election held not sooner than 60 days after apportionment becomes effective;
(f) assembly by ordinance may change the number of assembly members.
(g) no institutional representation.

Sec.29.23.025. Assembly reapportionment.
(a) not later than 7/31/81 and thereafter within four months after decennial census, assembly by resolution determines if malapportioned.
(b) at times other than decennial census assembly by resolution may determine if malapportioned when presented by a petition of borough voters or upon its own initiative.
(c) 2 year reapportionment moratorium after change in apportionment.
(d) if malapportioned, assembly shall devise new apportionment according to standards of AS 29.23.021 and may change form of representation or composition.
(e) changes called for in (a) must be according to procedures in AS.29.23.023 for ~~changes~~ general law boroughs.
(f) six month time limit to reapportion; if not then Dept of C&RA does it.
(g) effective at the next election held not soomer than 60 days.

3/6/82

Assembly Composition, Apportionment, and Reapportionment

SB 137 - effective 1/1/81

Repeals existing AS 29.23.020.

AS.29.23.021. Assembly Composition, and Apportionment.
(a) consistent with US Constitution
(b) assembly of newly incorporated borough composed and apportioned as set out in incorporation petition and may be changed by ordinance; assembly of existing borough as set out in 29.23.023.
(c) no weighted voting.

AS.29.23.023. Composition and Representation Requirements for General Law Boroughs.
(a) by 7/31/81 and thereafter within four months of a decennial census report, election on alternate forms of representation:
1.-elected at large
2.-elected at large, reside in district
3.-elected by and from districts.
(b) two tabulations of votes - inside cities and outside. (no provision for what happens with different pluralities.)
(c) no institutional representation

AS.29.23.025. Assembly recomposition and reapportionment.
(a) by 7/31/81 and thereafter within four months of a decennial census report, assembly by resolution determines if malapportioned.
(b) if malapportioned assembly by ordinance shall reapportion within three months and ~~may~~ change composition.
(c) assembly by ordinance may reapportion or change composition on the basis of other reliable population data or by petition of more than 50 voters.
(d) ordinances in (b) and (c) must be ratified by voters.
(e) establishes four month time limit for (b) and if ordinance not approved then Dept. of C&RA reapportions.
(f) provides for judicial review.
(g) effective date - next regular election.

AS.29.18.050(4). assembly of new general law boroughs may not exceed 11 members.

HB 698.

AS 29.23.023(b) repeals the dual tabulation and replaces it with assembly by ordinance providing for form of representation which conforms to election results of (a)

3/6/80

Assembly Composition, Apportionment, & Reapportionment

existing law until 1/1/81

AS.29.23.020
(a) number of assembly members, apportionment, and voting procedures determined by incorporation petition, charter, or ordinance; must be consistent with US Constitution.
(b) reapportionment - within six months after decennial census
1.-assembly by resolution determines is malapportioned;
2.-if malapportioned, assembly by ordinance provides for reapportionment;
3.-ordinance must be ratified by voters.
(c) tabulation of vote - two classifications: inside first class and home rule cities and outside; if voters don't approve plan, Dept. of C&RA provides for reapportionment.
(d) may reapportion following same procedures between decennial census reports if petitioned by voters or on assembly initiative.
(e) effective next regular election
(f) provides for judicial review.

3/6/80

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 4, 1980

to: House Community & Regional Affairs Committee

from: Ginny Chitwood

re: assembly composition, apportionment and reapportionment

Attached for your consideration is a draft of a proposed assembly composition, apportionment and reapportionment bill prepared by a special Alaska Municipal League committee. I am preparing a sectional analysis and a comparison between this bill, HB 698, SB 137 - passed last year, and current law that I will distribute prior to Friday's committee meeting.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

SCS CSHB 947 - Assembly Apportionment and Reapportionment

The borough assembly apportionment and reapportionment provisions of SCS CSHB 947 basically go back to what was in Title 29 prior to the complicated amendments that were adopted last session. In addition, this bill contains three improvements to the prior law:

1.-deletes the dual majority provision, which required assembly adopted reapportionment ordinances to be ratified by the voters inside and outside cities;

2.-clarifies that weighted voting is not permissable; and

3.-clarifies that institutional representation is prohibited, per an attorney general's opinion.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 698

Title An Act relating to the composition and representation requirements of general law boroughs

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact

IV. DATE _____ PREPARED BY McKie Campbell

AGENCY Community & Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33–001 (Rev. 12/78)

STATE OF ALASKA
THE LEGISLATURE

POUCH Y, STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM April 1, 1980

SUBJECT: House Bill 947, relating to the term of office of a borough assemblyman, and proposed CSHB 947, relating to elected officials of a borough.

TO: Representative Bill Parker, Chairman
House Community and Regional Affairs Committee

FROM: John B. Chenoweth
Legislative Counsel

In reviewing this bill preparatory to completing the committee substitute requested, I discovered a drafting error in the original. The question of policy which attends that error deserves the committee's attention.

In the original, I bracketed language relating to the "current term of incumbent assemblymen", believing that the reference was to assemblymen who were serving on the date the provisions of the Municipal Code revision took effect. Under that interpretation, the reference having survived its usefulness, I proposed its deletion.

The reference, I find, is intended to cover assemblymen who are serving at the time a proposed change in term of office is expected to take effect, whenever that proposed change occurs. Accordingly, I have restored the provision, redrafting it for clarity.

If members of the committee are of the opinion that the term of office of an assemblyman should not be "protected" from extension or contraction because of change of charter provision or ordinance relating to term of office, the material should be deleted from the bill.

JBC:ljb

Enclosure

HB

947

CONFERENCE COMMITTEE REPORT

DATE: 4 June 80

Mr. President:
Mr. Speaker:

The FREE Conference Committee which has had

CSHB 947 (term of office of borough assemblymen; eff)

&

SCS
CSHB 947 (borough assemblies and amending the apportionment requirements of charters of unified municipalities; efd)

under consideration, recommends that

be adopted.

Senate Members:

Senator Sturgulewski, Chairman

Senator Dankworth

Senator Stimson

House Members:

Representative Parker, Chairman

Representative Malone

Representative Hudson

RETURN ORIGINAL REPORT & BILL TO THE CHIEF CLERK

H/S 55 (Rev. 11/78)

FREE CONFERENCE COMMITTEE

CSHB 947 Term of Office of Borough Assemblymen

SCSCSHB 947 Borough Assemblies and Amending the Apportionment Requirements of Charters of Unified Municipalities

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

June 12, 1980

TO: Mr. Billy Barrier
FROM: Marjorie Gorsuch mg
RE: FCCSHB947

Being aware that you will be involved in the revision of Title 29, as per the requirements of CSSCR66 which directs the Alaska Legislative Council to review the Municipal Government statutes, I want to call your attention to an area of law, enacted by the Eleventh Legislature as FCCSHB947, which you will want to address during the course of your revision. In the haste of the last days of legislative activity, the following omissions went unnoticed when the Free Conference version of the bill was adopted.

Section 9 AS 29.23.025 (e) outlines the procedures to be followed if a reapportionment ordinance has not been approved by the voters after the assembly has determined that reapportionment is necessary. The law does not address what happens to the order--is it voted on by the people? Can the order be appealed? Is administrative or judicial review provided for?

In Section 29.23.029 and Section 29.23.031 there should be additional statutory references providing for judicial review and relief in all applicable instances and referencing all applicable voter approved ordinances and reapportionment orders under Sec. 031.

Both the draftsman, Jack Chenoweth, and Ginny Chitwood of the Municipal League which will be involved in the revision of Title 29 are familiar with the problems in the Free Conference law and would be able to answer any questions.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

FCCS HB 947

Free Conference Committee Meeting 5/31/80]

Present:

Sturgulewski	Parker, Chairman
Stimson	Branson
Rep. for Sen. Dankworth	Rep. For Rep. Malone

Discussion of Malone's concern that the C&RA determination would be "advisory" in nature. His concern is that the voters only recourse would be to the courts and that there should be an option.

The bill is to redrafted with modification.

Informal review -

FCCSHB947 - Reviewed by House members on 6/2. Approval given.

Senate committee members concur.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M June 3, 1980

SUBJECT: FCCS HB 947

TO: Representative Bill Parker
Senator Arliss Sturgulewski

FROM: John B. Chenoweth
Legislative Counsel

*Sec. 1 AS 29.13.100(3) - *Sec. 4 AS 29.23.021(d)

No changes in the text of the sections

AS 29.23.023:

FCCS *Sec. 5
SCS [Repealed in Senate CS]

The Senate CS repealed AS 29.23.023. The FCCS re-enacts the provision to maintain the requirement that, following each decennial census, borough officials permit the residents to vote on form of representative and assembly composition, and that any proposed change in form of representative and composition which involves use of districts requires the assembly to specify the proposed districts on the election ballot. As offered in the FCCS, the provisions of AS 29.23.023 describe the forms of representation which may be offered for voter consideration and the time period in which the election must be called. The section exempts home rule and unified municipalities from being subject to its provisions.

AS 29.23.025(a)

FCCS *Sec. 6
SCS *Sec. 5

Replaces Senate CS language with provisions which tie apportionment provisions to changes in composition and form of representation.

AS 29.23.0025(b)

FCCS *Sec. 7
SCS *Sec. 6

The FCCS version borrows from existing AS 29.-23.025(c) by specifically authorizing the borough assembly to charge its approtionment when the existing standards of AS 29.23.021 (one-man/one-vote; no institutional representation; no weighted voting) no longer apply.

AS 29.23.025(c)

FCCS *Sec. 8
SCS *Sec. 7

The FCCS confines this section to voter-initiated petitions asking for change in apportionment.

AS 29.23.025(e)

FCCS *Sec. 9
SCS *Sec. 8

Substantially the same in both versions -- describes time limits for apportionment when required.

Apportionment Appeals

FCCS *Sec. 10 -- AS 29.23.027
SCS *Sec. 9

Authorizes appeals of apportionment ordinances which are alleged to be not in compliance with standards of AS 29.23.021 to the commissioner of community and regional affairs. The FCCS version describes the procedures to be followed under the appeal.

Judicial Review

FCCS *Sec. 10 -- AS 29.23.029
SCS *Sec. 12 (h) and (i)

Substantially the same

Effective Date of New Apportionments

FCCS *Sec. 10 -- AS 29.23.031
SCS *Sec. 11 and *Sec. 12 (j)

Substantially the same

Applicability of Apportionment

FCCS *Sec. 10 -- AS 29.23.033
SCS *Sec. 12 (k)

Substantially the same

No changes in remainder of bill --

Because material in existing AS 29.23.025(f) and (g) is picked up in new AS 29.23.027 and AS 29.23.031, these are repealed in the FCCS.

JBC:jdn

WO 8250
Chenoweth

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE

FREE CONFERENCE CS FOR HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to borough assemblies and amending the apportionment requirements of charters of unified municipalities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021 (borough assembly composition and apportionment), and AS 29.23.040 - 29.23.050 (borough assembly members)

* Sec. 2. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council [, BUT THE NUMBER OF MEMBERS OF A BOROUGH ASSEMBLY MAY NOT EXCEED 11];

* Sec. 3. AS 29.23.021(b) is amended to read:

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with <u>the requirements of this section</u> [AS 29.23.023] and prescribed by charter or ordinance.

* Sec. 4. AS 29.23.021 is amended by adding a new subsection to read:

(d) A member of the assembly of a borough may not be elected or appointed by and from the council of a city in the borough.

* Sec. 5. AS 29.23.023 is repealed and re-enacted to read:

Sec. 29.23.023. COMPOSITION AND FORM OF REPRESENTATION. (a) The

borough assembly shall provide for its composition and for the form of its representation.

(b) ~~by July 31, 1981,~~ and, thereafter, within two/three/four months after the report of a federal decennial census, the assembly shall propose and submit to the voters of the borough, at a regular election or special election called for the purpose, one or more forms of borough assembly representation. The forms of representation which the assembly may submit to the voters are

(1) election of members of the borough assembly at large by all qualified voters of the borough;

(2) election of members of the borough assembly by district, including but not limited to, /OR/ limited to the following:

(A) election at large by all qualified voters of the borough, but with a requirement that a candidate live within an election district established by the borough for election of assembly members;

(B) election by and from election districts established by the borough for the election of assembly members; or

(C) election by and from an election district established by the borough for election of assembly members, with a requirement that a candidate live within a zone or section within that election district.

(c) A form of borough assembly representation which includes election of borough assembly members by district under (b)(2) of this section shall be submitted to the voters of the borough with a plan of apportionment as required by AS 29.23.025(a).

(d) The borough assembly shall, within 30 days of certification of the results of the election held on a proposed form of representation under this section, adopt an ordinance providing for its composition and

the form of assembly representation, and, if applicable, the apportionment of assembly seats which corresponds to the proposed form of representation which receives the greatest number of votes at the election.

(e) This section does not apply

(1) to a unified municipality incorporated under AS 29.68.240 - 29.68.440;

(2) to a home rule borough if the borough, by charter, provides procedures permitting voters to approve a change in assembly composition and form of representation which are substantially similar to the procedures in this section.

* Sec. 6. AS 29.23.025(a) is repealed and re-enacted to read:

(a) If the borough assembly proposes and submits to the voters a form of representation which includes election of borough assembly members by district under AS 29.23.023(b)(2), the assembly shall submit with the proposition a proposed plan of apportionment which corresponds to the form of representation proposed. The assembly shall describe the plan of apportionment in the ballot proposition, and may present the plan in any manner which it believes accurately describes the apportionment which it is proposing under the form of representation.

* Sec. 7. AS 29.23.025(b) is amended to read:

(b) If the existing apportionment of the borough assembly does not meet the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023], the assembly shall provide by ordinance for its reapportionment. At the same time, the borough assembly may, by ordinance, change the composition of the assembly.

* Sec. 8. AS 29.23.025(c) is amended to read:

(c) In addition to providing for apportionment at the times required under (a) and (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide, by

ordinance, for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 registered [BOROUGH] voters who are residents of the borough requests the borough assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may [SHALL] make the determination requested. The borough assembly shall make a determination required by this sub section within two months of receipt of a petition which meets the requirements of this subsection.

* Sec. 9. AS 29.23.025(e) is amended to read:

(e) Within six [FOUR] months of a determination by the borough assembly that the current apportionment does not meet the standards of AS 29.23.021 [AS 29.23.021 - 29.23.025], the borough assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the six-month [FOUR-MONTH] time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner of the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] by preparing an order of reapportionment and delivering the order to the borough mayor.

* Sec. 10. AS 29.23.025(f) is repealed and re-enacted to read:

(f) A reapportionment ordinance approved by the voters, or a decision of the borough assembly that the standards of AS 29.23.021 do not require a change in apportionment, may be appealed to the commissioner of the Department of Community and Regional Affairs. Fifty

registered voters who are residents of the borough may submit a petition to the commissioner of community and regional affairs requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.23.021, or whether a decision of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is correct. If the petition asks the commissioner of community and regional affairs to review an ordinance approved by the voters under (e) of this section, the petition shall be delivered to the commissioner not later than 20 days after certification of the election. If the petition asks the commissioner of community and regional affairs to review a decision of the borough assembly under (c) of this section, the petition shall be delivered to the commissioner within 20 days of the decision of the borough assembly. The commissioner of community and regional affairs shall review the petition and may make the determination requested. The commissioner shall provide copies of his determination to the persons petitioning for appeal and to borough officials not later than 60 days after he receives the petition. If the commissioner determines that the proposed reapportionment ordinance approved by the voters does not meet the standards of AS 29.23.021, or if he determines that the decision of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is not correct, the commissioner

may, by order, direct the borough assembly to prepare a reapportionment ordinance which meets the standards of AS 29.23.021 and submit the ordinance to the voters under this section.

↑
FIGURE ONE
↓
(NEXT PAGE)

/OR/

shall provide for the reapportionment of the borough assembly in accordance with the standards of AS 29.23.021 by preparing an order of reapportionment and delivering the order to the borough mayor.

* Sec. 11. AS 29.23.025(g) is amended to read:

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which is held more than 60 days after the later of:

(1) approval of the reapportionment ordinance by the voters under (e) of this section; or

(2) the delivery to the mayor of a reapportionment order of the commissioner of community and regional affairs under (e) or (f) of this section [FOLLOWS APPROVAL OF A REAPPORTIONMENT ORDINANCE].

* Sec. 12. AS 29.23.025 is amended by adding new subsections to read:

(h) The commissioner of community and regional affairs may request the superior court to enforce a reapportionment order granted under (e) or (f) of this section.

(i) Each of the following is subject to judicial review:

(1) a plan of reapportionment approved by the voters under (a) of this section;

(2) a reapportionment ordinance approved by the voters under (e) of this section;

(3) a determination by the borough assembly under (c) of this section that the standards of AS 29.23.021 do not require a change in apportionment; and

(4) a reapportionment order of the commissioner of community and regional affairs made under (e) or (f) of this section.

(j) The provisions of (g) of this section do not apply to a borough in which a change in assembly composition or apportionment is

subject to review and approval or determination of nonobjection by the Attorney General of the United States under the Voting Rights Act of 1965, as amended, (42 U.S.C. 1971 - 1974). A change in assembly composition or apportionment subject to review under the Voting Rights Act of 1965, as amended, is effective beginning with the first regular election for members of the assembly which is held more than 60 days after

(1) receipt by the borough assembly of approval by the Attorney General of the United States of the proposed change in the composition or apportionment of the assembly;

(2) receipt by the borough assembly of a statement of nonobjection from the Attorney General of the United States to the proposed change in the composition or apportionment of the assembly; or

(3) the last day on which the Attorney General of the United States may review a proposed change in the composition or apportionment of the assembly.

(k) The provisions of this section do not apply

(1) to a unified municipality incorporated under AS 29.68.-240 - 29.68.440;

(2) to a home rule borough if the borough, by charter, provides for reapportionment of the borough assembly.

* Sec. 13. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. Except when otherwise required by a change of composition or apportionment, if the term of an assemblyman is changed by charter or ordinance, the term of an assembly man holding office at the time the change takes effect is not affected

by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 14. AS 29.68.350(a)(2) is repealed and re-enacted to read:

(2) provisions for

(A) the establishment of service areas; and

(B) the establishment of districts or sections for the election of members of the legislative body of the unified municipality, if election of members of the legislative body is not areawide, and procedures by which to reapportion the election districts or sections;

* Sec. 15. Sections 1 - 12, and 14 of this Act take effect January 1, 1981.

* Sec. 16. Sections 13, 15, and 16 of this Act take effect immediately in accordance with AS 01.10.070(c).

Composition - Number

Apportionment
Allocation among different constituencies

Form of Rep - at large or by district

6/2/80 Sorsuch

This problem resolved with "combination" Already in present law that vote be done

There is some confusion as to whether this is to be "temporary" or "permanent" law, so . . . . . .

As "temporary" law, applicable only to exempt only pre-1980 census apportionments:

* Sec. 15. EXEMPTION FROM REQUIREMENTS. (a) If a borough assembly has been reapportioned after December 31, 1979, the borough assembly is not required to submit to the voters of the borough one or more proposed forms of representation as required by AS 28.23.023(b).

which has been approved by the voters

Eliminate

(b) The provisions of (a) of this section do not ~~apply to~~ a borough assembly which was reapportioned after December 31, 1979, from providing for another reapportionment under AS 29.23.025(b) or (c) if evidence is presented under AS 29.23.025(b)or (c) that the re-apportionment, as completed, does not meet the standards of AS 29.23.021, as amended by secs. 3 and 4 of this Act.

As "permanent" law applicable to provide exemptions for reapportionments which are done preceding any federal census:

Redraft AS 29.23.023(e), page 3, by adding a new paragraph to read:

(3) to the assembly of a general law borough which has been reapportioned under AS 29.23.025 during the 18 months preceding ~~report of~~ a federal census report.

WO#8250
Chenoweth

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE

FREE CONFERENCE CS FOR HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to borough assemblies and amending the apportionment requirements of charters of unified municipalities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021 (borough assembly composition and apportionment), and AS 29.23.040 - 29.23.050 (borough assembly members)

* Sec. 2. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council [, BUT THE NUMBER OF MEMBERS OF A BOROUGH ASSEMBLY MAY NOT EXCEED 11];

* Sec. 3. AS 29.23.021(b) is amended to read:

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with the requirements of this section [AS 29.23.023] and prescribed by charter or ordinance.

* Sec. 4. AS 29.23.021 is amended by adding a new subsection to read:

(d) A member of the assembly of a borough may not be elected or appointed by and from the council of a city in the borough.

* Sec. 5 AS 29.23.023 is repealed and re-enacted to read:

Sec. 29.23.023. COMPOSITION AND FORM OF REPRESENTATION. (a) The

LA-2 20A

borough assembly shall provide for its composition and for the form of its representation.

(b) Not later than the first regular election which occurs after the report of a federal decennial census, the assembly shall propose and submit to the voters of the borough, at that regular election or at a special election called for the purpose, one or more forms of borough assembly representation. The forms of representation which the assembly may submit to the voters are:

(1) election of members of the borough assembly at large by the qualified voters throughout the borough;

(2) election of members of the borough assembly by district, including but not limited to, /OR/ limited to the following:

(A) election at large by the qualified voters throughout the borough, but with a requirement that a candidate live within an election district established by the borough for election of assembly members;

(B) election from election districts established by the borough for the election of assembly members by the qualified voters of a district, or

(C) election within an election district established by the borough for election of assembly members by the qualified voters of the district, with a requirement that a candidate live within a zone or section within that election district.

(c) A form of borough assembly representation which includes election of borough assembly members by district under (b)(2) of this section shall be submitted to the voters of the borough with a plan of apportionment as required by AS 29.23.025(a).

(d) The borough assembly shall, within 30 days of certification of the results of the election held on a proposed form of representation

under this section, adopt an ordinance providing for its composition and the form of assembly representation, and, if applicable, the apportionment of assembly seats which corresponds to the proposed form of representation which receives the most votes at the election.

(e) This section does not apply

(1) to a unified municipality incorporated under AS 29.68.-240 - 29.68.440;

(2) to a home rule borough if the borough, by charter, provides procedures for changing assembly composition and form of representation.

* Sec. 6. AS 29.23.025(a) is repealed and re-enacted to read:

(a) If the borough assembly submits to the voters a form of representation which includes election of borough assembly members by district under AS 29.23.023(b)(2), the assembly shall submit with the proposition a proposed plan of apportionment which corresponds to the form of representation proposed. The assembly shall describe the plan of apportionment in the ballot proposition, and may present the plan in any manner which it believes accurately describes the apportionment which is proposed under the form of representation.

* Sec. 7. AS 29.23.025(b) is amended to read:

(b) If the existing apportionment of the borough assembly does not meet the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] the assembly shall provide by ordinance for its reapportionment. At the same time, the borough assembly may, by ordinance, change the composition of the assembly.

* Sec. 8. AS 29.23.025(c) is amended to read:

(c) In addition to providing for apportionment at the times required under (a) and (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide, by ordi-

LA-L 10A

nance, for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 registered [BOROUGH] voters who are residents of the borough requests the borough assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may [SHALL] make the determination requested. The borough assembly shall make a determination required by this subsection within two months of receipt of a petition which meets the requirements of this subsection.

* Sec. 9. AS 29.23.025(e) is amended to read:

(e) Within six [FOUR] months of a determination by the borough assembly that the current apportionment does not meet the standards of AS 29.23.021 [AS 29.23.021 - 29.23.025], the borough assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the six-month [FOUR-MONTH] time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner of the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] by preparing an order of reapportionment and delivering the order to the borough mayor.

* Sec. 10. AS 29.23.025(f) is repealed and re-enacted to read:

(f) A reapportionment ordinance approved by the voters, or a decision of the borough assembly that the standards of AS 29.23.021 do not require a change in apportionment, may be appealed to the commissioner of the Department of Community and Regional Affairs. Fifty

registered voters who are residents of the borough may submit a petition to the commissioner of community and regional affairs requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.23.021, or whether a decision of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is correct. If the petition asks the commissioner of community and regional affairs to review an ordinance approved by the voters under (e) of this section, the petition shall be delivered to the commissioner not later than 20 days after certification of the election. If the petition asks the commissioner of community and regional affairs to review a decision of the borough assembly under (c) of this section, the petition shall be delivered to the commissioner within 20 days of the decision of the borough assembly. The commissioner of community and regional affairs shall review the petition and may make the determination requested. The commissioner shall provide copies of his determination to the persons petitioning for appeal and to borough officials not later than 60 days after he receives the petition. If the commissioner determines that the proposed reapportionment ordinance approved by the voters does not meet the standards of AS 29.23.021, or if he determines that the decision of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is not correct, the commissioner

may, by order, direct the borough assembly to prepare a reapportionment ordinance which meets the standards of AS 29.23.021 and submit the ordinance to the voters under this section.

OK ↑ Malone

/OR/

↑ Pick one ↓ (Next Page)

LA-L 20A

shall provide for the reapportionment of the borough assembly in accordance with the standards of AS 29.23.021 by preparing an order of reapportionment and delivering the order to the borough mayor.

* Sec. 11. AS 29.23.025(g) is amended to read:

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which <u>is held more than 60 days after the later of:</u>

<u>(1) approval of the reapportionment ordinance by the voters under (e) of this section; or</u>

<u>(2) the delivery to the mayor of a reapportionment order of the commissioner of community and regional affairs under (e) or (f) of this section</u> [FOLLOWS APPROVAL OF A REAPPORTIONMENT ORDINANCE].

* Sec. 12. AS 29.23.025 is amended by adding new subsections to read:

(h) The commissioner of community and regional affairs may request the superior court to enforce a reapportionment order issued under (e) or (f) of this section.

(i) Each of the following is subject to judicial review:

(1) a plan of reapportionment approved by the voters under (a) of this section;

(2) a reapportionment ordinance approved by the voters under (e) of this section;

(3) a determination by the borough assembly under (c) of this section that the standards of AS 29.23.021 do not require a change in apportionment; and

(4) a reapportionment order of the commissioner of community and regional affairs made under (e) or (f) of this section.

(j) The provisions of (g) of this section do not apply to a borough in which a change in assembly composition or apportionment is

subject to review and approval or determination of nonobjection by the Attorney General of the United States under the Voting Rights Act of 1965, as amended, (42 U.S.C. 1971 - 1974). A change in assembly composition or apportionment subject to review under the Voting Rights Act of 1965, as amended, is effective beginning with the first regular election for members of the assembly which is held more than 60 days after

(1) receipt by the borough assembly of approval by the Attorney General of the United States of the proposed change in the composition or apportionment of the assembly;

(2) receipt by the borough assembly of a statement of nonobjection from the Attorney General of the United States to the proposed change in the composition or apportionment of the assembly; or

(3) the last day on which the Attorney General of the United States may review a proposed change in the composition or apportionment of the assembly.

(k) The provisions of this section do not apply

(1) to a unified municipality incorporated under AS 29.68.-240 - 29.68.440;

(2) to a home rule borough if the borough, by charter, provides for reapportionment of the borough assembly.

* Sec. 13. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. Except when otherwise required by a change of composition or apportionment, if the term of an assemblyman is changed by charter or ordinance, the term of an assemblyman holding office at the time the change takes effect is not affected

by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 14. AS 29.68.350(a)(2) is repealed and re-enacted to read:

(2) provisions for

(A) the establishment of service areas; and

(B) the establishment of districts or sections for the election of members of the legislative body of the unified municipality, if election of members of the legislative body is not areawide, and procedures by which to reapportion the election districts or sections;

* Sec. 15. Sections 1 - 12, and 14 of this Act take effect January 1, 1981.

* Sec. 16. Sections 13, 15, and 16 of this Act take effect immediately in accordance with AS 01.10.070(c).

* ? ?.020 Repealed
* Check effective date

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M June 3, 1980

SUBJECT: FCCS HB 947

TO: Representative Bill Parker
Senator Arliss Sturgulewski

FROM: John B. Chenoweth
Legislative Counsel

*Sec. 1 AS 29.13.100(3) - *Sec. 4 AS 29.23.021(d)

No changes in the text of the sections

AS 29.23.023:

FCCS *Sec. 5
SCS [Repealed in Senate CS]

The Senate CS repealed AS 29.23.023. The FCCS re-enacts the provision to maintain the requirement that, following each decennial census, borough officials permit the residents to vote on form of representative and assembly composition, and that any proposed change in form of representative and composition which involves use of districts requires the assembly to specify the proposed districts on the election ballot. As offered in the FCCS, the provisions of AS 29.23.023 describe the forms of representation which may be offered for voter consideration and the time period in which the election must be called. The section exempts home rule and unified municipalities from being subject to its provisions.

AS 29.23.025(a)

FCCS *Sec. 6
SCS *Sec. 5

Replaces Senate CS language with provisions which tie apportionment provisions to changes in composition and form of representation.

AS 29.23.0025(b)

FCCS *Sec. 7
SCS *Sec. 6

The FCCS version borrows from existing AS 29.-23.025(c) by specifically authorizing the borough assembly to change its approtionment when the existing standards of AS 29.23.021 (one-man/one-vote; no institutional representation; no weighted voting) no longer apply.

AS 29.23.025(c)

FCCS *Sec. 8
SCS *Sec. 7

The FCCS confines this section to voter-initiated petitions asking for change in apportionment.

AS 29.23.025(e)

FCCS *Sec. 9
SCS *Sec. 8

Substantially the same in both versions -- describes time limits for apportionment when required.

Apportionment Appeals

FCCS *Sec. 10 -- AS 29.23.027
SCS *Sec. 9

Authorizes appeals of apportionment ordinances which are alleged to be not in compliance with standards of AS 29.23.021 to the commissioner of community and regional affairs. The FCCS version describes the procedures to be followed under the appeal.

Judicial Review

FCCS *Sec. 10 -- AS 29.23.029
SCS *Sec. 12 (h) and (i)

Substantially the same

Effective Date of New Apportionments

FCCS *Sec. 10 -- AS 29.23.031
SCS *Sec. 11 and *Sec. 12 (j)

Substantially the same

Applicability of Apportionment

FCCS *Sec. 10 -- AS 29.23.033
SCS *Sec. 12 (k)

Substantially the same

No changes in remainder of bill --

Because material in existing AS 29.23.025(f) and (g) is picked up in new AS 29.23.027 and AS 29.23.031, these are repealed in the FCCS.

JBC:jdn

WO 8250
Chenoweth

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE

FREE CONFERENCE CS FOR HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to borough assemblies and amending the apportionment requirements of charters of unified municipalities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021 (borough assembly composition and apportionment), and AS 29.23.040 - 29.23.050 (borough assembly members)

* Sec. 2. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council [, BUT THE NUMBER OF MEMBERS OF A BOROUGH ASSEMBLY MAY NOT EXCEED 11];

* Sec. 3. AS 29.23.021(b) is amended to read:

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with the requirements of this section [AS 29.23.023] and prescribed by charter or ordinance.

* Sec. 4. AS 29.23.021 is amended by adding a new subsection to read:

(d) A member of the assembly of a borough may not be elected or appointed by and from the council of a city in the borough.

* Sec. 5. AS 29.23.023 is repealed and re-enacted to read:

Sec. 29.23.023. COMPOSITION AND FORM OF REPRESENTATION. (a) The

borough assembly shall provide for its composition and for the form of its representation.

(b) Not later than the first regular election which occurs after the report of a federal decennial census, the assembly shall propose and submit to the voters of the borough, at that regular election or at a special election called for the purpose, one or more forms of borough assembly representation. The forms of representation which the assembly may submit to the voters are:

(1) election of members of the borough assembly at large by the qualified voters throughout the borough;

(2) election of members of the borough assembly by district, including

(A) election at large by the qualified voters throughout the borough, but with a requirement that a candidate live within an election district established by the borough for election of assembly members; or

(B) election from election districts established by the borough for the election of assembly members by the qualified voters of a district;

(3) election of members of the borough assembly both at large and by district.

(c) A form of borough assembly representation which includes election of borough assembly members under (b)(2) or (b)(3) of this section shall be submitted to the voters of the borough with a plan of apportionment as required by AS 29.23.025(a).

(d) The borough assembly shall, within 30 days of certification of the results of the election held on a proposed form of representation under this section, adopt an ordinance providing for its composition and the form of assembly representation, and, if applicable, the apportion-

ment of assembly seats which corresponds to the proposed form of representation which receives the most votes at the election.

(e) This section does not apply

(1) to a unified municipality incorporated under AS 29.68.-240 - 29.68.440;

(2) to a home rule borough if the borough charter contains procedures for changing assembly composition and form of representation.

* Sec. 6. AS 29.23.025(a) is repealed and re-enacted to read:

(a) Not later than two months after the official report of a federal decennial census, the borough assembly shall determine and declare by resolution whether the existing apportionment of the borough assembly meets the standards of AS 29.23.021. If the borough assembly submits to the voters a form of representation which includes election of borough assembly members under AS 29.23.023(b)(2) or (b)(3), the assembly shall submit with the proposition a proposed plan of apportionment which corresponds to the form of representation proposed. The assembly shall describe the plan of apportionment in the ballot proposition, and may present the plan in any manner which it believes accurately describes the apportionment which is proposed under the form of representation. If the borough assembly determines that its existing apportionment meets the standards of AS 29.23.021, the assembly may include the existing apportionment as a proposed plan of apportionment of assembly seats which corresponds to a form of representation which is proposed.

* Sec. 7. AS 29.23.025(b) is repealed and re-enacted to read:

(b) The borough assembly shall provide, by ordinance, for a change in an existing apportionment of the borough assembly whenever it determines that the apportionment does not meet the standards of AS 29.23.021. At the same time, the borough assembly may, by ordinance,

change the composition of the assembly.

* Sec. 8. AS 29.23.025(c) is repealed and re-enacted to read:

(c) If a petition signed by not less than 50 registered voters who are residents of the borough requests the borough assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may make the determination requested. The borough assembly shall make a determination required by this subsection within two months of receipt of a petition which meets the requirements of this subsection.

* Sec. 9. AS 29.23.025(e) is amended to read:

(e) Within six [FOUR] months of a determination by the borough assembly under (b) or (c) of this section that the current apportionment does not meet the standards of AS 29.23.021 [AS 29.23.021 - 29.23.025], the borough assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the six-month [FOUR-MONTH] time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner of the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] by preparing an order of reapportionment and delivering the order to the borough mayor.

* Sec. 10. AS 29.23 is amended by adding new sections to read:

Sec. 29.23.027. APPORTIONMENT APPEALS. (a) A reapportionment ordinance approved by the voters, or a decision of the borough assembly that the standards of AS 29.23.021 do not require a change in apportionment, may be appealed to the commissioner of the Department of Community and Regional Affairs. Fifty registered voters who are residents of the borough may submit a petition to the commissioner of community and

regional affairs requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.23.021, or whether a decision of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is correct. If the petition asks the commissioner of community and regional affairs to review an ordinance approved by the voters under AS 29.23.025(e), the petition shall be delivered to the commissioner not later than 20 days after certification of the election. If the petition asks the commissioner of community and regional affairs to review a decision of the borough assembly under AS 29.23.025(c), the petition shall be delivered to the commissioner within 20 days of the decision of the borough assembly.

(b) The commissioner of community and regional affairs shall review the petition and may make the determination requested. The commissioner shall provide copies of his determination to the persons petitioning for appeal and to borough officials not later than 60 days after he receives the petition.

(c) If the commissioner of community and regional affairs determines that the proposed reapportionment ordinance approved by the voters does not meet the standards of AS 29.23.021, or if he determines that the decision of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is not correct, the commissioner shall, by order, direct the borough assembly to prepare a reapportionment ordinance which meets the standards of AS 29.23.021 and submit the ordinance to the voters.

(d) When the borough assembly has been directed by the commissioner of community and regional affairs to prepare a reapportionment ordinance under (c) of this section, the borough assembly shall, within two months of its receipt of the commissioner's order, adopt an ordi-

nance providing for reapportionment. The borough assembly shall submit an ordinance adopted under this subsection to the voters at a regular election or special election held within 60 days of the date of adoption of the reapportionment ordinance.

(e) If at the end of the time period provided under (d) of this section an ordinance providing for reapportionment has not been approved by the voters, the commissioner of community and regional affairs shall provide for the reapportionment of the borough assembly in accordance with the standards of AS 29.23.021 by preparing an order of reapportionment and delivering the order to the borough mayor.

Sec. 29.23.029. JUDICIAL REVIEW AND RELIEF. (a) The commissioner of community and regional affairs may request the superior court to enforce a reapportionment order issued under AS 29.23.027(e).

(b) Each of the following is subject to judicial review:

(1) a plan of reapportionment approved by the voters under AS 29.23.025(a);

(2) a determination by the borough assembly under AS 29.23.025(c) that the standards of AS 29.23.021 do not require a change in apportionment;

(3) a reapportionment ordinance approved by the voters under AS 29.23.025(d);

(4) a reapportionment order of the commissioner of community and regional affairs made under AS 29.23.027(c);

(5) a reapportionment ordinance approved by the voters under AS 29.23.027(d); and

(6) a reapportionment order of the commissioner of community and regional affairs made under AS 29.23.027(e).

Sec. 29.23.031. EFFECTIVE DATE OF APPORTIONMENT. (a) A change in assembly apportionment or composition under AS 29.23.025 or 29.23.027 is

effective beginning with the first regular election for members of the assembly which is held more than 60 days after the later of:

(1) approval of a reapportionment ordinance by the voters under AS 29.23.025(a), 29.23.025(e), or 29.23.027(d); or

(2) the delivery to the mayor of a reapportionment order of the commissioner of community and regional affairs under AS 29.23.027(e).

(b) The provisions of (a) of this section do not apply to a borough in which a change in assembly composition or apportionment is subject to review and approval or determination of nonobjection by the Attorney General of the United States under the Voting Rights Act of 1965, as amended, (42 U.S.C. 1971 - 1974). A change in assembly composition or apportionment subject to review under the Voting Rights Act of 1965, as amended, is effective beginning with the first regular election for members of the assembly which is held more than 60 days after

(1) receipt by the borough assembly of approval by the Attorney General of the United States of the proposed change in the composition or apportionment of the assembly;

(2) receipt by the borough assembly of a statement of nonobjection from the Attorney General of the United States to the proposed change in the composition or apportionment of the assembly; or

(3) the last day on which the Attorney General of the United States may review a proposed change in the composition or apportionment of the assembly.

Sec. 29.23.033. APPLICABILITY OF APPORTIONMENT PROVISIONS. The provisions of AS 29.23.025 - 29.23.031 do not apply

(1) to a unified municipality incorporated under AS 29.68.-240 - 29.68.440;

(2) to a home rule borough if the borough, by charter,

provides for reapportionment of the borough assembly.

* Sec. 11. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. Except when otherwise required by a change of composition or apportionment, if the term of an assemblyman is changed by charter or ordinance, the term of an assembly man holding office at the time the change takes effect is not affected by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 12. AS 29.68.350(a)(2) is repealed and re-enacted to read:

(2) provisions for

(A) the establishment of service areas; and

(B) the establishment of districts or sections for the election of members of the legislative body of the unified municipality, if election of members of the legislative body is not areawide, and procedures by which to reapportion the election districts or sections;

* Sec. 13. AS 29.23.025(f) and (g) are repealed.

* Sec. 14. Sections 1 - 10, 12, and 13 of this Act take effect January 1, 1981.

* Sec. 15. Sections 11, 14, and 15 of this Act take effect immediately in accordance with AS 01.10.070(c).

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Rep. Bill Parker
DATE: 6/2/80
RE: FCCSHB947

ADD:

p.3 line 21

Within two months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021. If....

p. 3 line 9

"provides procedures <u>permitting voters to change</u> composition.."

.020. Repealed as of last session

Jack –

Applicable p. 3 (line 20?)

What time deadline applies in (b) p.3

p. 4 (e) does determination refer to (c) & (b)?)

p. 3 (b) do voters have to approve? If so, then should it p. 6 (h)(2) make reference

p. 5 What happens if borough can't come up with a solution?

p. 6 – "or special" election required? 60 days fit in?

p. 6 (h) Reapportionment order – can this still apply

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Rep. Bill Parker
DATE: 6/2/80
RE: FCCSHB947

ADD:

p.3 line 21

Within two months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021. If....

p. 3 line 9

"provides procedures permitting voters to change composition.."

contain the signatures of 25 percent of those voting in the last general election. Area Dispatch, Inc. v. City of Anchorage, Sup. Ct. Op. No. 1231 (File No. 2624), 544 P.2d 1024 (1976).

Article 2. Home Rule Limitations.

Section
100 Limitation of home rule powers

Sec. 29.13.100. Limitation of home rule powers. Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. They supersede existing and prohibit future home rule enactments which provide otherwise:

(3) [Effective until January 1, 1981] AS 29.23.020 — 29.23.050 (borough assembly representation)

[Effective January 1, 1981] AS 29.23.021; 29.23.025 — 29.23.050 (composition and apportionment of borough assembly; borough assembly recomposition and reapportionment; assembly representation)

(22) AS 29.53.010 — 29.53.400 (borough and city property taxes)

(34) AS 29.33.050, AS 29.41.010(a), AS 14.12.020(a) (responsibility for education on military reservations)

(35) AS 29.58.345 — 29.58.350 (bonded debt for school construction)

(36) AS 29.63.065 (exemption from special assessment)

(37) AS 29.33.090(d) (zoning of state land for homesite entry)

(38) AS 29.48.130(a)(12) (municipal exemption on contractor bond requirements)

(39) AS 29.33.150(b) (applicability of local platting regulations to state land in a municipality)

(am § 2 ch 32 SLA 1973; am § 43 ch 53 SLA 1973; am § 2 ch 137 SLA 1975; am § 2 ch 114 SLA 1975; am § 3 ch 218 SLA 1976; am § 4 ch 142 SLA 1977; am § 1 ch 20 SLA 1978; am § 2 ch 81 SLA 1978; am § 2 ch 83 SLA 1979; am § 1 ch 85 SLA 1979)

Effect of amendments.

The first 1973 amendment added paragraph (34).

The second 1973 amendment deleted "city representation and vote on" preceding "borough assembly" and added "representation" to the end of paragraph (3).

The 1974 amendment added paragraph (35).

The 1975 amendment added paragraph (36).

The 1976 amendment substituted "AS 29.58.345" for "AS 29.58.340" at the beginning of paragraph (35).

The 1977 amendment added paragraph (37).

The first 1978 amendment rewrote paragraph (22), which formerly read "AS 29.53.010 — 29.53.350, 29.53.400 (borough and city property tax)."

The second 1978 amendment added paragraph (38).

The first 1979 amendment, effective January 1, 1981, rewrote paragraph (3).

The second 1979 amendment, effective July 1, 1979, added paragraph (39).

As the rest of the section was not affected by the amendments, it is not set out.

Legislative committee report — For report on ch. 53, SLA 1973 (CSHB 382), see 1973 House Journal, pp. 793, 885.

Senate CS for HB 947

Section 1. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021 (borough assembly composition and apportionment), and AS 29.23.040 - 29.23.050 (borough assembly members)

* Sec. 2. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council [, BUT THE NUMBER OF MEMBERS OF A BOROUGH ASSEMBLY MAY NOT EXCEED 11];

Article 2. Procedures.

Section		Section	
50.	Petition	100.	[Repealed]
70.	Investigation	110.	Incorporation election
80.	Report and hearing	120.	Election of initial officers
90.	Decision on municipal incorporation		

Sec. 29.18.050. Petition. Municipal incorporation is proposed b filing a petition with the Department of Community and Region Affairs. The petition shall include the following information about th proposed municipality:

(1) class;

(2) name;

(3) boundaries;

(4) **[Effective until January 1, 1981]** composition and apportionme the assembly or council;

[Effective January 1, 1981] composition and apportionment of t assembly or council, but the number of members of a borough assemb may not exceed 11;

(5) for a first class borough, a designation of areawide powers to exercised;

(6) for a second class borough, a designation of areawide a nonareawide powers to be exercised;

(7) maps, documents, and other information required by t Department of Community and Regional Affairs;

(8) for first class city incorporation, the signatures and reside address of 50 permanent resident voters or of 15 per cent of t permanent resident voters within the proposed municipality, whiche is greater, based on the number who voted in the area in the last gener election;

(9) for second class city incorporation, the signature and reside address of 25 permanent resident voters or of 15 per cent of t permanent resident voters within the proposed municipality, whiche is greater, based on the number who voted in the area in the last gener election;

(10) for borough incorporation, the signature and resident address 15 per cent of the permanent resident voters in each first class city an 15 per cent of voters in the area outside first class cities based on th number who voted in the respective areas in the last general electio

(11) for a city, a designation of the powers proposed by the petitione to be exercised;

(12) a proposed operating budget for the municipality projectin sources of income and items of expenditure through the first full fisca year of operation. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972; am § 2 ch 212 SLA 1976; am § 3 ch 83 SLA 1979)

Effect of amendments. — end of paragraph (8), substituted "

to apportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.021. Assembly composition and apportionment [Effective January 1, 1981]. (a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with AS 29.23.023 and prescribed by charter or ordinance.

(c) An assembly may not provide for weighted voting. (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.023. Composition and representation requirements for general law boroughs [Effective January 1, 1981]. (a) The borough assembly shall provide for its composition and for the form of its representation. Not later than July 31, 1981, and thereafter within four months after the report of a federal decennial census, the assembly shall propose and submit to the voters at a regular election or special election called for the purpose, alternative forms of representation by which members are

(1) elected at large by all qualified voters of the borough;

(2) elected at large by all qualified voters of the borough, but required to live within an election district or zone established by the borough for election of assembly members, with each district or zone being of substantially equal population; or

(3) elected by and from election districts or zones established by the borough for the election of borough assembly members.

(b) The proposals set out in (a) of this section shall be submitted to the voters. The vote on the proposals submitted to the voters shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and home rule cities in the borough.

* Sec. 3. AS 29.23.021(b) is amended to read:

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with the requirements of this section [AS 29.23.023] and prescribed by charter or ordinance.

* Sec. 4. AS 29.23.021 is amended by adding a new subsection to read:

(d) A member of the assembly of a borough may not be elected or appointed by and from the council of a city in the borough.

* Sec. 14. AS 29.23.023 is repealed.

* Sec. 5. AS 29.23.025(a) is amended to read:

(a) Within two [NOT LATER THAN JULY 31, 1981, AND THEREAFTER WITHIN FOUR] months after the official report of a federal decennial census, the borough assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023].

* Sec. 6. AS 29.23.025(b) is amended to read:

(b) If the existing apportionment of the borough assembly does not meet the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] the assembly shall provide by ordinance for its reapportionment. At the same time, the borough assembly may, by ordinance, change the composition of the assembly.

* Sec. 7. AS 29.23.025(c) is amended to read:

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide, by ordinance, for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 registered [BOROUGH] voters who are residents of the borough requests the borough assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may [SHALL] make the determination requested. The borough assembly shall make a determination when required by this subsection within two months of its receipt of a petition which meets the requirements of this subsection.

The other classification shall consist of all votes cast in the remaining area of the borough. The borough assembly shall, within three months of the certification of the results of the election adopt an ordinance providing for its composition and the form of representation which conforms to the form of representation receiving a plurality of the votes in each classification at that election.

(c) A member of the assembly of a general law borough may not be elected or appointed by and from the council of a city in the borough. (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.025. Assembly recomposition and reapportionment [Effective January 1, 1981]. (a) Not later than July 31, 1981, and thereafter within four months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 — 29.23.023.

(b) If the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021 — 29.23.023, the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may change the composition of the assembly.

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 borough voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall make the determination requested.

(d) An ordinance adopted by the assembly under (b) or (c) of this section shall be submitted to the voters for approval. In order for the ordinance to be approved it must receive the approval of a majority of the votes cast.

(e) Within four months of a determination by the assembly that the current apportionment does not meet the standards of AS 29.23.021 — 29.23.025, the assembly shall adopt an ordinance providing for

see next page

reapportionment, and submit the ordinance to the voters. If, at the end of the four-month time period, an ordinance providing for reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 — 29.23.023.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which follows approval of a reapportionment ordinance. (§ 1 ch 83 SLA 1979)

Sec. 8. AS 29.23.025(e) is amended to read:

(e) Within six [FOUR] months of a determination by the borough assembly that the current apportionment does not meet the standards of AS 29.23.021 [AS 29.23.021 - 29.23.025], the borough assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the six-month [FOUR-MONTH] time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner of the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] by preparing an order of reapportionment and delivering the order to the borough mayor.

Sec. 9. AS 29.23.025(f) is repealed and re-enacted to read:

(f) A reapportionment ordinance approved by the voters, or a determination of the borough assembly that the standards of AS 29.23.021 do not require a change in apportionment, may be appealed to the commissioner of the Department of Community and Regional Affairs. Fifty registered voters who are residents of the borough may submit a petition to the commissioner of community and regional affairs requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.23.021, or whether a determination of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is correct. If the petition asks the commissioner of community and regional affairs to review an ordinance approved by the voters under (e) of this section, the petition shall be delivered to the commissioner not later than 20 days after certification of the election. If the petition asks the commissioner of community and regional affairs to review a determination of the borough assembly under (c) of this section, the petition shall be delivered to the commissioner within 20 days of the determination of the borough assembly. The commissioner of community and regional affairs shall review the petition and may make the determination requested. The commissioner of community and regional affairs shall provide copies of his decision to the persons petitioning for appeal and to borough officials not later than 60 days after he receives the petition.

Sec. 10. AS 29.23.025(g) is amended to read:

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which is held more than 60 days after the latest of the following:

(1) approval of the reapportionment ordinance by the voters under (e) of this section;

(2) the delivery to the mayor of the reapportionment order of the commissioner of community and regional affairs under (e) of this section; or

(3) a final determination of the commissioner of community and regional affairs of an appeal under (f) of this section approving a revised [FOLLOWS APPROVAL OF A] reapportionment ordinance.

* Sec. 11. AS 29.23.025 is amended by adding new subsections to read:

(h) Each of the following is subject to judicial review:

(1) a reapportionment order of the commissioner of community and regional affairs made under (e) of this section; and

(2) a decision of the commissioner of community and regional affairs on an appeal made under (f) of this section.

(i) The provisions of this section apply to

(1) a home rule and a general law borough;

(2) a unified municipality incorporated under AS 29.68.240 - 29.68.440 before the effective date of this section, unless

(A) election of members of the assembly of a unified municipality occurs at large; or

(B) the commissioner of community and regional affairs determines, not later than February 1, 1981, that the charter of the unified municipality contains procedures by which to apportion election districts or sections.

Sec. 29.23.040. Regular term of office. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. The regular term of office begins on the first Monday following certification of the election. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972; am § 4 ch 83 SLA 1979)

Effect of amendment.

The 1979 amendment, effective June 2, 1979, rewrote the second sentence.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides that the terms of borough assemblymen elected or appointed to dual borough assembly-city council seats are not effected by the amendment made to AS 29.23.040 by sec. 4, ch. 83, SLA 1979 until reapportionment of the assembly is required or proposed under AS 29.23.020 or under AS 29.23.021 — 29.23.025.

Sec. 12. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. Except when otherwise required by a change of apportionment under AS 29.23.025, if the term of an assemblyman is changed by charter or ordinance, the term of an assemblyman holding office at the time the change takes effect is not affected by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

...ts, fees, and other expenses incurred by the charter commission are a debt of the borough and shall be paid upon proper ...ification. (§ 2 ch 118 SLA 1972)

Sec. 29.68.350. Charter preparation. (a) A charter commission established under this chapter shall prepare, adopt and submit a proposed home rule charter for the area to be unified to the voters for approval or rejection at a regular or special borough election called by the borough assembly held within 60 days of the date of publication and posting of the proposed charter as required in § 380 of this chapter. The charter shall include among its provisions:

(1) provisions for adjustment of existing bonded indebtedness and other obligations in a manner which will reserve a fair and equitable burden of taxation for debt service, subject to § 410 of this chapter;

(2) provision for the establishment of

(A) service areas;

(B) sections, if desired; and

(C) reapportionment of the sections, if established;

(3) provision for nonpartisan government and provision for the selection, organization, authority and responsibilities of the governing body and its executive and administrator;

(4) the transfer or other disposition of property and other rights, claims, assets and franchises of the local government to be unified under the charter;

(5) provision for exercise of the rights of initiative and referendum as required by AS 29.13.050;

(6) a method of amending the charter;

(7) the date on which the charter, if approved at the charter election required by § 390 of this chapter, is effective;

(8) designation of the new municipality's official name, subject to the provisions of (b) of this section;

(9) other charter provisions which the charter commission elects to include and which may be included in a home rule charter under this chapter and the state constitution.

(b) The area to be unified shall be known as a borough or a city or by some other designation consistent with existing law. (§ 2 ch 118 SLA 1972; am § 6 ch 147 SLA 1972)

Effect of amendment. — The 1972 amendment, effective September 10, 1972, deleted the language following "existing law" in subsection (b).

Sec. 29.68.360. Public hearings. Both before and after drafting the proposed charter, the charter commission shall hold a public hearing in each area of the borough represented on the borough assembly. Other public hearings may be held by the charter com-

* Sec. 13. AS 29.68.350(a)(2) is repealed and re-enacted to read:

(2) provisions for

(A) the establishment of service areas; and

(B) the establishment of districts or sections for the election of members of the borough assembly, if election of borough assembly members is not areawide, and procedures by which to reapportion the election districts or sections;

* Sec. 15. Sections 1 - 11, 13, and 14 of this Act take effect January 1, 1981.

* Sec. 16. Sections 12, 15 and 16 of this Act take effect immediately in accordance with AS 01.10.070(c).

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

5/6/80

Sectional Analysis - Senate CS for HB 947

Sec. 1. Makes AS 29.23.021 applicable to home rule municipalities.

Sec. 2. Deletes requirement that the number of members of a borough assembly may not exceed 11.

Sec. 3. Deletes reference to AS 29.23.023, which is repealed by Sec. 14 of this bill.

Sec. 4. Prohibits institutional representation.

Sec. 5. Requires a embly to determine if malapportioned; changes time limit from 4 months to 2 months; deletes reference to AS 29.23.023.

Sec. 6. Deletes reference to AS 29.23.023; requires changes in apportionment or composition to be made by ordinance - AS 29.23.025(d) requires voter approval of apportionment and composition ordinances.

Sec. 7. Clarifies wording and requires borough assembly to make a determination if malapportioned if petitioned by 50 registered voters who are residents of the borough.

Sec. 8. Lengthens time limit from 4 months to 6 months to adopt a reapportionment ordinance and clarifies wording about Dept. of C&RA providing for reapportionment.

Sec. 9. New section which provides review by the C&RA Commissioner if petitioned by 50 registered voters who are residents of the borough.

Sec. 10. Technical change in effective date of reapportionment plans.

Sec. 11. Provides for judicial review; makes section applicable to home rule and general law boroughs and to unified municipalities whose assemblies are not elected at large or whose charter does not contain reapportionment provisions.

Sec. 12. Permits reapportionment to change the regular term of office of an assemblyman; permits charter or ordinance to change when the regular term of office begins.

Sec. 13. Clarifies that charters for unified municipalities must contain provisions for reapportionment procedures.

Sec. 14. Repeals AS 29.23.023, which would require special elections or forms of representation, dual-plurality to implement, and extremely tight time limits.

Sec. 15 & 16. Effective date sections.

New Section 5 (re-number remaining sections accordingly)

Sec. 5. AS 29.23.023 (b) is repealed and reenacted to read:

(b) one or more of the proposals set out in ~~section~~ (a) of this section shall be submitted to the voters at the next regular election.

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

February 25, 1980

Representative Richard Eliason
Pouch V
Juneau, Alaska 99811

Dear Representative Eliason:

It has recently been brought to our attention by Assembly member, Roberley Potter, that A.S. 29.23.023 was enacted last year. Unless amended, this statute will have many unintended effects on Sitka. Chief among these effects would be to cost the municipality money and to hold both the Assembly and the State Legislature up to ridicule.

29.23.023 (which applies to Home Rule Municipalities) provides that by July 31, 1981, all municipalities must hold an election and present to the voters various local apportionment schemes for Assembly representation.

In Sitka, since unification in 1971, all Assembly members have been elected at large; however, this law would require the City to spend a fair amount of time and money coming up with proposed election districts (containing equal populations) and to have a vote on the whole mess.

It seems obvious to me, at least, that the real purpose of the statute is to force various municipalities around the State which do have election districts to review them and to also give the citizens the right to vote for area-wide representation.

I don't believe that places already having area-wide representation were really intended to be covered by this Statute.

The Statute should be amended to allow for such an exemption or we're all going to have fun explaining why we are going through such an expensive waste of time in Sitka.

Could you please investigate this situation and consider sponsoring legislation to exempt municipalities like Sitka which already provide area-wide Assembly representation?

I wish to also point out a further minor problem. A.S. 29.23.130 (c) as amended last year (and applicable to Home Rule Municipalities) has the term of office of new Assembly men begin ". . . . on the first Monday following Certification of the Election."

There are two problems with this in Sitka, First: The former practice in Sitka has been for the election to be certified at the next regular Assembly meeting following the election. Following certification, the new members are sworn in and take their seats. Under this new procedure, we would have to call a Special meeting the Monday following certification merely to swear in new members.

Second: The Mayor (while having no special powers in Sitka) may continue to be sworn into office at the meeting where the election is certified since the Legislative enactments covering the beginning of Mayors' terms are not made applicable to Home Rule Municipalities. That's also going to look real funny to the voters if we swear in a new Mayor at one meeting but have to wait until the next Monday to swear in the rest of the new Assembly members.

I wish that your collegues would someday quit poking the Legislative stick in the eye of the Home Rule Municipality and stop creating problems where none existed before.

I realize that my comments would have been more helpful if they had been made prior to passage of these Statutes, however, I am sure none of us realized the potential problems at that time.

If I can be of any aid to you, please let me know.

Sincerely,

Peter S. Hallgren
Municipal Attorney

cc: Senator Pete Meland

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
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204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

Sectional Analysis - Senate CS for HB 947

Sec. 1. Makes AS 29.23.021 applicable to home rule municipalities.
sets up standards for composition & re-apportionments.

Sec. 2. Deletes requirement that the number of members of a borough assembly may not exceed 11. no limit until last year -- applies to new boroughs —

Sec. 3. Deletes reference to AS 29.23.023, which is repealed by Sec. 14 of this bill.

Sec. 4. Prohibits institutional representation. city commissioner can't be Borough assemblyman.

Sec. 5. Requires assembly to determine if malapportioned; changes time limit from 4 months to 2 months; deletes reference to AS 29.23.023.

Sec. 6. Deletes reference to AS 29.23.023; requires changes in apportionment or composition to be made by ordinance - AS 29.23.025(d) requires voter approval of apportionment and composition ordinances.

Sec. 7. Clarifies wording and requires borough assembly to make a determination if malapportioned if petitioned by 50 registered voters who are residents of the borough.

Sec. 8. Lengthens time limit from 4 months to 6 months to adopt a reapportionment ordinance and clarifies wording about Dept. of C&RA providing for reapportionment.
[29.23.025(e) need reference back —

Reg. by Rep. Malone

Sec. 9. New section which provides review by the C&RA Commissioner if petitioned by 50 registered voters who are residents of the borough.

Sec. 10. Technical change in effective date of reapportionment plans.

Sec. 11. Provides for judicial review; makes section applicable to home rule and general law boroughs and to unified municipalities whose assemblies are not elected at large or whose charter does not contain reapportionment provisions.
current law applies to home rule. (Doesn't apply to sitcon - elected to at large/Anchorage Greater to —

Sec. 12. Permits reapportionment to change the regular term of office of an assemblyman; permits charter or ordinance to change when the regular term of office begins.

Sec. 13. Clarifies that charters for unified municipalities must contain provisions for reapportionment procedures.

Sec. 14. Repeals AS 29.23.023, which would require special elections on forms of representation, dual-plurality to implement, and extremely tight time limits.

Sec. 15 & 16. Effective date sections.

SCSCSHB 947 - ASSEMBLY APPORTIONMENT & REAPPORTIONMENT

BACKGROUND & SUMMARY

Last session the House attached a complicated assembly apportionment and reapportionment bill to a Senate passed municipal code cleanup bill and adopted a floor amendment that made the prescribed process virtually impossible to implement. Because it was very late in the session with no time for a free conference committee and because the effective date of the bill wasn't until January 1, 1981, the Senate decided to accept the House version and amend it this session to make the reapportionment procedures workable. Senate CS for CSHB 947 sets out assembly apportionment standards in AS 29.23.021, revises and simplifies the reapportionment procedures in AS 29.23.025, and repeals AS 29.23.023 which contains the most onerous provisions of the bill (SB 137) that passed last year.

* * * * * * * * * *

PROBLEMS WITH AS 29.23.023, ENACTED LAST YEAR

SCSCSHB 947 repeals AS 29.23.023 which provided:

Special Election on Form of Representation. Required special election following decennial census asking borough residents if they want their assembly members elected at large, elected at large but required to live in a district, or elected by and from districts. Boroughs must go to the expense of a special election whether or not there is any dissatisfaction with the current form of representation, and whether or not the assembly is malapportioned. This provision is not necessary because there already exists in law the initiative procedures which may be used by borough residents to change their form of representation.

Dual Plurality Tabulation. Results of above election must be tabulated both inside and outside cities; the assembly must devise a reapportionment plan which "conforms to the form of representation receiving a plurality of the votes in each classification at that election." Nowhere in the law does it say what happens if the people inside the cities vote one way and the people outside vote another.

Short Time Limit. AS 29.23.023 allows only four months for the assembly to devise a reapportionment plan, adopt an ordinance, and get that ordinance ratified by borough voters. Because of the amount of time needed for legal notices for adoption of ordinances and elections, assemblies would have very little time to come up with a reapportionment plan.

* * * * * * * * * *

HIGHLIGHTS OF SENATE CS for CSHB 947

Apportionment Standards. As 29.23.021, as revised by SCSCSHB 947, sets out standards for assembly apportionment:

1.-consistent with equal representation standards of US Constitution;
2.-apportionment set out in incorporation petition approved by voters;
3.-no weighted voting;
4.-no institutional representation (city council may not appoint one or more of its members to serve on borough assembly).

Reapportionment Procedure. As 29.23.025, as revised by SCSCSHB 947, sets out procedures for assembly reapportionment:

1.-assembly determine if malapportioned within 2 months of census report;
2.-if malapportioned, assembly has 6 months to adopt by ordinance a reapportionment plan that must be ratified by voters;
3.-if no plan approved within 6 months, C&RA Commissioner provides reapportionment (similar provision in current law);
4.-allows reapportionment at times other than following a census;
5.-provides for advisory review by C&RA Commissioner and for judicial review;
6.-specifies election at which reapportionment plan goes into effect.

AS 29.23.025 is applicable to boroughs but not to unified municipalities. Another part of SCSCSHB 947 clarifies that unified municipalities must provide for reapportionment in their charters.

Miscellaneous Provisions. SCSCSHB 947 also deletes the requirement that the number of assembly members of new boroughs not exceed 11 and allows boroughs to establish by ordinance or charter the date on which assembly terms begin.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M May 9, 1980

SUBJECT: SCS CSHB 947, sectional analysis
(Work Order Number 8564)

TO: Senator Arliss Sturgulewski
Chairman, Senate Community and Regional
Affairs Committee

FROM: John B. Chenoweth
Legislative Counsel

This bill

(1) changes substantially requirements of law applicable to the composition and apportionment of the assemblies of boroughs; and

(2) alters requirements relating to the term of office of a member of a borough assembly.

*

Note: In sections 1 - 3 of Ch. 83, SLA 1979, the first session of the Eleventh Legislature made substantial changes in the law relating to the composition and apportionment of borough assemblies. These changes are due to become effective on January 1, 1981. The changes, generally include

(1) general provisions and standards applicable to the composition and apportionment of all boroughs, set out at AS 29.23.021;

(2) composition and representation requirements for general law boroughs (that is, exclusive of home rule boroughs and unified municipalities), set out at AS 29.23.023; and

(3) recomposition and reapportionment procedures applicable to all boroughs, set out at AS 29.23.025.

SCS CSHB 947 alters many of the provisions adopted last year.

*

A principal change in this bill is the repeal of AS 29.-23.023 [* Sec. 14] and the retention of some of the key provisions of that repealed section elsewhere.

* Sec. 3 of this bill deletes a reference to AS 29.23.023, appearing in AS 29.23.021. If adopted, the assembly of a borough or unified municipality would be required to conform to standards of composition and apportionment applicable under the Constitution of the United States (popularly referred to as "equal protection"). Additionally, if adopted, the assembly of a borough could not provide for weighted voting, and, by the inclusion of the material in * Sec. 4 of the bill, could not include members appointed from city councils of cities in the borough (i.e. no "institutional representation").

* Sec. 4 "saves" a provision, now AS 29.23.023(c), and imposes it as a standard applicable to all boroughs and unified municipalities.

* Sec. 5 shortens, from four to two months, the period in which, after the report of census information, a borough is obliged to determine whether it meets existing apportionment standards under AS 29.23.021. (Last year, when AS 29.23.023 was enacted, it was understood that an official report of the 1980 census would be issued about April 1, 1981, and four months were allowed to boroughs to make the determination required.) Elsewhere in the section, the term "borough" is added to assembly, as clarification, and the reference to AS 29.23.023, repealed in sec. 14 of the bill, is corrected.

* Sec. 6: The operative provision is the inclusion of the words "by ordinance" to clarify how the borough shall provide for changes in composition as well as apportionment. Other changes in the section are for consistency.

* Sec. 7: The changes in AS 29.23.025(c) make more specific the requirements which are imposed on persons who wish to challenge a determination of the borough assembly concerning apportionment. "50 registered voters who are residents of the borough" is substituted for "50 borough voters" so that local elections officials may be able to determine with certainty whether a petition request is presented by bona fide residents of the borough. Additionally, when a determination is requested, the assembly is given two months to make that determination.

* Sec. 8 increases to six months (from four) the period of time in which the assembly, having ruled that it is malapportioned under the applicable standards, must (1) adopt a reapportionment ordinance and (2) submit it to the voters for approval. If no ordinance has been approved by the voters at the end of six months after a determination of the assembly that it is malapportioned, the commissioner of the Department of Community and Regional Affairs is given responsibility to impose a reapportionment plan. The plan is to be presented as an order of the commissioner delivered to the assembly for implementation.

* Sec. 9 establishes a plan for an advisory determination by the commissioner of community and regional affairs that an assembly is malapportioned or that an ordinance presenting a new apportionment plan, even after ratification by the voters, does not meet constitutional or statutory requirements. The provision has no legal effect as to any other procedures bearing upon changes of composition or apportionment, and appears to be available only for its local political effect.

By * Sec. 10, your committee clarifies which municipal election it is in which an apportionment or composition change becomes applicable.

New subsections of AS 29.23.025, added in * Section 11, indicate when voters may seek judicial review of a reapportionment ordinance or order, or an apportionment determination (whether of the borough assembly or of the commissioner of community and regional affairs), and delay implementation of an apportionment change or composition change if the change is subject to review and approval (or determination of nonobjection) by the United States Department of Justice under the 1965 Voting Rights Act, as

amended. Your committee inserted language in subsection (j), added by section 11, to indicate that the provisions of AS 29.23.025 applied to boroughs -- home rule and general law -- eliminating, by implication (but not specifically), applicability of AS 29.23.025 to unified municipalities.

Related changes involving composition and apportionment of borough assemblies appear in * sections 1, 2, and 13: In section 1, the provisions of AS 29.23.021 (relating to standards of composition and apportionment and manner of voting) are made binding on home rule governments, including home rule boroughs and unified municipalities. By section 2, a requirement that the assembly of a newly-incorporated borough not exceed 11 members is removed. Section 13 rewrites a requirement imposed on unified municipalities to require that their charter contain, when applicable, procedures for reapportionment (necessary because unified municipalities are impliedly exempted from the reapportionment procedures of AS 29.23.025).

Because, generally, the statutory sections which * Sections 1 - 11 and * Sections 13 and 14 replace are not due to take effect until January 1, 1981, the effective date of these changes is delayed to that date. [* Sec. 15]

* Sec. 12, the remnant of the original House bill, makes further changes (in addition to those enacted last year at section 4, Ch. 83, SLA 1979) relative to the term of office of a borough assembly member. The principal operative amendment is the underscored language at page 5, lines 24 and 25, by which an exception to the date mandated for the start of the term of office of a borough assembly member may be made by a borough by charter or ordinance. The additional change -- the inclusion of new language in subsection (a) and the deletion of the second sentence of subsection (b) -- represents an attempt to make it clear that, except when required by a change in apportionment, the term of office of a member of a borough assembly may not be altered by action of the assembly, thus precluding foreshortening or extension of terms. AS 29.23.040 is binding on home rule governments by AS 29.13.100(3), re-enacted in sec. 1 of this bill. This change is given immediate effect in order to avoid problems which may arise in certain home rule municipalities having charter provisions contrary to the law as it currently reads immediately following the October, 1980, regular municipal elections. [* Sec. 16]

JBC:ljb

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-657

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

Sectional Analysis - Senate CS for HB 947

Sec. 1. Makes AS 29.23.021 applicable to home rule municipalities. sets up standards for composition & re-apportionments.

Sec. 2. Deletes requirement that the number of members of a borough assembly may not exceed 11. no limit until last year -- applies to new boroughs —

Sec. 3. Deletes reference to AS 29.23.023, which is repealed by Sec. 14 of this bill.

Sec. 4. Prohibits institutional representation. city councilmen — can't be Borough assemblymen.

Sec. 5. Requires assembly to determine if malapportioned; changes time limit from 4 months to 2 months; deletes reference to AS 29.23.023.

Sec. 6. Deletes reference to AS 29.23.023; requires changes in apportionment or composition to be made by ordinance - AS 29.23.025(d) requires voter approval of apportionment and composition ordinances.

Sec. 7. Clarifies wording and requires borough assembly to make a determination if malapportioned if petitioned by 50 registered voters who are residents of the borough.

Sec. 8. Lengthens time limit from 4 months to 6 months to adopt a reapportionment ordinance and clarifies wording about Dept. of C&RA providing for reapportionment. [29.23.025(e) need reference back —

Sec. 9. New section which provides review by the C&RA Commissioner if petitioned by 50 registered voters who are residents of the borough.

Reg by Rep Malone

Sec. 10. Technical change in effective date of reapportionment plans.

Sec. 11. Provides for judicial review; makes section applicable to home rule and general law boroughs and to unified municipalities whose assemblies are not elected at large or whose charter does not contain reapportionment provisions. current law applies to home rule. (Doesn't apply to sitcon - elected to at large/Anchorage Grants to —

Sec. 12. Permits reapportionment to change the regular term of office of an assemblyman; permits charter or ordinance to change when the regular term of office begins.

Sec. 13. Clarifies that charters for unified municipalities must contain provisions for reapportionment procedures.

Sec. 14. Repeals AS 29.23.023, which would require special elections on forms of representation, dual-plurality to implement, and extremely tight time limits.

Sec. 15 & 16. Effective date sections.

Alaska MUNICIPAL League

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JUNEAU, ALASKA 99801

SCS CSHB 947 - Assembly Apportionment and Reapportionment

The borough assembly apportionment and reapportionment provisions of SCS CSHB 947 basically go back to what was in Title 29 prior to the complicated amendments that were adopted last session. In addition, this bill contains three improvements to the prior law:

1. deletes the dual majority provision, which required assembly adopted reapportionment ordinances to be ratified by the voters inside and outside cities;

2. clarifies that weighted voting is not permissable; and

3. clarifies that institutional representation is prohibited, per an attorney general's opinion.

HB
974

(7)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

3/26/80

Date: 2 [illegible]

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 974

"An Act increasing state aid to municipalities for hospitals; and providing for an effective date."

under consideration d (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for [illegible] [ ] same title [ ] new title

and recommends [illegible]

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[illegible]

[illegible]

CHAIRMAN

I 60 (Rev. 12/78)

My name is Edward Zeine. I am the administrator at Cordova Community Hospital, and am representing Alaska State Hospital Association. It is an honor and a privilege to REPRESENT THE ASSOCIATION AND testify before this committee on behalf of the House Bill 974. TESTIMONY IN 4 PARTS 1- JUSTIFICATION FOR SMALL HOSPITALS 2- COST INCREASE DATA 3- HOSPITAL COST CONTAINMENT 4- SPECIFIC ON CORDOVA

Rural hospitals in Alaska provide a service to the community that cannot be provided by any other means. Members of the community rely upon the hospital to provide them with life saving resources and stabilization of traumatic injuries and acute medicaal conditions that if were not available could mean uncessary loss of life or limbs. ~~In this particular phase of emergency care for acute traumatic physicaal or medical conditions~~ I'm speaking of. Additionally the hospitals provide modern up to date medical care for those less emergent conditions that ~~however~~ still require confienement in a hospital for treatment. The local rural hospital is utilized by citizens in the community for acute medical conditions due primarily to ~~the~~ their EASY ACCESS, THEIR knowledge of the professionalism that nurses and physicians in the community possess and the knowledge that they will receive individual attention. Another most important factor- when a person is recovering from an acute medical or surgical condition is that the person's family and friends are available to provide emotional support that helps lead to a path of recovery. Also the day to day knowledge of the welfare of patient's family, children or loved ones is immediately available ~~and~~ to the patient, ~~can be assured that all is well on the home front~~ THIS KNOWLEDGE contributes to the speedy recovery of the patient.

Those patients and families who desire religious services and assistance are able to have those services and assistance provided by those clergymen or pastors with whom they have had day to day contact. For these reasons and others, I believe soundly justify the existence and access to rural hospitals in Alaska.

It is our experience that the citizens living in ~~the rural towns~~ Alaska strongly support their health care facilities

The small hospital, although a most important factor in providing primary care is experiencing a tremendous increase in costs to the point of pricing itself to a ~~point~~ where the average worker is unable to afford the cost of that care in his community. Most businesses would attempt to increase sales to offset increased costs, however small rural hospitals are dependent on the local population which does not change, therefore utilization of services, or intensity factors does not change rapidly enough to impact upon the inflationary rate.

House Bill 974 would result in lessening the burden of cost of medical care to every citizen utilizing the services of ~~the local~~ hospitals. Examples of the increased costs hospitals are experiencing are as follows: Display Figures

Hospital Boards and Administrators of hospitals have participated in strong cost containment programs. As an example the Alaska State Hospital Association has developed a shared service program specifically where the small hospital joins with larger hospitals in purchasing of supplies. In this shared purchasing program a small hospital is able to purchase small quantities of certain medical supplies at the same cost as larger hospitals due to over all volume of purchases.

The Alaska Hospital Association has esatblished an audio/visual film programs that make educational materials available for boards, nursing services, etc. ~~available to the small hospitals~~ at little or no cost to hospitals.

Other areas of shared services that lessen costs to small hospitals in obtaining modern professional services are circuit riding controller, microfilming of medical records and x-rays and peer review programs.

I would like to assure this committee that the hospitals have taken strong cost containment measures in their individual facilities that ~~will~~

~~although they~~ lessen the total expenditures for operations, ~~which~~ ~~have~~ has had a large impact on containing increased costs because of the advancing inflationary rate.

Many of ~~the~~ our cities are required to grant financial aid to hospitals in order to keep the hospitals financially solvent. This has placed an undue burden on the operating costs of municipalities which can be absorbed only through new taxes to the citizens. The hospitals find themselves between spiraling increased costs and an outcry from the consumer absorbing these increases. Therefore the Alaska State Hospital Association strongly supports separate action by the legislature to increase revenue sharing for hospitals, ~~which~~ we believe ~~will~~ this can be supported by legislators from large cities as well as small communities as we suggest that there would be no opposition to providing support for high level health care to our citizens, ~~as~~ they have provided that support for health care legislation in the past.

~~THANK YOU~~.

A FEW MOMENTS NOW TO TALK SPECIFICALLY ABOUT CORDOVA COMMUNITY HOSPITAL

CITY OF CORDOVA IS SUPPORTING THE HOSPITAL IN ITS ROUTINE OPERATIONAL COSTS TO ABOUT $140,000 THIS FISCAL YEAR.

IN SUMMER, CORDOVA IS A HIGHY TRANSIENT POPULATION - ~~ADD~~ DUE TO CANNERY AND FISHING FLEET. WE EXPERIENCE A LARGE LIST OF UNCOLLECTABLE ACCOUNT FOR MANY TRANSIENTS CANNOT PAY WHEN THEY NEED HEALTH CARE AND WE DO NOT TURN THEM AWAY.

OUR HOSPITAL IS IN OLD BLDG, WE HAVE HAD WIND DAMANGE THIS YEAR WHICH WILL PLACE AN ADDITIONAL ~~$~~ FINANCIAL BURDEN ON THE CITY OF CORDOVA AND THE HOSPITAL OF 30-50 ~~thousand~~ dollars.

MEETING FEDERAL REGULATION FOR CERTIFICATION & LICENSURE OF THE HOSPITAL IS INCREASINGLY COSTLY - APPARENTLY ~~NO~~ MANY ARE UNAWARE THAT A CHANGE OR MODIFICATION OF HOSPITAL ONLY

Subsydise by city ~~for~~ over $100,000

Bldg need repair

18 X ~~200,000~~ 125,000 - $2,250 thru

REQUIREMENTS USUALLY RESULTS IN INCREASED COSTS TO HOSPITAL TO COMPLY.

ALL OF THESE AREA IMPACT UPON THE HOSPITAL ~~[illegible]~~ OPERATING BUDGET.

THE ONLY WAY HOSPITAL'S CAN GENERATE REVENUE IS TO CHARGE THE PERSON USING THE SERVICE - THAT IS THE PATIENT - EXCEPT FOR THIS REVENUE SHARING WHICH WILL HELP ALL CITIZENS IN ALASKA.

YOUR FAVORABLE PASSING OF THIS LEGLISLATION WITH FULL FUNDING WILL BE APPRECIATED.

THAK YOU

Apr. 1, 1980

COMPARABLE COSTS:	78/79	79/80
M I C A	9,425.00 yr	18,027 ~~9,425~~.00yr
F I C A	6.05% gross	6.13% gross
Salary		9% Over base 78/79
Blue Cross -Single	34.96 mo.	36.78 mo.
Married	76.01	79.95
Family	105.97	111.46
Cordova Telephone	10.00 station	18.00 station
Cordova Electric	.054 per 1,000kw	.085 per 1,000kw
Air Freight (to Anchorage)	14.29 Minimum	16.45 minimum
Sea Land	14.47 per 100lb.	16.44 per100 lb/
Sea Land Plus	1% fuel surcharge	5% fuel surcharge
Motel - per night - single	40.00	45.00
double	48.00	54.00
Air Fare -rnd trip Anchorage	64.24	90.72
Copy Machine - paper	38.00 case	52.69 case
Fluid pak	36.30 case	65.00 case
Toilet Tissue	24.54 case	34.66 case
Plastic Can liners	15.83 case	33.95 case
Eggs	33.00 case	36.00 case
Milkman	21.60 case	28.14 case
Bread	20.80 case	23.84 case
Coffee	69.50 case	84.50 case
X-ray film - 500	514.94	565.79
Developer	38.52 case	41.63 case
Fixer	17.82 case	20.84 case
Ace Bandages - 6"	1.18 roll	1.88 roll
A B D Pads - 3"x3"	.04 per pad	.24 per pad
Penicillin - 500mg Tabs.	.18 tablet	.19 tablet
Teramyicin - 250mg Tabs.	.18 tablet	.22 tablet

FUEL COST - FEB 79 = .493 — FEB 80 = .866 - almost doubled -

ELECTRICITY - 18% INCREASE DUE TO FUEL ESCALATION.

4/23/80 **MEMORANDUM**

TO: Mike Doogan, John Crandahl
FROM: Marjorie Gorsuch, AA Rep. Parker
RE: CSHB 974

I don't know if you reviewed CSHB 974 (increasing state aid to municipalities for hospitals) in conjunction with your action on HB 192 although I note that the figures in Finance versionsof CSHB 192 do not reflect the changed amounts--but here is the fiscal note for CSHB974--it wasn't ready when the bill was passed out of our Committee.

LAA 15

HOUSE COMMUNITY AND REGIONAL AFFAIRS 4/17/80

TO: Lynn Wagener
FROM: Marjorie Gorsuch
RE: Fiscal Note

Attached for your review and for a fiscal note is CSHB 974 which has been signed out of committee. Please note the changed figure on line 16 (as compared with the HB 974) and the new section beginning on pagl line 20.

LAA 15

TO: Debi Behr
FROM: Marjorie Gorsuch
RE: Fiscal Note

Attached for your review and for a fiscal note is CSHB 974 which has been signed out of committee. Please note the changed figure on p. 1 line 16 (as compared with HB 974) and the new section beginning on page 1 line 20.

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 974 Increasing State Aid to Municipalities for Hospitals

ORIGINAL SPONSOR: Branson
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 4/9/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	X
		Ray Metcalfe	

Portia Kauffmann, Administrator of Health and Social Licensing, HESS
Reviews licensed bed and construction figures with committee as contained on information sheets prepared by the Dept. Question of confidentiality raised and method of dealing with issue, as recommended by the Attorney General discussed--that of using numbers to identify hospitals and income/expenditure categories.

Parr - Hospitals receiving state money should have information available. It's about time that a "freedom of information" act be passed.
Are long term care beds included in HB 974? (Yes)
Discussion of economy of scale would be helpful. Occupancy rate is the important factor. High vacany rate in the small hospitals. 60%-70% utilization necessary to break even.

Lowell Swartz, Coordinator of Health Facilities Development, HESS
Researched why small hospitals get more funding that large. A flat rate rather than per bed amount was used as small hospitals with 10 beds couldn't function with $10,000. Choice of 10 was arbitary. The rate has been raised over the years.

Doug Goldback, Finance Officer, HESS
Discussion of revenue figures contained in HESS informational material. Operating expense statements are not required to be turned in. There is already statutorial authority for funding hospital construction independent of the revenue sharing program. Remodeling money is also included in this.

Palmer McCarter, Director, Division of Local Government Assistance, C&RA
Explains that passage of HB 975, the funding for HB 974 is not necessary as long as a fiscal note is developed for HB 974 and accompanies the bill. Called attention to the increased fiscal note as the cost of living allowance had been inadvertantly omitted from the fiscal note for HB 975.

Parr - Questions how much money it is reasonable to appropriate? Formula seems arbitrary. Haven't heard any defense for the formula used.

COMMITTEE ACTION:
CSHB974 passed out of Committee.

TAPE #7 SIDE 2 Footage 130-1452

The Committee has received no indication of what they need to save. And no proof of what they need in the way of financial assistance has been offered. Revenue and expense sheets don't show need. They have only received a general statement that small hospitals need more than the large hospitals.

Palmer McCarter- Program shouldn't be within revenue sharing. Needs differ. Not responsibility of Dept. of C&RA to handle; HESS should administer. There should be an attempt to verify hospital construction costs. Over 25 % of program monies go to hospital construction. Whole review of operational and construction aid should be improved. Ak. Medical Facility exists as well. Piecemeal approach exists now to funding.

Parr - Average small hospitals losing $50,000 year. Across the board appraoch bothers him. May be giving one institution gravy (the small hospitals) and hurting another.

Chenoweth, Jack , Legal Research
The need issue should be discussed. General aid for health needs could be addressed. Redevelop a program for state assistance and limit funding to one year (June 30, 1981)to force discussion of alternatives. Departments could be directed to report back.

Parr - Letter of Intent could accompany bill.

Carney - Notes the present division of funding per bed. Suggests that 2 fiscal years might give adequate time for such a study. A logical explanation of the formula should be developed.

Ed Zine, Administrator Cordova Hospital

Support increase. Data is collected by the hospital Ass'n. on and "under 40 bed" "over 40 bed" basis. The average deficit if $50,000 for hospitals. Refers to graph which shows average daily use graphed.

Small hospitals have emergency medical care and it is difficult for small hospitals to economize as reducing staff is difficult. Have to have at least one nurse, cook, etc. even if there is only one patient. Multiple disciplinary teams do exist and are encouraged. Most small hospitals do have such teams as an economy measure. There is a need to give quality care even though a hospital is small.

In Cordova, the use of the budget category "restricted funds" in Cordova is connected to specific donations for a particular purpose.

Carney - The percentage of the increase suggested in the bills is not consistent.

Perry Lovitt, City Manager, Cordova

Comments on need of small hospitals.

Committee concurs in decision to have a study for 1 year; increase figures to $200,000 and $70,000; and direct HESS to conduct a study on general subject of hospital funding in a Committee Substitute.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 974 Revenue Sharing/Hospitals

ORIGINAL SPONSOR: Branson
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 4/2/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Edward Zine, Administrator, Cordova Community Hospital. Testifying on behalf of the Hospital Association.
See copy of testimony attached.

Parr - Asks what % of the cost of care should the local people be paying?

Zine responds with the specifics of the Cordova situation.

Mary Foster, Dept. of Community and Regional Affairs
Dept. has no objection to the bill but sufficient funds need to be appropriated.
Ms. Foster was questioned on various points including the request for information on how much profit various hospitals make.

Carney - Suggests that the hospitals might be required to do cost accounting so that costs aren't passed along to the consumer.

Parr - Asks how much of the cost is borne by the patient and says that this is the point at issue. How muchis borne b the taxpayers from the general fund? Sees no justification for the existing formula or for the proposed change. No one seems to know why the formula is in its present form. Economy of scale needs to be looked at.

Lowell Swartz, Coordinator of Health Facilities Development, HESS
Recalls the rationale for the formula being that the larger the hospital, the more costly it would be to operate.

Zine - States that it is the opportunity for hospitals to increase utilization which allows them to increase revenues. Smaller communities don't have intensity factor. Cost of operation is therefore effected and lower in a large community.

COMMITTEE ACTION: Committee determines that additional information is necessary to act on bill including: *utilization figures; comparative costs; rate charged per day and amount of profit

No Action

TAPE # 6 SIDE 2 Footage 373-1736

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER HB 975 RE Appropriation DC & RA Grants for Hospitals

Received from _____ Fical Note _____
Referred to _____ LAA Legal Contact _____

CONTACTS:

Sponsor: House Co RA (Branson)

✓ Ak. State Hospital Assoc. Contacted 4/4 Hearing

Max Kersbergen
Ex Director
277-1633

Certificates of Need authorized for Sitka + Soldotna

Ed Zine, Cordova Hospital

Jack Radkin Juneau

✓ Jim Burns - Bartlett Memorial Hospital, Admin

Catagorize by size -
$170,000
$200,000
$225,000
} Alternative proposal

10 hospital 30 beds under
3 40-100 bed Ketch
Kodiak
Juneau
3 Over 100
Ak. Providence, Fbks.

✓ Mary Foster

✓ Marie Reynolds

✓ Lovell Swartz - Coordinator Health Facility Development
(3015) HESS

WO#8309
Cook

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 974

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for hospitals; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. Notwithstanding AS 43.18.010(h)(2)(A), during the fiscal year ending June 30, 1981, the Department of Community and Regional Affairs shall make payments under AS 43.18.010(h)(2) to a municipality which has the power to provide hospital facilities and services and which exercises the power on the basis of $1,000 per bed for each bed actually used for patient care limited to the number of beds provided for in the construction design of the hospital or $200,000 a hospital for those hospitals with 10 or more beds, or $70,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect. Amounts received under this section may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines.

* Sec. 2. (a) The Department of Health and Social Services and the Department of Community and Regional Affairs shall jointly examine and report their recommendations on the extent to which the state should assist municipalities, nonprofit corporations, and others in the construction and operation of hospitals and health facilities.

(b) By February 1, 1981, the commissioner of health and social services shall submit to the legislature a report, accompanied by draft legislation, examining programs of state aid for hospital and health facility construction and operation, including both public and private facilities, and recommending a comprehensive health and hospital financial assistance program. The report

and accompanying legislation shall be based on health care and health facility need, expressed as a function of number of beds, occupancy rate of facilities, kinds of care and levels of service provided or not provided, or any other factors which the commissioner of health and social services reasonably believes should be the basis by which state assistance for hospitals and health facilities and their programs should be provided.

(c) The report and accompanying legislation presented under (b) of this section shall

(1) include, if necessary, reference to certificates of need legislation and any other current program of the federal or state government which applies in determining whether hospitals and health care facilities shall be constructed;

(2) recommend a permanent program of state assistance to municipalities for hospital care and health care services, whether provided by public or private facilities, which improves the level of care for the people of the state.

* Sec. 3. This Act takes effect July 1, 1980.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB No. 974

Title An Act increasing State aid to municipalities for hospitals

Requested by House Community & Regional Affairs Date 4/22/80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance-Grants

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1805.7	1805.7	1805.7	1805.7	1805.7
TOTAL		1805.7	1805.7	1805.7	1805.7	1805.7

FUNDING (Thousands of Dollars)

GENERAL FUND		1805.7	1805.7	1805.7	1805.7	1805.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached fiscal note for HB No. 974. There would be no change in the additional funding required. Currently there are no municipalities in the program who have elected the less than 10 beds rate of entitlement.

IV. DATE 4/22/80 PREPARED BY Netta Crago

AGENCY Community & Regional Affairs

PHONE 465-4733

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 974
Title An Act increasing State aid to municipalities for hospitals
Requested by C&RA Committee Date 4-4-80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Local Government Assistance - Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1805.7	1805.7	1805.7	1805.7	1805.7
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		1805.7	1805.7	1805.7	1805.7	1805.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The additional cost of increasing the hospital's category to $200,000 per hospital with 10 or more beds, or $60,000 with less than 10 beds would be $1,805,690.

Based on $200,000 grants included in this bill and assuming no new hospitals will become eligible.

12 municipalities now receive $75,000 per hospital
($200,000 - $75,000 = $125,000 x 12 = $1,500,000)

Alaska Hospital now receives$175,000
($200,000 - $175,000 = $25,000)

IV. DATE 4-4-80 PREPARED BY Netta Crago
AGENCY Community & Regional Affairs
PHONE 465-4733

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

Fairbanks Memorial now receives $155,000
($200,000 - $155,000 = $45,000)

Ketchikan General Hospital now receives $92,000
($200,000 - $92,000 = $108,000)

$1,500,000	
25,000	
45,000	
108,000	
$1,678,000	
127,690	COLA
$1,805,690	TOTAL ADDITIONAL FUNDING REQUIRED

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB No. 974
Title "An Act relating to state aid for hospitals: and providing for an effective date."
Requested by Community and Regional Affairs Committee Date 4-25-80

II. FISCAL DETAIL
Agency Affected Department of Health and Social Sevices
Program Category Affected Health
BRU, Program, or Subprogram(s) Affected SHPDA Resource Development
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL		9.				
300 CONTRACTUAL		50.				
400 COMMODITIES		1.				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		60.				

FUNDING (Thousands of Dollars)

GENERAL FUND		60.				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See Attached

Phoebe A Lindsey
Phoebe Lindsey

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Prepared by: Lowell Swartz Date: 4-25-80
Division/Office: SHPDA PH: 465-3038
Department of Health & Social Services

Approval DHSS Mgt. & Bdgt: [illegible] Date: 4/29/80

33-001 (Rev. 12/79)
Modify by DHSS (11-28-79)

A study to determine the State's role in providing aid/support to Alaska's acute care facilities and how such aid/support should be disbursed should provide important policy and resource allocation direction for the State on this complex issue. Because of the health planning and policy considerations raised, the study should be conducted under the aegis of the DHSS Division of State Health Planning and Development with particular focus on its facilities development section.

With current Division staff limitations and work load commitments this scope of work would be contracted to a qualified research group with capabilities in and a working knowledge of Alaska's health care delivery system, health care economics, capital development in health care facilities, State plans for development as articulated by the Statewide Health Coordinating Council, State regulations and other dimensions. It is anticipated that the scope of work would require approximately $50,000.

To ensure input of affected/interested parties, a task force would be convened to advise the contractor and the Division on the study. The task force would include a hospital administrator, a representative of a third party payor, a consumer, a representative of the State's Medicaid program, a member of the Division's facilities development staff, a Health Systems Agency board member and a member of the Statewide Health Coordinating Council. The task force would meet in Anchorage, the most economical meeting site, at least three times during the study at an approximate cost of $3000 per meeting.

Costs are included to produce a report for select distribution at the conclusion of the study.

TO: Debi Behr
FROM: Marjorie Gorsuch
RE: Fiscal Note

Attached for your review and for a fiscal note is CSHB 974 which has been signed out of committee. Please note the changed figure on p. 1 line 16 (as compared with HB 974) and the new section beginning on page 1 line 20.

Tuesday

LAA 15

TESTIMONY

My name is Edward Zeine. I am the Administrator at Cordova Community Hospital, and I am representing Alaska State Hospital Association. It is an honor and a privilege to represent the Association and testify before this committee on behalf of the House Bill 974. My testimony will be in 4 parts: 1- Justification for small hospitals

2- Cost increase data

3- Hospital cost containment

4- Specifics on Cordova

Rural hospitals in Alaska provide a service to the community that cannot be provided by any other means. Members of the community rely upon the hospital to provide them with life saving resources and stabilization of traumatic injuries and acute medical conditions that if were not available could mean unnecessary loss of life or limb. Additionally the hospitals provide modern up-to-date medical care for those less emergent conditions that still require confinement in a hospital for treatment.

The local rural hospital is utilized by citizens in the community for acute medical conditions due primarily to their easy access, their knowledge of the professionalism that nurses and physicians in the community possess and the knowledge that they will receive individual attention. Another most important factor when a person is recovering from an acute medical or surgical condition is that the person's family and friends are available to provide emotional support that helps lead to a path of recovery. Also the day to day knowledge of the welfare of the patient's family, children or loved ones is immediately available to the patient.

Those patients and families who desire religious services and assistance are able to have those services and assistance provided by those clergymen or pastors with whom they have had day to day contact. For these reasons and others, I believe soundly justify the existence and access to rural hospitals in Alaska.

It is our experience that the citizens living in Alaska strongly support their health care facilities.

The small hospital, although a most important factor in providing primary care is experiencing a tremendous increase in costs to the point of pricing itself to where the average worker is unable to afford the cost of that care in his community. Most businesses would attempt to increase sales to offset increased costs, however small rural hospitals are dependent on the local population which does not change, therefore

utilization of services or intensity factors do not change rapidly enough to impact upon the inflationary rate.

House Bill 974 would result in lessening the burden of cost of medical care to every citizen utilizing the services of hospitals. Examplesof the increased costs hospitals are experiencing are as follows:

item	78/79 cost	79/80 cost
MICA	9,425.00/yr.	18,027.00/yr.
Salaries		9% increase over 78/79
Cordova Telephone	10.00/station	18.00 per station
Cordova Electric	.054 per 1,000 kw	.085 per 1,000 kw
Copy Machine paper	38.00 case	52.69 case
X-ray film - 500	514.94	565.79
Ace Bandages - 6"	1.18 roll	1.88 roll
A B D Pads -3"x3"	.04 per pad	.24 per pad
Fuel Cost	Feb. '79 = 1493	Feb.'80 = .866 (almost doubled)
Electricity - 18% increase due to fuel escalation		

Hospital Boards and Administrators of hospitals have participated in strong cost containment programs. As an example the Alaska State Hospital Association has developed a shared service program specifically where the small hospital joins with larger hospitals in purchasing of supplies. In this shared purchasing program a small hospital is able to purchase small quantities of certain medical supplies at the same cost as larger hospitals due to over all volume of purchases.

The Alaska Hospital Association has established an audio/visual film program that makes educational materials available for Hospital Boards, nursing services, etc. at little or no cost to hospitals.

Other areas of shared services that lessen costs to small hospitals in obtaining modern professional services are circuit riding controller, microfilming of medical records and x-rays and peer review programs.

I would like to assure this committee that the hospitals have taken strong cost containment measures in their individual facilities that lessen the total expenditures for operations, which has had a large impact on containing increased costs because of the advancing inflationary rate.

Many of our cities are required to grant financial aid to hospitals in order to keep the hospitals financially solvent. This has placed an undue burden on the operating costs of municipalities which can be

absorbed only through new taxes to the citizens. The hospitals find themselves between spiraling increased costs and an outcry from the consumers absorbing these increases. Therefore the Alaska State Hospital Association strongly supports separate action by the Legislature to increase revenue sharing for hospitals. We believe this can be supported by legislators from large cities as well as small communities as we suggest that there would be no opposition to providing support for high level health care to our citizens. They have provided that support for health care legislation in the past.

A few moments now to talk specifically about Cordova Community Hospital.

The City of Cordova is supporting the hospital in its routine operational costs to about $140,000 this fiscal year.

In the summer, Cordova is a highly transient population due to cannery and fishing fleet. We experience a large list of uncollectable accounts for many transients cannot pay when they need health care and we do not turn them away.

Our hospital is an old building. We have had wind damage this year which will place an additional financial burden on the city of Cordova and the hospital of 30-50 thousand dollars.

Meeting federal regulations for certification and licensing of the hospital is increasingly costly. Apparently many are unaware that a change or modification of hospital requirements usually results in increased costs to hospitals to comply.

All of these areas impact upon the hospital operational budget.

The only way hospitals can generate revenue is to charge the person using the service - that is the patient- except for this revenue sharing which will help all citizens in Alaska.

Your favorable passing of this legislation with full funding will be appreciated.

Thank you.

* * * ALL HOSPITALS * * *

There are 1459 general hospital beds in 11 federal hospitals and 17 "open to the public" hospitals. The beds are distributed as follows:

FEDERAL	LOCAL GOV'T	PRIVATE
7 USPHS - 381 beds	5 owned/operated - 125 beds	6 - 595 beds
4 Military 202 beds	6 owned/other op. 156 beds	
583 beds	281 beds	
40% of total	19% of total	41% of total

* * * GENERAL PUBLIC HOSPITALS * * *

A further breakdown of the 17 hospitals and 876 beds open to the public show:

(the number in parentheses is nursing home beds)

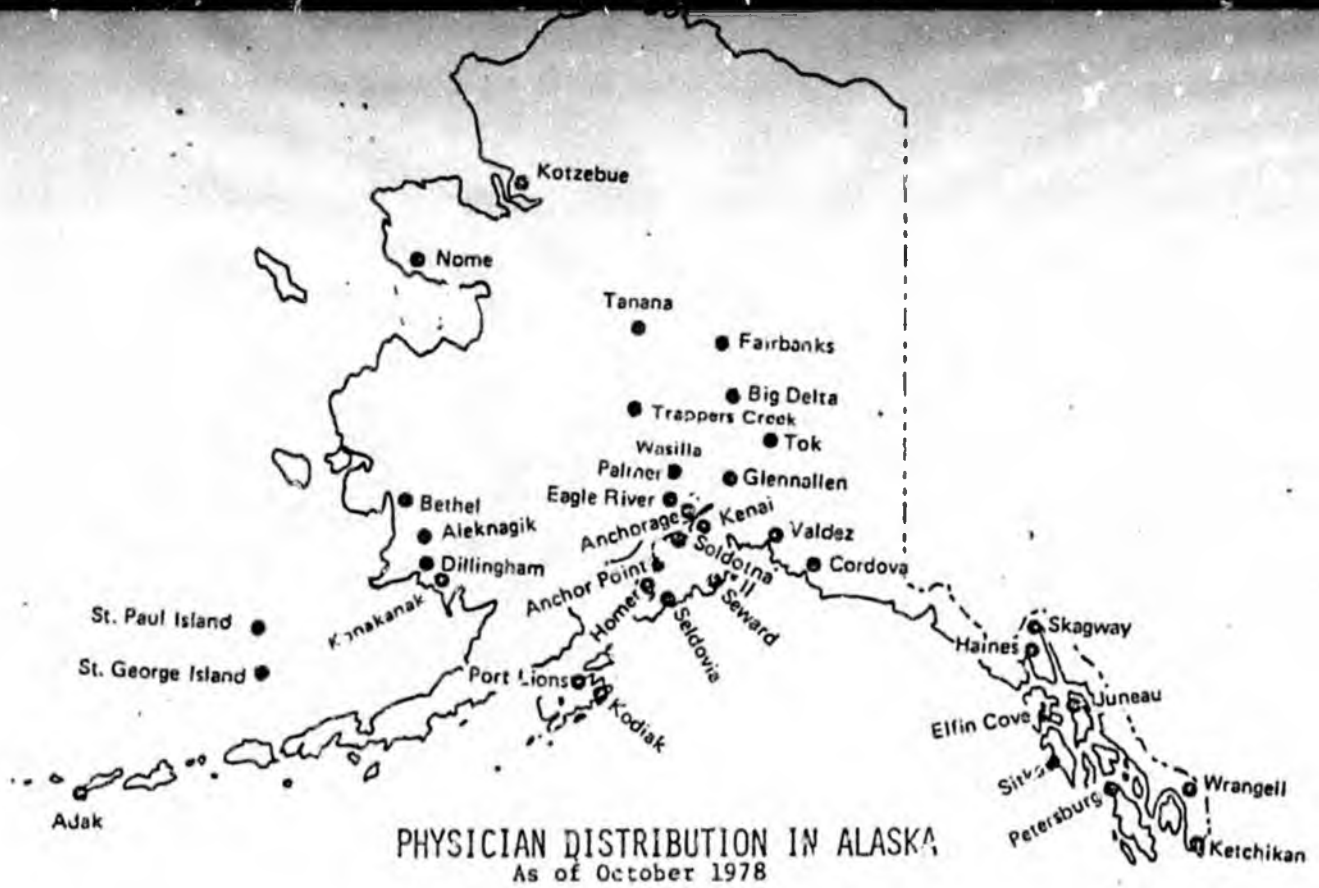
Under 20 beds		20 to 30 beds		31 to 100 beds		Over 100 beds	
Glenallen	6	Sitka	24	Ketchikan	44 (48)	Alaska	154
Wrangell	9 (14)	Kodiak	25(19)	Juneau	67	Fairbanks	155
Cordova	12 (8)	Seward	29		111 (48)	Providence	250
Homer	13 (4)	Soldotna	30				559
Nome	13 (6)		108 (19))				
Petersburg	13 (12)						
Valdez	15						
Palmer	17 (6)						
	98 (50)						
Hospitals	47%		23%		12%		18%
Beds	11%		12%		13%		64%

* * * NURSING HOMES * * *

There are 644 nursing home beds in Alaska. As noted above, there are 8 hospitals with 117 nursing home beds (18% of the total beds). There are 5 "free-standing" nursing homes;

St Ann's	Juneau	45 beds
Wesleyan	Seward	64 beds
Careage	Anchorage	101 beds
Careage N.	Fairbanks	101 beds
Nakoyia	Anchorage	216 beds
		527 beds

The State of Alaska operates 4 Pioneer Homes with 170 beds. There are plans to build in Ketchikan in direct competition with the beds already in existence.

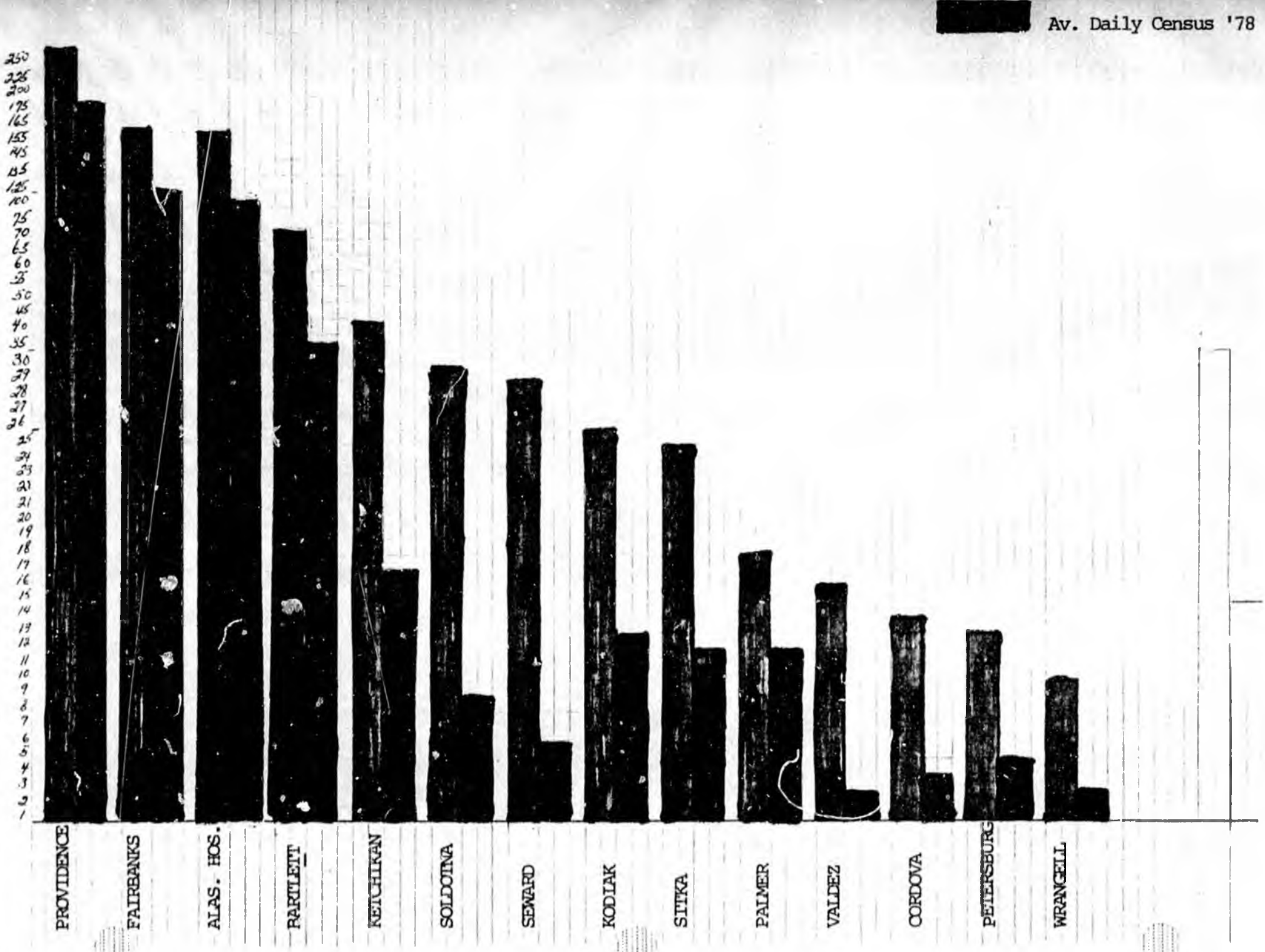


PHYSICIAN DISTRIBUTION IN ALASKA
As of October 1978

Towns	Private Practice	USPHS	Military	Federal	Municipal State	Total
Adak			1			1
Aleknagik	1					1
Anchor Point	1					1
Anchorage	212	55	43	5	13	328
Barrow		3				3
Bethel		8		1		9
Cordova	3					3
Dillingham	1					1
Eagle River	2					2
Elfin Cove	1					1
Fairbanks	76	3	24		3	106
Glennallen	1					1
Haines	2					2
Homer	5					5
Indian	1					1
Juneau	18	4		1	5	28
Kenakanak		3				3
Kenai	1					1
Ketchikan	13	4	1	1		19
Kodiak	5		3			8
Kotzebue		5				5
Nome				5		5
Palmer	5					5
Petersburg	2					2
Port Lions	1					1
Seldovia	1					1
Seward	2					2
Sitka	5	7				12
Soldotna	8					8
St. Paul Island		1				1
Tanana		2				2
Valdez	2					2
Wasilla	3					3
Wrangell	2					2
Total	374	95	72	13	21	575
	65%	17%	12%	2%	4%	

Info from Hospital [illegible]

ACUTE CARE BEDS/ CENSUS



POSITION PAPER/Department of Health & Social Services

HOUSE BILLS 974 and 975

H.B. 974: "An Act increasing state aid to municipalities for hospitals; and providing for an effective date."

H.B. 975: "An Act making a special appropriation to the Department of Community and Regional Affairs for grants for hospitals; and providing for an effective date."

The majority of the State's general hospitals are located in communities having small populations. These hospitals have low occupancy rates expect during the summer months when the fishing and tourism industries are in full operation. Also, small hospitals lack volume purchasing power due to the small quantities of drugs and other medical supplies consumed in their operations. Some of the small hospitals must be subsidized by the communities in which they are located, thus placing an additional tax burden upon residents of the community.

House Bills 974 and 975 are designed essentially to aid hospitals in meeting operating expenses and ease the financial burden otherwise placed on communities.

The Department of Community and Regional Affairs receives and disburses grants under AS 43.18 to grant applicants and is the lead agency for testimony on the subject proposed legislation.

By: Joe Betit
Joe Betit
Acting Director

Approved by: Helen D Bailey
Commissioner
Department of Health
and Social Services

Date: 4-5-80

Date: 4-5-80

Facilities	Acute General Beds	Long Term Care Beds					
		LTC Beds	SNF Beds	ICF Beds	IMR Beds	Total	% LTC SNF/ICF Beds
Construction							
Alaska Hospital & Medical Center 197							
7/1/79 - 6/30/80	154 21 Substance Abuse Beds					154 175	
Alaska Psychiartric Institute NA							
7/1/79 - 6/30/80	200 Acute Psychiatric Beds					200	
Anchorage Pioneer Home NA							
7/1/79 - 6/30/80		20 (SNF)				20	100
Bartlett Memorial Hospital 67							
7/1/79 - 6/30/80	67					67	
Careage House Health Care Center NA							
7/1/79 - 6/30/80				101		101	100
Careage North Health Care Center NA							
7/1/79 - 6/30/80		101 (SNF/ICF)				101	100
Central Peninsula Hospital 30							
7/1/79 - 6/30/80	30					30	
Cordova Community Hospital 20							
7/1/79 - 6/30/80	12	8 (SNF/ICF)				20	40
Fairbanks Memorial Hospital 155							
7/1/79 - 6/30/80	155					155	
Fairbanks Pioneer's Home NA							
7/1/79 - 6/30/80		42				42	100
Faith Hospital 3							
7/1/79 - 6/30/80	6					6	
Glenmore Health Care Center NA							
12/24/77 - 6/30/78		100 (now Nakoyia)					

	Beds				SNF/ICF Beds
Nakoyia Health Care Center NA					
7/1/79 - 6/30/80		216 (SNF/ICF)		216	100
Harborview Developmental Center NA					
7/1/79 - 6/30/80			120	120	100
Hope Cottage New Chalet 21					
4/1/77 to 7/1/77			21	21	100
Hope Park Cottages 21					
7/1/79.- 6/30/80			21	21	100
Hope Cottages, Inc. - Ocean Park 10					
7/1/79 - 6/30/80			10	10	100
Ketchikan General Hospital & Island View Manor 92					
7/1/79 - 6/30/80	44	48 (SNF/ICF)		92	52
Kodiak Island Hospital 44					
7/1/79 - 6/30/80	25	19 (ICF)		44	43
Lake Otis Hospital NA					
Construction Only					
7/1/77	125			125	
Norton Sound Regional Hospital 22					
7/1/79 - 6/30/80	15	6 (ICF)		19	31.5
Petersberg General Hospital 25					
7/1/79 - 6/30/80	13	12 (SNF/ICF)		25	48
Providence General Hospital 206					
7/1/79 - 6/30/80	250			250	
Palmer Pioneer's Home NA					
7/1/79 - 6/30/80		56 (SNF)		56	100
Seward General Hospital 31					
7/1/79 -6/30/80	31	(1 Bed each increase-Pediatrics &		31 ICU/CCU)	

	Beds					SNF/ICF Beds
Sitka Community Hospital 24						
7/1/79 - 6/30/80	24				24	
Sitka's Pioneer Home NA						
7/1/79 - 6/30/80		52 (SNF)			52	100
St. Ann's Nursing Home 45						
7/1/79 - 6/30/80		45 (SNF/ICF			45	100
South Peninsula Hospital 15						
7/1/79 - 6/30/80	13	4 (SNF/ICF)			17	23.5
Valdez Community Hospital 15						
7/1/79 - 6/30/80	15				15	
Valley Hospital 23						
7/1/79 - 6/30/80	17	6 (SNF/ICF)			23	26.1
Wesleyan Nurisng Home, Inc. 64						
7/1/79 - 6/30/80		64 (SNF/ICF)			64	100
Wrangel General Hospital Long Term Care 23						
7/1/79 - 6/30/80	9	14			23	60

Symbol Explanation

LTC = Skilled Nursing and/or Intermediate Care

SNF = Skilled Nursing Facility

ICF = Intermediate Care Facility

IMR = Intermediate Care Facility for the Mentally Retarded

Sec. 18.20.070. Compliance with regulations. Each hospital in operation at the time the department adopts rules and regulations or minimum standards under §§ 10 — 130 of this chapter has a reasonable time, under the particular circumstances, not exceeding one year from the date of adoption within which to comply with them. (§ 40-6-8 ACLA 1949)

Sec. 18.20.080. Inspection and consultation for alterations. (a) The department shall make annual inspections and investigations of hospital facilities.

(b) The department may by regulation require that a licensee or applicant desiring to make a specified type of alteration or addition to its facilities or to construct new facilities shall, before commencing the alteration, addition or new construction, submit plans and specifications to the department for preliminary inspection and approval or recommendations with respect to compliance with the regulations and standards. (§ 40-6-9 ACLA 1949; am § 5 ch 112 SLA 1957)

Sec. 18.20.085. Hospital records retention. (a) Unless specified otherwise by the department a hospital shall retain and preserve records which relate directly to the care and treatment of a patient for a period of seven years following the discharge of the patient. However, the records of a patient under 19 years of age shall be kept until at least two years after the patient has reached the age of 19 years or until seven years following the discharge of the patient, whichever is longer. Records consisting of X-ray film are required to be retained for five years.

(b) The department shall by regulation define the types of records and the information required to be included in the records retained or preserved under (a) of this section. The department may by regulation specify records and information to be retained for longer periods than those set out in (a) of this section.

(c) If a hospital ceases operation, it shall make immediate arrangements, as approved by the department, for the preservation of its records.

(d) In this section, "hospital" includes those facilities defined as hospitals under §§ 130(1) and 2103, of this chapter. (§ 1 ch 41 SLA 1970)

Sec. 18.20.090. Information confidential. The department may not publicly disclose information received by it in a manner identifying an individual or hospital except in a proceeding involving the question of licensing. (§ 40-6-11 ACLA 1949)

Sec. 18.20.100. Annual report of department. The department shall prepare and publish an annual report of its activities and operations under §§ 20 — 130 of this chapter. (§ 40-6-12 ACLA 1949)

regulations prescribed thereunder prohibit disclosure of the name of the individual.

Soc. Sec. Rul., No. 70-6, Jan. 1970 (C. B. 1970, 155, HIR 27-70-1). [This ruling was originally reported at NEW DEVELOPMENTS ¶ 26,080.]

.28 **Drug Abuse Office and Treatment Act of 1972—Disclosure of patient records.**—Where patient records concerning drug abuse are received by the Social Security Administration from any source for use in the administration of the Social Security Act: (1) such records are not subject to the disclosure provisions of section 408 of the Drug Abuse Office and Treatment Act of 1972 (P. L. 92-255, unless they are maintained in connection with the performance of a drug abuse prevention function authorized or assisted under any provision of the Drug Abuse Act or any act amended by it; (2) in those situations where disclosure of such records is subject to both Part 401 of the Regulations (reported at ¶ 18,051 *et seq.*) and section 408, the provision with the greater restrictiveness with respect to whether and how the information may be disclosed is controlling.

Soc. Sec. Rul., No. 73-18 (C. B. 1973, 91). [This ruling was originally reported at NEW DEVELOPMENTS ¶ 25,807.]

.30 **Exchange of provider certification and termination information between Medicare and Medicaid agencies.**—See ¶ 14,751.21 in the "MEDICAID" division.

.31 **Exemptions from disclosure, Freedom of Information Act.**—[*The statutory exemption*—Exemption (3) of the Freedom of Information Act, 5 U. S. C. 552(b)(3), exempts from mandatory disclosure] matter "specifically exempted from disclosure by statute. . . ." The Government in the Sunshine Act amended exemption (3) with the result that the Department can no longer cite section 1106(a) [¶ 16,375] as authority for denying a Freedom of Information request. . . . Accordingly, any social security information previously withheld on this basis must be made available unless another Freedom of Information Act exemption applies or another statute, which qualifies under amended exemption (3), prohibits disclosure.

• • •

Although section 1106(a) no longer qualifies, there are other statutes affecting social security information which appear to meet the exemption (3) criteria as amended by the Sunshine Act. For example, . . . Section 1865(a)(2) of the Social Security Act, which protects the confidentiality of accreditation survey reports submitted by the Joint Commission on Accreditation of Hospitals, will continue to do so under the new disclosure rules. Sections 1106(d) and (e) of the Social Security Act, which protect certain official reports dealing with the operation of the health programs established by title XVIII of the Act, qualify under exemption (3) and will remain binding.

42 F. R. 14703, March 16, 1977.

Section 1865(a)(2) provides for the Joint Commission on Accreditation of Hospitals (JCAH), if authorized by the hospitals, to release to the Secretary (or a State agency designated by him) on a confidential basis copies of accreditation surveys of hospitals made by the JCAH. As section 1865(a)(2) allows no discretion on the part of the Secretary to disclose information obtained from JCAH, materials released under this provision are thus specifically exempted by statute from disclosure to the public under exemption (3) of the Freedom of Information Act, 5 U. S. C. 552(b)(3), as amended by section 5(b) of the Government in the Sunshine Act, Pub. L. 94-409, which became effective March 12, 1977. Because section 1106(a) of the Social Security Act neither precludes discretion to disclose nor provides specific criteria for withholding, it does not fall within exemption (3) of the Freedom of Information Act.

42 F. R. 58403, November 9, 1977.

[*The confidentiality exemption*—] Exemption (4), 5 U. S. C. 552(b)(4), protects "trade secrets and commercial or financial information obtained from a person and privileged or confidential." [Current case law on exemption (4) requires that data be "obtained from" a source outside the Executive Branch for exemption (4) to be applicable.]

42 F. R. 14703, March 16, 1977.

The regulation permitting disclosure of provider cost reports to the public (Reg. § 422.435) is invalid as it applies to the provider because it does not comply with the requirements of the Administrative Procedure Act in that: (1) it was not promulgated within the statutory authority of the Freedom of Information Act insofar as it pertains to the disclosure of information of a confidential nature, which is exempted by the FOIA (exemption (4)); and (2) it is an abuse of discretion on the part of HEW in that it is in derogation of 18 U. S. C. § 1905, a criminal statute that makes it illegal for any employee of a governmental agency to disclose information that concerns or relates to the trade secrets, operations, or confidential statistical data, amount, or source of any income, profits, losses, or expenditures of a corporation.

Parkridge Hospital, Inc. v. Blue Cross and Blue Shield of Tennessee, et al., USDC (E. D., Tenn.), Apr. 15, 1977. [This decision was originally reported at NEW DEVELOPMENTS ¶ 28,559.]

Pursuant to the Freedom of Information Act, government agencies are forbidden to release "trade secrets and commercial or financial information obtained from a per-

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son and privileged or confidential." Since the information in provider cost reports is financial and confidential, HEW may not disclose the information to the public. Furthermore, a government agency may not go beyond its own regulations. The Social Security Act provides that no disclosure of information can be made except as prescribed by regulations, and the regulations provide for disclosure of information from financial reports and other records of providers only to certain Federal and State officers and employees. Accordingly, HEW was enjoined from acting beyond the scope of its own regulations and violating the confidentiality exemption (exemption (4)) of the Freedom of Information Act by releasing provider cost reports to the public in a case that arose when a competitor of a skilled nursing facility requested release of its unaudited cost report.

The court denied a motion for class action certification, in the belief that HEW would follow the court's orders, unless reversed by a higher court. However, the court noted that HEW plans to adopt new regulations permitting the disclosure of cost data reports.

Bryan S. McCoy, Jr., d/b/a Twinbrook Nursing Home v. Weinberger, USDC (W. D. Ky.), 386 F. Supp. 501 (1974). [This decision was originally reported at NEW DEVELOPMENTS ¶ 27,146.]

[*The privacy exemption*—] In applying the interim rules to social security information, in all likelihood the most pertinent Freedom of Information exemption will be exemption (6), 5 U. S. C. 552(b)(6), which protects "personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy." This exemption requires the Department to weigh the individual's interest in privacy against the public interest served by disclosure. . . .

The balancing test may have . . . impact on other information . . . , for example, payments to individual physicians under the Medicare program. Although this information reflects at least to some degree the physician's income, a matter in which he has a privacy interest, disclosure would serve the strong public interest in the accountability of government programs, revealing how public funds are spent and the extent to which the funds are paid to individuals when acting in a business or professional capacity. [See .50, below, for specific instructions concerning disclosure of physician/supplier charge information.]

42 F. R. 14703, March 16, 1977.

.32 **Fees for information.**—Certain fees and charges have been established to recover some of the cost of disclosing information to the public under the provisions of the Freedom of Information Act. Providers, contractors, and State agencies are also required to pay appropriate fees for copies of reports they may request pertaining to other providers, contractors, or State agencies. Such fees are not reimbursable administrative costs under the Medicare program for contractors or State agencies. A provider may claim such fees as allowable costs only if the provider demonstrates to the intermediary that the information is necessary in developing and maintaining the operation of patient care facilities and activities. Members of Congress, when clearly requesting information on behalf of a constituent or other third party, are subject to the same fees and charges that would apply to the person represented, but they are exempt from charges in all other cases. No charge will be made to the public for inspection of disclosable documents, for normal mailing of requested materials, for time spent in deciding whether to provide information or securing approval, or for requests which result in charges of $5 or less.

Charges must also be made for disclosing information under the provisions of Regulation No. 1. In general, the fees will be the same as those charged for disclosing information under the Freedom of Information Act.

Fees.—Unless otherwise specified . . . , the following fees are to be charged for disclosing information:

A. *Photocopying.*—A charge of 10 cents per page (one side of a sheet) will be made for photocopying documents or records. If the page to be photocopied is too large to be printed on one photocopy, the charge is 10 cents per photocopy.

B. *Searching.*—When a request results in searching time in excess of one-half hour, a charge of $1.50 for each half-hour, excluding the first half-hour, will be made. This charge is in addition to any charges for photocopying materials. There is no searching fee for time spent photocopying.

C. *SSA-Printed Material.*—$.01 per printed page.

D. *Preparation of Materials from Punchcards, Magnetic Tape, or Microfilm.*—Charges for preparing materials from magnetic tape, microfilm, or punchcards will be based on the actual cost, as determined on a case-by-case basis. The intermediary or carrier will prepare an estimate of such costs and refer requests requiring preparation of materials from machine sources to the regional office for determination of the fee. The regional office will determine the fee based on the cost information submitted by the intermediary or carrier which will include the following:

1. *Personnel Salaries.*—Compute the time spent by all staff members (including analysts, supervisors, and clericals) in search-

Facility	(1) General Beds	SNF/ICF Beds	Total Bed Days Available	(1) Beds Utilized	% of Occupancy	(2) Rate
Institution #1	over 100		49,640	27,392	55.20	
Institution #2	over 100		73,000	35,096	48.08	188.59
Institution #3	50 - 100		21,535	9,314	43.25	207.20
Institution #4	under 50		10,220	2,724	26.65	274.15
Institution #5	under 50		8,030	3,283	45.90	140.39
Institution #6	over 100		52,979	34,073	64.31	184.06
Institution #71	under 50		1,825	576	31.50	
Institution #8	--					
		over 100	43,800	32,628	74.49	160.10
Institution #9	under 50		16,060	6,659	41.50	155.95
		under 50	17,520	15,627	89.20	73.71
Institution #10	under 50		8,395	4,150	49.43	
Institution #11	under 50		5,475	2,270	40.20	
		under 50	2,190	1,742	79.54	
Institution #12	under 50		4,745	995	21.00	178.53
		under 50	4,380	3,966	91.00	66.50
Institution #13	over 100		64,423	63,473	98.50	
Institution #14	under 50		12,045	1,742	14.51	232.42
Institution #15	under 50		8,395	3,452	41.12	203.
Institution #16	under 50		4,015	2,318	57.73	199.47
		under 50	1,460	705	48.29	169.62
Institution #17	--					
		under 50	16,425	4,970	30.30	
Institution #18	under 50		5,475	651	11.89	
Institution #19	under 50		5,475	2,133	38.96	
		under 50	2,190	1,803	82.33	
Institution #20	--					
		50 - 100	23,360	21,513	92.09	51.41
Institution #21	under 50		3,285	890	27.10	169.58
		under 50	5,110	5,110	100.00	66.96

Notes

1) General Beds includes critical care (ICU, CCU, PCU) beds but occupancy of these beds is not considered in utilization rate.
2) Facilities with no rates shown operate on a Fiscal Year ending 12/31. The 1979 rates have not yet been reported.

ALASKA'S HOSPITALS AND LONG TERM CARE FACILITIES

GENERAL BED AND UTILIZATION STATISTICS, continued

	ACUTE CARE				LONG TERM CARE				NEWBORN	
	Licensed Beds (1978)*	Admissions	Average Daily Census	Occupancy (percent)**	Licensed Beds (1978)*	Discharges	Average Daily Census	Occupancy (percent)**	Bassinets	Births
SC HSA, continued										
Anchorage Pioneers Home					20	42	N/A	N/A		
Elmendorf USAF	135*	6,041	92.6	68.6					28	859
Lake Otis										
U.S. Coast Guard Dispensary -- Kodiak	4[2]	307[2]	3.2[2]	22.7[2]					N/A	57[2]
Kodiak Island	25	1,129	11.5	46.1	19	--Data not available--			5	111
NavRegMedCen Bremerton, Adak Branch	15*	296	3.2	21.4					5	75
Kanakanak PHS	29*	534	6.4	22.0					N/A	61
Bethel PHS	42[2]	1,568[2]	20.2[2]	48.1[2]					12[2]	N/A
Norton Sound Regional	13**†	754	7.1	48.7	6	3	3.2	53.2	4	130
N HSA										
Kotzebue PHS	40*	1,002	13.2	32.9					6	112
Barrow PHS	14[2]	500[2]	4.9[2]	35.0[2]					5[2]	61[2]
Fairbanks Memorial	155**†	7,327	99.5	74.9					16[4]	1,134
Carcage North Health Care Center					101	244	73.8	73.0		
Fairbanks Pioneers Home					42	1[3]	42.0	100.0		
Bassett Army	38*	2,090	28.4	74.7					N/A	387
Tanana PHS	20[2]	513[2]	10.8[2]	54.0[2]					N/A	35[2]

*State licensing does not include PHS and military hospitals. For these facilities beds refer to beds set up and in

**Percent occupancy is based on licensed beds. Fairbanks Memorial percent occupancy was calculated for 126 licensed beds through October 5, 1978 and 155 licensed beds October 6--December 31, 1978. Norton Sound percent occupancy was calculated for 10 beds through June 30, 1978 and 13 beds July 1--December 31, 1978.

†Percent occupancy is based on licensed beds rather than beds in use. During 1978 St. Ann's Nursing Home had 25 beds in use. Percent occupancy calculated on beds in use would be 55.4%. Ketchikan General had 42 acute care beds in use (41.8% occupancy); Alaska Hospital and Medical Center had 118 beds in use (69.9% occupancy); and Providence had 215 beds in use (83.2% occupancy).

**Mt. Edgecumbe has 8 chronic care and 3 alcoholism treatment beds. The 8 chronic care beds accounted for 507 patient days, 1 discharge and a 17.3% occupancy. The 8 alcoholism treatment beds accounted for 2058 patient days, 69 discharges and a 72.3% occupancy.

[1]Data from Certification and Licensing, Alaska Department of Health and Social Services.

[2]Data from FY 1977 Annual Hospital Survey.

[3]Discharges.

[4]Alaska Hospital and Medical Center bassinet total includes 6 neonatal intensive care beds; Providence includes 14 neonatal intensive care beds; and Fairbanks Memorial includes 3 neonatal intensive care beds.

Facility	(1) General Beds	SNF/ICF Beds	Total Bed Days Available	(1) Beds Utilized	% of Occupancy	(2) Rate
Institution #1	over 100		49,640	27,3[illegible]	55.20	
Institution #2	over 100		73,000	35,098	48.08	188.59
Institution #3	50 - 100		21,535	9,314	43.25	207.20
Institution #4	under 50		10,220	2,724	26.65	274.15
Institution #5	under 50		8,030	3,283	45.90	140.39
Institution #6	over 100		52,979	34,073	64.31	184.06
Institution #71	under 50		1,825	576	31.50	
Institution #8	--					
		over 100	43,800	32,628	74.49	160.10
Institution #9,	under 50		16,060	6,659	41.50	155.95
		under 50	17,520	15,627	89.20	73.71
Institution #10	under 50		8,395	4,150	49.43	
Institution #11	under 50		5,475	2,270	40.20	
		under 50	2,190	1,742	79.54	
Institution #12	under 50		4,745	995	21.00	178.53
		under 50	4,380	3,966	91.00	66.50
Institution #13	over 100		64,423	63,473	98.50	
Institution #14	under 50		12,045	1,742	14.51	232.42
Institution #15	under 50		8,395	3,452	41.12	203.
Institution #16	under 50		4,015	2,318	57.73	199.47
		under 50	1,460	705	48.29	169.62
Institution #17	--					
		under 50	16,425	4,970	30.30	
Institution #18	under 50		5,475	651	11.89	
Institution #19	under 50		5,475	2,133	38.96	
		under 50	2,190	1,803	82.33	
Institution #20	--					
		50 - 100	23,360	21,513	92.09	51.41
Institution #21	under 50		3,285	890	27.10	169.58
		under 50	5,110	5,110	100.00	66.98

Notes

1) General Beds includes critical care (ICU, CCU, PCU) beds but occupancy of these beds is not considered in utilization rate.
2) Facilities with no rates shown operate on a Fiscal Year ending 12/31. The 1979 rates have not yet been reported.

ACUTE CARE BEDS/ CENSUS

LICENSED BEDS '78

Av. Daily Census '78

250
225
200
175
165
155
145
135
125
100
75
70
65
60
55
50
45
40
35
30
29
28
27
26
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1

PROVIDENCE
FAIRBANKS
ALAS. HOS.
BARTLETT
KETCHIKAN
SOLDOTNA
SEWARD
KODIAK
SITKA
PALMER
VALDEZ
CORDOVA
PETERSBURG
WRANGELL

STATEMENT OF SUPPORT, REVENUE, AND EXPENSES AND CHANGES IN FUND BALANCES

Years ended June 30, 1979 and 1978

	Current Fund	Property Fund	Total All Funds 1979	Total All Funds 1978
PUBLIC SUPPORT AND REVENUE				
Public support				
Contributions	$ 263,262		$ 263,262	$ 320,366
Missionary support	611,238		611,238	486,422
Total Public Support	874,500		874,500	806,788
Revenue				
Operating income	639,420		639,420	686,020
Gain on sale of assets				2,400
Investment income	14,258		14,258	15,066
Other income				14,388
Total Revenue	653,678		653,678	717,874
Total Public Support and Revenue	1,528,178		1,528,178	1,524,662
EXPENSES				
Program activities				
Evangelism and church development	226,820	$ 237	227,057	158,125
Education	189,421	21,945	211,366	184,585
Medical	364,773	23,446	388,219	398,219
Mass media	171,834	4,968	176,802	60,495
Total Program Activities	952,848	50,596	1,003,444	801,424
Supporting activities				
Administration and general	415,303	46,142	461,445	540,610
Total Expenses	1,368,151	96,738	1,464,889	1,342,034
EXCESS PUBLIC SUPPORT AND REVENUE OVER EXPENSES	160,027	(96,738)	63,289	182,628
OTHER CHANGES IN FUND BALANCES				
Property and equipment purchased from current funds	(215,891)	215,891		
Correction - prior year transfer				(9,930)
Reclassification		(1,800)	(1,800)	(3,519)
Payment of notes				
Rental deposits		450	450	
	(55,864)	117,803	61,939	169,179
FUND BALANCE, beginning	457,514	1,567,604	2,025,118	1,855,939
FUND BALANCE, ending	$ 401,650	$1,685,407	$2,087,057	$2,025,118

See notes to financial statements.

STATEMENTS OF REVENUES AND EXPENSES
For the Years Ended June 30, 1979 and 1978

	1979	1978
Patient service revenue	$1,044,422	$966,314
Allowances and uncollectible accounts	53,084	(5,479)
Net patient service revenue	1,097,506	960,835
Operating expenses:		
Professional care of patients	452,232	403,606
Dietary	202,584	163,730
Household and property	158,213	145,808
General and administrative	241,885	209,863
Depreciation	45,076	41,509
	1,099,990	964,516
Income (loss) from operations	(2,484)	(3,681)
Nonoperating revenues:		
Contributions	6,629	15,845
Revenue sharing grant - State of Alaska	60,977	68,800
Interest income	18,666	14,557
Other	2,820	2,365
	89,092	101,567
Excess of revenues over expenses	$ 86,608	$ 97,886

The Notes to Financial Statements are an integral part of these statements.

Statements of Revenues and Expenses

Years ended June 30, 1979 and 1978

	1979	1978
Patient service revenue:		
Routine services to inpatients:		
Adults and children	$ 485,322	315,722
Newborns	3,865	5,250
	489,187	320,972
Special services to patients: (Schedule 1)		
Inpatients	135,392	126,557
Outpatients	92,025	100,059
	227,417	226,616
Unapplied contract adjustments (note 4)		
Medicare	4,765	172
Medicaid	29,713	(42,981)
Other	4,561	10,325
	39,039	(32,484)
Total operating revenue	755,643	515,104
Operating expenses: (Schedule 2)		
Professional	336,843	270,367
Nonprofessional	415,053	353,449
Depreciation	73,422	69,621
Total operating expenses	825,318	693,437
Loss from operations	(69,675)	(178,333)
Nonoperating revenues (expenses):		
Interest, net	(22,262)	(24,116)
Rent (note 2)	8,855	9,822
Contributions:		
State shared revenue	75,150	84,353
City of Wrangell	40,984	42,045
Other	135	683
Other, net	4,166	2,163
Total nonoperating revenue	107,028	114,950
Net revenues over (under) expenses	$ 37,353	(63,383)

See accompanying notes to financial statements.

STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 1979 AND 1978

	1979	1978
OPERATING REVENUES:		
Patient service revenues	$4,441,507	$3,627,002
Deductions from patient service revenues (Note 1)	(369,177)	(238,161)
Net patient service revenues	4,072,330	3,388,841
Other operating revenues	77,851	65,969
Net operating revenues	4,150,181	3,454,810
OPERATING EXPENSES:		
Salaries and wages	2,333,139	2,026,628
Employee benefits and payroll taxes	382,757	303,120
Supplies and other expenses	1,201,027	993,678
Depreciation (Note 1)	86,441	56,317
Provision for equipment rental (Note 2)	10,320	10,298
Total operating expenses	4,013,684	3,390,041
Net revenues from operations	136,497	64,769
NONOPERATING REVENUES:		
State revenue sharing	81,615	87,951
Interest and other income, net	85,737	67,031
Total nonoperating revenues	167,352	154,982
Excess of revenues over expenses	$ 303,849	$ 219,751

The accompanying notes are an integral part of these statements.

STATEMENT OF REVENUE AND EXPENSES

June 30, 1979 and 1978

UNRESTRICTED FUND

	1979	1978
Patient Service Revenue:		
Hospital Inpatient	$176,815	$199,758
Hospital Outpatient	198,773	192,428
Nursing Home	188,296	182,806
Ancillary Service	119,042	
Total Patient Service Revenue	682,926	695,565
Less Contractual Allowances and Uncollectible Accounts	74,674	105,150
Net Patient Service Revenue	608,252	590,415
Grant Revenue	237,847	183,767
Grant Project Revenue (note 2)	21,602	2,799
Other Operating Revenue	5,516	10,344
TOTAL OPERATING REVENUE	873,217	787,325
Operating Expenses:		
Patient Service Expense	420,176	418,463
Plant and Operations	52,132	51,456
General and Administrative	150,963	164,050
Grant Expenses (note 2)	177,083	156,721
Other Expenses	228,256	134,328
Depreciation	54,664	50,770
Interest	2,313	650
Total Operating Expenses	1,085,587	976,438
Loss from Operations	212,370	189,113
Non-Operating Revenues:		
Revenue Sharing Grant	95,000	105,584
Rental Income	31,405	23,665
Contributions	938	50
Excess of Expenditures over Revenue	$ 85,027	$ 59,814

Years ended June 30, 1979 and 1978

	1979		Total All Funds	
	Unrestricted	Restricted	1979	1978
OPERATING REVENUES				
Medicaid - note 6	$1,161,759	$	$1,161,759	$1,141,774
State contract - note 6	1,184,500		1,184,500	1,075,770
Public support	19,827		19,827	31,981
Other	301,736		301,736	314,676
TOTAL OPERATING REVENUES	2,667,822	-0-	2,667,822	2,564,201
Contractual adjustments and bad debts	1,529		1,529	12,517
NET OPERATING REVENUES	2,666,293	-0-	2,666,293	2,551,684
OPERATING EXPENSES				
Salaries and wages	1,522,347		1,522,347	1,601,915
Employee benefits	182,137		182,137	199,192
Professional fees	185,285		185,285	63,554
Supplies	167,463		167,463	161,081
Utilities and services	54,588		54,588	106,604
Depreciation	63,389		63,389	54,437
Leases and rentals	168,445		168,445	168,814
Other	201,208		201,208	131,726
TOTAL OPERATING EXPENSES	2,544,862	-0-	2,544,862	2,487,324
EXCESS OF OPERATING REVENUES OVER OPERATING EXPENSES	121,431		121,431	64,360
OTHER INCOME				
Gain from disposal of assets	150		150	
Non-operating grants - note 7		620,000	620,000	20,000
Non-operating revenue - note 8		241,233	241,233	246,033
Other	38,160		38,160	9,923
TOTAL OTHER INCOME	38,310	861,233	899,543	275,956
OTHER EXPENSES				
Fund raising		36,405	36,405	75,780
EXCESS REVENUES OVER EXPENSES	159,741	824,828	984,569	264,536
OTHER CHANGES IN FUND BALANCES				
Net change in funds held in trust - note 9		6,046	6,046	6,515
BOARD TRANSFER TO RESTRICTED	(102,807)	102,807		
TRANSFER FROM RESTRICTED TO UNRESTRICTED	71,599	(71,599)		
FUND BALANCES, beginning	954,997	256,145	1,211,142	940,091
FUND BALANCES, ending	$1,083,530	$1,118,227	$2,201,757	$1,211,142

See notes to financial statements and accompanying accountants' opinion.

STATEMENTS OF REVENUES AND EXPENSES
For the Years Ended June 30, 1979 and 1978

	1979	1978
Patient service revenue	$1,044,422	$966,314
Allowances and uncollectible accounts	53,084	(5,479)
Net patient service revenue	1,097,506	960,835
Operating expenses:		
Professional care of patients	452,232	403,606
Dietary	202,584	163,730
Household and property	158,213	145,808
General and administrative	241,885	209,863
Depreciation	45,076	41,509
	1,099,990	964,516
Income (loss) from operations	(2,484)	(3,681)
Nonoperating revenues:		
Contributions	6,629	15,845
Revenue sharing grant - State of Alaska	60,977	68,800
Interest income	18,666	14,557
Other	2,820	2,365
	89,092	101,567
Excess of revenues over expenses	$ 86,608	$ 97,886

The Notes to Financial Statements are an integral part of these statements.

Statements of Revenues and Expenses

Years ended June 30, 1979 and 1978

	1979	1978
Patient service revenue:		
Routine services to inpatients:		
Adults and children	$ 485,322	315,722
Newborns	3,865	5,250
	489,187	320,972
Special services to patients: (Schedule 1)		
Inpatients	135,392	126,557
Outpatients	92,025	100,059
	227,417	226,616
Unapplied contract adjustments (note 4)		
Medicare	4,765	172
Medicaid	29,713	(42,981)
Other	4,561	10,325
	39,039	(32,484)
Total operating revenue	755,643	515,104
Operating expenses: (Schedule 2)		
Professional	336,843	270,367
Nonprofessional	415,053	353,449
Depreciation	73,422	69,621
Total operating expenses	825,318	693,437
Loss from operations	(69,675)	(178,333)
Nonoperating revenues (expenses):		
Interest, net	(22,262)	(24,116)
Rent (note 2)	8,855	9,822
Contributions:		
State shared revenue	75,150	84,353
City of Wrangell	40,984	42,045
Other	135	683
Other, net	4,166	2,163
Total nonoperating revenue	107,028	114,950
Net revenues over (under) expenses	$ 37,353	(63,383)

See accompanying notes to financial statements.

STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 1979 AND 1978

	1979	1978
OPERATING REVENUES:		
Patient service revenues	$4,441,507	$3,627,002
Deductions from patient service revenues (Note 1)	(369,177)	(238,161)
Net patient service revenues	4,072,330	3,388,841
Other operating revenues	77,851	65,969
Net operating revenues	4,150,181	3,454,810
OPERATING EXPENSES:		
Salaries and wages	2,333,139	2,026,628
Employee benefits and payroll taxes	382,757	303,120
Supplies and other expenses	1,201,027	993,678
Depreciation (Note 1)	86,441	56,317
Provision for equipment rental (Note 2)	10,320	10,298
Total operating expenses	4,013,684	3,390,041
Net revenues from operations	136,497	64,769
NONOPERATING REVENUES:		
State revenue sharing	81,615	87,951
Interest and other income, net	85,737	67,031
Total nonoperating revenues	167,352	154,982
Excess of revenues over expenses	$ 303,849	$ 219,751

The accompanying notes are an integral part of these statements.

STATEMENT OF REVENUE AND EXPENSES

June 30, 1979 and 1978

UNRESTRICTED FUND

	1979	1978
Patient Service Revenue:		
Hospital Inpatient	$176,815	$199,758
Hospital Outpatient	198,773	192,428
Nursing Home	188,296	182,806
Ancillary Service	119,042	
Total Patient Service Revenue	682,926	695,565
Less Contractual Allowances and Uncollectible Accounts	74,674	105,150
Net Patient Service Revenue	608,252	590,415
Grant Revenue	237,847	183,767
Grant Project Revenue (note 2)	21,602	2,799
Other Operating Revenue	5,516	10,344
TOTAL OPERATING REVENUE	873,217	787,325
Operating Expenses:		
Patient Service Expense	420,176	418,463
Plant and Operations	52,132	51,456
General and Administrative	150,963	164,050
Grant Expenses (note 2)	177,083	156,721
Other Expenses	228,256	134,328
Depreciation	54,664	50,770
Interest	2,313	650
Total Operating Expenses	1,085,587	976,438
Loss from Operations	212,370	189,113
Non-Operating Revenues:		
Revenue Sharing Grant	95,000	105,584
Rental Income	31,405	23,665
Contributions	938	50
Excess of Expenditures over Revenue	$ 85,027	$ 59,814

Years ended June 30, 1979 and 1978

	1979		Total All Funds	
	Unrestricted	Restricted	1979	1978
OPERATING REVENUES				
Medicaid - note 6	$1,161,759	$	$1,161,759	$1,141,774
State contract - note 6	1,184,500		1,184,500	1,075,770
Public support	19,827		19,827	31,981
Other	301,736		301,736	314,676
TOTAL OPERATING REVENUES	2,667,822	-0-	2,667,822	2,564,201
Contractual adjustments and bad debts	1,529		1,529	12,517
NET OPERATING REVENUES	2,666,293	-0-	2,666,293	2,551,684
OPERATING EXPENSES				
Salaries and wages	1,522,347		1,522,347	1,601,915
Employee benefits	182,137		182,137	199 193
Professional fees	185,285		185,285	63,554
Supplies	167,463		167,463	161,081
Utilities and services	54,588		54,588	106,604
Depreciation	63,389		63,389	54,437
Leases and rentals	168,445		168,445	168,814
Other	201,208		201,208	131,726
TOTAL OPERATING EXPENSES	2,544,862	-0-	2,544,862	2,487,324
EXCESS OF OPERATING REVENUES OVER OPERATING EXPENSES	121,431		121,431	64,360
OTHER INCOME				
Gain from disposal of assets	150		150	
Non-operating grants - note 7		620,000	620,000	20,000
Non-operating revenue - note 8		241,233	241,233	246,033
Other	38,160		38,160	9,923
TOTAL OTHER INCOME	38,310	861,233	899,543	275,956
OTHER EXPENSES				
Fund raising		36,405	36,405	75,780
EXCESS REVENUES OVER EXPENSES	159,741	824,828	984,569	264,536
OTHER CHANGES IN FUND BALANCES				
Net change in funds held in trust - note 9		6,046	6,046	6,515
BOARD TRANSFER TO RESTRICTED	(102,807)	102,807		
TRANSFER FROM RESTRICTED TO UNRESTRICTED	71,599	(71,599)		
FUND BALANCES, beginning	954,997	256,145	1,211,142	940,091
FUND BALANCES, ending	$1,083,530	$1,118,227	$2,201,757	$1,211,142

See notes to financial statements and accompanying accountants' opinion.

STATEMENT OF SUPPORT, REVENUE, AND EXPENSES AND CHANGES IN FUND BALANCES

Years ended June 30, 1979 and 1978

	Current Fund	Property Fund	Total All Funds 1979	Total All Funds 1978
PUBLIC SUPPORT AND REVENUE				
Public support				
Contributions	$ 263,262		$ 263,262	$ 320,366
Missionary support	611,238		611,238	486,422
Total Public Support	874,500		874,500	806,788
Revenue				
Operating income	639,420		639,420	686,020
Gain on sale of assets				2,400
Investment income	14,258		14,258	15,066
Other income				14,388
Total Revenue	653,678		653,678	717,874
Total Public Support and Revenue	1,528,178		1,528,178	1,524,662
EXPENSES				
Program activities				
Evangelism and church development	226,820	$ 237	227,057	158,125
Education	189,421	21,945	211,366	184,585
Medical	364,773	23,446	388,219	398,219
Mass media	171,834	4,968	176,802	60,495
Total Program Activities	952,848	50,596	1,003,444	801,424
Supporting activities				
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Rental deposits		450	450	
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FUND BALANCE, ending	$ 401,650	$1,685,407	$2,087,057	$2,025,118

See notes to financial statements.

CORRESPONDENCE

ALASKA STATE HOSPITAL ASSOCIATION INC.

5401 CORDOVA STREET
PHONE: 277-1633

ANCHORAGE, ALASKA 99503

March 3, 1980

Margaret Branson
Representative
Alaska Legislature
Pouch V
Juneau, Alaska 99811

Introduced by

Dear Representative Branson:

A serious problem is now facing Alaska's health providers, especially our hospitals. These institutions are caught between spiraling costs and an outcry from the consumers in absorbing those increases. A national hospital effort participated in by all of our facilities managed to reduce the amount of increases in costs through a conscientious cost containment effort during 1979. I have attached a copy of those efforts for your review.

It is becoming increasingly more difficult to hold the cost of hospital care down since a substantial portion of that expense is beyond management control: necessary new life saving technology is usually expensive; over half of the hospitals expense is for personnel wages and benefits; fixed overhead related to physical plant; energy requirements; cost of financing; and supply costs i.e. plastics, paper, etc., have increased dramatically over the past year.

While the cost of operation has increased, many of our smaller hospitals have realized a significant drop in cash flow, particularly due to delays in getting medicaid reimbursement and an increase in non-insured patients who must pay their bills over a period of time. I have selected four major areas where costs have increased dramatically to our institutions for your review.

Cost Increases

	78-79	80-81 (projected)
X-ray film (silver)	8%	60%
plastics	7%	10%
Labor	14.4%	?
Energy		
National		
Fuel oil	56%	?
Alaska		
Fuel oil	61%	?
National		
Electricity	14%	?
Alaska		
Electricity	17.7	?

(Statistics were taken from the 1980 Department of Labor CPI report; U S News and World report, February 3, 1980, and 1978-79 Alaska Hospital Association Group Purchasing analysis.)

Due to the unprecedented increases in costs for electricity, fuel, plastics, and other necessary hospital products, in addition to the present ecomony as it relates to hospital reimbursement we request that the minimum revenue sharing hospital support be increased from $75,000 to $200,000. This additional support would largely offset the unprecedented inflation and cash flow problems our hospitals are facing, holding costs down to patients and meeting immediate cash flow needs.

Thank you for your consideration of this request, and should you need further information please contact our office at your convenience.

Sincerely,

Max Kersbergen
Executive Director

MK/ic

Enclosure

cc: Governor Hammond
Arliss Sturgulewski
Al Camosso
Jalmar Kerttula

PROVIDENCE
HOSPITAL

3200 PROVIDENCE DRIVE - POUCH 6604
ANCHORAGE, ALASKA 99502
PHONE: (907) 276-4511

SISTERS OF
PROVIDENCE

SERVING IN THE WEST SINCE 1856

April 7, 1980

The Honorable Bill Parker
Chairman, Community & Regional
Affairs
Pouch V
Juneau, Alaska 99811

Position Paper: H.B. 974 - "An Act increasing state aid to municipalities for hospitals; and providing for an effective date"

H.B. 975 - "An Act making a special appropriation to the Department of Community and Regional Affairs for grants for hospitals; and providing for an effective date"

Dear Representative Parker:

Providence Hospital has reviewed H.B. 974 and H.B. 975 and supports passage of both bills.

Our major point of support is that the increase in funding will help our many smaller hospitals retain viability in their communities. It is important that these smaller hospitals continue to be resources for health care services in the many outlying areas, as people in those communities look to them to be staffed and available when the need arises. This additional financial support will help to assure that this happens.

We also recognize that the financial support to the larger institutions might be cut back a small amount, and we are willing to accept this possibility.

We also re-emphasize that revenue sharing funds for hospitals should have a direct pass through to the hospitals. This will assure us that we will be getting our money in a timely fashion and will cut back in unnecessary red tape at the municipality level. Line 18 of H.B. 974 indicates that the funds may be used only for hospitals. We would like to see this amended to must. On line 19, if there is a direct pass through of funds, we see no reason to include the words, "as the municipality determines."

MEMBERS OF THE SISTERS OF PROVIDENCE CORPORATION—ALASKA: PROVIDENCE HOSPITAL, ANCHORAGE—WASHINGTON: PROVIDENCE MEDICAL CENTER, SEATTLE—THE DePAUL RETIREMENT RESIDENCE AND MOUNT ST. VINCENT NURSING CENTER, SEATTLE—PROVIDENCE HOSPITAL, EVERETT—ST. PETER HOSPITAL, OLYMPIA—ST. ELIZABETH HOSPITAL, YAKIMA—OREGON: PROVIDENCE HOSPITAL, MEDFORD—PROVIDENCE MEDICAL CENTER, PORTLAND—PROVIDENCE CHILD CENTER, PORTLAND—ST. VINCENT HOSPITAL AND MEDICAL CENTER, PORTLAND—CALIFORNIA: PROVIDENCE HOSPITAL, OAKLAND—PROVIDENCE HIGH SCHOOL, BURBANK—SAINT JOSEPH MEDICAL CENTER, BURBANK

It is important that these hospitals continue to remain strong and provide needed services. Without these funds, it may be very difficult for them to do so. Thank you for the opportunity of expressing our position. If you should need additional clarification, please feel free to contact us at any time.

Sincerely,

Al M. Camosso
Administrator

AMC/mm

cc: Senator Arliss Sturgulewski
Senator Glenn Hackney
Senator Mike Colletta
Senator John Sackett
Representative Ramona Barnes
Representative C. V. Chatterton
Max Kersbergen
William Dann
Charles Rigden
Ron Hammett
Donald DeMers
Jack Brown
Alaskan Hospital Administrators
Advisory Board

BARTLETT MEMORIAL HOSPITAL

P. O. BOX 3-3000 • JUNEAU, ALASKA • TELEPHONE (907) 586-2611
MILE 3 — GLACIER HIGHWAY

April 7, 1980

Representative Parker, Chairman
Community & Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau Ak 99811

HB 974 REVENUE SHARING-HOSPITALS

There are 16 hospitals within organized municipalities that are eligible for grants from the State of Alaska. They are:

40 Beds & Under	41-100 Beds	Over 100 Beds
Cordova	Juneau	Alaska-Anchorage
Homer	Ketchikan	Fairbanks
Nome	Kodiak	Providence-Anch.
Palmer		
Petersburg		
Seward		
Sitka		
Soldotna		
Valdez		
Wrangell	(Glenallen is in an "unorganized" region)	

The rationale for subsidizing is that these hospitals are necessary for the common good of their community. The 10 hospitals of 40 beds or less are absolutely essential to their communities. However, they are not economically feasible due to their small size and underutilization. Most of them operate with a skeleton staff which precludes any significant cost reductions. Cash flow is a constant and serious problem! They desperately need to be subsidized by their local and state government.

The medium and large size hospitals also need subsidizing to keep their charges within reasonable reach of Alaskans.

We propose that this legislation be changed to set up three seperate categories of grants that recognize the needs of the different hospitals. The smaller hospitals because of their need to offset their fixed costs and the larger hospitals to offset the larger expenses of operation. The patients (Alaskans) are the beneficiaries.

HB 974 Revenue Sharing-Hospitals (con'd)

A possible schedule would be:

Licensed Beds	No.of Hospitals	Grant	Total
40 beds & under	10	$200,000	$2,000,000
41 - 100 beds	3	$225,000	$ 675,000
Over 100 beds	3	$250,000	$ 750,000
	TOTAL ANNUAL GRANT		$3,425,000

Attached hereto is an excerpt from DHSS's MEDICAL FACILITIES PLAN (Nov. 1979) showing hospital statistics.

James R Burns

JAMES R. BURNS, ADMINISTRATOR

1979 ANNUAL HOSPITAL SURVEY

ALASKA'S HOSPITALS AND LONG TERM CARE FACILITIES

GENERAL BED AND UTILIZATION STATISTICS (SUMMARY CHARTS)

	ACUTE CARE				LONG TERM CARE				NEWBORN	
	Licensed Beds (1978)*	Admissions	Average Daily Census	Occupancy (percent)**	Licensed Beds (1978)*	Discharges	Average Daily Census	Occupancy (percent)**	Bassinets	Births
SE HSA										
Ketchikan General & Island View Manor	44	1,768	17.6	39.9+	48	27	41.2	85.8	6	289
Petersburg General	13	337	3.2	24.9	12	5	10.8	90.3	4	62
Wrangell General	9	218	1.9	21.6	14	17	11.8	84.0	3	41
Mt. Edgecumbe PHS	66*	1,374	35.8	54.2	16**	70**	7.0**	43.9**	2	86
Sitka Community	24	885	10.9	45.4					4	83
Sitka Pioneers Home					52[1]	--Data not available--				
Bartlett Memorial	67	2,331	31.4	46.9					8	315
St. Ann's Nursing Home					45	42	13.8	30.8+		
SC HSA										
Cordova Community	12[2]	334[2]	3.9[2]	32.5[2]	8[1]	11[2]	6.2[2]	77.6[2]	5[2]	32[2]
Valdez Community	15[2]	379[2]	2.2[2]	14.5[2]					5[2]	38[2]
Harborview Developmental Center					120	15	91.3	76.1		
Seward General	29	495	4.5	15.5					4	36
Wesleyan Nursing Home					64	51	61.7	96.4		
Faith	6	243	1.7	28.8					3	61
Central Peninsula	30	1,257	9.3	31.1					6	320
South Peninsula	13	609	6.1	47.0	4	3	2.8	69.8	4	103
Valley	17	771[3]	10.5	61.6	6	13	N/A	N/A	4	200
Palmer Pioneers Home					56	23	56.0	100.0		
Alaska Hospital and Medical Center	154	6,482	82.4	53.5+					21[4]	1,050
Providence	250	11,349	173.9	71.5+					38[4]	1,786
Alaska Native Medical Center	170*	4,526	121.5	71.5					12	526
Nakoyia Health Care Center					216	286	142.3	65.7		
Careage House Health Care Center					101[1]	101	97.3	96.3		
Ocean Park Cottage					10[1]	--Data not available--				
Hope Park Cottage					21[1]	--Data not available--				

ALASKA'S HOSPITALS AND LONG TERM CARE FACILITIES

GENERAL BED AND UTILIZATION STATISTICS, continued

	ACUTE CARE				LONG TERM CARE				NEWBORN	
	Licensed Beds (1978)*	Admissions	Average Daily Census	Occupancy (percent)**	Licensed Beds (1978)*	Discharges	Average Daily Census	Occupancy (percent)**	Bassinets	Births
SC HSA, continued										
Anchorage Pioneers Home					20	42	N/A	N/A		
Elmendorf USAF	135*	6,041	92.6	68.6					28	859
Lake Otis										
U.S. Coast Guard Dispensary -- Kodiak	*[2]	307[2]	3.2[2]	22.7[2]					N/A	57[2]
Kodiak Island	25	1,129	11.5	46.1	19	--Data not available--			5	111
NavRegMedCen Bremerton, Adak Branch	15*	296	3.2	21.4					5	75
Kanakanak PHS	29*	534	6.4	22.0					N/A	61
Bethel PHS	*[2]	1,563[2]	20.2[2]	48.1[2]					12[2]	N/A
Norton Sound Regional	13**[1]	754	7.1	48.7	6	3	3.2	53.2	4	130
N HSA										
Kotzebue PHS	40*	1,002	13.2	32.9					6	112
Barrow PHS	*[2]	500[2]	4.9[2]	35.0[2]					5[2]	61[2]
Fairbanks Memorial	155**[1]	7,327	99.5	74.9					16[4]	1,134
Carcage North Health Care Center					101	244	73.8	73.0		
Fairbanks Pioneers Home					42	11	42.0	100.0		
Bassett Army	38*	2,090	28.4	74.7					N/A	387
Tanana PHS	*[2]	513[2]	10.8[2]	54.0[2]					N/A	35[2]

*State licensing does not include PHS and military hospitals. For these facilities beds refer to beds set up and in use.

**Percent occupancy is based on licensed beds. Fairbanks Memorial percent occupancy was calculated for 126 licensed beds through October 5, 1978 and 155 licensed beds October 6--December 31, 1978. Norton Sound percent occupancy was calculated for 16 beds through June 30, 1978 and 13 beds July 1--December 31, 1978.

*Percent occupancy is based on licensed beds rather than beds in use. During 1978 St. Ann's Nursing Home had 25 beds in use. Percent occupancy calculated on beds in use would be 55.4%. Ketchikan General had 42 acute care beds in use (41.8% occupancy); Alaska Hospital and Medical Center had 118 beds in use (69.9% occupancy); and Providence had 215 beds in use (83.2% occupancy).

**Mt. Edgecumbe has 6 chronic care and 8 alcoholism treatment beds. The 8 chronic care beds accounted for 507 patient days, 1 discharge and a 17.3% occupancy. The 8 alcoholism treatment beds accounted for 2058 patient days, 69 discharges and a 72.3% occupancy.

[1]Data from Certification and Licensing, Alaska Department of Health and Social Services.

[2]Data from FY 1977 Annual Hospital Survey.

[3]Discharges.

[4]Alaska Hospital and Medical Center bassinet total includes 6 neonatal intensive care beds; Providence includes 14 neonatal intensive care beds; and Fairbanks Memorial includes 3 neonatal intensive care beds.

NORTON SOUND
HEALTH CORPORATION

P.O. BOX 966
NOME, ALASKA 99762
(907) 443-5411

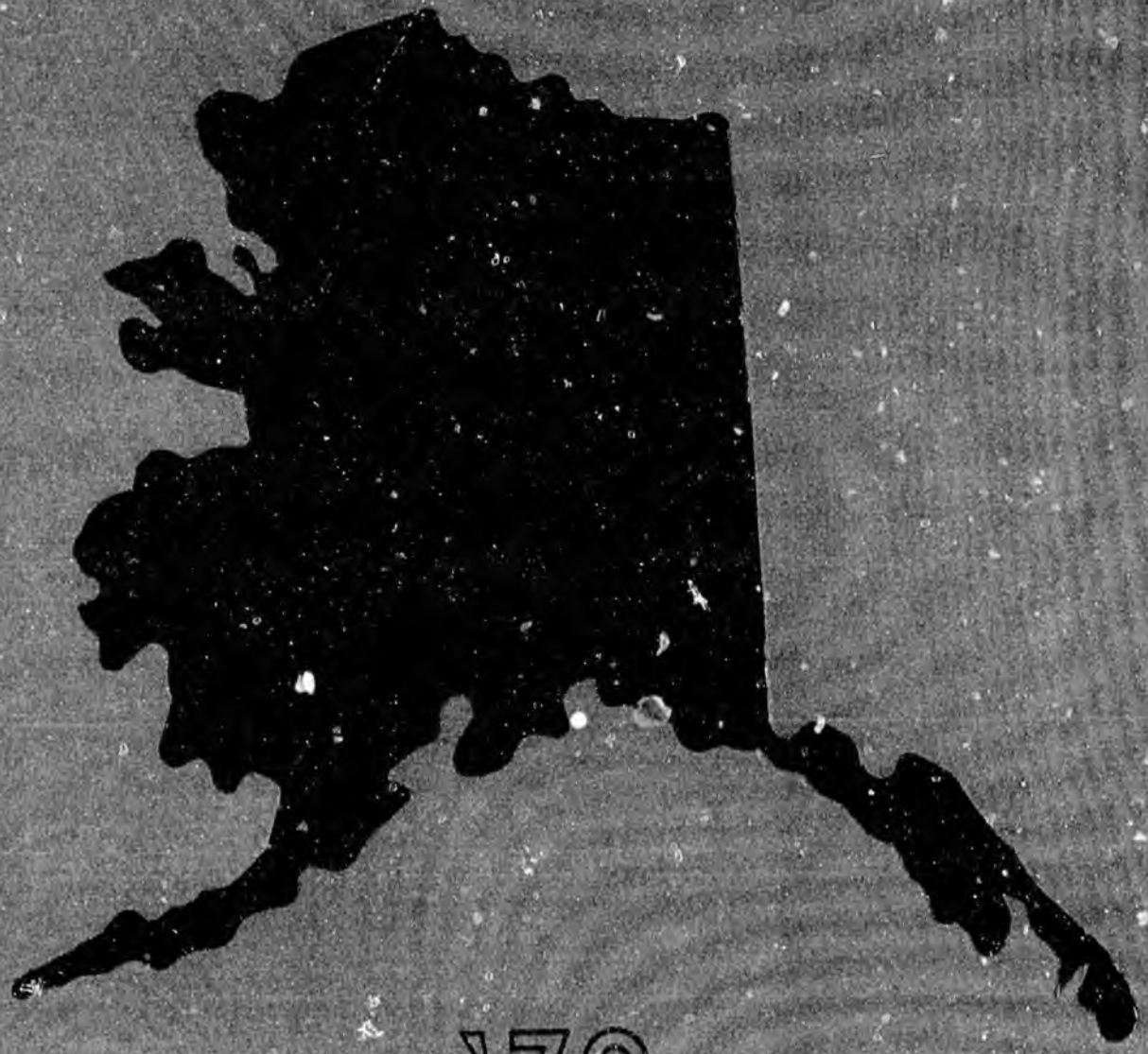
March 28, 1980

Telegram to: Representative Jack Fuller
Senator Frank Ferguson
House Community and Regional Affairs Committee
House Finance Committee

Urge your support of House Bill 974 and 975 to increase State aid to Community Hospitals. The effect in Nome will be to increase our hospital's ability to deal with skyrocketing operating costs. Presently, adjustment of rates to consumers are virtually impossible to make in a timely enough fashion to keep pace with the change in fuel and other operating costs. For the rural hospital with rapid changes in utilization of the hospital this can create very real uncertainties and, or, financial crisis. The added support called for in this legislation will greatly aid all rural hospitals.

William M. Dann
Executive Director

ALASKA STATE HOSPITAL ASSOCIATION
&
LONG TERM CARE DIVISION



'79

COST CONTAINMENT REPORT

'79 Cost Containment Report

The Voluntary Effort

In Alaska 100% Membership

Resolutions of Alaska's Hospitals

Senate Joint Resolution #22 applauds the voluntary cost containment efforts of Alaskan hospitals and requests a progress report to the legislature. The Alaska State Hospital Association, representing its membership, appreciates the opportunity to report on the success in containing the increase of health care costs in Alaska.

The Voluntary Effort, to contain the increase in expenditures and health care costs in the United States, was begun in November, 1977, in all 50 states. This is a cooperative effort of the members of the American Hospital Association, the American Medical Association and the Federation of American Hospitals. The purpose of the Voluntary Effort is to bring together health care providers, insurers, suppliers, business and consumers in a joint program of voluntary action to contain health care costs as an alternative to additional government bureaucracy. The long range goal is to moderate the increase of total health care expenditures, with an immediate target of reducing the rate of increase in health care expenses by two percentage points in 1979, or in range with the Consumer Price Index (CPI), whichever reflects the lower percentage.

The Alaska Voluntary Cost Containment Committee implements and monitors this program in Alaska. This working committee of the Alaska State Hospital Association consists of representatives from the health insurance industry, state governmental agencies, major statewide health care and hospital associations, hospital supply industry, and recognized accounting professionals.

In Alaska, 100% membership participation in this voluntary program has been achieved. In keeping with the national Voluntary Effort, the following resolution has been approved by each member hospital Board.

WHEREAS, the American Hospital Association, the American Medical Association, and the Federation of American Hospitals, in recognition of the need to restrain the rate of increase in health care expenditures, agreed to organize a Voluntary Cost Containment Program and urged each hospital to reassess its operating and capital budgets to see if anything further can be done to reduce these budgets, consistent with sound medical practice, and

WHEREAS, the American Hospital Association, the American Medical Association, and the Federation of American Hospitals have organized a National Steering Committee on Voluntary Cost Containment, which has developed a 15-point program to be implemented through state-level voluntary cost containment committees and through voluntary action of individual hospitals, and

WHEREAS, the Governing Board has thoroughly reviewed these developments with the medical staff and the chief executive officer and is in agreement with the steps that have been taken at the national and state levels, and

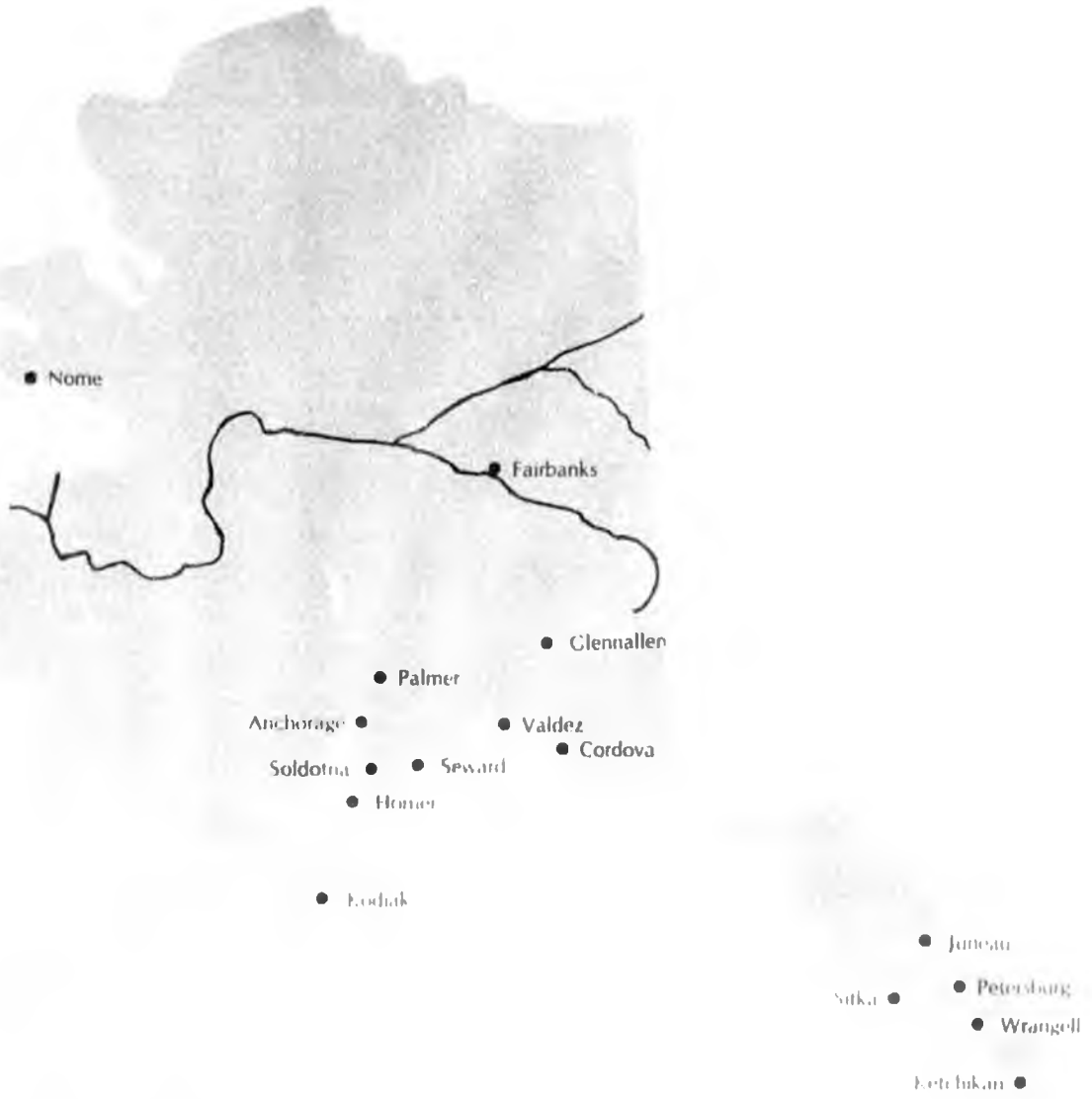
WHEREAS, the Local Governing Board is committed to voluntary action as the key to cost containment and desires to play a leadership role in demonstrating the value of voluntary action in cost containment,

Resolved

THEREFORE, BE IT RESOLVED, that the Local Governing Board supports the program of the National Steering Committee on Voluntary Cost Containment, has reassessed its operating and capital budgets to see if additional reductions or postponements can be made, consistent with sound medical practice, pledges the use of all reasonable means to keep operating expenditures and capital budgets at the lowest levels, consistent with sound medical practice; and seeks provisional certification by the State of Alaska Voluntary Cost Containment Committee.

Endorsing Members

Alaska Hospital & Medical Center
Bartlett Memorial Hospital
Central Peninsula Hospital
Cordova Community Hospital
Fairbanks Memorial Hospital
Faith Hospital
Ketchikan General Hospital
Kodiak Island Hospital
Norton Sound Regional Hospital
Petersburg General Hospital
Providence Hospital
Seward General Hospital
Sitka Community Hospital
South Peninsula Hospital
Valley Hospital
Valdez Community Hospital
Wrangell General Hospital



Participating Facilities in Alaska

Location	Hospital
Anchorage	Providence Hospital
Anchorage	Alaska Hospital & Medical Center
Cordova	Cordova Community Hospital
Fairbanks	Fairbanks Memorial Hospital
Glennallen	Faith Hospital
Homer	South Peninsula Hospital
Juneau	Bartlett Memorial Hospital
Ketchikan	Ketchikan General Hospital
Kodiak	Kodiak Island Hospital
Nome	Norton Sound Regional Hospital
Palmer	Valley Hospital
Petersburg	Petersburg General Hospital
Seward	Seward General Hospital
Sitka	Sitka Community Hospital
Soldotna	Central Peninsula Hospital
Valdez	Valdez Community Hospital
Wrangell	Wrangell General Hospital

National Hospital Standings

Total Beds Per 1,000 Population

Dist. Columbia	7.3	Arkansas	4.7	New Hampshire	4.1
North Dakota	6.8	Pennsylvania	4.7	North Carolina	4.0
Nebraska	6.1	Texas	4.6	Virginia	4.0
Minnesota	6.0	Maine	4.6	California	3.9
Iowa	5.8	Ohio	4.6	South Carolina	3.9
Kansas	5.7	***United States**	**4.5**	Idaho	3.8
West Virginia	5.7	Massachusetts	4.5	Oregon	3.8
Missouri	5.5	Louisianna	4.5	Rhode Island	3.8
South Dakota	5.5	Wyoming	4.4	Arizona	3.7
Wisconsin	5.3	Oklahoma	4.4	Delaware	3.6
Tennessee	5.2	Michigan	4.4	Connecticut	3.5
Montana	5.2	Indiana	4.4	Washington	3.4
Illinois	4.9	Georgia	4.3	Maryland	3.3
Alabama	4.9	Kentucky	4.3	New Mexico	3.3
Florida	4.9	Colorado	4.2	Utah	3.1
Vermont	4.8	Nevada	4.2	Hawaii	3.1
Mississippi	4.7	New Jersey	4.1	**Alaska**	**2.4**
New York	4.7				

Admissions Per 1,000 Population

Dist. Columbia	253	Georgia	169	New Hampshire	151
West Virginia	210	Florida	167	Oregon	149
North Dakota	208	Ohio	167	New York	148
Tennessee	193	Oklahoma	166	South Carolina	146
Iowa	192	Colorado	164	Washington	146
Arkansas	188	Maine	163	Utah	146
Kansas	188	Wisconsin	162	Virginia	143
Nebraska	185	Wyoming	161	California	141
Missouri	184	***United States**	**160**	New Jersey	139
South Dakota	183	Pennsylvania	160	Rhode Island	137
Alabama	181	Indiana	158	Arizona	135
Minnesota	179	Vermont	156	Connecticut	134
Mississippi	179	Nevada	156	New Mexico	134
Montana	178	Idaho	154	Delaware	126
Louisiana	177	Michigan	153	Maryland	115
Texas	174	North Carolina	153	Hawaii	112
Kentucky	172	Massachusetts	152	**Alaska**	**102**
Illinois	170				

Per Capita Personal Income

Alaska	**$10,178**	Pennsylvania	$ 6,466	Montana	$ 5,600
Dist. Columbia	8,648	***United States**	**6,441**	Georgia	5,571
Illinois	7,432	Iowa	6,439	Utah	5,482
Connecticut	7,374	Ohio	6,432	Vermont	5,480
Nevada	7,147	Oregon	6,331	Tennessee	5,432
Delaware	7,060	Wisconsin	6,293	Kentucky	5,423
New Jersey	7,059	Virginia	6,276	North Carolina	5,409
California	7,064	Indiana	6,257	North Dakota	5,400
New York	7,100	Texas	6,243	West Virginia	5,394
Maryland	7,036	Nebraska	6,240	Louisiana	5,386
Michigan	6,994	Minnesota	6,153	Maine	5,385
Hawaii	6,969	Florida	6,108	New Mexico	5,213
Washington	6,772	Missouri	6,005	South Carolina	5,126
Wyoming	6,723	New Hampshire	5,974	Alabama	5,105
Massachusetts	6,585	Arizona	5,817	Arkansas	5,073
Colorado	6,503	Idaho	5,726	South Dakota	4,796
Rhode Island	6,408	Oklahoma	5,667	Mississippi	4,575
Kansas	6,492				

National Hospital Standings

Hospital Expenses Per Capita As % of Per Capita Income

Dist. Columbia	5.65	***United States**	**3.28**	Texas	2.82
Massachusetts	4.65	California	3.27	Oregon	2.80
New York	4.03	Louisiana	3.24	Maryland	2.79
North Dakota	3.83	Wisconsin	3.24	North Carolina	2.77
Missouri	3.75	Nebraska	3.17	New Jersey	2.71
West Virginia	3.72	Mississippi	3.17	New Mexico	2.70
Rhode Island	3.66	South Dakota	3.07	Delaware	2.67
Maine	3.58	Georgia	3.05	South Carolina	2.66
Minnesota	3.52	Oklahoma	2.97	Montana	2.66
Florida	3.49	Colorado	2.97	New Hampshire	2.63
Tennessee	3.48	Iowa	2.96	Virginia	2.60
Michigan	3.44	Connecticut	2.96	Utah	2.55
Ohio	3.43	Nevada	2.95	Washington	2.42
Pennsylvania	3.42	Indiana	2.93	Idaho	2.33
Illinois	3.41	Kansas	2.92	Hawaii	2.06
Vermont	3.40	Kentucky	2.88	Wyoming	1.88
Alabama	3.39	Arkansas	2.84	**Alaska**	**1.39**
Arizona	3.37				

Expenses Per Admission (Adj.)

Massachusetts	$1,703.96	Wisconsin	$1,120.23	Iowa	$ 894.66
New York	1,677.90	Missouri	1,108.45	Tennessee	893.69
Dist. Columbia	1,661.55	Minnesota	1,106.75	New Mexico	891.46
Rhode Island	1,495.96	Hawaii	1,089.21	New Hampshire	888.75
Maryland	1,457.98	Vermont	1,043.15	Alabama	883.71
California	1,403.20	Oregon	1,040.60	Georgia	879.98
Connecticut	1,390.28	Colorado	1,028.83	North Carolina	858.06
Michigan	1,347.96	Virginia	1,015.19	West Virginia	838.83
Illinois	1,332.73	Indiana	1,014.57	South Carolina	830.71
Delaware	1,317.18	Maine	993.73	Utah	815.63
New Jersey	1,245.81	Nebraska	979.70	Kentucky	802.90
Arizona	1,239.16	Washington	973.11	Idaho	751.34
Nevada	1,211.58	North Dakota	929.83	South Dakota	748.76
Pennsylvania	1,189.20	Oklahoma	922.02	Mississippi	739.87
Ohio	1,171.86	Texas	916.49	Montana	735.52
Alaska	**1,170.16**	Kansas	911.55	Arkansas	709.27
***United States**	**1,164.49**	Louisiana	897.67	Wyoming	691.24
Florida	1,152.37				

Compiled by the Department of Health Systems Studies, Hospital Research Center
Sources of Data: American Hospital Association, U.S. Department of Commerce, U.S. Department of Labor

NB Please note the state by state inventory of health care costs and bed ratios. As you will notice, Alaska is at the lower range in all categories.

NB Although some national statistics indicate that Alaska has a higher daily cost, when applied to Alaska's average shorter length of stay, costs per admission are in line with the U.S. average.

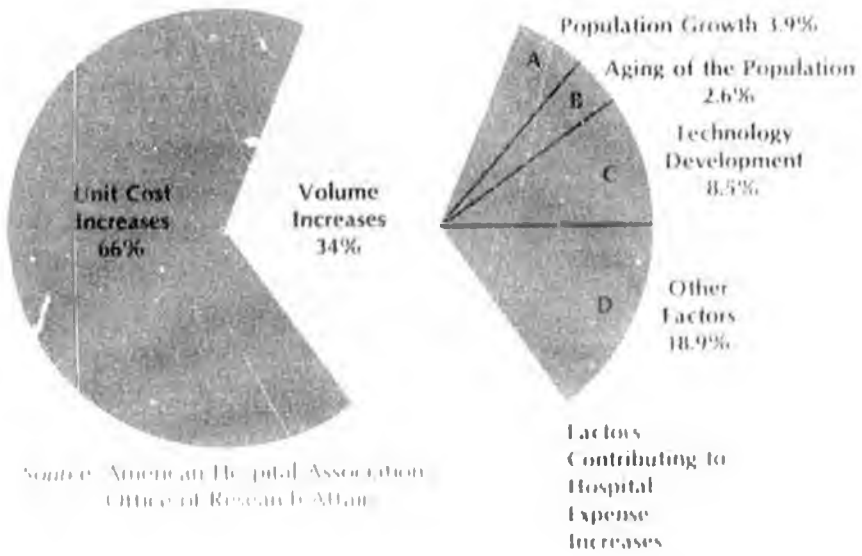
National Overview

Factors contributing to hospital expense increases can be grouped into two major categories: Price increases or inflation affecting unit costs and increases in the volume or quantity of hospital services provided to patients.

An increase in unit cost is due to inflation if there is no change in quantity, quality, and productivity. For example, inflation in hospitals is reflected in unit cost increases resulting from wage increases in excess of productivity gains, increased prices for materials used by hospitals such as fuel and food, increased physician fees, higher insurance premiums, and higher interest rates for borrowed funds. In addition to these factors, increased unit costs have resulted from increased government regulations and improvements in quality, both of which are difficult to measure.

Increases in hospital expenses due to volume have been broken down into four main factors, as noted in the chart below. During the time span of this study, the nationwide quantity of hospital services increased because the population increased, and those aged 65 or over (who require over three times more hospital services than the under 65 category) also increased. Advances in medical science and technology accounted for 8.5 percent of the increase in hospital expenses.

Other factors accounted for approximately 19 percent of the increase in total hospital expenses. These factors include broader health services coverage for more individuals by private health insurance, and expanded governmental programs such as Medicare and Medicaid. Another factor was expanded employee health benefits and higher incomes, allowing individuals to purchase more hospital services.



Factors Contributing to Hospital Expense Increases

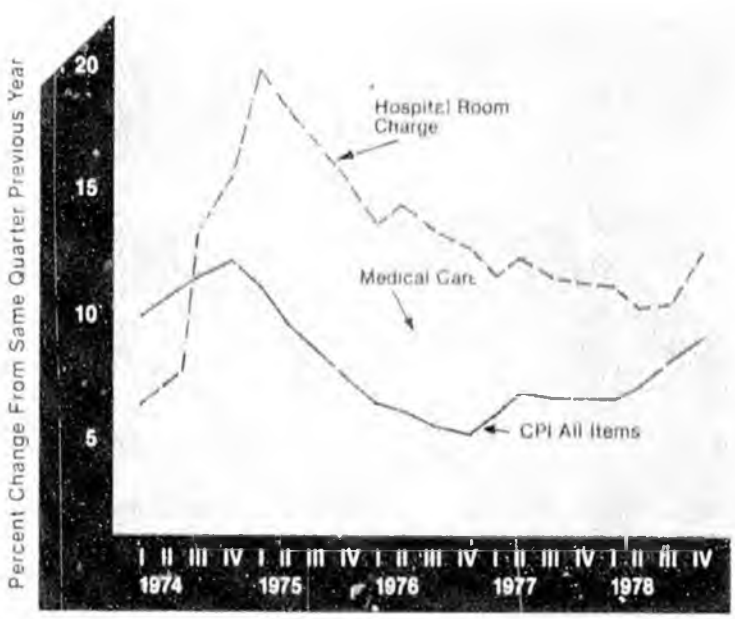
Source: American Hospital Association Office of Research & Affairs

Inflation in the Health Sector

Trends in the growth of prices for the health sector should be compared to trends for the general economy. The health sector is monitored using the Hospital Room Charge and the Medical Care Component of the Consumer Price Index (CPI). Economy-wide inflation is measured using the overall CPI.

Similar growth patterns have occurred over the last five years for the three indicators since the initiation of the Voluntary Effort at the end of 1977, the growth of the three inflation measures has been slowly rising. Since the middle of 1978, however, the general rate of inflation has begun to accelerate. The Medical Care Component of the CPI has shown only a slight increase since the Voluntary Effort began, and is now increasing at a substantially slower rate than the CPI as a whole. During the first quarter of 1979, the Medical Care Component showed a stable rate of increase, while the CPI continued to accelerate. The Hospital Room Charge Component grew steadily and, as in past years, at a higher rate than other measures of inflation until the fourth quarter of 1978 when there was a surge in room prices. During the first quarter of 1979, however, the hospital room index decelerated, despite the continued rapid growth of general consumer prices.

CHART 5



Economy wide Price Inflation vs. Price Inflation in the Health Sector

Source: Bureau of Labor Statistics, U.S. Department of Labor
American Hospital Association
Office of Research Affairs

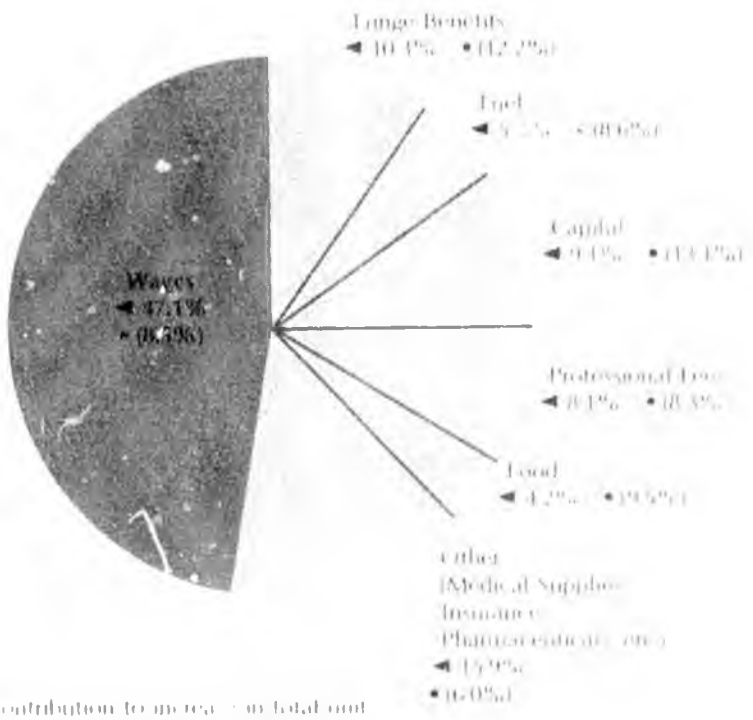
Hospital Market Basket Prices

Both inflation and an increased volume of services contributed to hospital expense increases in 1978.

"Hospital market basket" price increases refer to increases in the unit cost of the goods and services hospitals purchase. Market basket price increases include wage increases and increased acquisition costs (purchase prices) for materials such as fuel, food, professional fees, insurance and borrowed funds.

Approximately two-thirds of the increase in hospital costs has been caused by Hospital market basket price inflation since 1969. The chart below examines some of the elements of the increase in market basket prices, and shows their relative contribution to the overall increase in the cost of the hospital market basket during 1978.

Total hospital expenses for the fourth quarter of 1978 were 12.8 per cent or $1.8 billion higher than total expenses for the fourth quarter of 1977. 45.7 percent or $810 million of this increase was due to growth of services, and 54.3 percent or $962 million was due to market basket price increases.



◄ Contribution to increase in total cost over 1977 levels
• Percent increase in unit cost from 1977-78

Source: American Hospital Association Office of Research Affairs

Hospital Market Basket Components and Their Relative Increase in 1978

Growth in Hospital Service Volume

Nationally since 1973, the total volume of hospital services has increased at an average annual rate of 6.8 percent. Between 1977 and 1978, the total volume of services increased 5.5 percent.

Increasing service intensity accounted for 74 percent of the increase in the total volume of services provided by hospitals during the 1973 to 1978 period. Increasing service intensity reflects:

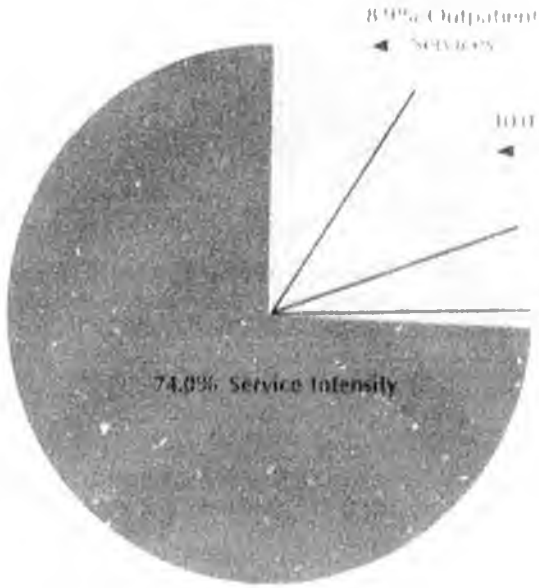
a. Changes in patient mix, particularly increases in the number of patients over-65 years of age.

b. The development of new services.

c. Shorter average length of stay which requires more services to be provided on each day.

d. Regulations requiring hospitals to provide more services, particularly in the administrative area.

Available information indicates that trends in Alaska correspond to the national pattern.



Factors Contributing to Growth of Hospital Service Volume, 1973-1978

Source: American Hospital Association Office of Research Admin.

Note:
The 0.9 percent net increase in under-65 population represents the combined effect of a 3.0% percent growth of population offset by a 2.1% percent decline in the patient day use rate. As population growth outpaced the reduction in the use rate, the volume of services to the under-65 population increased.

Voluntary Effort Commitment in Alaska

Hospital cost containment programs have existed for some time, but the Voluntary Effort gave such efforts nationwide focus which increased the commitment in Alaska. Historically, the hospitals in Alaska have had to maintain a close rein on expenditures due to the higher cost of living, which is reflected in the cost of all supplies and manpower used to keep a hospital operational. During the past several years, our hospitals have been diligent in improving the efficiency of their health delivery, and are continuing to improve management techniques. These efforts are reflected in recognizable savings.

Shared Services

Hospitals throughout Alaska have the opportunity to participate in several shared service programs which help reduce a hospital's operating costs. Through **Group Purchasing**, contract member institutions combine their volume in certain categories of high volume or expensive supplies to receive better pricing and/or services. This coordinated, statewide programs involves approximately 800 acute care beds in Alaska. While savings to members are not always obvious, actual savings are identifiable beginning with the first contract. The "Group Price" becomes the state market price, which fluctuates, but which will always be lower than pre-contract prevailing prices.

Another shared service is our **Circuit-Riding Controller Program** which allows facilities to share controller services to improve their financial capabilities while eliminating the necessity for smaller facilities to hire a full time controller. Presently, five institutions are served by this program.

Shared Services

A unique shared service is the **Audio Visual Library** which has over 500 videocassettes available for use by health services in Alaska. These programs are mailed to the requesting facility, and allow each institution to structure the educational program to fit their needs. New videocassettes are purchased periodically to maintain current quality of the educational material. Facilities share the cost of this central resource, at a great savings over employing full time educational directors or retaining professional consultants periodically.

Health care facilities are mandated by state and federal regulations to maintain medical records in accordance with accepted standards and practices. A continuing shortage of certified medical record technicians makes it extremely difficult for many of our smaller hospitals to successfully fill this position. A traveling **medical record consultant** is available to these hospitals needing this service.

Some hospitals share **laundry services** as well as utilizing **pharmacy** and **dietary consultants.** There are also **energy audit consultant services; shared technical services;** and **continuing education/inservice training programs;** all of which support cost containment.

Consumer Price Index

The unique aspect of the Voluntary Effort is that it has developed a monitoring mechanism to identify and measure the total economic growth in hospital spending over a specific period of time. In the past, hospital spending was frequently measured against the CPI which indicates the relationship between expenses and the inflation rate, but fails to include the unique factors (such as the continuous hours of service, variety of technical/professional, special technological equipment, etc.) which distinguish health care from the general economy.

To remedy this, the Voluntary Effort data will reflect the following areas:

1) inflation experienced in a given period for the cost of goods and services hospitals must purchase;

2) increased expenses related to increased use of services resulting from population growth and aging;

3) technological costs related to improvements in diagnostic and treatment capabilities in medical care.

The Voluntary Effort Today

Where is the Voluntary Effort today? Hospitals during the past year have significantly reduced the rate of increase in health care operational costs. Nationally, in 1976, the rate of increase in hospital annual expenditures was 19.1%. By the end of 1978, that figure had been reduced to 12.8%.

More importantly, the difference between the increase in the GNP and the rate of increase in hospital expenditures has been reduced continually since 1976. **It is important to point out that since February, 1979, the medical index of the CPI has been below the CPI average.**

Some have said that the Voluntary Effort is simply a political response. To the contrary, it is something that has been needed in our country not only in the health care industry, but in all major industries. **By necessity, Alaska's hospitals have been applying cost controls before they became a part of the national program.**

International Comparison

Annual Percentage Increases in Health Care Expenditures, Gross National Product (GNP), and Consumer Price Index (CPI) 1965-1975

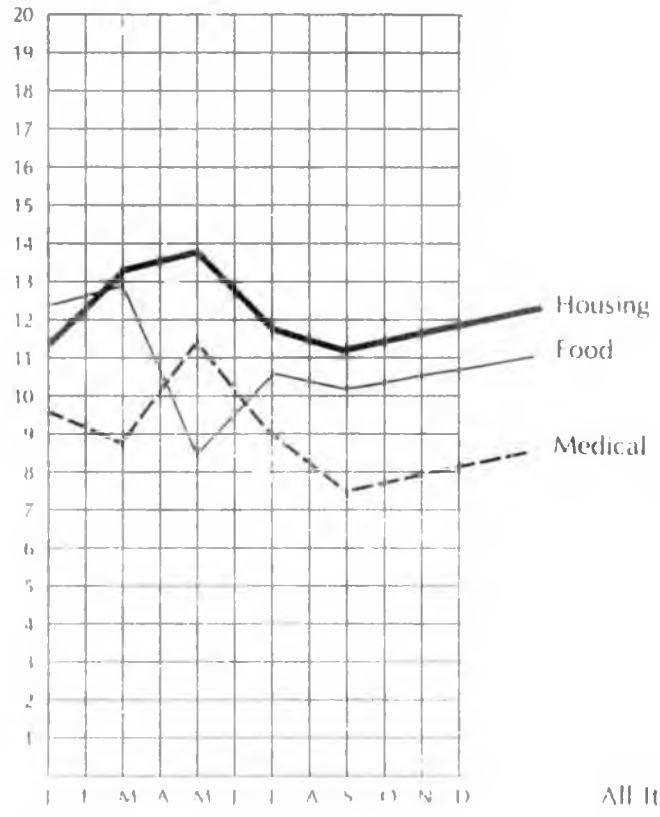
	Health Expenditures[a]	GNP[b]	CPI[b]
Canada	13.45	11.49	5.3
France	14.53	11.05	6.3
Federal Republic of Germany	13.84	8.56	4.2
Netherlands	17.88	11.73	6.5
Sweden	15.04	9.76	6.1
United Kingdom	14.97	11.00	8.5
United States	12.00	8.32	5.2

SOURCES: (a) Simanis, Joseph G., and John R. Coleman, "Health Care Expenditures of Postindustrial Countries," Social Security Bulletin (forthcoming)
(b) International Monetary Fund, International Financial Statistics, Vol. XXXI, No. 5, May 1978. Washington, D.C., 1978.

Cost of Living Statistics

Consumer Price Index Alaska 1979

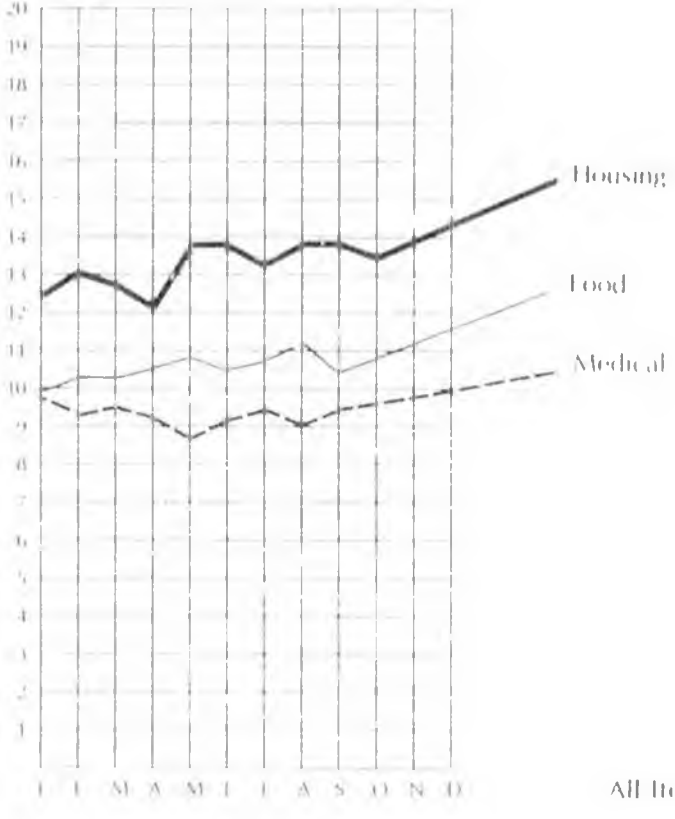
Source: Department of Labor Statistics



All Items 10.4%

Consumer Price Index U.S.A. 1979

Source: Department of Labor Statistics



All Items 12.1%

Regulation Impact on Health Care Costs

Various government entities have shown support and cooperation with the Voluntary Effort. All three Alaskan Congressmen and many of our state legislators have shown support for and endorsed the success of the hospital Voluntary Effort. However, the major threat to the continued success of the Voluntary Effort still comes from government. There are two major areas in which anticipated government action would impede the continued success of the Voluntary Effort.

1. CONTINUED INCREASE OF GOVERNMENT REGULATIONS OF THE HEALTH CARE INDUSTRY. A recent major study indicates that over 25% of hospital costs are attributable to meeting government regulation requirements. Therefore, the most dramatic action to affect hospitals cost savings would be to halt the ever increasing impact of government regulations in the health care industry.

2. THE CARTER ADMINISTRATION HAS PROPOSED AND IS VIGOROUSLY SEEKING **VOLUNTARY** WAGE AND PRICE CONTROLS FOR HOSPITALS WHILE **LEGISLATING LIMITS ON HOSPITAL CHARGES.** (This administration-endorsed bill was defeated in 1978 and 1979 by Congress.)

Such legislation singles out the health care industry by imposing limits upon the ability to generate revenue while allowing labor and other costs to increase. This is ironic since the hospitals are presently the only major industry in the United States to successfully institute a voluntary effort to control their costs. Such mandated controls would be unsuccessful since it would be applied to a single industry, while other industries are allowed to change wages and prices in adjusting to the inflation in the economy. The cost of implementing and maintaining the controls on hospitals would negate the savings achieved by the hospitals and would destroy these private sector institutions that have become the best in the world.

National Cost Containment Planning

At the national level, our congressmen and the American Hospital Association feel that Alaskan and Hawaiian hospitals should be considered exempt from national cost containment guidelines because of the population base, distance from the continental limits, remoteness, lower level of utilization of health services, patient mix and age, and additional costs due to increased shipping and freight rates.

There is also a need to support the equity reserve required for the future replacement of facilities, equipment, and new technology. Frequently, the public doesn't understand that all non-profit hospitals need this equity. In spite of the above obstacles, Alaskan hospitals have made a concerted effort to reduce expenditures.

National cost containment planning forces hospitals to focus on those expenditures which could directly affect quality of care. Hospitals have little control over such areas as compliance with government regulations, delayed government reimbursement, inflation as it affects equipment, supplies, services, and manpower costs, increases in utility rates, and communications which have seriously affected what hospitals must charge to continue to provide quality care.

Alaska Cost Containment Projects

The following examples demonstrate primary areas of our cost containment effort. There are, of course, other activities which resulted in additional savings. No attempt has been made to communicate everything that our membership is doing to reduce the rate of hospital inflation.

Cost Containment Projects

Energy

5-25 Bed Facility

Use night lights rather than overhead fluorescent fixtures

Change fixtures from two to one tube fixtures.

Reduce incandescent lamps from 75 watts to 40 watts in areas not jeopardized by low light

Timer applied to shut off high pressure boiler during hours not in use

Steam sterilization done at specific time to save a number of loads

Set up time for lights to be turned off in areas not needed

Education of the employees regarding turning off power not needed

Insulation installed wherever possible to cut down on heat loss.

90% of oil fired incineration use cut out by having City pick up all items three times weekly rather than weekly

25-50 Bed Facility

Use less hot water when cleaning and sterilizing whirlpool equipment

G.E. Watt miser tubes have been installed in continuously activated fixtures.

Shut-off valves installed in steam dryer feed lines for activation when dryers are idle

Surge suppressors installed on all electrical breaker panels.

Installed new boiler burners which save 30% in fuel use and costs

The water temperature has been turned down to a minimum acceptable level

Re-insulated old water pipes and hot water tanks

50 Beds & Up

Installed a heat recovery system We maintain ourselves

Keep receiving doors closed to contain heat in the winter and air conditioning in the summer.

Water softener installed to boiler system Reduced boiler water treatments, 57% savings in chemicals No scaling of boiler tubes less gas used Stretch inspections to 120 days from previous 90 days

Shut down the perimeter fin tub heating in the PO Savings in hot water and electricity.

Floodlight bulbs replaced as they burn out with 75 watts, previously 150 watts No loss of light levels

Cost Containment Projects

Manpower

5-25 Bed Facility

Reduce the number of staff on duty if there is not enough work load on one day This is done voluntarily

Documentation by each department to help cut down on their overtime

Use CETA positions to fill peak hours, thus saving money from the hospital's budget

25-50 Bed Facility

Effort not to use outside help when secretarial duties can be performed by department personnel

Use senior citizen help as much as possible — paid for by Senior Community Employment Program.

Stagger arrival time of employees so that all are active and busy instead of congregating as a group

Continuing staff product education as to the use of the product, the price most feasible and availability of the items, including waste containment controls

Training of personnel to handle more than one job efficiently

Use of UB-16 single form billing system This minimizes billing time.

50 Beds & Up

We are budgeting for a decrease in FTE — Despite a projected increase in volume of services We are able to do this through better training, management and streamlined operations We are covering more space and accomplishing more in an hour with fewer people

We physically rearranged our trayline and increased employee efficiency We were able to reduce one position from the trayline and increase efficiency by 1.5 trays per minute

The hospital took the responsibility for the CT service which was done at a cost of $1,000 This created a savings of $44,000

Biomedical electronics technicians are doing hospital television repairs, saving the cost of a service contract.

Cost Containment Projects

Manpower

5-25 Bed Facility

25-50 Bed Facility

We order additional copies of our billing ledger to use on follow-up billing. The cost is very small and saves many man-hours in duplicating billing ledgers.

Group items of similar type on one work order rather than spreading worker's time over all the building.

Purchasing materials which launder easily – can be tumble dried and folded with a minimum of handling.

Revise work schedules and increase coverage and productivity, thus eliminating the need for extra staff position at considerable savings.

Closer monitoring of benefit programs and premiums paid for employees who have turned over.

Standard recruiting package for applicants which saves on secretarial time.

Continued monitoring of the merit pay system to see that raises are not automatic but are based on performance evaluation.

Every fulltime equivalent, or part thereof, is reviewed by administration before that individual may be hired by any department head.

50 Beds & Up

The emergency generator testing routine has been revised saving time and one-half wages to reset computer functions in areas serviced by the unit.

Before we replace a fulltime employee, a "casual" is hired and time utilization in the position is studied.

Utilization review has become a Medical Records function and has been reduced to a ½ time position.

Cross training has been implemented to reduce temporary help during sick time, vacation, and holidays.

By replacing carpet in high spillage areas with tile, man hour cleaning costs have been cut by 20%.

A computer program was written to instantaneously generate the Medicaid log from the patient accounting system. The old manual log took approximately 400 hours per year to prepare.

The bi-weekly general ledger journal entry to record manually prepared payroll checks is now generated and interfaced by the computer. Prior to this the entry was prepared manually requiring about 20 hrs/month.

We have an active program for personnel to voluntarily go home when workload is down.

We have a successful effort to reduce paid manhours including overtime and sick leave abuse. This has been evidenced in our UR reduction.

Cost Containment Projects

Shared Services

5-25 Bed Facility

We are now using a commercial laundry which represents a savings of $3,000/year.

A centralized purchasing and inventory control system has been established wherein routine hospital supplies are ordered on an annual basis, volume discounts taken, and perpetual inventory maintained.

We have successfully covered several staff positions with a shared service person. We now use a consulting dietitian, radiologist, nurse anesthetist, and medical records librarian. As gratifying as these results are, we would like to add a biomedical engineer and respiratory therapist.

25-50 Bed Facility

Spread basic cost-per-meal by cooking also for the local Senior Citizens Committee, reimbursed by that program.

50 Beds & Up

We are saving several thousand dollars through a group purchasing contract. An example of this is a 9% savings on the purchase of IV solutions.

We are combining our food shipments with several other facilities in the community. This reduces our freight rate, and allows us to use full containers rather than partial containers, at the same rate.

We continue to work with the ASHA to establish group contracts for various products. At the present time, there are 29 contracts established. Approximately $37,000 in savings are realized after assessments.

Cost Containment Projects

Other

5-25 Bed Facility

We use generic drugs when acceptable. This reduces our costs and the cost of the patient by ½ to ¼.

Reduction of long distance calls, keeping in mind the cost of writing a letter versus the toll charges.

We started a public ER awareness program which included cost information given to patients before being treated in the ER, newspaper articles, and an interview with a physician on a local radio station. The results of our ER cost containment program was that our ER visits declined by 14% and a net savings of $16,500. This reduction in utilization occurred while other types of hospital utilization was increased.

25-50 Bed Facility

We conserve on the use of x-ray film by using the size most appropriate for the case.

Evaluate the cleaners and products used, utilizing products which have the most efficiency.

Constantly re-evaluating the present cost savings programs for means of improvement.

We draw all blood donors locally at the cost of $44/unit. If we were to ship it in from Anchorage, it would cost $130/unit.

We sterilize the nondisposable O2 nebulizer units for use on the floor when indicated. The cost of sterilization is less than the cost of using a disposable unit each time.

We sterilize disposable items whenever possible rather than just throwing them away, if they were opened from sterile packages.

50 Beds & Up

We installed, own and operate our own trunk line phone system. By doing our own service work and maintenance we save $6,000/month.

Standing admitting orders are no longer being used, decreasing unnecessary work for each patient.

We have changed to two-ply computer paper at a cost of $24.11/box from a three ply paper which costs $43.20 per box.

An estimated annual savings of $2,200 is expected by using a new arterial blood gas kit, which saves .70/case.

A quota system has been instituted for most supplies based on daily patient census. This has resulted in better usage and less theft.

Standard brands of cleaning supplies are being used, eliminating excess quantities of items which are good for only one purpose.

Cost Containment Projects

Other

5-25 Bed Facility

We adopted the cart system of inventory control. This system resulted in reduced loss of supplies due to outdating, reduced the cost of labor to maintain the system, reduced the cost of inventory because of establishing economic reorder levels, and increased control of supplies as they are dispensed to patients.

It is clear that health maintenance actions are far more cost effective than health restoration. Accordingly, the hospital inaugerated and became the home of a number of programs: weight control, alcohol awareness, anti-smoking, parent-child awareness, pre-maternal counseling, and LaMaze classes.

The hospital grounds were landscaped by a volunteer group which saved the hospital $2,000. The volunteers helped build a helicopter landing pad which saved $10,000. Local fishermen have donated fish to the hospital worth another $1,000. The auxiliary spent many hours working in the hospital, saving a substantial amount of money.

25-50 Bed Facility

Dropping several duplicate magazine subscriptions.

Coordination with the fire department for use of the CPR manikins and supplies. This eliminates the need for additional CPR manikins which cost $1,000.

Better utilization of cash: keeping non-essential operating cash in demand savings rather than sitting idle in the checking account.

Constant effort to examine the quality of the product where "a Ford may be substituted for a Cadillac".

Devising color coding system for inpatient folders using marking pens instead of purchasing expensive new file folders helps in time of retrieval.

Change from serial numbering system to unit numbering system, saves time in filing and maintaining unit records.

Reorganize system for posting and indexing for greater efficiency. Time savings per month of approximately 16-24 hours.

Reorganization of the office equipment and work space resulted in saving time for two clerks, thus eliminating the need to hire another half time equivalent.

With the increase in raw food costs the department is going to make more items from scratch.

Watching dispensers carefully so they dispose just the right amount rather than wasting cleanser soution.

50 Beds & Up

High loss items have been eliminated from the cafeteria menu and prices are constantly re-evaluated.

The Respiratory Therapy Department is presently using up stock levels of IPPB disposable set-ups and anticipates using non-disposable set-ups by the first of the year. Presently researching the possibility of using other non-disposable items by using proper sterilization techniques and maintaining a quality control program.

The Pharmacy Department keeps costs down by participating in the Alaska Hospital Association's group purchasing of pharmaceuticals. Lower rates on drugs are obtained through large quantity bids.

Hospital Pharmacy & Therapeutics Committee has drafted a proposal that the number of antibiotics be reduced to one brand. This would enable the supply of a certain antibiotic to be put up for bid and would effectively reduce the cost to patients.

Rotex silver recovery units have been installed in the X-ray Department to better reclaim silver from processing chemicals. The net dollar increase in silver recovery will be 40%.

Cost Containment Projects

Other

25-50 Bed Facility

Using one cleaner for many cleaning jobs and purchasing in larger quantities thus cutting the duplicity of various solutions needed.

Changed film and chemical companies which resulted in no actual cost savings but provided an additional quality control and computer program in helping upgrade quality and lower cost.

Cutting the amount of xeroxing to a minimum.

Carefully assessing the cost effectiveness of using the telephones rather than writing letters.

Carefully monitoring the cost of telephone calls and requiring that all departments keep logs of any calls made.

50 Beds & Up

When anti-embolism stockings come back through the laundry the washed ones are sold to patients for half the purchase price. Occupational therapy uses ready-made splints where appropriate instead of custom-made devices. The Physical Therapy Department started using clean rags to wipe out the whirlpool rather than towels to decrease the quantity of laundry.

The Maintenance Department has substantially depleted their spare parts inventory and eliminated the practice of purchasing excess stock of items. This saved the hospital approximately $10,000 in inventory.

We have had fuel savings due to temperature cutbacks in non-patient areas of the hospital. Use of air conditioning is similarly reduced during the summer to conserve fuel.

Hired a biomedical technician who has started doing maintenance and repair on hospital equipment, thus reducing the cost of outside service contracts.

Variables in Accounting

Due to the differences in accounting techniques and the variables in member hospital expenses, there has been an intentional avoidance in quantifying the total dollars of cost effectiveness which has been stimulated through our membership effort.

Commitment by Alaskan Hospitals

What we can assure our patients is that Alaskan hospitals have been, and remain committed to, doing everything in their power to contain the increase in hospital costs. As a result of this program, there is a renewed awareness of expenditure accountability by the medical staff, management, and professional staff. Our membership has effectively demonstrated their responsibility in holding down hospital expenditures. This has resulted in numerous effective programs while maintaining quality of care at competitive costs, and slowing increases in hospital expenditures to less than the rate of inflation.

FISCAL NOTES

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 974

Title An Act increasing State aid to municipalities for hospitals

Requested by C & RA Committee Date 3-28-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance - Grants

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0*	0	0	0	0	0
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

*There would be no fiscal impact to this Department. The additional cost could be prorated. This has been the procedure in the past when the total entitlements exceed the amount appropriated to the budget for this grant program.

However, if it is not the intention of the legislature to put more burden on the municipalities in the program, by further reducing the proration factor, the following additional funding should be added to the FY 1981 budget for this grant program.

IV. DATE 3-28-80 PREPARED BY Netta Crago

AGENCY Community & Regional Affairs

PHONE 465-4733

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

FISCAL NOTE - Continued HB 974

The additional cost of increasing the hospitals' category to $200,000 per hospital with 10 or more beds, or $60,000 with less than 10 beds would be $1,805,690.

Based on $200,000 grants included in this bill and assuming no new hospitals will become eligible.

12 municipalities now receive $75,000 per hospital
($200,000 - $75,000 = $125,000 x 12 = $1,500,000

Alaska Hospital now receives $175,000
($200,000 - $175,000 = $25,000)

Fairbanks Memorial now receives $155,000
($200,000 - $155,000 = $45,000)

Ketchikan General Hospital now receives $92,000
($200,000 - $92,000 = $108,000)

$1,500,000	
25,000	
45,000	
108,000	
$1,678,000	
127,690	COLA
$1,805,690	TOTAL ADDITIONAL FUNDING REQUIRED

There was no fiscal impact computed for the preceding fiscal years. We are assuming that if any additional funding is required it would be added to the budget request.

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

TO: Jack Kreinheder, Issues Analyst
House Research Agency

DATE: March 20, 1980

FILE NO:

Through: Palmer McCarter, Director
Local Government Assistance

TELEPHONE NO:

FROM: Netta Crago
Administrative Assistant

SUBJECT: State Aid to Local Governments-Hospitals

The additional cost of increasing the hospitals' category to $200,000 per hospital with 10 or more beds, or $60,000 with less than 10 beds would be $1,678,000.

Based on $200,000 grants included in this bill and assuming no new hospitals will become eligible:

12 municipalities now receive $75,000 per hospital
($200,000 - $75,000 = 125,000 x 12 = $1,500,000)

Alaska Hospital now receives ~~$92,000~~ 175,000
($200,000 - $175,000 = $25,000)

Fairbanks Memorial now receives $155,000
($200,000 - $155,000 = $45,000)

Ketchikan General Hospital now receives $92,000
($200,000 - $92,000 = $108,000)

$1,500,000	
25,000	
45,000	
108,000	
$1,678,000	total additional funding required

NC:jh

forgot to include COLA

$1,678,000
110.57% Average COLA
177,365
1,678,000
1,855,365

02-001A(Rev.10/79)

I. REQUEST

Bill/Resolution No. CSHB No. 974

Title "An Act relating to state aid for hospitals; and providing for an effective date."

Requested by Community and Regional Affairs Committee Date 4-25-80

II. FISCAL DETAIL

Agency Affected Department of Health and Social Sevices

Program Category Affected Health

BRU, Program, or Subprogram(s) Affected SHPDA Resource Development

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL		9.				
300 CONTRACTUAL		50.				
400 COMMODITIES		1.				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		60.				

FUNDING (Thousands of Dollars)

GENERAL FUND		60.				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See Attached

Phoebe A Lindsey
Phoebe Lindsey

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Name)

Prepared by: Lowell Swartz Date: 4-25-80
Division/Office: SHPDA PH: 465-3038
Department of Health & Social Services

Approval DHSS Mgt. & Bdgt: [illegible] Date: 4/29/80

33-001 (Rev. 12/79)
Modify by DHSS (11-28-79)

A study to determine the State's role in providing aid/support to Alaska's acute care facilities and how such aid/support should be disbursed should provide important policy and resource allocation direction for the State on this complex issue. Because of the health planning and policy considerations raised, the study should be conducted under the aegis of the DHSS Division of State Health Planning and Development with particular focus on its facilities development section.

With current Division staff limitations and work load commitments this scope of work would be contracted to a qualified research group with capabilities in and a working knowledge of Alaska's health care delivery system, health care economics, capital development in health care facilities, State plans for development as articulated by the Statewide Health Coordinating Council, State regulations and other dimensions. It is anticipated that the scope of work would require approximately $50,000.

To ensure input of affected/interested parties, a task force would be convened to advise the contractor and the Division on the study. The task force would include a hospital administrator, a representative of a third party payor, a consumer, a representative of the State's Medicaid program, a member of the Division's facilities development staff, a Health Systems Agency board member and a member of the Statewide Health Coordinating Council. The task force would meet in Anchorage, the most economical meeting site, at least three times during the study at an approximate cost of $3000 per meeting.

Costs are included to produce a report for select distribution at the conclusion of the study.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER HB974 RE Increasing State Aid

Received from _____ Fical Note _____
Referred to _____ LAA Legal Contact _____

CONTACTS:

Sponsor: House C & RA - (at request of Branson)

See HB975 worksheet

HESS
Figures only for medicaid - total utilization only
Doug ~~Glad Gl~~ Goldbock - 3061

Hospital Ass'n 3061 Accountant Supervisor

not consistent & what (/ licensed for.
Profitability not being dealt with.
Hope Cottage -
Wrangell - negative Not profit 'loss is rather
Ketch. - $3[illegible],000 '79 is revenues. Revenues in excess of current operations.
medicaid figures can't reconciled with

HB
992

(7)

COMMITTEE REPORT

HOUSE

4/3/80

FURTHER:

Date: 2/26/80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 992

"An Act relating to the formation of coastal resource service areas; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred t the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: CSHB 992 Relating to Coastal Resource Service Areas

CRIGINAL SPONSOR: Osterback (Resources) OTHER SPONSORS: _____
RECEIVED FROM: Committee FURTHER REFERRALS: _____

HEARING DATE: 4/30/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	
		Ray Metcalfe	X

Committee Substitute circulated among committee members for their signature.

COMMITTEE ACTION. CSHB 992 passed out of committee.

TAPE # SIDE _____ Footage _____

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 992 Coastal Resource Service Areas

ORIGINAL SPONSOR: Osterback (Resources Committee)
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 4/28/80

MEMBERS PRESENT:

Bill Parker X	Pat Carney X
Margaret Branson X	Charlie Parr X
Pat O'Connell	Fred Zharoff X
	Ray Metcalfe

Rep. Alvin Osterback, Sponsor

Uses map to discuss problem which exists particularly in the Aleutian Chain area. Sand Point and King Cove would like to work together on developing a coastal management program independently of the rest of REAA 8 which is noncontiguous. Refers to correspondence between Dept. C&RA and the communities on the issue.

Parr - Questions the effect of such a subdivision on the planning for Outer Continental Shelf activities.

Murray Walsh, Office of CZM

Bottomfish and OCS impacts would be addressed in the planning process regardless of the size of the coastal resource service area.

Veronica Clark, Dept. C&RA

Dept. supports the concept of the bill as does the Alaska Coastal Policy Council which endorsed the proposal.

Parr - Questions effect on Council representation of HB992.

Clark

Nine regions of the state have representation on the Council and HB 992 wouldn't effect this. Clark generally addressed problems with the inability to subdivide REAAs in the Prince of Wales area and Southeast Ak. in particular. It is her perception that planning hasn't been initiated thus far as people aren't aware or convinced that they have some-to gain from the planning exercise.

Parker - Questions if it is the intent in the proposed CS work draft that one first class or home rule city could exclude itself while another might be required to be included in the subdivided area? This point needs to be clarified in the final CS.

COMMITTEE ACTION: Supports drafting of CS with clarifications noted by Committee members.

TAPE # 9 SIDE 1 Footage 1352-1756
9 2 00-712

Zharoff - Suggests that other "features" might be relevant to be included on p. 1.

Carney - Other "features" would probably be brought out during the public hearing process.

Parr - At the least, economic and ecological considerations should be mentioned.

Committee concurs that a CS be drafted based on the work draft.

April 10, 1980

Don Gilman, Co-chair
Alaska Coastal Policy Council
Soldotna, Alaska
and
John Haltermann, Co-chair
Alaska Coastal Policy Council
Juneau, Alaska

Dear Messrs. Gilman and Halterman:

Recently Representative Osterback sponsored, through the House Resources Committee, HB 992, An Act relating to the formation of coastal resource service areas; and providing for an effective date. This bill, as I understand it, seeks to solve problems encountered in the Alaska Peninsula/ Aleutian chain in establishing viable coastal resource service districts.

A similar bill may be introduced on the Senate side, by Senator Mulcahy. As Chair of the Senate Community and Regional Affairs Committee, I would appreciate hearing from you regarding this bill--your and the Council's view both of the problem and of this particular solution to that problem.

Thank you for your cooperation.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER HB992 RE Relating to the formation of Coastal Resources

Received from _____ Fical Note _____
Referred to _____ LAA Legal Contact _____

CONTACTS:

Sponsor: * Prince of Wales - plans overridden of Craig Klawock
* Public participation

3540 Murray Walsh Sphere influence. 10-20 miles circle around them. Watersheds as boundaries. Implementation by cooperative agreement. Forest & agrees to
Hydaberg & [Klawock & Craig doing this now.
Sea Alaska & 2 Marine Corps. & Forest Service DNR
are all agreeing.
If Council were to approve plan for area larger than planning area, - Endorse action but couldn't enforce.

Bill Thompson - re functioning of REAA 7 & boundary determination - REAA

CSSB 562 makes three changes in the Alaska Coastal Management Act of 1977:

SEC. 1 Section 1 makes a minor semantic change recognizing the addition of the option described in Section 2 of the bill.

SEC. 2 Section 2 allows the Commissioner of Community and Regional Affairs to divide regional educational attendance areas (REAAs) into no more than three coastal resource service areas for coastal management purposes. This proposed change resulted from concern that options offered by the Alaska Coastal Management Act may not be well suited to regions of the unorganized borough which have not yet organized coastal resource districts.

HOW DOES THE EXISTING LAW WORK?

(1) Organized boroughs develop their own coastal management programs.

(2) Residents of the unorganized borough have four options:

a. A coastal resource service area may be organized into a coastal resource district if a majority of qualified voters in a special election approve organization and elect a seven-member board to oversee development of a coastal management program. (NOTE: A coastal resource service area is an REAA unless the Commissioner of Community and Regional Affairs combines one or more REAAs into a single service area.)

b. First-class, home-rule and second-class cities with active planning programs may develop and adopt their own coastal management programs within their corporate limits.

c. These cities may voluntarily join the surrounding coastal resource service area.

d. These cities may remain separate districts but voluntarily enter into mutual agreements with adjacent coastal resource service areas for joint or cooperative administration of their coastal management programs.

WHICH REGIONS WOULD BE AFFECTED BY CSSB 562?

The following three regions which have not yet organized coastal resource districts nearly three years after enactment of the Alaska Coastal Management Act:

Aleutian Chain (REAA 8)
Prince William Sound (REAA 21)
Southeastern (REAAs 18 and 19)

These regions have several characteristics in common:

(1) None has a dominant regional center.

(2) Each has several first-class or home-rule cities which operate their own school systems and have nothing to do with the adjacent REAA.

(3)The configuration of fishing districts and other economic and ecological factors may lend themselves to natural divisions within REAA boundaries.

(4) Especially in the Aleutian Chain, long distances and adverse weather conditions may make it extremely difficult and expensive to get together regularly.

If Section 2 is enacted, it would give residents of the unorganized borough the option of developing coastal management programs within a subdivision of an REAA in which residents have common interests and concerns and can get together with relative ease. It should also encourage these areas of the unorganized borough to develop coastal management programs on a reigonal basis.

CSSB 562 includes the following assurances that the subdivision of REAAs would not be excessive or indiscriminate:

(1) An REAA may be divided into no more than three coastal resource service areas.

(2) A public hearing must be held in the REAA affected.

(3) Consideration must be given to geographic, cultural, economic and environmental factors as well as to other factors which might arise at a public hearing or from some other source.

(4) Each subdivision must include at least one first-class or home-rule city so that there is a reasonable balance of population between subdivisions.

(5) All cities within the boundaries of a coastal resource service area formed by division of an REAA are automatically part of the surrounding service area and may not prepare a separate coastal management program.

(6) Coastal resource service areas which have organized districts may not be subdivided. (This provision excludes the Northwest Alaska region, Bering Straits region and the Yukon/Kuskokwim region).

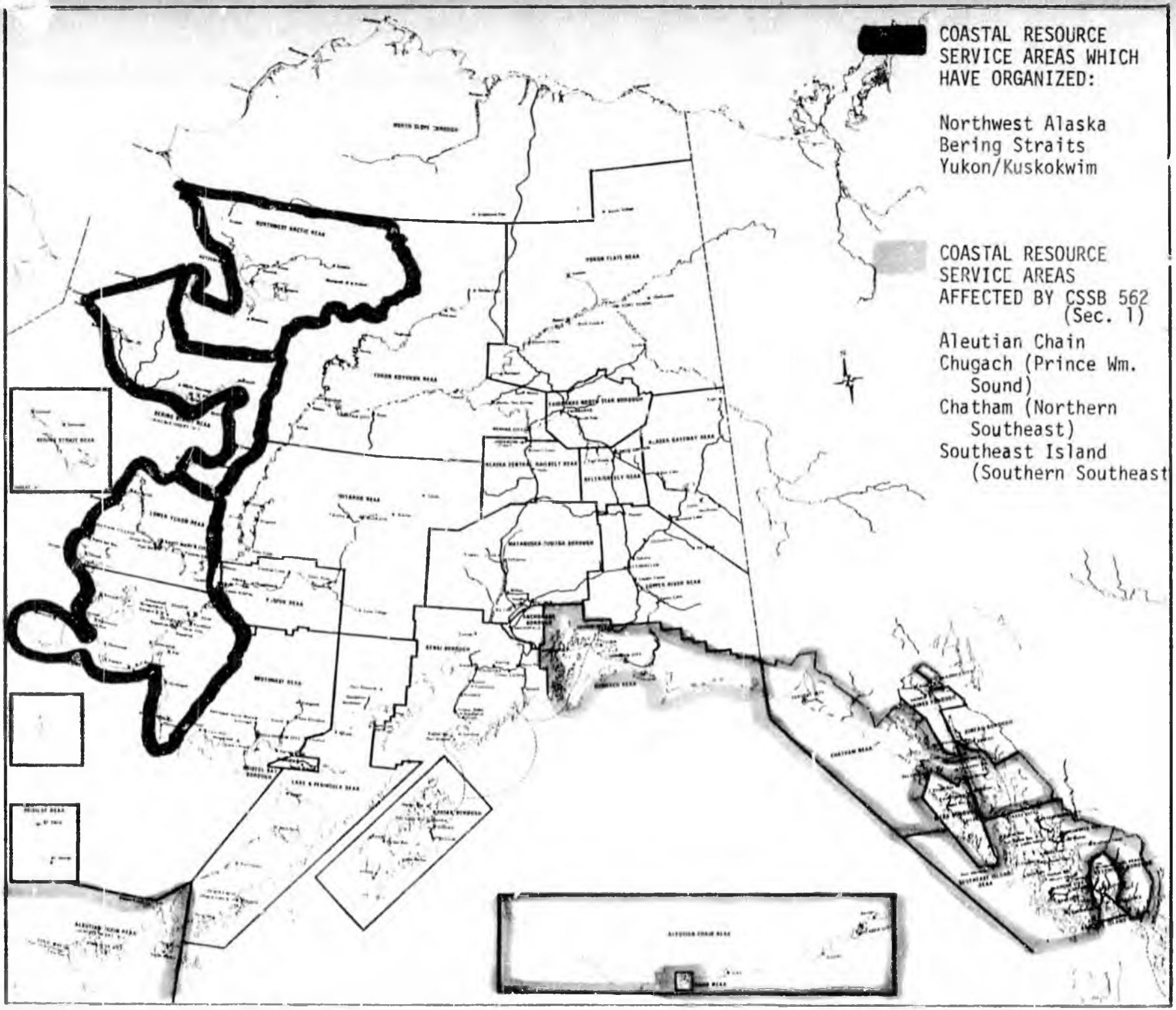
WHICH ORGANIZATIONS SUPPORT SECTION 2 OF CSSB 562?

(1) The city councils of Unalaska, Sand Point and King Cove have endorsed the amendment in concept.

(2) At various times in the past, the cities of Craig, Klawock, Hydaburg, Petersburg and Yakutat have expressed interest in planning for an area larger than their corporate limits yet smaller than the REAA in which they are located.

(3) At its most recent meeting, March 18-19, the Alaska Coastal Policy Council passed a resolution endorsing this amendment in concept.

SEC. 3 Section 3 states that all cities within a coastal resource service area encompassing one or more undivided REAAs are considered part of the surrounding coastal resource service area unless they exclude themselves by resolution of their governing bodies. However, if a city excludes itself from an adjacent coastal resource service area, it must agree to administer its coastal management program jointly or cooperatively with the coastal resource service area board. The intent of this section is to encourage regional planning wherever possible by making it difficult for cities to exclude themselves from the surrounding coastal resource service area. Under the existing law, cities are assumed to be excluded from the surrounding coastal resource service area unless they pass resolutions to include themselves; under the proposed law would be assumed to be included until they take positive actions to exclude themselves. Under the existing law, mutual agreement for joint or cooperative administration of programs is voluntary; under the proposed amendment it would be mandatory.


COASTAL RESOURCE SERVICE AREAS WHICH HAVE ORGANIZED:
Northwest Alaska
Bering Straits
Yukon/Kuskokwim
COASTAL RESOURCE SERVICE AREAS AFFECTED BY CSSB 562 (Sec. 1)
Aleutian Chain
Chugach (Prince Wm. Sound)
Chatham (Northern Southeast)
Southeast Island (Southern Southeast

CSHB 99.2

For an Act entitled: "An Act relating to the formation of coastal resource service areas; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.40.120 is amended by adding a new subsection to read:

(d) For purposes of coastal zone management only, the commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, divide an existing regional educational attendance area into two (or more) coastal resource service areas according to geographic, cultural or other features relevant to coastal management planning; however

(1) each coastal resource service district formed by dividing an existing regional educational attendance area must contain at least one first class city or home rule city; and

(2) a coastal resource service district formed before the effective date of this Act may not be divided for coastal management planning purposes.

* Sec. 2. AS 46.40.190 is amended to read:

Sec. 46.40.190. COOPERATIVE ADMINISTRATION. (a) A city within the coastal area which is not part of an adjacent coastal resource service area shall be included [MAY INCLUDE ITSELF] for purposes of this chapter within an adjacent coastal resource service area unless [IF] its governing body, by resolution adopted by a majority of its membership, chooses to exclude [CONSENTS TO THE INCLUSION OF] the city from an adjacent coastal resource service area and a copy of the resolution is

filed with the commissioner of the Department of Community and Regional Affairs. This section does not apply to a coastal resource service district formed in accordance with AS 46.40.120(d).

(b) Nothin in this chapter restricts or prohibits cooperative or joint administration of functions between a municipality and a coastal resource service area organized under the provisions of this chapter upon initiation of a mutual agreement for the purpose. A city which is excluded from an adjacent coastal resource service area under (a) of this section must enter into a mutual agreement for cooperative or joint administration of functions with the coastal resource service area board from the adjacent coastal resource service area.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Bill/Resolution No. HB 992
Title An Act relating to the formation of coastal resource service areas
Requested by House Community & Regional Affairs Committee Date 4/8/80

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Community Planning Services

EXPENDITURES (Thousands of Dollars)

		81 FY 78	82 FY 79	83 FY 80	84 FY 81	85 FY 82	86 FY 83
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Administrative activities associated with HB 992 would include travel and advertising for public hearings. Costs could be absorbed by the Governor's FY 81 budget request (program area: Natural Resource Management Administration; BRU: Coastal Zone Management). Assuming the Governor's budget for that BRU is approved there should be no additional administrative costs associated with HB 992.

IV. DATE 4/8/80 PREPARED BY Veronica Clark
AGENCY Community and Regional Affairs
PHONE 465-4750

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/77)

STATE OF ALASKA

COASTAL POLICY COUNCIL

April 17, 1980

LOCAL MEMBERS:
Donald Gilman, Lower Cook Inlet, Co-Chairman
Stanley Anderson, Bering Straits
Jon Halliwell, Northern Southeast
Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
John Nicori, Southwest
Robert Sanderson, Southern Southeast
Lidia Selkregg, Upper Cook Inlet
Betty Wallin, Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer, Director of Policy Development & Planning, Co-chairman
Robert Ward, Commissioner of Transportation & Public Facilities
Charles Webber, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

The Honorable Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

The Alaska Coastal Policy Council, at its last meeting on March 18 and 19, 1980, took action on four items related to coastal management that will be of interest to the Legislature and in particular to the two Community and Regional Affairs Committees.

Resolution 79-2 of the Rural Alaska Coastal Management Conference, requesting Continuation of Coastal Resource Service Area (CRSA) boards, was endorsed by the council with a request for implementation powers deleted. Resolution 79-6 of the Rural Alaska Coastal Management Conference requesting the creation of interior resource districts, was endorsed in its entirety by the council. Copies of the resolutions, as the council endorsed them, are attached for your information.

The council supports CSSB 348 CSSB 349, and CSHB 581, as described by Ms. Margo Waring, which deal with local governments and make provisions for unorganized boroughs, including the division of rural education attendance areas.

Finally, the council voted to request amendment of section 46.40.120 (b) of the Alaska Coastal Management Act as follows:

> The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional education attendance areas as a single coastal resource service area or may subdivide an existing regional education attendance area, according to geographic, cultural, or other features relevant to coastal management planning.

This proposed amendment is now before the House of Representatives as HB 992, currently pending in the House Community and Regional Affairs Committee.

ALASKA COASTAL MANAGEMENT PROGRAM

If further information is required, please contact Murry Walsh, Coordinator of the Office of Coastal Management (465-3540).

Sincerely,

Frances A. Ulmer
Co-chairman

Donald Gilman
Co-chairman

Attachments

RESOLUTION 79-2 OF THE RURAL ALASKA COASTAL MANAGEMENT CONFERENCE

AS ENDORSED BY THE ALASKA COASTAL POLICY COUNCIL

ENTITLED: REQUESTING CONTINUATION OF COASTAL RESOURCE SERVICE AREA BOARDS.

WHEREAS, the Alaska Coastal Management Act of 1977 allows for the formation of coastal resource service areas in the unorganized borough for the purpose of developing coastal management programs, and

WHEREAS, the Department of Community and Regional Affairs provides funding and technical assistance so that coastal management plans may be developed and approved; and

WHEREAS, the coastal resource service area is formed after an election by the communities in the affected region; and

WHEREAS, the coastal resource service area boards are comprised of members from those various communities; and

WHEREAS, there is currently no provision for funding of coastal resource service area boards after the approval of their plans; and

WHEREAS, there is no mechanism for coastal resource service areas to monitor the implementation of their plans; and

WHEREAS, there is no mechanism for coastal resource service areas to monitor consistency determinations made by state agencies;

NOW THEREFORE BE IT RESOLVED that the Alaska State Legislature amend the Alaska Coastal Management Act of 1977 in order that the coastal resource service boards maintain their identity and be funded after approval by the Coastal Policy Council and the legislature of their coastal management plans.

RESOLUTION 79-6 OF THE RURAL ALASKA COASTAL MANAGEMENT CONFERENCE

AS ENDORSED BY THE ALASKA COASTAL POLICY COUNCIL

ENTITLED: REQUEST FOR CREATION OF INTERIOR RESOURCE DISTRICTS.

WHEREAS, the State of Alaska and the federal government have released oil and gas lease schedules for the next five years; and

WHEREAS, the State of Alaska and the federal government have enacted legislation providing for the formation of coastal resource districts; and

WHEREAS, the federal government and the State of Alaska provide funds for implementation of coastal zone management plans to the coastal districts; and

WHEREAS, the State of Alaska's five year schedule includes oil and gas lease sales in the interior of Alaska; and

WHEREAS, oil and gas development and pipeline construction in the Interior has the same impact as offshore development; and

WHEREAS, these interior areas have no legislative basis for creating district plans and no source of funding districts in the event of oil and gas lease sales and pipeline construction; and

WHEREAS, the Department of Community and Regional Affairs is allocated funds for the development of coastal districts,

Now, therefore, be it

RESOLVED, that the Department of Community and Regional Affairs search for a method of funding resource districts in the areas of the Interior which will be impacted by state oil and gas lease sales and pipeline construction, and

BE IT FURTHER RESOLVED that the Alaska State Legislature fund interim planning districts.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

4/28/80

TO: Tam Cook
FROM: Marjorie Gorsuch
RE: CS HB992/ CSSB 562

Please modify the CSHB992 (CSSB562) in a new CS to include the following:

p. 1 line 12 "hearings held in the regional educational attendance area affected..."

p. 1 line 13 "into no more than three coastal resource ..."

p. 1 line 14 "according to geographic, cultural, economic, environmental or other features..."

p. 1 line 16 Change word "district" to "area"

p. 1 line 19 Add a new (2) which would provide:

Cities within the costal resource service areas formed under this section are part of the coastal resource service area and may not exclude themselves.

p. 1 line 19 Renumber as (3) Change "district" to "area"

p. 2 line 2,3 Change "district" to "area"

p. 2 line 8 Change "is excluded" to "excludes itself"

p. 2 line 9 Change "must" to "shall"

Tam,

The Senate side would like the final version of the CS ready with these changes for its meeting Tuesday, April 29 at 1:30 P.M. The House would like theirs ready for Wed., April 30 at 8:30 A.M.

4/25/80

TO: Margo
FROM: Marjorie

Re HB 992 SB562

Change #2 to require that for each subdivision of an REAA must contain at least one first class, or home rule city (Valdez and Cordova are both home rule as are Petersburg and Wrangell). Also, we need to be aware that in REAA 7 there is no first class or home rule city, only the second class city of Port Heiden)

#9 for consideration should be:
An REAA subdivided for the purpose of coastal management planning may be combined with another coastal resource service area for coastal zone management purposes.

Marge -
No "under the door" service". They still have HB

8440
Cook

Original sponsor: State Affairs Committee

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 562

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the formation of coastal resource service areas; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.40.120 is amended by adding a new subsection to read:

(d) For purposes of coastal zone management only, the commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, divide an existing regional educational attendance area into two or more coastal resource service areas according to geographic, cultural or other features relevant to coastal management planning; however

(1) each coastal resource service district formed by dividing an existing regional educational attendance area must contain at least one first class city or home rule city; and

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Sec. 46.40.190. COOPERATIVE ADMINISTRATION. (a) A city within the coastal area which is not part of an adjacent coastal resource service area shall be included [MAY INCLUDE ITSELF] for purposes of this chapter within an adjacent coastal resource service area unless [IF] its governing body, by resolution adopted by a majority of its membership, chooses to exclude [CONSENTS TO THE INCLUSION OF] the city from an adjacent coastal resource service area and a copy of the resolution is

filed with the commissioner of the Department of Community and Regional Affairs. This section does not apply to a coastal resource service district formed in accordance with AS 46.40.120(d).

(b) Nothin in this chapter restricts or prohibits cooperative or joint administration of functions between a municipality and a coastal resource service area organized under the provisions of this chapter upon initiation of a mutual agreement for the purpose. A city which is excluded from an adjacent coastal resource service area under (a) of this section must enter into a mutual agreement for cooperative or joint administration of functions with the coastal resource service area board from the adjacent coastal resource service area.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

STATE OF ALASKA

COASTAL POLICY COUNCIL

April 17, 1980

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Jon Halliwell,
Northern Southeast
Eben Hopson,
Northwest
Malcolm "Pete" Isleib,
Prince William Sound
John Nicori,
Southwest
Robert Sanderson,
Southern Southeast
Lidia Selkregg,
Upper Cook Inlet
Betty Wallin,
Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer,
Director of Policy
Development &
Planning,
Co-chairman
Robert Ward,
Commissioner of
Transportation &
Public Facilities
Charles Webber,
Commissioner of
Commerce &
Economic
Development
Robert LaResche,
Commissioner of
Natural Resources
Lee McAnerney,
Commissioner of
Community &
Regional Affairs
Ernst Mueller,
Commissioner of
Environmental
Conservation
Ronald Skoog,
Commissioner of
Fish & Game

The Honorable Bill Parker, Chairman
House Community and Regional Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

The Alaska Coastal Policy Council, at its last meeting on March 18 and 19, 1980, took action on four items related to coastal management that will be of interest to the Legislature and in particular to the two Community and Regional Affairs Committees.

Resolution 79-2 of the Rural Alaska Coastal Management Conference, requesting Continuation of Coastal Resource Service Area (CRSA) boards, was endorsed by the council with a request for implementation powers deleted. Resolution 79-6 of the Rural Alaska Coastal Management Conference requesting the creation of interior resource districts, was endorsed in its entirety by the council. Copies of the resolutions, as the council endorsed them, are attached for your information.

The council supports CSSB 348, CSSB 349, and CSHB 581, as described by Ms. Margo Waring, which deal with local governments and make provisions for unorganized boroughs, including the division of rural education attendance areas.

Finally, the council voted to request amendment of section 46.40.120 (b) of the Alaska Coastal Management Act as follows:

> The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional education attendance areas as a single coastal resource service area <u>or may subdivide an existing regional education attendance area, according to geographic, cultural, or other features relevant to coastal management planning.</u>

This proposed amendment is now before the House of Representatives as HB 992, currently pending in the House Community and Regional Affairs Committee.

ALASKA
COASTAL MANAGEMENT PROGRAM

If further information is required, please contact Murry Walsh, Coordinator of the Office of Coastal Management (465-3540).

Sincerely,

Frances A. Ulmer
Co-chairman

Donald Gilman
Co-chairman

Attachments

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ENTITLED: REQUESTING CONTINUATION OF COASTAL RESOURCE SERVICE AREA BOARDS.

WHEREAS, the Alaska Coastal Management Act of 1977 allows for the formation of coastal resource service areas in the unorganized borough for the purpose of developing coastal management programs, and

WHEREAS, the Department of Community and Regional Affairs provides funding and technical assistance so that coastal management plans may be developed and approved; and

WHEREAS, the coastal resource service area is formed after an election by the communities in the affected region; and

WHEREAS, the coastal resource service area boards are comprised of members from those various communities; and

WHEREAS, there is currently no provision for funding of coastal resource service area boards after the approval of their plans; and

WHEREAS, there is no mechanism for coastal resource service areas to monitor the implementation of their plans; and

WHEREAS, there is no mechanism for coastal resource service areas to monitor consistency determinations made by state agencies;

NOW THEREFORE BE IT RESOLVED that the Alaska State Legislature amend the Alaska Coastal Management Act of 1977 in order that the coastal resource service boards maintain their identity and be funded after approval by the Coastal Policy Council and the legislature of their coastal management plans.

RESOLUTION 79-6 OF THE RURAL ALASKA COASTAL MANAGEMENT CONFERENCE

AS ENDORSED BY THE ALASKA COASTAL POLICY COUNCIL

ENTITLED: REQUEST FOR CREATION OF INTERIOR RESOURCE DISTRICTS.

WHEREAS, the State of Alaska and the federal government have released oil and gas lease schedules for the next five years; and

WHEREAS, the State of Alaska and the federal government have enacted legislation providing for the formation of coastal resource districts; and

WHEREAS, the federal government and the State of Alaska provide funds for implementation of coastal zone management plans to the coastal districts; and

WHEREAS, the State of Alaska's five year schedule includes oil and gas lease sales in the interior of Alaska; and

WHEREAS, oil and gas development and pipeline construction in the Interior has the same impact as offshore development; and

WHEREAS, these interior areas have no legislative basis for creating district plans and no source of funding districts in the event of oil and gas lease sales and pipeline construction; and

WHEREAS, the Department of Community and Regional Affairs is allocated funds for the development of coastal districts,

Now, therefore, be it

RESOLVED, that the Department of Community and Regional Affairs search for a method of funding resource districts in the areas of the Interior which will be impacted by state oil and gas lease sales and pipeline construction, and

BE IT FURTHER RESOLVED that the Alaska State Legislature fund interim planning districts.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B – JUNEAU 99811

April 21, 1980

The Honorable Bill Parker
Chairman
Community and Regional Affairs
Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

At your request, the Department of Community and Regional Affairs has prepared background information on HB 992 and explored alternatives to the bill.

BACKGROUND

The Alaska Coastal Management Act of 1977, as amended, allows residents of the unorganized borough to organize coastal resource districts encompassing one or more regional educational attendance areas (REAAs). The Commissioner of Community and Regional Affairs has authority to combine two or more REAAs into a single coastal resource service area prior to organizational elections. Municipalities which exercise planning powers are also districts; they may join an adjacent coastal resource service area but are not required to do so. Each district prepares a coastal management program to be submitted to the Coastal Policy Council and State Legislature. This system seems to work well in certain areas, but has been received with reservation in others. Attachment 1 lists each coastal REAA and coastal resource districts within each REAA and indicates whether the district's coastal management program is under way or completed. REAAs which have not yet conducted coastal management elections but could do so under the present law are described as "potential" districts.

Coastal resource districts have been organized in three regions of the unorganized borough; another region is seriously considering following suit. Districts have formed in the Northwest Alaska region (REAA 1), the Bering Straits region (REAA 2), and the Yukon/Kuskokwim region (REAAs 3 and 4); district formation is under consideration in the Bristol Bay region (REAAs 6 and 7). These four regions have the following traits in common:

1. Each region has one dominant regional center: Kotzebue in the Northwest Alaska region; Nome in the Bering Straits region; Bethel in the Yukon/Kuskokwim region and Dillingham in the Bristol Bay region.

2. All of the communities in the Northwest Alaska region and all but one in each of the other regions are second class cities or unincorporated and therefore obtain educational services from an REAA. (First class and home rule cities operate their own school districts.)

3. In two of the three regions which have organized coastal resource districts the regional center has chosen not to join the adjacent service area. Consequently, in the Bering Straits region there are two coastal resource districts, the City of Nome and the Bering Straits Coastal Resource Service Area; in the Yukon/Kuskokwim region, there are also two coastal resource districts, the City of Bethel and the Yukon/Kuskokwim Coastal Resource Service Area.

In addition to the regions discussed in the foregoing paragraphs, there are six coastal REAAs which have not yet organized coastal resource districts. They have the following characteristics:

1. Four of them--the Aleutian Islands (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19) and Prince William Sound (REAA 21)--have several first class or home rule cities each and no dominant regional center. Therefore, each region has several school districts, several coastal resource districts, and no established central gathering place or service center (except Anchorage, Juneau, or Seattle).

2. Federal landholdings consume much of the land within each region. Federally owned land is not part of the State's coastal zone. Settled areas and non-federal land often occur as isolated pockets separated by thousands of acres of federally owned land.

HB 992 resulted from concern that options offered by the Alaska Coastal Management Act may not be well suited to the second set of REAAs discussed above (REAAs 8, 9, 10, 18, 19, 21). Attachment 2 describes advantages and disadvantages of the status quo [AS 46.40.120(b)], HB 992, two legislative alternatives and one administrative alternative.

Sincerely,

Marie Mathews-Pignalberi

for Lee McAnerney
Commissioner

Attachments

cc: The Honorable Arliss Sturgulewski
Alaska State Senate

The Honorable Bob Mulcahy
Alaska State Senate

The Honorable Al Osterback
Alaska State House of Representatives

Keith Specking
Office of the Governor

Attachment 1

Region		Coastal Resource Districts (Including cities and boroughs within regions generally defined by REAAs)
REAA 1	Northwest Alaska	* NANA Coastal Resource Service Area
REAA 2	Bering Straits	* Nome * Bering Straits Coastal Resource Service Area
REAA 3&4	Lower Yukon/ Lower Kuskokwim	Bethel * Yukon/Kuskokwim Coastal Resource Service Area
REAA 6&7	Nushagak-Bristol Bay Lake/Peninsula-Bristol Bay	Dillingham * Bristol Bay Borough * Bristol Bay Coastal Resource Service Area (potential)
REAA 8	Aleutian Islands	Unalaska King Cove Sand Point Aleutian Chain Coastal Resource Service Area (potential)
REAA 9	Pribilof Islands	Pribilof Islands Coastal Resource Service Area (potential)
REAA 10	Adak	Adak Coastal Resource Service Area (potential)
REAA 18	Northern Panhandle	* Yakutat * Haines (City) * Skagway * Juneau Pelican Hoonah * Sitka * Kake Northern Panhandle Coastal Resource Service Area (potential)
REAA 19	Southern Panhandle	* Petersburg * Wrangell * Klawock * Craig * Hydaburg * Ketchikan Gateway Borough Southern Panhandle Coastal Resource Service Area (potential)
REAA 20	Metlakatla/Annette	* Annette Islands Indian Reserve
REAA 21	Chugach	* Cordova * Valdez Prince William Sound Coastal Resource Service Area (potential)

* Program under way or completed

Status quo	Advantages	Disadvantages
AS 46.40.120(b) allows the Commissioner of Community and Regional Affairs to consolidate two or more REAAs into one coastal resource service area after considering standards applicable to incorporation of borough governments , the likelihood that a borough would be incorporated within the area, or the extent of federally owned land and water within the area.	By using the REAA as the basic unit for planning in the unorganized borough, the present law does not create any new boundaries for delivery of government services.	The present law allows first-class and home rule cities (and second-class cities under certain circumstances) to develop coastal management programs separate from the region. Many cities do not see it in their best interest to join forces with an entire REAA. Consequently, coastal resource service areas are not being organized in several REAAs, yet many cities have legitimate interest in influencing development outside their corporate limits.
HB 992		
Under HB 992, AS 46.40.120(b) would be amended to allow the Commissioner of Community and Regional Affairs to not only consolidate two or more REAAs into one coastal resource service area, but also subdivide REAAs into separate coastal resource service areas according to geographic, cultural, or other features relevant to coastal management planning. Borough incorporation standards would also be considered, as would federal ownership of coastal land and water.	HB 992 also uses REAAs as the basic unit of reference for coastal resource service areas. First-class or home-rule cities of the unorganized borough might be more inclined to join coastal resource service areas smaller than the entire REAA in which they are located. HB 992 would allow residents to plan for those areas which affect them most directly and with which they are most intimately familiar.	Indiscriminate subdivision of an REAA could produce fragmented coastal management programs.
Legislative alternative #1		
Retain the language of HB 992, but restrict application of the subdivision provision to the Aleutian Chain (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19), and Prince William Sound (REAA 21). Allow the Commissioner of Community and Regional Affairs to combine REAAs with subdivisions of other REAAs if such combinations satisfy standards mentioned in HB 992.	This provision would restrict application of the subdivision section to areas most likely to express interest in them.	The restriction may be unnecessary since coastal resource service areas have organized districts in most of the other coastal REAAs. There may be constitutional questions about treating regions differently by specifying the geographic area rather than by specifying standards which must be met.

Attachment 2

Legislative alternative #2	Advantages	Disadvantages
Retain the language of HB 992, but add the following provision: If an REAA is divided and an organization election is called in one subdivision, an election will automatically be called in all other subdivisions of the REAA. If any one of the subdivisions elects to organize a district, all other subdivisions are automatically organized. The coastal management program from all subdivisions of an REAA must be coordinated from the outset and submitted simultaneously to enable the Coastal Policy Council and State Legislature to reach a reasonable conclusion about the compatibility of the plans. Although each subdivision would have its own board, there would be a seven-member regional oversight board with representation from the entire REAA (or combination of REAAs) on a one-man, one-vote basis.	All of the advantages of HB 992. Greater coordination among plans than would be afforded under HB 922.	Certain areas may be prematurely coerced into preparing a coastal management program by virtue of actions taken by neighboring areas. Any section could delay approval of the programs of other sections. Creation of another layer of government would make the process more cumbersome and costly.
Administrative alternative		
A coastal resource service area encompassing one or more REAAs could voluntarily organize itself in such a way that board members from one area would meet routinely with local people in that area and use full board meetings as a means to combine sectional ideas and make compromises if necessary.	Local involvement in regional coastal management planning with as few new formal structures as possible. No legislative change would be needed.	The representation and consequent voting strength of any given area on the seven-member service area board would be less in an entire REAA than in a subdivision of it.

Fallback position limit to Aleutians

HB 992

Application of ACMP to the
Aleutian/Pribilof Island Region

(Opting in [illegible] boundaries required to support

Problem:

Options provided under the Alaska Coastal Management Act for formation of "coastal resource districts" are not applicable to the Aleutian/Pribilof Island Region.

Background:

The Aleutian/Pribilof Island Region presents a unique situation relative to the establishment of coastal resource service areas. Within the Region are three first-class cities (Sand Point, King Cove and Unalaska) as well as regional educational attendance areas 8, 9 and 10 (Aleutian Chain, Pribilof and Adak).

Under present law the first-class cities have the option of becoming single coastal resource service areas, thus establishing their own coastal management planning programs within their respective political boundaries, or of joining forces with the REAA's to develop a regional planning effort.

In addition, the three REAA's may become separate coastal resource service areas or, under authority granted in AS 46.40.120(b) the Commissioner of the Department of Community and Regional Affairs, may consolidate REAA's 8, 9 and 10 into one or two service areas for coastal management purposes.

Given these conditions there exists the possibility of one or six, or any combination within these numbers, coastal resource service areas being created within the Aleutian/Pribilof Island Region.

The population of the Region is approximately 3600 with 2274 (63%) residing in the three first-class cities (Sand Point 773, King Cove 733 and Unalaska 768). The second-class communities of Akutan and St. Paul contain 652 residents, 85 and 567 respectively. Total Regional population residing in incorporated municipalities totals 2926 or 81%. Clearly, if the first-class communities elect to establish their own programs within their jurisdictions, the remaining area (REAA's 8, 9, & 10) will be substantially diluted of human resources with which to develop and implement a coastal management program.

Land interests in the region are geographically complex. Village corporations were unable to select ANCSA entitlements within the core townships of Native villages due to the configuration of islands and Federal reserves. As such, village corporations selected deficiency lands under the Act this resulted in the ownership of land many miles from their respective villages. An example is the Tanadqusix Corporation at St. Paul (Pribilof Islands). Tanadqusix Corporation has substantial land holdings approximately 200 miles away on Unalaska Island. This is the case for a majority of the Aleutian's village corporations thus creating an extremely fragmented pattern of land ownership and land interests throughout the chain.

Several Aleutian villages are vacant of population, yet represent vast land holdings and thus development interests for shareholders residing elsewhere. Unga and Sanak are two cases in point. Village Corporation members from Unga and Sanak reside in Sand Point yet hold major land interests outside of Sand Points City boundaries. They fear that should Sand Point elect to become a coastal resource service area they, as residents of Sand Point, will be precluded from having a voice in a coastal management program which encompasses their corporate land holdings.

The communities, on the other hand, would prefer to work with the respective corporations in a coastal management program but do not care to be involved or necessarily influenced by actions a thousand miles away.

The Aleutian/Pribilof Island Region situation strongly indicates the need to provide a third option for creating coastal resource service areas. This option would address the need to create service districts which emphasize common interests and geographic proximity in areas where land mass, economic interests and population are not contiguous.

Proposed Legislative Amendment

Section 3 AS 46.40.120(b) is amended to read:

(b) The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area or may subdivide an existing regional education attendance area according to geographic, cultural or other features relevant to coastal management planning.

CITY OF UNALASKA
P.O. BOX 89
UNALASKA, ALASKA 99685
581-1251
"Capital of the Aleutians"

March 24, 1980

Mr. Lawrence H. Kimball, Jr.
Director
Division of Community Planning
Department of Regional and Community Affairs
225 Cordova, Building B.
Anchorage, AK 99501

Dear Mr. Kimball Gary

In response to your letter of March 21, 1980 concerning the language of a possible amendment to AS 46.40.120(b), I can state the amendment accomplishes precisely the purpose which the City Council hopes for. I have discussed the language of the amendment with City Manager Burton; it has the support of the City administration. At the next regular City Council meeting (April 10, 1980), we shall report on the swift response which we have had from the Division to our request for assistance and inform the Council of the proposed amendment.

Thank you, again, for the attention which you have given this matter.

Sincerely,

CITY OF UNALASKA PLANNING DEPARTMENT

RC

Richard Careaga, AICP
Director of Planning

RECEIVED
DEPT. OF COMM & REG. AFFAIRS
COMM. PLANNING
Date 3/26

Veronica

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING

225 CORDOVA, BUILDING B
ANCHORAGE, ALASKA 99501

March 21, 1980

Mr. Richard Careaga
Director of Planning
P.O. Box 89
Unalaska, Alaska 99685

Dear Mr. Richard Careaga:

In response to your letter of March 17 requesting our assistance in drafting an amendment to AS 46.40.120(b), I would like to relay the following information.

The City Councils of Sand Point and King Cove have made identical requests. In order to accommodate these requests in a timely manner I drafted a proposed amendment and presented same to the Alaska Coastal Policy Council on Wednesday, March 19.

Following my presentation and brief discussion the Council voted 11-0 in favor of a resolution supporting the proposed amendment. This support will accompany the proposed amendment to Juneau where we will request it be introduced via committee. We will meet with Sand Point officials and legislators for the affected area next week in Juneau to discuss the matter.

I have enclosed a copy of the proposed amendment for your City Council's review. Should the Council support it as written, I would appreciate a letter to that affect. Should there be a need to amend the language please contact me immediately as time is of the essence.

Thank you for your assistance in this matter and please assure the City Council and Mayor Holmes that we will keep them informed as things progress.

Thank you also for the courtesies extended during our recent visit. I enjoyed our stay.

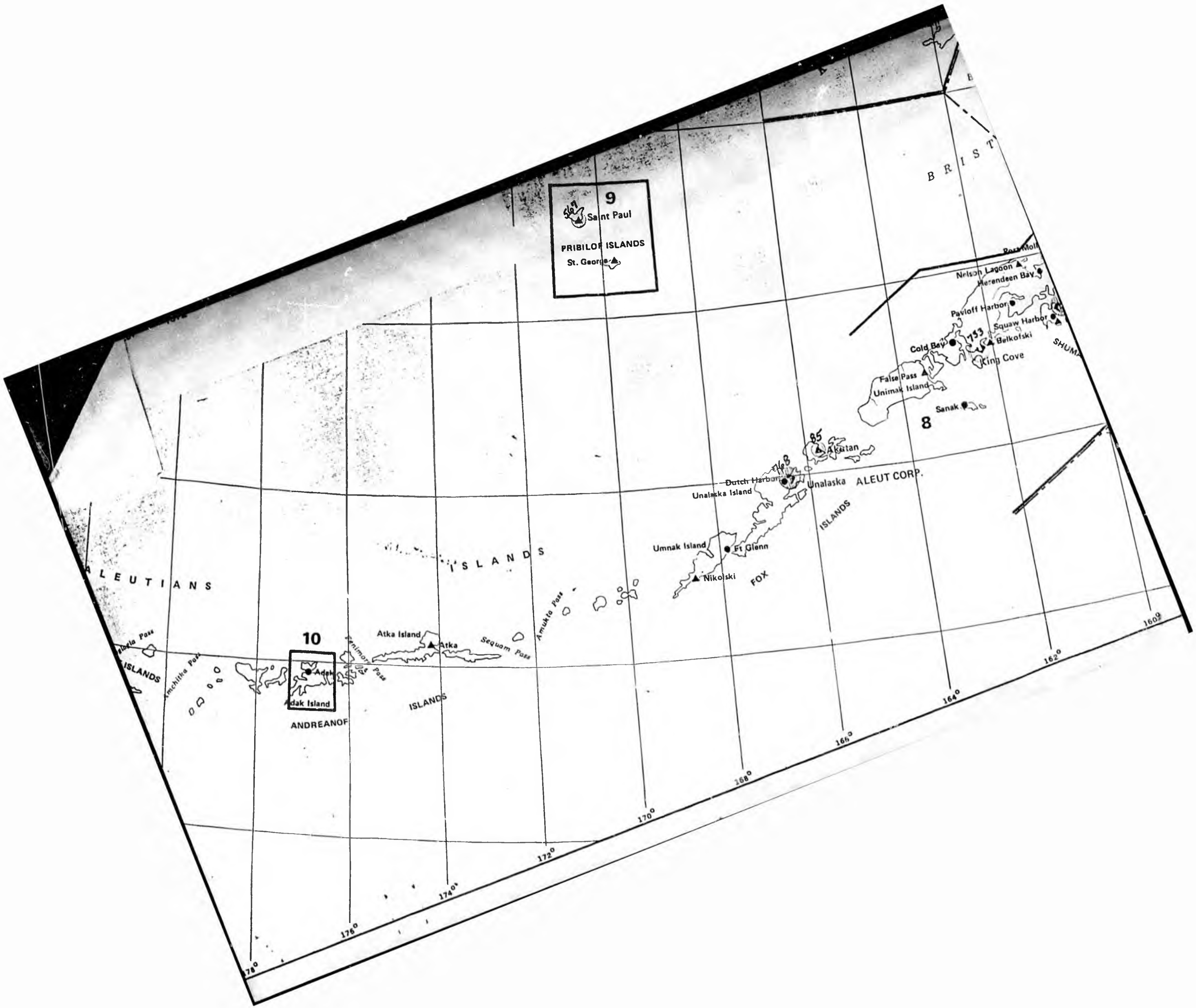
Best regards,

Larry

Lawrence H. Kimball, Jr.
Director

Attachment

21-P161.M


9
Saint Paul
PRIBILOF ISLANDS
St. George
B R I S T
Nelson Lagoon
Herendeen Bay
Pavloff Harbor
Squaw Harbor
Cold Bay
Belkofski
King Cove
False Pass
Unimak Island
Sanak
8
Akutan
Dutch Harbor
Unalaska Island
Unalaska
ALEUT CORP.
ISLANDS
Umnak Island
Ft Glenn
Nikolski
FOX
I S L A N D S
L E U T I A N S
10
Atka Island
Atka
Sequam Pass
Amlukta Pass
Amchitka Pass
Adak
Adak Island
ANDREANOF
ISLANDS
160°
162°
164°
166°
168°
170°
172°
174°
176°
178°

Original sponsor: Resources Committee

Offered: 5/1/80
Referred: Rules

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 992

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the formation of coastal resource service areas; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.40.120(a) is amended to read:

(a) Except as otherwise provided in [(b) OF] this section, each regional educational attendance area established under AS 14.08.031 containing a part of the coastal area may be organized as a coastal resource service area.

* Sec. 2. AS 46.40.120 is amended by adding a new subsection to read:

(d) For purposes of coastal zone management only, the commissioner of the Department of Community and Regional Affairs may, after public hearings held in the regional educational attendance area affected, divide an existing regional educational attendance area into no more than three coastal resource service areas according to geographic, cultural, economic, environmental, or other features relevant to coastal management planning; however

(1) each coastal resource service area formed by dividing an existing regional educational attendance area must contain at least one first class city or home rule city;

(2) a city within a coastal resource service area formed by dividing an existing regional educational attendance area may not elect to exclude itself from the coastal resource service area; and

(3) a coastal resource service area formed before the effective date of this Act may not be divided for coastal management planning

purposes.

* Sec. 3. AS 46.40.190 is amended to read:

Sec. 46.40.190. COOPERATIVE ADMINISTRATION. (a) A city within the coastal area which is not part of a [AN ADJACENT] coastal resource service area shall be included [MAY INCLUDE ITSELF] for purposes of this chapter within an adjacent coastal resource service area unless [IF] its governing body, by resolution adopted by a majority of its membership, chooses to exclude [CONSENTS TO THE INCLUSION OF] the city from an adjacent coastal resource service area and a copy of the resolution is filed with the commissioner of the Department of Community and Regional Affairs.

(b) Nothing in this chapter restricts or prohibits cooperative or joint administration of functions between a municipality and a coastal resource service area organized under the provisions of this chapter upon initiation of a mutual agreement for the purpose. A city which elects to be excluded from an adjacent coastal resource service area under (a) of this section shall enter into a mutual agreement for cooperative or joint administration of functions with the coastal resource service area board from the adjacent coastal resource service area.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-070(c).

I. REQUEST

Bill/Resolution No. HB 992

Title An Act relating to the formation of coastal resource service areas

Requested by House Community & Regional Affairs Committee Date 4/8/80

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Community Planning Services

EXPENDITURES (Thousands of Dollars)

		81 FY ~~78~~	82 FY ~~79~~	83 FY ~~80~~	84 FY ~~81~~	85 FY ~~82~~	86 FY ~~83~~
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC						
	TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Administrative activities associated with HB 992 would include travel and advertising for public hearings. Costs could be absorbed by the Governor's FY 81 budget request (program area: Natural Resource Management Administration; BRU: Coastal Zone Management). Assuming the Governor's budget for that BRU is approved there should be no additional administrative costs associated with HB 992.

IV. DATE 4/3/80 PREPARED BY Veronica Clark

AGENCY Community and Regional Affairs

PHONE 465-4750

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/77)

CS SB 562/HB 992

SUGGESTED AMENDMENTS TO SB 562/ HB 992

1. ~~(b) as is in statute 46.40.120 (b)~~

46.40.120 as amended

ADD (c) For purposes of coastal zone management only, REAAs the commissioner of the DCRA may, after public hearings held in the area affected, divide an existing REAA into two or more coastal resource service areas, according to geographic, cultural or other features relevant to coastal management planning.

(1) Other factors not withstanding, each coastal resource service district formed as a subdivision of an REAA, must contain at least one first class or home rule city.

(2) No coastal resource service district formed peior to the effective date of this act may be subdivided for coastal planning purposes.

~~(3) A subdivision of an REAA formed for the purposes of coastal management planning may not be combined with another coastal resource service area for coastal zone management purposes, upon approval of the Commissioner.~~ may join cooperatively with another coastal resource service area for coastal zone management purposes, upon approval of the Commissioner.

Sec. 2. AS 46.35.190 is amended to read:

46.35.190 COOPERATIVE ADMINISTRATION. (a) A city within the coastal area which is not part of an adjacent coastal resource service area may exclude (INCLUDE) itself for purposes of this chapter ...

(1) The provisions of 46.35.190 (a) do not apply to coastal resource service districts formed under 46.40.120 (c).

(b) Nothing in this chapter restricts or prohibits cooperative or joint administration of functions between a municipality, and a coastal resource service district formed under 46.40.120 (c) and a coastal resource service area organized under the provisions of this chapter upon initiation of a mutual agreement for the purpose.

(c) (1) A mutual agreement for cooperative or joint administration is required when a city selects to exclude itself from an adjacent coastal resource service area under the provisions of 46.35.190 (a).

HB 992/SB 562

Suggested changes to minimize potential adverse effects of this legislation.

1. For each subdivision of an REAA, specify a minimum percentage of the REAA's coastline that must be in each subdivision (this would work toward minimizing potential super fragmentation by establishing a standard for CRA to use).

2. For each subdivision of an REAA, specify that it must contain at least one first ~~or second class cities~~. This would also serve the purpose of minimizing numbers of subdivisions and insuring a "lead" community which could administer the program, as Regional Corporations will be less likely to serve that role under the draft legislation. If this is adopted #1 above may not be essential.

3. Add language that states that 46.40.190 does not apply to subdivisions of an REAA. This further insures #2 above, i.e., that a first class city cannot opt out of a subdivided REAA coastal resource service district. If opting out is allowed, then you could have small districts without any population to speak of.

4. Change 46.40.190 to provide for opting out rather than opting in. This would apply to all REAAs.

5. Change 46.40.190 (b) so that when a first class city opts out of a coastal resource service district, a cooperative agreement is mandatory.
Add language to require that in this case of an opted out first class city, a city representative sit on the coastal resource service district board and vice versa as ex offcio members.

6. Regarding crsd boards, change the language to provide for board numbers from 5-11 (as is the REAA board) instead of the inflexible seven member board.

7. Insure that either by mentioning the REAAs which can subdivide or ~~as~~ otherwise, provide that the ability to subdivide is not retroactive. We want to avoid situations in which a crsd that has completed a czm plan won't go back, subdivide, and get funded agin for another czm plan.

8. Eliminate all references to boro/incorporation standards being used for subdivisions. It would set a poor precedent to in any way imply that these small subdivisions are potential regional governments. Suggested language might be : "For purposes of coastal zone management planning only, coastal resource service districts may be formed from a part of an REAA" or other words that would state that boro incorporation standards are not being used.

HB

1010

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: Capital Foundation Fund (Work draft)

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 3/26/80

MEMBERS PRESENT:				
	Bill Parker	X	Pat Carney	X
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

The Committee reviewed the work draft of the capital foundation fund bill. Rep. Parr suggests that "schools be added to those facilities eligible for entitlements.

COMMITTEE ACTION: No Action

TAPE # 6 SIDE 1 Footage 653-866

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: CSHB1010 Capital Foundation Fund

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM: ---

OTHER SPONSORS: --
FURTHER REFERRALS: Finance

HEARING DATE: 5/9/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

The CS is circulated for review by the committee.

Branson - Cites the reference to "unorganized borough bill" and REAA boundaries and suggests that the reference to the unorganized borough bill be eliminated since use of those boundaries was contingent on the passage of HB580. She suggested that it appeared to be a poor way to write legislation.

O'Connell - Sees the bill as "flying in the face of the political process". It mandates a fair and equitable distribution of of capital projects money even if the people don't want the distribution to be fair. Suggests that instead HB9, taxing the unorganized areas, be passed out of committee.

Metcalfe - Doesn't like the bill. Sees "need" as the willingness of a community to act together to put together a proposal and to tax themselves.

O'Connell - Concerned that the legislature would be establishing a level of support with capital projects which couldn't be maintained then the oil money runs out. Suggests that the needs of many communities couldn't be met for even one project with the accumulated money for 5 years.

Jim Rhode, Administrative Assistant, Rep. Hugh Malone
Distributes printouts with figures based on a formula giving a weight of 7-3, population/area for entitlement purposes under CSHB1010. The figures were discussed.

COMMITTEE ACTION: No Action

TAPE # 11 SIDE 1 Footage 484-1769

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 1010 Capital Foundation Fund

ORIGINAL SPONSOR: House/Senate C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 5/2/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Lee Sharp, Municipal Attorney, Juneau

Basically in favor of any form of revenue hearing and generally favors state assistance for capital projects however there are two basic defects in the bill as presently written:

(1) Area is used as a major component in the formula
(2) Bill contains a basic disincentive to organization in the sparcely populated, smaller communities.

Opposed to having population and area considered equally. It is people who generate the need for capital projects and it seems irrelevant to take into consideration the water within the borough of Juneau or the large land masses of the North Slope Borough.

Technical problems with the bill are:

* Assistance is not going to first and second class cities, rather just those otherwise organized.
* How would you could the population of a borough and the first class and home rule cities within it?
* Why don't first and second class cities receive consideration for assistance?
* If a borough doesn't exercise Parks and Recreation or another power for which money/facilities are being provided, how could they operate same?
* Does the requirement for a 5 year Capital Plan create conflict for those communities which currently develop 6 or 7 year plans? (perhaps the manda e for annual updating solves this problem)
* P. 5 line 1 Why is the plan of the organized municipality submitted to the regional council?
* P. 5 General problem with the formula as contained in the bill. The amount of area taken into consideration should be reduced as it distorts the situation.
* P. 6 l. 1 What does the term "agreement" mean? This requi -] ment is a problem.
* P. 7 lines 18-20 Questions whether the Dept. of Labor figures are updated annually and suggests that the municipality-determined population figures used in revenue sharing be considered instead.

COMMITTEE ACTION:

No action

TAPE # 10 SIDE 1 Footage 486-1785

Sharp reiterates that he likes the idea but not with the formula in the bill. It is people not area which creates "need". Further, if the stat is going to provide maintenance, there is no incentive for organization.

Dennis Dooley, SouthEastern Director of Programming for Dept. of Transportation and Public Facilities
Raises points in attached notes.

Parr- Suggests that cost of construction rather than cost of doing business be used as in the school formula.

Dooley - Responds that it would be difficult to sue school differential costs for other capital projects. Refers to p. 8 and asks how "costs" are going to be paid? Suggests that there needs to be clarification on how the service charge for required bond sales to implement the projects will be paid.

Parr - Asks for the distinction between major and minor maintenance costs.

Dooley - States that $50,000 is usually considered the dividing line between costs associated with maintenance being considered those under $50,000 (minor maintenance) and those above $50,000 as major . Those considered minor are usually in the operating budget.

Jim Kohler, Manager, City of Yakutat
Supports strongly the concept embodied in the bill as a good and innovative as well as simple approach to funding capital projects. It allows the local political subdivision t determine its priorities and to execute those priorities. It requires locally based planning. Suggests that the basic concept and worth of the bill not be overlooked in dealing with some of the technical and formula problems.He agrees with some of the technical problems cited by Sharp but says that the formula is not improperly skewed toward sq. mile consideration. Some weight must be included for land to offset some fixed costs for such facilities. The mechanics of fund distribution needs some work. A helpful exercise might be to look at what local governments are statutorily authorized to do and to allow entitlements to go to municipalities which have power to plan and execute. City budgets address costs which must be included in such projects and these priorities should be set by local government.

Parr - Watershed decision needs to be made re local vs. state responsibility in each of the listed areas for funding.

Dooley - Local concerns might also be regional and statewide.

Ginny Chitwood - Ex. Director, Ak. Municipal League
The 50%/50% gives too much weight in the formula to area but it should be recognized that area is a facotr. The mechanics of distribution presents some problems in that first class cities have the same powers basically as do home rule. The basic powers delegated are the same as home rule.

Composition of regional councils with "one" representative elected from each city may not be enough. There should be more flexibility in the composition.

There may be a problem when second class boroughs having adopted few powers and containing first class or second class cities which may have adopted more powers.

Dooley's Notes

HB 1010

1. Perhaps a better definition of local capital project

(2) can a location agree to have their funds spent on a State responsibility project if it is of a higher priority

3. Can home rule cities agree to have their funds spent outside their boundaries

(4) Can a ~~org~~ borough and a home rule city agree to combine their funds and build projects in each others areas

5. Can a home rule city petition for inclusion along ~~it~~ with the unorganized area which encompasses it?

6. Regional Councils
15 members
→ who perform these services from the organized & home rule cities
44.42.120

7. 44.42.130 (1)
(shall) ~~cause~~ ~~[illegible]~~ all
list & effort to be required to identify all would require efforts that would be wasted
+ - limit to approx total of funding available
44.42.130
(4) [illegible]

who is to define this "need"?

(9) 44.42.130

(c) doesn't appear to tie to earlier definition of regional council

10 44.42.140 (see 44.42.150(b))

distribution should not be immediate but should ~~to~~ allow for the cash flow to match the cash needs

11 140(b)

* feel that the ratios should be simplified to ~~go~~ drop area diff.

* weighted in favor of area too highly → should limit to a max per capita either as a $ or as ratio to lowest per capita

12. what about the need for a project which was not in the list

(13) ~~improvement~~ maintenance definition needs to have ~~a lower~~ lower $ limit? when does it become operations -

could they buy heating oil - repair pipes since they did not buy heat?

pg 2
ln 12-14 Labor census? → annual

pg 3 confusion as to regular state program role's

question of sufficient $ to be GIP plan

pg 4 all capital projects state funded?
local?
parameters?
4) which are not eligible? rules

(5) concur
(6) concur
(7) concur
} are these criteria to be used in prioritization
→ state projects?

b)

pg 5 b) ~~say~~ drafted for selected areas
how ratio of wtd area varies

ln 22 is a priority required

pg 7 ln 12 sec 3 varie
a) too much to hold validity
by exogenous variables
b) to each area?

pg 8 $ for potential bond sales

Dennis Dooley - SC Director Programming for DOTPF

No position bill.

Questions

Definition of functions - which / state / local

(1) Does it replace roads trails?

(2) What (b " high priority locally not by the state

Can home rule cities use funds out area?

Can they combine other cities?

Home rule petition with boro

Regional councils?

* Parameters for inclusion

modification to word "all"

Distribution immediate or to meet needs

projects

~~What about need~~

Definition of "need" - limit

- Then does / become operational

Heating oil

Minor / major maint.

Repairing pipes?

Maint capital costs - to be clarified

p 2 - Labor census - annual update

Exceptions made re transient workers (North Slope Boro ex) for what purpose do

✓ count what people?

Minimum $ could be considered p.5 Am't funding might not warrant 5-Yr Plan ~~M~~

p.4 Local, fed funded projects included — Local capital

p 4, l 18, 20 Dept. trying to address

How are these considered — are (prioritized basis this

p 22

What about uplands harbor facilities?

Would 6 be allowed —?

p.4 l 28

p.5 l 15 Use — clear language?

p 5 l 22 - Must priorities be followed?

p 7 l 12, 24

"construction cost differential"? Definition difficult. Complex statewide variances factors. Kind project, availability of contractors — difficult to do, area

Lack infrastructure large area. Formula similar to Fed Highway formula. Small boat harbors are people generators. Area can be l — reflect construction cost.

SPECIAL APPROPRIATIONS, BONDS AND CAPITAL PROJECTS BY ELECTION DISTRICT
($ millions - all funds)

District	Name	FY 78 Amount	FY 78 %	FY 79 Amount	FY 79 %	FY 80 Amount	FY 80 %	FY 78-80 Amount	FY 78-80 %
01	Ketchikan/Prince of Wales	1.3	2.5	13.2	4.3	4.9	3.4	19.4	3.9
02	Wrangell/Petersburg	.6	1.1	7.0	2.3	4.6	3.2	12.2	2.4
03	Sitka	.9	1.7	8.7	2.9	.1	.1	9.7	1.9
04	Juneau/Lynn Canal	6.3	12.1	32.8	10.8	15.7	10.8	54.8	10.9
05	Cordova/Valdez/Seward	1.3	2.5	42.9	14.1	6.0	4.1	50.2	10.0
06	Palmer	.7	1.3	5.4 1/	1.8	2.6	1.8	8.7	1.7
07-12	Anchorage	19.8	37.9	95.9	31.5	42.9	29.6	158.6	31.6
13	Kenai/Cook Inlet	1.3	2.5	9.2	3.0	.5	.3	11.0	2.2
14	Kodiak	.1	.2	5.2	1.7	3.2	2.2	8.5	1.7
15	Aleutian Chain	1.7	3.3	3.9	1.3	1.2	.8	6.8	1.4
16	Bristol Bay	1.0	1.9	6.0	2.0	10.2	7.0	17.2	3.4
17	Bethel	2.0	3.8	11.2	3.7	4.2	2.9	17.4	3.5
18	Wade Hampton	1.2	2.3	3.1	1.0	7.4	5.1	11.7	2.3
19	Yukon/Tanana	1.1	2.1	9.7 2/	3.2	19.4	13.4	30.2	6.0
20	Fairbanks	9.5	18.2	21.5 2/	7.1	15.4	10.6	46.4	9.2
21	Barrow/Kobuk	3.0	5.7	15.8 2/	5.2	2.0	1.4	20.8	4.1
22	Nome	.4	.8	13.3	4.4	4.5	3.1	18.2	3.6
	TOTAL	52.2	100.0	304.8	100.0	144.8	100.0	501.8	100.0

Source: "Free Conference Committee Report, Operating and Capital Budget, Election District", FY 78-FY 80.

NOTES: 1. Excludes new capital city bonds
2. Excludes North Slope Haul Road maintenance

PREPARED BY:

LEGISLATIVE FINANCE DIVISION
May 7, 1980

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: Capital Foundation Fund Workshop (on draft HB1010)

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: Finance

HEARING DATE: 4/16/80

MEMBERS PRESENT: Bill Parker, Margaret Branson, Pat O'Connell, Pat Carney, Charlie Parr, Fred Zharoff, Ray Metcalfe

Jim Rhode, A.A. Rep. Hugh Malone

Formula developed for the bill reflects capital spending patterns. Relative population as well as relative area are included. Refers to and reviews material with figure breakdown for various boroughs and REAAs.

Strict "need" could have been recognized but that has been associated with property value and the cost of a property value review has been placed at $200,000 per REAA by the Assessor's Office. An update would be necessary every three years. Tax effort would be difficult to use in the bill because of the limited tax base in the unorganized borough.

It appear that there is a need to look at the "Six Year Capital Improvement Plan" concept as it has not been implemented as intended. The Administration is supposed to do a needs assessment statewide. This is an invitation to prepare a "wish list" as a prioritization of cost/benefit not necessary. Local contractorscould be involved if things are planned in advance.

An idea is currently under consideration by the Finance Committee to authorize language requiring capital projects be proposed during the first legislative session and the executive branch would do cost estimates and other analyses for the 2nd Session.

Carney - Questions inclusion of total sq. miles in the formula and states that he does not see the relevancy to capital projects. Also, wants figures for Mat-Su and Kodiak Boroughs.

Rhode - In response to question, states that proposal does not include state facilities which would be planned for by the state.

Parr - It appears difficult to justify square miles in the formula.

Rhode - Anchorage and Fairbanks are getting 20x what's necessary to maintain existing standards.

COMMITTEE ACTION:
Information session only/No action taken

TAPE # 8 SIDE 2 Footage 424-1562

Parr - His perception is that even the cities don't all have a minimum level of service in all the areas covered by the Capital Foundation.

There should be some provision for the fact that some rural areas don't want roads. Maybe there should be a separate formula for each category (roads, trails, recreational facilities, etc)

How will state facilities be accommodated? Community schools are often used for recreation centers. Allowance would have to be made for this kind of situation when local money had gone into the contruction of such facilities. How would exisiting inequities be dealt with which already exisit in the appropriation system (such as the Cultural Facilities Act). There should be some provision for a cultural facility which has been given money in the past. There needs to be a tie in with the existing programs which disperse money. Should be an "across the board" approach if it is going to be done.

Steve VanSant-- Dept. of C&RA

Suggests changing membership of the Regional Councils to 11 members. These might play the role of transitional bodies for eventual boroughs and there should be consideration of this by making the maximum number 11 on p. 3 line 21.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: SB 546/HB 1010 Capital Foundation Fund

ORIGINAL SPONSOR: Senate/House C&RA Committee
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 4/16/80 Statewide Teleconference

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	X
		Ray Metcalfe	

Senate Members: Sturgulewski, Kelly

Ted Berns, Municipal Attorney, Anchorage

Objects to the bill and opposes for philosophical and technical reasons. Objects to the manner in which the resource wealth is proposed to be distributed statewide. The benefits of resource development are part of the public domain and yet the formula shows the benefits to the underpopulated areas of the state. Sees the bill as an encroachment into the local affairs of the municipalities.

Technically, the allocation formula is a problem. In fact, geographic area and population will have little to do with relative need and ability to fund those needs. Cited unacceptability of language on p. 5 lines 9,10 which allow that the entitlement be "disbursed in accordance with the terms of an agreement between the commissioner and the recipient."

Basically, Anchorage municipality is opposed to the legislation as "the Municipality of Anchorage can do a better job of getting the money out in the streets."

Elsie O'Brien, Mat Su, City Clerk, City of Houston

Agrees with the testimony given by Anchorage. Objects that there is no provision that the money be disbursed in a particular district after it goes to the borough. What provision is there for redistribution to second and first class cities?

Jeff Smith, Mauneluk Association, Planning Division Director

Opposed to SB 546. Each area would be tied to a certain amount of funding for capital projects. It is unclear who would make the final determination in the use of the funds. Once you establish a limit to your funding, you limit development.

Ginny Chitwood, Executive Director, Municipal League

Endorces the bill and the concept of a rational approach to capital expenditures. Specific areas which need to be addressed include:

COMMITTEE ACTION: No Action

TAPE # SIDE ____ Footage _____

1. Makeup of Regional Councils (should be more than 1 representative from the first class cities in some areas)
2. Role of first and second class cities
3. Formula

Expanding on these points, perhaps the makeup of the Councils should be more flexible. Some boroughs have limited powers and the political subdivision should be the city. (home rule and first class cities have school powers) Undeveloped areas need more funding. But the formula is over skewed for area.

Jerry McCutcheon, Anchorage

Poor bill. Haven't considered the people you are trying to do something for. With the Governor appointing, he can pack the Councils.

Re Project '80 being funded for Anchorage--the years of Anchorage's history will be wiped out with the replacement of the block of buildings now standing.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 1010
Title Capital Projects Foundation Fund
Requested by Parker Date 5-2-80

II. FISCAL DETAIL
Agency Affected DOTPF
Program Category Affected Transportation/Public Facilities
BRU, Program, or Subprogram(s) Affected Planning and Programming
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		2,950	3,250	3,575	3,950	4,350
200	TRAVEL		1,500	1,650	1,785	1,965	2,165
300	CONTRACTUAL		570	630	700	770	850
400	COMMODITIES		100	110	120	135	150
500	EQUIPMENT		100	10	10		
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		5,220	5,650	6,190	6,820	7,515

FUNDING (Thousands of Dollars)

GENERAL FUND		5,220	5,650	6,190	6,820	7,515
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	45	45	45	45	45	
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 5-2-80 PREPARED BY Robinson
AGENCY Southeast Planning and Programming
PHONE 465-2475

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

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33-001 (Rev. 12/79)

SPECIAL APPROPRIATIONS, BONDS AND CAPITAL PROJECTS BY ELECTION DISTRICT
($ millions - all funds)

District	Name	FY 78 Amount	FY 78 %	FY 79 Amount	FY 79 %	FY 80 Amount	FY 80 %	FY 78-80 Amount	FY 78-80 %
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06	Palmer	.7	1.3	5.4 1/	1.8	2.6	1.8	8.7	1.7
07-12	Anchorage	19.8	37.9	95.9	31.5	42.9	29.6	158.6	31.6
13	Kenai/Cook Inlet	1.3	2.5	9.2	3.0	.5	.3	11.0	2.2
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17	Bethel	2.0	3.8	11.2	3.7	4.2	2.9	17.4	3.5
18	Wade Hampton	1.2	2.3	3.1	1.0	7.4	5.1	11.7	2.3
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	TOTAL	52.2	100.0	304.8	100.0	144.8	100.0	501.8	100.0

Source: "Free Conference Committee Report, Operating and Capital Budget, Election District", FY 78-FY 80.

NOTES: 1. Excludes new capital city bonds
2. Excludes North Slope Haul Road maintenance

PREPARED BY:

LEGISLATIVE FINANCE DIVISION
May 7, 1980

ILLUSTRATIONS, CAPITAL FOUNDATION ENTITLEMENTS

Appropriation: 429,000 X $400 = $171,600,000

Recipient	Pop./Area 6/4	Pop./Area 7/3
Municipality of Anchorage	48,219,600	56,164,680
Matanuska-Susitna	7,962,240	8,288,280
Kodiak	2,779,920	2,985,840
Fairbanks North Star	15,323,280	17,520,360
City & Borough of Juneau	5,903,040	6,743,880
Ketchikan Gateway	3,380,520	3,878,160
North Slope	12,252,240	9,987,120
N.W. Arctic	4,821,960	3,981,120
Bering Straights	3,483,480	3,020,160
Lower Yukon	2,728,440	2,299,440
Lower Kuskokwim	4,238,520	3,929,640
Upper Kuskokwim	1,578,720	1,269,840
Nushagak-Bristol Bay	3,088,800	2,574,000
Lake & Peninsula-Bristol Bay	3,517,800	2,728,440
Aleutian Chain	1,287,000	1,201,200
Pribilofs	240,240	274,560
Adak	789,360	909,480
McGrath (Iditarod)	5,577,000	4,255,680
Middle Yukon	7,962,240	6,246,240
Upper Yukon	7,052,760	5,388,240
Upper Railbelt	1,338,480	1,115,400
Upper Tanana West	1,424,280	1,372,800
Upper Tanana East	2,350,920	1,836,120
Copper River	3,329,040	2,694,120
Northern Panhandle	2,368,080	2,093,520
Southern Panhandle	3,963,960	3,912,480
Metlakatla-Annette	257,400	291,720
Chugach	3,397,680	3,294,720

Introduced: 4/16/80
Referred: Community & Regional Affairs and Finance

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE BILL NO. 1010

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for local capital projects; establishing the capital projects foundation fund; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 44.42.020 is amended by adding a new paragraph to read:

(14) adopt regulations for management of the capital projects foundation fund established under AS 44.42.100 and administer that fund.

* Sec. 2. AS 44.42 is amended by adding new sections to read:

ARTICLE 2. CAPITAL PROJECTS FOUNDATION ENTITLEMENTS.

Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND. (a) There is established in the department a capital projects foundation fund for the purpose of providing state assistance for improvement, maintenance and new construction costs of local capital projects. Within the limits of appropriations for the purpose, the department shall make entitlements for capital projects to organized boroughs, to home rule municipalities as defined in AS 29.08.010, and to municipalities unified under AS 29.-68, which have capital improvement plans.

(b) Within the limits of appropriations for the purpose, the department shall make and manage entitlements for capital projects for unorganized boroughs if a version of an Act entitled "An Act relating to unorganized boroughs, establishing unorganized boroughs, establishing a program of financial assistance for the preparation of regional plans by unorganized boroughs, permitting adoption of home rule charters by unorganized boroughs, and directing submission of recommendations con-

cerning adjustment of the boundaries of service areas of the unorganized borough; and providing for an effective date" is enacted. If that bill is not enacted, the department shall make and manage entitlements for capital projects for each regional educational attendance area organized under AS 14.08.031.

(c) A first class city which has not adopted a home rule charter and which is outside of an organized borough and outside of a regional educational attendance area shall be included in the capital improvement plan and shall be represented on the regional council of a regional educational attendance area or an unorganized borough which borders the city.

(d) The amount of appropriations authorized for the capital improvements foundation fund for each fiscal year is equal to $200 times the state population as annually determined by the Department of Labor.

Sec. 44.42.110. ELIGIBLE FACILITIES. An entitlement from the capital projects foundation fund may be used for improvement, maintenance, or new construction costs of the following type of facility if the project is identified in a capital improvement plan under AS 44.42.-130:

(1) libraries;

(2) community and emergency detention facilities;

(3) fire halls, including the purchase of fire vehicles;

(4) parks;

(5) recreational facilities;

(6) water and sewer facilities;

(7) health facilities;

(8) community centers;

(9) cultural facilities;

(10) transportation facilities which do not duplicate state

facilities and which are not inconsistent with the state transportation plan under AS 44.42.050 as determined by the department, including

(A) service roads;

(B) trails;

(C) harbors and docks for small boats;

(D) seaplane floats;

(E) public transit facilities, including the purchase of transit vehicles;

(F) emergency and recreational airstrips for small aircraft.

Sec. 44.42.120. REGIONAL COUNCILS. (a) A regional council shall be established for each unorganized borough if a version of an Act entitled "An Act relating to unorganized boroughs, establishing unorganized boroughs, establishing a program of financial assistance for the preparation of regional plans by unorganized boroughs, permitting adoption of home rule charters by unorganized boroughs, and directing submission of recommendations concerning adjustment of the boundaries of service areas of the unorganized borough and providing for an effect date." is enacted. If that bill is not enacted, a regional council shall be established for each regional educational attendance area. A regional council shall be composed of 15 members as follows:

(1) one elected official who is selected by the city council of each first class city located within an unorganized borough or regional educational attendance area, or which is included in an unorganized borough's capital improvement plan or a regional educational attendance area's capital improvement plan under AS 44.42.100(c);

(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within an unor-

ganized borough or regional educational attendance area; members from second class cities shall be elected officials.

Sec. 44.42.130. CAPITAL IMPROVEMENT PLANS. (a) With assistance from the department, each regional council established under AS 44.42.-120 shall formulate a capital improvement plan. To qualify to receive an entitlement from the capital projects foundation fund, each organized borough, home rule municipality, and unified municipality shall formulate a capital improvement plan. A capital improvement plan formulated in accordance with this section shall be a five-year plan updated annually, and shall

(1) identify all capital projects needed in the borough, municipality, or regional educational attendance area;

(2) assign a priority to each capital project identified;

(3) include cost estimates for each capital project;

(4) include a list of needed capital projects which are not eligible for an entitlement from the capital improvement foundation fund;

(5) identify possibilities for projects involving facilities having more than one use;

(6) consider the feasibility of waste heat utilization and other energy-saving measures for capital projects;

(7) provide for site acquisition for capital projects; and

(8) provide for needed public access and utilities.

(b) A capital improvement plan and revisions to a capital improvement plan for an unorganized borough or regional educational attendance area shall be adopted by the regional council after a public hearing and submitted to the department.

(c) A capital improvement plan and revisions to a capital improvement plan for an organized borough, home rule municipality, or unified

municipality shall be submitted by the regional council to the city council or borough assembly. After a public hearing, and after approval by the council or assembly, a capital improvement plan shall be submitted to the department.

* Sec. 3. AS 44.42 is amended by adding a new section to read:

Sec. 44.42.140. DISTRIBUTION OF ENTITLEMENTS. (a) Entitlements from the capital projects foundation fund shall be distributed annually by the department to each organized borough, home rule municipality, and unified municipality which has submitted a capital improvement plan as required by AS 44.42.130. Entitlements from the capital projects foundation fund shall be distributed annually to accounts established by the department for each unorganized borough or for each regional educational attendance area which has submitted a capital improvement plan as required by AS 44.42.130.

(b) The amount of an entitlement shall be allocated one-half on the basis of adjusted population and one-half on the basis of adjusted area. An entitlement shall be the ratio of the adjusted population to the total adjusted population plus the ratio of the adjusted area to the total adjusted area, times one-half the amount of an appropriation to the capital projects foundation fund.

* Sec. 4. AS 44.42 is amended by adding new sections to read:

Sec. 44.42.150. USE OF ENTITLEMENTS. (a) An entitlement from the capital projects foundation fund distributed to an organized borough, home rule municipality, or unified municipality may be used only for projects identified in a capital improvement plan submitted to the department. Each recipient shall determine which project or projects to finance with the entitlement received each year under AS 44.42.140.

(b) An entitlement from the capital projects foundation fund to an organized borough, home rule municipality, or unified municipality shall

how much authority? Legislature?

be disbursed in accordance with an agreement between the commissioner and the recipient.

(c) An entitlement from the capital projects foundation fund for a project located in a first or second class city as part of the capital improvement plan of an unorganized borough or a regional educational attendance area may be disbursed, with the concurrence of the city council of the first or second class city, subject to the following terms:

(1) that the first or second class city will secure, retain and protect title to the site of an existing facility or on which a new facility is to be constructed; for purposes of this paragraph it is sufficient that title is obtained in fee or by a lease which provides that the city enjoys exclusive use of the site and any improvements for the estimated life of the facility;

(2) that the first or second class city will assume responsibility for the operation of the facility to be financed with the entitlement, and the feasibility of the discharge of this obligation shall be demonstrated to the satisfaction of the commissioner before the payment of the entitlement.

(d) If it appears that the cost of a capital project financed by an entitlement from the capital projects foundation fund to an organized borough, home rule municipality, or unified municipality will vary substantially from the cost estimated at the time the entitlement was made for the project, the recipient is responsible for obtaining the additional money needed to complete the project. This additional money may be obtained from other entitlements made from the capital projects foundation fund. If a project financed by an entitlement from the capital projects foundation fund to an organized borough, home rule municipality, or unified municipality costs less to complete than esti-

mated at the time the entitlement was made, the recipient may use the excess money on other projects in its capital improvement plan.

(e) In an unorganized borough or regional educational attendance area each regional council shall annually determine which projects in its capital improvement plan to finance with entitlements from the capital projects foundation fund. The department is responsible for the design and construction of the projects selected by a regional council under this subsection and shall carry out the projects in accordance with AS 36.

(f) An entitlement from the capital projects foundation fund may be used to match state or federal grants.

Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160

(1) "adjusted area" means the area in square miles of a home rule municipality, unified municipality, organized borough, or unorganized borough or regional educational attendance area which has a capital improvement plan, multiplied by the construction cost differential;

(2) "adjusted population" means the population, as determined by the Department of Labor using the latest figures of the United States Bureau of the Census, of a home rule municipality, unified municipality, organized borough, or unorganized borough or regional educational attendance area which has a capital improvement plan multiplied by the construction cost differential;

updated? how about rev. sharing figures.

(3) "construction cost differential" means one plus the percentage by which average construction costs in a home rule municipality, unified municipality, organized borough, or unorganized borough or regional educational attendance area are greater than or less than the average construction costs in Anchorage as determined by the department using the latest available figures;

(4) "improvement" means renovations and additions to an existing facility which allow for better service than the facility provided in its original condition;

(5) "improvement, maintenance or new construction costs" includes, in addition to costs directly related to the project, the total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property;

(6) "maintenance" means restoration and repair needed to keep a facility as close as possible to its original condition.

* Sec. 5. Sections 1, 2, 4 and 5 of this Act take effect July 1, 1980.

* Sec. 6. Sections 3 and 6 of this Act take effect July 1, 1981.

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

(6) any additional information which will facilitate understanding of the governor's proposed programs and financial plans by the legislature and the public. (§ 1 ch 188 SLA 1970; am § 7 ch 168 SLA 1978)

Effect of amendment. — The 1978 amendment rewrote this section.

Sec. 37.07.062. Capital budget. (a) The general appropriation bill required to be submitted to the legislature in § 20(a), of this chapter shall contain a separate section for capital outlays which is divided into subsections for each of the capital projects funds (AS 44.42.080) which lists, for each project, the (1) project identification number; (2) project title; (3) source of funding; (4) amount expended on the project during the preceding fiscal year, the amount authorized for the current fiscal year, and the amount proposed to be expended during the succeeding fiscal year; (5) estimated start for construction; (6) schedule of bond elections pertaining to the appropriation, including elections previously held. The total appropriation to each capital projects fund shall be reflected in the balance sheet of each fund as of June 30 of each fiscal year.

(b) Upon the effective date of the general appropriation bill, the amounts appropriated by the bill for capital outlay shall be paid into the appropriate capital project funds established under AS 44.42.080.

(c) The balance sheet of each capital projects fund (AS 44.42.080) shall, at the end of eac' fiscal year, contain the following items so as to reflect the status of each fund and that the appropriations to each fund are not based upon a fiscal year:

(1) cash with treasury — shows a normal debit balance;

(2) bonds authorized and unissued — shows a normal debit balance; these are assets of each fund and shall be sold in accordance with the election date of each authorization; the proceeds are expended on a first-in, first-out basis;

(3) bonds to be authorized — shows a normal debit balance; these shall be reflected in general obligation bond or revenue bond act proposals accompanying each year's capital improvements program revision; the general obligation bond act proposals are to provide funding for the three fiscal years following the general election date;

(4) general fund; reserve for capital outlay — shows a normal debit balance; this is the amount required by AS 37.05.157 to be included in the general appropriation bill as the reserve for capital outlay to cover the succeeding six-year planning period;

(5) general fund; other — shows a normal debit balance; additional appropriations from the general fund above those required by law for capital outlay;

(6) other funds — shows a normal debit balance; appropriations from other state funds for capital outlay;

(7) federal aid — shows a normal debit balance; includes funds expected to be received from federal sources for capital projects;

(8) expenditures, prior fiscal year — shows a normal credit balance;

(9) encumbrances — shows a normal debit balance;

(10) reserve for encumbrances — shows a normal credit balance;

(11) fund balance — shows a normal zero balance.

(d) The annual financial report of the state shall contain the following statements for each capital projects fund:

(1) balance sheet;

(2) analysis of changes in bonds authorized and unissued;

(3) analysis of changes in bonds to be authorized;

(4) analysis of changes in funds to be provided by others;

(5) statement of expenditures and encumbrances compared to appropriations. (§ 8 ch 168 SLA 1978)

Sec. 37.07.070. Legislative review. The legislature shall consider the governor's proposed comprehensive operating and capital improvements programs and financial plans, evaluate alternatives to the plans, make program selections among the various alternatives and determine, subject to available revenues, the level of funding required to support authorized state services. During each regular session of the legislature, legislative review of the plans shall be accomplished according to the following schedule:

(1) By the 45th legislative day, the legislature shall have established by concurrent resolution the total amount of state general funds that shall be available for appropriation for the budget year and the tentative allocation of the funds among program categories in both the operating and capital budgets. The resolution shall be introduced by the finance committee of the house in which the general appropriations bill was introduced.

(2) By the 90th legislative day, the house in which the general appropriations bill was introduced by the governor shall have calendared for second reading a version of the general appropriations bill. The bill shall be supported with documentation to explain the proposed appropriations and related statements of intent. In addition, a list of other appropriations or measures with fiscal implications pending before the legislature shall be included with the documentation for the calendared bill. (§ 1 ch 188 SLA 1970; am § 1 ch 66 SLA 1977; am § 9 ch 168 SLA 1978)

Effect of amendments. — The 1977 amendment added the second sentence of the introductory paragraph and paragraphs (1) and (2).

The 1978 amendment, in the introductory paragraph, substituted "operating and capital improvements programs and financial plans" for "program and financial plan" in the first sentence and "the plans" for "the plan" in the first and second sentences.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Tamara Cook
FROM: Marjorie Gorsuch
DATE: 4/7/80
RE: Capital Projects Foundation Fund Bill

We have reviewed SB 546 and would like the House version of the bill drafted as a companion to SB 546 but with the following changes:

p. 3 lines 8 and following should read:
(1) one representative from each first class city selected by their city councils who are elected officials from first class cities located within the unorganized borough or regional educational attendance area;
(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within the unorganized borough or regional educational attendance area. Second class city representatives shall be elected officials.

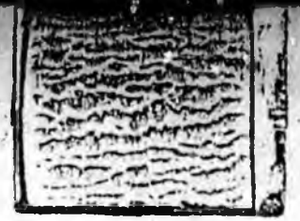
p. 4 line 1
(5) identify shared facility opportunities

p. 5 lines 10 and following:
Delete wording following "recipient"
Draft a new (c) to read as follows:
(c) For projects built in first or second class cities in the unorganized boroughs, upon concurrence by the Council, the commissioner may make an agreement including any provision agreed upon by the parties, including the following:
(continue with line 13)

Bill would like the bill ready for our 8:30 A.M. Committee meeting on 4/9 and for introduction that day. Many thanks.

GENERAL APPROPRIATIONS ACT
FY 80 CAPITAL PROJECTS BY ELECTION DISTRICT
($ millions - All Funds)

District	Name	Total	%
01	Ketchikan	1,671.4	1.34
02	Wrangell/Petersburg	2,605.0	2.09
03	Sitka	91.0	.07
04	Juneau	15,632.8	12.58
05	Cordova/Valdez/Seward	5,610.0	4.51
06	Palmer/Wasilla/Matanuska	2,475.0	1.99
07-12	Anchorage	42,735.2	34.41
13	Kenai/Soldotna/Homer	546.2	.43
14	Kodiak	1,222.3	.98
15	Aleutian Islands/Kodiak	1,030.0	.82
16	Dillingham/Bristol Bay	10,136.4	8.16
17	Bethel/Lower Kuskokwim	4,150.6	3.34
18	Galena/McGrath/Hooper Bay	5,761.7	4.63
19	Nenana/Ft. Yukon/Tok	18,426.9	14.83
20	Fairbanks	5,660.7	4.55
21	Barrow/Kotzebue	1,986.3	1.59
22	Nome/Seward Peninsula	4,445.6	3.57
	Total	$124,187.4	99.89



THIS PROGRAM CORRECTLY CALCULATES FACTORS FOR THE FULL APPROPRIATION AND USES RAW POPULATION AND LAND AREA FROM THE HANDOUT BY DIVIDING BY 1.25

Construction differential not included

DRAFT

CALCULATED FOUNDATION CAPITAL PROGRAM FACTORS FOR VARIOUS STATE RECIPIENTS WITH THE WEIGHTS FOR ADJUSTED POPULATION AND ADJUSTED LAND AREA VARIED FROM A ZERO-ONE WEIGHT (POP TO LAND) TO A ONE-ZERO WEIGHT (POP TO LAND).

RECIPIENT	Pop 0./1. Land	.1/.9	.2/.8	.3/.7	.4/.6	.5/.5	.6/.4	.7/.3	.8/.2	.9/.1	1./0.
MUNICIPALITY OF ANCHORAGE	.0032	.0495	.0958	.1421	.1884	.2347	.2810	.3273	.3736	.4199	.4662
MATANUSKA-SUSITNA	.0350	.0369	.0388	.0407	.0426	.0445	.0464	.0483	.0502	.0521	.0540
KODIAK	.0093	.0104	.0116	.0127	.0139	.0150	.0162	.0174	.0185	.0197	.0208
FAIRBANKS NORTH STAR	.0128	.0255	.0383	.0511	.0638	.0766	.0893	.1021	.1149	.1276	.1404
CITY AND BOROUGH OF JUNEAU	.0053	.0101	0150	.0199	.0247	.0296	.0344	.0393	.0442	.0490	.0539
KETCHIKAN GATEWAY	.0021	.0051	.0080	.0109	.0138	.0168	.0197	.0226	.0255	.0285	.0314
NORTH SLOPE	.1505	.1373	.1242	.1110	.0978	.0846	.0714	.0582	.0450	.0318	.0186
N.W. ARCTIC	.0575	.0526	.0477	.0428	.0379	.0330	.0281	.0232	.0183	.0134	.0085
BERING STRAIGHTS	.0367	.0339	.0312	.0285	.0258	.0230	.0203	.0176	.0149	.0121	.0094
LOWER YUKON	.0305	.0281	.0256	.0232	.0207	.0183	.0159	.0134	.0110	.0085	.0061
LOWER KUSKOKWIM	.0359	.0341	.0322	.0303	.0285	.0266	.0247	.0229	.0210	.0192	.0173
UPPER KUSKOKWIM	.0198	.0181	.0163	.0145	.0127	.0109	.0092	.0074	.0056	.0038	.0021
NUSHAGAK-BRISTOL BAY	.0358	.0328	.0298	.0269	.0239	.0209	.0180	.0150	.0120	.0091	.0061
LAKE & PENINSULA-BRISTOL BAY	.0479	.0434	.0388	.0342	.0296	.0250	.0205	.0159	.0113	.0067	.0022
ALEUTIAN CHAIN	.0104	.0099	.0094	.0089	.0085	.0080	.0075	.0070	.0065	.0060	.0055
PRIBILOFS	.0002	.0004	.0006	.0008	.0010	.0012	.0014	.0016	.0018	.0021	.0023
ADAK	.0004	.0011	.0018	.0025	.0032	.0039	.0046	.0053	.0060	.0067	.0075
MCGRATH(IDITAROD)	.0788	.0711	.0634	.0557	.0479	.0402	.0325	.0248	.0171	.0094	.0017
MIDDLE YUKON	.1061	.0962	.0862	.0763	.0663	.0564	.0464	.0364	.0265	.0165	.0066
UPPER YUKON	.0992	.0895	.0798	.0701	.0604	.0508	.0411	.0314	.0217	.0120	.0023
UPPER RAILBELT	.0155	.0142	.0130	.0117	.0104	.0091	.0078	.0065	.0052	.0039	.0026
UPPER TANANA WEST	.0101	.0098	.0095	.0092	.0089	.0086	.0083	.0080	.0077	.0074	.0071
UPPER TANANA EAST	.0315	.0286	.0256	.0226	.0196	.0167	.0137	.0107	.0078	.0048	.0018
COPPER RIVER	.0417	.0380	.0343	.0305	.0268	.0231	.0194	.0157	.0119	.0082	.0045
NORTHERN PANHANDLE	.0233	.0217	.0201	.0185	.0169	.0153	.0138	.0122	.0106	.0090	.0074
SOUTHERN PANHANDLE	.0249	.0246	.0243	.0240	.0237	.0234	.0231	.0228	.0225	.0222	.0219
METLAKATLA--ANNETTE	.0003	.0005	.0007	.0009	.0011	.0013	.0015	.0017	.0019	.0021	.0022
CHUGACH	.0236	.0229	.0223	.0217	.0211	.0204	.0198	.0192	.0186	.0180	.0173

CAPITAL FOUNDATION PROGRAM
(Construction and Maintenance)

FORMULA

Appropriations. The amount of appropriations authorized to be made to the capital foundation program for a fiscal year is equal to two hundred dollars times the state population.

Distribution. Amounts in the capital foundation program shall be distributed annually to municipalities and unorganized boroughs by the department by (a) allocating one-half of the amounts on the basis of population and one-half on the basis of area; and (b) determining the share of an individual municipality or unorganized borough by multiplying its population and area by the construction cost differential for that region. The minimum grant shall be five per cent of the largest distribution made to any municipality or unorganized borough.

Construction Cost Increases. The Department of Transportation and Public Facilities shall submit to the legislature on or before February 15 of each year an estimate of the average percentage increase in construction costs in the state during the previous year.

DEFINITIONS

(1) 'population" means the population of the state, municipality, or an unorganized borough as determined by the department using the latest figures of the U.S. Bureau of the Census or other reliable population data, including but not limited to school enrollments, public utility connections, registered voters, or certified employment payrolls.

(2) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the Department of Transportation and Public Facilities using the latest figures.

(3) "department" means the Department of Community and Regional Affairs.

ILLUSTRATION OF FORMULA (in round terms)

Base:	Population	X	Construction Cost Differential		Area (Sq. Mi.)	X	Construction Cost Differential	
Organized Areas	349,000		1.0	= 349,000	149,376		1.0	= 149,376
Unorganized Boroughs	80,000		1.25	= 100,000	437,036		1.25	= 546,295
	429,000			449,000				695,671

Appropriation: 429,000 X $200 = $85,800,000

Grant:

Adjusted Per Cent of Population X $200
Adjusted Per Cent of Area X $200

Organized Areas

349,000 / 449,000	= .78	X	$42,900,000	=	$33,462,000	
149,376 / 695,671	= .215	X	$42,900,000	=	9,223,500	
					$42,685,500	$42,685,500

Unorganized Boroughs

100,000 / 449,000	= .22	X	$42,900,000	=	$ 9,438,000	
546,295 / 695,671	= .785	X	$42,900,000	=	33,676,500	
					$43,114,500	43,114,500
					Total	$85,800,000

ILLUSTRATIONS, CAPITAL FOUNDATION ENTITLEMENTS

Appropriation: 429,000 X $400 = $171,600,000

Recipient	Pop./Area 6/4	Pop./Area 7/3
Municipality of Anchorage	48,219,600	56,164,680
Matanuska-Susitna	7,962,240	8,288,280
Kodiak	2,779,920	2,985,840
Fairbanks North Star	15,323,880	17,520,360
City & Borough of Juneau	5,903,040	6,743,880
Ketchikan Gateway	3,380,520	3,878,160
North Slope	12,252,240	9,987,120
N.W. Arctic	4,821,960	3,981,120
Bering Straights	3,483,480	3,020,160
Lower Yukon	2,728,440	2,299,440
Lower Kuskokwim	4,238,520	3,929,640
Upper Kuskokwim	1,578,720	1,269,840
Nushagak-Bristol Bay	3,088,800	2,574,000
Lake & Peninsula-Bristol Bay	3,517,800	2,728,440
Aleutian Chain	1,287,000	1 201,200
Pribilofs	240,240	274,560
Adak	789,360	909,480
McGrath (Iditarod)	5,577,000	4,255,680
Middle Yukon	7,962,240	6,246,240
Upper Yukon	7,052,760	5,388,240
Upper Railbelt	1,338,480	1,115,400
Upper Tanana West	1,424,280	1,372,800
Upper Tanana East	2,350,920	1,836,120
Copper River	3,329,040	2,694,120
Northern Panhandle	2,368,080	2,093,520
Southern Panhandle	3,963,960	3,912,480
Metlakatla-Annette	257,400	291,720
Chugach	3,397,680	3,294,720

ARLISS
FROM MARGO
RE CAPITAL FOUNDATION FUND

I attended the H CRA Committee hearing on this bill on Friday May 2.

Comments were generally supportive of the legislation, with suggested "technical" changes. Some of those suggestions were indeed technical. However, there were some major policy suggestions made regarding the legislation that I though you should be aware of.
The most significant one is a desire on the part of some folks (Kohler and Sharp in particular) to give greater power to local city governments rather than to boros. Both of these people would like to see an entitlement go to the city. From Kohler, I suspect it comes from fear of being overwhlmed by others in one's boro. Kohler also makes the point that cities are the strong part of local goverbment in Alaska and, therefore should be given what they have the power to do and handle. He sees the regional government folks being a planning body , not a construction or whatever body.
Chitwood presented a position that was mid-way between the Sharp/Kohler position and the position presented in the bill. As I understand it, she was advocating for cities to do their own planning, but bring it to the council and to let cities in oxx unorganized boros do their own building/ownership.

To accept the Kohler/Sharp position would be to move away from the philosophy behind the bill as written and move much more into the revenue sharing model.

Some aspects of the Chitwood approach could easily be incorporated and some might be highly advisable (ex. cities in unorganized boro to do their own handling of funds, when the regional council approves to DOT that the priority projects (s) is within the city.

Marge and I will be workin on this soon. Changes suggested of the technical sort will be incorporated. Do you have any thoughts to share re the policy questions? Please let me know?

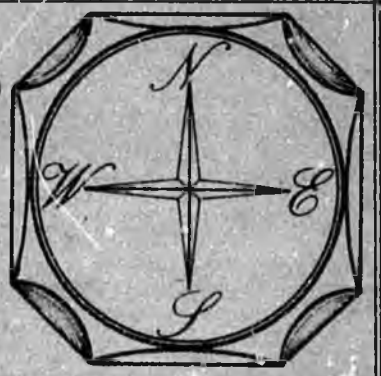
Daily News
4/8/80

Funding of capital projects for the state: a legislator's view

By SEN. ARLISS STURGULUSKI

Compass

Points of view from our community



It looks likely that by the end of this session of the legislature, legislators will have appropriated about $500 million for capital projects throughout the state. This wish list — translated by the budget process into concrete, stone, and many new construction jobs — comes from a variety of sources — state agency requests, the governor's additions, legislators' responses to citizen requests and legislators' desires to "do something for the folks back home."

Not all these projects are equally needed. Past experience indicates that some percentage will include projects no one wants to see built, other projects whose operation costs will be so high that local people will reject them, others for which maintenance funds are not available. Some of these projects will duplicate facilities that exist; some will be a source of community conflict if they are only desired by some special interest group. Many have been proposed because communities want to get their economies moving; but they will be frustrated by their inability to get the project on the line in time to have any effect on their current economic condition. On the other hand, some communities will have more projects than they can reasonably handle without overheating their economies. Some of these projects are "unknowns" — no preliminary design or cost estimates have been done, and no one is sure they should be built.

While this year's capital budget is the largest in Alaska's history, we all recognize that the state has long been in the local construction business. And the state will continue in this role because state government has greater revenues than local governments, because legislators "bring home the bacon," and because there is a need throughout the state for facilities of all sorts and for public works projects to affect economic goals.

Recognizing this reality, through the Senate Community and Regional Affairs Committee, I have introduced legislation (SB 546) which seeks to systematize the capital construction process by providing for local capital improvements planning and local determination of construction priorities. Identical legislation has been introduced by Rep. Bill Parker through the House Community and Regional Affairs Committee. Equity concerns have led us to propose a system that is similar to revenue sharing entitlements, except that, in addition to organized areas receiving funds, unorganized areas also receive entitlements. Let me briefly describe the scope of SB 546.

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the state for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and by advisory groups assisted by the Department of Community and Regional Affiars when there is no local government.

Organized boroughs, unified home rule municipalities, and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government...

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes. Home rule municipalities and organized boroughs expend funds themselves. In unorganized areas, the Department of Transportation and Public Facilities is responsible for fund expenditures. Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly signigicant in rural areas which do not now have a source of local match.

Capital Foundation Fund entitlements may be used for any priority established by the capital improvement plan in the following classes: libraries, cultural recreation, health and community facilities; neighborhood parks; emergency detension facilities; water, sewer, solid waste, and resource recovery facilities; and a variety of transportation facilities, such as local transit facilities and equipment.

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Sturgulusk is a Republican senator from Anchorage.

the back page

Gorsuch says 400 jobs on the line

Assembly: State must boos

By JULIE ANNE GOLD
Daily News reporter

The Anchorage Assembly telegraphed a "hard and distinct" message to the Anchorage School Board Monday night — either the state legislature produces an extra $16 million needed to finance next year's proposed school budget, or severe cuts will be made across the board in city school programs.

"That's where it is," said assemblyman Dave Rose at a special joint session of the assembly and school board. The assembly is "hard pressed this year" to meet diverse fiscal demands of various city groups, he said, and "would be reluctant to levy" any additional taxes to increase local school budget funding.

Board member Lee Gorsuch warned that more than 400 administrative and teaching positions would be cut if the assembly insisted on trimming the budget.

The city finances about $25 million of the present school budget; the rest comes from state and federal taxes. Next year's proposed $139.8 million budget represents a 5.1 percent increase over last year's combined $130 million spending for public and military base schools.

"This year we have absolutely got to rely on the legislature of Alaska to give us the rest," Rose said. "If they do not act with dispatch the budget will be much less than what the board recommended."

The legislature is considering amended Senate Bill 199, which proposes to increase state school foundations funds. Those funds now finance almost 75 percent of Al funding, anywhere from $3 million.

Rose estimates at least $1 earmarked for Anchorage.

Three or four assemblymen to go to Juneau Wednesday to bill now snagged in the House tee.

If the legislature still has funds by April 15, Rose said, most likely be made.

Gorsuch said most additio traced to fixed instructional c tional programs, and a "gobb

Superintendent of schools Anchorage students consist

Remaini funds m

By BOB SHALLIT
Daily News business reporter

The state may be stopped from using over half of it federal road construction allo cation until well into the con truction season unless the Fed eral Highway Administratio revises its funding guidelines, officials said Monday.

Bob Ward, director of the state Department of Transportation and Public Facilities, said he has asked the FHA to reconsider the guidelines, which are part of a massive funding cut announced last week by the government.

Under that program, which was inspired by President Carter's budget balancing plans,

Daily News
4/8/80

Funding of capital projects for the state: a legislator's view

By SEN. ARLISS STURGULUSKI

Compass

Points of view from our community

It looks likely that by the end of this session of the legislature, egislators will have appropriated about $500 million for capital rojects throughout the state. This wish list — translated by the udget process into concrete, stone, and many new construction obs — comes from a variety of sources — state agency requests, he governor's additions, legislators' responses to citizen requests nd legislators' desires to "do something for the folks back ome."

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Playing the game of legislative end-around

Tom Rhodes

by Tom Fink

THE LEGISLATURE is much like a football game. You don't win or lose until the game ends. Being an armchair quarterback, however, I am very disturbed by some of our plays and lack of success. It is as if the TV announcer is telling me that our team is running when I can in fact see that it is passing.

Our legislature and governor have resisted any tax repeals on the basis that we would be aiding non-residents. Yet they turn around and pass a new permanent fund law which unequivocally dedicates our permanent fund for investments for non-residents. The permanent fund law among other items specifically provides that not more than 15 percent of the fund can be invested in real estate mortgages in Alaska and in any case must have a yield equal to mortgages outside the state.

The permanent fund law is a non-resident law. It has many interesting provisions. After February of this year 50 percent of the oil monies shall go into the fund rather than 25. The fund is not designed for the benefit of Alaskans. It specifically demands that the state seek the highest possible return. It lists a series of permissible investments. Most of the investments are in federal government securities or securities backed by federal gurantees. However, the fund can invest in corporate bonds, short term corporate notes, and bankers acceptances.

Investments in corporate bonds are limited to 25 percent of the permanent fund and investments in Alaska real estate mortgages are limited to 15 percent of the fund. There is no limit on the other investments.

The bill further provides that the interest income only is considered income and goes to the general fund each year with two exceptions. Losses on the sale of any securities are deducted from the income and gains from the sales of securities are left in the permanent fund. Further, the income of the fund which is transferred to the general fund is the lesser of the actual income of the fund or the five year average of income.

THE HOUSE also has passed a bill taking $900 million out of the general fund and transferring it into the permanent fund. If making the permanent fund larger than the constitution requires and investing substantially all of the money outside is aiding the residents, someone will have to point out some new logic.

At the same time the legislature dawdles in its consideration of any tax repeal. Since 10 percent of the recipients of the income tax repeal would be non-residents, the other 90 percent of us must continue to pay taxes even though everyone acknowledges the state treasury does not need our tax money. There is only one conclusion. The issue of resident or non-resident is a red herring. The governor and the legislature don't want to give up the power which is created by the retention and control of large sums of money.

Recently Sen. Sturguluski introduced a bill which is supposed to make state aid available to local government for capital improvement projects. That's not what the bill does. The bill makes state money available for capital improvement projects primarily in the areas of the state where there is no local government.

It would be quite simple to set up a local government capital improvement fund and allow each local government to draw on that fund based upon it's population. Sen. Sturguluski's bill, SB546, however, has an intricate formula of entitlement. It is safe to say that with Anchorage having nearly 50 percent of the population, it will only be able to draw about 5 percent of the money.

HER BILL DIVIDES half of the fund based on population plus a cost differential factor. The effect of the cost differential factor is that each Anchorage citizen is counted as one-fifth of a citizen or each remote area citizen is counted as five citizens. The other half of the fund is to be divided based upon area. Now what in the world does area have to do with capital improvements? Capital improvements are designed for the use of people. The size of the area is further bent by the application of the construction cost factor, which results in the urban areas being cut by five or the rural areas being multiplied by five.

Her bill provides that the state shall put $200 per citizen into the fund and under her complicated formulas, Anchorage will receive about $10 per citizen. The other $190 per citizen will go to the other areas of the state where there is not any local government. All of the urban areas of the state are dramatically penalized.

Our state government should be doing everything that it can to promote the rural areas of the state to form local governments. By forming local governments they can accept some of the tax burden of government and can assume the responsibility for providing the necessary local government services. This legislation is a disincentive to form a local government.

Also in Sen. Sturguluski's bill the urban area with the local government must assume the cost of maintenance and operation, which is appropriate. However, the vast areas of the state with little population can draw on the account for maintenance and operation.

Everyone, including a governor and a legislator, is entitled to his own opinion. However, our elected representatives ought not to tell us one thing while doing another.

We can still win, but it is now the fourth quarter and we, the Alaskans Citizens, are behind 49-7.

Tom Fink, an Anchorage insurance man, is a former speaker of the Alaska House of Representatives.

Editorial Opinion and Comment of

FAIRBANKS
Daily News-Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

3/20/80

Program for pork

It wasn't long ago when Alaskan communities grubbed about in hot competition for a few million dollars a year in state budget appropriations. We cheered heartily when we got a new office building or a new highway out of the tight state budgets to boost our local economy.

Now the state is basking in new wealth, and we find our civic pork barrel specialists dressing their wish lists up like the nouveau riche strutting to their first society affair. It's no longer called "pork" or even "local capital improvements projects"—now it's a grand plan for remaking our cities in some future image.

Down in Anchorage the municipality is pressing the Legislature with a "Program for the 80s" to pour hundreds of millions of state dollars into civic centers, theaters and other projects. Many of the same projects are also advanced again under the cover of a world fair proposal in the "Expo 84" movement.

Up here we have the "Program for Progress," unveiled last week as a joint lobbying effort by the borough and the cities of Fairbanks and North Pole. The legislators who will get this pitch are all smart politicians who know the taste of pork even when it's cooked and served like veal. It's important, however, that the rest of us also understand this program for what it is before we get fooled into throwing a lot of popular support behind some local political hat trick.

First off, let's make it clear that there are some very valuable civic projects in the "Program for Progress" that do genuinely deserve our support. Most are relatively cheap, and they stand out like nuggets in the bottom of a pan:

- A long-overdue extension and rebuilding of the city's steam heat system;
- A community beautification program;
- A comprehensive geologic mapping of the Fairbanks area with a feasibility study of whether an ore processing plant should be built here;
- Renovation of the Fairbanks Recreation Center;
- A program of city utility system improvements; and
- Some modest capital projects from the University of Alaska added to give the grandiose "wish list" some credibility.

But the largest pieces of the local program deserve nothing but spirited opposition. Most are just examples of a government planner's dreams gone wild. They are things that would be added to our local government burden without even a vote of the people.

For instance, the proposal for a rebuilt downtown area notes that in the land ownership, "Many parcels are small and owned by different individuals, hindering consolidation of land for larger developments." Fairbanks's oldest families must be selfish individuals, one concludes, to let their lifetime investments stand in the way of a bureaucratic utopia.

The justifications for the big government projects are thin. For instance, four large public parking garages are proposed downtown at $10 million to $13 million each, because "traffic congestion and parking shortages are contributing to air quality problems." In truth, traffic is less congested, the air is cleaner and there are far more parking places downtown than was the case 10 years ago.

Other proposals are things that have been rejected by Fairbanks voters in the past. The Blue Line Club's hockey rink is back, with the cost up to $7.7 million. The major focus of public opposition in the old East Side Neighborhood urban renewal plan is also back in the form of a $2 million request for Third and Seventh avenue access roads from downtown to the Steese Expressway.

This last point was specifically rejected by voters in the urban renewal repeal initiative in 1972. It has cropped up several times since then but former city mayor Harold Gillam, who was elected in 1972 while running on the initiative platform, kept shooting it down. Now he's no longer mayor, and it's surfaced again. The proposal would require condemnation of homes and widening of two streets through our oldest neighborhood just to save busy drivers a fraction of a minute in zooming downtown on their urgent business. Of course the time saved would be lost by two new traffic signals on the "expressway."

As for the $13.4 million borough office building, even a Juneau waste basket is too good a place for that proposal.

While there are some good points added in the confusion, the "Program for Progress" is mainly a program for bankruptcy for local taxpayers.

Fink: Pay off state debts

By ROSEMARY SHINOHARA
Daily News reporter

A breeding ground for corruption and fraud would be created.

Alaska would have "social programs coming out our ears....They could lower the student/teacher ratio to one to one."

The state will pay people not to work.

State employes will reap much higher salaries.

And the state will be into all sorts of businesses, from banking to fishing.

That's Tom Fink's view of what will happen if the state decides to keep, rather than spend, it's huge revenue surplus.

Fink, a conservative Republican leader who served several years in the state House including a term as speaker, said he thinks whether the legislature attempts to keep the money, return it to the people or spend it, the state's going to end up spending it.

Given that, he's in favor of holding down the state operating budget, and using the money for two major purposes:

- Paying off its $750 million in bonded debt;
- And, paying for "a very expanded capital improvements program."

The state has so much money it could build a capital, build the $3 billion to $4 billion Susitna dams, pay for crossings on Tarnagain and Knik arms, build roads, bridges and docks, he said.

Besides all of that, the state set aside a fund for local governments to draw on for their own capital improvement projects.

The important thing is to see that government does not have a surplus, he said. "We have to find a wise way to take it out of state hands. We ought to eliminate personal, corporate and the special oil and gas income tax. We can easily do that and still have a huge surplus."

Severance taxes on oil pumped out of the ground ought to be lowered until they're the same rate as other states charge, he said.

Tom Fink

And he suggested the state could pay off some of the national debt with money left over. "Wouldn't that be wonderful?"

While he favors eliminating various taxes, Fink indicated he doesn't like the idea of the state giving $350 to each resident,a proposal passed by the state House.

"I think it would attract a lot of people to Alaska just to get $350." The type of person who would come for that probably wouldn't be a very good type for Alaska to have, he said.

What he thinks will happen, Fink said, is that state income taxes will be suspended. "There'll be 146 people we don't need to collect income tax. But we'll need 500 people to pass it out," he joked.

While he doesn't want the government to stockpile surpluses, Fink noted projections are that by the year 2,000, the state will have a $200 billion surplus. "That's one-half million for every man, woman, and child. If you have a wife and 11 kids, that $6.5 million," he noted.

Fink has a wife and 11 kids.

Study in magnificent new edifices

hayden green

If, a few months ago, anyone would have suggested that I would be advocating the need for another impact statement, my reaction would have been to suggest a sobriety test.

It does seem, however, that another impact statement is in order and should relate to property taxes. With all the people showing up in Juneau, hats in hands, and all chorusing a syncopated version of, "How about a free lunch," we really need to take a look at whether Alaska property owners can afford to lay out the birdseed required to satisfy the warblings of these insatiable songbirds. We may find that those tempting free lunches are accompanied by a sizable bill for the fancy fiddle music that renders their theme song.

Just suppose that the folks in Juneau do decide to part with the big bucks for a whole slew of public buildings for Anchorage. In the midst of all the jubilation and mutual backslapping over having managed to get our fair share of the pie, let's don't neglect a look at that day in the not so distant future when all the fanfare has subsided and the dust has settled and we are left sitting in the shadows of all these new and magnificent edifices.

Do you imagine Juneau will continue to fork over the means to maintain and operate these buildings? I really don't think so. My guess is that the property owners will be called on to dig a little deeper and come up with the money to feed this extra drain on the public expense burden.

Doubtless, about this time, someone will decide that the roads servicing all these sparkling new structures are simply inadequate and demand improvements. No sooner has this situation been corrected when, lo and behold, we will discover that the parking downtown just will not meet the needs of all those people using all those roads to get to all those buildings, and we will be faced with the construction of parking garages to meet those needs. Who do you think will be allowed to pay for all this?

A lot has been written recently about the salary increases that the Legislature voted themselves. I want to go on record as stating that I think these people aren't being paid enough. Because, as my old daddy used to say, "If all you pay is peanuts, you're liable to attract nothing but monkeys," and judging from the chattering that continues to emanate from the capital, we in Alaska have managed to attract our own circus.

3/11/80

Legislature gets 'anti-pork' proposal

By ROXINNE ERVASTI
Associated Press Writer

JUNEAU—A formula for allocating construction money throughout the state based on population and area has been proposed in the Legislature. One lawmaker said the idea might be looked upon as an "anti-pork barrel" bill.

The proposal was presented to the Senate and House Community and Regional Affairs committees Wednesday. The House panel did not discuss it but there was some debate over it in the Senate committee, which plans to introduce it soon.

The bill, yet to be drafted, would set up a "capital foundation fund" which the Legislature would appropriate to on an annual basis, starting with about $86 million this year. Advisory committees in unorganized boroughs would set their own spending priorities.

The idea is to get more public input in unorganized boroughs, which now primarily rely on individual legislators to "bring home the bacon."

Sen. Arliss Sturgulewski, R-Anchorage, and chairman of the Senate panel, said the legislation would have been "an anathema" in the days before the state's oil wealth.

"But now we're seeing $500 million proposed for capital improvements . . . what we're doing, by the Legislature being the sugar daddy, is throwing the burden on many municipalities for operational costs."

She said if a detailed study was made of the long-range results of current spending proposals on local entities, "the fiscal note would be staggering beyond belief."

In summary, the intent and provisions of the proposal are:

• Where there is local government, capital improvement plans would be developed much as they are now;

• In unorganized boroughs, advisory groups would set spending priorities;

• The allocations could be accumulated over several years for large projects, and they could be used as match for state and federal grants—thus assisting areas that have no way of raising match money now;

• Funds could be used for maintenance and operation as well as construction, thus getting around what Mrs. Sturgulewski said is a situation where communities are indirectly encouraged not to maintain structures so that they can eventually get "construction" appropriations for repairs.

A suggested formula is that the fund total the equivalent of $200 per capita in the state.

Allocation would be based on one half the population of a municipality or unorganized borough, and one half its area. Allocations would be determined by multiplying area and population times a construction cost differential. Each entity gets a minimum of 5 percent of the largest distribution made.

Sen. Bob Mulcahy, R-Kodiak, joked that the intent appeared to be to wipe out the "pork barrel" process. "The legislative process, while it may not be all that good, is a heck of a lot better," he said. "I'm accountable back there. This would just create another layer of government."

Sen. Tim Kelly, R-Anchorage, said he could not support the concept.

"You're saying you would give $42 million to the organized boroughs, which have a population of 349,000, and twice as much, $85 million, to the unorganized boroughs, which only have 80,000 people," he said.

Mrs. Sturgulewski said nothing would preclude the Legislature from making additional appropriations.

A related measure that has already been passed by her committee (CSSB 348) would establish a system of planning grants for unorganized boroughs.

The grants, a minimum of $25,000 plus $25 per capita each year for up to three years, would allow the unorganized boroughs to study whether they want to organize.

The Anchorage Times

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City/State

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Spending formula proposed

by Roxanne Ervasti
Associated Press

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Sen. Pat Rodey, D-Anchorage, said he saw the concept as a "reform" and said it would get money out to local areas immediately, in contrast to the backlog of bond projects approved by voters.

"It would have an important impact on the legislative process by making the local voice stronger," said Rodey. "I see it as having a leavening effect on the ups and downs of a change in legislative leadership."

Sen. Terry Stimson, D-Anchorage, supported it. "I see it causing a legislator to come down here with a list of priorities from the people back home who had an opportunity to set them," he said.

Sturgulewski said nothing would preclude the Legislature from making additional appropriations, but that her idea would guarantee a minimum kind of revenue sharing for capital construction.

ILLUSTRATION OF FORMULA (in round terms)

Base:	Population	X	Construction Cost Differential		Area (Sq. Mi.)	X	Construction Cost Differential	
Organized Areas	349,000		1.0	= 349,000	149,376		1.0	= 149,376
Unorganized Boroughs	80,000		1.25	= 100,000	437,036		1.25	= 546,295
	429,000			449,000				695,671

Appropriation: 429,000 X $200 = $85,800,000

Grant:

Adjusted Per Cent of Population X $200
Adjusted Per Cent of Area X $200

Organized Areas

349,000 / 449,000	= .78	X	$42,900,000	=	$33,462,000	
149,376 / 695,671	= .215	X	$42,900,000	=	9,223,500	
					$42,685,500	$42,685,500

Unorganized Boroughs

100,000 / 449,000	= .22	X	$42,900,000	=	$ 9,438,000	
546,295 / 695,671	= .785	X	$42,900,000	=	33,676,500	
					$43,114,500	43,114,500
					Total	$85,800,000

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

April 3, 1980

Dear Alaskan:

This package of material is about SB 546, proposing a Capital Foundation Fund for construction of capital projects throughout Alaska. This bill is a further result of the work conducted by the Joint House and Senate Community and Regional Affairs Committees during the summer of 1979. During the course of the Committees' work, many people identified problems regarding planning for and funding capital projects. We feel that SB 546 proposes a viable solution to difficulties experienced throughout the state. We hope that you will read the enclosed descriptive materials and the bill itself.

Senate Bill 546 proposes a systematic approach to construction of capital projects. Every area of the state would receive a formula entitlement, much like revenue sharing. Expenditure of the entitlement requires only the development of a capital improvement plan. In organized boroughs and home rule municipalities, local governments plan for and expend these funds themselves for eligible projects. In unorganized boroughs (as defined in SB 348 and HB 580), an advisory group plans for the capital projects, though the funds are expended by the Department of Transportation and Public Facilities, as their fiscally responsible agent.

Funds may be used for a variety of capital projects. Priorities are annually established on the borough level. Maintenance costs are also eligible for use of these Capital Foundation Funds. There are many other significant considerations in SB 546. Please read the descriptive material and the bill itself. Contact us regarding any suggestions for changes, comments, etc.

We look forward to hearing from you about the Capital Foundation Fund.

Sincerely,

Arliss Sturgulewski

Senator Arliss Sturgulewski
Chairman, Senate C/RA

Bill Parker

Representative Bill Parker
Chairman, House C/RA

Enclosure

Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

A JT. SENATE/HOUSE C/RA TELECONFERENCE WILL BE HELD APRIL 16, 1980 -- 1:30 P.M. JUNEAU TIME. PLEASE GO TO YOUR NEAREST LEGISLATIVE INFORMATION OFFICE LISTED BELOW:

RE: SB 546

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CAPITAL FOUNDATION PROGRAM
(Construction and Maintenance)

FORMULA

Appropriations. The amount of appropriations authorized to be made to the capital foundation program for a fiscal year is equal to two hundred dollars times the state population.

Distribution. Amounts in the capital foundation program shall be distributed annually to municipalities and unorganized boroughs by the department by (a) allocating one-half of the amounts on the basis of population and one-half on the basis of area; and (b) determining the share of an individual municipality or unorganized borough by multiplying its population and area by the construction cost differential for that region. The minimum grant shall be five per cent of the largest distribution made to any municipality or unorganized borough.

Construction Cost Increases. The Department of Transportation and Public Facilities shall submit to the legislature on or before February 15 of each year an estimate of the average percentage increase in construction costs in the state during the previous year.

DEFINITIONS

(1) 'population" means the population of the state, municipality, or an unorganized borough as determined by the department using the latest figures of the U.S. Bureau of the Census or other reliable population data, including but not limited to school enrollments, public utility connections, registered voters, or certified employment payrolls.

(2) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the Department of Transportation and Public Facilities using the latest figures.

(3) "department" means the Department of Community and Regional Affairs.

ILLUSTRATION OF FORMULA (in round terms)

Base:	Population	X	Construction Cost Differential		Area (Sq. Mi.)	X	Construction Cost Differential	
Organized Areas	349,000		1.0	= 349,000	149,376		1.0	= 149,376
Unorganized Boroughs	80,000		1.25	= 100,000	437,036		1.25	= 546,295
	429,000			449,000				695,671

Appropriation: 429,000 X $200 = $85,800,000

Grant:

Adjusted Per Cent of Population X $200
Adjusted Per Cent of Area X $200

Organized Areas

$\frac{349,000}{449,000}$ = .78 X $42,900,000 = $33,462,000

$\frac{149,376}{695,671}$ = .215 X $42,900,000 = 9,223,500 / $42,685,500 — $42,685,500

Unorganized Boroughs

$\frac{100,000}{449,000}$ = .22 X $42,900,000 = $ 9,438,000

$\frac{546,295}{695,671}$ = .785 X $42,900,000 = 33,676,500 / $43,114,500 — 43,114,500

Total $85,800,000

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

5/6/80 Letter Instead

TO: Tam Cook
FROM: Marjorie Gorsuch & Margo Waring
RE: CS 1010 and CS546 Work Draft

P. 1 Please develop an "intent" section based on the memo attached. Include those items you feel are relevent for such a section.

p. 2 Line 19 Add: An entitlement for a project identified in the capital improvement plan of an organized borough, home rule municipalities as defined in AS 29.08.010, or muncipalities unified under AS 29.-68 shall be made if the municipality has assumed the relevant powers. (or "and if the units of government identified in 44.42.100 (a) have assumed the relevant powers.")

p. 2 Line 23 Consolidate with line 24 to read: "(4) community parks and recreational facilities;" and renumber accordingly

p. 3 Line 21 "regional council shall be composed of no more than 11 members as follows:"

p. 3 Line 22 Change to read: "(1) at least one representative of each first class city located within an unorganized borough etc.

add

p. 3 Line 26/"Representatives of first class cities shall be elected officials selected by the city council."

p. 4 Line 3 and following rewrite as follows:
(a) With assitance from the department, each regional council established under AS 44.42.120 shall formulate an annually updated capital improvment plan for at least a five year period. Such plan shall:
(1) identify .....(continue with line 11-27)

Line 28 Add a new (c) to read:

"(c) To qualify to receive an entitlement from the capital projects foundation fund, each organized borough, home rule municipality and unified municipality shall formulate an annually updated capital improvementplan for at least a five year period . The capital improvement plan and revisions to such plan shall be submitted to the city council or borough assembly. After a public hearing, and after approval by the council or assembly, a capital improvement plan shall be submitted to the department."

The above replaces the existing (c).

p. 5 line 14 See additional wording on attached blue sheet.

p. 5 lines 28 and following: (Eliminate current (b))

"A project built with capital foundation fund entitlement within an organized borough outside a city shall be operated and maintained by the borough. A project built with capital foundation fund entitlements in a city within an organized borough shall be owned, maintained and operated by the unit of government exercising the relevant power. In a case where the power is jointly exercised, ownership, maintenance and operation shall be determined by agreement."

p. 5 lines 15 and following: Rewording to be supplied by Jim Rhode.

p. 6 lines 25,26 Eliminate "This additional money may be obtained from other entitlements made from the capital projects foundation fund".

p. 7 line 18 Add " as annually determined"

a source of funding in addition to such other funding sources as bonding. restricts the legislative perogative to appropriate capital funds.

Nothing in this legislation

CAPITAL FOUNDATION

FUND

Intent

It is the intent of this legislation to establish a capital foundation program which will equitably provide funds for the orderly development of capital improvements throughout the state. It is intended that the planning for such developments reflect regional and local needs and priorities and that, whenever possible, borough governments have complete responsibility for the expenditure of the capital foundation program funds.

This legislation recognizes that most capital development projects have greater than local significance and should, therefore, be planned and prioritized on the regional level. Further, the legislation acknowledges that the cost of construction and the cost of maintenance are closely related and that maximally efficient use of funds is encouraged by combining maintenance and construction funds.

Formula

Please see attached pages.

Funds may be used for either capital construction, betterment or maintenance, but not operation of the facilities. Funds allocated to either organized or unorganized boroughs do not lapse and may be accumulated for large projects or for growth management purposes.

Question: Should there be a ceiling on the amount which may be accumulated by any one borough?

Eligible Facilities

libraries
public protection facilities including fire service and holding facilities
neighborhood parks and other recreation facilities
water/sewer
solid waste and resource recovery facilities
health facilities
community facilities
Transportation facilities such as local service roads & trails, small boat harbors, seaplane floats, local transit facilities and equipment, upgrading and improvements in existing air transport facilities such as aviation aides and improvements and associated field improvements, emergency and/or recreational airstrips, so long as no transportation facilities jeopardize or are inconsistent with the state system as defined in the regional transportation plans and the State Facilities Plan.

However, only projects identified in the capital improvement plan are eligible for Capital Foundation Program expenditures.

Distribution

Capital Foundation Program funds will be distributed by formula to boroughs and to unified home rule municipalities, provided each has developed a capital improvement plan which includes a priority listing of capital improvement projects. In organized boroughs the cip will need assembly approval, after a public hearing.

In third class boroughs and for the unorganized borough, the following measures are taken to provide for planned regional development of capital improvements, as there is no regional government responsible for planning and expending funds.

Funds will be distributed to unorganized boroughs (SB 348). If this legislation is not passed, funds will be distributed to those areas identified as REAA's.

However, expenditure of the funds for unorganized boroughs is the responsibility of DOTPF. In order to properly plan for and prioritize capital improvements in the unorganized boroughs, advisory groups are established to assist DOTPF. (Amend Chap. 168 SLA 78).

Regional Advisory Councils

Advisory Council members are appointed by the Governor.

Membership of the advisory groups will consist of one elected official from each first class city or municipality, selected by the city. Additional representation from elected officials of second class cities and representatives of unincorporated communities shall be selected from nominations made by the Division of Community Planning, DCRA and DOTPF. Each regional advisory council shall consist of fifteen members.

The regional advisory councils will assist DOTPF in the development of a regional capital improvement plan, in prioritization among projects, in decision making regarding trade-offs between maintenance and new construction, and in project scheduling.

If an unorganized borough opts to become organized, the borough government will assume the capital improvement planning responsibility, responsibility for foundation program funds and may take title to existing capital improvement projects.

Definitions

Maintenance means preservation, upkeep and repair to keep a facility as close as possible to original condition.

Betterment means improvements, adjustments, additions which more than restore to a former condition for better service without major changes in original construction.

Operation means all costs attributable to utilization of the facility, such as heat, light, janitorial services.

Tam)
In the section on distribution of entitlements 44 42 140 1. 14 we need two paragraphs
the central idea is that after a project has been i' tified for construction that particular year (in the cip and annual upd te) th lowing is possible

IN AN ORGANIZED BORO: nothing prohibits the boro from arranging with a city in which the particular project is to be built for the city to receive and expend funds for the construction

IN THE UNORGANIZED BORO: The commisiioner shall arrange, wher a project is identifiied by the cip for construction that yera, for the city to receive and expend the funds for ~~the~~ that project. (This means a change in the later section where we talk about the responsit ility of the commissioner)

both are candidates as exercise of the relevant power (as in changes in bill)

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"farthest north incorporated city"
BOX 629
BARROW, ALASKA 99723
PHONE (907) 852-5211

April 18, 1980

Honorable Arlis Sturgulewski
Chairperson CRA Committee
Pouch V
Juneau, Alaska 99811

Re: SB546

Dear Arlis:

The City of Barrow would like to provide written testimony on SB546 Capital Foundation Fund. We had anticipated being able to provide input via the teleconference network, unfortunately, the phone company was unable to provide a hook-up in time.

We wholeheartedly support the concept of the type of program proposed in SB546. However, we would like to raise several questions for your consideration.

a. Where does a home rule municipality such as the North Slope Borough fit into this type of program. We note mention of "organized" First Class Boroughs, Organized Second Class Boroughs, and Unified Home rule Municipalities, but nothing about Organized Home rule Boroughs.

b. How much control or input will local municipalities located in a Borough have in determining what capital improvement programs will be selected for inclusion under this bill.

c. Will cities and boroughs be able to work together effectively when a city has the statutory responsibility for a particular service or facility, but the borough is the one receiving funding that could be used on the cities projects.

d. To us, the intent of Sec. 44.42.150 is unclear. It seems to imply that a borough is the fund recipient, but the cities are the ones that will own/operate/maintain facilities funded by SB546. If that is the case, the same question asked is C above should also be asked here.

e. How will this program relate to the Annual Overal Economic Development Plan (OEDP) developed by some areas for the Economic Development Administration (EDA).

f. Sec. 44.42.150 C might be changed to allow for an adjustment factor that could allow for a cost override or project increase up to a certain amount. Perhaps a fixed percentage of the project cost. Some smaller communities might not be able to raise additional funds, and would thus have to scrap the entire project because of a 4 or 5 thousand dollar price increase.

We appreciate your considerations and the opportunity to actively participate in the decision making of Alaskas future.

Sincerely yours,

Bryan MacLean
City Manager

BML/kag

cc: Alaska Municipal League

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Elsie O'Bryan — Here to Testify _____

REPRESENTING City of Hauston — Here to Observe _____

MAILING ADDRESS SR Box 2727 Wasilla Zip 99687

TELEPHONE NUMBER 892-6864

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Elsie O'Bryan
(signature)

EVALUATION: Have you participated in other legislative teleconferences? Yes If so, how many? _____

How did you learn about this hearing?

Teleconference schedule

Would you have participated in this hearing if the network were not available? no

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 4/16/80 SUBJECT SB 546 LOCATION H+S

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch V Juneau 99811
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 4/16/80
LOCATION: Mat-Su
SUBJECT: SB 546

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Elaine O'Bryan	City of Houston	SR Box 2212 - Wasilla	892-6869		✓

TELECONFERENCE HEARINGS

4/10 IN POUCHES

TELECONFERENCE CONTACT SHEET

TAKEN BY FRED

TOPIC: [redacted] CAPITOL FOUNDATIONS FUND PLAN

COMMITTEE: JOINT HOUSE + SENATE C.R.A.

DATE: 4/16 DAY: WED.

TIME: 1:30 - 3:00 SCHEDULED DURATION: approx.

SITES PARTICIPATING: ALL SITES

CONFERENCE MODE: Audio X Video ____

CONTACT TWYLA

PHONE 3258

DATE SCHEDULED 4/1

LOCATION

MODERATOR

PERSONS PARTICIPATING | SITE

PUBLICITY:

___ Invitational

_X_ Committee making contacts

___ PSAs ___ date ___ quantity

___ News Release ___ date ___ quantity

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ___ date ___ quantity

___ Phone ___ date ___ quantity

___ Post at Info. Office

___ Post other local locations

SPECIAL NOTES:

JUNEAU LOCATION:
GOVERNORS CONFERENCE ROOM.
Room avail. til 4:30

POST-TELECONFERENCE NOTE:

Participants 1

Observers -0-

Total 1

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: April 16, 1980

LOCATION: Kotzebue

SUBJECT: Capitol Foundation Fund Plan

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Jeff Smith	Maunelak Association	P.O. Box 256 Kotzebue AK	442-3311		✓

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Jaff Smith

Here to Testify L

REPRESENTING Maniilak Association

Here to Observe _____

MAILING ADDRESS P.O. Box 256 Kotzebue, Ak zip 99752

TELEPHONE NUMBER 442-3311

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Jeff Smith
(signature)

EVALUATION: Have you participated in other legislative teleconferences? YES If so, how many? 3

How did you learn about this hearing?
A letter from the Committee

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? no

DATE 4/16/80 SUBJECT SB 546 LOCATION Kotzebue

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: SB 546 - state aid for local capital projects; establishing the capital projects foundation fund

COMMITTEE: Joint House & Senate C&RA

DATE: 4-16-80

TIME: 1:30 p.m.

SITES PARTICIPATING: ALL

CONFERENCE MODE: Audio

LOCATION: Ktn. Info. Office

MODERATOR: Bonnie Potter

NOTES:

Judy Slaiger · 5;6.151 Borough Manager
Jim van Altvorst, City manager

CONFIRMATION OF CONFERENCE CENTER: yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	4-14-80	3
News releases (local)	Ktn Daily News KTKN KRBD	
News releases (outlying media)		
Direct mail		
Phone contacts	4/17/80 4/16/80	1 1
Other:		

NUMBER IN ATTENDANCE _____
NUMBER TESTIFYING _____

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 4-16-80
LOCATION: Ktn. Info. Office
SUBJECT: House & Senate C.F.R.A.

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Judi Slagis	Ketchikan Gateway Borough.	3441 Front St	225-0171	✓	
[signature]	City of Ketchikan	PO Box 7300	225-3111	✓	

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME James A. VanAltvorst — Here to Testify _____

REPRESENTING City of Ketchikan — Here to Observe ✓

MAILING ADDRESS PO Box 733 Ketchikan AK zip 99901

TELEPHONE NUMBER 225-3111 X335

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

_____
(signature)

EVALUATION: Have you participated in other legislative teleconferences? ✓ If so, how many? _____

How did you learn about this hearing?
Friend

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network
✓ instead of travel
✓ instead of phone conversations
✓ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 4/16/80 SUBJECT SB546 LOCATIO [illegible]

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Judi Slagen — Here to Testify ____

REPRESENTING Ketchikan Gateway Borough — Here to Observe ✓

MAILING ADDRESS 344 Front St. Ketchikan, Alaska Zip 99901

TELEPHONE NUMBER 225-6151

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

_____
(signature)

EVALUATION: Have you participated in other legislative teleconferences? yes If so, how many? many.

How did you learn about this hearing?
Legislative Affairs Dept.

Would you have participated in this hearing if the network were not available? no

If yes, did you use the network
____ instead of travel
____ instead of phone conversations
____ instead of mailed testimony?

Are you also providing written testimony? ____

DATE 4/10/80 SUBJECT SB 546 LOCATION Ktn

Legislative Affairs Agency
Legislative Teleconferencing Network — Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Ted Berns Here to Testify ✓

REPRESENTING Municipality of Anchorage Here to Observe _____

MAILING ADDRESS Pouch 6-650 Anch. Ak Zip 99502

TELEPHONE NUMBER 264-4286

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Ted Berns
(signature)

EVALUATION: Have you participated in other legislative teleconferences? no If so, how many? _____

How did you learn about this hearing?

flyer
(Municipal League)

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 4/16/80 SUBJECT SJR 54 LOCATION Anchorage

Alaska State Legislature

2

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME JERRY McCutcheon

Here to Testify X

REPRESENTING _____

Here to Observe _____

MAILING ADDRESS _____ Zip _____

TELEPHONE NUMBER _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

_____
(signature)

EVALUATION: Have you participated in other legislative teleconferences? _____ If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 4/16/80 SUBJECT SB546 LOCATION Anchorage

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Carol Sudder Here to Testify ____

REPRESENTING Fed of Comm Councils Here to Observe X

MAILING ADDRESS Box 8993 Zip 99508

TELEPHONE NUMBER 688-2696

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Carol Sudder
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? ____

How did you learn about this hearing?
Sitch ASSEMBLY MTG 4/16/80

Would you have participated in this hearing if the network were not available? No

If yes, did you use the network
____ instead of travel
____ instead of phone conversations
____ instead of mailed testimony?

Are you also providing written testimony? ____

DATE 4/16/80 SUBJECT SB 566 LOCATION Anchorage

Affairs Agency

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Mary Anuak

Here to Testify _____

Here to Observe ✓

REPRESENTING _____

Federation Comm. Council

MAILING ADDRESS 6431 E. 9th Zip

TELEPHONE NUMBER 333-1454

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Mary Anuak
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? _____

How did you learn about this hearing?

Assembly

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 4-16-80 SUBJECT _____ LOCATION Anchorage

Legislative Affairs Agency

Phone: 465-4880

TELECONFERENCE HEARINGS

Could return in time to testify will submit written KBB

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Dave Walsh — Here to Testify X

REPRESENTING Mem of ANC — Here to Observe ____

MAILING ADDRESS 510 "C" ST #207 Zip 99501

TELEPHONE NUMBER 276-8400

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

D. Walsh
(Signature)

EVALUATION: Have you participated in other legislative teleconferences? YES If so, how many? 3

How did you learn about this hearing?
word of mouth

Would you have participated in this hearing if the network were not available? YES

If yes, did you use the network
X instead of travel
X instead of phone conversations
X instead of mailed testimony?

Are you also providing written testimony? YES

DATE 4/16/80 SUBJECT HSB 546 LOCATION Anchorage

Legislative Affairs Agency Phone: 465-4980

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Sturgulewski
FROM: Rep. Bill Parker
DATE: 4/15/80
RE: Capital Projects Foundation Fund Bill

The Capital Projects Foundation Fund bill (SB 546) has been reviewed and will be introduced in the House on 4/16/80 with the following changes:

p. 1 Article 2 Sec. 44.42.100 (a)

Entitlements for capital projects shall be made to organized boroughs, home rule municipalities as defined in AS 29.08.010; and to unified municipalities.(These references are used throughout the House version)
p. 2 A new (c) is added and subsequent sections renumbered.

(c) A first class city which has not adopted a home rule charter and which is outside of an organized borough and outside of a regional educational attendance area shall be included in the capital improvement plan and shall be represented on the regional council of a regional educational attendance area or an unorganized borough which borders the city.

p. 3 Sec. 44.42.120 Regional Council representation will be a follows:

A Regional council shall be composed of 15 members as follows:

(1) one elected official who is selected by the city council of each first class city located within an unorganized borough or regional educational attendance area, or which is included in an unorganized borough's capital improvement plan or a regional educational attendance area's capital improvement plan
(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within an unorganized borough or regional educational attendance area; members from second class cities shall be elected officials.

p. 4 line 1 Reworded as follows:

(5) identify possibilities for pprjects involving facilities having more than one use

p. 4 Line 25 and following read:

(b) the amount of an entitlement shall be allocated one-half on the basis of adjusted population and one-half on the basis of adjusted area. An entitlement shall be the ratio of the adjusted population to the total adjusted population plus the ratio of the adjusted area to the total adjusted area, times one-half the amount of an appropriation to the capital projects foundation fund.

p. 5 line 12 A new (c) is added:

(c) An entitlement from the capital projects foundation fund for a project located in a first or second class city as part of the capital improvement plan of an unorganized borough or a regional educational attendance area may be disbursed, with the concurrence of the city council of the first or second class city, subject of the following terms; (continues as SB 546 p. 5 line 13)

Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

CITY OF MC GRATH
P.O. BOX 57 MC GRATH, ALASKA 99627
PHONE (907) 524-3825

April 10, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski,

I have just finished my review of the literature you and Representative Parker sent on SB 546. I feel that SB 546 warrants considerable praise in that it is an equitable bill that does not favor one area over another. More importantly, it will provide for the construction of basic facilities in small communities which will lead to an increase of services for those communities and surronding areas. The fact that the bill allows for the maintenance of constructed facilities is extremely import. In too many cases, facilities go unused and deteriorate from a lack of fuel and maintenance.

I am, however, concerned over the administration of the program should the bill be enacted this session. If the dealings that the City of McGrath has had with DOTPF are indicative of DOTPF's administration of rural projects, I am fearful that overhead and engineering will seriously reduce the effectiveness of the program for the unincorporated boroughs. At the present time, DOTPF takes 15% for engineering and additional percentages for overhead. Take Project SOS-1(024) for example. Public hearings were held in McGrath on 9/19/78. The City was led to believe, the letters are on file in my office, that the project would be completed during the summer of 1979. The project was delayed beyond the 1979 construction seasons. Ombudsman Complaint A79-0988 revealed that delays in the project cost the project $79,000. Moreover, there was not sufficent money left in the project to complete it! I would estimate that $125,000 was lost from the project due to delays, engineering and travel and per diem. In order to complete the project, the City went for a supplemental appropriation for $200,000. Yesterday, I took DOTPF's material estimates and cost and calculated the cost of the entire project. At their estimate, the entire project should have cost approximately $348,000 and not the $530,000 which they told the Ombudsman!

Senator Sturgulewski, I and many others have no faith in DOTPF when it comes to the administration of CIP in rural Alaska. Many second class cities and REAAs can do the same job for less money

with better results. In my opinion, and it is my opinion only, I think that DOTPF keeps the rural CIPs on the back burner so that the overhead will finance their operations.

I would recommend that SB 546 contain provisions for those communities which have demonstrated the ability to complete a CIP which would limit or eliminate DOTPF's participation in this program. I feel that the State and the taxpayers would get more for their money.

Thank you for the oppertunity to comment on SB 546 and to sound off about DOTPF.

Sincerely,

Robert S. Juettner
City Administrator

cc: Representative Bill Parker

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

April 10, 1980

Joint Senate and House
Community & Regional Affairs Committee
Local Government Study
Pouch V State Capital
Juneau, Alaska 99811

Dear Co-Chairmen Sturgulewski and Parker:

Your letter of 3 April and Senate Bill No. 546 concerning the Capital Projects Foundation Fund have been reviewed with great interest by the Skagway Common Council. The Council's comments, questions and recommendations follow:

The proposed legislation provides that entitlements from the Fund be made to organized boroughs and home rule municipalities which have capital improvement plans and, further, provides that these recipients shall administer the capital improvement projects so funded. In the case of the unorganized boroughs the legislation provides that the Department - presumed to be DOT&PF - shall make entitlements and manage them subject to enactment of other legislation or shall make and manage the entitlements for regional educational attendance areas (REAA). Under a strict interpretation of these provisions the City of Skagway would be excluded from participation in the Capital Projects Foundation Fund program - i.e. Skagway is a first class City as defined in Alaska Statute Title 29 but is not in either type of borough or REAA. Also Skagway currently has under preparation a capital improvement plan which will be the equivalent of those required of boroughs or REAAs.

Accordingly, the City Council respectfully requests that S.B. 546 be rephrased to provide that, for purposes of receipt and management of entitlements, the City of Skagway be treated as being in the organized borough/home rule municipality category.

The City of Skagway concurs in the concept of the Capital Projects Foundation Fund and, subject to the revision noted above, endorses passage of S.B. 546.

Sincerely,

Robert F. Messegee
Mayor

ILLUSTRATION OF FORMULA (in round terms)

Base:

	Population	X	Construction Cost Differential			Area (Sq. Mi.)	X	Construction Cost Differential		
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,295
	429,000				449,000					695,671

Appropriation: 429,000 X $200 = $85,800,000

Grant:

Adjusted Per Cent of Population X $200
Adjusted Per Cent of Area X $200

Organized Areas

$\frac{349,000}{449,000}$	= .78 X	$42,900,000	=	$33,462,000		
$\frac{149,376}{695,671}$	= .215 X	$42,900,000	=	9,223,500		
				$42,685,500		$42,685,500

Unorganized Boroughs

$\frac{100,000}{449,000}$	= .22 X	$42,900,000	=	$ 9,438,000		
$\frac{546,295}{695,671}$	= .785 X	$42,900,000	=	33,676,500		
				$43,114,500		43,114,500
					Total	$85,800,000

Further Illustrations, Capital Foundation Program

$$\frac{\text{Adjusted Local Population}}{\text{Adjusted Total Population}} + \frac{\text{Adjusted Local Area}}{\text{Adjusted Total Area}} \times \text{One-half Appropriation} = \text{Entitlement}$$

Municipality of Anchorage

$$\frac{200,000}{449,000} + \frac{1,884}{695,671} = .4477 \times \$42,900,000 = \$19,206,330$$

Fairbanks North Star

$$\frac{60,227}{449,000} \quad \frac{7,500}{695,671} = .1448 \times \$42,900,000 = \$\ 6,211,920$$

City & Borough of Juneau

$$\frac{23,115}{449,000} \quad \frac{3,100}{695,671} = .0555 \times \$42,900,000 = \$\ 2,380,950$$

Ketchikan Gateway

$$\frac{13,463}{449,000} \quad \frac{1,250}{695,671} = .0318 \times \$42,900,000 = \$\ 1,364,220$$

MARGE

Regarding the problem of first class and home rule cities outside of organized boros and outside of REAAs.

I think we are faced with a couple of options:

1. count them separately (we would need to determine how the formula affects them)
2. place them in REAAs for funding purposes . This could be done by amending 348/50 or by special language in 546.
3. A little of both: count home rule cities separaetly but put first class cities in the REAAs.

The policy issues that are important here deal with the desire for regional approaches, the need for regional approaches in the sorts of capital projects we have suggested, the "autonomy" of cities, and general equitablness.

My own feeling is that we should go with three above. If this were done, we would need only to strike the word "unified" from home rule and then put in language that would say:

do I need "unified" as well as "home rule specified"?
home rule municipalities

(either in 348 or in 546) For purposes of this act, first class cities ~~in~~ outside of organized boroggs and outside of REAAS shall be considered as ~~xxpartxxx~~ belonging to the REaa surrounding ~~thatxfirstxclassx~~ or contiguous with that first class city.

29.03.011
p.2
line 9

HB 5[illegible]

or home rule cities

Margo

or home rule city

3rd class boro —

p. 4 l 28 1/2 total amt (Add)

Third Class

Haines Borough	1,924***	2,620

* Portions of Fort Wainwright have been annexed to the City of Fairbanks. Eielson Air Force Base is excluded from the Fairbanks North Star Borough.

** Excluding residents of Kodiak Coast Guard Station (base proper).

*** Excluding residents of the Klukwan Indian Reservation.

INCORPORATED COMMUNITIES

Classification	Pop.	Incorp. Date
Home Rule Cities (11)		
Cordova	2,780	1909
Fairbanks	30,462	1903
Kenai	4,421	1960
Ketchikan	8,542	1900
Kodiak	5,754	1940
North Pole	823	1953
Palmer	2,056	1951
Petersburg	3,197	1910
Seward	1,778	1912
Valdez	4,066	1901
Wrangell	3,325	1903
First Class Cities (21)		
Barrow	2,715	1959
Craig	587	1922
Dillingham	1,656	1963
Galena	957	1971
Haines	1,366	1910
Homer	2,227	1964
Hoonah	1,093	1946
Hydaburg	381	1927
Kake	710	1952
King Cove	733	1947
Klawock	404	1929
Nenana	503	1921
Nome	2,892	1901
Pelican	221	1943
Saint Mary's	436	1967
Sand Point	773	1978
Seldovia	528	1945
Skagway	877	1900
Soldotna	2,365	1967
Unalaska	768	1942
Yakutat	442	1948
Second Class Cities (108)		
Akhiok	121	1972
Akiachak	354	1974
Akiak	216	1970
Akolmiut	641	1969
Akutan	81	1979
Alakanuk	527	1969
Aleknagik	227	1973
Allakaket	216	1975
Ambler	217	1971
Anaktuvuk Pass	173	1957
Anderson	470	1962
Angoon	541	1963
Aniak	355	1972

Classification	Pop.	Incorp. Date
Second Class Cities		
Anvik	102	1969
Atmautluak	200	1976
Bethel	3,853	1957
Brevig Mission	147	1969
Buckland	170	1966
Chefornak	206	1974
Chevak	468	1967
Chuathbaluk	127	1975
Clark's Point	98	1971
Deering	133	1970
Delta Junction	892	1960
Diomede	125	1970
Eagle	142	1901
Eek	307	1970
Ekwok	111	1974
Elim	218	1970
Emmonak	545	1964
Fort Yukon	637	1959
Fortuna Ledge	263	1970
Gambell	447	1963
Golovin	118	1971
Goodnews Bay	248	1970
Grayling	181	1969
Holy Cross	302	1968
Hooper Bay	610	1966
Houston	440	1966
Hughes	98	1973
Huslia	212	1969
Kachemak	271	1961
Kaktovik	192	1971
Kaltag	257	1969
Kasaan	46	1976
Kiana	344	1964
Kivalina	264	1969
Kobuk	61	1973
Kotlik	305	1970
Kotzebue	2,526	1958
Koyuk	178	1970
Koyukuk	124	1973
Kupreanof	42	1975
Kwethluk	444	1975
Larsen Bay	133	1974
Lower Kalskag	218	1969
Manokotak	250	1970
McGrath	38	1975
Mekoryuk	174	1969
Mountain Village	543	1967
Napakiak	313	1970
Napaskiak	240	1971

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Tamara Cook
FROM: Marjorie Gorsuch
DATE: 4/7/80
RE: Capital Projects Foundation Fund Bill

We have reviewed SB 546 and would like the House version of the bill drafted as a companion to SB 546 but with the following changes:

p. 3 lines 8 and following should read:
(1) one representative from each first class city selected by their city councils who are elected officials from first class cities located within the unorganized borough or regional educational attendance area;
(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within the unorganized borough or regional educational attendance area. Second class city representatives shall be elected officials.

p. 4 line 1
(5) identify shared facility opportunities

p. 5 lines 10 and following:
Delete wording following "recipient"
Draft a new (c) to read as follows:
(c) For projects built in first or second class cities in the unorganized boroughs, upon concurrence by the Council, the commissioner may make an agreement including any provision agreed upon by the parties, including the following:
(continue with line 13)

Bill would like the bill ready for our 8:30 A.M. Committee meeting on 4/9 and for introduction that day. Many thanks.

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

4/90/80

TO: Tam Cook
FROM: Marjorie Gorsuch
RE: Changes in House version of Capital Foundation bill

Tam,

It is our intent that entitlements for capital projects be available to organized first class boroughs, organized second class boroughs, and organized third class boroughs (do we just want to reference boroughs?), unified home rule municipalities and home rule cities which have capital improvement plans.(p. 1 (a) and whereever appropriate)

We also want the following language added where appropriate: (p. 1. line 23?)

For purposes of this act, first class cities outside of organized boroughs and outside ~~of unorganized~~ boroughs or regional educational attendance areas shall be considered as belonging to the ~~regional educational~~ attendance area or unorganized borough surrounding or contiguous with that first class city.

Add:
p. 4 line 28 should read:
"adjusted area to the total adjusted area. times one-half times the total amount of an"etc.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Sturgulewski
FROM: Rep. Bill Parker
DATE: 4/15/80
RE: Capital Projects Foundation Fund Bill

The Capital Projects Foundation Fund bill (SB 546) has been reviewed and will be introduced in the House on 4/16/80 with the following changes:

p. 1 Article 2 Sec. 44.42.100 (a)

Entitlements for capital projects shall be made to organized boroughs, home rule municipalities as defined in AS 29.08.010, and to unified municipalities.(These references are used throughout the House version)
p. 2 A new (c) is added and subsequent sections renumbered.

(c) A first class city which has not adopted a home rule charter and which is outside of an organized borough and outside of a regional educational attendance area shall be included in the capital improvement plan and shall be represented on the regional council of a regional educational attendance area or an unorganized borough which borders the city.

p. 3 Sec. 44.42.120 Regional Council representation will be a follows:

A Regional council shall be composed of 15 members as follows:

(1) one elected official who is selected by the city council of each first class city located within an unorganized borough or regional educational attendance area, or which is included in an unorganized borough's capital improvement plan or a regional educational attendance area's capital improvement plan
(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within an unorganized borough or regional educational attendance area; members from second class cities shall be elected officials.

p. 4 line 1 Reworded as follows:

(5) identify possibilities for porjects involving facilities having more than one use

p. 4 Line 25 and following read:

(b) the amount of an entitlement shall be allocated one-half on the basis of adjusted population and one-half on the basis of adjusted area. An entitlement shall be the ratio of the adjusted population to the total adjusted population plus the ratio of the adjusted area to the total adjusted area, times one-half the amount of an appropriation to the capital projects foundation fund.

p. 5 line 12 A new (c) is added:

(c) An entitlement form the capital projects foundation fund for a project located in a first or second class city as part of the capital improvement plan of an unorganized borough or a regional educational attendance area may be disbursed, with the concurrence of the city countil of the first or second class city, subject ot the following terms; (continues as SB 546 p. 5 line 13)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House C&RA Committee Members
FROM: Rep. Bill Parker, Chairman
DATE: 4/15/80
RE: Capital Foundation Fund bill Workshop

There will be a special meeting of the House C&RA Committee tomorrow, Wednesday, April 16 at 8:30 A.M. in Room 112 of the Capitol to review the Capital Foundation Fund bill to be introduced by the Committee.

The Senate C&RA Committee has introduced companion legislation in the form of SB 546 which will be teleconferenced by both the House and Senate Committees tomorrow afternoon at 1:30 P.M. in the Governor's Conference Room.

This bill is a further result of the work conducted by the Joint House and Senate Community and Regional Affairs Committees during the summer of 1979. During the course of the Committee work, many people identified problems regarding planning for and funding capital projects.

Attached is a copy of the House bill to be introduced on 4/16 and some newspaper clippings which may be of interest. Please bring these materials to the Workshop tomorrow morning.

Spending formula proposed

by Roxlune Ervasti
Associated Press

Juneau — A formula for allocating construction money throughout the state based on population and area has been proposed in the Legislature. One lawmaker said the idea might be looked upon as an "anti-pork barrel" bill.

The proposal was presented to the Senate and House Community and Regional Affairs committees Wednesday. The House panel did not discuss it but there was some debate over it in the Senate committee, which plans to introduce it soon.

The bill, yet to be drafted, would set up a "capital foundation fund" which the Legislature would appropriate to on an annual basis, starting with about $86 million this year. Advisory committees in unorganized boroughs would set their own spending priorities.

The idea is to get more public input in unorganized boroughs, which now primarily rely on individual legislators to "bring home the bacon."

Sen. Arliss Sturgulewski, R-Anchorage, and chairman of the Senate panel, said the legislation would have been "an anathema" in the days before the state's oil wealth.

"But now we're seeing $800 million proposed for capital improvements . . . what we're doing, by the Legislature being the sugar daddy, is throwing the burden on many municipalities for operational costs."

She said if a detailed study was made of the long-range results of current spending proposals on local entities, "the fiscal note would be staggering beyond belief."

In summary, the intent and provisions of the proposal are:

— Where there is local government, capital improvement plans would be developed much as they are now.

— In unorganized boroughs, advisory groups would set spending priorities.

— The allocations could be accumulated over several years for large projects, and they could be used as match for state and federal grants — thus assisting areas that have no way of raising match money now.

— Funds could be used for maintenance and operation as well as construction, thus getting around what Sturgulewski said is a situation where communities are indirectly encouraged not to maintain structures so that they can eventually get "construction" appropriations for repairs.

A suggested formula is that the fund total the equivalent of $200 per capita in the state.

Allocation would be based on one-half the population of a municipality or unorganized borough, and one-half its area. Allocations would be determined by multiplying area and population times a construction cost differential. Each entity gets a minimum of 5 percent of the largest distribution made.

Sen. Bob Mulcahy, R-Kodiak, joked that the intent appeared to be to wipe out the "pork barrel" process.

"The legislative process, while it may not be all that good, is a heck of a lot better," he said. "I'm accountable back there. This would just create another layer of government."

Sen. Tim Kelly, R-Anchorage, said he could not support the concept.

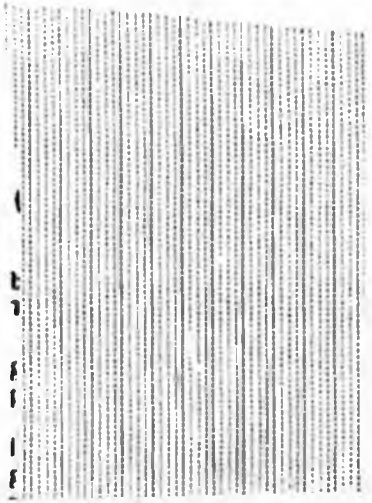
"You're saying you would give $42 million to the organized boroughs, which have a population of 349,000, and twice as much, $85 million, to the unorganized boroughs, which only have 80,000 people," he said.

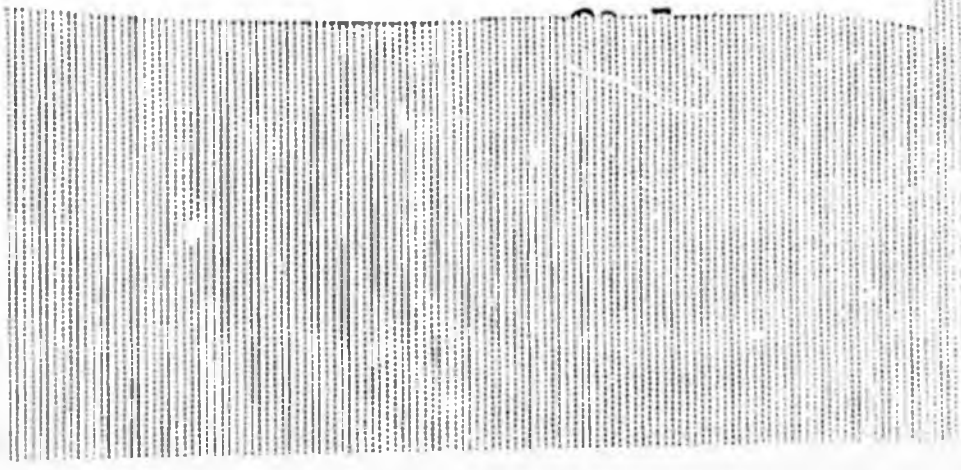
Sen. Pat Rodey, D-Anchorage, said he saw the concept as a "reform" and said it would get money out to local areas immediately, in contrast to the backlog of bond projects approved by voters.

"It would have an important impact on the legislative process by making the local voice stronger," said Rodey. "I see it as having a leavening effect on the ups and downs of a change in legislative leadership."

Sen. Terry Stimson, D-Anchorage, supported it. "I see it causing a legislator to come down here with a list of priorities from the people back home who had an opportunity to set them," he said.

Sturgulewski said nothing would preclude the Legislature from making additional appropriations, but that her idea would guarantee a minimum kind of revenue sharing for capital construction.





Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determin pace.

ILLUSTRATION OF FORMULA (in round terms)

Base:

	Population	X	Construction Cost Differential			Area (Sq. Mi.)	X	Construction Cost Differential		
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,295
	429,000				449,000					695,671

Appropriation: 429,000 X $200 = $85,800,000

Grant:

Adjusted Per Cent of Population X $200
Adjusted Per Cent of Area X $200

Organized Areas

$\frac{349,000}{449,000}$ = .78 X $42,900,000 = $33,462,000

$\frac{149,376}{695,671}$ = .215 X $42,900,000 = 9,223,500

$42,685,500 $42,685,500

Unorganized Boroughs

$\frac{100,000}{449,000}$ = .22 X $42,900,000 = $ 9,438,000

$\frac{546,295}{695,671}$ = .785 X $42,900,000 = 33,676,500

$43,114,500 43,114,500

Total $85,800,000

Further Illustrations, Capital Foundation Program

$$\frac{\text{Adjusted Local Population}}{\text{Adjusted Total Population}} + \frac{\text{Adjusted Local Area}}{\text{Adjusted Total Area}} \times \text{One-half Appropriation} = \text{Entitlement}$$

Municipality of Anchorage

$$\frac{200,000}{449,000} + \frac{1,884}{695,671} = .4477 \times \$42,900,000 = \$19,206,330$$

Fairbanks North Star

$$\frac{60,227}{449,000} \quad \frac{7,500}{695,671} = .1448 \times \$42,900,000 = \$\ 6,211,920$$

City & Borough of Juneau

$$\frac{23,115}{449,000} \quad \frac{3,100}{695,671} = .0555 \times \$42,900,000 = \$\ 2,380,950$$

Ketchikan Gateway

$$\frac{13,463}{449,000} \quad \frac{1,250}{695,671} = .0318 \times \$42,900,000 = \$\ 1,364,220$$

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all correspondence to:

LOCAL GOVERNMENT STUDY
Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

April 3, 1980

Dear Alaskan:

This package of material is about SB 546, proposing a Capital Foundation Fund for construction of capital projects throughout Alaska. This bill is a further result of the work conducted by the Joint House and Senate Community and Regional Affairs Committees during the summer of 1979. During the course of the Committees' work, many people identified problems regarding planning for and funding capital projects. We feel that SB 546 proposes a viable solution to difficulties experienced throughout the state. We hope that you will read the enclosed descriptive materials and the bill itself.

Senate Bill 546 proposes a systematic approach to construction of capital projects. Every area of the state would receive a formula entitlement, much like revenue sharing. Expenditure of the entitlement requires only the development of a capital improvement plan. In organized boroughs and home rule municipalities, local governments plan for and expend these funds themselves for eligible projects. In unorganized boroughs (as defined in SB 348 and HB 580), an advisory group plans for the capital projects, though the funds are expended by the Department of Transportation and Public Facilities, as their fiscally responsible agent.

Funds may be used for a variety of capital projects. Priorities are annually established on the borough level. Maintenance costs are also eligible for use of these Capital Foundation Funds. There are many other significant considerations in SB 546. Please read the descriptive material and the bill itself. Contact us regarding any suggestions for changes, comments, etc.

We look forward to hearing from you about the Capital Foundation Fund.

Sincerely,

Arliss Sturgulewski

Senator Arliss Sturgulewski
Chairman, Senate C/RA

Bill Parker

Representative Bill Parker
Chairman, House C/RA

ADDITIONS/CHANGES RE CONVERSATION W/DOOLEY

(first, note that the escrow account idea is accepted: language in the bill to say that funds do not lapse--allows accumulation for large projects and is a tool for growth management)

add language that says that transportation facilities planned for in the cip cannot contradict findings of the regional transportation plan and that interregional conflicts will be resolved by DOTPF with adsistance of existing interdepartmental and policy groups)

make sure that the cip language identifies the cip as a plan not a program.

indicate that the geogeographical areas (unorganized boros or REAAs may be combined by DOTPF with reasons and conclusions etc brought to legislature for approval).

ADVISORY GROUPS

membership: the advisory group (for the unorganized boros) which help in the development of the capital improvement plan and in the setting of priorities) shall consist of one elected official from each first class city or municipality --to be selected by the city--. Representation of unincorporated and 2nd class cities shall be slected by DOTPF and CRA working with the local people.

FEB 13, 1980 meeting: Bushre, Rhode, Waring

Discussion: 1) regarding the formula, it was agreed that the wisest approach would be a formula that reflected, within limits, the current allocations of funds to regions.
2) Capital projects to be included: solid waste, health facilities, transportation facilities, community facilities, ~~energy conservation or generation~~. Maintenance costs were to be included in eligible costs, as tradeoffs between new and old buildings and the importance of life cycle analysis are important.
3) Language will be included that will state that if a project is not in a capital improvement program, Foundation dollars cannot be spent for that project.
4) Distribution arrangements: Money will go to boros only. Boros may get a set additional amount for the numbers of first class cities it contains. Money will go directly to home rule municipalities. When a third class boro, that boro will be treated as the next lower class which is an "unorganized boro" as per SB 348 . If that bill does not pass, funds will be distrubuted per REAA boundaries. However, as there is no boro government responsible or accountable for planning and expending funds--or that can own and have title to property etc--those functions will be retained by the State and managed in a trustee relationship with the unorganized boros. When retained by the state, DOTPF and CRA will jointly etsblish a planning process to develop a CIP in the boro and establish advisory boards to assist them in that endeavor.This will be consistent with Chap 168 SLA 78 on a regional basis (as per SB 348). Foundation funds will be ~~developed~~ expended according to the CIP. If and when an unorganized boro opts to become organized, then they would assume the planning/fund expending functions and would, additionally, take title to whatever property there may be.

Boros & municipalities must have CIPs.

If project isn't in CIP, can't spend foundation $

CIP

Capital Development Foundation

1. The problem is divisable into
   a) what should the formula be and what facilities/maintenance should it cover and
   b) to whom should it go?
2. To whomever it goes, the following principles need to be observed
   a) no special service districts
   b) no forcing of government on people
   c) equitable distribution
   d) simplicity of classes of recipients

3. Regarding (2), as many extra concerns that can be incorporated, the better.
-transportation planning, effects of reapportionment

Concept: The money will go to boroughs, when there is a borough. They should have a cip. Ditto home rule municipalities. When it is a third class boro (if they survive this session), they will be treated as the next lower class.

In the unorganized boro:

Funds will be distributed along the boundry of 1) the unorganized boros as per SB or if SB is not enacted, 2) along the lines of the REAA. However, as there is no ~~xxxxx~~ boro government responsible and accountable for planning and expending money--or that can own title to land, property, etc--those functions will have to remain with the state. When the functions are retained by the state, DOTPF will plan for PF under Chap.168 SLA 78 on a regional basis (per SB unorganized boro bill). To facilitate that planning process, each unorganized boro will have its own planning advisory group to advise and assist DOTPF. A CIP will be developed for each and funds expended accordingly.

If and when an unorganized boro opts to become organized, then they would assume the planning/fund expending functions and would, additionally, may take title to whatever property there may be. The same principle will apply to maintenance funds.

? Does this happen now?

Capital Projects to be considered:

water/sewer; solid waste facilities; health facilities; transportation facilities; community facilities; ~~school maintenance~~; energy conservation or generation

Maintenance

Questions: will a fund be established for each so that funds can accumulate for large projects? yes

CAPITAL FOUNDATION PROGRAM
(Construction and Maintenance)

FORMULA

Appropriations. The amount of appropriations authorized to be made to the capital foundation program for a fiscal year is equal to two hundred dollars times the state population.

Distribution. Amounts in the capital foundation program shall be distributed annually to municipalities and unorganized boroughs by the department by (a) allocating one-half of the amounts on the basis of population and one-half on the basis of area; and (b) determining the share of an individual municipality or unorganized borough by multiplying its population and area by the construction cost differential for that region. The minimum grant shall be five per cent of the largest distribution made to any municipality or unorganized borough.

Construction Cost Increases. The Department of Transportation and Public Facilities shall submit to the legislature on or before February 15 of each year an estimate of the average percentage increase in construction costs in the state during the previous year.

DEFINITIONS

(1) 'population" means the population of the state, municipality, or an unorganized borough as determined by the department using the latest figures of the U.S. Bureau of the Census or other reliable population data, including but not limited to school enrollments, public utility connections, registered voters, or certified employment payrolls.

(2) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the Department of Transportation and Public Facilities using the latest figures.

(3) "department" means the Department of Community and Regional Affairs.

Allowance for city
handling of sp. projects
by city w/in boro.
V. Clark

Life cyc cost

* Appropriation Bill needed

WO#8341
Cook ✓

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for local capital projects; establishing the capital projects foundation fund; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 44.42.020 is amended by adding a new paragraph to read:

(14) adopt regulations for management of the capital projects foundation fund established under AS 44.42.100 and administer these funds.

* Sec. 2. AS 44.42 is amended by adding new sections to read:

ARTICLE 2. CAPITAL PROJECTS FOUNDATION GRANTS.

Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND. There is established within the department a capital projects foundation fund for the purpose of providing state assistance to local governments and to the unorganized borough for improvement, maintenance and new construction of capital projects. Within the limits of appropriations for the purpose, the department shall make grants to qualified local governments for capital projects and shall manage grants for capital projects in the unorganized borough.

Sec. 44.42.110. ELIGIBLE FACILITIES. A grant from the capital projects foundation fund may be used for improvement, maintenance, or new construction of the following type of facility if the facility is identified in a regional plan under AS 44.42.130:

(1) libraries;

(2) community and emergency detention facilities;

(3) fire halls, including the purchase of fire vehicles;

(4) parks;

(5) recreational facilities;

(6) water and sewer facilities;

(7) health facilities;

(8) community centers;

(9) transportation facilities which do not duplicate and which are not inconsistent with the state transportation system as determined by the department, including

(A) service roads;

(B) trails;

(C) harbors and docks for small boats;

(D) seaplane floats;

(E) public transit facilities, including the purchase of transit vehicles;

(F) emergency and recreational airstrips for small aircraft.

Sec. 44.42.120. REGIONAL ADVISORY COUNCILS. (a) To qualify to receive a grant from the capital projects foundation fund, a local government must establish a regional advisory council of at least five members.

(b) If a version of a bill entitled "An Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date" is enacted, a regional advisory council shall be established for each unorganized borough established under the terms of that enactment. If that bill is not enacted before the effective date of this Act, a regional advisory

council shall be established in each regional educational attendance area organized under AS 14.08.031. There shall be 15 members on each regional advisory council established under this subsection as follows:

(1) one elected official from each first class city in the unoganized borough or regional educational attendance area selected by the city council or assembly;

(2) additional persons, up to a total of 15, selected by the governor from lists of persons nominated by the Department of Transportation and Public Facilities or the Department of Community and Regional Affairs who are elected officials of second class cities or persons from unincorporated communities.

Sec. 44.42.130. CAPITAL IMPROVEMENT PLAN. (a) With assistance from the department, each regional advisory council established under AS 44.42.120 shall formulate a capital improvement plan which identifies all capital projects needed in the region, assigns a priority to each identified project, and contains cost estimates for each project.

(b) A capital improvement plan for a local government shall be submitted for approval by the council or assembly of the local government after a public hearing. Revisions in an approved plan must also be submitted for approval before becoming effective. A capital improvement plan for an unorganized borough or a regional educational attendance area shall be submitted for approval by the department after a public hearing.

Sec. 44.42.140. DISTRIBUTION OF GRANTS. (a) Grants from the capital projects foundation fund shall be distributed annually by the department to each local government which has approved a capital improvement plan as required by AS 44.42.130. Amounts from the capital projects foundation fund shall be distributed annually to accounts established by the department for each unorganized borough or for each regional educa-

Funds do not lapse ?

tional attendance area if unorganized boroughs have not been established by enactment of a version of a bill entitled "An Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date".

(b) The amount of grants to be made to a region shall be determined by multiplying its population and area in square miles by the construction cost differential for that region and using this figure when compared with the total of figures similarly arrived at for all regions to calculate a percentage share of the total appropriation.

Sec. 44.42.150. USE OF GRANTS. (a) A grant from the capital projects foundation fund to a local government may be used only for a facility identified in an approved capital improvement plan. Each local government shall determine which project to finance with the grant received each year under AS 44.42.140.

(b) A grant from the capital projects foundation fund shall be disbursed in accordance with the terms of an agreement between the commissioner and the local government. The agreement may include any provision agreed upon by the parties, but must include in substance the following provisions:

Optional (1) that the local government shall secure, retain and protect title to the site of an existing facility or on which a new facility is to be constructed; for purposes of this paragraph it is sufficient that title is obtained in fee or by a lease which provides that the local government enjoys exclusive use of the land and any improvements for the estimated life of the facility;

(2) that the local government agrees to proceed with and complete the proposed project expeditiously in accordance with plans

submitted to the department;

(3) that the ~~local government~~ agrees to assume responsibility for the operation of the facility, and the feasibility of the discharge of this obligation shall be demonstrated to the satisfaction of the commissioner before the payment of state money;

(4) that the grant will not exceed the estimated total project cost as determined by the commissioner.

(c) If it appears that the cost of a facility financed in part by a grant from the capital projects foundation fund will vary substantially from costs estimated at the time a grant was made for the facility from the capital projects foundation fund, the local government is responsible for obtaining the additional money. The additional money may be obtained from other grants made from the capital projects foundation fund to the local government. If a project costs less to complete than estimated, the ~~local government~~ may apply to use this money on other projects as provided in this subsection.

(d) A grant from the capital projects foundation fund may be used by a ~~local government~~ to match other state or federal grants.

(e) In the unorganized boroughs or regional educational attendance areas each regional advisory council shall determine annually which projects identified in its capital improvement plan to finance. The department is responsible for the projects selected. The regional advisory council for the unorganized borough or the regional educational attendance area is responsible for the operation of a facility financed by a grant from the capital projects foundation fund and the feasibility of the discharge of this obligation shall be demonstrated to the satisfaction of the commissioner before the department begins work on a project.

Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160

(1) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the department using the latest available figures;

(2) "improvement" means renovations and additions to an existing facility which allow for better service than the facility provided in its original condition;

(3) "improvement, maintenance or new construction" includes, in addition to costs directly related to the project, the total of all costs of financing and carrying out the project; these include, but are not limited to, the costs ~~of all necessary studies~~, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property, an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary;

(4) "local government" means the government of a unified home rule municipality or organized borough;

(5) "maintenance" means restoration and repair needed to keep a facility as close as possible to its original condition;

(6) "population" means the population of a unified home rule municipality, organized borough, or unorganized borough or regional educational attendance area as determined by the department using the latest figures of the United States Bureau of the Census or other reliable sources of population data, such as school enrollment figures,

public utility connection figures, registered voter rolls, certified employment payrolls;

(7) "region" means a unified home rule municipality, organized borough, and unorganized borough established if a version of a bill entitled "An Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date" is enacted, or a regional educational attendance area which has an ~~approved~~ capital improvements plan.

* Sec. 4. This Act takes effect July 1, ~~1980~~. 1981

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M March 24, 1980

SUBJECT: Capital projects foundation fund
(Work Order Number 8341)

TO: Senator Arliss Sturgulewski

FROM: Tamara Brandt Cook TBC
Legislative Counsel

Since the legislature may or may not make appropriations to the capital projects foundation fund, it seems inappropriate to set out the appropriations formula supplied to me in this Act. I would also like to mention that neither I nor the revisor were able to understand the formula for distribution of fund appropriations. Please contact me concerning any changes you would like to have made to this Act.

TBC:ljb

Enclosure

total adjusted population = the sum of the adjusted populations of all municipalities, unorganized boroughs, REAA's etc that are ~~to receive~~ eligible for the capital foundation program.

CAPITAL FOUNDATION PROGRAM
(Construction and Maintenance)

FORMULA

Appropriations. The amount of appropriations authorized to be made to the capital foundation program for a fiscal year is equal to two hundred dollars times the state population.

Distribution. Amounts in the capital foundation ~~program~~ fund shall be distributed annually to municipalities and unorganized boroughs by the department by (a) allocating one-half of the amounts in the fund on the basis of adjusted population and one-half on the basis of adjusted area; and (b) determining the share of an individual municipality or unorganized borough by multiplying * ~~its population and area by the construction cost differential for that region.~~ The minimum grant shall be five per cent of the largest distribution made to any municipality or unorganized borough.

ok per call Mitt Parker 3/31 - 3795 re said vote

Construction Cost Increases. The Department of Transportation and Public Facilities shall submit to the legislature on or before February 15 of each year an estimate of the average percentage increase in construction costs in the state during the previous year.

DEFINITIONS

(1) 'population" means the population of the state, municipality, or an unorganized borough as determined by the department using the latest figures of the U.S. Bureau of the Census or other reliable population data, including but not limited to school enrollments, public utility connections, registered voters, or certified employment payrolls.

(2) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the Department of Transportation and Public Facilities using the latest figures.

(3) "department" means the Department of Community and Regional Affairs.

* the ratio of its adjusted population to total adjusted population plus the ratio of its adjusted area to total adjusted area times the amounts in the fund.

Def:
- adjusted population = the population of a municipality, unorganized borough, REAA, etc multiplied by the construction cost differential for that region
- adjusted area = ...

ILLUSTRATION OF FORMULA (in round terms)

Base:	Population	X	Construction Cost Differential			Area (Sq. Mi.)	X	Construction Cost Differential		
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,295
	429,000				449,000					695,671

Appropriation: 429,000 X $200 = $85,800,000

Grant:

Adjusted Per Cent of Population X $200
Adjusted Per Cent of Area X $200

Organized Areas

349,000 / 449,000	= .78	X	$42,900,000	=	$33,462,000		
149,376 / 695,671	= .215	X	$42,900,000	=	9,223,500		
					$42,685,500	$42,685,500	

Unorganized Boroughs

100,000 / 449,000	= .22	X	$42,900,000	=	$ 9,438,000		
546,295 / 695,671	= .785	X	$42,900,000	=	33,676,500		
					$43,114,500	43,114,500	
					Total	$85,800,000	

the share of an individual

~~municipality~~ municipality or unorganized township

is the ratio of its adjusted population

~~multiplied by~~ to adjusted state population

~~multiplied by~~ plus the ratio

of its adjusted area to the adjusted

state area ~~to~~ times the approp.

in the fund.

Define: "adjusted pop."

"adjusted area"

HR
20

WORK ORDER REQUEST FORM

Nº 8561

KEYWORDS: Families

ASSIGNED TO Cook

REQUEST FOR: BILL ☐ RESOLUTION ☒ RESEARCH ☐ OTHER ☐

SUBJECT White House Conference on Families

REQUESTED FOR House CRA BY Margo Goranch EXT.

* DELIVER TO House CRA TAKEN BY Noah

INSTRUCTIONS, EXPLANATIONS Draft resolution based on attached urging Alaska's participation in the White House Conference on Families. (Simple House Resolution)

Contact Marjorie before drafting.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED ☐

AUTHORIZED TO CONFER WITH

RETURN

TO REQUESTER

APPROVED: BCB Director, Legal Services

Director, Research

REVIEWED

IN S/B DUE

TYPED - Draft DATE

Final DATE

PROOFED DELIVERED

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT ☐ FINAL ☐

LA-L 10

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: White House Conference on Families Work Draft (RESOLUTION)

ORIGINAL SPONSOR: _____ OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: _____

HEARING DATE: 5/9/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

A draft of the proposed resolution was circulated for consideration by the committee which would be the sponsor.

There was concurrence that such a resolution be introduced.

HCR20 introduced by the House C&RA Committee on 5/12/80

COMMITTEE ACTION:

TAPE # SIDE _____ Footage _____

Juneau Legal Women
P.O. Box 1312
Juneau, Alaska 99802

May 12, 1980

The Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

The Juneau Legal Women, a group of local people, mostly women attorneys, who are interested in issues of law, would like to take this opportunity to urge you not to withdraw Alaska's delegation to the White House Conference on Families. We think it is clear that a free exchange of ideas is necessary on topics involving the family, including those topics which may be considered sensitive, but actually reflect the reality of the family structures in which many Alaskans live. We urge you not to cut off this opportunity for exchange of ideas and not to withdraw Alaska from the Conference on Families.

Sincerely,

Juneau Legal Women

cc: Betty Davis
Walter Soboloff
Mrs. Paul Glover

ALASKA NATIVE SISTERHOOD
GRAND CAMP

1979 - '80

Johanna E. Hotch
Grand President

Sally Kookesh
Grand 2nd Vice President

Evelyn Hotch
Grand Treasurer

Emma Widmark
Grand 1st Vice President

Irma R. Young
Grand Secretary

Joan Lewis
Grand Sgt-At-Arms

PO Box 496
Haines, Alaska 99827

April 11, 1980

Honorable Governor Jay Hammond
Office of the Governor
120-4th Street
Juneau, Alaska 99801

Dear Honorable Governor Hammond:

As Grand President of the Alaska Native Sisterhood (ANS) I would like to express my full support to the results of the State White House Conference on Families which was held in Anchorage. I would also like to state my appreciation for being appointed to attend the Conference. It was very informative and a stimulating experience.

I would also like to commend your efforts in holding this Conference. It showed that the State has demonstrated its concern for the government role in its relationship to the family life in the State of Alaska.

Sincerely yours,

Johanna E. Hotch

Johanna E. Hotch
ANS Grand President

JEH:iy

EXECUTIVE COMMITTEE

GRAND PRESIDENT, EMERITUS
Mildred Sparks - Haines

Bessie Visaya — Juneau

Elizabeth Baines — Metlakatla

Clara Natkong — Hydaburg

Lottie Nannauck — Kake

Helen Sanderson — Hydaburg

Mary Jones - Ketchikan

Stella Martin — Juneau

Gertrude Wolfe — Hoonah

Barbara Lewis — Anchorage

SSRA BOX 78 H
Anchorage, AK 99507

May 9, 1980

Honorable Jay Hammond
Office of the Governor
Juneau, AK 99811

Dear Governor Hammond:

It has come to my attention that you are considering withdrawing the Alaskan delegation to the White House Conference on Families. I wish to inform you that AAUW could not support that action.

The Conference was called to identify ways to strengthen and support American families. It is important that we have the opportunity to meet with scholars, professionals and policy makers to assess the current status of public and private programs which affect our families. Controversial issues may well be addressed; but what better way to air diverse opinions than in an open forum such as this conference?

I am reminded of your strong support for Alaska Public Forum. I am puzzled as to why you feel Alaskans, who are most versed in participatory government, should be kept home.

I urge you to reconsider your position and encourage Alaskan delegates to participate in this important dialogue with government.

Very truly yours,

Janice L. Foster

Janice L. Foster, President
Alaska State Division

FEDERALLY EMPLOYED WOMEN, INC.
MENDENHALL CHAPTER Box 1401 Juneau, AK 99802

May 12, 1980

Honorable Jay S. Hammond
Office of the Governor
Juneau, Alaska

Dear Governor Hammond:

This letter is to urge you not to withdraw Alaska from the White House Conference on Families. We have reviewed the report of the Alaska Statewide Conference and feel it contains many concerns of Alaska citizens that should be taken to the national conference. Many of these are concerns of our organization; i.e. equal opportunity in employment and education, child care and other family concerns of the working women, employment of the elderly, etc.

By copy of this letter we are also advising all members of the Legislature of our concern.

Sincerely yours,

Marie Darlin

Marie Darlin, President

Presented by: Jensen
Introduced: 5/15/80
Drafted by: J.J.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 662

A RESOLUTION URGING THE GOVERNOR TO SUPPORT THE PARTICIPATION OF THE ALASKA DELEGATION IN THE WHITE HOUSE CONFERENCE ON FAMILIES.

WHEREAS, legislation at the federal level affects families in many ways, and

WHEREAS, a national discussion of these issues may be beneficial in reducing the negative effects of legislation on families, and

WHEREAS, the White House Conference on Families was designed for this purpose, and

WHEREAS, the citizens of Juneau and of Alaska saw potential benefit in having their viewpoints on such issues represented in the national conference, and

WHEREAS, a multitude of Juneau citizens participated in the development of ideas to be represented by the state delegation, and in the selection of delegates, and

WHEREAS, the City and Borough of Juneau has already supported the participation of its citizens in this process;

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Juneau strongly urges the Governor of Alaska to support the participation of the Alaska delegation in the White House Conference on Families.

Adopted this 15th day of May, 1980.

Mayor

Attest:

Clerk

HOUSE RESOLUTION

Relating to participation
by the State of Alaska in the
White House Conference on Families

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

WHEREAS President Carter has announced a White House Conference on Families in 1980 to identify ways to strengthen and support American families; and

WHEREAS Governor Hammond issued an Executive Proclamation on January 31, 1980 declaring March, 1980 as White House Conference on Families Month and inviting community organizations to spearhead local participation through meetings and hearings to assist in developing state and national public policy to support families; and

WHEREAS the goal of the State program was identified by Governor Hammond in such proclamation as the assessment of needs and development of policies, through broad public participation, which would give support to families in the delivery of programs and services; and

WHEREAS the organizational work to implement the Governor's directive was dominated by volunteer efforts statewide with the support of the Governor's Office; and

WHEREAS hearings were held in Anchorage, Bethel, Dillingham, Eagle River, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, Sitka, Seldovia, Soldotna, and the Yukon-Kuskokwim area; and

WHEREAS testimony was also developed by the Aleutian/Pribilof Islands Association, Alaska Native Sisterhood, Fairbanks Native Association, Kodiak Native Association, and the Tanana Chiefs Conference; and

WHEREAS the Alaska White House Conference on Families was held on March 28,29 in Anchorage and was a culmination of a variety of statewide hearings, reports, organizational meetings, public testimony, and village council meetings and included delegates chosen by direct involvement through local activities, elections, local steering committees, local advisory committees, and appointments by legislators; and

WHEREAS such delegates discussed issues related to family strengths and supports, diversity of families, changing realities of family life, impact of public and private institutional policies on families, impact of discrimination, families with special needs, and developed twelve issues/concerns with action-oriented recommendations based on these themes; and

WHEREAS the Conference participants elected six delegates and the Governor appointed 3 delegates to represent the State of Alaska at the White House Conference on Families; and

WHEREAS the Alaskan delegation can offer much insight to the White House Conference on unique features of the Alaska lifestyle which tend to strengthen family life--the ability to enjoy and appreciate the natural habitat, the social openness and trust, and a large degree of individual self-sufficiency; and

WHEREAS the broad-based participation of individuals from

throughout the state has produced a delegation representative of the diversity of views and philosophies on the subject of family life which exists in Alaska; ~~and~~

BE IT RESOLVED that the House of Representatives respectfully requests that the State of Alaska participate in the White HOuse Conference on ~~the~~ Family; and that the duly elected, delegates attend the Conference ~~to be held on~~

Nat'l.

+ appointed

League of Women Voters of Alaska

May 8, 1980

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A,
Juneau, Alaska 99811

Dear Governor Hammond:

The League of Women Voters of Alaska supports continued State participation in the White House Conference on Families.

The League worked closely with state and local community organizers throughout the entire process from planning community hearings to acting as recorders and facilitators. You are to be commended for carrying out the process in such an open manner. The entire process of choosing delegates was well done.

The League is appalled that you would consider abandoning the White House Conference on the Family and negating the grass root effort and commitment of Alaskans that went into choosing delegates and identifying issues impacting families in Alaska today.

The citizens of this state participated in the local hearings and state conference in good faith that they and Alaska's ideas would become part of the national dialogue on families. It is your responsibility to support this citizen/state effort and continue with the state participation in the conference.

The family is the most important basic unit in our society, and one which is strongly impacted by the more traditional political issues of economics. To consider withdrawing Alaska from dialogue on the family simply because more traditional issues are already consuming your time and energy is untenable. Non-participation is not the answer to controversy.

The League of Women Voters of Alaska urges you to keep faith with the citizens of Alaska who support the ideals of this conference and wish to continue the State's participation in the White House Conference on Families.

Sincerely,

Jean Stassel

Jean Stassel
President
LWV

RESOLUTION

Whereas the Alaska Home Economics Association and the Future Homemakers of America have supported the National White House Conference on Families for the past year in our programs, and

Whereas this program has aroused deep issues as well as needs throughout our country, and

Since the Alaska Home Economics Association is a force for families,

Therefore, be it resolved that the Alaska Home Economics Association will support the State of Alaska's continued participation in the White House Conference on Families to insure the Alaska perspective will be communicated.

Marjorie Schmiege
President Alaska
Home Economics, Assn.
Advisor Future
Homemakers of America
1800 Evergreen Ave
Juneau 99801

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN

177 Behrends Avenue
Juneau, Alaska 99801
May 10, 1980

Governor Jay Hammond
State of Alaska
Juneau, Alaska 99801

Dear Governor Hammond,

The Juneau Douglas Branch of the American Association of University Women met today and discussed your recent letter relating to the White House Conference on Families. The members voted unanimously to support Alaska's participation in the National Conference.

Our membership feels that Alaska's unique concerns will not be heard by the nation, if we are not present. Whatever action is taken at the National Conference, Alaska must be there to lend its voice to the proceedings.

Sincerely,

Barbara Potter

Barbara Potter
President A.A.U.W.

May 14, 1980

Dear Governor Hammond

The Juneau Unitarian Fellowship participated in the White House Conference on Families by submitting testimony at the local hearing in Juneau.

We unanimously agreed at our meeting this morning that Alaska should participate in the National Conference.

Sincerely

Cealy Cunningham
Chairperson
Box 458
Douglas Ak 99824

P.O. Box 249
Douglas, Alaska 99824
May 13, 1980

Governor Jay Hammond
Members of the Alaska State Legislature
Juneau, Alaska

Dear Governor Hammond, and House and Senate members:

I've been informed that Alaska's participation in the White House conference on Families is in question.

I would strongly urge you to support Alaska's participation in that conference for two reasons:

1. You as lawmakers know that your decisions have an impact on the living patterns and institutions of society. Legislation at all levels--federal, state, and municipal--cannot fail to have impact on families.. In a sense it is not possible to "do nothing," because the consequences of governmental policy reach deeply into society already. The only issue is whether we will face problems squarely.

2. The document prepared by Alaskans comprises the opinions of a wide spectrum of people, containing both liberal and conservative viewpoints. The delegates selected also are representative of nearly all viewpoints and should effectively represent the diversity of opinions within our state.

I hope you will sustain the confidence of people in our state's democratic processes and support our participation in the upcoming conference.

Sincerely,

John Jensen

John Jensen
Assemblyman/City and Borough of Juneau

Susan R. Clark
1109 C Street
Juneau, Alaska 99801

Governor Jay Hammond
State of Alaska
Juneau, Alaska 99811

9 May 1980

Dear Governor Hammond,

I am disappointed and perplexed that you have proposed Alaska's withdrawl from the national White House Conference on Families. I am concerned that delegates to the State Conference and alternates to the National Conference were not informed of this serious proposal by a letter from you, and many may still be unaware if their local newspapers or media did not pick up on the story.

Speaking for Juneau's involvement, a large spectrum of people gave oral or written testimony or support to the local hearings. Some spent a great deal of time and thought on their presentation with the idea that their contributions would matter. They did. Juneau came up with a position paper which contained both "liberal" and "conservative" concerns, and the three elected delegates were bound by that paper in their actions at the State Conference.

Although some groups would claim that only their families are legitimate ones, I do not feel that most Alaskans believe that families, the basic nurturing unit of our society, can be stereotyped. In fact, nationwide figures show that an employed father, a housewife mother, and children (any number) is only 15% of our nations families. In Alaska where there is a higher than average incidence of employed women, this percentage is even lower.

Nor do I feel that the scare issues of ERA, abortion and gay rights are a significant part of the Conference outcome. None were targeted as major issue areas by an panel, and the latter two were mentioned only by the first panel and in a conservative context. The ERA is simply a fact of Alaskan life and law since our own state ERA was passed eight years ago. The conference was at times frustrating to people of all persuasions, but it was on the whole a democratic process, and the concluding document is a democratic document. It cannot fail, therefore, to contain things with which we may not all agree, but to censor or alter it in any way now would cause even more distrust of government.

Special attention was given at the Conference to the needs and concerns of our native peoples. Rosita Worl and Mary Jane Fate were excellent and informative keynote speakers there. Alaska's Native and rural people have unique family concerns which will not be heard at the national level if we are to withdraw.

Please reconsider your proposal.

Sincerely yours,

Susan R. Clark

Susan R. Clark, alternate delegate to
the National Conference

GOVERNMENT INTERVENTION AND THE MAINTENANCE OF FAMILIES

by

Rosita Worl

Presented to the
White House Conference on Families
Anchorage, Alaska
March 28, 1980

The social ramifications of government intervention on family structure are both constructive and destructive; planned and inadvertent; excessive and inadequate; and responsive and repressive. Because of their special and unique relationship to the federal government, American Indians and Alaska Natives have been directly and intimately affected by government policy. The government has the power to aggregate, disperse, and displace Native American families. I would like to make it explicitly clear that I am not speaking of an infamous "black page" in American history, but rather of ongoing processes which continue to affect the survival of families.

Governmental practices continue to allow the removal of Native children from their homes and even communities. In 1973, the Senate Committee on Interior and Insular Affairs' Subcommittee on Indian Affairs received reports that alarmingly high percentages of Indian children were being separated from their parents through actions of non-tribal governmental agencies. Studies by the Association on American Indian Affairs, state welfare offices, and private child welfare groups indicated that in some areas as many as 25 percent of all Indian children are being placed in institutions or in foster or adoptive homes, usually with non-Native families (Senate Select Committee Report on S. 1214, The Indian Child Welfare Act of 1977).

During the enrollment of Alaska Native shareholders under the Alaska Natives Claims Settlement Act, Alaska Natives were shocked to learn of the high number of Native infants who were systematically placed in non-Native adoptive homes. The concept of "illegitimate child" did not exist in many parts of Alaska until white missionaries

introduced it. The idea of a "fatherless child" was viewed as the ultimate absurdity. Zealous individuals pressured Native girls to give up their "fatherless children" instead of allowing them or other family members to care for the children, which has been the traditional pattern.

Although the Indian Child Welfare Act of 1977, enacted to deter these mass removals, established legislative standards to govern the placement of Native children in foster or adoptive care settings, Native children continue to be removed from their homes and communities through a host of different programs. Church-sponsored programs of many kinds aggressively recruit and remove Native children from their homes and communities. Native families are subject to the close scrutiny of welfare agents who hold different concepts about kinship, family, and children. Judicial decisions appear to favor non-Native parents in cases in which Native and non-Native parents separate. Also, in spite of the Molly Hootch case, many Native children are still forced to leave their homes and communities to reside in boarding school facilities because the law requires them to attend school, and no local program is available. Currently, we have generations of Natives who were thus displaced at critical times of their lives. Because of this, they were denied the experience of living as a member of a family unit, and they cannot be expected to provide as healthy a family environment as they might have otherwise.

The educational process itself erodes Native value systems and ideas of family and community. Education teaches culture, and the education provided by white America for Indians, Aleuts, and Eskimos has always been aimed at teaching Western culture, the ideologies of which are founded on competition rather than cooperation and on individualism

rather than the group. I suggest that Americans concerned about the disintegration of the family unit should analyze the effects of the system of values and attitudes which encourages individualism.

At this point I would like to demonstrate how legislative action based on the American concept of individualsism can serve to divide families. Under the Alaska Native Claims Settlement Act (ANCSA) of 1971, each Native individual was enrolled as a shareholder. However, the legislation did not allow children born after 1971 to be enrolled. Several thousand Native children born after the passage of the act have been disenfranchised from their entitlement and equal participation in political and economic Native corporations organized under ANCSA. In a single family, some children will participate while others will not. Such discrimination is bound to generate divisiveness and conflict among family members and in the larger community.

I make no attempt to delineate the various patterns of family organization found among Alaskan Inupiat, Yupik, Aleut, Athapaskan, Tlingit, Tshimpshian, or Haida. The forms, organization, and composition of Alaska Native families are diverse and complex. Each group has adopted kinship systems which have perpetuated their survival. Traditional family forms among Alaska Natives include matrilineal, patrilineal, or bilateral extended families. The concept of traditional families takes different forms and meanings in different societies. I would like to emphasize that families are distinct from household units; families may be dispersed through several households but continue to interact as a single family unit. However, government policies appear to equate families with households and develop laws and regulations oriented toward the single household unit. In Native and many other

ethnic communities, modes of affiliation, reciprocity, and familial relations have different residential patterns. Furthermore, functions which the larger society has delegated to institutional agencies, such as child welfare and old-age offices, are still maintained by the families and communities which have remained culturally intact.

The government has a clear policy of protecting the environment, but no policy exists to protect the family. Whenever developments or legislation which may alter the environment are proposed, voluminous environmental impact statements are drafted and evaluated. However, these same environmental impact statements ignore the impacts, stress, and tension that will be placed on families.

Alaskan families are facing and will continue to face rapid and extensive pressures for change, most immediately those associated with outer continental shelf and other oil and gas projects. Negative impacts on families experiencing rapid and extensive change will be rampant in the state, and social disintegration social illness, and family traumas manifesting themselves in alcoholism and violence will be the consequences. The government has been grossly negligent in delineating and recognizing such social ramifications. I maintain that governments must analyze the scope of the economic policies and resulting impacts on families as well as those from legislative, administrative, and judicial decisions. Once these are identified, we must seek remedies and mitigative measures to minimize the negative impacts on families.

Family organizations differ in our diverse and pluralistic society and should not be forced into one dominant ideological mold. The maintenance of family units, in whatever form, has been the foundation and strength of America.

****COPY****

397

ALASKA HOUSE OF REPRESENTATIVES

HR 20

2ND SESSION 11TH LEG

5/16/80 11:40 A

23 YEAS 12 NAYS 5 N/V

N	ANDERSON	Y	ELIASON	N	MARTIN	A	FARR
N	BARNES	N	FREEMAN	Y	MEEKINS	Y	PHILLIPS
N	BEIRNE	Y	FULLER	N	METCALFE	N	RANDOLPH
N	BETTISWORTH	Y	GARDINER	Y	MILES	Y	ROGERS
A	BRANSON	Y	GUY	Y	MILLER	Y	SCHAEFFER
A	BROWN	Y	HALFORD	N	MONTGOMERY	Y	SMITH
Y	BUCHHOLDT	A	HAUGEN	Y	MOSS	Y	ZHAROFF
Y	CARNEY	N	HAYES	Y	MUNSON		
N	CHATTERTON	N	HURLBERT	A	O'CONNELL		
Y	COTTEN	Y	MCKINNON	Y	OSTERBACK		
Y	DUNCAN	Y	MALONE	Y	PARKER		

+ VOTED FOR

* CHANGED VOTE

SSRA BOX 78 H
Anchorage, AK 99507

May 9, 1980

Honorable Jay Hammond
Office of the Governor
Juneau, AK 99811

Dear Governor Hammond:

It has come to my attention that you are considering withdrawing the Alaskan delegation to the White House Conference on Families. I wish to inform you that AAUW could not support that action.

The Conference was called to identify ways to strengthen and support American families. It is important that we have the opportunity to meet with scholars, professionals and policy makers to assess the current status of public and private programs which affect our families. Controversial issues may well be addressed; but what better way to air diverse opinions than in an open forum such as this conference?

I am reminded of your strong support for Alaska Public Forum. I am puzzled as to why you feel Alaskans, who are most versed in participatory government, should be kept home.

I urge you to reconsider your position and encourage Alaskan delegates to participate in this important dialogue with government.

Very truly yours,

Janice L. Foster

Janice L. Foster, President
Alaska State Division

Juneau Legal Women
P.O. Box 1312
Juneau, Alaska 99802

May 12, 1980

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Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

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Sincerely,

Juneau Legal Women

cc: Betty Davis
Walter Soboloff
Mrs. Paul Glover

ANS
GRAND CAMP
ALASKA NATIVE SISTERHOOD

1979 - '80

Johanna E. Hotch
Grand President

Sally Kookesh
Grand 2nd Vice President

Evelyn Hotch
Grand Treasurer

Emma Widmark
Grand 1st Vice President

Irma R. Young
Grand Secretary

Joan Lewis
Grand Sgt-At-Arms

PO Box 496
Haines, Alaska 99827

April 11, 1980

Honorable Governor Jay Hammond
Office of the Governor
120-4th Street
Juneau, Alaska 99801

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I would also like to commend your efforts in holding this Conference. It showed that the State has demonstrated its concern for the government role in its relationship to the family life in the State of Alaska.

Sincerely yours,

Johanna E. Hotch

Johanna E. Hotch
ANS Grand President

JEH:iy

EXECUTIVE COMMITTEE

GRAND PRESIDENT, EMERITUS
Mildred Sparks - Haines

Bessie Visaya — Juneau

Elizabeth Baines — Metlakatla

Clara Natkong — Hydaburg

Lottie Nannauck — Kake

Helen Sanderson — Hydaburg

Mary Jones - Ketchikan

Stella Martin — Juneau

Gertrude Wolfe — Hoonah

Barbara Lewis — Anchorage

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 28, 1980

OPEN LETTER TO WHITE HOUSE CONFERENCE ON FAMILIES
NATIONAL DELEGATES

Ms. Leslye Korvola
1094 Coppett
Fairbanks, Alaska 99701

Dear Ms. Korvol.:

No matter how one may define "family", most would agree that certain economic, educational, social and societal concerns are common to all families. Beyond these, there are spiritual, moralistic and life-style considerations which draw controversy. Underlying both the contoversial and non-controversial issues is the very serious question as to what degree government should involve itself in any of them.

Many have expressed desires that the role of Alaska's delegation to the Conference on Families be expanded to provide a forum for crusading on behalf of controversial issues. Some, for example, would have you take either a militant pro or anti-abortion stance; a militant pro or anti-ERA position; or a militant pro or anti-gay rights posture. While it may be argued that these issues impact families, it would be a serious mistake to let them be perceived as the focus of your efforts. Surely, there are enough non-controversial matters impacting families to deal with without permitting the more controversial to obscure the views of most Alaskans and thus incur increasing opposition to Alaska's participation in the Conference.

Frankly, the entire effort is already fraught with the potential to become simply another exercise which, like many governmental invasions into the lives of its citizens, is conceived in hope, only later to abort in dismay.

In my view, many problems confronting families today lie not in the temperal realm so much as they pertain to impoveritization of the human spirit. As such they are not likely to be significantly impacted by yet another governmental program designed to obscure the problem beneath a flurry of tax dollars. Since this prime root cause of many family ailments transcends the political arena, it cannot, and should not, be addressed by government if we are to maintain a proper separation of church and state. Therefore, I look for no magic resolution of major family problems to flow forth from this conference.

Unlike those who fear the conference will result in some dramatic - or dismaying - federal program which either bolsters or corrodes the family structure, I suspect the effort instead may accomplish little. In view of recent and prospective massive cutbacks in federal spending, fears -- or hopes -- seem exaggerated that costly new proposals more heavily involving government in family life will be funded by the Congress. Accordingly, though I might have preferred that President Carter had not brought the proposal up at all, much less have then lobbed it to us governors, I doubt that the Conference's deliberations will yield an end product which would have major impact.

Nonetheless, there is growing agitation against Alaska's participation in the conference. Several legislators have urged me to withdraw. Recently, the Republican party adopted a platform plank requesting withdrawal, as five other states have done.

In my view, the last thing we Alaskans need at this moment is another divisive issue, real or imaginary. With the aggravations of capital move, d(2), gas pipelines, petrochemicals, stratospheric interest rates, the fish price crash, the economic crunch, and reapportionment, we already have sufficient turmoil. Unfortunately, the Whitehouse Conference on Families seems fertile soil from which such has already sprouted.

In view of this, I selected three delegates who, in my belief, reflected the views of most Alaskans as to what were appropriate positions for the Alaskan delegation to take at the conference. It is my understanding, however, that some delegates have asserted they feel no constraints to stay

within non-controversial boundaries and intend to delve into other issues which many feel do not represent the views of most Alaskans. While it is, of course, permissible for anyone to attend the conference and, as an individual, espouse such views, those who intend to do so under the aegis of the State of Alaska would not, in the view of most Alaskans, serve the State's best interests.

Before reaching a final decision as to whether I shall concur with their request, I am advising, by copies of this letter, legislators, the Republican party, and a multitude of concerned citizens who have urged Alaska to withdraw from the Conference, that I would ask all nine delegates to meet and review the policy positions you would present to the Conference.

Subsequently, should my three appointed delegates recommend we go forward with participation in the Conference, we should do so; otherwise, we will withdraw

Sincerely,

Jay S. Hammond
Governor

HCR

15

(7)

COMMITTEE REPORT

HOUSE

FURTHER:

March 20, 1979

Date: 27 Mar 79

Mr. Speaker:

The Committee on C&RA has had HCR 15

Relating to employee-occupied state housing.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99

DATE: 4/27/79

BILL NUMBER AND TITLE: HCR 15 Relating to employee-occupied state housing

ORIGINAL SPONSOR : Parker

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

The resolution was cirulated for recommendations of committee members and passed out.

COMMITTEE ACTION: Passed out of committee.

TAPE # 8 SIDE 1 Sections 1

HCR

45

(7)

COMMITTEE REPORT

HOUSE

2/14/80

FURTHER:

Date: 22 [illegible] 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SSHCR 45

"Relating to the senior citizen tax exemption."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[X] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

AMENDMENT

OFFERED IN THE HOUSE: BY: House C&RA

To: Finance HOUSE BILL No. SSHCR 45

SENATE BILL No. _____

PAGE: 1 LINE: 18

Insert additional paragraph to read:

BE IT FURTHER RESOLVED that qualifying residents 65 years of age or over who because of administrative interpretation and guidelines did not receive full exemption from municipal property tax for real property owned and occupied receive payment, retroactive to January 1, 1973, for such taxes. Reimbursement for such retroactive payments will be as provided for in AS 29.53.020 (c).

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

COMMITTEE REPORT

The House Community & Regional Affairs Committee recommends that SSHCR 45 relating to the senior citizen tax exemption have a further referral to the House Finance Committee, Further, it is the intent of the House Community and Regional Affairs Committee that qualifying residents 65 years of age or over who because of administrative interpretation and guidelines did not receive full exemption from municipal property tax for real property owned and occupied receive payment, retroactive to January 1, 1973, for such taxes. Reimbursement for such retroactive payments should be as provided for as in AS 29.53.020 (g).

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: SSHCR 45 Re Senior Citizen's Tax Exemption

ORIGINAL SPONSOR: Malone, Beirne, Chatterton, Montgomery, Munson, Phillips OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: _____

HEARING DATE: Feb. 22, 1980

MEMBERS PRESENT:

Bill Parker X	Pat Carney
Margaret Branson X	Charlie Parr X
Pat O'Connell X	Fred Zharoff X
	Ray Metcalfe X

The Committee preceeded discussion of the bill with an overview of a report on the subject of exemptions prepared by the Dept. of C&RA, "An Examination of Property Tax Exemptions" by Terry Early, State Assessor. The questions related to exemptions were discussed and the "circuit breaker" legislation included in the material was outlined. The Dept. reiterated its opposition to further exemptions wich erode the tax base and shift the burden of taxation to others in the community. Early stated that senior citizens exemptions should be based on need. And that property tax should be based on ability to pay. There are currently 3 different approaches used to tax boats--the Municipal League is working on a solution to this problem. The problem with the current optional exemption to the property tax is that the resource rich communities benefit. There should be some consideration given to payment in lieu of taxes for communities which have a preponderance of state & federally owned facilities.

The word " contiguous" was removed in the SSHCR45. One of the problems with the bill is that a subdivider can hold the land in tax exempt status.

Parr- Discusses history of "circuit breaker" approach. It started in the Midwest in an attempt to help low income persons. In Michigan if the taxes exceed 3% of income, the state will reimburse 60%.

Early - The state currently reimburses for 1 acre urban land and 5 acres rural land. The Dept. believes there should be a limit on the amount of land which is tax free. 70% of the money in Anch. goes to one individual. How much are we willing to subsidize?

Metcalfe - There should be some provision for those who hold leasehold interests in land which are not saleable. The base exemption should be on the value rather than on the property size.

COMMITTEE ACTION: Adopted Parr's amendment. Recommends a further referral to Finance Committee and a redo of the fiscal note.

TAPE # _____ SIDE _____ Footage _____

Parr- The transferred payments question should be looked at. Leave room for the municipalities to decide what they want to do. State shouldn't be making all those decisions. Local government should ahve discretion.

Plotnick, Office of Aging
Favors SSHCR 45. Programs for the elderly should be based on need but Seniors are generally in need. The exemption is actually more valuable than the longevity bonus. Your home is your castle.

Metcalfe - Value of property should be determinent.

Plotnick- Estate taxes will take more than this situation.

Malone - On the question of senior citizen's exemption being based on need, it is not necessarily based on need but rather public policy as benefit for a certain cateogy of people. The intent of the resolution is that the propoerty owned and occupied as permanent place of abode be exempt. There is no intent of changing the law rather to clarify it. Malone reveiws the history of the law as addressed in letter from J. Chenoweth.

The question was raised whether or not there should be a provision added to the resolution stating that administrative guidelines contrary to the intent of the law should not be promulgated. Malone responds that the administrative regs were actully made ineffective by the Pegues memo on the subject and that it has been determined that resolutions are not appropriate mechanisms for repealing regulations.

People who should have received exemptions should probably receive it retroactively.

Malone cites the law which has two distinct parts:
1. Provides eligible residents are entitled as a matter of law to the exemption
2. provides that the legislative appropriate money to fill loss of revenue to the municipalities--reimbursement subject to funding by the legislature.. Therefore, if there isn't enough money, the senior is still entitled to the exemption. Advise people that they are entitled to reimbursements. Municipalities could absorb but a supplemental may be in order by the state.

Parr- Amend to add " Be it furter resolved that qualifying residents 65 years of age and older who because of administrative interpretation did not receive the full amount of the exemption, be reimbursed.

Redo fiscal note and ask for Finance Committee referral.

Fiscal note for an existing law is unusual (Parr)

Dove Kull testifies in support of the bill.

Decision made by sponsor, Rep. Malone to deal with amendment in the form of a letter of intent to the Finance Committee.

Ombudsman

Frank Flavin

State of Alaska

Reply to:

☒ 840 K Street, Room 203
Anchorage, Alaska 99501
(907) 276-4011

☐ Pouch WO
Juneau, Alaska 99811
(907) 465-4970

☐ P.O. Box 74358
Fairbanks, Alaska 99707
(907) 452-4001

October 26, 1979

Palmer McCarter
Director
Division of Local Government Assistance
Department of Community and Regional Affairs
Pouch B
Juneau, Alaska 99811

Re: Ombudsman Complaint A79-0788
(Pending)

Dear Mr. McCarter:

On July 24, 1979, this office received a complaint alleging that the State Assessor has arbitrarily limited the senior citizens property tax exemption to one acre in urban areas and five acres in rural areas. According to the complainant, the State Assessor does not have statutory authority under AS 29.53.020 (e) to impose such a limitation on the property tax exemption granted to senior citizens.

Please take notice that this complaint has been fully investigated by the Office of the Ombudsman, and has been found to be Justified.

In our investigation of this complaint, we found that the property tax exemption in question is based on AS 29.53.020 (e) which states:

> The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570. (emphasis added)

When this law was originally enacted in 1972, it contained a provision to limit the exemption to those individuals with an annual income of less than $10,000.00. That provision was repealed in 1973. In 1976 the legislature passed an amendment to limit the exemption to the upper third quartile of assessed values in the state during the previous year. However, this provision was repealed during the 1977 Legislative Session, retroactive to January 1, 1977. Thus the quartile system was never

placed in effect.

The only limitation stated in the present statute on the amount of land to be included in the exemption is the phrase "real property owned and occupied as a permanent place of abode." The last two sentences of subsection (e) are clearly intended to prohibit the fraudulent transfer of real property to senior citizens for the purpose of avoiding taxes. As currently written, AS 29.53.020 (e) contains no mention of, or reference to, any specific acreage limitation on the amount of "real property owned and occupied as a permanent place of abode."

Shortly after this statute was first enacted, the State Assessor began utilizing administrative guidelines to impose an acreage limitation on the amount of land that senior citizens claimed as their permanent place of abode. These guidelines were based on the argument that the amount of land in the exemption must be strictly construed pursuant to 19 AAC 35.120 (4) of the Alaska Administrative Code. Subsection (4) of that Regulation, adopted in 1973, defines "permanent place of abode" as "a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit." Since the Regulation does not contain mention of any specific acreage limitation, administrative guidelines were used to limit the exemption to one acre in urban areas and five acres in rural areas.

Over the years, at least three municipalities attempted to give full exemptions to senior citizens living on parcels larger than the one-acre and five-acre limitations. These municipalities took the position that the State did not have the statutory authority to limit the exemption to a specific number of acres. The State Assessor dissuaded the Municipality of Anchorage and the Matanuska-Susitna Borough from exempting large parcels by threatening to reject their reimbursement requests. In 1977, however, the State reimbursed the Kenai Borough on the basis of the full amount of the property claimed by senior citizens rather than the one-acre and five-acre formula. Due to the controversy surrounding the use of administrative quidelines to justify an acreage limit, the State Assessor drafted an amendment to 19 AAC 35.120 (4) which would have further defined "permanent place of abode" as "limited to not more than one acre if urban nor more than five acres if rural."

This proposed change in the Regulations met with strong opposition and in early 1978 the Legislature's Administrative Regulation Review Committee held hearings on the proposed amendment. After an exhaustive search, the Legislative Counsel could find no evidence to support the contention that the Legislature had ever intended a specific acreage limitation on the senior citizens exemption. In a written opinion, the Legislative Counsel concluded:

> there appears to be no basis in law by which the state assessor may direct or authorize local assessors to give approval to less than the entire parcel shown by an otherwise qualified applicant to be his or her permanent place of abode.

After the March 1978 hearings, members of the Administrative Regulation Review Committee were divided on the issue of whether there should be an acreage limitation. The only point agreed upon by the Committee was that if such an acreage limitation is to be instituted it must be written into the statute, not adopted by regulation or administrative guideline. Therefore, the Committee recommended that the matter be referred to the Legislature for consideration as an amendment to the statute. A bill to amend the statute was introduced in the 1978 session, but no final action was taken on it. So the State Assessor continued to administer the one-acre and five-acre limitations through the use of administrative guidelines. This resulted in the filing of a complaint with the Ombudsman and initiation of the present investigation.

In responding to our original inquiry regarding this complaint, the State Assessor asserted that the one acre and five acre limitation was mandated by the municipalities. Several municipal tax assessors assert, on the other hand, that the State Assessor forced this formula on the municipalities. The Department of Community and Regional Affairs requested an opinion from the Attorney General's Office on the agency's authority to impose a specific acreage limitation.

In an opinion dated August 17, 1979, Assistant Attorney General Rodger W. Pegues wrote that the State Assessor's one-acre and five-acre limitation "comports" with the purpose expressed in the phrase "owned and occupied" in the statute. Mr. Pegues justified his assertion not on the basis of specific reference to evidence of legislative intent but rather on the supposition that "we do not believe that a windfall for holders of vast tracts of land was intended or that the exemption was designed to encourage speculation in realty and the withdrawl of large tracts from the market." Mr. Pegues concluded that if the State Assessor's language of limitation were incorporated into the agency's regulations "as an interpretation of AS 29.53.020 (e), it would survive judicial scrutiny. However, until it is adopted as a regulation under the Administrative Procedure Act, it can have no legal force or effect on a person claiming the exemption." The Attorney General's opinion also suggested that if the Assessor has consistently interpreted AS 29.53.020 (e) as incorporating the one-acre and five-acre limitation, "the interpretive regulation can be given retroactive effect when it is adopted."

On the basis of the above-cited opinion, the Department of Community and Regional Affairs recently announced that it will hold public hearings for the purpose of amending the definition of "permanent place of abode" (19 AAC 35.120 (4[ ) to include the one and five acre limitations. That is precisely what the agency attempted unsuccessfully to do in early 1978. The agency's present course of action runs contrary to the recommendation made to the agency by the Legislature's Administrative Regulation Review Committee in 1978.

FINDING: We find the complaint to be Justified. We find the phrase "real property owned and occupied as a permanent place of abode" in AS 29.53.020 (e) to be clear on its face. We found no evidence of legislative intent and no persuasive interpretive rules to indicate that the legislature meant the phrase to authorize a specific acreage limitation.

The present statute should be applied as written: without an acreage limitation.

We also find that the definition of "permanent place of abode" in the Regulations (19 AAC 35.120 (4)) is in conflict with the language of the statute since "necessary to convenient use" implies a limitation of the exemption. In a similar manner, the State Assessor's "administrative guidelines," which have been used in the past to justify the one-acre and five-acre limitation, are also in conflict with the language and intent of the statute.

We find that the agency, by administratively imposing a limitation on a general tax exemption granted to a specific group of citizens, has infringed upon the functions of the Legislature. Tax relief is a question for legislators to decide, not a policy matter that should be decided by administrative officials. The State Tax Assessor and the Department of Community and Regional Affairs have assumed a taxing role by implementing specific acreage limitations on the Senior Citizens Property Tax Exemption. For this reason we find the agency's actions to be arbitrary and an abuse of administrative powers.

RECOMMENDATIONS:

1. We recommend that the Department of Community and Regional Affairs desist from enforcing the one-acre and five-acre "administrative guidelines" which are counter to the language of the statute.

2. We recommend that the agency not adopt the proposed change in 19 AAC 35.120 (4) which would further define "permanent place of abode" as "limited to not more than one acre if urban, nor more than five acres if rural."

3. We recommend that the agency amend 19 AAC 35.120 (4) to eliminate the phrase "which are necessary to convenient use of the dwelling unit" from the definition of "Permanent place of abode."

4. We recommend that if the agency believes there should be an acreage limitation on the Senior Citizens Property Tax Exemption, then the agency should address the issue by asking the Governor to introduce a bill to amend AS 29.53.020 (e) in the forthcoming session.

Since this report of our findings contains formal recommendations made by this office, may we have a response from you within thirty days, pursuant to AS 24.55.190 (b) and AS 24.55.200. Should you wish to discuss any part of this report, please feel free to call me at 276-4011.

Sincerely,

Frank Flavin
Ombudsman

FF/RB/jm

cc: Terry Earley, State Assessor
Don Gilman, Mayor, Kenai Peninsula Borough
Pat McKee, Assessor, Municipality of Anchorage

M E M O R A N D U M

January 21, 1978

SUBJECT: Acreage limitations on senior citizen property tax exemption applications.

TO: Representative Hugh Malone, Speaker
House of Representatives

FROM: John B. Chenoweth
Legislative Counsel

You have been asked by a constituent to comment on the validity of a determination by the Department of Community and Regional Affairs providing only a partial exemption to homestead property under the senior citizens property tax exemption program, AS 29.53.020(e) - (i). The constituent apparently received approval of a portion of his homestead, but the entirety of the parcel was not approved, thereby requiring a payment by him of a portion of the tax.

The applicable statutes are AS 29.53.020(e) and (f):

> (e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

> (f) No exemption may be granted except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors. The claimant must file the application no later than January 15 of the assessment year for which the exemption is sought, but during the same year the governing body of the municipality for good cause shown may waive the claimant's failure to make timely application for the exemption for that year and authorize the assessor to accept the application as if timely filed. The claimant must file a separate application for each assessment year in which the exemption is sought. If an application is filed within the required time and is approved by the assessor, he shall allow an exemption in accordance with the provisions of this section. If a claimant whose failure to file by January 15 of the assessment year has been waived as provided in this subsection and the application for exemption is approved, the amount of tax which the claimant may have already paid for the assessment year with respect to the property exempted shall be refunded to him. The assessor may at any time require proof in the form he considers necessary of the right and amount of an exemption claimed under this section.

To implement the program, the Department had adopted administrative regulations in 19 AAC 35. A definition of "permanent place of abode" is provided in 19 AAC 35.120(4):

> "permanent place of abode" means a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to the convenient use of the dwelling unit;

The underscored language is apparently the basis by which the local assessor or the state assessor determines that less than the entirety of a homestead owned and occupied by a qualifying senior citizen is eligible for the tax exemption.

There appears to be no basis in law by which the state assessor may direct or authorize local assessors to give approval to less than the entire parcel shown by an otherwise qualified applicant to be his or her permanent place of abode.

Your courses, as I see them, are these:

(1) you may write to the constituents indicating that they have a right of appeal of the decision of the assessor under the applicable provision of the Administrative Procedure Act;

(2) you may direct, or suggest that the constituents direct, a letter to the Department of Community and Regional Affairs, under AS 44.62.220 - 44.62.230, asking amendment of the regulation to repeal the language in the definition of "permanent place of abode" that authorizes exemption of a portion of the applicant's residence parcel;

(3) you may, directly or through the Administrative Regulation Review Committee, seek annulment of the regulation; or

(4) you may submit a bill to make clear that the whole parcel used by an otherwise qualified applicant as his permanent place of abode shall qualify for the exemption, with the bill carrying a retroactive clause to protect the interest of your constituent and others similarly situated.

(Further on this matter, though not directly applicable to the instance you have described: Amendments to the senior citizens property tax exemption pending with the Department of Law make more specific the limitation alluded to. The limitation on acreage which would qualify for the exemption is specifically set at one acre in "urban" areas and five acres in "rural" areas. Apparently, the pending amendments do not otherwise describe or define when an area is "rural" or "urban".)

JEC:jpd

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SS HCR 45

Title Relating to senior citizen tax exemption

Requested by Malone, et al Date

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Social Services

Budget Request Unit(s) Affected Senior Citizen Tax Relief

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		67.0	75.0	84.0	94.0	105.0
	TOTAL		67.0	75.0	84.0	94.0	105.0

FUNDING (Thousands of Dollars)

GENERAL FUND		67.0	75.0	84.0	94.0	105.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact to administration. Assume the grant requirement will increase about 12% per year.

Grant requirement largely based on estimates from local municipalities.

IV. DATE 2/6/80 PREPARED BY LaDonna Brown

AGENCY Local Government Assistance

PHONE 465-4739

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

COMMITTEE REPORT

The House Community & Regional Affairs Committee recommends that SSHCR 45 relating to the senior citizen tax exemption have a further referral to the House Finance Committee, Further, it is the intent of the House Community and Regional Affairs Committee that qualifying residents 65 years of age or over who because of administrative interpretation and guidelines did not receive full exemption from municipal property tax for real property owned and occupied receive payment, retroactive to January 1, 1973, for such taxes. Reimbursement for such retroactive payments should be as provided for as in AS 29.53.020 (g).

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Committee Members
FROM: Rep. Bill Parker, Chairman
DATE: 2/21/80
RE: Property Tax Exemptions

Tomorrow, Feb. 22, the Committee will be hearing SSHCR 45 relating to senior citizen tax exemption. In conjunction with review of this bill, and in light of the fact that the committee will be hearing a number of bills related to property tax exemptions, I would like the committee to consider a report done by the Dept. of Community and Regional Affairs entitled "An Examination of Property Tax Exemptions." (attached)

Pages 2-8 and the Appendix will be particularly pertinent to the discussion. I am interested in your reaction to the proposal by the Dept. to consider a "circuit breaker" approach to the question of property tax relief. (See Appendix)

AN EXAMINATION OF PROPERTY TAX

EXEMPTIONS

Prepared by the

Department of Community an Regional Affairs

Local Government Assistance Division

Office of State Assessor

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APPENDIX

Model Circuit Breaker

INTRODUCTION

During the first session of the 11th Legislature, several bills that dealt with exemptions were introduced.

At that time, the Department of Community and Regional Affairs asked for time to study and be able to report on the whole exemption problem before additional erosion of the local tax base is allowed.

The attached report is a synopsis of the information developed by this study, with some recommendations included. Some suggested legislation is also included.

It should be pointed out that this report deals strictly with the major exemption problems. In many cases, the study only points out the problem or suggests several options. The main thrust of the study was not to suggest solutions, but instead, point out problems and offer technical assistance in the development of acceptable solutions by elected officials.

EXEMPTION

Background-Philosophy and Policy

Property tax exemptions are nearly as old as the property tax itself, and are as often misunderstood. The basic description of tax exemption and tax reform is a shifting of the tax burden from one taxpayer to another.

The cost of local government will be about the same regardless of the revenue source and the tax structure used to support it. Whether or not those costs are reasonable is another subject, and is not discussed herein. However, which segment of society pays what portion of that local government cost is very dependent on that tax structure. The net effect of granting property tax exemption is to correspondingly increase the burden on the balance of the taxpayers in direct proportion to the exempted amount.

Originally, exemptions were created to prevent government from taxing itself. The reason being that the public entity should not have to pay taxes to itself. Over the years, the definition of public entity was expanded to include churches, and then with the advent of a more complex society, additional reasons for granting exemptions to special interest groups were established. A proliferation of exemptions to these special interest groups in many areas of the country has added to the unrest over property taxes, and in many instances has increased the burden on the average taxpayer. It is felt that before the State of Alaska proceeds any further down the exemption trail, an attempt should be made to establish priorities and policies. A lack of firm

policy in other states has led to a hodge podge of exemptions that defy logic in some instances (i.e. exemptions extended to Beet Sugar manufacturers, owners of middle income apartment dwellings, and department stores).

Credibility of the property tax has been questioned continuously and with increasing intensity. A major cause of unrest with the tax is the feeling by taxpayers that they are paying more than their fair share. This unrest can only be resolved by a scrupulously equitable and uniform system founded upon the broadest possible tax base.

There are several reasons generally given for allowing the property tax base to be eroded by exemptions. Any of these reasons could be more effectively achieved through more direct and more visible subsidies. Little rationale can be found for increasing the complexity and expense of the assessment process to provide grants-in-aid for whatever worthwhile cause.

As a broad policy statement, the Department of Community and Regional Affairs favors few if any additional exemptions, and feels that all exemption programs should be reviewed in the following context:

ANY EXEMPTION GRANTED MUST EITHER BE FOR PUBLIC PROPERTY OR FOR SUFFICIENT PUBLIC GOOD TO JUSTIFY A TRANSFER OF BURDEN TO THE BALANCE OF THE COMMUNITY.

Additionally, non-uniformity of exemption can create problems.

The current optional exemptions create animosity in taxpayers. Although, in general, the Department is in favor of local control, the optional exemptions are one area where local control causes more problems than it solves.

Taxpayers have a tendency to brag about any tax break they get, and those who don't get the same breaks are generally upset. Fairbanks taxpayers don't think they should pay sales tax because Anchorage doesn't, and Anchorage wants a $10,000 residential exemption because Fairbanks has one. Also, some select communities can grant additional optional exemptions, and the only loss in revenue is to the State General Fund (see discussion of residential exemptions on page 14).

Based on the stated policy and philosophy in this section, the following are discussions of what are considered to be the major exemption problems currently facing the local assessor in Alaska.

SENIOR CITIZENS AND OTHER GROUPS

Current statutes providing for property tax relief to senior citizens do not appear to be as equitable as is desirable. Any revision to these specific programs will require decisions as to the reason for the exemption at the very beginning.

There appear to be several reasons for exempting Senior Citizens. The three major reasons are:

1) They are, in many cases, on a fixed income and cannot absorb property taxes increased by inflation.

2) It is considered desirable to provide tax relief as an incentive to continue as residents of the State of Alaska.

3) It is considerably less expensive to assist a senior citizen to maintain their own home than to have them reside in a state supported facility.

Other reasons sometimes advanced such as:

Showing our esteem for and gratitude to the pioneers of the state or

Rewarding our wartime veterans

are better left to the normal grant-in-aid type programs.

Once the reasons for the exemption are established, the next logical area for examination becomes other groups also deserving of this type of exemption and meeting the same criteria. There

are at least two categories that have been mentioned recently, they are; Disabled Veterans and Indigent Persons. Therefore, some sort of master plan or master policy should be developed that is capable of dealing effectively and equitably with each of these groups on some basis.

The next consideration has to be one of equity and what is a proper measure thereof.

The major reasons listed earlier seem to indicate that the effectiveness of this type of program should probably be based on need.

The next step would appear to be to examine the current programs to determine if they meet this criteria:

SENIOR CITIZEN HOMEOWNERS

The Senior Citizen Homeowner is exempted from paying property tax on his residence, with some limits on the amount of acreage, but no limits on the dollar amounts. In 1978 this averaged approximately $586 per applicant. However, the range of tax dollars saved ran from a high of $6,245 to a low of $3.35.

SENIOR CITIZEN RENTER

The Senior Citizen Renter is rebated a portion of the previous year's rent based on a formula which is: 1/2 the current millage

rate, in municipality where the senior resides, (taken as a percentage) multiplied by the rent paid. A practical example of this formula is as follows:

Local Millage x 1/2 as percentage x Rent Paid = Rebate

15 Mill x (1/2) = 7.5% x $3,600 = $270

This rebate, however, is limited to a maximum of $375 per year, per applicant. The average rebate from 1978 was $181 per person.

It is very obvious that there are inequities within this system as it now exists. It does not seem reasonable that the average savings in one program is larger than the maximum allowable under the other program. Also the Senior Citizen Homeowner Program is for the current year and the senior doesn't have to pay out any cash whereas the renter pays out money and is rebated. Still another apparent problem is lack of any criteria dealing with ability to pay. Under the current system · are rebating $6,000 plus to several homeowners but limiting renters to a maximum of $375. By establishing some kind of income criteria, the same amount of benefits might be distributed more equitably among senior citizens.

In many areas of the country a "circuit breaker" type exemption program has been instituted and seems to work relatively well in most instances.

There is a major difference between administration of a circuit breaker and our current system. The circuit breaker concept, although simple in nature, can be designed to meet numerous criteria. It could provide a limited property tax relief to low income taxpayers and more substantial relief to senior citizens and disabled veterans if that was the desired effect.

This circuit breaker can be modified to provide many kinds of relief to many segements of society depending on the financial capabilities and the desires of the legislature. Because of billing and filing dates in Alaska it would have to be done as a rebate like the renters now is. This is not the optimum, but because of the improved equity this problem might be overlooked. Also the administration might better be handled by the Department of Revenue as opposed to present location, however, it is possible to leave administration with Community and Regional Affairs.

The appendix includes a suggested model Circuit Breaker Bill.

MOTOR VEHICLES

Assessment and taxation of motor vehicles is treated three different ways by the various municipalities. Some levy an ad valorem (at value) tax, some levy the state collected registration tax which is based on a rate schedule by age of the vehicle, and others do not tax vehicles at all.

The discovery of taxable vehicles is a major problem, in most jurisdictions levying an ad valorem tax on vehicles. It is almost a "volunteer" tax. The owner must declare the vehicle in order for the vehicle to be "discovered" on the tax roll. Investigation for discovery becomes intolerably time consuming and expensive, especially in view of the limited return in revenue for each vehicle.

Putting an equitable value on a vehicle is also a problem. Accurate use of "blue book" requires fairly detailed description of the vehicle and a reasonable estimate of its conditions. Description by the owner is seldom complete and condition remains a guess without personal inspection. Therefore, the jurisdiction is generally inclined to accept tne owner's estimate of value.

These problems have the effect of penalizing the more honest taxpayer and subsidizing the less scrupulous, thereby destroying the theory of equally proportionate participation and also the credibility of the tax system.

AS 28.10.255 provides an optional procedure as an alternative to ad valorem tax. The statute allows the municipality to have a registration tax collected by the state at the time the annual state registration fee is collected. The state then retains a portion of the tax collected for administration and pays the remainder to the municipality.

This alternative to ad valorem tax has decreased administration costs substantially for the Municipality of Anchorage.

It appears that the major reason only three municipalities have thus far chosen to exercise this option is objection to the rate schedule provided. This schedule has been tailormade to fit Anchorage ad valorem rates and thus results in a rate per vehicle substantially higher than the comparable rate for ad valorem taxes in most jurisdictions. Obviously, vehicle owners object to the increased tax rate.

Another objection has been that the state collected tax is combined with the registration fee which makes a substantial lump sum payment that is difficult for many taxpayers to meet all at once.

BOATS

The assessment and taxation of boats is not only subject to the same problems as vehicles but also is further complicated by the problems of establishing the tax situs. This many times, requires an elaborate agreement between jurisdictions both interstate and

intrastate. For instance, in the case of a vessel registered in a home port in Washington but fishing the entire season out of Bristol Bay.

The statewide equity in the taxation of boats is further eroded by AS 29.53.025 (1) which allows the jurisdiction the option to levy not more than $5.00 for a boat less than 5 tons nor more than $15.00 for a boat of more than 5 tons.

This optional levy provision amounts to much the same thing as exemption from property tax. It can be construed as a tax break to a selected group of small businessmen (fishermen) and a select group of residents (boat dwellers), who demand much the same service (i.e. refuse disposal and police) as do other residents, but because of strong lobbying efforts, do not pay a proportionate share of local government costs.

Current situs provisions further complicate the matter. 29.53.060 states in part "(a) The assessor of a municipality shall assess property at it's full and true value as of January 1 of the assessment year,...". Most assessors feel that that date is an, as of, appraisal date, (the date to which appraisals are tied) as opposed to a situs date, (the date when physical presence is required for taxation). This, however, is not a universal interpretation and in fact should be made clear.

If in fact, this is a situs date, then many boat owners would

move to non-taxing jurisdictions for that one day to avoid property taxes. Again the honest taxpayer has to pay and the less than honest or more devious taxpayer does not.

PLANES

Aircraft is another category of property that is highly transitory, expensive, and subject to rapid depreciation.

Often municipalities are taxing, at least commercial, aircraft based on "value per average daily landings". Others use a "flat rate" schedule, while some planes are valued at full and true value.

Any or all of these categories of property may be exempted under the "grandfather rights" provision, AS 29.53.052, which allows any exemptions in effect on September 10, 1972 to be continued indefinitely.

MOVABLE PERSONAL PROPERTY

All of the items previously discussed in this section fall under the category of movable personal property. This broad heading also includes other types of vehicles such as snow machines and motorcycles etc. Proper administration of a property tax on these personal type vehicles is in many cases thought to cost more than it generates; if in fact it is possible to properly administer a normal property tax on this type of property.

There are two solutions apparent to this problem. They are:

1. Mandatory state registration and flat rate tax collections would provide equity and at the same time is the most economical method for assessment and tax collection for these mobile types of property. This has proven effective with automobiles, if the rate is properly structured.

   It is our recommendation that such a mandatory act be adopted.

2. Mandatory exemption: The idea of exempting motor vehicles, boats, and planes would have a severe revenue reducing effect on some municipalities. However, mandatory exemptions must be considered as a viable solution to current problems.

Optional exemptions in many cases hinder movement toward more equitable distribution of tax burdens in the state. While these optional exemptions are good window dressing in the eyes of supporters of local control, they are basically a method of shifting the burden locally and in some cases away from that of the local municipality to the balance of the state.

Residential Exemption - The statute provides for an optional exemption of up to $10,000 on a place of residence. It should be pointed out that almost all of the municipalities that grant this exemption are wealthy in terms of money generated by natural resources. In most of those cases the exemptions are granted at the expense of the balance of the taxpayers of the State. When the cost of government remains static but assessed values are reduced (i.e. residential exemption), normally the millage rates go up. In areas where the state levies 20 mills minus the local rate on oil and gas properties, it is also evident that increases in local rates decrease state revenue. The end result of granting the optional residential exemption is a shifting of the burden from the residential property owner to the business community and the balance of the state. It should also be pointed out that the residential property owners benefiting from this exemption are the same property owners who are already benefiting the most from the natural resource development.

The other types of exemption, although not of the same magnitude,

do cause hard feelings and in some cases can cause lack of growth in those units that are not wealthy enough to grant them. They compound the old adage, "that the rich get richer and the poor get poorer." Those units that can grant optional exemptions can more easily attract new business and increase their tax base while poorer municipalities do not have that advantage.

The Department therefore recommends that the following policy be adopted:

> NO ADDITIONAL OPTIONAL EXEMPTIONS BE ADOPTED AND THAT HEARINGS BE HELD TO DETERMINE THE MOST PRACTICAL APPROACH TO ELIMINATING THE OPTIONAL EXEMPTIONS EITHER BY MAKING THEM MANDATORY STATEWIDE OR NON-EXEMPT STATEWIDE.

GENERAL EXEMPTIONS

The extensive land and other property holdings of federal and state governments have long been a problem for local governments. Generally speaking, these holdings are exempt from local property taxation.

These exempt properties still require public services provided by local government such as trash removal, police protection, fire protection, etc.

As the percentage of governmental land within these municipalities increase, so does the burden for support of that local government increase on the balance of the taxpayers. Communities that have a large preponderance of state and federally owned facilities, normally speaking, have a tendency towards having higher tax rates than similar municipalities without this percentage of tax exempt properties. Considering that state and federal facilities generally service more than just the community in which these facilities are located, it seems unreasonable that local residents should be forced to bear this disproportionate share of services provided to those facilities.

In some cases, the federal government currently pays fees in lieu of taxes for services provided their facilities. This, however, is not true in all cases.

It would seem reasonable that the State should pay some sort of fee in lieu of taxes at least on improved facilities that create

a need for services. This fee should not necessarily be equivalent to property taxes, but should relate to the cost of the services provided by the local municipality.

APPENDIX

An Act to provide State relief to householders for extraordinary property tax burden.

SECTION I. PURPOSE. The purpose of this act is to provide property tax relief through a system of tax credits and refunds and appropriations from the General Fund to certain persons who own or rent their homesteads.

SECTION II. DEFINITIONS AS USED IN THIS ACT. (a) "Income" means a sum of Federal adjusted gross income as defined in the Internal Revenue Code of the United States and all non-taxable income including but not limited to the amount of capital gains excluded from adjusted gross income; alimony, support money, non-taxable strike benefits, cash public assistance and relief, the gross amount of any pension or annuity, all payments received under Federal Social Security and State unemployment insurance laws, non-taxable interest received from the Federal government or any of its instrumentalities, workman's compensation and a gross amount of "loss of time" insurance. Income does not include gifts from a non-governmental source or surplus foods or other relief in kind supplied by a public or private agency.

(b) "Household" means the association of persons who live in the same dwelling, sharing its furnishings, facilities, accommodations, and expenses. That term does not include bona fide leasees, tenants or roomers and boarders on contract.

(c) "Household income" means all income received by all persons of the household in a calendar year.

(d) "Homestead" means the dwelling, whether owned or rented, and so much of the land surrounding it, not exceeding one acre, if urban, or five acres if rural, as is reasonably necessary for the use of the building as a home and may consist of a portion of a multi-dwelling or multi-purpose building and a part of the land upon which it is built. It does not include personal property such as furniture, furnishings or appliances, but a mobile home or a houseboat may be a homestead.

(e) "Claimant" means a person who has filed a claim under this act and was domiciled in this state for the entire calendar year for which he files for relief under this act. When two or more individuals of a household are able to meet the qualifications for claimant, they may determine among them who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner and his/her decision shall be final.

(f) "Property taxes accrued" means property taxes (exclusive of special assessment, delinquent interest and charges for service) levied on a claimant's homestead in this state in 1980 or any other calendar year thereafter. For purposes of this paragraph, property taxes are levied when the taxes become due and payable. If claimant owns his homestead on the assessment date "property taxes" accrued means taxes levied on the levy date for that year even if the claimant does not own his homestead for the entire year.

When a household owns and occupies two or more different homesteads in this state in the same calendar year, property taxes accrued shall relate only to that property occupied by the household as a

homestead on the levy date. If a homestead is an integral part of a large unit such as a farm or multi-purpose or multi-dwelling building, property taxes accrued shall be that percentage of the total property taxes accrued as the value of the homestead is of the total value. For purposes of this paragraph, "unit" refers to a parcel of property covered by a single tax statement of which the homestead is part.

(g) "Gross rent" means rent actually paid in cash or its equivalent solely for the right of occupancy of the homestead. Exclusive of charges for utilities, services, furniture, furnishings, or personal appliances furnished by the landlord as part of the rental agreement.

When a claimant owns two or more homesteads in a year and does not own his homestead as of the levy date, gross rent shall mean the total rent paid for the homestead most recently rented multiplied by the number whose numerator is twelve and whose denominator is the number of months said homestead has been rented by the claimant. If the landlord and tenants have not dealt with each other at arms-length and the commissioner is satisfied that the gross rent charge is excessive, he/she may adjust the gross rent to a reasonable amount for purposes of this act.

(h) "Rent constituting property taxes accrued" means 20 percent of the gross rent.

(i) "Senior citizen" means an applicant who is 65 years of age or older on January 1 of the levy year.

(j) "Disabled veteran" means a person honorably separated from the military service of the United States whose disability was incurred or aggravated in the line of duty in the uniformed services of the United States, and whose disability has been rated by the branch of the service or the Veterans Administration at 50% or more.

SECTION III. CLAIM IS PERSONAL. The right to file a claim under this act shall be personal to the claimant and shall not survive his death, but such right may be exercised on behalf of the claimant by his legal guardian or attorney-in-fact. If the claimant dies after having filed a timely claim, the amount therein shall be disbursed to another member of the household as determined by the commissioner. If the claimant is the only member of his household, the claim may be paid to the executor or administrator. But, if neither is appointed and qualified within two years of the filing of the claim, the amount claimed shall escheat to the State.

SECTION IV. CLAIM IS A REBATE FROM STATE FUNDS. Subject to limitations provided in this act, the claimant may claim, in any year, a rebate for property taxes accrued or rent constituting property taxes accrued for the preceding year. The amount of the rebate after authorization by the commissioner shall be paid to the claimant from balances retained by the state for general purposes.

SECTION V. FILING DATE. No claim, with respect to property taxes accrued or with respect to rent constituting property taxes accrued, shall be paid or allowed, unless the claim is actually filed with

and in the possession of the department on or before April 15, 1980. Subject to the same conditions and limitations, claims may be filed on or before April 15 with respect to property taxes accrued for the next preceding calendar year.

SECTION VI. SATISFACTION OF OUTSTANDING TAX LIABILITIES. The amount of any claim otherwise payable in this act may be applied by the department against any liability outstanding on the books of the department against the claimant or against his or her spouse who was a member of the claimant's household in the year for which the claim relates.

SECTION VII. ONE CLAIM PER HOUSEHOLD. Only one claimant per household per year shall be entitled to relief under this act.

SECTION VIII. COMPUTATION OF CREDIT. The amount of any claim made pursuant to this act shall be determined as follows:

(a) A senior citizen or disabled veteran is entitled to claim a grant under this act in the amount of property taxes accrued or rent constituting property taxes accrued upon the homestead not to exceed $500. Property taxes accrued by a senior citizen or disabled veteran in excess of $500 are also eligible for claim under paragraph (b) of this section.

(b) A claimant shall be entitled to reimbursement equal to 60% of the amount by which the property taxes on the homestead or the credit for rental of the homestead for the taxable year exceeds the percentage of the claimants total household income for that

taxable year computed as follows:

HOUSEHOLD INCOME	PERCENTAGE
Not over $5,000	3.5%
Over $5,000 but not over $6,000	4.0%
Over $6,000 but not over $7,000	4.5%
Over $7,000 but not over $8,000	5.0%
Over $8,000 but nor over $9,000	5.5%
Over $9,000	6.0%

(c) No credit under this section shall exceed $1,500.

(d) The department shall prepare a table under which claims under this act shall be determined. The table shall be published in the department's regulations and shall be placed on the appropriate forms. The amount of the claim as shown in the table for each bracket shall be computed only to the nearest dollar.

(e) The claimant, at his election, shall not be required to record on his claim the amount claimed by him.

(f) The claim allowable of persons making this election shall be computed by the department.

SECTION IX. ADMINISTRATION. The commissioner shall make available suitable forms with instructions for claimants including a form which may be included with or as part of the individual income tax claim. The claim shall be in such form as the commissioner may prescribe.

SECTION X. PROOF OF CLAIM. Every claimant under this act shall supply to the department in support of his claim reasonable proof of rent paid, name and address of owner or managing agent of property rented, property taxes accrued, changes of homestead and a statement that the property taxes accrued and used for these purposes have been, or will be paid by them and that there are no delinquent property taxes on the homestead.

SECTION XI. DENIAL OF CLAIM. If it is determined that a claim is excessive and was filed with fraudulent intent, the claim shall be disallowed in full. If the claim has been paid, the amount paid may be recovered by assessment as income taxes are assessed, and the assessment shall bear interest from the date of payment of the claim until refunded or paid at the rate of one-and-one-half (1½) percent per month. The claimant in such case and any person who assisted in the preparation or filing of such excessive claim or supplied information upon which such excessive claim was prepared with fraudulent intent is guilty of a misdemeanor.

SECTION XII. PUBLIC WELFARE RECIPIENTS EXCLUDED. No claim for refund under this act shall be allowed to any person who is receiving public funds for the payment of taxes or rent during the period for which the claim is filed.

SECTION XIII. DISALLOWANCE OF CERTAIN CLAIMS. A claim shall be disallowed if the department finds that the claimant received title to his homestead primarily for the purpose of receiving benefits under this act.

SECTION XIV. AS 29.53.020 (e) through (i) is annulled.

SECTION XV. AS 29.73.060 is annulled.

House District Six Democrats sent the following message to SENATOR KERTULA, District Six; REP. CARNEY, District Six; SENATOR HACKNEY, Senate H.E.S.S.; REP. BUCKHOLDT, House H.E.S.S.; SENATOR SACKETT, Senate Finance; and REP. MEEKINS, House Finance:

THE DEMOCRATS AT A MEETING ON FEBRUARY 2, 1980 UNANIMOUSLY ENDORSED THE PACKAGE OF BILLS RECOMMENDED BY THE LEGISLATIVE INTERIM COMMITTEE ON SERVICES TO ELDERLY.

SPECIAL CONCERN WAS VOICED FOR PASSAGE OF A STRONG OLDER ALASKANS COMMISSION, H.B. 618 AND AN IDENTICAL BILL ON THE SENATE SIDE. THE ONLY OPPOSITION TO THIS BILL APPEARS TO COME FROM SOME OF THE SENIOR CENTERS BECAUSE OF MIS-INFORMATION ABOUT THE LEVEL OF THEIR FUNDING UNDER THE OLDER ALASKANS COMMISSION IF ESTABLISHED. WE ARE NOT INFORMED AS TO THE SOURCE OF THIS MIS-INFORMATION, BUT HAVE REASON TO BELIEVE THAT IT ISSUES FROM A CENTRAL SOURCE.

WE URGE YOUR SUPPORT FOR A VIABLE AND EFFECTIVE OLDER ALASKANS COMMISSION.

SIGNED

JOHN SHAW

The following telegram was sent through 278-3668 on February 2, 1980 to SENATOR HACKNEY, Chairman Senate H.E.S.S. Committee and to REP. THELMA BUCKHOLDT, House H.E.S.S. Committee:

THE 959 SPONSORED CHAPTER OF THE NATIONAL COUNCIL OF SENIOR CITIZENS TOOK ACTION ON A NUMBER OF BILLS TO IMPROVE CONDITIONS FOR ALASKA'S RESIDENT ELDERLY. THE PACKAGE OF LEGISLATION FROM THE LEGISLATIVE INTERIM COMMITTEE ON SERVICES TO ELDERLY HAS RECEIVED OUR MEMBERS UNANIMOUS SUPPORT. WE REQUEST ESPECIALLY THE PASSAGE OF A STRONG AND VIABLE OLDER ALASKANS COMMISSION.

FRANK EATON, President

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

2/22/80

to: House Community and Regional Affairs Committee

from: Ginny Chitwood, AML Executive Director G.C.

re: senior citizen exemptions

Presently there are differences of opinion on how to determine the amount of the senior citizen property tax exemption. Municipal attorneys have advised that municipalities must exempt the entire parcel. Reimbursement, however, is based on a limited acreage formula. When you mandate exemptions without reimbursement, you cause everyone else's taxes to be raised to make up the difference. The League urges action to clarify the issue. SSHCR 45 is one way to do this.

C&RA

BILL WORK SHEET

BILL NO. SSHCR45 re Senior Citizens Tax Exemption

Received from _____
Referred to _____

Original Sponsor _____
Fiscal Note C&RA Requested

LAA Legal Research Contact _____

CONTACTS:
Malone (Boyce) 3799
✓ Burne 4948
✓ Chatterton 4985
✓ Montgomery 4984
✓ Morrison 3877
✓ Phillips 4949

✓ Danny Plotnick 4903 (Glenn Gaile Roust)
✓ Debbie Behr 3030 (fiscal note) Positions requested
✓ Dave Kull 6-2676

HCR

67

(7)

COMMITTEE REPORT

HOUSE

4/25/80

FURTHER:

Date: 2 May 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HCR 67

"Relating to the Inuit Circumpolar Conference."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HCR 67 [X] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____ CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HCR 67 Re Inuit Circumpolar Conference

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 5/2/80

MEMBERS PRESENT:				
	Bill Parker	X	Pat Carney	X
	Margaret Branson		Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

Rep. Parker reviewed the Resolution and discussed the purpose of the Circumpolar Conference as being an awareness builder and reinforcement for cultural identity.

The commitee decided to eliminate the wording related to "delegation" p. 1 lines 26-29

A committee substitute will be drafted to reflect this change and the bill, as a CS, was passed out of Committee.

COMMITTEE ACTION: CS to be drafted to reflect above indicated intent and the bill was signed out.

TAPE # 10 SIDE 1 Footage 298-444

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE CONCURRENT RESOLUTION NO. 67

Title Relating to the Inuit Circumpolar Conference

Requested by Rep. Bill Parker Date 5-1-80

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Legislative Council

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL		17.7				
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		17.7				

FUNDING (Thousands of Dollars)

GENERAL FUND		17.7				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Delegation of four legislators attending Inuit Circumpolar Conference, Nuk, Greenland.

Transportation - 4 participants x $2,550	$ 10,200
Per Diem & Miscellaneous Costs - 10 days x 4 x $75	3,000
Miscellaneous Transportation	4,500
	$ 17,700

IV. DATE 5/2/80 PREPARED BY Richard C. Berg, Director

AGENCY Legislative Affairs Agency

PHONE 465-3850

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Committee Substitute for House Concurrent Resolution No. 67
Title Relating to the Inuit Circumpolar Conference
Requested by Rep. Bill Parker Date 5-5-80

II. FISCAL DETAIL
Agency Affected Legislative Affairs Agency
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Legislative Council
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		-0-				
200	TRAVEL		-0-				
300	CONTRACTUAL		-0-				
400	COMMODITIES		-0-				
500	EQUIPMENT		-0-				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact anticipated.

IV. DATE 5/6/80 PREPARED BY Sharon Sturrock, Accountant
AGENCY Legislative Affairs Agency
PHONE 465-3852

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

HCR
70

COMMITTEE REPORT

SENATE

FURTHER: None

4/25/80

Date: _____

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SCR 66

Directing the Alaska Legislative Council to revise AS 29

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

S 60 (Rev. 12/78)

SUGGESTED AMENDMENT

Line 21, and following to page 2, line 9:

BE IT RESOLVED by the Alaska State Legislature that under the provisions of AS 24.20.090 and Uniform Rule 48(c) the Alaska Legislative Council is directed to prepare a revision of Title 29 of the Alaska Statute (Municipal Government) by directing the legal services division of the Legislative Affairs Agency to prepare the revision with the assistance of a policy advisory group representative of the concerned public from all areas of the state and a working group of persons experienced in the application of AS 29, and soliciting the advice of the Alaska Code Revision Commission; and be it

FURTHER RESOLVED that the policy advisory group consist of two members of each House of the Legislature appointed by the presiding officer and other members selected by the presiding officers of each house from persons recommended by legislative members, by the Department of Community and Regional Affairs, the Alaska Municipal League, the Rural Alaska Community Action Program, Inc., and other interested parties; and that the ~~working~~ group consist of municipal attorneys, municipal managers, municipal clerks or other municipal staff, appointed by the director of legal services of the Legislative Affairs Agency, representatives of the Departments of Community and Regional Affairs and Law and a member of the staff of the legal services division; and be it

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

5/21/80

TO: Rep. Russ Meekins, Chairman, Finance Committee
FROM: Rep. Bill Parker, Chairman, C&RA
RE: HCR 70

Attached is an amendment for your consideration when hearing HCR 70 relating to the revision of Title 29.

March 31, 1980

TO: Senator Clem Tillion

FROM: Senator Arliss Sturgulewski

RE: Revision of AS 29

It is generally recognized, especially by those who work most closely with it, that AS 29 is in need of revision. Since the time of original enactment, changes in the title, problems in its application, and policy questions of importance have been noted by municipal attorneys, city managers and clerks, and such other municipal officials as assessors. The Legislative Revisor has indicated that AS 29 should be next approached in terms of needed revision.

The work of revision is complicated and, at times, highly technical. I have received numerous inquiries and requests for a process by which to revise AS 29. I have discussed this problem with many people, including Mr. Berrier, and Ms. Chitwood of the Alaska Municipal League.

I would like to suggest the following as an approach to the revision of AS 29 during the period of time between this session and the 1981 session. Funds and responsibility for this project would be directed by the Legislative Council to Mr. Billy Berrier, Legislative Legal Services, to conduct the revision. I foresee the project as follows: two groups would be selected by Mr. Berrier from recommendations provided by the Department of Community and Regional Affairs, Alaska Municipal League and other interested and affected parties. The first group would be a policy advisory group composed of a variety of perspectives and interests, representing the diversity of local governments across the state, and would include a representative of the legislature. The second, a much smaller group, would be a working group, composed of people who have had experience in the application of AS 29. The work group should consist of municipal attorneys, representatives of the Department of Community and Regional Affairs and the Department of Law, as well as a staff member of Legislative Legal Services; other municipal staff functions should also be represented, such as managers or clerks. While the actual technical work would be conducted by the working group, the policy group would provide overall guidance and assistance on policy questions.

Administrative and secretarial responsbility would rest in Legal Services. In order to support this project funds would be required for travel and per diem. Most local governments will be glad to contribute staff time to this project. However, for both the policy and the working group it will be necessary to provide travel funds. As often as possible, teleconferencing will be used to reduce travel needs and to expedite the

project. A draft bill will be ready for January 1981.

It is anticipated that $20,000 should cover the cost of this project. Any funds remaining would be returned.

Thank you for your attention to this matter.

FAIRBANKS NORTH STAR BOROUGH
Box 1267, Fairbanks, Alaska 99707

April 1, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

Re: Municipal Code Revisions

Dear Arliss:

Both because of Alan Teshe's letter of March 18 to you and a recent conversation with Ginny Chitwood, I would urge you to make every effort to provide for the interim review of AS 29. I would urge that the Alaska Municipal League be a participant in the review process either as a contractor, a co-sponsor or in some other capacity. Based upon the discussions at the Local Government Symposium as well as comments received by the Joint House-Senate C & RA hearings, I think that participation from the unorganized borough is desirable.

A good deal of the criticism of and antagonism toward local government stems from inflexibility in portions of the code and vagueness in other parts. The writers of the Constitution were wise in their recognition that strong and flexible local government could best meet the needs of the diverse areas of this state. Too often local governments are unable to respond effectively because of unrealistic restrictions imposed by the state.

I hope that there is something that you can do to accomplish this review, and if I can be of any assistance, please let me know.

Very truly yours,

J. D. Nordale
Borough Attorney

JDN/sy

April 28, 1980

J. D. Nordale
Borough Attorney
Fairbanks North Star Borough
Box 1267
Fairbanks, Alaska 99707

Dear Jim:

Enclosed is a copy of SCR 66 which directs the Alaska Legislative Council to revise AS 29, Municipal Government. I'm also attaching a copy of my March 31 memo to Senator Clem Tillion which spoke to this issue. The Senate Concurrent Resolution was drawn as a result of that memorandum. The fiscal note is much higher than I anticipated, however, I think it is important that there be an advisory group and working group, and that funds be provided to bring people together.

I would appreciate whatever support you can lend to see the passage of SCR 66. I will be contacting the House Community and Regional Affairs Committee to request that they introduce a similar resolution on their side, and expedite it as fast as possible through the system. I will be bringing SCR 66 to the Senate Community and Regional Affairs Committee Tuesday, April 29.

Kindest personal regards,

Arliss Sturgulewski
Senator, District 10-H

Enclosure

Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

BOROUGH ATTORNEY'S OFFICE

March 18, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
State Capital
Juneau, Alaska 99811

Dear Arliss:

Re. Municipal code revisions.

Attached with this letter is a list of examples of various provisions of Title 29 which should be clarified through revision of that title. This list is by no means exhaustive and I am sure that other attorneys and municipal officials throughout the state could add additional examples and support a thorough revision of Title 29.

As we discussed some time ago in Juneau, I recommend that the Legislature form an interim committee to review AS 29 during the next two years and that the committee be empowered to seek assistance from municipal attorneys throughout the state, hold hearings as it deems appropriate, and present a new municipal code to the Legislature in 1981 or 1982. I have received expressions of support from attorneys representing several municipalities throughout the state and am confident they will assist the Legislature in preparing a revised municipal code.

Thank you very much for your continued attention to this matter. If there are additional questions I can answer regarding Title 29 or if the Legislature is prepared to take action in this matter, please do not hesitate to contact me.

Cordially,

Allan E. Tesche
Borough Attorney

er

cc: Jerry Wertzbaugher
Tom Klinkner
Jim Nordale
Russ Walker
Lee Sharp

AS 29: Revisions Needed

29.08

Although an attempt has been made in this Chapter to classify the various kinds of Alaskan municipalities, more recent amendments to Title 29 and unification of several cities and boroughs have resulted in confusion over definitions of "cities", "boroughs", and "municipalities". It is not clear, for instance, whether the unified Municipality of Anchorage is a city, a borough, or unified municipality or all three forms of government within existing provisions of AS 29.

29.13.100

The Code should contain a uniform system for designating statutes that expressly apply to home rule municipalities and all such statutes should be consistently cross referenced.

29.23.050

The statutory residence requirement prescribed in this section is probably invalid. It is suggested that such residence requirements throughout AS 29 be reduced to a maximum of one year.

29.23.060(d)

Circumstances, other than financial interests, which allow a member to abstain should be better defined.

29.23.080

The procedure for determining vacancies under this section conflicts with the procedure established under AS 29.23.570.

29.23.130(B)

Once again, the three residency requirement in this section should probably be reduced to one year to assure its constitutional validity.

29.23.150 and AS 29.23.470

Both require assembly appointmet of an acting borough manager in the absence of or disability of the manager. If these sections address different policy questions, they are unclear; if they do not, one should be eliminated as redundant.

29.23.170

This provision does not specify when a veto becomes effective or specify any time limit for the overriding of the veto. Moreover, it does not indicate what is the status of an ordinance between the time its veto is announced and the time the Assembly first has an opportunity to override the veto. For instance, if the mayor vetos a line

item in the budget, may expenditures be made under that item until the mayor announces the veto at the next regular assembly meeting, or does the veto immediately strike the item until the veto is overridden?

29.23.200

The three year residency requirement here is also probably invalid.

29.23.210

As with the provisions for boroughs, this section should provide more definite standards for abstention on other than conflict of interest grounds.

29.23.250

Another probably invalid three year residency requirement.

29.23.270

This provision has the same ambiguities with regard to the effectiveness of a veto and a veto override as the provision applying to boroughs.

29.23.555

This section has been superceded by AS 39.50.

29.33.070-245

Serious thought should be given to the purpose of the planning, platting and zoning provisions in this code. Should they only prescribe minimum due process standards for rezonings and other land use decisions or should they detail all of the administrative procedures to be followed by local governments in this area. This article presently tries to do little of both and does neither very well.

29.33.190

This section makes it unlawful for any person to sell or attempt to sell land located within a subdivision which has not yet been approved by the borough platting authority and subjects violators to certain criminal sanctions. But AS 29.53.100 requires that the borough assessor assess real property to "the owner of record as shown on the records of the district recorder" even though that person may be the owner of record only by virtue of an illegal subdivision in violation of AS 29.33.190. Moreover, AS 29.53.310 allows persons holding security interest in illegally subdivided lands to obtain release for portions of lots or tracts originally subdivided even though such lands were illegally subdivided in violation of AS 29.33.190.

29.33.070

It is unlear whether platting powers can be delegated to a second class borough or a city within the borough under this section.

29.33

The current language of this chapter, as it incoprorates a traditional definition of zoning and makes zoning along with platting the principal means of land use regulations, is unduly restrictive and should be revised to allow more innovative forms of land use regulation by boroughs and municipalities.

29.33.250

Presumably the transfer required is one from all cities exercising the power rather than from a city.

29.33 and 29.38

Should there be a provision for a borough to exercise a power in some but not all cities (for example in second class cities but not in first class cities)?

29.48.030(b) AS 29.48.035(b) and (c)

These provisions are redundant. The limitations on the powers of second class boroughs should be stated in a more concise fashion in one easily accessible part of the code.

Moreover, AS 29.48.030 and .035, insomuch as those sections distinguish between "regulation" and provision of "municipal facilities and services", are at the very least confusing and perhaps unnecessary.

29.48.030(a)(12)

The term transportation "system" used in this section should be defined.

29.48.260

Provisions of this section governing disposal of municipal properties should be clarified and revised to reflect increased land values throughout the state, to state who makes determinations of the value of land offered for sale and the date upon which such valuations must be based. Moreover, the statute should be clarified to either include or exclude rights-of-way or easements from its provisions.

29.53.135

The language regarding the composition of the Board of Equalization is unclear. The statute presently requires "at least that number of members of the assembly over and above the number required for a quorum to transact business"; the statute is unclear when applied to a lay board to whom the equalization function is delegated.

29.53

Should be amended to require payment of all taxes, even those due for more recent assessments on properties whose owners have requested issue of a quitclaim repurchase deed. Present law mandates issue of a quitclaim repurchase deed to the owner of record upon payment of those taxes assessed for the tax year stated in the clerk's deed even though the same property is the subject of other foreclosure proceedings brought in subsequent years. An amendment to AS 29.53 which would require payment of all taxes owing on a parcel before a quitclaim repurchase deed can be issued would eliminate substantial confusion in the minds of taxpayers, and would reduce administrative complexity for borough finance departments presently confronted with multiple foreclosure actions on the same parcels.

29.63.090

The present statute governing service areas does not adequately address the question of whether a service area may be used for exercise of a governmental regulatory power rather than for provision of municipal or services.

8.60.050-100

Regulation of junk yards in this section should be cross-referenced to those sections of Title 29. relating to areawide planning, platting and zoning powers.

9.25.110-120

It is unclear whether public records statutes apply at all to municipal government. If it is the intention of the Legislature to apply the public records laws of AS 9.25.110-120 to cities and boroughs, then those sections should be amended accordingly with an appropriate cross references to Title 29.

January 4, 1980

Mr. Thomas F. Klinkner
Law Offices of Richard W.
Garnett III
900 West 5th Avenue, Suite 540
Anchorage, Alaska 99501

Dear Tom:

Thank you very much for your comments regarding the Local Government Study. Our final report is due out very soon and I will see that you are added to this mailing list. Overall, I am pleased with the results of this study. Although the proposals may seem modest, they seem to follow well the constitional directions set for local governments and certainly can bring some cohesiveness and coordination to the delivery of services to rural Alaska. Your indepth comments and support can certainly help in seeing that this needed legislation is adopted by this session of the Legislature.

Your voice adds to a growing chorus speaking to the need for thorough technical revision of Title 29 of the Alaskan Statutes. When a certain number of amendments have been made to the Statutes, a recommendation is made for a revision of the Title. This is the case, as I understand it, with Title 29 and the recommendation is being made that Title 29 be the next title to be revised. I have had preliminary discussions with Representative Bill Parker regarding this and with several other interested parties, such as the Alaska Municipal League. One possible approach might be the establishment of a short-term committee composed of chairs of the Senate and House Community and Regional Affairs, Mr. Jack Chenoweth, from the Legislative Legal Department, other attorneys who are familiar with working on the Statutes, and other interested persons. I would see this as a working group that would produce revisions to Title 29 for introduction to the next Legislature. It seems to me there needs to be a careful delineation of the so-called housekeeping aspects and other issues that may be of major policy impact. For example, issues dealing with service areas, annexation procedures, etc., may take some special review and consideration.

I will discuss this matter further with Mrs. Ginny Chitwood, Alaska Municipal League, and with Representative Bill Parker as to possible methods for best proceeding with the revision of Title 29. I am sending copies of this letter to a number of people in hopes that both you, Tom, and the ones receiving copies will send me their thoughts and comments as to how best to proceed. It would be very helpful to have some input as to the number of policy issues, in addition to overall revisions that may well need to be addressed. Again, thank you for your interest and I will look forward to hearing from you further on this.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

cc: Mr. Lee Sharp
Juneau City Attorney
Mr. Bruce Aronson
Petersburg City Manager
Mrs. Ginny Chitwood, Ex. Dir.
Alaska Municipal League
Mr. Alan Tesche
Mat-Su Borough Attorney
Mr. Jim Nordale
North Star Borough
The Honorable Bill Parker
House of Representatives
Mr. Jim Nordale
North Star Borough

LAW OFFICES OF
RICHARD W. GARNETT III

THOMAS F. KLINKNER
SUITE 540, 900 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

TEL (907) 276-2221

December 5, 1979

Senator Arliss Sturgulewski
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Arliss:

I appreciated the opportunity to attend your discussion group on local government in rural Alaska, and thank you for sending me a copy of the report resulting from that session. I regret that I have not responded sooner to your request for implementation proposals.

While it certainly is not an essential prerequisite to the program you propose, I suggest that you consider as a complementary project a thorough technical revision of Title 29 of the Alaska Statutes. As an attorney for general law municipalities who has had substantial experience working with Title 29, I frequently am exposed to its legal inadequacies as a charter for the operation of small municipalities. Title 29 is at once too vague to be helpful in some areas and too restrictive in others. A new rural municipality can ill afford the added expense of developing a home rule charter and detailed municipal code merely to avoid the deficiencies of Title 29. While the structure of local government organization under Title 29 is basically sound, many of its procedural and administrative provisions do not provide the support and instruction that those who administer small, rural municipalities require.

I believe that if there were support for the project in the legislature it would not be difficult to assemble a committee of attorneys and others with day to day experience in the operation of general law municipalities to undertake a revision of Title 29 to make it more useful to those who operate under it-generally the smaller, more rural municipalities in the state.

LAW OFFICES OF
RICHARD W. GARNETT III

Please let me know if you would be interested in pursuing such a project.

Yours truly,

Thomas F. Klinkner

Thomas F. Klinkner

TFK:pac

Date 4/15/80

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency

Program Category Affected General Government

Budget Request Unit(s) Affected Legal Services

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES			24.0	-0-	-0-	-0-
200	TRAVEL			55.9	-0-	-0-	-0-
300	CONTRACTUAL			5.0	-0-	-0-	-0-
400	COMMODITIES			2.0	-0-	-0-	-0-
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL			86.9	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND			86.9	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME			1	-0-	-0-	-0-
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Personal Services - Range 14 for 9 months.
Travel - Advisory group (3 meetings for 20 people at $451 travel/pd) = $27,060
Working group (8 meetings for 8 people at $451 travel/pd) $28,864
Contractual - $5,000 for miscellaneous printing and other costs
Commodities - $2,000 for office supplies.

IV. DATE 4/17/80 PREPARED BY Richard G. Bass, Director

AGENCY Legislative Affairs Agency

PHONE 465-3650

cc: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Name)

CITY OF PETERSBURG

P. O. BOX 329 • PETERSBURG, ALASKA 99833

May 30, 1979

Arliss Sturgulewski, Senator
Co-Chairman, Local Government Study
Alaska State Legislature
Pouch V
Juneau, Alaska
99811

Re: Local Government Study

Dear Senator Sturgulewski:

Thank you for your letter dated May 23, 1979 regarding the local government study. My laundry list includes the following:

1. A need to review what is local government in Alaska and what are the functions. For example, the State provides police protection to many residents of Alaska, even though these same residents are capable of providing the service (Mendenhall Valley, etc.)
2. Why cities and boroughs? The conflicts are many and well documented.
3. What is a borough, and when is it a large City (eg. Bristol Bay Borough) or a State (eg. North Slope Borough)?
4. Why are the residents of the unorganized borough unwilling to assume additional responsibilities (ie. form boroughs)?
5. Why did the City of Petersburg receive less money (under the school foundation program) when the annexation became effective?
6. Are the current methods of financing local government appropriate? For example, the City of Valdez has 28 1/2 times the taxable assessed property per person as the City of Petersburg, yet similar services are provided.
7. Why haven't home rule municipalities been more creative when writing charters?
8. Why hasn't the legislature taxed the unorganized borough to the same extent other municipalities are taxed to provide education, roads, police protection, health services, etc, etc, etc.

CITY OF PETERSBURG IN THE STATE OF ALASKA CORPORATE SEAL APRIL 20, 1910

9. Why is there an unequal funding mechanism for educational services and school buildings? For example, the unorganized borough outside first class cities receives "free" educational services and buildings.

10. Why did it take twenty years to determine that a problem exists (1959 to 1979)?

The above are only a few of my concerns.

Sincerely,

Bruce Aronson
City Manager

BA/plc

Looking forward to the answers! Bruce

CITY OF BARROW

"farthest north incorporated city"
BOX 629
BARROW, ALASKA 99723
PHONE (907) 852-5211

May 31, 1979

Senator Arliss Sturgulewski
Co-Chairwoman
Local Government Committee
Pouch V
Juneau, Alaska 99811

Dear Arliss:

I am glad that we had an opportunity to meet at the Seminar sponsored by the Federal-State Land Use Planning Commission. I especially welcome the opportunity to express some of the concerns and problems that face our municipality.

On an external level, our biggest problem is: The relationship between the City, Borough, and State.

The Borough is responsible for various duties as outlined in Title 29. When they don't live up to their responsibilities to a level we (the City) feel is acceptable, we have no recourse but to accept their nonaction. If we try and do it ourselves, the Borough says that it is their responsibility and if we ask the State for assistance, they say it is a Borough and not a City responsibility.

At times it appears that the Borough wants to assume additional powers for the purpose of increasing their level or revenues, but we don't often see a subsequent increase in the level of service, particulary police protection.

On an internal level, we have three basic problems:

1) Educating the Council as to their responsibilities and limits of authority and consequences of their actions.
2) Keeping informed and updated on State policies and programs.
3) Adaquate funding to develope a professional organization/staff.

The larger established muncipalities often seem to loose sight of the fact that rural communities often operate on a very low key because of inadaquate revenue sources in amounts necessary to attract and maintain a professional staff.

I appreciate being added to your mailing list and if I can be of assistance by providing further input, please feel free to contact our office.

Sincerely yours,

Bryan MacLean
City Manager

mg/BM

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE (Revised)

I. REQUEST

Bill/Resolution No. SCR No. 66 & HCR No. 70

Title Directing the Alaska Legislative Council to revise AS 29

Requested by _____ Date 5/12/80

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Legal Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	Option 1 FY 81	Option 2 FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	14.0	7.0	-0-	-0-	-0-	-0-
200 TRAVEL	37.8	37.8	-0-	-0-	-0-	-0-
300 CONTRACTUAL	1.0	1.0	-0-	-0-	-0-	-0-
400 COMMODITIES	1.0	1.0	-0-	-0-	-0-	-0-
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	53.8	46.8	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	53.8	46.8				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME	1	1				
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Personal Services - Option 1 Range 14 - 6 mos = $13,986 Option 2 Range 14 6 mos. half-time = $6,993

Travel - Advisory group (3 meetings for 12 people @$451 travel/per diem-------- = 16,236
Working group (8 meetings for 6 people @$451 travel/per diem --------- = 21,648

Contractual - $1,000 for miscellaneous printing and other costs ---------- 1,000

Commodities - $1,000 for office supplies ---------- 1,000

IV. DATE 5/12/80 PREPARED BY Richard W. Berg, Director

AGENCY Legislative Affairs Agency

PHONE 465-3850

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

HJR

10

(7)

COMMITTEE REPORT

HOUSE

FURTHER:

1/24/79

Date: 16 Feb 79

Mr. Speaker:

The Committee on C&RA has had HJR 10

Relating to Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

COMMITTEE REPORT

HOUSE

FURTHER:

Date: [illegible]

Mr. Speaker:

The Committee on [illegible] has had [illegible]

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 2/16/79

BILL NUMBER AND TITLE: HJR 10 Disallowing the annexation of Kodiak

ORIGINAL SPONSOR : Zharoff

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Branson, Carney, Parr, Zharoff, Parker, Metcalfe, O'Connell

MEMBERS ABSENT: None

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Committee discussed options available and all members agreed that the Resolution be passed unanimously. All members signed Resolution DO PASS.

Proposed Concurrent Resolution was discussed and the concepts were approved. The Resolution work draft was accepted as presented.

HOUSE FLOOR ACTION -- Feb. 20, 1979
HJR 10 -- Passed 38 Yes 2 Excused
HCR 7 -- Passed unanimously on voice vote

COMMITTEE ACTION: Unanimous approval of HJR 10; Approval of work draft of Concurrent Resolution

TAPE # 2 SIDE 1 Sections 1875-2010

COMMITTEE WORK DRAFT

CONCURRENT RESOLUTION RE KODIAK

WHEREAS the road system extending north/northeast of the current boundaries of the City of Kodiak to those areas popularly known as Spruce Cape, Island Lake, Mill Bay and Monashka Bay defines a natural community of residents whose lives and activities generally involve interaction; and

WHEREAS after public hearings and a public decisional meeting the Local Boundary Commission of the State of Alaska has recommended annexation of the major portion of the area described by the road network to the City of Kodiak; and

WHEREAS the Legislature, by its adoption of House Joint Resolution 10 has disapproved the annexation submitted to the Eleventh Legislature by the Local Boundary Commission; and

WHEREAS after opportunity for public comment before legislative committees, it appears that an adequate draft municipal services annexation plan was not available for public review; and

WHEREAS there is ample evidence in the record of hearings before the Local Boundary Commission and the legislative committees that growth and development are occurring in the area; and

WHEREAS population growth and development have in some areas created a situation which endangers the public health and has necessitated that certain services be provided;

BE IT RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to direct the Commissioner of the Department of Community and Regional Affairs to:

(1) work with ~~the Department of Environmental Conservation,~~ appropriate state departments the City of Kodiak and the Kodiak Island Borough to alleviate immediately the public health problem in the areas of Island Lake, Dark Lake and their drainage;

(2) work with the City of Kodiak and the Kodiak Island Borough to examine alternatives, including their impact, which might be applicable to providing the appropriate services to the territory located generally north/northeast of the existing corporate limits of the City of Kodiak, including but not limited to:

(A) step annexation, by which residents of the newly annexed area would pay a perentage of the full city property tax rate equal to the total percentage cost of all services provided; or

(B) annexation, with an adequate draft municipal service plan which may include a provision for differential tax zones;

(C) unification;

(D) other alternative methods of delivering services throughout the area along the road system extending north/northeast of the City of Kodiak;

(3) convene public meetings with interested residents to ascertain the nature and degree of essential services and to review information relative to cost and benefits of various alternatives for delivering essential services;

FURTHER RESOLVED that the Commissioner of the Department of Community and Regional Affairs evaluate, in consultation with the City of Kodiak and the Kodiak Island Borough, the alternatives and recommend a plan of implementation; and be it

FURTHER RESOLVED that the Commissioner of Community and Regional Affairs transmit a report not later than January 20, 1980 to the Second Session of the Eleventh Legislature.

Introduced: 2/19/79
Referred: Rules

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE CONCURRENT RESOLUTION NO. 7

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

Relating to an annexation of territory to the City of Kodiak.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the road system extending north and northeast of the present boundaries of the City of Kodiak to those areas popularly known as Spruce Cape, Island Lake, Mill Bay, and Monashka Bay defines a natural community of residents whose lives and activities generally involve interaction with residents of and services provided in the City of Kodiak; and

WHEREAS, after public hearings and a public decisional meeting, the Local Boundary Commission of the State of Alaska has recommended annexation of a major portion of the area described by the road network to the City of Kodiak; and

WHEREAS the Legislature, by its adoption of House Joint Resolution 10, has disapproved the annexation submitted by the Department of Community and Regional Affairs on behalf of the Local Boundary Commission; and

WHEREAS, after opportunity for public comment before legislative committees, it appears that an adequate municipal services (amend #) draft annexation plan was not earlier available for public review; and

WHEREAS there is ample evidence in the record of hearings before the Local Boundary Commission and the legislative committees that growth and development are occurring in the area; and

WHEREAS population growth and development have in some areas created a situation which endangers the public health, and require that certain services be provided;

BE IT RESOLVED by the Alaska State Legislature that the Governor is

respectfully requested to direct the commissioner of the Department of Community and Regional Affairs immediately to

(1) work with the appropriate departments of the state government, the City of Kodiak and the Kodiak Island Borough to alleviate the public health problem in the areas of Island Lake, Dark Lake and their drainage;

(2) work with the City of Kodiak and the Kodiak Island Borough to examine alternatives, including their impact, which might be applicable to the provision of appropriate services to the area located generally north and northeast of the corporate limits of the City of Kodiak, including but not limited to

(A) step annexation, by which residents of the annexed area would pay a percentage of the full city property tax rate equal to the total percentage cost of all services provided;

(B) annexation, with an adequate draft municipal services plan which may include provision for differential tax zones;

(C) unification; and

(D) any other methods of providing services throughout the road system extending north and northeast of the City of Kodiak; and

(3) convene one or more public meetings with interested residents of the area for the purpose of ascertaining the nature and degree of essential services and to review information relating to costs and benefits of the various alternatives for delivering services; and be it

FURTHER RESOLVED that the commissioner of the Department of Community and Regional Affairs evaluate, after consultation with the City of Kodiak and the Kodiak Island Borough, the alternatives and recommend a plan of implementation; and be it

FURTHER RESOLVED that the commissioner transmit a report to the Second Session of the Eleventh Legislature not later than January 20, 1980.

HOUSE
JOURNAL SUPPLEMENT

January 24, 1979 Wednesday No. 2

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION SUBMITTED TO THE ELEVENTH STATE LEGISLATURE FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 24, 1979

RECOMMENDATIONS

1. Recommendation for annexation of territory to the City of Kodiak.

2. Recommendation for correcting an error in the present corporate boundary description of the Kenai Peninsula Borough.

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF KODIAK, ALASKA

SUBMITTED TO THE ELEVENTH LEGISLATURE, FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 24, 1979

RECOMMENDATION FOR ANNEXATION OF TERRITORY

to the

City of Kodiak

WHEREAS, the petitioner, the City of Kodiak, has requested that certain property in the Mill Bay area be annexed to the city, to wit: twenty five lots contiguous to and North and East of the City of Kodiak, including residential and commercial properties; and

WHEREAS, upon receipt of the petition, the Department of Community and Regional Affairs determined that the petition was sufficient; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission held a public hearing at Kodiak, Alaska, on December 12, 1977, in the Kodiak City Council Chambers; and

WHEREAS, as a result of that public hearing, the Local Boundary Commission determined other urban lands in addition to those defined in the petition might be suitable for annexation to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held an additional public hearing at Kodiak on April 26, 1978, to consider annexation of geographical areas generally described as the Spruce Cape area, the Mill Bay area, the Monashka Bay area, and the United States Coast Guard Station to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held a public meeting in Anchorage on August 16, 1978, to review the record of proceedings on the

petition; and

WHEREAS, the City of Kodiak has stated to the Local Boundary Commission that it is financially capable of providing its full range of general fund services to the area encompassed by the Local Boundary Commission decision; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(3) in that the area is generally urban in character, as evidenced by Kodiak Island Borough population estimates, property valuations, and the relatively high level of commercial activity; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(4) in that evidence gathered at the public hearings shows that the area to be annexed is in need of municipal services which can be most efficiently provided by the City of Kodiak; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(5) in that Kodiak Island Borough planning documents indicate there is likelihood that growth and development will occur in the territory and annexation will enable the city to plan for and control that development and arrange the most efficient municipal services plan to accommodate the expected growth;

NOW, THEREFORE, the Local Boundary Commission recommends that, pursuant to Article X, Section 12, of the Alaska

Constitution, and Alaska Statutes 44.19.260, the petition to annex the territory generally described as the Spruce Cape area and the Mill Bay area be approved and that the boundaries of the City of Kodiak be amended to read as follows:

Beginning at Corner 3 of U.S. Survey 3945, said point being the true point of beginning; thence,

(1) S 55°21'W, 10,868.88 feet to Corner 2 of U.S. Survey 3945; thence,

(2) S 34°34'E, 4250.40 feet to Corner 1 of U.S. Survey 3945; thence,

(3) S 5°06'E, 957.66 feet to Corner 2 of U.S. Survey 2537-B, identical with Corner 15, U.S. Survey 3945; thence,

(4) S 5°05'30"E, approximately 260.74 feet, more or less, to a point intersecting with the Northerly ROW of the Abbert Highway; thence,

(5) along the said ROW in a Westerly and then Southerly direction to a point located upon the common boundary of Public Land Orders 5566 (parcel 2) and 5550, located within U.S. Survey 1673; thence,

(6) S 45°00'E, 2000 feet; thence,

(7) Southeasterly 3,280 feet, more or less, to point "A", said point "A" lying: S 15°34'E, 1,290 feet, more or less, to the center of the channel of St. Paul Harbor from the Southwest corner of Lot 6, Block 20 of U.S. Survey 2537-B; thence,

(8) N 58°06'E, 7,470 feet to a point in the channel North of the Easterly tip of Crooked Island; thence,

(9) N 0°50'W, 1,644.7 feet to a point located in the channel between Near Island and Holiday Island; thence,

(10) N 42°22'E, 5,200 feet, to Point "B", said point "B" lying: S 42°22'W, 3,037.1 feet, more or less, from a point on an

isolated rock which bears S 31°50'E, 191.95 feet from WC 6 MC, U.S. Survey 1822, said point also lying S 32°24'E, 1,162 feet, more or less, from MC 6, U.S. Survey 2873; thence,

(11) N 32°24'W, to a point in the channel which is 1,000 feet from the mean high water line of Kodiak Channel; thence,

(12) along a line, 1000 feet seaward, from the meander line of mean high water in a Northeasterly and then Northwesterly direction to a point 1,000 feet Northerly from the most Northerly tip, at mean high water, of Spruce Cape; thence,

(13) continuing along a line, 1,000 feet seaward, from the meander line of mean high water, proceeding around Mill Bay in a Southwesterly, Northwesterly, and then Northeasterly direction, to a point which is located upon the projected extension seaward of the Northern boundary of Lot 17, Block 1, Second Addition of Miller Point Subdivision, plat approved 11/28/66, said boundary being more specifically described as a line bearing S 73°01'E from the Division of Lands Witness Corner monument located 15 feet West of the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(14) N 73°01'W, 1,000 feet to the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(15) N 73°01'W, along the Northerly boundary of Lot 17, Block 1, of said subdivision, 327.41 feet, and continuing on approximately the same bearing an additional 1728.59 feet to WC 6 of Lot 3, U.S. Survey 3462; thence,

(16) S 47°56'W, 2551.56 feet to Corner 1, Lot 3, U.S. Survey 3462, identical to the East Corner of Lot 3 of Block 6, Monashka Bay Subdivision, plat approved 9/19/67; thence,

(17) S 45°42'59"W, 295.41 feet, to the South Corner of Lot 3, Block 6 of said subdivision; thence,

(18) N 44°05'04"W, approximately 115 feet, along the Southwesterly boundary of Lot 3, Block 6 of said subdivision to a point which bears N 50°13'26"E from the South Corner of

Lot 7, Block 5, of said subdivision; thence,

(19) S 50°13'26"W, across Otmeloi Way to the South boundary of Lot 7, Block 5, of said subdivision, and continuing along the Westerly ROW of Lake View Drive, 4,433.17 feet, more or less, to the Southeast Corner of Lot 7 of Block 8 of the Monashka Bay Subdivision, plat approved 9/19/67; thence,

(20) S 79°11'50"E, 569.59 feet, to Corner 5 of U.S. Survey 3467; thence,

(21) S 23°54'W, 2500.01 feet, to Corner 4 of U.S. Survey 3467, identical with Corner 4 of U.S. Survey 3468; thence,

(22) S 85°27'W, 746.33 feet, to Corner 3 of U.S. Survey 3468, identical with Corner 3 of U.S. Survey 2538-A; thence,

(23) S 55°21'W, 1893.54 feet, to Corner 4 of U.S. Survey 3945; thence,

(24) N 34°39'W, 2811.6 feet to Corner 3 of U.S. Survey 3945, the true point of beginning.

In accordance with Article X, Section 12, of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

WORK ORDER REQUEST FORM

IR? 0573

KEYWORDS: ANNEXATION

MUNICIPALITIES

KODIAK

ASSIGNED TO Chenoweth

REQUEST FOR: BILL ☐ RESOLUTION ☒ RESEARCH ☐ OTHER ☐

SUBJECT Kodiak Annexation

REQUESTED FOR House CSHA - Parker BY _____ EXT. _____

* DELIVER TO Rep. Parker TAKEN BY Charney

INSTRUCTIONS, EXPLANATIONS

Resolution on Kodiak Annexation as attached.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED ☐

AUTHORIZED TO CONFER WITH _____

RETURN _____

_____ TO REQUESTER

APPROVED: BCB Director, Legal Services

_____ Director, Research

REVIEWED _____

IN 2/16 DUE 2/17

TYPED - Draft _____ DATE _____

Final _____ DATE _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT ☐ FINAL ☐

LA-L 10

TO: Pat Wilson

FROM: House C&RA (Marjorie Gorsuch)

DATE: Feb. 21, 1979

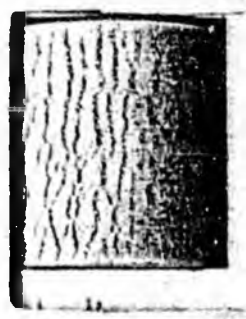
RE: Cassette tape

Please make a cassette tape of TAPE 2 Side 1 Sections 1875-2010 of House C&RA Hearing of Feb. 16 which deals with discussion of HJR 10 and HCR 7. Please send the tape to:

Mr. Jim Crane, Atty.
909 W 9th Ave.
Suite 140
Anchorage, Ak. 99501

If there is a charge for this, please send the bill to Mr. Crane as per his request.

January 30, 1979



The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: Kenai Peninsula Borough Boundary Hearing

Dear Arliss:

The State Boundary Commission conducted a hearing on January 12, 1979, in Soldotna, during which only Philip Waring, our Planning Director, and Mayor Don Gilman gave testimony.

We take no exception to the Boundary Commission action since it conforms exactly to the Borough boundaries as we understood them to be.

Sincerely,

Clyde Baxley, Administrative Assistant
Kenai Peninsula Borough

CB:mw

BOX 850
SOLDOTNA, AK
99669

Testimony presented
at Kodiak 2/10/79

T. T. JACKSON
P. O. BOX 1215
KODIAK, ALASKA 99615

Survey
75.8 Against
24.2 For

HONORABLE SENATORS AND REPRESENTATIVES:

THANK YOU FOR COMING.

I am T. T. Jackson, a continuous resident of Kodiak for thirty-seven years. I have a wife Alma, and a son, Dell. We have a 100 unit Mobile Home Park outside the City of Kodiak. We are two miles from down town.

I am against annexation at this time. I am also against forming any service district.

I am for the City of Kodiak putting their house in order; that is.to pave all their streets that they now have; then annex Island Lake area and when that is brought up to the City standards; then advance with more annexing.

We, on Spruce Cape are not a burden to either the City or the Borough. Since the Borough was organized, not one cent of Borough money has been spent in the Spruce Cape area. The City of Kodiak has been very helpful with water and fire protection; however, we more than pay for these services. After the 1964 disaster, the Bureau of Docks & Yards built an 8 inch water main with fire hydrants for the Spruce Cape area, from the City Boundary on Mission Road for over two miles to the Loran Station on Spruce Cape Road; and the City took charge of these services and paid the Bureau of Docks & Yards $42,000.00. In turn we pay the City over 2 mills for fire protection and we pay 27 per cent more than the City of Kodia residents do per unit for water.

I estimate that there are about 300 families on Spruce Cape - there are 8 Mobile Home parks and many other MobilHomes out of parks and more parks being planned. At this time I will inform you that the City has an ordinance that prohibits Mobile Homes and even if the City desired it - it may be impossible to change this ordinance as they have been bonded under this ordinance.

Mobile Home Parks are self sufficient. That is they pay the same mill rate and water rate as other residences and businesses, but they receive no government aid. We build and maintain our streets, sewer and water systems and fire hydrants. No way can we become a burden to anyone. Spruce Cape pays annually approximately $90,000.00 to the City of Kodiak in Sales tax. I am sure none of this is returned to Spruce Cape. We are independent people who ask little and give much.

The State Legislators are noted for not listening to the people. One Example - ten years ago, the voters of Alaska asked, with a majority vote, for a Constitutional Convention. The Constitution of Alaska states that we are entitled to that convention, but ten years have passed and not even a mention of the Constitutional Convention. Here in Kodiak we have voted for NO ANNEXATION and NO SERVICE DISTRICT; now we are being told that the Constitution states that we must have one or the other. If the Legislators can change one part of the Constitution, then why not the other, or give us that Convention and let us make the necessary changes.

What our election here in Kodiak is telling you is that we want LESS GOVERNMENT.

Are there any questions?

PRESENTATION FOR

JOINT COMMITTEES OF COMMUNITY & REGIONAL AFFAIRS

KODIAK, ALASKA FEBRUARY 10, 1979

BY WILLIAM H. BULEN, PRESIDENT KODIAK SANITATION, INC.

HONORABLE SENATORS AND ASSEMBLYMEN
LADIES AND GENTLEMEN

My name is William Bulen. My son Richard Bulen and I own and operate Kodiak Sanitation, Inc.. We have a lot of interest in the matter before you and obviously most of it is financial. Therefore, asking us how we feel about the matter is like getting a wolf to watch the sheep.

However, there is one aspect to the present situation which we think is grossly unfair and I will confine my remarks to this problem.

We have many complaints from our commercial customers regarding the unauthorized use of dumpsters. Only this week I received a call from someone at Kodiak Community College asking what they could do to stop people from using their dumpster. I had to advise them that for all practical purposes their only recourse was to talk to the people involved. As you can understand, this would serve no purpose beyond causing the offenders to find another dumpster.

In the area you are considering today we serve 89 homes and all trailer parks. We estimate that there are 315 additional residential units in the area, which are the ones without refuse service. Some of these people take their trash to the dump but a large percentage of them take it to town and place it in a convenient dumpster. The other day I heard someone remark that they had seen someone transfering trash to the dumpster at the new Post Office while people in two other cars waited to do likewise.

I do not mean to infer that all borough residents are garbage freeloaders but I will have to admit that even some of my friends are numbered among them. For some strange reason, otherwise honest people will not hesitate to steal service.

The only practical solution to this and other garbage related problems is mandatory garbage service, which would be achieved by annexation. In this we do have a financial interest so I will say no more.

Thank you

TESTIMONY OF BETTY WALLIN,
MAYOR OF THE KODIAK ISLAND BOROUGH
BEFORE THE HOUSE AND SENATE COMMITTEES ON
COMMUNITY AND REGIONAL AFFAIRS
REGARDING THE PROPOSED ANNEXATION
BY THE CITY OF KODIAK OF
THE MILL BAY ROAD & MISSION ROAD AREAS

I am Betty Wallin, Mayor of the Kodiak Island Borough. I'd like to welcome you to Kodiak and take this opportunity to thank you for bringing your hearing here so that the people affected may speak to you directly.

The citizens living in the annexation area have very specific grievances against the City and reasons for believing that annexation would be contrary to their interests. As mayor for all the citizens of the Borough, inside and outside the City, my perspective on annexation is perhaps more broadly based. I firmly believe that annexation should not be allowed to proceed for two reason: first, it would constitute a travesty of our democratic processes; second, it would sound the death knell for unification.

It is possible that you will hear today from a few individuals claiming to support annexation. But virtually all who have contacted me -- and there have been many -- have expressed strong opposition to this proposal. They have argued over and over again against the unfairness of having this decision made without the benefit of a vote of the people concerned. (We complain about the federal government controlling our lands without understanding our needs and heeding our voice. How different will it be if the State, through its Local Boundary Commission, decides the fate of the residents of the annexation territory without appreciation for their needs and knowledge of how they might vote?)

I have had no answer for the citizens who approached me with their concern. I have found myself in complete accord with their views. Were this a case where residents were clearly in support of annexation, or apathetic in their attitude, the Local Boundary Commission's omnipotent role would be more palatable. But, obviously, this is not such a case. We ask the help of you, our elected representatives in bringing democracy to the annexation process.

I have, as indicated, a second problem with this annexation. It derives from an aspiration I hold for Kodiak, a hope for its future which would avoid problems such as this in the days and years to come. This hope is for unification.

We held an election on unification last October, in the midst of all this controversy. The proposition was defeated. But the tallies on either side were not terribly far apart. Given a little more time to explain to the people what unification could do for Kodiak Island, I am convinced the outcome would be different. I am equally convinced that unification is the only sensible, constructive way to go for this City and this Borough. And I am just as firmly convinced that it will not come to pass if this annexation takes place.

For the sake of democracy, for the sake of all those people whose interests would be adversely affected, and for the hope for the future -- unification -- I ask that Committee members recommend passage of Senator Mulcahy's and Representative Zharoff's respective resolutions.

Thank you for your consideration.

10 Feb 1979

Dear Sirs:

Due to a prior commitment, my husband and I are unable to attend this meeting but want to go on record as being against this proposed annexation. We own Lots 13 & 15, Survey 3103 on the back side of Island Lake.

The city seems to conveniently forget why we have a water line in this area and more than once have been reminded at public meetings. I testified at the Boundary Commission meeting last fall that during the time Pete Dewean was mayor, the city did some work at the reservoir that put blue clay into the lake system. This blue clay was plugging filters on washers, and furnaces and was only a matter of time until these appliances would be ruined beyond repair. In order to avoid a law suit, a water line was run out here by the city. We were informed we would be charged a higher rate, the excess to be used for the maintenance and repair of the line.

When Jack Isadore was city manager, he called a meeting of the Island Lake and Shakafka Acres residents and tried to stampede us into asking for annexation. This meeting was held at East

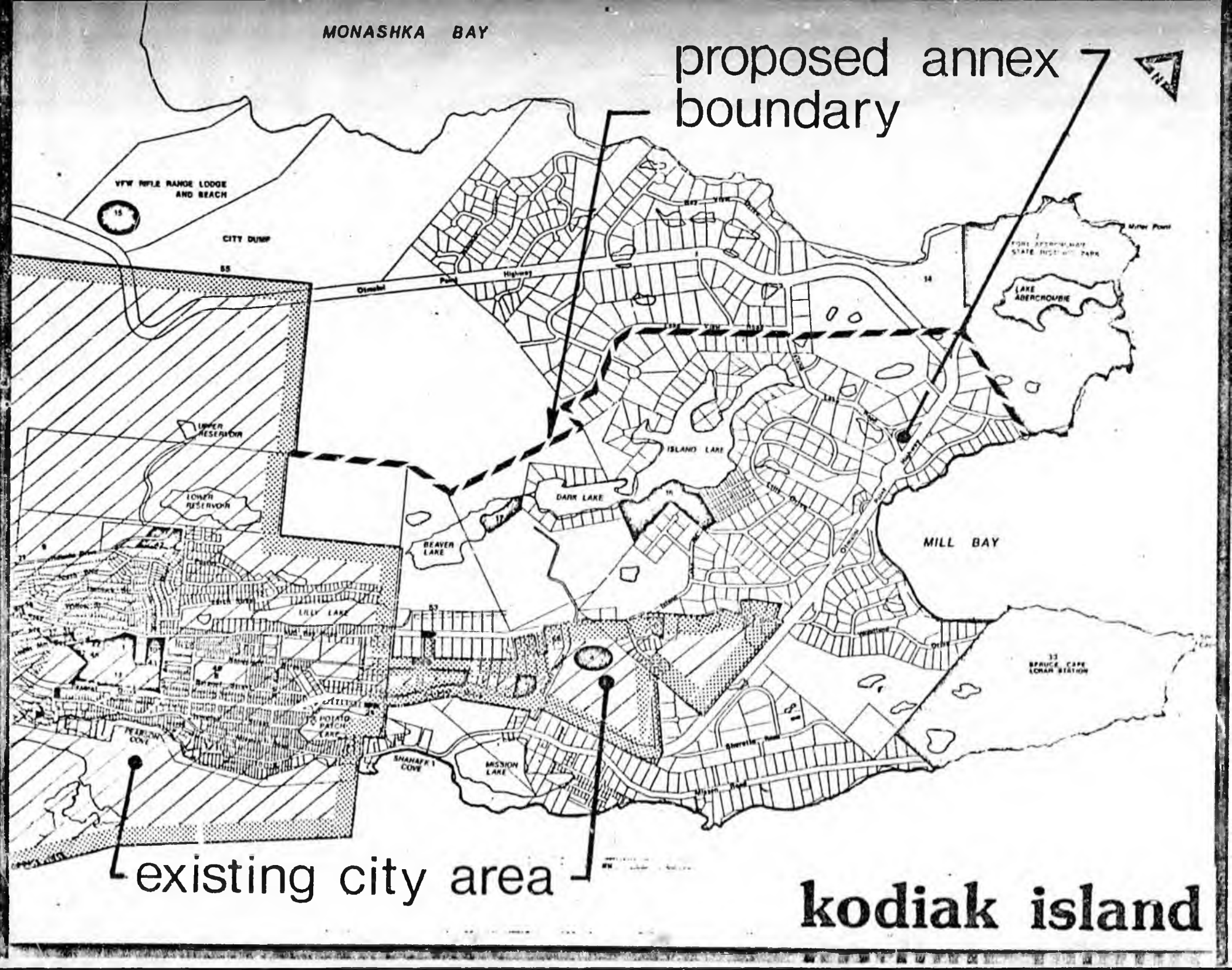
Elementary school. He pointed out the inadequacies of the water line, the need for sewers etc. The final topper however was the statement that the city could not offer anything in the way of utilities at that time - I can't remember his exact words, but that was the gist of it.

We don't feel that the city can offer us ~~anything~~ any more at this time than they could then and therefore are against this proposed action

Thank you very much

Ellen Ross (Ellen Ross)

William Ross (William W. Ross)


MONASHKA BAY
proposed annex boundary
VFW RIFLE RANGE LODGE AND BEACH
CITY DUMP
Otmeloi Point Highway
LAKE ABERCROMBIE
UPPER RESERVOIR
LOWER RESERVOIR
ISLAND LAKE
DARK LAKE
BEAVER LAKE
MILL BAY
LILLY LAKE
POTATO PATCH LAKE
PEARSON COVE
SHAHAFF COVE
MISSION LAKE
SPRUCE CAPE LORAN STATION
existing city area
kodiak island

IN THE

CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

Relating to a determination of the corporate boundaries of the City of Kodiak.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the road system extending northward of the current boundaries of the City of Kodiak to those areas popularly known as Spruce Cape, Island Lake, Mill Bay, and Monashka Bay defines a natural community of residents whose lives and activities generally involve interaction with residents of and services provided in the City of Kodiak; and

WHEREAS, after public hearings and a public decisional meeting, the Local Boundary Commission of the State of Alaska has recommended annexation of a major portion of the area described by the road network to the City of Kodiak; and

WHEREAS, after opportunity for public comment before legislative committees, it appears that the record of the proceedings in the matter of the consideration of annexation of territory to the City of Kodiak was incomplete in that the Local Boundary Commission did not undertake extensive consideration to alternatives to an annexation with legislative review; and

WHEREAS the Legislature, by its adoption of House/Senate Joint Resolution , has disapproved the annexation submitted by the Department of Community and Regional Affairs on behalf of the Local Boundary Commission; and

WHEREAS there is ample evidence in the record of hearings before the Local Boundary Commission and the legislative committees, and in minutes of the City Council of the City of Kodiak, that growth and development are

occurring in the area and that the changes are having an impact on municipal services; and

WHEREAS the City of Kodiak is already providing certain needed services to residents of the area, either through agreement with the Kodiak Island Borough or without charge to area residents; and

WHEREAS other services which residents of the area appear to be willing to support may not be provided by the city because of the legislature's rejection of the annexation, threatening or endangering the public health and safety; and

WHEREAS still other services are provided by the state, services which area residents have expressed unwillingness to assume at a local level but which, because of steady population growth and increasing demands on the state treasury, may require assumption at the local level; and

WHEREAS annexation plans providing for gradual extension of full services into the annexed area on a step annexation basis or for full annexation with concurrent imposition of a differential tax zone scheme (each of which would permit area residents to pay only for those municipal services actually received) may be appropriate for application to situations of this kind;

BE IT RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to direct the commissioner of the Department of Community and Regional Affairs immediately to

(1) examine alternative annexation procedures which might be applicable to the annexation of a portion or all of the territory located generally northward of the existing corporate limits of the City of Kodiak along the road network, including but not limited to,

(A) step annexation, by which residents of the annexed area would be provided a full range of services by the city at a date not more than five years from the effective date of the annexation; or

work efforts - City Kodiak / Kodiak Island Borough to develop an acceptable annexation plan providing for differentials

(B) full annexation, with concurrent adoption of an ordinance imposing differential tax zones and providing that tax levies within the zones be commensurate with city services actually provided;

(2) meet with officials of the City of Kodiak and the Kodiak Island Borough to evaluate the impact of each alternative annexation plan on the capacity of the city and the borough to provide services;

(3) convene one or more public meetings with interested residents of the area for the purpose of ascertaining the nature and degree of essential services that should be provided;

(4) determine, with the assistance of responsible state officials, whether growth and development in the area warrants provision of increased state services, and the cost of these increases;

(5) consider whether the state, residents of the area, or both, should bear the cost of incremental services to be provided;

(6) evaluate relevant information and determine whether, on the basis of information gathered, any annexation plan which has been examined equitably resolves, or holds out the possibility of equitable resolution of, problems attending provision of services in the area under consideration; and

(7) under authority granted in AS 44.19.260(a)(3), define a geographic area, and present an annexation plan for the area together with supporting testimony and evidence, to the Local Boundary Commission; and be it

FURTHER RESOLVED that, if the Local Boundary Commission is presented with a plan of annexation by the commissioner of community and regional affairs, it shall, after opportunity for public hearing, promptly and fully consider the plan presented, submitting any recommendation which it may have for an annexation based on the plan, to the Second Session of the Eleventh

Legislature in the manner provided by law; and be it

FURTHER RESOLVED that nothing in this resolution requires the commissioner of community and regional affairs to recommend a plan of annexation to the Local Boundary Commission, and nothing in this resolution requires the commission to report favorably on a plan of annexation recommended to it, but if the commissioner or the commission decides not to take action in accordance with the provisions of this resolution, a report shall be transmitted not later than January 20, 1980, to the Second Session of the Eleventh Legislature explaining the reasons for that decision.

8:30

HB 146

Roy Wipperman A Public Utilities Com.

Ultimate

42.05.221 Water sewer in City not regulated certificated exemption 711
(F) Tel Glacier State
Kodiak Electric } certificated Borough
CATV System

Owned

42.05. 711 Public utility interest necessarily
Economic feasibility = 42.05. 301 (last phrase)

Borough could separately get certification
Commission could issue
Interconnection of utilities when in public
* 42.05.321 Public utility may apply
for
42.05.311
42.05.321

Public need necessity

Kodiak also certificated along Spruce Rd 67365
C in incorporated city. Extension facilities
to cause annexation.

"1"

IN THE

CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

Relating to a determination of the corporate boundaries of the City of Kodiak.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the road system extending northward of the current boundaries of the City of Kodiak to those areas popularly known as Spruce Cape, Island Lake, Mill Bay, and Monashka Bay defines a natural community of residents whose lives and activities generally involve interaction with residents of and services provided in the City of Kodiak; and

WHEREAS, after public hearings and a public decisional meeting, the Local Boundary Commission of the State of Alaska has recommended annexation of a major portion of the area described by the road network to the City of Kodiak; and

WHEREAS, after opportunity for public comment before legislative committees, it appears that the record of the proceedings in the matter of the consideration of annexation of territory to the City of Kodiak was incomplete in that the Local Boundary Commission did not undertake extensive consideration to alternatives to an annexation with legislative review; and

WHEREAS the Legislature, by its adoption of House/Senate Joint Resolution , has disapproved the annexation submitted by the Department of Community and Regional Affairs on behalf of the Local Boundary Commission; and

WHEREAS there is ample evidence in the record of hearings before the Local Boundary Commission and the legislative committees, and in minutes of the City Council of the City of Kodiak, that growth and development are

occurring in the area and that the changes are having an impact on municipal services; and

WHEREAS the City of Kodiak is already providing certain needed services to residents of the area, either through agreement with the Kodiak Island Borough or without charge to area residents; and

WHEREAS ~~other~~ services which residents of the area appear to be willing to support may not be provided by the city because of the legislature's rejection of the annexation, threatening or endangering the public health and safety; and

WHEREAS still other services are provided by the state, services which area residents have expressed unwillingness to assume at a local level but which, because of steady population growth and increasing demands on the state treasury, may require assumption at the local level; and

WHEREAS annexation plans providing for gradual extension of full services into the annexed area on a step annexation basis or for ~~full~~ annexation with concurrent imposition of a differential tax zone scheme (each of which would permit area residents to pay only for those municipal services actually received) may be appropriate for application to situations of this kind;

BE IT RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to direct the commissioner of the Department of Community and Regional Affairs immediately to

(1) examine alternative annexation procedures which might be applicable to the annexation of a portion or all of the territory located generally northward of the existing corporate limits of the City of Kodiak along the road network, including but not limited to,

(A) step annexation, by which residents of the annexed area would be provided a full range of services by the city at a date not more than five years from the effective date of the annexation; or

(B) full annexation, with concurrent adoption of an ordinance imposing differential tax zones and providing that tax levies within the zones be commensurate with city services actually provided;

(2) meet with officials of the City of Kodiak and the Kodiak Island Borough to evaluate the impact of each alternative annexation plan on the capacity of the city and the borough to provide services;

(3) convene one or more public meetings with interested residents of the area for the purpose of ascertaining the nature and degree of essential services that should be provided;

(4) determine, with the assistance of responsible state officials, whether growth and development in the area warrants provision of increased state services, and the cost of these increases;

(5) consider whether the state, residents of the area, or both, should bear the cost of incremental services to be provided;

(6) evaluate relevant information and determine whether, on the basis of information gathered, any annexation plan which has been examined equitably resolves, or holds out the possibility of equitable resolution of, problems attending provision of services in the area under consideration; and

(7) under authority granted in AS 44.19.260(a)(3), define a geographic area, and present an annexation plan for the area together with supporting testimony and evidence, to the Local Boundary Commission; and be it

FURTHER RESOLVED that if the Local Boundary Commission is presented with a plan of annexation by the commissioner of community and regional affairs, it shall, after opportunity for public hearing, promptly and fully consider the plan presented, submitting any recommendation which it may have for an annexation based on the plan, to the Second Session of the Eleventh

Legislature in the manner provided by law; and be it

FURTHER RESOLVED that nothing in this resolution requires the commissioner of community and regional affairs to recommend a plan of annexation to the Local Boundary Commission, and nothing in this resolution requires the commission to report favorably on a plan of annexation recommended to it, but if the commissioner or the commission decides not to take action in accordance with the provisions of this resolution, a report shall be transmitted not later than January 20, 1980, to the Second Session of the Eleventh Legislature explaining the reasons for that decision.

BILL FARRER

PRESENTATION MADE BEFORE THE ANNEXATION COMMITTEE
December 12, 1978
by City Manager Clair Harmony

I. Should annexation become a reality this January, we at City Hall have tried to set up a preliminary plan:
   1. What will take place
   2. What the 2,000 residents of the new area might expect in the way of effective delivery of services and, of course, what their concerns are now.

We are here tonight to present our best *estimates* as to costs, taxes, location of services, and to offer some options.

We are not in an advocate role, but are simply trying to do some preplanning for an action which at this point in time has been initiated and recommended by the Local Boundary Commission and will be going before the State Legislature in January.

The existence of the Annexation Committee, and this public hearing before that body, are sincere efforts to encourage expressions of public concern and input. Hopefully the committee will formulate a policy statement that can be adopted by the Kodiak City Council, which will provide for the following:
1. Early and special representation.
2. Reasonable differential property tax[illegible]ng zones.
3. Efficient priorities on road improvements.
4. Quality Police and Fire services.
5. Good delivery of water and sewer services.
6. Ultimate expansion of Parks/Recreation and Library services.
7. Modifications that might be envisioned by the community at large, the public here tonight and the committee, through its deliberations.

1. As to early representation:
   a. Voting franchise rights would become effective immediately.
   b. In addition, a special representative would be elected from the new area, to serve in an advisory capacity with the City Council for three (3) years.

2. The differential taxation zones would attempt to provide some equity based on the delivery of services such as roads, police and fire. As long as the City cannot get a fire truck to a home because of poor access routes, there should be less of a tax burden on that homeowner, and so on.

   Basically the difference between Fire Zones 1, 2 and 3 are that Zone 1 would receive 100% delivery of City services, therefore the

full mill rate (9.10). Zone 2 would have no effective delivery of fire service and are those areas where the roads are not maintainable, thus 75% mill rate.

Zone 3 would pay a 50% mill rate and would have poor delivery of police, fire and road improvements. All zones would be changed over the next several years as these services are upgraded.

3. Improvements to roads would progress at a reasonable rate, funded by increased shares in State Revenue Sharing, highway funding and, hopefully, the commitment by the State Legislature to fund greater levels of capital improvements. This could accellerate quality delivery of services to the annexation area.

4. Police and fire services can be expanded from revenue sharing funds, together with the slow phasing out of the State Troopers.

5. Water and sewer services which are funded through assessment districts, State and Federal grants could proceed in higher density areas, and be in as early as 1980 in those areas.

6. Parks/Recreation and Library services would expand on a somewhat slower basis, I would guess, and generally would be funded by general assessments and grants.

II. Briefly, advantages of annexation would include:
1. Relief to the polluted conditions of Island Lake.
2. Better fire and rescue.
3. Quality delivery of water at a lower user rate.
4. Exemption of personal property taxes.
5. Reduction in fire insurance rates.
6. An equal voting status with your neighbors inside the present City boundaries.
7. Plus other factors which will insure for the general health and welfare of the whole area.

III. Conclusion

In conclusion, we are here tonight to answer questions about annexation, which may or may not take place. It is sort of out of our hands. We have tried to research the various possibilities without spending an exorbitant amount of time and City dollars. What is really needed are the expressions on your concerns which can help the City Council provide reasonable alternatives and effective delivery of service, should annexation become a reality.

Special Supplement to the Kadiak Times and Kodiak Daily Mirror

City of Kodiak

SPECIAL REPORT
ANNEXATION

The area outlined below has been recommended for Annexation by the State of Alaska Boundary Commission. It generally encompasses the area from the existing City limits to Spruce Cape along the water — then to Abercrombie and along Lake View Drive.

ISLAND LAKE ANNEXATION HISTORY

In 1968, the first attempt at annexing Island Lake and Spruce Cape occurred. The main reason for the residents request appears to be fire protection. An election was held and the annexation question was defeated.

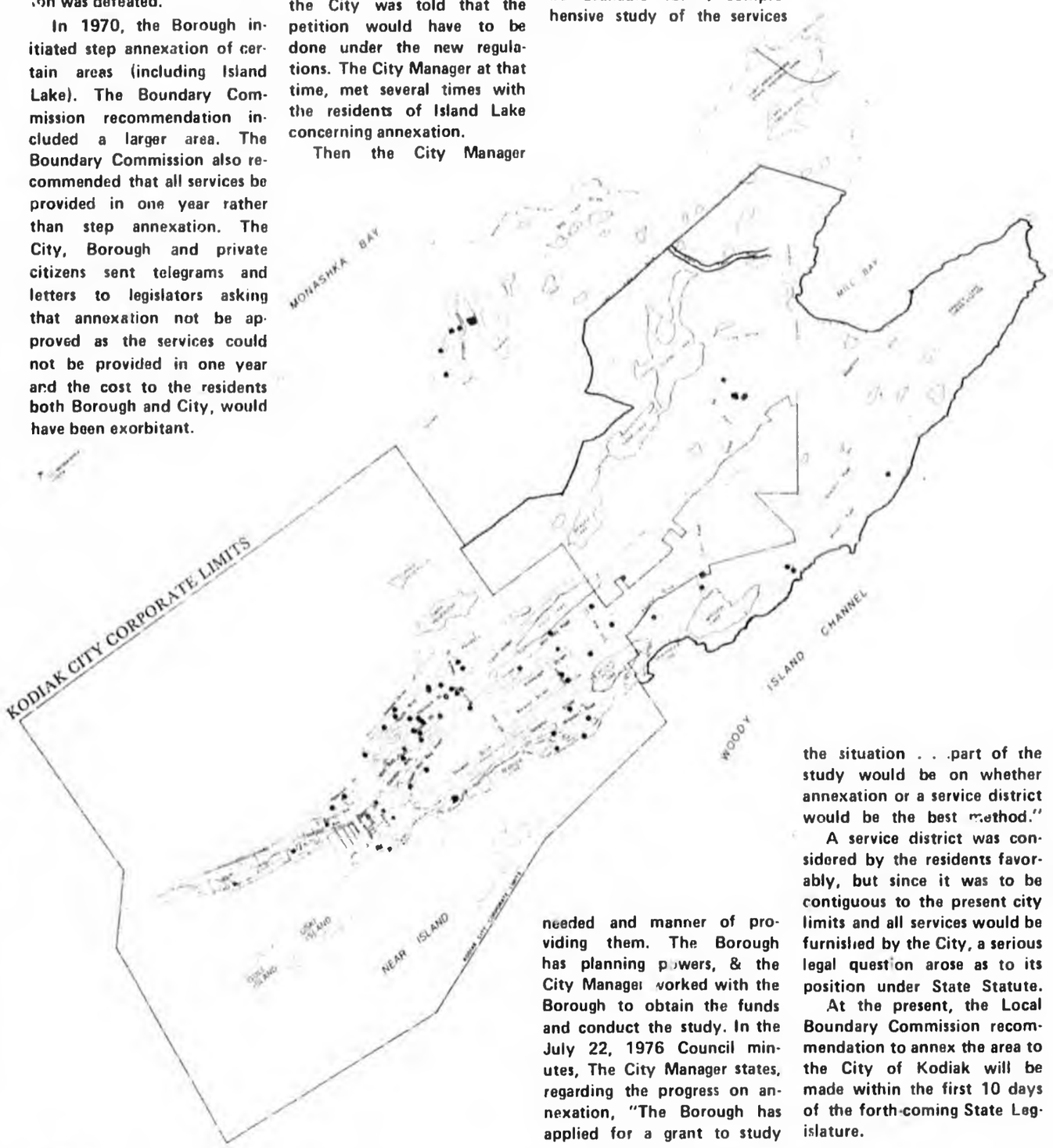
In 1970, the Borough initiated step annexation of certain areas (including Island Lake). The Boundary Commission recommendation included a larger area. The Boundary Commission also recommended that all services be provided in one year rather than step annexation. The City, Borough and private citizens sent telegrams and letters to legislators asking that annexation not be approved as the services could not be provided in one year and the cost to the residents both Borough and City, would have been exorbitant.

In 1972, petitions were received from Island Lake residents requesting annexation However, Municipal Boundary regulations were being revised by the State. After the new regulations were established, the City was told that the petition would have to be done under the new regulations. The City Manager at that time, met several times with the residents of Island Lake concerning annexation.

Then the City Manager discussed the problem with the Council and it was agreed that the City should proceed rather than asking the people to present another petition. It was then discovered that planning Grant funds would be available for a comprehensive study of the services needed and manner of providing them. The Borough has planning powers, & the City Manager worked with the Borough to obtain the funds and conduct the study. In the July 22, 1976 Council minutes, The City Manager states, regarding the progress on annexation, "The Borough has applied for a grant to study the situation . . .part of the study would be on whether annexation or a service district would be the best method."

A service district was considered by the residents favorably, but since it was to be contiguous to the present city limits and all services would be furnished by the City, a serious legal question arose as to its position under State Statute.

At the present, the Local Boundary Commission recommendation to annex the area to the City of Kodiak will be made within the first 10 days of the forth-coming State Legislature.



CITY RESIDENTS CHARGES FOR SERVICES
—BY MILL RATE—

PRESENT CITY | **ANNEXATION AREA**

	1978/79 Budget	Less;	Charges for Services Cargo: Cargo Dock	Boat Harbor	Water/Sewer Utilities	Payments From Sales Tax		%	X 9.1 Mills	X	1978/79 Real Property Assessed Valuation	
	$		$	$	$	$	$				$	$
Legislative & Legal	72,500						72,500	2.18	.19		17,646,115	3,353
Executive	79,660		4,672	3,983	7,966		63,039	1.90	.17			9,000
City Clerk	86,358		2,892	4,376	8,752		70,338	2.11	.19			3,353
Finance	242,799		19,604	11,541	34,708		176,946	5.32	.49			8,647
Police	873,129						873,129	26.25	2.39			42,174
Fire	351,284						351,284	10.56	.96			16,940
Public Works	771,650		31,862	4,000	359,061		376,722	11.32	1.03			18.175
Parks & Recreation	111,802						111,802	3.36	.31			5,470
Library & Museum	172,679						172,679	5.19	.47			8,294
Engineering	184,092						184,092	5.53	.50			8,823
Non-Departmental												
Borough Personal Property Tax	431,600						431,600	12.98	1.18			20, 822
Captial project transfer	588,807					588,807						
Bond Payments	137,158						137,158	4.12	.38			6,705
Miscellaneous (1)	306,356						306,256	9.18	.84			14, 823
Totals	$4,409,874		$59,030	$23,900	$410,487	$588,807	$3,327,650	100%	9.10	X	$17,646,115	$160,579

	$
(1) Insurance	115,000
Public utilities ,Street Lights	80,000
Council on Alcoholism	204,60
Senior Citizens of Kodiak	2,500
Miscellaneous	39,000
Contingency	44,[illegible]
	$306,[illegible]

Rates vary within Districts depending on distance of dwelling from Hydrants & Station as well as accessibility.

HOMEOWNERS FIRE INSURANCE RATING AS THE AREA IS AT THIS TIME
(example)

Town Class 5	House Valuation	Island Lake Area Class 9
$306	$50,000	$619
	WITH FIRE SUBSTATION BUT NO HYDRANT	
$306	$50,000	$536
	WITH FIRE HYDRANTS BUT NO FIRE HOUSE	
$306	$50,000	$338
	WITH STATION & HYDRANTS	
$306		$306

The area that is presently served by contract with the city pays 2.3 mills for fire service.

EXAMPLES OF MILL RATES

Borough	7.0	City	
Fire Service	2.3	All services	16.1
(Bell's Flats)	7.2		

Borough residents in the proposed annexation area now pay:

Borough	7.0
Fire Service	2.3
	9.3

Borough residents at Bell's Flats pay:

Borough	7.0
Road Service	7.2
	14.2

WHAT ABOUT PARKS/RECREATION/LIBRARY

City Recreation Program system utilized approximately / 28% Borough Residents outside the City
City Library System utilized approximately 40% Borough Residents outside the City

Expanded Library Service expected for additional Boro/City Residents as Funds allow

Suggested Park Development Priority

1. Mill Bay Ocean Park
2. Boy Scout - Island Lake
3. Russian Mill Site - Mill Bay
4. Park at Oceanside - Abercrombie (City of Ram) Area.

WHAT ELSE WOULD YOU

LIKE CONSIDERED ?

List of Programs

Teen Center
City League Volleyball
Badminton
Women's Exercise Program
Swimming Pool Superision & Lessons
Summer Recreation Program
Tennis Lessons & Tournaments
Softball and Baseball
Cross Country Ski Classes
Special Recreation for Handicapped
Crab Festival Games
A.A.U. Programs - Swimming

WHAT ABOUT WATER & SEWER

The City of Kodiak engineering department has been doing preliminary planning for water and sewer service to the proposed annexation area so that construction could begin as soon as possible, if annexation were approved. Previous studies have been incorporated. It is anticipated that grants will be received for 50% to 75% of the costs.

The City has to the best of its ability incorporate the previous work of the citizens and engineering firm retained by the Borough. Plans showing proposed water and sewer lines will be available at the public meeting.

One unusual concept advanced is to allow acceptable Septic Systems in low denisty hard to reach areas in order to keep cost down and to allow assessment relief for the life of the System. Detailed engineering can not be realized until annexation is a reality & appropriate Grant monies can be applied for.

WHAT ABOUT ROADS

1st Priority?

1. Unamed Road in U.S.S. 3467
2. Track A Island Lake
3. Unamed Road in U.S.S. 3219, 3103, 3464 Island Lake
4. Cliffside & Cliffside Loop
5. Seabreeze & Woodland
6. Unamed Road in U.S.S. 3099

2nd Priority? What else should be done.

Reconstruct for purpose of snow removal, road grading, fire & police coverage.

There are 2½ miles of maintainable roads in the area. Maintenance means grading, drainage, snow removal and dust control.
With a minimum of work another 2½ miles of road would be maintainable.

WHAT ABOUT POLICE

Available on maintainable road system with one year or more additional coverage of state police - dispatch available on personal, telephone, or C.B. contact. Additional policemen and vehicles will be added as necessary to cover the entire area.

DIFFERENTIAL TAXATION?

WHAT IS IT ? A method of allowing new residents a break on taxation until they receive the same type and quantity of services as other residents.

Zone No. 1

Generally that area next to Mission Road outside the present boundaries that may enjoy all City services afforded present City residents. Present Mill Rate for City purposes at 100% would apply.

Zone No. 2

Generally that area north of Mill Bay USS 2467, Shafaka Acres, Block 7 Monashka Bay subdivision that cannot receive full services. Mill Rate at 75% would apply.

Zone No. 3

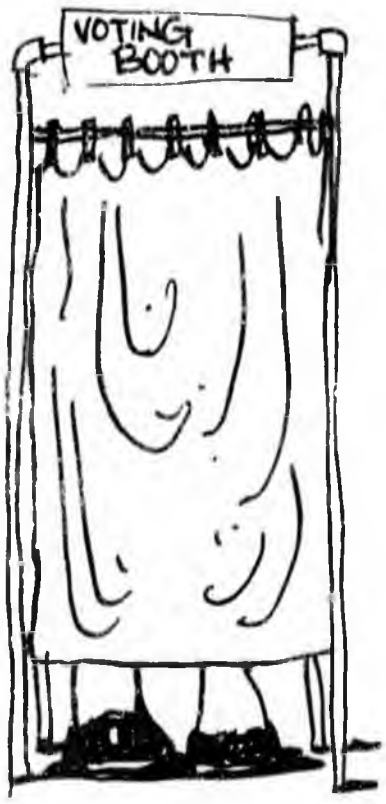
Generally that area of Woodland Acres, and back of Island Lake that the city is presently unable to reach adequately with fire & police due primarily to present road conditions. 50% of the City Mill rate.

SEE THE CITY'S MAP

EARLY & SPECIAL REPRESENTATION

Early representation is afforded by a City Charter provision which allows any resident who has lived in the newly annexed for 2 years and in Alaska for 3 years the ability to run for Mayor or Council.

Also, the City Council by special provision will ask for the election of a special representative from the annexed area to serve as an advisor with the council for 3 years. Residents of the annexed area will of course vote for all council members and mayor as their respective terms expire.



THE CITY MADE THE FOLLOWING PROMISES IN RESOLUTION NO. 24 - 78

CITY OF KODIAK

RESOLUTION NO. 24 - 78

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska as follows:

1. The City will, to the extent possible, establish and implement in the areas to be annexed, a system of differential taxation for any such areas that do not receive all services of the City supported by taxation or which receive these services at a level different from that provided in other areas of the City.

2. The City Manager is hereby directed to develop tentative plans for the provision of services to the areas proposed for annexation and to determine whether the City may be prevented by requirements for capital improvements or for other reasons from providing full services to portions of those areas for any temporary period of time. On or before October 1, 1978, the City Manager shall report to the Council and advise of the areas where provision of full services may be temporarily delayed, the level of service that will be provided and the estimated differential in cost between full services and the services to be provided.

3. The City Manager and the City Attorney shall explore existing legal requirements regarding residency requirements for voting and elective office, and the existing number of Council Members an make recommendations to the Council on or before October 1, 1978, regarding possible changes in law or policy to provide residents of newly annexed areas with representation within the City comparable to that currently available to City residents, and any recommendations regarding required changes in ordinances to implement that objective.

4. The City shall engage in an information program regarding the proposed annexation with the objective of making the public and the legislature aware of the need for and benefits of annexation, and shall employ the services of a qualified person, to the extent determined advisable, to actively support approval of the annexation by the Alaska legislature.

PASSED AND APPROVED this 24th day of August, 1978.

LET THE CITY KNOW WHAT OTHER WRITTEN PROMISES YOU WANT:

GOT A QUESTION?

Annexation Committee:	Phone Number
Bob Waage	486 - 4493
Emil Norton	486 - 5178
Marion Johnson	486 - 5171
Bob Brooks	486 - 5815
Nick Szabo	486 - 3853
Pete Resoff	486 - 4463
City Manager - Clair Harmony	486 - 3224

PUBLIC MEETING

These Ideas are proposals and the City Needs your input.

A Public meeting with the Annexation Committee will be held on December 12,1978 at 7 p.m. in the Council Assembly Chambers.

POOR VOTE

(Continued from Page 4)

should be done on a weekly basis.

She calls voter disinterest in Kodiak "a state of mind." But, also, "We've got to be sure that the absentee voter is well-informed as to wnere and when they can vote absentee. This is very important for Kodiak due to our large number of fishermen at sea."

Kodiak has state's worst voter tornout

District	Key Town	% eligible voters
1	Ketchikan	49.4
2	Wrangell/ Petersberg	48.6
3	Sitka	46.7
4	Juneau	56.6
5	Seward/ Cordova	45.1
6	Palmer/ Wassila	56.7
7	Anchorage/ downtown	39.7
8	Anchorage	43.3
9	Anchorage/ Spenard	37.0
10	Anchorage	52.1
11	Anchorage	49.2
12	Anchorage	55.4
13	Kenai/ Homer	56.6
14	Kodiak	32.9
15	Aleutians	39.5
16	Dillingham	52.8
17	Bethel	46.7
18	Galena,etc.	49.4
19	Delta/ Nenana	49.7
20	Fairbanks	44.5
21	Kotzebue	46.0
22	Nome	57.8

Kodiak Wrap-Up

Zharoff reports: The House is organized

Rep. Fred Zharoff, Democrat-Kodiak, called Kadiak Times Tuesday afternoon to report the Alaska House of Representatives had finally organized just 15 minutes prior to his call.

Rep. Alvin Osterback, D-Sand Point, emerged victorious from the organizational melee, which had entered its second week after majority Democrats failed to reach a consensus. Osterback, without a large constituency, but with considerable legislative savvy, was named co-chairman of the important Resources Committee.

Zharoff says he personally will likely be on the House Resources Committee and the Judiciary Committee. However, this was still tentative at press time. Zharoff said the bush caucus, of which he is a member, had held out for "an equal distribution of power," and despite the delay came out ahead with Nels Anderson in an important leadership post.

Zharoff gave this rundown on the House organization:

Speaker: Terry Gardiner of Ketchikan.

Rules Committee Chairman: Sam Cotten, Anchorage.

Majority Leader: Nels Anderson, Dillingham.

Finance Committee, Russ Meekins, Anchorage.

Judiciary: Charlie Parr, Fairbanks.

Commerce: Fred Brown, Fairbanks.

State Affairs: Mike Miller, Juneau.

Community and Regional Affairs: Bill Parker, Anchorage.

Health, Education & Social Services: Thelma Bucholdt, Anchorage.

Resources: (Co-chairmen) Alvin Osterback of Sand Point and Bill Miles of Anchorage.

Labor and Management: Vern Hurlburt of the Kuskokwim area.

Other committee appointments are to be made after the Committee on Committees meets, Zharoff explained.

Zharoff said he had been working long and hard but was enjoying his new job immensely. He called it "quite an experience."

One of the side benefits in the organizational delay, from Zharoff's point of view, was that it enabled him to get to know each of the legislators personally.

Rep. Zharoff's mailing address is Pouch 'V' Juneau, Alaska, 99811. Office space and telephone numbers have not yet been assigned.

NEARING COMPLETION — Cedar siding helps make this modern new structure on Rezanof Drive one of Kodiak's more attractive buildings. Scheduled for completion in early March, the professional building will house the dental offices of Dr. Knox N. Christie and Dr. Daniel H. Farrer on the ground floor. Upstairs, attorney Stan Fischer and Opthamologist Dr. Ken Richardson will have offices. (One space is still vacant upstairs.) The building has been constructed at a cost in excess of $100,000.

Stiff sentences for SARAH LEE skipper & crew

The skipper of the salmon boat SARAH LEE , found guilty this week in Superior Court of salmon fishing in closed waters received a one-year suspended jail sentence, a $10,000 fine, with $5,000 suspended; and forfeited a $3,000 gill net and $3,520 in red salmon to the State. In addition, George Gatter, 36-year-old Kodiak fisherman, was put on probation by the Court for five years and his commercial salmon fishing privileges suspended for one year.

Crewman on the SARAH LEE, William Fiorentino, 30, was fined $5,000, with $2,500 suspended, and received a 30 day suspended jail sentence.

Gatter and Fiorentino were found guilty of fishing red salmon in closed waters in Kvichak River in Bristol Bay last July. The SARAH LEE was said to be three and one-quarter miles inside closure markers at the time it was seized by the Alaska Fish and Wildlife Patrol vessel VIGILANT. In sentencing the two fishermen, Judge Roy Madsen called the case the worst to come before his court in the last three years.

Dr. Donald L. McKernan named chairman of 200-mile conference

Internationally recognized fisheries expert Dr. Donald L. McKernan has been named chairman of the Northwest/Alaska 200-mile Fisheries Impact Conference to be held in Seattle at the Olympic Hotel Tuesday and Wednesday, February 27 and 28, sponsoring officials announced today.

Dr. McKernan is presently director of the Institute for Marine Studies and Professor of Marine Affairs and Fisheries at the University of Washington. Since graduating from the University of Washington in 1940, he has served in numerous high-ranking posts dedicated to improving the fisheries resource in the United States. He is also the author of many technical articles and papers on subjects related to oceanography and fisheries, covering both U.S. and foreign waters.

The conference, expected to draw as many as 800 delegates, will explore all harvesting and marketing facets created by the Fisheries Conservation and Management Act. The recently implemented act places the United States under complete control of the fisheries resource off all its coastal waters.

"In the past, foreign nations have been taking more fish off our coast than our own fishermen," Dr. McKernan said. "Now, implementation of the act means foreign fishing in these areas will be reduced and the question is how to provide our own fishermen with the means to place more fishery products on the world market."

Suggested answers to these questions will be contained in a foreign and domestic marketing study to be presented Tuesday morning by Earl R. Combs and Associates of Mercer Island. The market study was authorized 18 months ago by the Office of the Secretary of Commerce and the National Marine Fisheries Service, closely following President Carter's signing of the act into law.

"Our country now has the opportunity to become a major producer of fisheries products for all world markets," Dr. McKernan added. "There may be as much as 15 to 20 percent of the total U.S. harvest of all species of fish found in these waters, including whiting, cod, sole, flounder and others."

Panels of experts in financing, harvesting, processing and marketing will follow the presentation of the study, exploring all methods towards acheivement of world leadership.

The conference is sponsored by the Washington State Department of Commerce and Economic Development, the U.S. Department of Commerce, the Pacific Northwest Regional Commission and Washington Public Ports Association.

Firearms Useage Committee holds first meeting

Public safety and the discharge of firearms within the Kodiak Island Borough was the topic of discussion at the first meeting of the Borough's Firearm's Useage Committee on Jan. 19.

The advisory committee was appointed by Borough Mayor Betty Wallin in response to numerous complaints she has received over the years in regard to careless discharge of firearms in the borough. Mrs. Wallin attended the first session herself.

Jack McBride, who writes the trap shooting column "Hits and Misses" for Kadiak Times, was elected chairman of the group.

The 11 member committee, which will meet again on Feb. 26 in the borough assembly room, will make recommendations to the borough assembly on the problem of indiscriminate discharge of firearms in public and populated areas of the borough.

One possibility under consideration by the committee is designating certain areas used for recreation as "public areas," which would enable Alaska State Troopers to enforce existing state statutes against careless firing of guns in such public areas.

Among those attending the session was Richard W. Garnett III, the borough attorney, and Sgt. Jim Hogan of the Alaska State Troopers.

Hogan reviewed state statutes. It is unlawful to discharge a firearm in a public place (made public by an assemblage of persons) and it is unlawful to discharge a firearm on, from, or across a highway. It is not legal to discharge a firearm within the Kodiak City limits.

The committee is strictly an advisory body and discussed the need here for shooting and firing ranges within the borough.

Reduced-price lunches reduced

On January 26, 1979 the price for reduced-price school lunches was adjusted to 10 cents. Students eligible to receive reduced-price lunches had been paying 20 cents per lunch. This reduction is a result of a change in Public Law 95-627 regarding the school lunch program.

EDITORIAL:

• A crying need

Kodiak and the Aleutian Chain need another ferry to replace or support the M/V TUSTU–MENA.

Kodiak should not be left alone for two months without ferry service. The ferry will leave on its last trip Jan.31 and will not return until March.

Former State Senator Kay Poland, D-Kodiak, says "I may not be in office anymore, but you can't turn your interest off just because you're not in office. I suppose I'll always feel strongly on issues that affect the state and Kodiak in particular. . . "

Kay asserts, and we strongly agree, that the ferry as part of Alaska's Marine Highway System "is just as much a part of our road system as our highways are. . . "

Mrs. Poland points out that the ferry also helps somewhat to keep the soaring cost of living down.

Kay tried for four years to get a freight-passenger ferry for the Aleutians. That same ferry could serve as a back up for the TUSTUMENA. While the "Trusty Tusty," may be beloved, she is getting to be quite an old lady. We need a new one. The TUSTUMENA was one of the first ferries built in the early 1960's. She's also the only ocean going ferry. As Mrs. Poland points out, "When she goes we're left with nothing. There's nothing to back her up. There's nothing even on the drawing boards."

Kay anticipates it would be at least three years from concept to completion if the much needed additional ferry were to be approved tomorrow.

As Senator, Mrs. Poland did manage to have a study funded and conducted. That study showed the Aleutian ferry might be the only self-supporting ferry in the state. Yet, the administration and the Legislature keep putting it off.

The TUSTUMENA is old and ships, like people, can only last so long. Seventeen cracks were discovered in her hull two years ago, and she was pulled out of service early — in October for repair because she couldn't withstand the stress of winter storms.

We were left only with air service to the mainland.

The TUSTUMENA definitely needs a back up vessel. A ferry serving the rapidly growing Aleutian Chain could also service our island villages.

The need is obvious. We hope the Legislature and the governor will not continue to ignore Kodiak and the Aleutians in this regard.

LETTERS:

Borough role on land claims?

Dear Editor:

Certain facts are incontestable. The first is, human nature being what it is, that given an inch, most people will try to take a foot. The second is that we have already witnessed an attempt by one Native group to claim lands not rightfully theirs which was caught by the courts. The third is that there are very substantial doubts raised in the suit by the Citizens Action Group that there are lands claimed by the Kodiak Natives

(Continued on Page 5)

Kodiak on the Rocks
by Clint Seyer

Kay Poland sees solutions to Kodiak's dismal voting record, worst in Alaska

by KENT BRANDLI
Editor

Out of 4,159 persons registered to vote here in last August's primary election, only 1,370 voted, giving Kodiak the dubious distinction of having the worst voter turnout in Alaska.

Only 32.9 percent of those eligible here voted, says former State Senator Kay Poland. "It really makes it tough for representatives in Juneau to carry a heavy clout with such a poor showing," she adds.

In other fishing communities, where fishermen are out at sea on election day as they are in Kodiak, the turnout was much better. For example, in Seward and Cordova, 45.1 percent of those eligible voted.

"I've been harping on this for years, but it doesn't seem to do any good. Just the same faithfuls vote," according to Mrs. Poland.

She produces statistics to back up her argument, and proposes solutions.

"Sometimes it takes a real effort to vote. Such is the case with the fishermen. It takes some effort to vote absentee."

Sketch by Kay Linscheid

KAY POLAND

She also blames the state's election procedures, and the handling of voter registrations locally. "When the change was made from the court's handling absentees to the borough clerk handling it, there should have been ads in the newspapers, and on television and radio explaining the switch. This wasn't done in time."

Mrs. Poland says she personally voted absentee and had to "find out by traipsing all around." Within her own family "two of my kids who always voted were challenged. There is really something fouled up there."

Mrs. Poland did not seek re-election to the State Senate last year. Instead she ran unsuccessfully for Lt. governor with Tom Kelly as an Independent.

There is need for some correction, Mrs. Poland says. "There's apparently got to be an overhaul and it's got to start with proper training of the registrars. Also, I believe there's got to be some kind of a numerical check on voter registration forms," the former senator says. "The registrar should have to account for every form used or unused — voided or not," Mrs. Poland feels this

(Continued on Page 5)

KADIAK TIMES

Alan and Ginny Austerman . . . . . publishers
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(c) Kadiak Times, 1979

KODIAK ISLAND BOROUGH'S RESPONSE TO WRITTEN INFORMATION SUBMITTED BY THE CITY OF KODIAK ON FEBRUARY 10, 1979 AT THE JOINT HEARING OF THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES ON THE PROPOSED ANNEXATION BY THE CITY OF KODIAK

At the public hearing in Kodiak on February 10, 1979, the City of Kodiak presented legislators with a packet of written information. This information was not made available to the Borough or other interested parties until the opportunity for testimony was concluded. At this time, if Committee members can tolerate the introduction of still one more document into this record, the Borough would like to identify the concerns it has with the City's submission and attempt to clarify some of the issues in this controversy.

Myth #1: The Island Lake pollution problem requires annexation.

The only true health problem which exists in the annexation area is the pollution associated with the smaller lots in the vicinity of Island Lake. At most, approximately 150 people are involved, probably no more than ten percent of the total population in the annexation region. The percentage of land subject to the problem consists of approximately five percent of the total territory.

This is not to say that the problem does not need to be addressed, and immediately so. But it does suggest that the solution proposed by the Local Boundary Commission is too far-reaching. The Borough has the capability of handling the problem promptly through its existing service district. The City has acknowledged that it could contract with the Borough and provide

the same service as if the area were annexed. The utility rates for the residents involved could be higher under this approach than if annexation occurred. But the other 90 percent of the people living in the annexation region would not be impacted at all. And it is possible that the surcharge to service recipients outside municipal boundaries would actually be lower than the costs of annexation plus sewer and water assessments at normal City rates.

Myth #2: This annexation complies with regulatory standards propounded by the Local Boundary Commission.

In its recommendation for annexation, the Local Boundary Commission finds that its regulatory standards have been met in that:

> the area is generally urban in character, as evidenced by Kodiak Island Borough population estimates, property valuations and the relatively high level of commercial activity; and
>
> . . . the area to be annexed is in need of municipal services which can be most efficiently provided by the City of Kodiak; and
>
> . . . Kodiak Island Borough planning documents indicate there is likelihood that growth and development will occur in the territory and annexation will enable the City to plan for and control that development and arrange the most efficient municipal services plan to accomodate the expected growth . . . .

a. It is probably evident to legislators who took the bus tour and viewed the aerial map at the public hearing that a substantial portion of the annexation area is not "urban" by anyone's standards. Kodiak's striking spruce trees, of which Dr. Johnson spoke so eloquently, are the only notable inhabitants of more than one third of the land in question. (See Staff

Report to the Local Boundary Commission; May 17, 1978 at 11.) As stated at the hearing, much of the other land consists of large one, two and three acre lots with single residences upon them. As for the "relatively high level of commercial activity", once one leaves Mill Bay Road, the commercial activity is almost non-existent.

b. The second standard, relating to the need for municipal services, is of course tied into the Island Lake problem. As stressed by the Borough and local residents at the hearing, sewer and water are the only needed services, and they are needed in only a small portion of the annexation area. Most significant, however, there is absolutely no evidence that the City can provide this particular set of services most efficiently.

Were the Borough to insure that the citizens of Island Lake receive their sewer and water, an interesting and healthy consequence would apparently follow. The Borough could then be considered a public utility. At the present time, the City is the only provider of sewer and water in the area. Because it is a municipal utility and has no competition, it does not come under the jurisdiction of Alaska Public Utilities Commission. (AS 42.05.711[b].) Should the Borough enter the picture, however, there would be competing utilities and regulation would follow. Such regulation would insure that unduly discriminatory rates against non-City residents, and unwarranted refusal to extend services, would not be countenanced. (See, AS 42.05.301, AS 42.05.391, and AS 42.04.641.)

The issue of more efficient delivery of services brings into question the economic analysis performed by the City. It is noteworthy, first, that the City has presented conflicting statements about the revenue that would be generated through real property taxes garnered from the annexation territory. In the newspaper insert, included in the City's packet, the total revenue anticipated from the area is set at $160,579. In the memorandum to the City Manager from the Finance Director, dated January 23, 1979, and also included in your packet, the City claims the revenue would be $209,000 at full taxation and approximately $150,000 with the proposed differential tax zones.*

Given the high proportion of Zone 2 and 3 areas versus Zone 1 regions on the City's differential tax zone map, it is difficult to understand the derivation of the $150,000 figure. Nonetheless, however one resolves the City's confusion on this point, $150,000 or $160,579 is still insufficient revenue to extend full general fund services, and some utility services, to the entire annexation area. Yet such was the promise of Mr. Harmony at the Committee's public hearing.

To determine what services might realistically be provided with $160,000, the City must, first, subtract certain losses in revenue that annexation would occasion. According

---

* The Local Boundary Commission's decision to recommend annexation of the Mill Bay and Mission Road areas was based on the assumption that the City was capable of providing all services to the entire area immediately. (See Minutes of the Local Boundary Commission Decisional Meeting; August 16, 1978; at 7, 9 and 10.)

to the City's figures, it would lose $65,550 in fire district monies from this area and another $25,000 in personal property tax payments** that would have to be assumed on behalf of the new residents. The combined loss would be $90,550. Finally, surcharge monies currently obtained from those individuals now receiving City water would no longer be available, although the City apparently provided no data on this point.

After performing the necessary arithmetic, the City could find itself with approximately $60,000 to use for the provision of "full services". If these funds were used for police protection, for example, there would be no net benefit to the residents. With the removal of the State Troopers, the status quo would remain unchanged -- except for the increase in taxes.

In Mr. Harmony's memorandum to Committee members, entitled "Economic Analysis of Annexation vs. Service District", the City makes several questionable assumptions. First, there is the view that public sewer and water will be universally required. Clearly, this is not the case, with many families operating presently with EPA approved on-site systems. Second, there is an assumption that fire insurance will drop over $300.00 per household for the annexed territory. Obviously, this decrease will occur only when a new fire station is con-

---

** The City's sales tax is obviously regressive. By spreading the cost of personal property tax over those who do not own the property along with those who do, an additional regressive effect is achieved. Individuals without the means to own their own boats, trucks, and the like are made to share in the cost of those items for others. Of course, as the City swallows up more territory, the cost to it of this personal property tax burden increases markedly.

structed, a new vehicle purchased, more firefighters hired, roads improved and fire hydrants installed. Again, it is impossible to see from where the finances to accomplish all this would come.

Sound economic inquiry indicates that annexation would inescapably result in one of two consequences: either the promised services would not be delivered, or the mill rate for the entire City would have to be raised significantly. In light of either possibility, it is clear that the City has failed to perform the in-depth cost analysis necessary to assure fair dealing with its residents -- both those within the current City boundaries, and those who would be included were annexation to take place.

c The third and last standard relied upon by the Local Boundary Commission revolves around the likelihood of growth in the territory and the City's need to plan for such expansion. It is fair to assume that some growth will take place in Kodiak over the next decade. That, given the information provided to the Commission and Legislature, is about all that it is fair to assume. No information has been provided on precisely where in Kodiak such growth may be anticipated or whether such growth would bring with it new service problems; it is certainly possible that growth would occur on large enough lots so that sewer and water, for example, could be provided on-site.

There is, of course, nothing to limit the City's ability to take into account, in its long range planning, the possibility of furnishing sewer and water or even other services

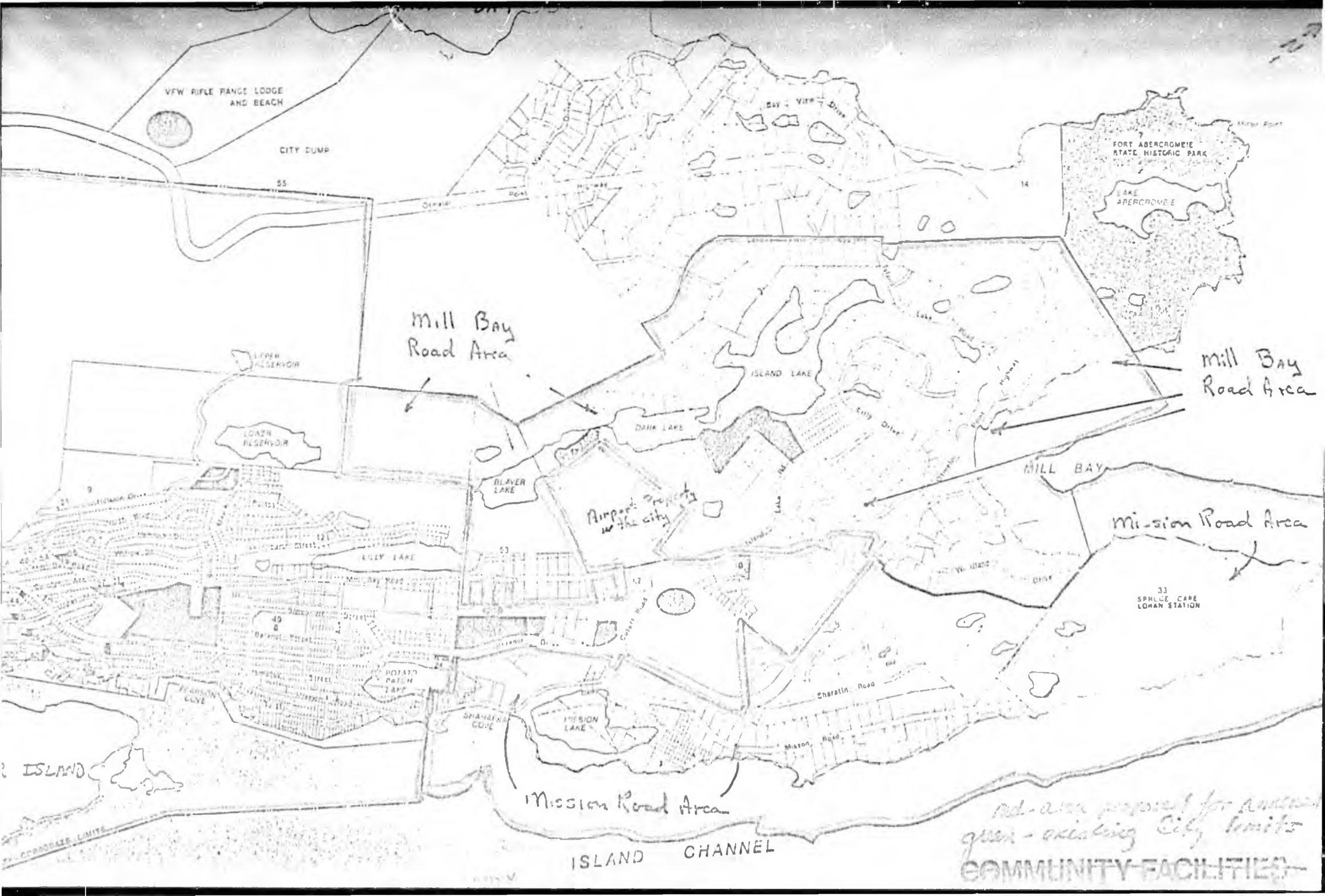
to new areas some time in the future. But to require residents in need of no services to pay hundreds of dollars more in taxes so that the City may plan for some hypothetical development in the future seems totally unwarranted.

Myth #3: The annexation question must be finally resolved at this time.

If one writes the above statement, identified as Myth #3, and tacks on "because" at the end of the sentence, it is difficult to know how to complete the thought. "The annexation question must be finally resolved at this time, because . . . otherwise there will be a pollution problem"? Not so, as described above. "The annexation question must be finally resolved at this time, because . . . otherwise there will not be political order on Kodiak Island"? Maybe not perfect, theoretical order, but a much more realistic, equitable approach to local government, and one which allows for unification. "The annexation question must be resolved at this time, because . . . the Local Boundary Commission and Legislature are tired of dealing with it"? Aha.

It appears that, at best, the Local Boundary Commission overextended its reach in attempting to resolve this matter. The Commission is understandably tired of dealing with Kodiak's situation. But it would constitute a grave disservice to the people of Kodiak if, because of what appears to be an error in judgment by the Commission, residents of this area were forced into an unjust, unnecessary and costly annexation, simply to be "done" with the issue.

The hard data for annexation is simply not present. While it is natural to seek order in our lives and resolution of thorny problems, the case for annexation -- the needs and the economies -- has simply not been made. Members of the House and Senate Committees on Community and Regional Affairs are respectively asked to base their decisions on the facts before them and to recommend passage of the Zharoff/Mulcahy resolutions.


VFW RIFLE RANGE LODGE AND BEACH
CITY DUMP
FORT ABERCROMBIE STATE HISTORIC PARK
LAKE ABERCROMBIE
Mill Bay Road Area
Mill Bay Road Area
ISLAND LAKE
DARK LAKE
BLAVER LAKE
LOWER RESERVOIR
LOWER RESERVOIR
Airport Property in the city
MILL BAY
Mission Road Area
SPRUCE CAPE LORAN STATION
POTATO PATCH LAKE
PEARSON COVE
SHAHAFKA COVE
MISSION LAKE
Mission Road Area
ISLAND CHANNEL
ISLAND
Red-area proposed for annexed green-existing City limits
COMMUNITY FACILITIES

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Feb. 21, 1979

Mr. Jim Crane, Atty.
909 W 9th Ave.
Suite 140
Anchorage, Alaska

Dear Mr. Crane,

Enclosed please find a copy of both HJR 10 and HCR 7 as requested in our phone conversation of Feb. 21.

The tape of the House Community and Regional Affairs Committee meeting of Feb. 16, 1979 is presently being put on a cassette tape and will be mailed as soon as possible.

Please contact us if we can be of further service.

Yours truly,

Bill Parker,
Chairman

TO: Pat Wilson

FROM: House C&RA (Marjorie Gorsuch) 3870, 3821

DATE: Feb. 21, 1979

RE: Cassette tape

Please make a cassette tape of TAPE 2 Side 1 Sections 1875-2010 of House C&RA Hearing of Feb. 16 which deals with discussion of HJR 10 and HCR 7. Please send the tape to:

Mr. Jim Crane, Atty.
909 W 9th Ave.
Suite 140
Anchorage, Ak. 99501

Copy mailed 2/23/79

If there is a charge for this, please send the bill to Mr. Crane as per his request.

We need tape back by Friday A.M.

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION
RE ADJUSTMENT OF KENAI BOUNDARY

Contacted Clyde Baxley, Administrative Assistant of Borough
He will send letter (copy of that sent to Rep. Branson)
re acceptability of Boundary Commisson's Report.

Neith City nor Borough have any problem with the report.
The City is not involved in the correction of what
is virtually a gap in the legal description of the area.

Telephone conversation 2/9/79

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Reps. Pat Carney
Fred Zharoff
Ray Metcalfe
Charlie Parr
Margaret Branson
Pat O'Connell

FROM: Rep. Bill Parker, Chairman

DATE: Feb. 19, 1979

Attached please find a letter from the Administrative Assistant of the Kenai Peninsula Borough related to the proposed Local Boundary Commission recommendation for correcting an error in the present corporate boundary description of the Kenai Peninsula Borough. As you know, this will automatically go into effect as of March 9, 1979.

This letter is for your information so that you will know that there have been no objections to the proposal.

Also attached are some copies of additional letters received recently from the Kodiak area re annexation.

January 30, 1979

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: Kenai Peninsula Borough Boundary Hearing

Dear Arliss:

The State Boundary Commission conducted a hearing on January 12, 1979, in Soldotna, during which only Philip Waring, our Planning Director, and Mayor Don Gilman gave testimony.

We take no exception to the Boundary Commission action since it conforms exactly to the Borough boundaries as we understood them to be.

Sincerely,

Clyde Baxley, Administrative Assistant
Kenai Peninsula Borough

CB:mw

BOX 850
SOLDOTNA, AK
99669

#

02003 NL TDA KODIAK AK 50 2-13 1145P AST

PMS REP PARKER

JUN

PROGRESS WILL OCCUR AT ITS OWN PACE. IT DOESNT NEED TO BE PUSHED. PLEASE JUSTIFY OUR BELIEF THAT ALASKANS STILL HAVE THE RIGHT TO DECIDE THEIR OWN FUTURE BY VOTING TO REVERSE THE BOUNDRY COMMISSIONS DECISION.

WE ENJOYED HAVING YOU HERE FOR THE HEARING.

DICK AND JUNE JUELSON

BOX 286

KODIAK AK 99615(

TELEGRAM

1979 FEB 14 AM 3 22

2/12/79

Joint CRA Committee
Pouch V
Juneau, Ak.

Chairman and members:

Thanks you for coming to Kodiak to hold a hearing concerning the recent annexation decision of the Boundry Commission. It is interesting to note that when the Boundary Commission came to Kodiak for a public hearing, only three members were present yet the decision was made by the entire commission. Listening to tapes is not the same as being at a hearing. If only the three members attending voted, the annexation would have been defeated as Mr. Strandberg voted against it. In later conversation with one of your committee members, I believe Mr. Bettisworth said he was not in favor but went along with the majority. Mr. Bettisworth attended. This leaves only the chairman, Ms

Gallagher, of the members attending actively in favor of this annexation.

Mr. Strandberg's concerns, about the time frame for providing services is well founded. Annexations of any size made in the past to the City of Kodiak have provided a poor track record of providing services in a timely manner. In one case, seven years to provide sewer and sidewalks are still to be provided & more than 12 years later. This proposed annexation virtually doubles the size of the residential & business land mass of the City of Kodiak.

It makes about $26,000/yr which is marginal in Kodiak. I own lot 12 USS 3101 near the end of Spruce Cape Rd. The size of this lot is 1.13 acres. I have a duplex on this property. Spruce Cape Rd is a State Road, and whether annexed or not will still be State maintained. & have city water provided by a line

installed by the U.S. Army Corp of Engineers. In order to put this line in it was necessary to blast 3/4 miles through bed rock. The cost of a sewer line in this area is prohibitive and the priority put the city very low as we have no pollution problem. It will be at least ten years before the city of Kodiak will get around to us. They haven't even a tentative time frame. Yet they propose that we be in a 100% tax zone. Even if I were willing to change my life style, I could not. I have as much housing as is allowed with the services available. I couldn't subdivide and sell a portion. The average lot inside the city is 7200 square feet. The taxes are two and 1/2 times the tax outside. I will be paying taxes on 44,000 square feet with no way to reduce this size. To this fact? I haven't even had a say in this.

The voting district proposed for annexation voted 50 out of a

possible 850. This represents about 60%. The entire borough voted only 32.9%. I think this shows we are concerned and responsible citizens, more so than any other area in the borough. We resent not having a say in our destiny especially when city voters seem to care so little what happens to them.

The City of Kodiak is a Home Rule City. It gives their City Council tremendous power without concern for the will of the people (especially apathetic people). Their history of keeping their word is not good. For example, the proposal to put the sewer plant on Spruce Cape Rd included a sewer line for that road. The residents didn't object, feeling that one would be built. The first thing cut because of cost was the sewer line for Spruce Cape Rd, but the sewer plant was put there. The proposal voted on by the people included this sewer line yet we

didn't get it.

Please reverse the Boundary Commission decision, or rather recommend reversal.

Thanks you for your consideration.

Sincerely

Ed Jack

Spruce Cape Rd resident

ED JACK
BOX 1494
KODIAK 99615

HJR

39

(7)

COMMITTEE REPORT

HOUSE

FURTHER:

April 10, 1979 Date: 10 0 (7)

Mr. Speaker:

The Committee on C&RA has had HJR 39

Urging the President and Congress of the United States to retain the federal General Revenue Sharing Program as presently constituted.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99

COMMITTEE MINUTES

DATE: 4/18/79

BILL NUMBER AND TITLE: HJR 39 Urgins the President and Cpngress of the U:S. to retain the federal General Revenue Sharing Program as presently constitiuted.

ORIGINAL SPONSOR : Parr

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: --

MEMBERS PRESENT:

Bill Parker X	Pat Carney X
Margaret Branson X	Charlie Parr X
Pat O'Connell X	Fred Zharoff X
	Ray Metcalfe X

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Parr -- Discusses reason for introducing bill. Publication by "State Council on Gov's." brough to his attention the fact that the federal gov't might eliminate the revenue sharing program as a way of helping to balance the federal budget. Points out that it is the only federal program without strings.

William Prichard, Dept. of C&RA.

1972 federal program began. By Sept. 30,1980 $39.117 Million will have been received by the State. $78.7234 Million received by the municipalities. (1/3 of the funds go to the state; 2/3 goes to the municipalities) Anchorage alone received $6.162 Million; Kodiak $256,000.

Metcalfe- Would amend it to continue the program or allow for equal reduction in taxes. No support expressed for this idea.

COMMITTEE ACTION: Committee passes out bill with unanimous DO PASS recommendation

TAPE / 7 SIDE 2 Sections 374-632

C&RA BILL WORK SHEET

BILL NO. 39 re Urging Congress to retain Estate/Revenue Sharing

Received from _____
Referred to _____

Original Sponsor _____
Fiscal Note _____

LAA Legal Research Contact _____

CONTACTS: Contacted re 4/18
✓ Parr

HJR 39 TITLE & SPONSOR SUMMARY 14:54 5/01/79 PAGE 1 OF 3

AMENDED TITLE:
URGING THE PRESIDENT AND CONGRESS OF THE UNITED STATES
TO RETAIN THE FEDERAL GENERAL REVENUE SHARING PROGRAM
AS PRESENTLY CONSTITUTED

PRIME SPONSORS: PARR.

CO-SPONSORS:

CURRENT STATUS: 4/28/79 TRANSM TO GOVERNOR

HJR 39 HOUSE ACTION 14:56 5/01/79 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/10/79	01	0906	FIRST READING -- COMMITTEE REPORTS
04/19/79	02	0982	CRA -- DP06
04/23/79	03	1017	SECOND READING
04/23/79	04	1017	ADVANCED TO 3RD READING BY UNAN CONSENT
04/23/79	05	1017	THIRD READING
04/23/79	06	1017	PASSED BY DIV 31-00-09
04/28/79	14	1165	TRANSMITTED TO GOVERNOR
****	**	**	*** *** ***

HJR 39 SENATE ACTION 14:57 5/01/79 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/24/79	07	0896	FIRST READING -- COMMITTEE REPORTS
04/25/79	08	0915	CRA -- DP03
04/27/79	09	0957	RLS -- OTHER04
			TAKEN UP IMMEDIATELY
04/27/79	10	0968	SECOND READING
04/27/79	11	0968	ADVANCED TO 3RD READING BY UNAN CONSENT
04/27/79	12	0968	THIRD READING
04/27/79	13	0968	PASSED BY DIV 11-05-04
****	**	**	*** *** ***

HJR

60

(7)

COMMITTEE REPORT

HOUSE

2/12/80

FURTHER: FINANCE

Date: _____

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HJR 60

"Approving the Lake Elva hydroelectric generation project, as required by AS 44.56.180."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12//8)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HJR 60 Approving Lake Elva Hydro

ORIGINAL SPONSOR: Anderson
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 4/11/80

MEMBERS PRESENT:			
Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	
		Ray Metcalfe	X

Dave Gray, Administrative Assistant, Rep. Nels Anderson
Discussed lines 28 and following. Deleted and attached amendments added in the Committee Substitute.

COMMITTEE ACTION: Committee Substitute signed out of Committee.

TAPE # 8 SIDE 1 Footage 830-906

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HJR 60 Approving Lake Elva Hydroelectric

ORIGINAL SPONSOR: Anderson
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 4/7/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

Dave Gray, Administrative Assistant, Rep. Nels Anderson
Reviews changes in the CS with the Committee. Discusses relevancy of the ALIVE decision relative to the effectiveness of resolutions in regard to HJR 60.

Parr - Points out that HB721 (also related to Lake Elva) calls for a "grant" rather than a loan. Questions the difference between the procedure being used in this resolution as compared with what was done in the Swan and Tyee Lakes hydro resolutions. In these cases it was a "subordinated loan" approach which was used. Yest p. 1 line 28,29 of CSHJR 60 refers to "state financing" of the project rather than a subordinated loan.

Carney - Lake Elva should be financed the same way as the southeastern projects.

Gray - The sponsor will review the Swan and Tyee Lake bills to compare with approach being suggested in HJR 60.

COMMITTEE ACTION: No Action

TAPE # 7 SIDE 1 Footage 1506-1795

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HJR 60 Relating to the Lake Elva Hydro Project

ORIGINAL SPONSOR: Anderson
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 3/31/80

MEMBERS PRESENT:
Bill Parker
Margaret Branson
Pat O'Connell
Pat Carney
Charlie Parr
Fred Zharoff
Ray Metcalfe

Rep. Nels Anderson

David Gray, Administrative Assistant, Rep. Anderson

Have determined that there is not much support for the $15,000,000 grant approach. The project itself has been under consideration for many years. Lake Elva has been found to be feasible. There is no problem with anadromous fish. FERC licensing needed. 1.5 megawatts minor project so FERC license could be issued quickly.

Three legislative measures related to Elva have been proposed--HJR 60, HB 721, HB722. A replacement bill for $5,000,000 grant is needed instead and HB 722 should be left in Committee.

Amendment suggested to HJR 60 p. 1 line 20. Delete "not" l. 23 delete "by" after constructed insert "for" delete "only" after project. l. 29 use more traditional language etc. (see written proposed amendments)

John Pearson, PRes. Nusagak Electric

Reviewed history of the Lake Elva project. 1964 Nusagak Electric formed. 1965 Original permit cancelled. Cost relatively inexpensive for diesel. 1976 Another preliminary permit requested. The need for a long term solution evident.

Dave Bouker, Manager Nusagak Electric

$16.8 per WE is the cost now for electricity. Close to deficit level. A rate of increase is necessary. Price for KW goes up constantly. Standard increased from $53.8 to $91.6 in one year. Hydropower will not necessarily lower cost but will stabilize power production expense. 64% of expense is fuel at this time. Addition of hydro will ease costs. It is a good investment. Schools will be on system.

Terry McGuire, Director of Finance, Ak. Power Authority

Tazimina land presents problems. Lake Iliamna and Clark are in a National Monument. Downstream effects of hydro on andronomous stream is also a problem here. Tazamini is seen as

COMMITTEE ACTION: No Action

TAPE # 6 SIDE 1 Footage 1422-1528

an ideal regional project.

APA was requested to become involved in the project. Suggests that line 25 delete "only"--leaves open for future ownership rights of project. Contract revenue bonds considered. Same as proposed for Tyee. Ultimate ownership with State. Policy decision re whether local utilities should own project and state own regional projects?

Little field activity has been done at the site. Actual necessary costs not clarified. Method of financing not clear.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

To: Ken Rosenstein
FROM: Marjorie Gorsuch
DATE: 3/31/80
RE: CSHJR 60 and SSHB721

Please redraft a CS for HJR 60 which includes the following:

p. 1 line 20 Omit "not"

p. 1 line 23 Omit "by" and replace with "for"

p. 1 line 25 Omit "only"

p. 1 line 29 Delete existing wording and replace with: Whereas the costs to be incurred in financing the Lake Elva hydro-electric project will reuqire the issuance of revenue bonds of the Alaska Power Authority in a maximum presently estimated amount not to exceed $15,000,000; and

p. 2 line 5 Insert:

Be It Resolved that the Alaska State Legislature approves the general design of the Lake Elva hydro-electric generation project near Dillingham and the incurring of revenue bond indebtedness by the Alaska Power Authority in a maximum amount not to exceed $15,000,000 to pay for the project.

SSHB 721

p. 1 line 10 Change amount to $5,000,000

p. 1 line 11 Delete "the Lake Elva hydroelectric generation project fund of"

p. 1 line 14-16 Delete these lines and replace with: "Section 2 This Act takes effect immediately in accordance with AS 01.10.070 (c)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER _____ RE Lake Elva Hydro

Received from _____ Fical Note _____
Referred to _____ LAA Legal Contact _____

Documents: Bristol Bay Energy & Electric Power Potential Dec '79
U.S. Dept of Energy
Reconnaissance Study of Lake Elva & other Hydroelectric Power Potentials in the Dillingham Area - Prepared for APA Feb '80

CONTACTS:

Sponsor: Anderson 3738

Eric Yuell 277-7641

Fund - not procedure other projects have L. What would happen if there was some reason for it not to go V.

No real hard core site work done at Elva.

$70,000 effort done specifically on Grant, Elva, Tazimina. Technology not there for wind. No reliable & available manufactors can't put one — for above 3 KW.

Ak. Power Admin - $100,000

Best long range development would be Tazimina - would serve numerous small village. Many transmission lines needed. Environmental concerns of fish.

Second alternative is development of Elva

Gov's APA → $300,000 - $100,000 Gov's Budget

Requested for field activities

BR Committee says that alternative haven't been explored.

not enough to do any real work

Established feasibility & do environmental assessment

Info on support FERC license to construct.

Use of resolution (ALIVE) on bond counsel reaction

4/7 Hearing Contacts

APA 277-7641

Mels Anderson

7C Analysis of Governor's Decisions

ITEM	AMOUNT	FUNDING SOURCE	EXPLANATION
Dillingham Hydroelectric Project			The agency request is to determine the feasibility of hydroelectric generation in the Dillingham area with emphasis on Lake Elva. However, a recent Alaska Power Administration report states that "high costs raise serious questions about the validity of additional investments in Lake Elva investigations". Consequently, funding for Lake Elva feasibility studies are not funded. The intent of the Gov. Rec. is to use existing data (i.e. Bristol Bay Energy & Electric Potential) to evaluate the potential for all forms of renewable energy in the Dillingham area and to recommend which projects would be most cost-effective in displacing fuel oil.
Agency Request	400.0	G.F.	
Gov. Rec.	100.0	G.F.	

SCS for HB 60 has $500,000 for "a preliminary study of the Lake Elva hydroelectric project." (Sec. 175)

See HB 721 - $15M for construction
HB 722 - established Lake Elva Fund
HJR 60 - approves final design

CATEGORY Development AGENCY Alaska Power Authority PROGRAM Economic Development

7C ANALYSIS OF GOVERNOR'S DECISIONS

000084

CAPITAL PROJECT EXPENDITURES (CASH FLOW)	TOTAL	BUDGET YEAR	BUDGET YEAR Plus 1	BUDGET YEAR Plus 2	BUDGET YEAR Plus 3	BUDGET YEAR Plus 4	REMAINING COST
Planning and Engineering	400,000	400,000					
Land							
Construction							
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	400,000	400,000					

CONTINUATION OF NARRATIVE

in a recently completed reconnaissance study by R. W. Retherford Associates for the Alaska Power Administration entitled "Bristol Bay Energy and Electric Power Potential". Grant Lake, about 65 miles north of Dillingham, would incorporate a dam at the lake outlet to increase head and provide full regulation of flows. Installed capacity would be 1.5 MW and 12 million KWH could be provided annually. Access would be by air or overland vehicle. The site is located in Wood River Lakes Park, but hydro development is listed as a compatible use.

The proposed Lake Elva Project is located at a site about 49 miles north of Dillingham. This project would also require a dam to provide increased head and flow regulation. Installed capacity would be 1.5 MW and the project could provide about 8.5 million KWH annually. This site is also located in the state park, and access would be via Lake Aleknagik and Lake Nerke. A stream gage has been installed at this site to verify flow estimates.

The Tazimina Lake Project would include a forebay dam and a reservoir dam upstream. The site is approximately 120 miles from Naknek. It is located in a wildnerness study area, but no definite finding of compatibility has been made. Access to the site would be via a planned state road from Iliamna to Nondalton. With 30 MW capacity, this project would be capable of serving the needs of the Iliamna area as well as Dillingham and Naknek.

A feasibility assessment of these three projects is currently underway. It is anticipated that one or two of the projects will prove viable and should be developed.

III. Estimated Capital Cost.

Preliminary cost estimates are from the previously cited Retherford report and include the cost of transmission. They are 1979 estimates.

Lake Elva $10 million

CATEGORY Power Development AGENCY Alaska Power Authority PROGRAM Economic Development

PROJECT TITLE Dillingham Hydroelectric Project

35b PROPOSED PROJECT ANALYSIS REVISED

000086

Grant Lake	$12 million
Tazimina	58 million

In addition, approximately $400,000 is required for detailed feasibility study and license application for the most viable project.

IV. Operational Expense.

Based on estimates for other hydroelectric projects of similar size and location, annual operation and maintenance costs are estimated at $50,000 for each of the smaller projects and $150,000 for the Lake Tazimina Project. These costs would be paid out of revenues from the sale of project power.

V. Alternatives Considered.

In addition to the 12 other hydroelectric sites, alternative means of providing power include continued use of diesel generation, coal-fired generation from local coal resources, and perhaps wind generation. Alternatives are being further evaluated in the feasibility assessment now underway.

CONTINUATION FORM

CATEGORY Power Development AGENCY Alaska Power Authority PROGRAM Economic Development

PROJECT TITLE Dillingham Hydroelectric Project

REVISED

000087

01-1033 (7/79)

PROJECT TITLE	LOCATION(S)	AREA SERVED	ELECTION DISTRICT(S)
Dillingham Hydroelectric Project	Dillingham Vicinity	Dillingham/Naknek	16

OBJ. NO(S)	OPERATING AGENCY BUDGET BRU(S)	BUDGET COMPONENT NUMBERS	START DATE	COMPLETION DATE
5 & 6	Alaska Power Authority	08-71-7-060	Sept. 1979	Sept. 1983

PROJECT NARRATIVE

I. Project Need Statement.

Nushagak Electric Cooperative supplies electrical power to the Dillingham area. It is a REA cooperative with about 2,900 KW of diesel generating capacity. The Naknek/King Salmon area is served by Naknek Electric Association, an REA cooperative with about 3,700 KW of diesel generating capacity. Thus, the area is susceptible to fuel price increases caused by both inflation and increases in the relative price of diesel oil. Since 1970, the amount of electricity provided by the two utilities has increased at 11% per year, and growth in demand is expected to continue at a rate of at least 4.5% annually.

Several potential hydroelectric projects in the area have been identified that offer the possibility of displacing diesel-fired generation and meeting at least a portion of the anticipated load growth. Unlike diesel fuel, hydroelectric generation is virtually free of the effects of inflation and fuel price escalation. Further, it is in keeping with the state mandate to develop renewable resources.

II. Project Description.

Three projects are now under consideration for the area and are the subject of a feasibility assessment presently underway. The three are the best sites from a longer list of 15 sites evaluated

PROJECT TYPE

- ☐ Building Construction (C)
- ☒ Other Improvement (I)
- ☐ Equipment (E)
- ☐ Land (L)
- ☒ Professional Services (P)
- ☐ Other (O)

PROJECT CHARACTERISTICS

- ☒ Totally New Facility
- ☐ Addition to Existing Facility
- ☐ Renovation of Existing Facility
- ☐ Major Maintenance or Repair
- ☐ Supplement Previously Authorized Funds to Enable Completion
- ☐ One of Several Phases
- ☐ Major External Funding Source
- ☐ Other

NO	YES	SITE FEATURES
☒	☐	Site Currently Owned?
☒	☐	All Utilities Available?
☒	☐	Access Already Available?

APPROPRIATION REQUEST

1002	FED. RCPTS.	
1003	G/F MATCH	
1004	GEN. FUND	400,000
1005	I/A RCPTS.	
	G.O. BONDS	
	TOTAL	400,000

GOVERNOR'S RECOMMENDATION

APPROVED	DEFERRED	DISAPPROVED
☒	☐	☐

1002	FED. RCPTS:	
1003	G/F MATCH	
1004	GEN. FUND	100.0
1005	I/A RCPTS.	
	G.O. BONDS	
	TOTAL	100,0

01-1035a (12/79)

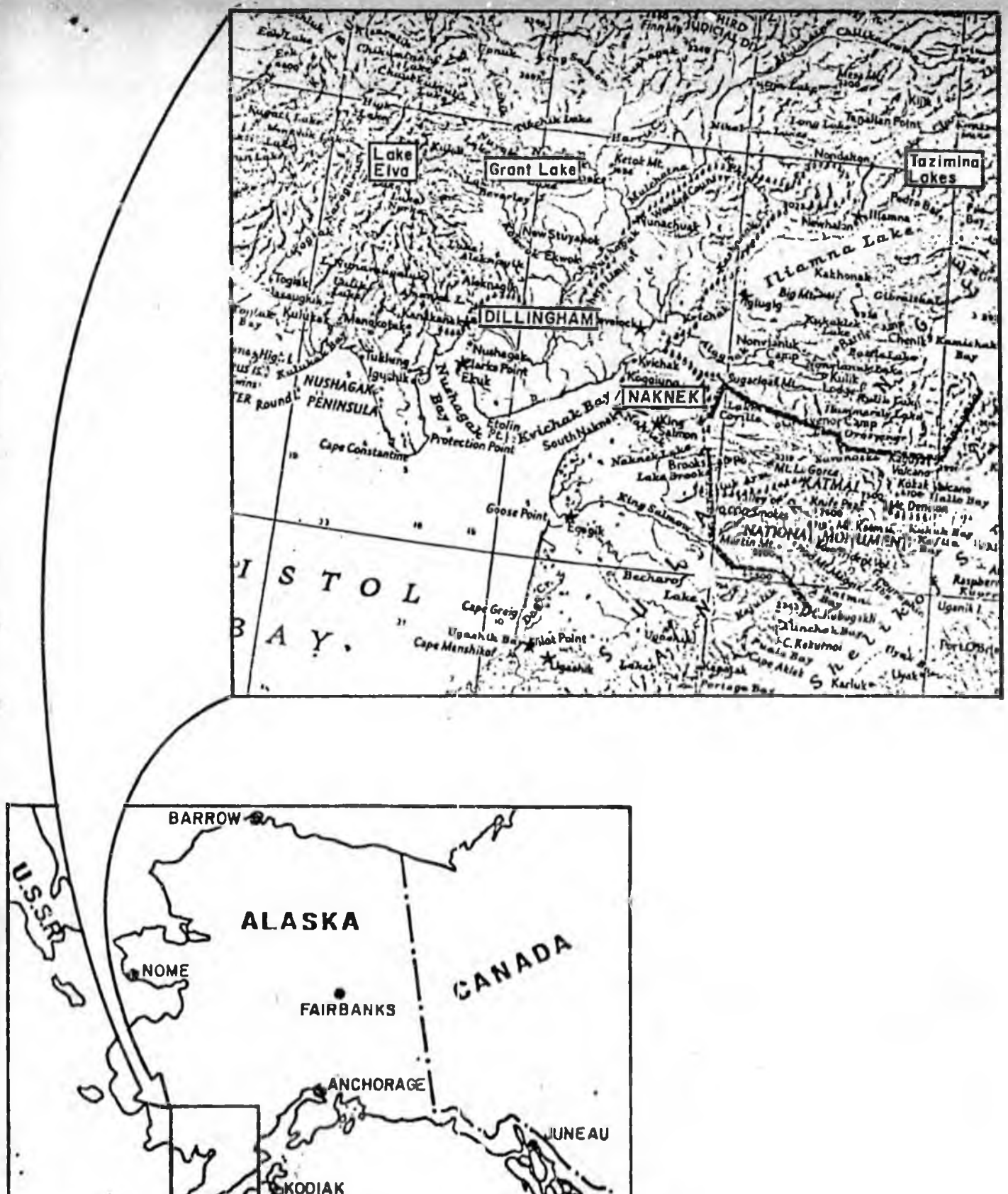
OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE)		FIRST OPERATING YEAR 1983	ULTIMATE ANNUAL YEAR 1984	PREVIOUS YR-PRIORITY 80-14
FUNDING SOURCE	FED. RCPTS			AGENCY PRIORITY
	GEN. FUND			81-07
	Project Revenues	50,000		GOVERNOR'S PRIORITY
TOTAL ANNUAL OPERATIONAL COST		50,000		
POSITION (FTE)				

CATEGORY Power Development AGENCY Alaska Power Authority PROGRAM Economic Development

01-1035a (7/79)

350 PROPOSED CAPITAL

000085



VICINITY MAP

FIGURE I-1

I. INTRODUCTION AND SUMMARY

A. INTRODUCTION

This reconnaissance study has been performed for the Alaska Power Authority (AKPA) under the contract "Reconnaissance Study for Hydroelectric Development at Lake Elva Near Dillingham and on the Kisaralik River Near Bethel" dated August 13, 1979. This study is a follow on to an earlier study[1]. The purpose of this study is to evaluate previously identified potential hydroelectric sites in the Dillingham area in greater detail, including

- implementation of stream-gauging;
- site - reconnaissance and evaluation;
- conceptual design;
- economic feasibility analysis;
- investigation of other alternate electric energy resources.

A supplementary report will summarize the stream-gauging program and its impact on the conclusions of this study after a period of approximately one year.

B. SUMMARY

The questions to be answered by this study can be summarized as follows:

- Can the Lake Elva hydropotential be developed economically for Dillingham?
- Are there alternates which are also feasible?

Preliminary investigations described in the Bristol Bay study noted earlier have identified three promising hydroelectric sites in the Bristol Bay area:

Lake Elva
Grant Lake, and
Tazimina Lake

---

[1] "Bristol Bay Energy and Electric Power Potential - Phase I", Draft - Oct. 79 prepared for the U.S. Department of Energy, Alaska Power Administration.

Development of these sites had been assessed as feasible in regard to cost, capacity, environmental impact, and land status. Since implementation of construction of the three projects is judged nearly mutually exclusive due to the high expenditures involved, this study has assessed technical and economic feasibility of the possible alternate plans. Sensitivity to load growth and various interest rates has been determined. The area presently utilizes diesel generation exclusively and is experiencing very high increases in electric energy cost due to the recent escalation of fuel oil prices. All alternate developments have therefore been compared to the basic case of continued exclusive diesel generation.

The following paragraphs will summarize the main sections of the report.

1. Existing Systems and Future Power Requirements

With the Tazimina potential under consideration, power requirements have been established for 15 communities in the Nushagak/Kvichak/Iliamna area. With a forecasting period of 20 years the possible developments are shown on Table I-1. Whether the "high" or "low" load growth scenario is realized will depend greatly on the cost of electric energy. A low growth rate can be expected with the continued use of diesel generation and the steadily increasing cost. If a more cost-stable source of electric energy is available, it is anticipated that the historic growth rate will continue and industrial development will be encouraged.

2. Hydroelectric Site Evaluation

To allow a more accurate assessment of the available power, a stream-gauge has been installed at Elva Creek and low flow (winter) measurements will be taken at the Tazimina River. A series of historical measurements are available for Grant Lake. Presently the prime capacity of the three sites is assessed as follows:

Site	Capacity (kW prime)	Capacity (kW installed)	Total Cost* (1979-1000$)	Cost/kW Prime (1979-$)
Lake Elva	955	2x750	12,940	13,550
Grant Lake	1385	2x1350	17,416	12,575
Tazimina				
Stage I	9000	2x9,000	50,820	5,647
Stage II	18403	4x9,000	45,774	4,868

* Incl. transmission to load centers.

Electric Energy and Power Requirements
LOW Load Growth

Location	1977	1980	1985	1990	1995	2000
Dillingham						
Energy (MWh/year)	4769	5930	8500	11070	13521	15972
Demand (kW)	1200	1500	2040	2580	3115	3650
Naknek/King Salmon						
Energy (MWh/year)	11691	12526	15648	18770	20923	23076
Demand (kW)	2700	2550	3190	3830	4265	4700
Subtotal Dillingham/Naknek						
Energy (MWh/year)	16460	18456	24148	29840	34444	39048
Demand (kW)*	3600	4050	5230	6410	7380	8350
Clark's Point						
Energy (MWh/year)	152.7	160	175	191	537	883
Demand (kW)	45	46	51	55	153	250
Egegik						
Energy (MWh/year)	101.9	413	966	1517	1600	1683
Demand (kW)	40	600	645	690	730	770
Ekuk						
Energy (MWh/year)	21.3	188	195	203	290	378
Demand (kW)	6	214	224	233	260	287
Ekwok						
Energy (MWh/year)	167.4	178	198	218	257	297
Demand (kW)	50	51	57	62	15	68
Igiugig						
Energy (MWh/year)	79.1	145	155	166	199	232
Demand (kW)	25	41	45	48	51	53
Koliganek						
Energy (MWh/year)	160.1	170	188	206	296	386
Demand (kW)	50	50	54	58	73	88
Levelock						
Energy (MWh/year)	171.7	183	205	228	343	458
Demand (kW)	50	52	58	65	85	105
Manokotak						
Energy (MWh/year)	197.8	257	264	271	398	523
Demand (kW)	58	73	77	80	100	120
New Stuyahok						
Energy (MWh/year)	203.1	232	256	280	384	488
Demand (kW)	100	115	100	100	100	110
Portage Creek						
Energy (MWh/year)	83.3	110	134	156	190	224
Demand (kW)	24	31	38	45	48	50
Subtotal - 10 villages						
Energy (MWh/year)	13384	2036	2736	3436	4494	5552
Demand (kW)*	448	1273	1349	1436	1665	1901
Iliamna/Newhalen						
Energy (MWh/year)	1000	1382	1571	1761	1955	2149
Demand (kW)*	285	315	357	400	445	490
Total						
Energy (MWh/year)	18798.4	21874	28455	35037	40893	46749
Demand (kW)	4333	5638	6936	8246	9490	10741

*Noncoincident

Electric Energy and Power Requirements
HIGH Load Growth

Location	1977	1980	1985	1990	1995	2000
Dillingham						
Energy (MWh/year)	4769	6574	12827	19080	32298	45516
Demand (kW)	1200	1500	2730	3960	6310	8660
Naknek/King Salmon						
Energy (MWh/year)	11691	14086	22044	30002	40591	51180
Demand (kW)	2400	2870	4495	6120	7930	9740
Subtotal Dillingham/Naknek						
Energy (MWh/year)	16460	20660	34871	49082	72869	96696
Demand (kW)*	3600	4370	7225	10080	14240	18400
Clark's Point						
Energy (MWh/year)	152.7	184	879	1574	1894	2215
Demand (kW)	45	52	326	600	725	850
Egegik						
Energy (MWh/year)	101.9	1040	2316	3591	3642	3692
Demand (kW)	40	600	980	1360	1380	1400
Ekuk						
Energy (MWh/year)	21.3	198	233	269	948	1628
Demand (kW)	6	226	267	308	619	930
Ekwok						
Energy (MWh/year)	167.4	203	330	457	982	1507
Demand (kW)	50	58	94	130	238	345
Igiugig						
Energy (MWh/year)	79.1	158	225	292	410	528
Demand (kW)	25	45	65	85	103	120
Koliganek						
Energy (MWh/year)	160.1	190	356	523	1014	1505
Demand (kW)	50	54	102	150	248	345
Levelock						
Energy (MWh/year)	171.7	209	419	629	948	1267
Demand (kW)	50	60	120	180	235	290
Manokotak						
Energy (MWh/year)	197.8	338	678	1018	1728	2439
Demand (kW)	58	97	194	290	425	560
New Skuyahok						
Energy (MWh/year)	203.1	267	460	653	118.3	1713
Demand (kW)	100	100	143	186	288	390
Portage Creek						
Energy (MWh/year)	83.3	120	198	275	372	468
Demand (kW)	24	34	57	80	94	107
Subtotal - 10 villages						
Energy (MWh/year)	1338.4	2907.0	6094	9281	13121	16982
Demand (kW)*	448	1326	2348	3369	4355	5337
Iliamna/Newhalen						
Energy (MWh/year)	1000	1543	2215	2887	5578	8270
Demand (kW)*	285	352	506	660	1190	1720
Total						
Energy (MWh/year)	18798.4	25110	43180	61250	91588	121948
Demand (kW)	4333	6648	10079	14109	19785	25457

*Noncoincident

Electrical Energy and Power Requirements

Table I-1

Mitigation of the anticipated impact of plant development on salmon spawning grounds has led to the downscaled development proposals for Grant Lake and Tazimina. Subsoil conditions at the planned Tazimina damsite will also not allow construction of the dam at the previously considered height.

Lake Elva and Grant Lake are located in the Wood River Lakes State Park but are listed as non-objectionable developments in the park statutes. Tazimina is located in a wilderness study area which is presently included in the 1978 federal emergency withdrawel. Attempts to obtain a powersite exemption are underway.

3. Economic Feasibility Analysis

Alternate development plans have been evaluated for the Dillingham system and for a regional intertied system including up to 15 communities. Utilizing annual cost and present worth comparisons the following scenarios have been found to be the most advantageous developments:

Lake Elva for the Dillingham system only;
Lake Tazimina for a regional intertied system.

Transmission interties of 10 communities in the Kvichak/ Nushagak area to the central generating plants in Naknek and Dillingham have been found feasible independent of hydroelectric power potential development. This is mostly due to the high fuel cost in remote locations and low generating efficiencies.

The following table will illustrate the economical differences for the main alternate development plans investigated. Unit cost for marketable energy are listed for a medium interest rate of 5%. Low load growth has been used to show the less advantageous cases for the hydro developments.

TABLE I-2

Alternate Plan	Busbar Cost of Electric Energy in ¢/kWh 1980	1990	2000
Continued use of diesel (Dillingham)	13.2	21.7	35.3
Small communities, local diesel[2]	37.4	63.1	101.6
Intertied system[1], diesel only	14.1	22.2	35.8
Dillingham system with Lake Elva	13.2	20.0	28.3
Dillingham with Grant Lake	13.2	20.5	25.7
Intertied system[1] with Elva and Grant	14.1	24.9	32.6
Intertied system [1,2] with Lake Tazimina	14.1	18.1	15.5
Intertied system [1,2] with Elva + Tazimina	14.1	21.3	18.0

1 10 communities with Dillingham and Naknek.
2 Includes Iliamna, Newhalen and Nondalton.

It should be noted that the above are busbar cost -- not cost to the consumer.

4. Other Electric Energy Resources

The most viable alternate at this time to fuel oil or hydro-electric resources appears to be wind energy conversion. The available systems are still very costly though and reliability of the equipment in Alaska has not proven to be very high. With continued improvements it is anticipated that utilization of WECS will be economically feasible by individuals in remote locations as well as by electric utilities to offset fuel cost. Applications for pumping or heating appear to be even more promising. The cost for electric energy generation by WECS at this time in the Dillingham or Iliamna areas has to be anticipated between 30¢/kWh and 80¢/kWh. These cost do not include standby generators.

To utilize diesel generation more efficiently -- if no other source of electric energy is available -- central generation with transmission interties promise cheaper energy, if the transmission ties are economically feasible. The single wire ground return (SWGR) line concept is anticipated to offer savings of approximately 60% compared to conventional three phase transmission or distribution lines.

A demonstration project to be built in 1980 in the Bethel area is presently in the design stage. If the project is successful, this type of line construction is expected to increase and make interties between small communities and load centers possible. For this report the feasibility of interties has been investigated for 10 communities in the Nushagak/Kvichak area. It is conceivable that busbar cost of electric energy in the small communities could be lowered by up to 50% if the interties to Dillingham and Naknek are built. This is mostly caused by enhanced generating efficiency and lower fuel cost in Dillingham and Naknek compared to the more remote communities.

The possibility of an intertie between the Bristol Bay and Kuskokwim area has been briefly investigated, assuming that the Tazimina and Kisaralik hydropotential are developed. This preliminary evaluation indicates that this intertie could be marginally feasible somewhere around 1995 when the load growth in the Dillingham area would require implementation of the Tazimina Stage 2 development. The possible reduction in standby capacity has not been taken into account in this evaluation.

The above mentioned interties actually represent a form of conservation. It is not anticipated that it will be possible to actually reduce electric energy consumption in this area, where hookup saturation is still low. Other means of conservation of fuel oil such as utilization of variable speed engines and waste heat recovery are strongly encouraged.

5. Conclusions and Recommendations

The economic analysis clearly favors development of the Tazimina hydropotential for an intertied system of 15 communities. In order to pursue implementation of this project a regional power authority or a generation and transmission cooperative will have to be established to assure representation of the individual communities and act as the entity that will install and operate the facilities.

If the Tazimina development is not pursued, Lake Elva is the next best choice for Dillingham alone. It is the project with the shortest construction time and can be undertaken by the local utility with REA financing.

Either project should be prepared for FERC license application as soon as possible to assure the earliest possible start of construction.

HJR

62

(7)

COMMITTEE REPORT

HOUSE

2/13/80

FURTHER: FINANCE

Date: 5 Mar 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HJR 62

"Relating to the Alaska Power Authority, and the incurring of revenue bond indebtedness of the Alaska Power Authority for the Tyee Lake hydroelectric generating project near Petersburg and Wrangell, and for the Swan Lake hydroelectric generating project in the Ketchikan Gateway Borough."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

I have the APA

- Tyee Lake

+

Plan of Finance

by First SW

+

Swan Lake

Mark Witton
40 Maine

Amendments to HJR 22

line 29 page 1

WHEREAS the costs to be incurred in financing the Lake Elva hydro-electric project will require the issuance of revenue bonds of the Alaska Power Authority in a maximum presently estimated amount not to exceed $ 15,000,000; and

line 5 Page 2

BE IT RESOLVED by the Alaska State Legislature that the general design of the Lake Elva hydroelectric generating project near Dillingham, and the incurring of revenue bond indebtedness by the Alaska Power Authority in a maximum amount not to exceed $15,000,000 to pay the project are approved.

COMMITTEE MINUTES

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HJR 62 Tyee & Swan Lakes Hydroelectric Projects

ORIGINAL SPONSOR: Freeman, Haugen, Gardner & Eliason OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: Finance

HEARING DATE: 2/25/80

MEMBERS PRESENT:

Bill Parker X	Pat Carney X
Margaret Branson X	Charlie Parr X
Pat O'Connell X	Fred Zharoff X
	Ray Metcalfe X

Rep. Ernie Haugen
Rep. Oral Freeman

Gave general overview of proposed projects with reference to feasibility studies prepared by the Alaska Power Authority. The State has already advanced money for the necessary planning and environmental review of these projects. (see study summaries supplied as background)

Dick Ballard, Thorne Bay Company of Wrangell

It should be made clear that the request is not for a handout. Front end costs are a problem for a small community. There is currently an indication that 25% of the excess power available would be used by local industry. City Creek is not seen as an alternative for Tyee as it is a "run-of-the-river" generation project. It will only be on the line 60-70% of the time as it is a conductive system which depends on the rainfall. Steam generation has been considered. Standby in the amount of the power used by the community is necessary. The existing diesel generators in Petersburg and Wrangell will be sufficient to provide the necessary backup. Consumers were paying $.14 1/2 per kw in Jan. 1980. The costs for hydropower are related to paying off the bonds rather than to the cost of the water...

The costs to the consumer of energy generated by the projects were discussed in relation to the varying amounts of state funding considered. Rep. Freeman sees the value of the projects in the stabilizing of the energy costs which will take place. Also, the existing diesel machinery is old and will need replacement.

Ginny Chitwood, Municipal League

Supports the concept of hydroelectric power.

COMMITTEE ACTION: Postponed action until Ak. Power Authority representative can be contacted.

TAPE # 2 SIDE 2 Footage 1318-1671

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HJR 62 Tyee & Swan Lakes Hydroelectric Projects

ORIGINAL SPONSOR: Freeman, Haugen, Gardiner & Ellison OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: Finance

HEARING DATE: 2/26/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell		Fred Zharoff	X
		Ray Metcalfe	X

Eric Yould, Executive Director, Ak. Power Authority

Yould gave the history of the projects and discussed the finances and feasibility of the hydro facilities. Indicated that $500,000 had already been expended in studing the feasibility of the projects (during 1977-78) and that $3.1 Million has been expended on the Swan Lake project and $2 Million on the Tyee.

Estimates indicate it would cost Petersburg $5,000000 extra to convert to electricity.

Yould indicated that in fact it might be a viable alternative to run Tyee to Ketchikan.

It appeared that on the life cycle analysis, Swan Lake is preferable to Mahoney.

The relationship between hydro and development is not always clear but the presence of cheap power can stimulate develpment.

Yould responded to the questions (see attached) asked by the Chairman.

Carney questions the feasibility of having later users share in the major costs of building the hydro projects. Response indicated that there would be potential psycholicial problems in voting on a bond which someone else was going to be paying for. This restriction on a bond might effect its marketability.

COMMITTEE ACTION: Passed bill out.

TAPE # 3 SIDE 1 Footage 0-024

Bill from Marjorie

TYEE AND SWAN LAKES HYDRO PROJECTS

AREAS FOR DISCUSSION

Among the projects submitted by the Alaska Power Authority, how do Tyee and Swan Lake rank in terms of priority for funding?

Explanation of the funding approach involved in the projects--you might want to have "subordinated loans" explained.

What community growth rate was calculated in the development of the user and cost figures?

Was the public involved in the discussion of the relative costs of the alternatives explored?

What is the "backup" system requirement? Does it have to be a certain % of the capacity of the main system? And if so, does building a larger hydro facility necessitate a larger diesel backup and therefore increase the costs to the consumer? ✓

More Specific questions

What is the status of the City Creek hydroelectric project in Petersburg and how does it relate to the Tyee project?

Has there been full exploration of the possibility of Tyee serving the Ketchikan community? Or of Swan serving the Petersburg/Wrangell areas? Interties possibilities?

It appears that a factor which may lessen the adverse effect of excess capacity of the Swan Lake facility is the possible sale of power to Louisiana Pacific Corp. HOw likely is this possibility? Have the relative costs to the consumer of carrying the excess capacity anticipated in both these projects been evaluated ? Have the merits of a facility with smaller capacity been fully explored?

Questions generated by 2/25/80 hearing on bill:

Testimony was given that the existing diesel generators are old and will eventually need replacement. Was the cost of this replacement calculated in the cost figures for the hydro projects?

different financial options - review

Petersburg/Wrangell - dependent on electrical conversion

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER HTR 62 RE Ak. Power Authority Tyee Lake + Swan Lake

Received from _____ Fical Note Dave Crechman

Referred to Finance LAA Legal Contact

CONTACTS:

✓ 3876 Eliason
✓ 3720 Gardiner (Bob Speed)
4939
✓ 4993 Freeman
✓ 3879 Haugen

✓ Thomas Bay Power Authority ~~[illegible]~~ Aronson
Ak. Power Authority 277-7641 Eric Yull
(will telecopy material down + fiscal + position)

Sponsor:

✓ Petersburg - Bruce Aronson, Mgr. 772-4511
Gerald Bellman, Mgr.
(may come) ✓ Wrangell - Joyce Rosler, Clerk ~~772-2332~~ 874-2381
✓ Ketchikan - James Van Alstorst 225-3111
Bob Arnold

Terry McGuire

Commerce

be in depth study on fish stocks – not just studies on Tahltan cycle? Fisheries request.

Alaska
Telex: 099-55-242
Phone (907) 874-3371

ALASKA LUMBER & PULP CO., INC.
LUMBER DIVISION
P.O. Box 591 · Wrangell, Alaska 99929

February 21, 1980

Thomas Bay Power Commission
Box 613
Wrangell, Alaska

Attn: Harry Sundberg

Dear Sirs:

As you are probably aware I met with the City Council members and the Mayor on February 17, 1980, to discuss the electricity needs of our new sawmill which is being built at the AWP 6-Mile site. This sawmill is expected to be in operation by March 15, 1981. Our engineering is now far enough along for us to forecast the electricity needs of that site. At present we anticipate in the new mill about 5,735 connected Hp. This along with the present sorter and powerhouse, plus our needs for heating and lighting, puts us in need of a considerable amount of power. The total connected Hp will be approximately 6,100. When this is broken down to Kw and to usage percentage, it breaks down as follows:

6,100 Hp x .75% = 4,575 Kw
4,575 Kw x .60% usage = 2,745 requirement.
2,745 Kw + 200 Kw (heating & lighting) = 2,945 Kw

AWP Producing Capacity = 1,800 Kw/hour.

2,945 Kw - 1,800 Kw = 1,145 Kw need.

As you can see we will need about 1,000 Kw/hour for all hours of operation plus some usage during non-operating hours.

We requested the City to install a new line from the power plant to the mill site so they could provide us with this power. At present they do not have the line capacity to do so.

If you can be of any assistance to us in this project I would certainly appreciate it. This may fit into your future plans for hydro power from the Bradfield area. We are also consiering in the future a whole log chipper which would add about 1500 Hp to our mill; however, at this time I am delaying this as the City does not have

the capability to handle both the new mill and this chipper.

If you have any questions please feel free to contact me about them.

Thank you.

Respectfully,

L. Ingle
Vice President

ALASKA POWER AUTHORITY

SWAN LAKE HYDROELECTRIC PROJECT

SUMMARY AND

FINANCING STATEMENT

This report summarizes key characteristics of the Swan Lake Hydroelectric Project for the purpose of satisfying requirements of Section 180 of Alaska Statute 44.56.

CONTENTS

Introduction

Project Description

- Existing Capabilities and Projected Demand
- Alternatives Considered
- Environmental Impacts
- Air and Water Quality
- Land Use
- Social and Economic Impacts
- Engineering Considerations
- Economic Feasibility
- Project Costs and Financing

Conclusion

INTRODUCTION

The Ketchikan Public Utilities (KPU) submitted a Federal Energy Regulatory Commission (FERC) license application in February of 1979. Approval of the license for construction is expected by July of 1980. Ketchikan Public Utilities has applied for and received Project loans from the Water Resources Revolving Loan Fund and $3,450,000 in loans from the Power Project Revolving Loan Fund administered by the Power Authority. Loans to date have been principally for the preconstruction costs of Project development and for purchase of equipment to automate the KPU generation control system. The City of Ketchikan has requested that the Alaska Power Authority issue revenue bonds to finance construction of the Project.

The Alaska Power Authority desires to assist KPU by issuing revenue bonds to finance construction, interest during construction and a reserve fund for the Swan Lake Project. The financing will be accomplished through the tax exempt municipal market with security provided only by the merits of the Project and the strength of sales contracts for Project power. A request for $18,000,000 in state assistance in financing construction of the Project has been requested. This amount will permit flexibility in entering the bond market for the remainder of the construction financing needs, diminish the amount of bond indebtedness by $25,000,000, and indicate state support and interest in the Project to the benefit of the overall Project financing. State assistance in the form of a subordinate loan to the Project debt with graduated interest payments and/or deferred principal payments will permit lower cost power in the early years of operation and contribute to the overall security of the Project.

PROJECT DESCRIPTION

The Project site is located at Swan Lake in a remote area approximately 22 air miles northeast of Ketchikan near the northern end of Carroll Inlet. Swan Lake, a low-elevation lake surrounded by mountains, drains westward through a narrow gorge and into Carroll Inlet via Falls Creek. Historical stream gaging records and correlations with nearby basins indicate that the basin yields an average of 335,000 acre-feet of runoff per year. The site is extremely well suited for the development of a hydroelectric generating facility and, based on the optimization studies conducted, a project arrangement has been selected which will permit the maximum economical utilization of the site potential.

The selected Project arrangement will consist of: a 190 foot high thin arch concrete dam located approximately one mile downstream from the outlet of Swan Lake; a 2,280 foot long concrete lined power tunnel leading to a powerhouse located just north of the mouth of Falls Creek near tidewater; a permanent port facility located at tidewater approximately 1,000 feet north of the powerhouse site; about one mile of access roads connecting the port facility, powerhouse and dam; a switchyard located just north of the powerhouse; approximately 30.5 miles of 115 KV wood pole transmission line crossing Carroll Inlet from the powerhouse site with a single overhead span, extending south along the west side of the Inlet, and then west across the northern tip of George Inlet up the White River Valley and past Ward Cove and then south to the proposed substation site near the existing S. W. Bailey Diesel Plant. The Project will have an installed capacity of 22,000 KW, will operate under an average gross head of 311 feet and have a dependable capacity of 18,000 KW delivered to the load center. It will be capable of delivering 85,400,000 kwh average annual energy and 66,700,000 kwh of firm annual energy to the load center. For the scheduled on-line date of November 1983, the Project is estimated to have Total Capital Requirements of $107,000,000 including inflation, interest and issue costs.

Existing Capabilities and Projected Demand

The KPU system includes 8,550 KW of existing hydroelectric capacity which produces 62.7 Gwh of energy, and 17,320 KW of diesel generation capacity to supplement all additional demand. Peak power and average annual energy forecasts for Ketchikan are:

Year	Peak Power MW	Annual Energy kwh X 10⁶
1975	14.5	76.6
1980	17.3	97.7
1985	22.5	124.7
1990	28.0	158.0

The capacity and energy of Swan Lake will be fully utilized by 1989 if the 10 year historic load growth of 5%/year is maintained. All excess energy may be marketed to the Louisiana Pacific Ketchikan Pulp Mill through a power sales contract, in which case the Project power may be fully utilized upon first operation.

Alternatives Considered

Lake Grace, Mahoney Lakes, and continued use of diesel generation were alternatives considered to the Swan Lake Project. Lake Grace is larger than Swan Lake and has potential environmental constraints that would preclude development since it is located in a restricted land status area. Mahoney Lakes, which has roughly 1/2 the power and energy potential of Swan Lake, was determined to be too samll to meet long term needs of the Ketchikan system. Continued dependence on diesel generation is determined to be the least feasible of all alternatives.

Environmental Impacts

The environmental impacts of the Swan Lake Project and associated transmission line are principally associated with the construction activity itself, and the visual distractions the completed system will have on the presently undisturbed surroundings. Over the long run, imbalances or alterations in the existing wildlife and fishery ecosystems of the area are not anticipated. There are no endangered species known to inhabit the Project area.

Air and Water Quality

Operation of the Project would not degrade air quality. However, some temporary impacts on air quality may be experienced during construction, due to exhaust and crankcase emissions from vehicles and construction equipment and the dust generated by drilling and movement of equipment. Noise levels will increase due to blasting, machinery operation, and other construction activities. Project operation will result in some increased noise, particularly in the vicinity of the powerhouse. However, this impact is expected to be minor.

Construction of the dam and dikes would introduce sediment into Falls Creek. Other surface waters may experience increased sediment loads due to clearing and earth moving operations along the transmission line route and quarrying and land clearing operations in other Project areas. During Project operation fluctuations in the water level of Swan Lake may cause soil erosion which would introduce sediments into Falls Creek.

Land Use

Direct impacts on land use would stem from the inundation of 450 acres of land presently covered with shrub and the removal from alternative uses of 240 acres along the transmission line routes. The impact of the Project on regional land use patterns is not expected to be severe. The inundated acres represent an addition to an existing reservoir. The main transmission line would be constructed in a route containing limited timber and recreational uses. The existence of the line would interfere with the area's scenic and aesthetic qualities.

Social and Economic Impacts

Project construction activity would focus on the Ketchikan area. The level and duration of social and economic impacts would depend on a number of factors, including the need to import a Project workforce, the number of workers who would be accompained by dependents, their length of stay, and the ability of Ketchikan to absorb a small increase in demand for housing, public services and consumer goods. Most workers will be physically located at a temporary field camp near the powerhouse location. These impacts would be primarily secondary, short-term economic impacts associated with personal consumption expenditures of the Project workforce.

Engineering Considerations

The dam site 2,800 feet upstream from the mouth of Falls Creek is a suitable location for a concrete arch dam. The crystalline schist bedrock at the site would provide an adequate foundation for this type of structure. To elimate the hazard of locating a surface penstock through an area which might be subject to landslides and snowslides, a concrete lined power tunnel constructed in bedrock is proposed. The powerhouse site adjacent to the mouth of Falls Creek on Carroll Inlet has adequate bedrock for the foundation of the powerhouse. The spillway preliminary design accommodates only 50% of the probable maximum flood inflow into the reservoir, therefore the non-overflow portions of the arch dam must be designed to accommodate this infrequent occurrence. The 115 KW transmission line is adequately sized to accomodate Swan Lake power transmission. The necessity to upgrade the transmission line to accommodate additional sources of power should be considered prior to construction.

Economic Feasibility

The Swan Lake Project was compared to the Lake Grace, Mahoney Lake, and all diesel alternatives in an economic analysis. Results of the analysis are that any hydroelectric alternative is superior to continued dependence on diesel. The Mahoney Lakes Project has a lower cost/KW than the Swan Lake Project, however, reliance upon supplemental diesel generation

occurs from first power-on-line of this Project which is too small to satisfy long term needs. The Lake Grace Project has environmental problems, it is larger than Swan Lake, and the cost/KW of power is equal to Swan Lake. The Swan Lake Project satisfies the long term needs of the KPU system, and depending upon the rate of escalation of diesel fuel over the normal rate of inflation, the Project can achieve cost savings to the system of between $2 and $22 million over the first 10 years of Project operation.

Project Costs and Financing

Without state assistance, an estimate of Project costs are:

Land and Land Rights	$ 572,000
Powerplant Structures and Improvements	4,010,000
Reservoirs, Dams and Waterways	23,232,000
Water Wheels, Turbines and Generators	5,866,000
Accessory Electric Equipment	1,649,000
Miscellaneous Power Plant Equipment	3,430,000
Construction and Access Facilities	9,082,000
Transmission Facilities	11.428,000
Subtotal - Direct Construction Cost	$59,269,000
Sales Tax	-0-
DIRECT CONSTRUCTION COST	$59,269,000
Contingencies,	8,761,000
Subtotal	$68,030,000
Engineering	8,396,000
TOTAL CONSTRUCTION COST	$76,426,000

The total amount of the revenue bond issue will be approximately $107,000,000 to include interest during construction, funding of reserve funds, and costs of issuance. This amount could be decreased by $25 million if the recommended amount and form of state assistance is approved. The $18,000,000 loan to the Ketchikan Public Utilities would be subordinate debt to the bond indebtedness, with graduated interest payments and deferred principal and interest payments to shape overall Project debt service in a manner to improve the revenue bond Project financing.

The ability of the Project to be financed without state assistance is questionable due to the Project size, amount of the bond issue, and the potential for power excess to system needs in the early years of operation. Without state assistance, an interest penalty on the overall bond issue will result in even higher power costs for Ketchikan consumers.

The Power Authority may issue contract revenue bonds (under an Indenture of Trust between the Power Authority and a trustee bank) for the difference between Project capital requirements and a subordinated State loan. Under the plan, the Power Authority would own the Project, KPU would have the option to purchase after obligations are repaid, KPU would operate/maintain the facilities, KPU would be responsible for debt service, KPU would set rates to collect revenues with a stipulated coverage. The bonds would be amortized over 40 years, with the Reserve and Contingency Funds paying the last years and one-half debt service.

CONCLUSION

This summary was prepared by the staff of the Alaska Power Authority to comply with Section 44.56.180 of the enabling statutes of the Power Authority. The maximum amount of bonds estimated to be necessary to finance the Swan Lake Project is $120 million. The Power Authority intends to assist the Ketchikan Public Utilities to finance the Project with state assistance in the form of an $18 million subordinate loan. The Power Authority does not intend to design, construct, or operate the Project itself. The Project will be designed, constructed, and operated by Ketchikan Public Utilities, with rights to the capacity remaining with the Utility, and ownership of the Project determined by the optimal acceptable form of revenue bonds issued for the Project. Ultimate ownership rights upon retirement of debt service will remain with the Utility. The general design and financial feasibility of the Swan Lake Project is acceptable, and the Project should proceed to construction. The Power Authority recommends that the Legislature adopt a joint resolution approving the general design and financial feasibility of the Swan Lake Project, approve action of the Power Authority to issue bonds in a maximum amount of $120,000,000 for the Project, and approve state assistance in the form of an $18 million subordinate loan for the Project.

7C Analysis of Governor's Decisions

ITEM	AMOUNT	FUNDING SOURCE	EXPLANATION
Swan Lake Hydro Project			The request is for a subordinated loan, needed to assure sale of revenue bonds. The Governors recomendation is that the source of funding be the Renewable Resources Investment Fund (RRIF) rather than the General Fund.
Agency Request	18,000.0	G.F.	
Gov. Rec.	18,000.0	R.R.I.F.	

If you want cash, why not ask for it?

State growth rate
3.3% average
2.9% during '60-'90s

10 1/2 mil per kilowatt
12 x what it is now

1978 amendments
rank projects - those that
show those / show cash appropriation
those / need loans, subordinated
loans etc -
check / best returns for $

Compare cost - diesel, fuel
Power Authority - How does this rank -?
Impacts' local gov't construction?
Plan for ranking projects -

CATEGORY Development AGENCY Alaska Power Authority PROGRAM Economic Development

7C ANALYSIS OF GOVERNOR'S DECISIONS

000067

01-1007C(Rev. 7/77)

PROJECT TITLE	LOCATION(S)	AREA SERVED	ELECTION DISTRICT(S)
Swan Lake Hydroelectric Project	Ketchikan	Ketchikan	A - 1

OBJ. NO(S)	OPERATING BUDGET BRU(S)	NAME(S)	BUDGET COMPONENT NUMBERS	START DATE	COMPLETION DATE
4		Alaska Power Authority	08-71-7-060	Sept. 1980	August 1983

PROJECT NARRATIVE

I. Project Need Statement.

The City of Ketchikan has increasing demand for electric energy which exceeds its existing hydroelectric capacity. Diesel generating capacity is used to provide power at a rapidly increasing price due to the cost of fuel. The project will be difficult to finance due to the restricted market area, the amount of project power that may be excess to initial demand, and the high cost in $/KW for the project. It will be difficult for the utility to market debt for the full cost of the project unless a loan from the State subordinate to the revenue bond debt is made in a manner similar to the Green Lake project at Sitka.

II. Project Description.

The Swan Lake project consists of a dam, power tunnel, penstock, powerhouse, and 28 mile 115 KV transmission line to the City of Ketchikan. The project will have 22 MW of installed capacity producing 18 MW's of firm power and 69 million kwh of firm energy per year. A total of $3,435,000 has been loaned by the state through the Power Project Revolving Loan Fund for design, license application, and purchase of equipment associated with the project in FY'79 and FY'80. A FERC license is expected to be approved by September of 1980, and construction will begin as soon as possible thereafter.

PROJECT TYPE

- [X] Building Construction (C)
- [ ] Other Improvement (I)
- [X] Equipment (E)
- [X] Land (L)
- [X] Professional Services (P)
- [X] Other (O) Hydroelectric Project Construction

PROJECT CHARACTERISTICS

- [X] Totally New Facility
- [ ] Addition to Existing Facility
- [ ] Renovation of Existing Facility
- [ ] Major Maintenance or Repair
- [ ] Supplement Previously Authorized Funds to Enable Completion
- [X] One of Several Phases
- [X] Major External Funding Source
- [ ] Other

NO	YES	SITE FEATURES
[X]	[ ]	Site Currently Owned?
[X]	[ ]	All Utilities Available?
[X]	[ ]	Access Already Available?

APPROPRIATION REQUEST (000)

1002	FED RCPTS	
1003	G/F MATCH	
1004	GEN. FUND	18,000
1005	I/A RCPTS.	
	G.O. BONDS	
	TOTAL	18,000

GOVERNOR'S RECOMMENDATION

APPROVED [X] DEFERRED [ ] DISAPPROVED [ ]

1002	FED. RCPTS:	
1003	G/F MATCH	
1004	GEN. FUND	
1005	I/A RCPTS.	
	G.O. BONDS	
1015	RRIF	18,000.0
	TOTAL	

01-1036a (12/79)

OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE)		FIRST OPERATING YEAR 1983	ULTIMATE ANNUAL YEAR 1984
FUNDING SOURCE	FED RCPTS		
	GEN. FUND		
	Project Revenues	150,000	150,000
TOTAL ANNUAL OPERATIONAL COST		150,000	150,000
POSITION (FTE)		2	2

PREVIOUS YR-PRIORITY	AGENCY PRIORITY	GOVERNOR'S PRIORITY
80-02	81-02	

CATEGORY Power Development AGENCY Alaska Power Authority PROGRAM Economic Development

PROPOSED CAPITAL

000068

CAPITAL PROJECT EXPENDITURES (CASH FLOW)	TOTAL (000)	BUDGET YEAR (000)	BUDGET YEAR Plus 1	BUDGET YEAR Plus 2	BUDGET YEAR Plus 3	BUDGET YEAR Plus 4	REMAINING COST
Planning and Engineering							
Land							
Construction	18,000	18,000					
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	18,000	18,000					

CONTINUATION OF NARRATIVE

III. Documentation of Estimated Capital Cost.

Construction costs estimates for the project were prepared by R. W. Beck and Associates in a Feasibility Report on the project for the Ketchikan Public Utility. The cost estimate of $86 million included interest during construction and inflation throughout the construction period. The total amount of the bond issue to include financing costs and funding of reserves could exceed $100 million which would be perceived by investors as too large for a community the size of Ketchikan. State assistance in the form of a subordinate loan will provide a degree of security to investors and result in a bond issue in a more acceptable range of $80 million.

IV. Analysis of Estimate of Operational Expense.

The hydroelectric plants of the utility will all be fully automated as a result of funds made available to the community in FY'80. This will decrease significantly the operations and maintenance costs of the project for the utility. All O & M costs and debt service will be paid from revenues derived from the sale of electric power by the utility.

V. Identification of Alternatives Considered.

The alternatives available to Ketchikan are limited to other hydroelectric projects or continued dependence upon diesel generation and its associated rapidly increasing cost. Diesel generation is not considered a viable alternative in the short or long run based solely on economics. Other hydroelectric projects considered are Mahoney Lake, Lake Grace, and Lake Tyee. Mahoney Lake was considered too small by the utility and not adequate to meet long term needs even though the cost/KW for power from the project was less than Swan Lake. Lake Grace was encumbered by federal land actions. Lake Tyee was almost a year behind Swan Lake in development, and the merits of the project in relation to Swan Lake were unknown, since Lake Tyee was located 83 miles from Ketchikan. Considering the present progress of project development for Swan Lake, it appears to be the best short and long term solution to Ketchikan's power requirements since Lake Tyee can still be developed to provide future power requirements of the City.

CATEGORY Power Development AGENCY Alaska Power Authority PROGRAM Economic Development

PROJECT TITLE Swan Lake Hydroelectric Project

35b PROPOSED PROJECT ANALYSIS REVISED

000069

PROJECT TITLE	LOCATION(S)	AREA SERVED	ELECTION DISTRICT(S)
Lake Tyee Hydroelectric Project	Petersburg/Wrangell	Petersburg/Wrangell	2

AGENCY(S)	OPERATING BUDGET BRU(S)	NAME(S)	BUDGET COMPONENT NUMBERS	START DATE	COMPLETION DATE
4		Alaska Power Authority	08-71-7-060		

PROJECT NARRATIVE

I. Project Need Statement.

Petersburg and Wrangell are largely dependent on diesel electric generation and its associated increasing costs. A renewable resource alternative energy project would alleviate this condition. Either hydroelectric or wood/biomass power generation could be solutions. Both alternatives are being investigated, however the hydroelectric option is most favored due to its flexibility in operation, low O & M costs, and stable source of fuel. The project may also be capable of providing power to Kake and additional power to Ketchikan.

II. Project Description.

The Swan Lake project is in two stages. Stage 1 provides 15 MW of power and 69 million kwh/year of energy at a cost of $45 million. It consists of a lake tap, power tunnel, penstock, powerhouse, 57 mile 115 KV transmission line to Wrangell, and a 31 mile 37 KV line to Petersburg. Stage II requires construction of a dam to increase storage capacity and the addition of generators in the powerhouse. Stage II produces an additional 15 MW's of capacity and 62 million kwh/year of additional firm energy.

III. Documentation of Estimated Cost.

R. W. Retherford Associates prepared a Preliminary Feasibility Report on the project and estimate in 1978 dollars a cost of $41 million for the

PROJECT TYPE

- [X] Building Construction (C)
- [ ] Other Improvement (I)
- [X] Equipment (E)
- [X] Land (L)
- [X] Professional Services (P)
- [X] Other (O) Hydroelectric Project Construction

PROJECT CHARACTERISTICS

- [X] Totally New Facility
- [ ] Addition to Existing Facility
- [ ] Renovation of Existing Facility
- [ ] Major Maintenance or Repair
- [X] Supplement Previously Authorized Funds to Enable Completion
- [X] One of Several Phases
- [X] Major External Funding Source
- [ ] Other

NO	YES	SITE FEATURES
[X]	[ ]	Site Currently Owned?
[X]	[ ]	All Utilities Available?
[X]	[ ]	Access Already Available?

APPROPRIATION REQUEST

1002	FED. RCPTS.	
1003	G/F MATCH	
1004	GEN. FUND	10,000
1005	I/A RCPTS	
	G.O. BONDS	
	TOTAL	10,000

GOVERNOR'S RECOMMENDATION

APPROVED	DEFERRED	DISAPPROVED
X		

1002	FED. RCPTS:	
1003	G/F MATCH	
1004	GEN. FUND	
1005	I/A RCPTS.	
	G.O. BONDS	
1015	RRIF	10,000
	TOTAL	10,000

01-1035a (12/79)

OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE)		FIRST OPERATING YEAR 1984	ULTIMATE ANNUAL YEAR 1985
FUNDING SOURCE	FED. RCPTS		
	GEN. FUND		
	Project Revenues	200,000	200,000
TOTAL ANNUAL OPERATIONAL COST		200,000	200,000
POSITION (FTE)		4	4

PREVIOUS YR-PRIORITY 80-03

AGENCY PRIORITY 81-03

GOVERNOR'S PRIORITY

CATEGORY Power Development AGENCY Alaska Power Authority PROGRAM Economic Development

000071

CAPITAL PROJECT EXPENDITURES (CASH FLOW)	TOTAL (000)	BUDGET YEAR (000)	BUDGET YEAR Plus 1	BUDGET YEAR Plus 2	BUDGET YEAR Plus 3	BUDGET YEAR Plus 4	REMAINING COST
Planning and Engineering							
Land							
Construction	10,000	10,000					
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	10,000	10,000					

CONTINUATION OF NARRATIVE

Stage I Project including 7% inflation and interest during construction. Due to increased inflation in 1979, an estimated cost of $45 million is included in this project description. A detailed and updated cost estimate is presently being prepared by the engineer as part of the FERC license application. The two communities of Petersburg and Wrangell will have difficulty in financing the project on their own due to the dollar value of the bond issue relative to the size of the communities and the amount of excess project power remaining to be marketed in the early years of operation. A state loan for the project subordinate to the payment of revenue bond debt service will reduce the total dollar value of the bond issue, increase the security of the bonds and make them more marketable, and help to insure project financing. The state loan appropriation is required no later than FY'81 to insure availability of funds prior to the construction financing when the FERC license should be approved. Since the loan may be considered a capital project appropriation, the funds would guarantee timely project financing if they were appropriated in FY'81 for use upon receipt of the FERC license. In FY'80, HB 32 appropriated $2 million for loans for the project. The Power Authority assumed responsibility for management and development of the project in response to a request of the Thomas Bay Power Commission and the two communities. The expenditure of the $2 million appropriated for the project will have to be clarified by the legislature.

IV. Analysis of Estimate of Operational Expense.

All operating and maintenance expenses will be paid from project revenues and are estimated to be $200,000/year with 4 FTE positions for Stage I, and increase by $100,000/year with one additional FTE position with development of Stage II.

V. Identification of Alternatives Considered.

Alternatives considered to the Lake Tyee project were other hydroelectric projects which were determined to be too large or small with a higher cost/KW of power produced, continued use of diesel generation with its asso-

CATEGORY Power Development AGENCY Alaska Power Authority PROGRAM Economic Development

PROJECT TITLE Lake Tyee Hydroelectric Project

35b PROPOSED PROJECT ANALYSIS REVISED

000072

ciated high operating and fuel costs, and wood waste combustion steam generation. The wood waste development appears competitive to Lake Tyee in the near term for a short period of economic analysis if a long-term low cost source of waste wood fuel can be established. The wood waste alternative has rapidly increasing fuel and operating costs which are subject to inflation. It also has a useful life of approximately 30 years, which is much shorter than a hydroelectric project.

CONTINUATION FORM

CATEGORY Power Development AGENCY Alaska Power Authority PROGRAM Economic Development 000073

PROJECT TITLE Lake Tyee Hydroelectric Project

Better — small sites - decentralize — it relates to viability of communities. Monopoly is problem.
Rec. — if Public Utility Own it.
Give Power & Energy & Economic Development APA feasibilities — give position to Dept.

February 5, 1980

TO: Representative Hugh Malone
Rm. 411, Capitol Bldg.

FROM: Margo W. Waring

RE: Lake Tyee Hydropower Development

Here are some initial thoughts on the Tyee situation:

1. No one is looking at a system approach to hydropower development. Each project proposed is over capacity.

2. Swan Lake (Ketchikan) expects a FERC license in September 1980. It will produce 69 million kwh/year. It needs a subordinate loan of $20 million, of a total of $100 million bonded, based on Ketchikan's growth rate that is inflated by about .8.

3. Lake Tyee is one alternative to Swan Lake. Tyee is one year behind Swan Lake. APA says Swan should be built "since Lake Tyee can still be developed to provide future power requirements" of Ketchikan (p.000069), despite the fact that Swan will produce great excess capacity.

4. Tyee will produce, at stage 1, 69 million kwh/year. Stage 2 will produce an additional 62 million kwh/year. Stage 1 will cost $45-55 million and require a subordinate loan of $10-15 million.

5. Report #HG 050800117036F identifies (p.19) nine different hydro sites for Petersburg and Wrangell. Wood waste burning is also an alternative.

6. For Petersburg and Wrangell it is apparently more cost-effective to develop several small sites, with shorter transmission lines, produce no excess capacity, and save considerable money in the provision of back-up capacity. The back-up capacity problem has been ignored in feasibility studies; but, significant costs are incurred for consumers when back-up is necessary for one large plant, instead of for enemahl plant.

Cost of unused

Actual as real growth rate

George Matts originally B&M presented

Hydroelectrical Eric Yult — all project all which had been chart B&M — for BRC

scrutiny of project revenue financing is partially or totally eliminated [See Financing Addendum, pages 4-10]. As noted in the addendum, the cost and delays should be insignificant and the extra protection should be sufficient to offset any loss of usual market tests.

HB 570

Bill Miles

David Rogers

ISSUE III:

TO INSURE THAT THE GOVERNOR AND LEGISLATURE RECEIVE A BASIC MINIMUM OF FEASIBILITY INFORMATION IN A STANDARDIZED FORM FOR ALL POWER PROJECTS PROPOSED BY THE AUTHORITY.

Option 1:

The Alaska Power Authority Statute should be amended as follows:

AS 46.56.180(c) is amended by adding the following new sentences immediately after the first sentence in the subsection [note: if the option suggested under Issue II above is also adopted, the sentences offered here should occur first] to read:

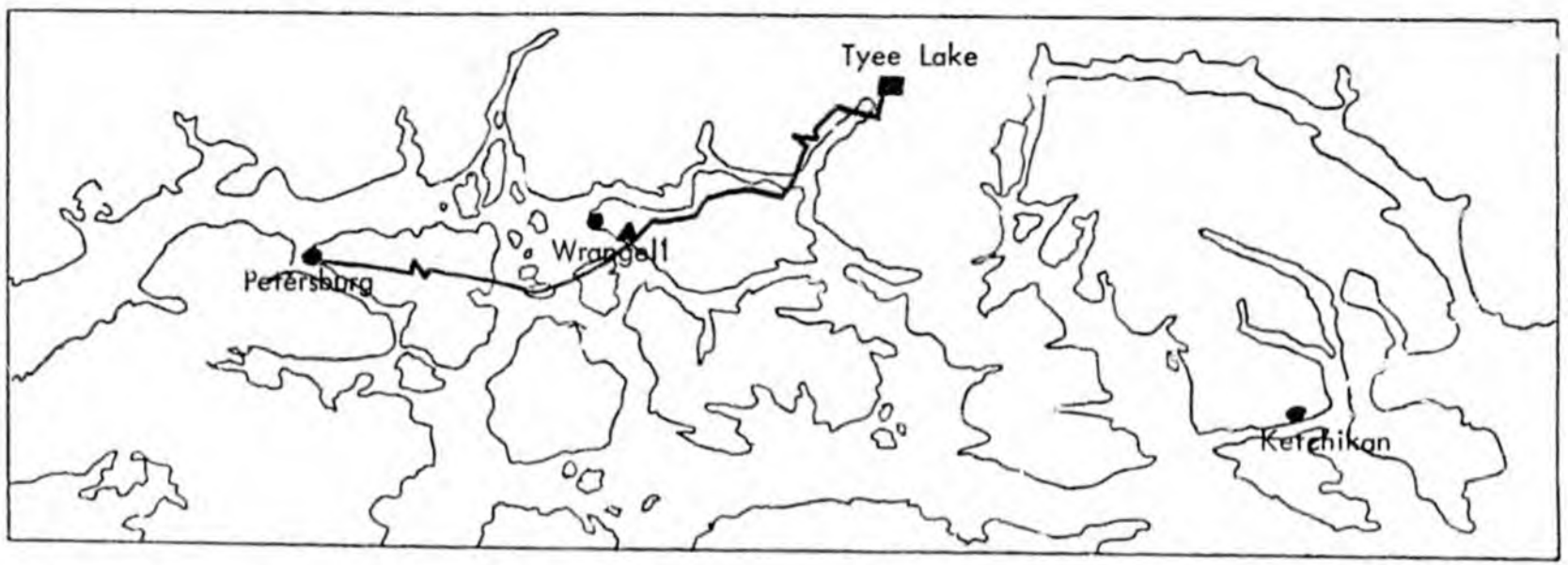
including but not limited to

> Each feasibility study shall include but not be limited to, the following information: total cost, construction cost, operating and maintenance cost projections, construction timetable, revenue source, stream of revenues, rate of return (imputed), net present value, benefit cost ratio, potential environmental effect, potential effect on local communities and the availability of alternative government financing. Each feasibility study shall also incorporate standardized non-site-specific parameters including: discount rate, interest rate by type of debt, fuel price escalation rate, state electric load growth and imputed values for non-cash costs and benefits. All values selected shall be consistent with those used in the Department of Commerce and Economic Development long term electric power development plan, when adopted. The authority may include an analysis based on different values with an explanation for any differences.

No discussion of alternatives

w/ rejected market size, project size, G. funding

✓ Subordinated Loan subsidies - make a project revenue bond financeable - reduces total debt make unfeasible projects feasible.



Petersburg-Wrangell-Ketchikan Area
Location Map

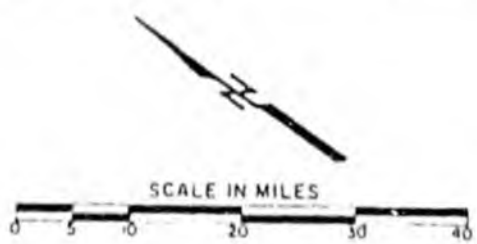


Figure 1

PETERSBURG-WRANGELL-KETCHIKAN AREA

Report
to the

ALASKA POWER AUTHORITY

in regard to

the Plan of Finance of
the Swan Lake Hydroelectric Project
of the
Ketchikan Public Utilities System

FIRST *Southwest* COMPANY
Anchorage, Alaska
Dallas, Texas

FIRST *Southwest* COMPANY

INVESTMENT BANKERS

MERCANTILE BANK BUILDING

DALLAS, TEXAS 75201

MUNICIPAL DEPARTMENT

(214) 742-6461

January 28, 1980

Mr. Eric Yould, Executive Director
Alaska Power Authority
333 W. 4th Avenue, Suite 31
Anchorage, Alaska 99501

RE: SWAN LAKE HYDROELECTRIC PROJECT

Dear Eric:

At your request, we have described the proposed plan of finance of the above-captioned Project, addressing the question of State funding assistance and its impact on financeability of the Project.

We have reviewed the various engineering reports published on the Project and we have engaged Booz, Allen & Hamilton to assist us with the technical aspects of that review. We have consulted with Wohlforth & Flint, bond counsel, and with representatives of Ketchikan Public Utilities.

We are pleased to submit herewith our report. We are available at your convenience to discuss this report with representatives of the State, the Authority, Ketchikan Public Utilities and other interested parties.

Very truly yours,

FIRST SOUTHWEST COMPANY

Paul N. Arnett, Resident Manager
Anchorage, Alaska

John I. Hinton, Vice President
Dallas, Texas

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Alternatives I thru IV	APPENDIX C

INTRODUCTION

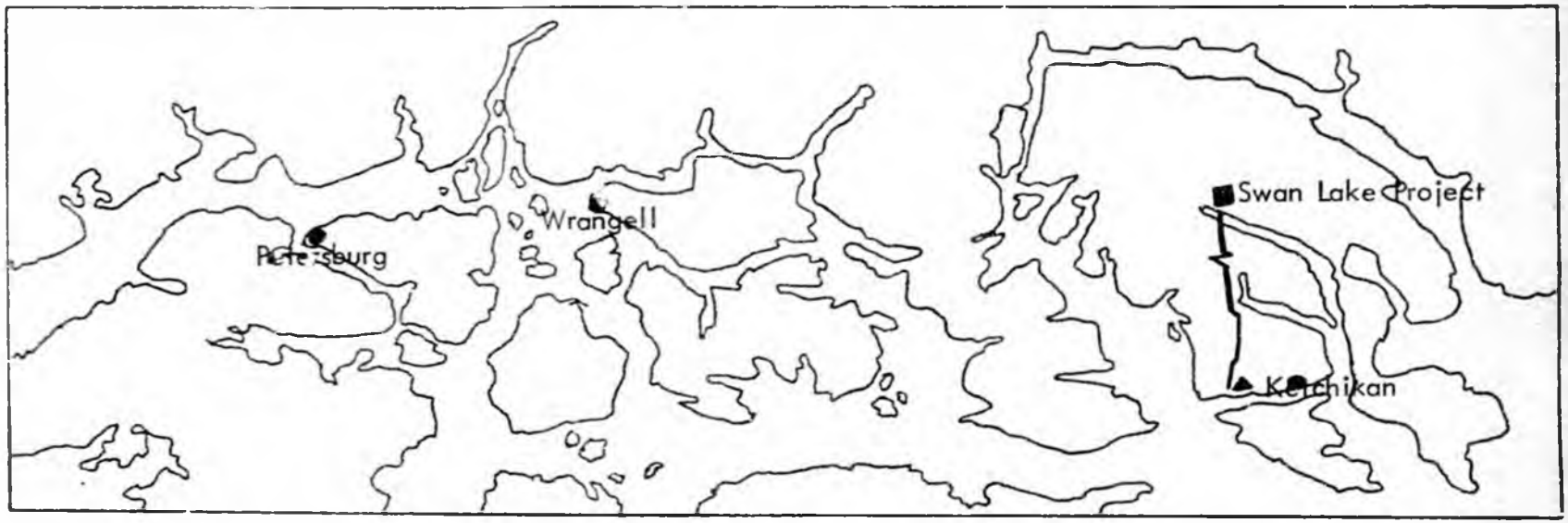
The City of Ketchikan, Alaska, having made the decision to discontinue its reliance on the use of diesel electric generation to meet existing future power demands, has requested the assistance of the Alaska Power Authority (the "APA") in the financing of its Swan Lake Hydroelectric Project (the "Project").

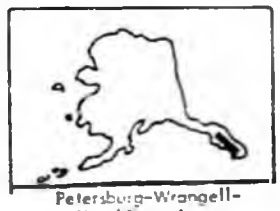
A plan of finance is proposed for the Project and a preliminary analysis of four alternatives containing various combinations of State funding and revenue bond funds is set forth. The impact of each alternative on electric cost has been estimated, based upon certain assumptions set forth in the report. The report concludes with our recommendation and justification thereof.

THE PROJECT

The Project is a major hydroelectric generating facility located at Swan Lake, approximately 22 air miles northeast of Ketchikan near the north end of Carroll Inlet. Swan Lake, a low-elevation lake surrounded by mountains, drains westward through a narrow gorge into Carroll Inlet via Falls Creek. (See Figure 1)

The Project consists of a 190 foot high thin arch concrete dam located downstream from the outlet of Swan Lake, a concrete lined power tunnel leading to a powerhouse, a permanent port facility, access roads connecting the dam, powerhouse and port facility, a switchyard and approximately 30.5 miles of 115 KW wood pole transmission lines.





Petersburg-Wrangell-Ketchikan Area Location Map

SCALE IN MILES

0 5 10 20 30 40

Figure 1

PETERSBURG-WRANGELL-KETCHIKAN AREA

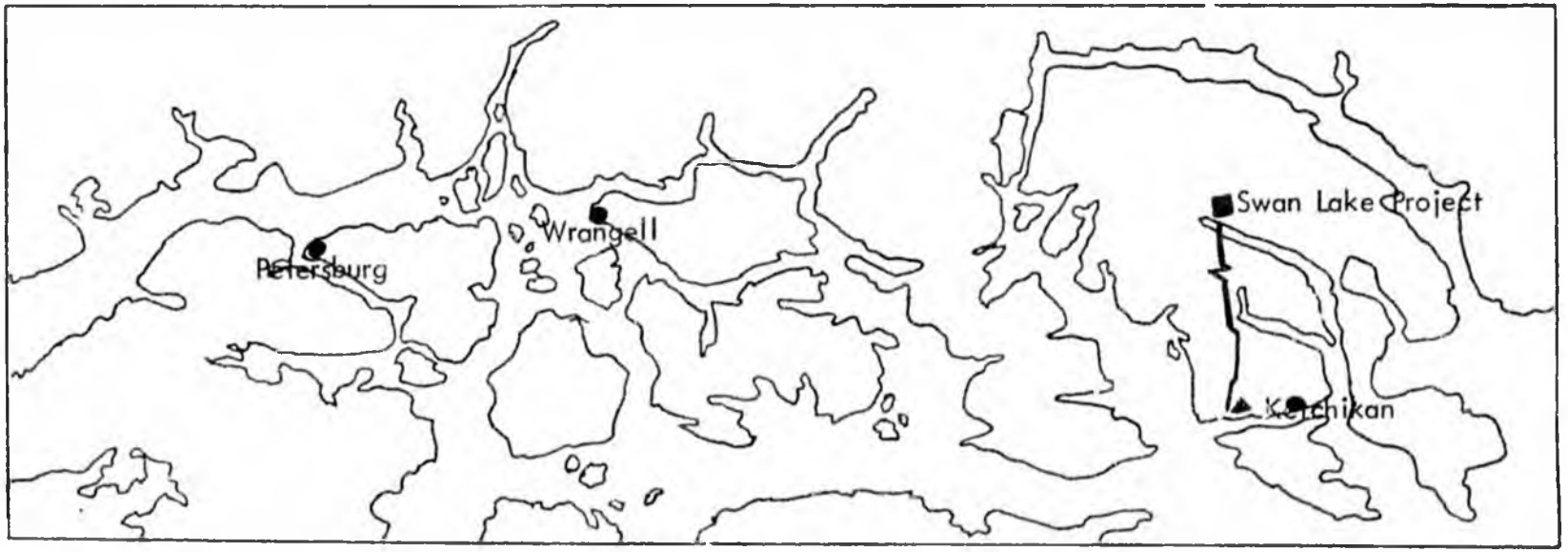


Figure 1

PETERSBURG-WRANGELL-
KETCHIKAN AREA

The Project is designed to have an installed capacity of 22,000 KW and a dependable capacity of 18,900 KW delivered to the load center. It is designed to be capable of delivering 85,400,000 KWH average annual energy and 66,700,000 KWH of firm annual energy to the load center.

R. W. Beck and Associates, Engineers and Consultants, concluded in their Evaluation Report dated June 1978 that the "Project is technically and environmentally feasible." Nevertheless, R. W. Beck's Demand and Energy Forecast dated January 11, 1980 indicates that "it appears that even if electrical loads grow at the highest projected rate in future years, there would still be significant amounts of both firm and secondary energy available for sale during the initial years of Project operation."

Booz, Allen & Hamilton, Inc., Consultants, have reviewed the Project reports and generally concur with the findings as to technical and economic feasibility. Their assessment is contained in Appendix A.

The central factor emphasized in all of the economic feasibility reports is the long term benefits KPU will derive by replacing its diesel generating facilities with relatively fixed cost hydroelectric facilities.

THE CITY

The City of Ketchikan, a community located in Southeast Alaska has a current population of approximately 8,600. Ketchikan Public Utilities ("KPU"), the municipally-owned public utility system, operates the electric, water and telephone system and provides electricity for a service area with a population of approximately 12,600.

The existing hydroelectric facilities have produced average annual energy of approximately 63,000,000 KWH and the existing diesel facilities could produce 77,900,000 KWH.

During the fiscal year ended December 31, 1979, KPU sold 72,213,615 KWH and has experienced a load growth of approximately 4.6% per year over the last 10 years.

PROPOSED PLAN OF FINANCE

It is proposed that contract revenue bonds be issued by APA pursuant to an Indenture of Trust between APA and a trustee bank. From the proceeds of this bond issue and a proposed subordinated State loan, the Project would be constructed. Although APA would nominally own the Project when construction is completed, KPU would operate the Project, control its output and would obtain title to the Project through a bargain option to purchase after all obligations have been repaid. APA would enter into a contract with KPU under which KPU would agree, in consideration for its use of the facilities, to timely pay (a) amounts to the trustee equal to the principal and interest on the Bonds; and (b) principal and interest requirements on the State obligation. All payments to be made by KPU pursuant to the Contract would constitute reasonable and necessary operating expenses of KPU. The Indenture of Trust and the Contract must insure that KPU's obligation to pay its reasonable operation and maintenance expenses, including payments due under this contract, has priority over its obligations to make principal and interest payments on any of its other debts. KPU would covenant to set rates projected to be necessary to generate gross revenues at least

equal to (a) 1.25 times the payments under this Contract, (b) projected operation and maintenance expenses and (c) all other debt service payments in the upcoming year. The funds KPU generates from the 25% coverage requirement would be used to finance capital expenditures of the electric, water and telephone system and to provide funds that could be used to redeem the APA contract revenue bonds (thus lowering future debt service requirements).

A Reserve Fund equal to average annual debt service requirements and a Contingency Fund equal to 6 months average annual debt service requirements would be capitalized from bond proceeds. The Contingency Fund could be used to pay extraordinary repairs and maintenance on the Project and, if needed, to pay debt service on the Bonds. Both funds would have to be replenished by KPU if drawn upon.

The Bonds would be amortized over 40 years, with the Reserve and Contingency Funds being used to pay the last 18 months' debt service.

To implement the proposed plan of finance, defeasance of KPU's outstanding revenue bonds may be required.

THE NEED FOR STATE ASSISTANCE

The need for State assistance arises when the Project is reviewed from the standpoint of financeability. The long term economic feasibility of the Project appears to be established in that diesel fuel prices are expected to continue rising over time while the costs of capital intensive hydroelectric generating facilities are relatively fixed. The most critical concern in terms of ability to finance the Project in the tax-exempt bond market is the substantial excess capacity that may exist in the early years of Project operation and its adverse effects on electric cost in

the short run. In 1985, the Project's average annual energy of 85,400,000 KWH, when added to the 63,000,000 KWH from KPU's existing hydroelectric facilities, will result in significant excess capacity relative to the projected 96,000,000 KWH sales. This estimate of sales was prepared by R.W. Beck and Associates in January, 1980 and represents the low load and energy forecast based upon conservative growth assumptions. Thus, rates must be increased to the extent necessary to satisfy the debt service requirement attributable to this potential annual excess of 52,400,000 KWH. Although high electric rates are certainly undesirable from the personal financial standpoint of the Ketchikan consumer, they also increase the bond market's perceived risk of an obligation in that economic growth in the area may be retarded.

There are two significant factors which together may lessen the adverse effect of excess capacity on KPU electric costs. The first factor is the possible sale of a block of power to Louisiana Pacific Corporation ("LPK"). The size of this block of power could range from 5,000,000 KWH to 25,000,000 KWH per year. The exact dimensions of the purchase and the price and terms have yet to be negotiated and will depend on LPK's power alternatives. The actual cost effect will be a function of the amount of power purchased and the differential between the LPK price and KPU's average cost per KWH. Nevertheless, even under the most favorable circumstances, some excess capacity is projected to exist until 1993.

The second factor which ameliorates the adverse cost effects of excess capacity is a loan from the State, repayment of which would not be required until after full capacity is reached. State assistance in the form of a subordinated loan is justified in that the ability to obtain conventional financing for the Project under reasonable terms is enhanced. The State loan would lower electric

rates in the following ways:

(1) Interest payments on the loan would be partially deferred and principal repayment fully deferred until full capacity is attained, thereby minimizing the adverse rate effects of excess capacity in the early years of Project operation;

(2) The loan is subordinated to the APA revenue bonds, thus enabling the APA to obtain a more favorable interest rate than would otherwise be possible;

(3) The 25% debt service coverage requirement would not be applied to the loan debt service requirements, thus resulting in significant rate relief.

The terms of the loan as proposed approximate the terms of the Sitka-Green Lake loan and are described in more detail in Appendix B. The assumed 7% interest rate approximates the State's own cost of borrowing. Although the actual interest rate could range from 5% to 7%, the more conservative rate was used in the analysis.

ANALYSIS OF STATE FUNDING ALTERNATIVES

Four alternative financings, assuming four different levels of State subordinated funding, are illustrated in Appendix C, based upon the assumptions set forth in Appendix B. The estimated average cost per KWH for each alternative are set forth below:

		Estimated Average Cost per KWH			
		(1985)	(1986)	(1991)	(1996)
I.	No State Loan*	14.6¢	15.1¢	14.8¢	16.2¢
II.	$10,000,000 State Loan	13.5¢	13.9¢	14.1¢	14.4¢
III.	$18,000,000 State Loan	12 6¢	12.9¢	13.5¢	13.9¢
iV.	$25,000,000 State Loan	11.8¢	12.1¢	13.0¢	13.6¢

* Without a State loan, the actual interest rate would probably be higher than the assumed rate, thus resulting in electric costs higher than the estimates set forth here.

The above estimates do not include the positive effects of any sale of power to LPK. Although the actual cost per KWH will decrease if LPK purchases power from KPU, the relative cost impact of a State loan is validly illustrated above. Negotiations between KPU and LPK for the purchase of both firm power and surplus power should commence in late February or early March.

The assumptions used to derive the above cost estimates (set forth in more detail in Appendix B) are, in our opinion, conservative but realistic. Conservatism is required in any analysis involving the question of financeability. Any changes in the assumptions will have a material effect on the projections. In particular, the assumptions as to future KPU System demand, the levels of inflation of construction costs and operating expenses and the terms of the State loan yet to be determined are all assumptions that have a material bearing on the results.

SUMMARY AND CONCLUSION

The Project appears to be needed by the City of Ketchikan in order to discontinue its present reliance on diesel electric generation and to meet its future power needs. The Project appears to be technically and economically feasible. The excess capacity of the Project in its early years will increase electric costs during that period, thus possibly resulting in a more difficult and higher interest rate financing. Although some of that excess capacity may be used to produce power to sell to a single large purchaser, a State loan will mitigate the adverse cost effects of excess capacity if repayment of the loan is delayed until full capacity is reached.

We therefore recommend that an $18,000,000 State loan in support of the Project be authorized. We believe that an $18,000,000 loan is justified in light of the following:

(1) Without State assistance, the Project could not be financed in our opinion without suffering a penalty in interest rate, thus increasing the electric rate burden of the Ketchikan consumer.

(2) The $18,000,000 recommended loan amount approximates the Project funding requirements during the first year of construction. The loan would provide timing flexibility for the revenue bond financing, thus enhancing APA's ability to obtain the lowest possible interest rate.

(3) State assistance in the form of an $18,000,000 subordinated loan would strengthen the overall Project financing, thus increasing the assurance of repayment of both the APA revenue bonds and the State loan.

APPENDIX A

BOOZ · ALLEN & HAMILTON Inc.
Energy and Environment Division

4330 EAST WEST HIGHWAY
BETHESDA, MARYLAND 20014
951-2200
AREA CODE 301

January 10, 1980

Mr. W. C. Jackson
Chairman of the Board
First Southwest Company
900 Mercantile Bank Building
Dallas, Texas 75201

Re: Swan Lake Hydroelectric Project (Ketchikan, Alaska)

Dear Mr. Jackson:

We have, at your request, conducted an assessment of the current status of the Swan Lake Hydroelectric Project. We are pleased to present herewith our findings.

* * * * *

BACKGROUND

The proposed Swan Lake Project is located in a remote area some 22 air miles northeast of Ketchikan near the north end of Carroll Inlet. Swan Lake is a low-elevation lake surrounded by mountains which drains westward through Falls Creek into Carroll Inlet.

The Project's arrangement will be:

- 190 foot-high thin-arch concrete dam one mile downstream from the outlet of Swan Lake
- 2,280 foot long concrete-lined power tunnel
- Permanent port facility
- One mile of access roads connecting the port facility, powerhouse, and dam
- 30.5 miles of 115KV wood pole transmission line.

The project will have an installed capacity of 22 MW and a dependable capacity of 18 MW. Average and firm annual energy

capability is 85.4 and 66.7 GWH, respectively.

The scheduled date for commercial operation is November, 1983; total project capital requirements are estimated at $85,690,000, including direct construction costs, contingencies, engineering/administrative costs, interest during construction, and escalation.

CITY OF KETCHIKAN (KETCHIKAN PUBLIC UTILITIES)

The City of Ketchikan has a population of some 8,600. Ketchikan Public Utilities, the municipally-owned public utility system, supplies the electric, water, and telephone needs of the community. As is typical of most Southeast Alaska communities, Ketchikan is almost entirely self-sufficient in terms of public services.

Major commercial and industrial activities supporting the local economy include logging and wood processing, fishing, and tourism. Transportation and communication links with surrounding areas and regions outside Southeast Alaska are up-to-date and accessible.

The City recently decided to reduce its substantial reliance on oil-fired diesel electric generation, which now accounts for about half of total system needs. The Swan Lake output could, in large measure, displace this oil-based generation in the early years of its operation.

The City will require additional capacity by 1983-1984 to meet peak demand and reserve requirements, which is the time when the Swan Lake Project is scheduled to become operational.

FINANCING PLAN

The City has requested the assistance of the Alaska Power Authority in financing the Project through the issuance of revenue bonds, and the City is also seeking a State of Alaska loan. The amount of the State loan will have

substantial influence upon debt service and, therefore, upon the cost of energy. Preliminary calculations indicate that the difference in annual energy cost between the case of no State loan and one of $40 million is about 50%.

CURRENT STATUS

The Swan Lake Project has been the subject of numerous studies over the past quarter century, including efforts made by the U.S. Bureau of Reclamation, the Alaska District Corps of Engineers, and several engineering firms such as R. W. Beck and Associates. This latter organization concluded in a report of June 1978 that the project is technically and environmentally feasible.

Based upon our review of available information, and upon our field investigations to Ketchikan, Southeast Alaska (Petersburg, Wrangell, Juneau), and to the Project stie, we concur with these findings as to Project feasibility...in fact recent changes have tended to make the Project more attractive since definitive studies were conducted. There are two primary influences at work here:

- The cost of diesel fuel (now about 65¢ per gallon) is higher than envisaged and will continue to escalate at a greater rate than that of general inflation

- The Louisiana-Pacific Timber Products Plant in Ketchikan has expressed definite interest in negotiating for firm power from the Project.

The influence of the first of these is obvious; the higher-cost diesel fuel increases the estimated savings associated with the Project. The effects of firm power sales to the local paper products company are substantial, because in the early years of Project operation excess capacity exists. Thus, both influences work toward Project feasibility and reduced costs to customers, which is the most important measure or consideration.

Alaska is fortunate in many respects, not the least of which is its potential for other, future hydroelectric power development. The Alaska Power Administration is considering the possibility of constructing a D.C. transmission line from Juneau to Ketchikan via Wrangell and Petersburg, thus forming a Southeast Gird and making possible future sale of Snettisham power. This would be a back-up to the diesel sets at Petersburg, Wrangell, and Ketchikan, and, with other future hydro developments like Lake Grace, Lake Mahoney, and Tyee Lake, for example, economy interchange as well as reliability back-up would then be possible.

Much work remains to quantify the benefits associated with the strategic development of power supply for the whole of the Southeast, but the potential for benefit clearly exists.

We trust the foregoing is responsive to your needs for an assessment of the current status of Swan Lake. Should you have questions or require further detail, kindly so inform us.

Respectfully submitted,

BOOZ, ALLEN & HAMILTON Inc.

Griffith R. Morris
Principal

kms

APPENDIX B

ASSUMPTIONS

1. Critical Dates:

   FERC license to be received July 1, 1980

   Revenue Bonds dated October 1, [illegible]

   Major construction contract awarded March 1, 1981

   Project becomes operational April 1, 1984

   Interest capitalized through October 1, 1984 payment

   First principal payment October 1, 1986

2. Calculation of estimated costs of construction:

Direct construction cost, estimated as of January, 1978		$47,682,000
Escalation @ 7% (38 months from January-1978 to March-1981)		10,570,000
		$58,252,000
Contingencies @ 15%		8,738,000
		$66,990,000
Engineering and Administration @ 12 1/2%		8,374,000
		$75,364,000
	SAY	$75,500,000(1)

3. Terms of State Loan:

   a) Loan dated October 1, 1980, although the loan could be issued as early as July 1, 1980
   b) Term of loan - 40 years, with principal amortization beginning October 1, 1996
   c) Interest rate - 3% annually, with an adjustment to an overall annual 7% rate from date of issue to maturity
   d) Interest capitalized at 3% for four years

(1) This number differs from the $85,690,000 total Project Capital Requirements estimate set forth on Page A-2 because interest during construction has been deleted from costs of construction and added to the financing cost.

4. Calculation of estimated operation and maintenance expenses:

			Rounded Estimates
Project Expenses(1) as of 1985		$ 873,000	
Other Electric Department Expenses:			
1978 Electric Dept. Expenses	$1,930,597 (2)		
1978 Diesel Operation Expenses	(815,001)(2)		
Net existing 1978 Expenses	1,115,596		
7 years escalation @ 10%	780,917		
1978 Existing Expenses (escalated)		1,896,513	
Total 1985 Operation & Maintenance Expenses		$2,769,513	$2,800,000
1 years escalation at 10%		276,951	
1986 escalated Expenses		$3,046,464	$3,000,000
5 years escalation at 7%		1,066,262	
1991 escalated Expenses		$4,112,726	$4,100,000
5 years escalation at 7%		1,439,454	
1996 escalated Expenses		$5,552,180	$5,600,000

5. The annual sales of KWH by KPU are assumed to be as follows:

Year	Estimated KWH Sales
1985	96,343,000(1)
1986	99,026,000(1)
1991	108,494,000(1)
1996	118,000,000

6. The City of Ketchikan is assumed to have annual debt service requirements of $1,275,000 on the City's presently outstanding utility revenue bonds.

(1) Source: R. W. Beck and Associates
(2) Source: City of Ketchikan, Annual Financial Report, December 31, 1978

APPENDIX C

ALTERNATIVE 1
(NO State Loan)

1. Use of proceeds:

Costs of Construction	$75,500,000	
Less. Interest earnings during Construction	(22,500,000)	
Less: State loan proceeds	-0-	
Construction Funds from Bond Proceeds		$ 53,000,000
Capitalized Interest (4 yrs. @ 8.5%)		36,380,000
Reserve Fund		9,630,000
Contingency Fund		4,780,000
Costs of Issuance		3,210,000
		$107,000,000

2. a) Calculation of cost per KWH, first full year of operation (1985):

Debt Service Requirements, APA Contract Revenue Bonds	$ 9,095,000
25% Coverage	2,273,750
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	-0-
Operation and Maintenance Expenses	2,800,000
Less: Interest earnings on Reserve and Contingency Funds	(1,368,950)
Gross Revenues Required	$ 14,074,800

b) Calculation of projected average electric cost:
$14,074,800 ÷ 96,343,000 KWH = 14.6¢/KWH

3. a) Calculation of cost per KWH, second full year of operation (1986):

Debt Service Requirements, APA Contract Revenue Bonds	$ 9,650,000
25% Coverage	2,412,500
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	-0-
Operation and Maintenance Expenses	3,000,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,368,950)
Gross Revenues Required	$ 14,968,550

b) Calculation of projected average electric cost:
$14,968,550 ÷ 99,026,000 KWH = 15.1¢/KWH

4. a) Calculation of cost per KWH, seventh year of operation (1991-first year of full interest payment on State loan)

Debt Service Requirements, APA Contract Revenue Bonds	$ 9,650,350
25% Coverage	2,412,587
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	-0-
Operation and Maintenance Expenses	4,100,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,368,950)
Gross Revenues Required	$ 16,068,987

b) Calculation of projected average electric cost:
$16,068,987 ÷ 108,494,000KWH — 14.8¢/KWH

5. a) Calculation of cost per KWH, twelfth year of operation (1996-first year of amortization of State loan)

Debt Service Requirements, APA Contract Revenue Bonds	$ 9,650,000
25% Coverage	2,412,506
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	-0-
Operation and Maintenance Expenses	5,600,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,368,950)
Gross Revenues Required	$ 17,568,556

b) Calculation of projected average electric cost:
$17,568,556 ÷ 108,494,000 KWH — 16.2¢/KWH

$ 107,000,000.
ALASKA POWER AUTHORITY
(SWAN LAKE PROJCET)

DATED: 10/01/80 FIRST CPN DUE: 04/01/81
PRINCIPAL DUE: 10/ 1 INTEREST DUE: 4/ 1 & 10/ 1

YEAR END 12/31	THIS $ 107,000,000. ISSUE PRINCIPAL	INTEREST(1)	TOTAL
1981	$ 0.	$ 9,095,000.	$ 9,095,000.(2)
1982	0.	9,095,000.	9,095,000.(2)
1983	0.	9,095,000.	9,095,000.(2)
1984	0.	9,095,000.	9,095,000.(2)
1985	0.	9,095,000.	9,095,000.
1986	555,000.	9,095,000.	9,650,000.
1987	600,000.	9,047,825.	9,647,825.
1988	655,000.	8,996,825.	9,651,825.
1989	710,000.	8,941,150.	9,651,150.
1990	770,000.	8,880,800.	9,650,800.
1991	835,000.	8,815,350.	9,650,350.
1992	905,000.	8,744,375.	9,649,375.
1993	985,000.	8,667,450.	9,652,450.
1994	1,065,000.	8,583,725.	9,648,725.
1995	1,155,000.	8,493,200.	9,648,200.
1996	1,255,000.	8,395,025.	9,650,025.
1997	1,360,000.	8,288,350.	9,648,350.
1998	1,480,000.	8,172,750.	9,652,750.
1999	1,605,000.	8,046,950.	9,651,950.
2000	1,740,000.	7,910,525.	9,650,525.
2001	1,890,000.	7,762,625.	9,652,625.
2002	2,050,000.	7,601,975.	9,651,975.
2003	2,220,000.	7,427,725.	9,647,725.
2004	2,410,000.	7,239,025.	9,649,025.
2005	2,615,000.	7,034,175.	9,649,175.
2006	2,840,000.	6,811,900.	9,651,900.
2007	3,080,000.	6,570,500.	9,650,500.
2008	3,340,000.	6,308,700.	9,648,700.
2009	3,625,000.	6,024,800.	9,649,800.
2010	3,935,000.	5,716,675.	9,651,675.
2011	4,270,000.	5,382,200.	9,652,200.
2012	4,630,000.	5,019,250.	9,649,250.
2013	5,025,000.	4,625,700.	9,650,700.
2014	5,450,000.	4,198,575.	9,648,575.
2015	5,915,000.	3,735,325.	9,650,325.
2016	6,420,000.	3,232,550.	9,652,550.
2017	6,965,000.	2,686,850.	9,651,850.
2018	7,555,000.	2,094,825.	9,649,825.
2019	8,195,000.	1,452,650.	9,647,650.
2020	8,895,000.	756,075.	9,651,075.
	$ 107,000,000.	$ 276,236,400.	$ 383,236,400.

(1) INTEREST CALCULATED AT 8.500%
(2) Capitalized Interest

ALTERNATIVE II
($10,000,000 Loan)

1. Use of proceeds:

Costs of Construction	$75,500,000	
Less: Interest Earnings during Construction	(21,000,000)	
Less: State loan proceeds	(8,800,000)*	
Construction Funds from Bond Proceeds		$ 45,700,000
Capitalized Interest (4 yrs. @ 8.5%)		31,450,000
Reserve Fund		8,413,000
Contingency Fund		4,162,000
Costs of Issuance		2,775,000
		$ 92,500,000

* Net of $1,200,000 Capitalized Interest

2. a) Calculation of cost per KWH, first full year of operation (1985):

Debt Service Requirements, APA Contract Revenue Bonds	$ 7,858,250
25% Coverage	1,964,562
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	300,000
Operation and Maintenance Expenses	2,800,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,194,625)
Gross Revenues Required	$ 13,003,187

b) Calculation of projected average electric cost:
$13,003,187 ÷ 96,343,000 KWH = 13.5¢/KWH

3. a) Calculation of cost per KWH, second full year of operation (1986):

Debt Service Requirements, APA Contract Revenue Bonds	$ 8,338,250
25 % Coverage	2,084,562
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State Loan	300,000
Operation and Maintenance Expenses	3,000,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,194,625)
Gross Revenues Required	$ 13,803,187

b) Calculation of projected average electric cost:
$13,803,187 ÷ 99,026,000 = 13.9¢/KWH

4. a) Calculation of cost per KWH, seventh year of operation (1991-first year of full interest on State loan)

Debt Service Requirements, APA Contract Revenue Bonds	$ 8,336,425
25% Coverage	2,084,106
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	700,000
Operation and Maintenance Expenses	4,100,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,194,625)
Gross Revenues Required	$ 15,300,906

b) Calculation of projected average electric cost:
$15,300,906 ÷ 108,494,000 KWH = 14.1¢/KWH

5. a) Calculation of cost per KWH, twelfth year of operation (1996-first year of State Loan Amortization)

Debt Service Requirements, APA Contract Revenue Bonds	$ 8,338,050
25% Coverage	2,084,512
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	860,000
Operation and Maintenance Expenses	5,600,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,194,625)
Gross Revenues Required	$ 16,962,937

b) Calculation of projected average electric cost:
$16,962,937 ÷ 118,000,000 KWH = 14.4¢/KWH

$ 92,500,000.
ALASKA POWER AUTHORITY
(SWAN LAKE PROJECT)
REVENUE BONDS

DATED: 10/01/80 FIRST CPN DUE: 04/01/81
PRINCIPAL DUE: 10/ 1 INTEREST DUE: 4/ 1 & 10/ 1

YEAR END 12/31	THIS $ 92,500,000. ISSUE PRINCIPAL	INTEREST(1)	TOTAL
1981	$ 0.	$ 7,858,250.	$ 7,858,250.(2)
1982	0.	7,858,250.	7,858,250.(2)
1983	0.	7,858,250.	7,858,250.(2)
1984	0.	7,858,250.	7,858,250.(2)
1985	0.	7,858,250.	7,858,250.
1986	480,000.	7,858,250.	8,338,250.
1987	520,000.	7,817,450.	8,337,450.
1988	565,000.	7,773,250.	8,338,250.
1989	615,000.	7,725,225.	8,340,225.
1990	665,000.	7,672,950.	8,337,950.
1991	720,000.	7,616,425.	8,336,425.
1992	785,000.	7,555,225.	8,340,225.
1993	850,000.	7,488,500.	8,338,500.
1994	920,000.	7,416,250.	8,336,250.
1995	1,000,000.	7,338,050.	8,338,050.
1996	1,085,000.	7,253,050.	8,338,050.
1997	1,180,000.	7,160,825.	8,340,825.
1998	1,280,000.	7,060,525.	8,340,525.
1999	1,385,000.	6,951,725.	8,336,725.
2000	1,505,000.	6,834,000.	8,339,000.
2001	1,630,000.	6,706,075.	8,336,075.
2002	1,770,000.	6,567,525.	8,337,525.
2003	1,920,000.	6,417,075.	8,337,075.
2004	2,085,000.	6,253,875.	8,338,875.
2005	2,260,000.	6,076,650.	8,336,650.
2006	2,455,000.	5,884,550.	8,339,550.
2007	2,660,000.	5,675,875.	8,335,875.
2008	2,890,000.	5,449,775.	8,339,775.
2009	3,135,000.	5,204,125.	8,339,125.
2010	3,400,000.	4,937,650.	8,337,650.
2011	3,690,000.	4,648,650.	8,338,650.
2012	4,005,000.	4,335,000.	8,340,000.
2013	4,345,000.	3,994,575.	8,339,575.
2014	4,715,000.	3,625,250.	8,340,250.
2015	5,115,000.	3,224,475.	8,339,475.
2016	5,500,000.	2,789,700.	8,289,700.
2017	6,020,000.	2,322,200.	8,342,200.
2018	6,530,000.	1,810,500.	8,340,500.
2019	7,085,000.	1,255,450.	8,340,450.
2020	7,685,000.	653,225.	8,338,225.
	$ 92,450,000.	$ 238,645,150.	$ 331,095,150.

(1) INTEREST CALCULATED AT 8.500%
(2) Paid from Capitalized Interest

$10,000,000
STATE LOAN
INTEREST PAYMENT SCHEDULE

Year End 12/31	Beginning Principal Balance	Interest Accrued	Interest Paid	Interest Added to Principal
1981	$10,000,000	$ 700,000	$ 300,000(1)	$400,000
1982	10,400,000	728,000	300,000(1)	428,000
1983	10,828.000	757,960	300,000(1)	457,960
1984	11,285,960	790,017	300,000(1)	490,017
1985	11,775,977	824,318	300,000	524,318
1986	12,300,295	861,020	300,000	561,020
1987	12,861,315	900,292	643,000	257,292
1988	13,118,607	918,302	655,930	262,372
1989	13,380,979	936,668	669,048	267,620
1990	13,648,599	955,402	682,430	272,972
1991	13,921,571	974,509	700,000	274,509
1992	14,196,080	993,726	800,000	193,726
1993	14,389,806	1,007,286	900,000	107,286
1994	14,497,092	1,014,796	1,000,000	14,796
1995	14,511,888	1,015,832	1,027,720	(11,888)
1996	14,500,000(2)			

(1) Interest capitalized from loan proceeds.

(2) See following page for amortization of $14,500,000 principal.

$14,500,000
STATE LOAN
AMORTIZATION SCHEDULE

Dated: 10-1-95
Principal Due: 10-1

First Coupon Due: 4-1-96
Interest Due: 4-1 & 10-1

Year End 12/31	THIS $14,500,000 ISSUE		
	Principal	Interest	Total
1996	$ 230,000	$ 1,015,000	$ 1,245,000
1997	245,000	998,900	1,243,900
1998	260,000	981,750	1,241,750
1999	280,000	963,550	1,243,550
2000	300,000	943,950	1,243,950
2001	320,000	922,950	1,242,950
2002	345,000	900,550	1,245,550
2003	370,000	876,400	1,246,400
2004	395,000	850,500	1,245,500
2005	420,000	933,961	1,353,961
2006	450,000	904,561	1,354,561
2007	485,000	873,061	1,358,061
2008	515,000	839,111	1,354,111
2009	550,000	803,061	1,353,061
2010	590,000	764,561	1,354,561
2011	635,000	723,261	1,358,261
2012	675,000	678,811	1,353,811
2013	725,000	631,561	1,356,561
2014	775,000	580,811	1,355,811
2015	830,000	526,561	1,356,561
2016	885,000	468,461	1,353,461
2017	950,000	406,511	1,356,511
2018	1,015,000	340,011	1,355,011
2019	1,085,000	268,961	1,353,961
2020	1,170,000	193,011	1,363,011
	$14,500,000	$18,389,826	$32,889,826

ALTERNATIVE III
($18,000,000 Loan)

1. Use of Proceeds:

Costs of Construction	$75,500,000	
Less: Interest Earnings during Construction	(20,000,000)	
Less: State loan proceeds	(15,840,000)*	
Construction Funds from Bond Proceeds		$ 39,660,000
Capitalized Interest (4 yrs. @ 8.5%)		27,200,000
Reserve Fund		7,140,000
Contingency Fund		3,600,000
Costs of Issuance		2,400,000
		$ 80,000,000

* Net of $2,160,000 Capitalized Interest

2. a) Calculation of cost per KWH, first full year of operation (1985):

Debt Service Requirements, APA Contract Revenue Bonds	$ 6,800,000
25% Coverage	1,700,000
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	540,000
Operation and Maintenance Expenses	2,800,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,020,300)
Gross Revenues Required	$ 12,094,700

b) Calculation of projected average electric cost:
$12,094,700 ÷ 96,343,000 — 12.6¢/KWH

3. a) Calculation of cost per KWH, second full year of operation (1986):

Debt Service Requirements, APA Contract Revenue Bonds	$ 7,215,000
25% Coverage	1,803,750
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	540,000
Operation and Maintenance Expenses	3,000,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,020,300)
Gross Revenues Required	$ 12,813,450

b) Calculation of projected average electric cost:
$12,813,450 ÷ 99,026,000 — 12.9¢/KWH

4. a) Calculation of cost per KWH, seventh year of operation (19[illegible]-first year of full interest payment on State loan)

Debt Service Requirements, APA Contract Revenue Bonds	$ 7,215,900
25% Coverage	1,803,975
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State Loan	1,260,000
Operation and Maintenance Expenses	4,100,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,020,300)
Gross Revenues Required	$ 14,634,575

b) Calculation of projected average electric cost:
$14,634,575 ÷ 108,494,000 = 13.5¢/KWH

5. a) Calculation of cost per KWH, twelfth year of operation (1996-first year of amortization of State loan)

Debt Service Requirements, APA Contract Revenue Bonds	$ 7,215,350
25% Coverage	1,803,837
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State Loan	1,545,000
Operation and Maintenance Expenses	5,600,000
Less: Interest Earnings on Reserve and Contingency Funds	(1,020,300)
Gross Revenues Required	$ 16,418,887

b) Calculation of projected average electric cost:
$16,418,887 ÷ 118,000,000 KWH = 13.9¢/KWH

$ 80,000,000.
ALASKA POWER AUTHORITY
(SWAN LAKE PROJECT)
REVENUE BONDS

DATED: 10/01/80 FIRST CPN DUE: 04/01/81
PRINCIPAL DUE: 10/ 1 INTEREST DUE: 4/ 1 & 10/ 1

YEAR END 12/31	THIS $ 80,000,000. ISSUE PRINCIPAL	INTEREST(1)	TOTAL
1981	$ 0.	$ 6,800,000.	$ 6,800,000.(2)
1982	0.	6,800,000.	6,800,000.(2)
1983	0.	6,800,000.	6,800,000.(2)
1984	0.	6,800,000.	6,800,000.(2)
1985	0.	6,800,000.	6,800,000.
1986	415,000.	6,800,000.	7,215,000.
1987	450,000.	6,764,725.	7,214,725.
1988	490,000.	6,726,475.	7,216,475.
1989	530,000.	6,684,825.	7,214,825.
1990	575,000.	6,639,775.	7,214,775.
1991	625,000.	6,590,900.	7,215,900.
1992	675,000.	6,537,775.	7,212,775.
1993	735,000.	6,480,400.	7,215,400.
1994	795,000.	6,417,925.	7,212,925.
1995	865,000.	6,350,350.	7,215,350.
1996	940,000.	6,276,825.	7,216,825.
1997	1,020,000.	6,196,925.	7,216,925.
1998	1,105,000.	6,110,225.	7,215,225.
1999	1,200,000.	6,016,300.	7,216,300.
2000	1,300,000.	5,914,300.	7,214,300.
2001	1,410,000.	5,803,800.	7,213,800.
2002	1,530,000.	5,683,950.	7,213,950.
2003	1,660,000.	5,553,900.	7,213,900.
2004	1,805,000.	5,412,800.	7,217,800.
2005	1,955,000.	5,259,375.	7,214,375.
2006	2,120,000.	5,093,200.	7,213,200.
2007	2,305,000.	4,913,000.	7,218,000.
2008	2,500,000.	4,717,075.	7,217,075.
2009	2,710,000.	4,504,575.	7,214,575.
2010	2,940,000.	4,274,225.	7,214,225.
2011	3,190,000.	4,024,325.	7,214,325.
2012	3,460,000.	3,753,175.	7,213,175.
2013	3,755,000.	3,459,075.	7,214,075.
2014	4,075,000.	3,139,900.	7,214,900.
2015	4,420,000.	2,793,525.	7,213,525.
2016	4,800,000.	2,417,825.	7,217,825.
2017	5,205,000.	2,009,825.	7,214,825.
2018	5,650,000.	1,567,400.	7,217,400.
2019	6,130,000.	1,087,150.	7,217,150.
2020	6,660,000.	566,100.	7,226,100.
	$ 80,000,000.	$ 206,541,925.	$ 286,541,925.

(1) INTEREST CALCULATED AT 8.500%
(2) Paid from Capitalized Interest

$18,000,000
STATE LOAN
INTEREST PAYMENT SCHEDULE

Year End 12/31	Beginning Principal Balance	Interest Accrued	Interest Paid	Interest Added to Principal
1981	$18,000,000	$1,260,000	$ 540,000(1)	$ 720,000
1982	18,720,000	1,310,400	540,000(1)	770,400
1983	19,490,400	1,364,328	540,000(1)	824,328
1984	20,314,728	1,422,030	540,000(1)	882,030
1985	21,196,758	1,483,773	540,000	943,773
1986	22,140,531	1,549,837	540,000	1,009,837
1987	23,150,368	1,620,525	1,157,519	463,006
1988	23,613,374	1,652,936	1,180,669	472,267
1989	24,085,641	1,685,995	1,204,282	481,713
1990	24,567,354	1,719,714	1,228,368	491,346
1991	25,058,700	1,754,109	1,260,000	494,109
1992	25,552,809	1,788,697	1,440,000	348,697
1993	25,901,506	1,813,105	1,590,000	223,105
1994	26,124,611	1,828,722	1,800,000	28,722
1995	26,153,333	1,830,733	1,984,066	(153,333)
1996	26,000,000(2)			

(1) Interest capitalized from Loan proceeds.

(2) See following page for amortization of $26,000,000 principal.

$26,000,000
STATE LOAN
AMORTIZATION SCHEDULE

Dated: 10-1-95
Principal Due: 10-1

First Coupon Due: 4-1-96
Interest Due: 4-1 & 10-1

Year End 12/31	THIS $26,000,000 ISSUE		
	Principal	Interest	Total
1996	$ 410,000	$ 1,820,000	$ 2,230,000
1997	440,000	1,791,300	2,231,300
1998	470,000	1,760,500	2,230,500
1999	505,000	1,727,600	2,232,600
2000	540,000	1,692,250	2,232,250
2001	575,000	1,654,450	2,229,450
2002	615,000	1,614,200	2,229,200
2003	660,000	1,571,150	2,231,150
2004	705,000	1,524,950	2,229,950
2005	755,000	1,675,600	2,430,600
2006	810,000	1,622,750	2,432,750
2007	865,000	1,566,050	2,431,050
2008	925,000	1,505,500	2,430,500
2009	990,000	1,440,750	2,430,750
2010	1,060,000	1,371,450	2,431,450
2011	1,135,000	1,297,250	2,432,250
2012	1,215,000	1,217,800	2,432,800
2013	1,300,000	1,132,750	2,432,750
2014	1,390,000	1,041,750	2,431,750
2015	1,485,000	944,450	2,429,450
2016	1,590,000	840,500	2,430,500
2017	1,700,000	729,200	2,429,200
2018	1,820,000	610,200	2,430,200
2019	1,950,000	482,800	2,432,800
2020	2,090,000	346,300	2,436,300
	$26,000,000	$32,981,500	$58,981,500

ALTERNATIVE IV
($25,000,000 State Loan)

1. Use of proceeds:

Costs of Construction	$75,500,000	
Less: Interest earnings during Construction	(19,000,000)	
Less: State loan proceeds	(22,000,000)*	
Construction Funds from Bond Proceeds		$ 34,500,000
Capitalized Interest (4 yrs. @ 8.5%)		23,800,000
Reserve Fund		6,450,000
Contingency Fund		3,150,000
Costs of Issuance		2,100,000
		$ 70,000,000

*Net of $3,000,000 Capitalized Interest

2. a) Calculation of cost per KWH, first full year of operation (1985):

Debt Service Requirements, APA Contract Revenue Bonds	$ 5,950,000
25% Coverage	1,487,500
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	750,000
Operation and Maintenance Expenses	2,800,000
Less: Interest earnings on Reserve and Contingency Funds	(912,000)
Gross Revenues Required	$ 11,350,500

b) Calculation of projected average electric cost:
$11,350,500 ÷ 96,343,000 KWH = 11.8¢/KWH

3. a) Calculation of cost per KWH, second full year of operation (1986):

Debt Service Requirements, APA Contract Revenue Bonds	$ 6,315,000
25% Coverage	1,578,750
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	750,000
Operation and Maintenance Expenses	3,000,000
Less: Interest earnings on Reserve and Contingency Funds	(912,000)
Gross Revenues Required	$ 12,006,750

b) Calculation of projected average electric cost:
$12,006,750 ÷ 99,026,000 KWh = 12.1¢/KWH

4. a) Calculation of cost per KWH, seventh year of operation (1991-first year of full interest payment on State loan)

Debt Service Requirements, APA Contract Revenue Bonds	$ 6,311,400
25% Coverage	1,577,850
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	1,750,000
Operation and Maintenance Expenses	4,100,000
Less: Interest earnings on Reserve and Contingency Funds	(912,000)
Gross Revenues Required	$ 14,102,250

b) Calculation of projected average electric cost:
$14,102,250 ÷ 108,494,000 KWH = 13.0¢/KWH

5. a) Calculation of cost per KWH, twelfth year of operation (1996-first year of amortization of State loan)

Debt Service Requirements, APA Contract Revenue Bonds	$ 6,311,000
25% Coverage	1,577,750
Debt Service Requirements, Utility System Revenue Bonds	1,275,000
Debt Service Requirements, State loan	2,145,000
Operation and Maintenance Expenses	5,600,000
Less: Interest earnings on Reserve and Contingency Funds	(912,000)
Gross Revenues Required	$ 15,996,750

b) Calculation of projected average electric cost:
$15,996,750 ÷ 118,000,000 KWH = 13.6¢/KWH

$ 70,000,000.
ALASKA POWER AUTHORITY
(SWAN LAKE PROJECT)
REVENUE BONDS

DATED: 10/01/80 FIRST CPN DUE: 04/01/81
PRINCIPAL DUE: 10/ 1 INTEREST DUE: 4/ 1 & 10/ 1

YEAR END 12/31	THIS $ 70,000,000. ISSUE PRINCIPAL	INTEREST(1)	TOTAL
1981	$ 0.	$ 5,950,000.	$ 5,950,000.(2)
1982	0.	5,950,000.	5,950,000.(2)
1983	0.	5,950,000.	5,950,000.(2)
1984	0.	5,950,000.	5,950,000.(2)
1985	0.	5,950,000.	5,950,000.
1986	365,000.	5,950,000.	6,315,000.
1987	395,000.	5,918,975.	6,313,975.
1988	430,000.	5,885,400.	6,315,400.
1989	465,000.	5,848,850.	6,313,850.
1990	505,000.	5,809,325.	6,314,325.
1991	545,000.	5,766,400.	6,311,400.
1992	595,000.	5,720,075.	6,315,075.
1993	645,000.	5,669,500.	6,314,500.
1994	700,000.	5,614,675.	6,314,675.
1995	755,000.	5,555,175.	6,310,175.
1996	820,000.	5,491,000.	6,311,000.
1997	890,000.	5,421,300.	6,311,300.
1998	965,000.	5,345,650.	6,310,650.
1999	1,050,000.	5,263,625.	6,313,625.
2000	1,140,000.	5,174,375.	6,314,375.
2001	1,235,000.	5,077,475.	6,312,475.
2002	1,340,000.	4,972,500.	6,312,500.
2003	1,455,000.	4,858,600.	6,313,600.
2004	1,575,000.	4,734,925.	6,309,925.
2005	1,710,000.	4,601,050.	6,311,050.
2006	1,855,000.	4,455,700.	6,310,700.
2007	2,015,000.	4,298,025.	6,313,025.
2008	2,185,000.	4,126,750.	6,311,750.
2009	2,370,000.	3,941,025.	6,311,025.
2010	2,575,000.	3,739,575.	6,314,575.
2011	2,790,000.	3,520,700.	6,310,700.
2012	3,030,000.	3,283,550.	6,313,550.
2013	3,285,000.	3,026,000.	6,311,000.
2014	3,565,000.	2,746,775.	6,311,775.
2015	3,870,000.	2,443,750.	6,313,750.
2016	4,200,000.	2,114,800.	6,314,800.
2017	4,555,000.	1,757,800.	6,312,800.
2018	4,945,000.	1,370,625.	6,315,625.
2019	5,365,000.	950,300.	6,315,300.
2020	5,815,000.	494,275.	6,309,275.
	$ 70,000,000.	$ 180,698,525.	$ 250,698,525.

(1) INTEREST CALCULATED AT 8.500%
(2) Paid from Capitalized Interest

$25,000,000
STATE LOAN
INTEREST PAYMENT SCHEDULE

Year End 12/31	Beginning Principal Balance	Interest Accrued	Interest Paid	Interest Added to Principal
1981	$25,000,000	$1,750,000	$ 750,000(1)	$1,000,000
1982	26,000,000	1,820,000	750,000(1)	1,070,000
1983	27,070,000	1,894,900	750,000(1)	1,144,900
1984	28,214,900	1,975,043	750,000(1)	1,225,043
1985	29,439,943	2,060,796	750,000	1,310,796
1986	30,750,739	2,152,551	750,000	1,402,551
1987	32,153,290	2,250,730	1,607,664	643,066
1988	32,796,356	2,295,744	1,639,818	655,926
1989	33,452,282	2,341,660	1,672,614	669,046
1990	34,121,328	2,388,492	1,706,066	682,426
1991	34,803,754	2,484,301	1,750,000	734,301
1992	35,538,055	2,487,663	2,000,000	487,663
1993	36,025,718	2,521,800	2,250,000	271,800
1994	36,297,518	2,540,826	2,379,000	161,656
1995	36,459,174	2,552,142	2,511,316	40,826
1996	36,500,000(2)			

(1) Interest capitalized from loan proceeds.

(2) See following page for amortization of $36,500,000 principal.

$36,500,000
STATE LOAN
AMORTIZATION SCHEDULE

Dated: 10-1-95
Principal Due: 10-1

First Coupon Due: 4-1-96
Interest Due: 4-1 & 10-1

Year End 12/31	THIS $36,500,000 ISSUE		
	Principal	Interest	Total
1996	$ 575,000	$ 2,555,000	$ 3,130,000
1997	615,000	2,514,750	3,129,750
1998	660,000	2,471,700	3,131,700
1999	705,000	2,425,500	3,130,500
2000	755,000	2,376,150	3,131,150
2001	810,000	2,323,300	3,133,300
2002	865,000	2,266,600	3,131,600
2003	925,000	2,206,050	3,131,050
2004	990,000	2,141,300	3,131,300
2005	1,060,000	2,627,554	3,687,554
2006	1,135,000	2,275,577	3,410,577
2007	1,215,000	2,196,127	3,411,127
2008	1,300,000	2,111,077	3,411,077
2009	1,390,000	2,020,077	3,410,077
2010	1,490,000	1,922,777	3,412,777
2011	1,590,000	1,818,477	3,408,477
2012	1,705,000	1,707,177	3,412,177
2013	1,825,000	1,587,827	3,412,827
2014	1,950,000	1,460,077	3,410,077
2015	2,085,000	1,323,577	3,408,577
2016	2,235,000	1,177,627	3,412,627
2017	2,390,000	1,021,177	3,411,177
2018	2,555,000	853,877	3,408,877
2019	2,735,000	675,027	3,410,027
2020	2,940,000	483,577	3,423,577
	$36,500,000	$46,541,959	$83,041,959

Report
to the

ALASKA POWER AUTHORITY

in regard to

the Plan of Finance of
the Tyee Lake Hydroelectric Project

FIRST *Southwest* COMPANY
Anchorage, Alaska
Dallas, Texas

FIRST *Southwest* COMPANY
INVESTMENT BANKERS
MERCANTILE BANK BUILDING
DALLAS, TEXAS 75201

MUNICIPAL DEPARTMENT

(214) 742-6461

January 28, 1980

Mr. Eric Yould, Executive Director
Alaska Power Authority
333 W. 4th Avenue, Suite 31
Anchorage, Alaska 99501

RE: TYEE LAKE HYDROELECTRIC PROJECT

Dear Eric:

At your request, we have described the proposed plan of finance of the above-captioned Project, addressing the question of State funding assistance and its impact on financeability of the Project.

We have reviewed the various engineering reports published on the Project. We have consulted with Wohlforth & Flint, bond counsel, with representatives of the Thomas Bay Power Commission and the Cities of Petersburg and Wrangell.

We are pleased to submit herewith our report. We are available at your convenience to discuss this report with representatives of the State, the Authority, Thomas Bay Power Commission and other interested parties.

Very truly yours,

FIRST SOUTHWEST COMPANY

Paul N. Arnett, Resident Manager
Anchorage, Alaska

John I. Hinton, Vice President
Dallas, Texas

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Cost of Retail Power	APPENDIX	C

INTRODUCTION

The Thomas Bay Power Commission, having made the decision to discontinue its reliance on the use of diesel electric generation to meet existing and future power demands, has requested the assistance of the Alaska Power Authority (the "APA") in the financing and construction of the Tyee Lake Hydroelectric Project (the "Project") as a capital project of the State. The Thomas Bay Power Commission is composed of the Cities of Petersburg and Wrangell (the "Cities").

This report is a preliminary analysis of four alternatives containing various combinations of State funding and revenue bond funds. The impact of each alternative on electric costs has been estimated, based upon certain assumptions set forth in the report.

THE PROJECT

The Project is a major hydroelectric generating facility located at Tyee Lake, approximately 40 miles southeast of the City of Wrangell, Alaska. Tyee Lake is a natural lake perched 1,370 feet above the Bradfield Canal.

The Project,Stage 1 of two stages, consists of a ten foot diameter unlined tunnel, 6,785 feet in length, between Tyee Lake and Bradfield Canal, a gate shaft and gate, a surge tank, a steel penstock, a powerhouse containing two 10,000 KW impulse turbine-generator sets and a 115 KV transmission line approximately 83 miles in length connecting the Project with the Cities of Wrangell and Petersburg. (See Figure 1.) Stage 2 (a potential future addition) consists in large part of the addition of a dam.

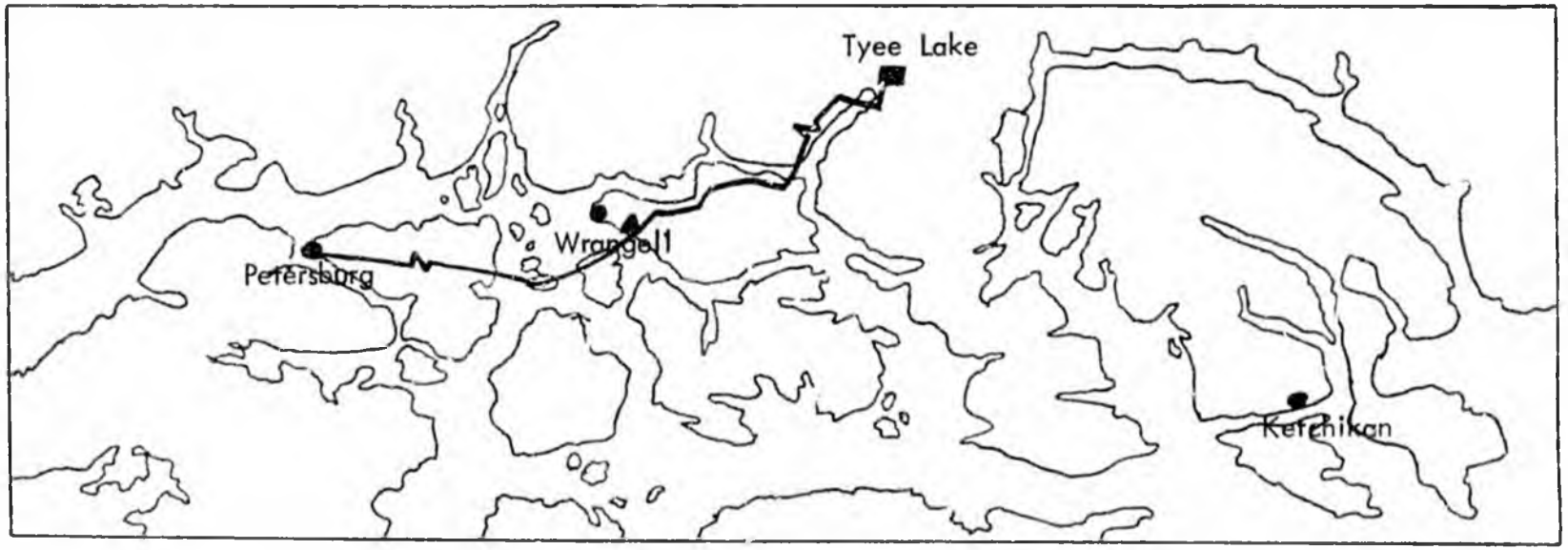
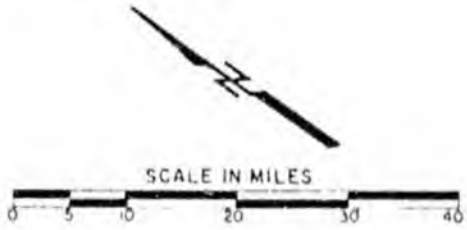


Figure 1

Petersburg-Wrangell-Ketchikan Area
Location Map



PETERSBURG-WRANGELL-KETCHIKAN AREA

The Project is designed to have an installed capacity of 20,000 KW and a firm capacity of 8,900 KW. It is designed to be capable of delivering 114,100,000 KWH average annual energy and 75,200,000 KWH of firm annual energy.

Robert W. Retherford Associates, a division of International Engineering Company, Inc., concluded in their Definite Project Report dated December, 1979, that the Project "is the most economical means by which the Cities can meet the immediate and future energy requirements of their service areas".

Although the Project output is not expected to be fully utilized for 11 years, the Cities will derive long term benefits from the Project by replacing their diesel generating facilities with power from relatively fixed cost hydroelectric facilities.

THE CITIES

The City of Petersburg, a community located in Southeast Alaska, has a current population of approximately 3,200. Petersburg has a total of 7,630 KW installed capacity, 79% of which is diesel generation and 21% of which is hydroelectric generation. During the year ended December 31, 1979, Petersburg sold approximately 19,600,000 KWH and has experienced a load growth of approximately 4.7% per year over the last five years.

The City of Wrangell, located approximately 32 miles from Petersburg, has a current population of approximately 3,200. Wrangell has a total of 7,750 KW primary installed capacity, all of which is diesel generation. During the year ended December 31, 1979, Wrangell sold approximately 11,600,000 KWH and has experienced a load growth of

approximately 5% per year over the last five years.

PROPOSED PLAN OF FINANCE

It is proposed that APA revenue bonds be issued pursuant to an Indenture of Trust between APA and a trustee bank. From the proceeds of this bond issue and a proposed subordinated State loan, the Project would be constructed. APA would own and operate the Project and sell power to the Cities pursuant to a Wholesale Power Sales Agreement. APA would covenant to set its wholesale rates at the level projected to be necessary to generate gross revenues at least equal to (a) 1.25 times debt service on the Bonds, (b) projected operation and maintenance expenses of the Project, and (c) debt service requirements of the State loan. The funds the APA generates from the 25% coverage requirement would be used for improvements and extensions of the Project and to provide funds that could be used to redeem the APA revenue bonds (thus lowering future debt service requirements).

A Reserve Fund equal to average annual debt service requirements and a Contingency Fund equal to 6 months average annual debt service requirements would be capitalized from bond proceeds. The Contingency Fund could be used to pay extraordinary repairs and maintenance on the Project and, if needed, to pay debt service on the Bonds. Both funds would have to be replenished if drawn upon.

The Bonds would be amortized over 40 years with the Revenue and Contingency Funds being used to pay the last 18 months' debt service.

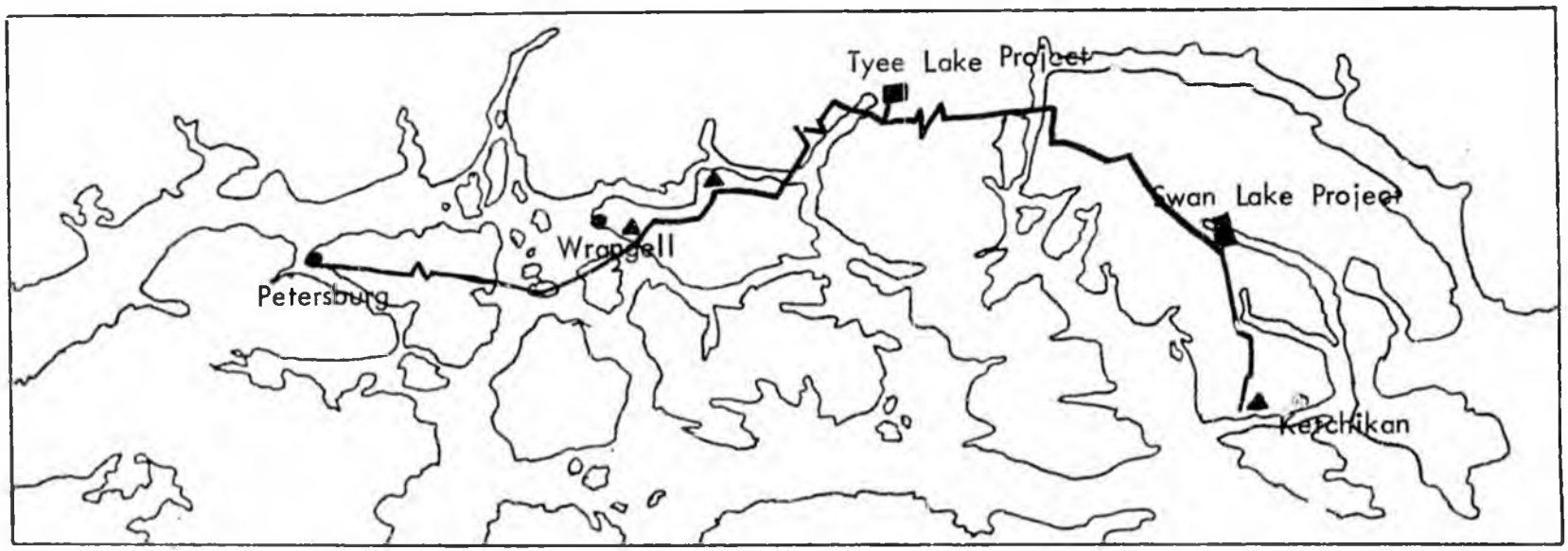
THE NEED FOR STATE ASSISTANCE

The need for State assistance arises when the Project is reviewed from the standpoint of financeability. The long term economic feasi-

bility of the Project appears to be established in that diesel fuel prices are expected to continue rising over time while the costs of capital intensive hydroelectric generating facilities are relatively fixed. The most critical concern in terms of ability to finance the Project in the tax-exempt bond market is the substantial excess capacity that may exist in the early years of Project operation and its adverse effects on electric costs in the short run. In the first full year of Project operation (1985), its firm energy of 75,200,000 KWH will result in significant excess capacity relative to the projected 33,726,000 KWH of energy from diesel generation which the Project would displace in that year. Thus, rates must be increased to the extent necessary to satisfy the debt service requirements attributable to this 41,474,000 annual KWH excess. Although high electric rates are certainly undesirable from the personal financial standpoint of the Petersburg/Wrangell consumer, they also increase the bond market's perceived risk of an obligation in that economic growth in the area may be retarded.

There are three significant factors which together may lessen the adverse effect of excess capacity on the Cities' electric costs. The first factor is the possible sale of a block of power in the distant future to Ketchikan Public Utilities ("KPU"). This sale could only occur after terms of the sale are negotiated following elimination of excess capacity in the Swan Lake Project and after a transmission line is constructed between the three electric systems (see fig. 2). The sale, in any case, could only assist the Project in the long run.

The second factor is the potential increased demand from conversion of oil-fired residential heating in the Cities to the use of electric



Petersburg-Wrangell-Ketchikan Area
Location Map

SCALE IN MILES
0 5 10 20 30 40

PETERSBURG-WRANGELL-KETCHIKAN AREA

Figure 2

heatpumps. The extent and timing of such conversion cannot now be projected.

The third factor which ameliorates the adverse cost effects of excess capacity is a loan from the State, repayment of which would not be required until after full capacity is reached. State assistance in the form of a subordinate loan is justified in that the ability to obtain conventional financing for the Project under reasonable terms is enhanced. The State loan would lower electric rates in the following ways:

(1) Interest payments on the loan would be partially deferred and principal repayment fully deferred until full capacity is attained, thereby minimizing the adverse rate effects of excess capacity in the early years of Project operation.

(2) The loan is subordinated to the APA revenue bonds, thus enabling the APA to obtain a more favorable interest rate than would otherwise be possible.

(3) The 25% debt service coverage requirement would not be applied to the loan debt service requirements, thus resulting in significant rate relief.

The terms of the loan as proposed approximate the terms of the Sitka-Green Lake loan and are described in more detail in Appendix B. The assumed 7% interest rate approximates the State's own cost of borrowing. Although the actual interest rate could range from 5% to 7%, the more conservative rate was used in the analysis.

ANALYSIS OF STATE FUNDING ALTERNATIVES

Four alternative financings, assuming four different levels of State subordinated funding, are illustrated in Appendix B, based upon

the assumptions set forth in Appendix A. The estimated average wholesale cost per KWH for each alternative are set forth below:

		Estimated Average Cost per KWH (1985)	(1986)	(1991)	(1996)
I.	Nc State Loan*	20.7¢	20.2¢	14.4¢	12.0¢
II.	$ 5,000,000 State Loan	19.0¢	18.7¢	13.7¢	11.8¢
III.	$10,000,000 State Loan	17.4¢	17.1¢	13.0¢	11.6¢
IV.	$15,000,000 State Loan	15.8¢	15.5¢	11.0¢	9.7¢

The estimated average retail cost per KWH for each alternative and for each city are calculated in Appendix C and set forth below:

Petersburg

		Estimated Average Cost per KWH (1985)	(1986)	(1991)	(1996)
I.	No State Loan*	16.1¢	16.4¢	14.2¢	13.2¢
II.	$ 5,000,000 State Loan	15.1¢	15.5¢	13.7¢	13.0¢
III.	$10,000,000 State Loan	14.1¢	14.5¢	13.1¢	12.9¢
IV.	$15,000,000 State Loan	13.2¢	13.5¢	11.7¢	11.4¢

Wrangell

		Estimated Average Cost per KWH (1985)	(1986)	(1991)	(1996)
I.	No State Loan*	24.7¢	24.2¢	18.8¢	16.8¢
II.	$ 5,000,000 State Loan	23.1¢	22.6¢	18.0¢	16.6¢
III.	$10,000,000 State Loan	21.5¢	21.0¢	17.3¢	16.1¢
IV.	$15,000,000 State Loan	19.9¢	19.4¢	15.3¢	14.5¢

*Without a State loan, the actual interest rate would be higher than the assumed rate, thus resulting in electric costs higher than the estimates set forth here.

The retail costs for Petersburg are materially lower than the Wrangell costs because of the low cost of hydroelectric facilities presently existing in Petersburg. Although all of the above cost estimates appear high, they are reasonable in comparison to future diesel generated energy if the price of diesel fuel continues to increase faster than the rate of inflation.

The assumptions used to derive the above cost estimates (set forth in more detail in Appendix A) are, in our opinion, conservative but realistic. Conservatism is required in any analysis involving the question of financeability. Any changes in the assumptions will have a material effect on the projections. In particular, the assumptions as to future Petersburg/Wrangell demand, the levels of inflation of construction costs and operating expenses and the terms of the State loan yet to be determined are all assumptions that have a material bearing on the results.

SUMMARY AND CONCLUSION

The Project appears to be needed by the Cities of Petersburg and Wrangell in order to discontinue their present reliance on diesel electric generation and to meet their future power needs. The Project appears to be technically and economically feasible. The excess capacity of the Project in its early years will increase electric costs during that period, thus raising the question of financeability. Although some of that excess capacity may be used to produce power to sell to Ketchikan Public Utilities at some time in the distant future and some conversion of oil-fired residential heating to electric heatpumps may occur, a State loan will mitigate the adverse cost effects of excess capacity if repayment of the loan is delayed until full capacity is reached.

We therefore recommend that at the very minimum a $10,000,000 State loan in support of the Project be authorized and that serious consideration be given to a $15,000,000 or greater loan amount to insure a more favorable financing in light of the high electric costs during the early years of Project operation. We believe that a large State loan is justified in light of the following:

(1) Without substantial State assistance, the Project, in our opinion, cannot presently be financed in the tax-exempt bond market at a reasonable rate of interest.

(2) A large loan would provide funding for the Project during the early stages of the construction period. The loan would provide timing flexibility for the revenue bond financing, thus enhancing APA's ability to obtain the lowest possible interest rate.

(3) State assistance in the form of a large subordinated loan would strengthen the overall Project financing, thus increasing assurance of repayment of both the APA revenue bonds and the State loan.

APPENDIX A

ASSUMPTIONS

1. Critical Dates:

   FERC license to be received April 1, 1981

   Revenue bonds dated May 1, 1981

   Logging camp removed June 1, 1981

   Major construction contract awarded October 1, 1981

   Project becomes operational January 1, 1984

   Interest capitalized through November 1, 1984

   First principal payment May 1, 1986

2. Calculation of estimated costs of construction:

Direct construction cost, estimated as of January 1, 1980, including engineering costs and contingencies	$39.590,000 (1)	
Escalation @ 7% (21 months from January, 1980 to October, 1981)	4,839,775	
	$44.429,775	
SAY	$45,000,000 (2)	

3. Terms of State Loan:

   a) Loan dated May 1, 1981
   b) Term of loan - 40 years, with principal amortization beginning May 1, 1996
   c) Interest rate - 3% annually, with an adjustment to an overall annual 7% rate from date of issue to maturity
   d) Interest capitalized at 3% for 3½ years

---

(1) Source: Robert W. Retherford Associates
(2) This number differs from the $53,333,000 set forth on page 7-2 of the Definite Project Report because interest during construction has been deleted from costs of construction and added to the financing costs and inflation escalation of Project costs was assumed to cease following award of the major construction contract .

4. Calculation of estimated Project operation and maintenance expenses:

Estimated expenses as of January 1, 1980	$ 700,000 (1)
5 years escalation @ 10%	350,000
1985 operating expenses	$1,050,000
1 year escalation @ 10%	105,000
1986 operating expenses	$1,155,000
5 years escalation @ 7%	404,250
1991 operating expenses	$1,559,250
5 years escalation @ 7%	545,738
1996 operating expenses	$2,104.988

5. a. Calculation of Petersburg estimated other operation and maintenance expenses:

		Rounded Estimates
1979 Electric Utility Fund operating expenses	$1,052,129	
1979 diesel fuel expenses	(431,487)	
Net existing 1979 expenses	$ 620,642	
6 years escalation @ 10%	372,389	
1985 operating expenses	$ 993,031	$1,000,000
1 year escalation @ 10%	99,304	
1986 operating expenses	$1,092,335	$1,100,000
5 years excalation @ 7%	382,319	
1991 operating expenses	$1,474,654	$1,500,000
5 years escalation @ 7%	516,131	
1996 operating expenses	$1,990,785	$2,000,000

(1) Source: Robert W. Retherford Associates

b. Calculation of Wrangell estimated other operation and maintenance expenses:

		Rounded Estimates
1979 Electric Utility Fund operating expenses	$ 818,549	
1979 diesel fuel expenses and purchased power	(461,134)	
Net existing 1979 expenses	$ 357,415	
6 years excalation @ 10%	214,449	
1985 operating expenses	$ 571,864	$ 600,000
1 year escalation @ 10%	57,186	
1986 operating expenses	$ 629,050	$ 600,000
5 years escalation @ 7%	220,168	
1991 operating expenses	$ 849,218	$ 800,000
5 years escalation @ 7%	297,226	
1996 operating expenses	$1,146,444	$1,100,000

6. The annual KWH sales to the Cities are assumed to be as follows:

Year	Estimated Petersburg KWH Purchases (1)	Estimated Wrangell KWH Purchases (2)
1985	17,326,000	16,400,000
1986	19,866,000	16,950,000
1991	34,426,000	20,100,000
1996	45,806,000	24,300,000

7. The Cities of Petersburg and Wrangell are assumed to have annual debt service requirements (including coverage) on their presently outstanding electric utility revenue bonds of $179,000 and $68,000, respectively. (3)

(1) Robert W. Retherford Associates estimates adjusted for 12,404,000 KWH of energy expected to be produced from Petersburg's existing hydroelectric facilities
(2) Source: Robert W. Retherford Associates
(3) Source: The Annual Financial Reports of the Cities for the year ended June 30, 1979

APPENDIX B

ALTERNATIVE I
(No State Loan)

1. Use of proceeds:

Costs of construction	$45,000,000	
Less: interest earnings during construction	(11,000,000)	
Less: State loan proceeds	-0-	
Construction funds from bond proceeds		$34,000,000
Capitalized interest (3 1/2 years)		18,891,000
Reserve fund (1 yr.)		5,802,000
Contingency fund		2,902,000
Costs of issuance (3%)		1,905,000
		$63,500,000

2. a) Calculation of gross revenues required for Project financing, first full year of operation (1985):

5.7m/yr. amortized

Debt service requirements, APA Contract Revenue Bonds	$ 5,397,500
25% coverage	1,349,375
Debt service requirements, State loan	-0-
Project expenses	1,050,000
Less: interest earnings on Reserve and Contingency Funds	(826,800)
Gross revenues required	$ 6,970,075

Calculation of projected average wholesale electric cost: $6,970,075 ÷ 33,726,000 = 20.7¢/KWH

b) Calculatior of gross revenues required for Project financing, second full year of operation (1986):

Debt service requirements, APA Contract Revenue Bonds	$ 5,699,113
25% coverage	1,424,778
Debt service requirements, State loan	-0-
Project expenses	1,155,000
Less: interest earnings on Reserve and Contingency Funds	(826,800)
Gross revenues required	$ 7,452,091

Calculation of projected average wholesale electric cost: $7,452,091 ÷ 36,816,000 = 20.2¢/KWH

c) Calculation of cost per KWH, sixth year of operation (1991)- first year of full interest payments on state loan:

Debt service requirements, APA Contract Revenue Bonds	$ 5,706,563
25% coverage	1,426,641
Debt service requirements, State loan	-0-
Operation & Maintenance expenses	1,559,250
Less: interest earnings on Reserve and Contingency Funds	(826,800)
Gross revenues required	$ 7,865,654

Calculation of projected average wholesale electric cost: $7,865,654 ÷ 54,526,000 = 14.4¢ /KWH

d) Calculation of cost per KWH, 11th year of operation (1996) - first year of amortization of State loan principal:

Debt service requirements, APA Contract Revenue Bonds	$ 5,396,038
25% coverage	1,424,010
Debt service requirements, State loan	-0-
Operation and maintenance expenses	2,104,988
Less: interest earnings on Reserve and Contingency Funds	(826,800)
Gross revenues required	$ 8,398,236

Calculation of projected average wholesale electric cost: $8,398,236 ÷ 70,106,000 KWH = 12.0¢/KWH

$ 63,500,000.
ALASKA POWER AUTHORITY
(TYEE LAKE PROJECT)

DATED: 05/01/81 FIRST CPN DUE: 11/01/81
PRINCIPAL DUE: 5/ 1 INTEREST DUE: 5/ 1 & 11/ 1

YEAR END 12/31	THIS $ 63,500,000. ISSUE PRINCIPAL	INTEREST(1)	TOTAL
1981	$ 0.	$ 2,698,750.	$ 2,698,750. (2)
1982	0.	5,397,500.	5,397,500. (2)
1983	0.	5,397,500.	5,397,500. (2)
1984	0.	5,397,500.	5,397,500. (2)
1985	0.	5,397,500.	5,397,500.
1986	315,000.	5,384,113.	5,699,113.
1987	360,000.	5,355,425.	5,715,425.
1988	390,000.	5,323,550.	5,713,550.
1989	420,000.	5,289,125.	5,709,125.
1990	455,000.	5,251,938.	5,706,938.
1991	495,000.	5,211,563.	5,706,563.
1992	540,000.	5,167,575.	5,707,575.
1993	585,000.	5,119,763.	5,704,763.
1994	635,000.	5,067,913.	5,702,913.
1995	685,000.	5,011,813.	5,696,813.
1996	745,000.	4,951,038.	5,696,038.
1997	810,000.	4,884,950.	5,694,950.
1998	875,000.	4,813,338.	5,688,338.
1999	950,000.	4,735,775.	5,685,775.
2000	1,035,000.	4,651,413.	5,686,413.
2001	1,120,000.	4,559,825.	5,679,825.
2002	1,215,000.	4,460,588.	5,675,588.
2003	1,320,000.	4,352,850.	5,672,850.
2004	1,430,000.	4,235,975.	5,665,975.
2005	1,555,000.	4,109,113.	5,664,113.
2006	1,685,000.	3,971,413.	5,656,413.
2007	1,830,000.	3,822,025.	5,652,025.
2008	1,985,000.	3,659,888.	5,644,888.
2009	2,150,000.	3,484,150.	5,634,150.
2010	2,335,000.	3,293,538.	5,628,538.
2011	2,535,000.	3,086,563.	5,621,563.
2012	2,750,000.	2,861,950.	5,611,950.
2013	2,980,000.	2,618,425.	5,598,425.
2014	3,235,000.	2,354,288.	5,589,288.
2015	3,510,000.	2,067,625.	5,577,625.
2016	3,810,000.	1,756,525.	5,566,525.
2017	4,130,000.	1,419,075.	5,549,075.
2018	4,485,000.	1,052,938.	5,537,938.
2019	4,865,000.	655,563.	5,520,563.
2020	5,280,000.	224,400.	5,504,400.
	$ 63,500,000.	$ 158,554,759.	$ 222,054,759.

(1) INTEREST CALCULATED AT 8.500%
(2) Capitalized Interest

ALTERNATIVE II
($5,000,000 State Loan)

1. Use of proceeds:

Costs of construction	$45,000,000	
Less: interest earnings during construction	(10,500,000)	
Less: State loan proceeds	(4,475,000)	
Construction funds from bond proceeds		$30,025,000
Capitalized interest (3 1/2 years)		16,660,000
Reserve fund		5,090,000
Contingency fund		2,545,000
Costs of issuance		1,680,000
		$56,000,000

2. a) Calculation of gross revenues required for Project financing, first full year of operation (1985):

Debt service requirements, APA Contract Revenue Bonds	$ 4,760,000
25% coverage	1,190,000
Debt service requirements, State loan	150,000
Project expenses	1,050,000
Less: interest earnings on Reserve and Contingency Funds	(725,325)
Gross revenues required	$ 6,424,675

Calculation of projected average wholesale electric costs: $6,424,675 ÷ 33,726,000/KWH = 19.0¢/KWH

b) Calculation of gross revenues required for Project financing, second full year of operation (1986):

Debt service requirements, APA Contract Revenue Bonds	$ 5,037,675
25% coverage	1,259,419
Debt service requirements, State loan	150,000
Project expenses	1,155,000
Less: interest earnings on Reserve and Contingency Funds	(725,325)
Gross revenues required	$ 6,876,769

Calculation of projected average wholesale electric costs: $6,876,769 ÷ 36,816,000/KWH = 18.7¢/KWH

c) Calculation of cost per KWH, sixth year of full interest payments on State loan:

Debt service requirements, APA Contract Revenue Bonds	$ 5,030,738
25% coverage	1,257,685
Debt service requirements, State loan	350,000
Operation and Maintenance expenses	1,559,250
Less: interest earnings on Reserve and Contingency Funds	(725,325)
Gross revenues required	$ 7,472,348

Calculation of projected average wholesale electric costs: $7,472,348 ÷ 54,526,000 KWH = 13.7¢/KWH

d) Calculation of cost per KWH, 11th year of operation (1996 first year of amortization of State loan principal):

Debt service requirements, APA Contract Revenue Bonds	$ 5,021,238
25% coverage	1,255,310
Debt service requirements, utility system Revenue Bonds	
Debt service requirements, State loan	604,443
Operation and maintenance expenses	2,104,988
Less: interest earnings on Reserve and Contingency Funds	(725,325)
Gross revenues required	$ 8,260,654

Calculation of project average wholesale electric costs: $8,260,654 ÷ 70,106,000 KWH = 11.8¢/KWH

$ 56,000,000.
ALASKA POWER AUTHORITY
(TYEE LAKE PROJECT)

DATED: 05/01/81 FIRST CPN DUE: 11/01/81
PRINCIPAL DUE: 5/ 1 INTEREST DUE: 5/ 1 & 11/ 1

YEAR END 12/31	THIS $ 56,000,000. ISSUE PRINCIPAL	INTEREST (1)	TOTAL
1981	$ 0.	$ 2,380,000.	$ 2,380,000. (2)
1982	0.	4,760,000.	4,760,000. (2)
1983	0.	4,760,000.	4,760,000. (2)
1984	0.	4,760,000.	4,760,000. (2)
1985	0.	4,760,000.	4,760,000.
1986	290,000.	4,747,675.	5,037,675.
1987	310,000.	4,722,175.	5,032,175.
1988	340,000.	4,694,550.	5,034,550.
1989	370,000.	4,664,375.	5,034,375.
1990	405,000.	4,631,438.	5,036,438.
1991	435,000.	4,595,738.	5,030,738.
1992	475,000.	4,557,063.	5,032,063.
1993	515,000.	4,514,988.	5,029,988.
1994	560,000.	4,469,300.	5,029,300.
1995	605,000.	4,419,788.	5,024,788.
1996	655,000.	4,366,238.	5,021,238.
1997	715,000.	4,308,013.	5,023,013.
1998	775,000.	4,244,688.	5,019,688.
1999	840,000.	4,176,050.	5,016,050.
2000	910,000.	4,101,675.	5,011,675
2001	990,000.	4,020,925.	5,010,925.
2002	1,070,000.	3,933,375.	5,003,375.
2003	1,165,000.	3,838,388.	5,003,388.
2004	1,260,000.	3,735,325.	4,995,325.
2005	1,370,000.	3,623,550.	4,993,550.
2006	1,485,000.	3,502,213.	4,987,213.
2007	1,610,000.	3,370,675.	4,980,675.
2008	1,750,000.	3,227,875.	4,977,875.
2009	1,895,000.	3,072,963.	4,967,963.
2010	2,060,000.	2,904,875.	4,964,875.
2011	2,235,000.	2,722,338.	4,957,338.
2012	2,425,000.	2,524,288.	4,949,288.
2013	2,630,000.	2,309,450.	4,939,450.
2014	2,855,000.	2,076,338.	4,931,338.
2015	3,095,000.	1,823,463.	4,918,463.
2016	3,360,000.	1,549,125.	4,909,125.
2017	3,645,000.	1,251,413.	4,896,413.
2018	3,955,000.	928,413.	4,883,413.
2019	4,290,000.	578,000.	4,868,000.
2020	4,655,000.	197,838.	4,852,838.
	$ 56,000,000.	$ 139,824,584.	$ 195,824,584.

(1) INTEREST CALCULATED AT 8.500%
(2) Capitalized Interest

$5,000,000
SUBORDINATED STATE LOAN

Year End 12/31	Principal Paid	Interest Paid	Actual Annual Payment
1981	$ (100,000)	$ 175,000	$ 75,000
1982	(204,000)	357,000	153,000
1983	(212,160)	371,280	159,120
1984	(220,646)	386,131	165,485
1985	(229,472)	401,576	172,104
1986	(238,651)	417,639	178,988
1987	(124,099)	434,345	310,246
1988	(126,530)	443,001	316,451
1989	(129,113)	451,893	322,780
1990	(131,694)	460,930	329,236
1991	(120,149)	470,149	350,000
1992	(103,559)	478,559	375,000
1993	(85,808)	485,808	400,000
1994	(41,815)	491,815	450,000
1995	(32,254)	494,742	462,488
1996	110,000	494,433	604,433
1997	120,000	485,100	605,100
1998	135,000	476,175	611,175
1999	140,000	466,550	606,550
2000	145,000	456,575	601,575
2001	155,000	446,075	601,075
2002	170,000	434,700	604,700
2003	180,000	422,450	602,450
2004	195,000	409,325	604,325
2005	205,000	395,325	600,325
2006	220,000	382,450	602,450
2007	235,000	466,525	701,525
2008	255,000	549,375	804,375
2009	270,000	531,000	801,000
2010	290,000	511,400	801,400
2011	310,000	490,400	800,400
2012	330,000	568,000	898,000
2013	355,000	444,025	799,025
2014	380,000	418,300	798,300
2015	405,000	390,825	795,825
2016	435,000	361,425	796,425
2017	465,000	329,925	794,925
2018	495,000	296,325	791,325
2019	530,000	260,450	790,450
2020	570,000	221,950	791,950
	$ 5,000,000	$ 17,028,981	$ 22,028,981

ALTERNATIVE III
($10,000,000 State Loan)

1. Use of proceeds:

Costs of construction	$45,000,000	
Less: interest earnings during construction	(10,000,000)	
Less: State loan proceeds	(8,950,000)	
Construction funds from bond proceeds		$26,050,000
Capitalized interest (3 1/2 years)		14,429,000
Reserve fund		4,378,000
Contingency fund		2,188,000
Costs of issuance		1,455,000
		$48,500,000

2. a) Calculation of gross revenues required for Project financing, first full year of operation (1985):

Debt service requirements, APA Contract Revenue Bonds	$ 4,122,500
25% coverage	1,030,625
Debt service requirements, State loan	300,000
Project expenses	1,050,000
Less: interest earnings on Reserve and Contingency Funds	(623,770)
Gross revenues required	$ 5,879,355

Calculation of projected average wholesale electric costs: $5,879,355 ÷ 33,726,000 = 17.4¢/KWH

b) Calculation of gross revenues required for Project financing, second full year of operation (1986):

Debt service requirements, APA Contract Revenue Bonds	$ 4,366,663
25% coverage	1,091,666
Debt service requirements, State loan	300,000
Project expenses	1,155,000
Less: interest earnings on Reserve and Contingency Funds	(623,770)
Gross revenues required	$ 6,289,559

Calculation of projected average wholesale electric costs: $6,289,559 ÷ 36,816,000 KWH = 17.1¢/KWH

c) Calculation of cost per KWH, sixth year of operation (1991 - first year of full interest payments on State loan):

Debt service requirements, APA Contract Revenue Bonds	$ 4,359,275
25% coverage	1,089,819
Debt service requirements, utility system Revenue Bonds	
Debt service requirements, State loan	700,000
Operation and maintenance expenses	1,559,250
Less: interest earnings on Reserve and Contingency Funds	(623,770)
Gross revenues required	$ 7,084,574

Calculation of projected average wholesale electric cost: $7,084,574 ÷ 54,526,000 KWH = 13.0¢/KWH

d) Calculation of cost per KWH, 11th year of operation (1996 first year of amortization of principal on State loan:

Debt service requirements, APA Contract Revenue Bonds	$ 4,350,375
25% coverage	1,087,594
Debt service requirements, Utility System Revenue Bonds	
Debt service requirements, State loan	1,208,886
Operation and maintenance expenses	2,104,988
Less: interest earnings on Reserve and Contingency Funds	(623,770)
Gross revenues required	$ 8,128,073

Calculation of projected average wholesale electric cost: $8,1238,073 ÷ 70,106,000 KWH = 11.6¢/KWH

$ 48,500,000.

ALASKA POWER AUTHORITY
(TYEE LAKE PROJECT)

DATED: 05/01/81 FIRST CPN DUE: 11/01/81
PRINCIPAL DUE: 5/ 1 INTEREST DUE: 5/ 1 & 11/ 1

YEAR END 12/31	THIS $ 48,500,000. ISSUE PRINCIPAL	INTEREST(1)	TOTAL
1981	$ 0.	$ 2,061,250.	$ 2,061,250. (2)
1982	0.	4,122,500.	4,122,500. (2)
1983	0.	4,122,500.	4,122,500. (2)
1984	0.	4,122,500.	4,122,500. (2)
1985	0.	4,122,500.	4,122,500.
1986	255,000.	4,111,663.	4,366,663.
1987	275,000.	4,089,138.	4,364,138.
1988	295,000.	4,064,913.	4,359,913.
1989	320,000.	4,038,775.	4,358,775.
1990	350,000.	4,010,300.	4,360,300.
1991	380,000.	3,979,275.	4,359,275.
1992	410,000.	3,945,700.	4,355,700.
1993	445,000.	3,909,363.	4,354,363.
1994	485,000.	3,869,838.	4,354,838.
1995	525,000.	3,826,913.	4,351,913.
1996	570,000.	3,780,375.	4,350,375.
1997	615,000.	3,730,013.	4,345,013.
1998	670,000.	3,675,400.	4,345,400.
1999	725,000.	3,616,113.	4,341,113.
2000	790,000.	3,551,725.	4,341,725.
2001	855,000.	3,481,813.	4,336,813.
2002	930,000.	3,405,950.	4,335,950.
2003	1,005,000.	3,323,713.	4,328,713.
2004	1,095,000.	3,234,463.	4,329,463.
2005	1,185,000.	3,137,563.	4,322,563.
2006	1,285,000.	3,032,588.	4,317,588.
2007	1,395,000.	2,918,688.	4,313,688.
2008	1,515,000.	2,795,013.	4,310,013.
2009	1,645,000.	2,660,713.	4,305,713.
2010	1,785,000.	2,514,938.	4,299,938.
2011	1,935,000.	2,356,838.	4,291,838.
2012	2,100,000.	2,185,350.	4,285,350.
2013	2,275,000.	1,999,413.	4,274,413.
2014	2,470,000.	1,797,750.	4,267,750.
2015	2,680,000.	1,578,875.	4,258,875.
2016	2,910,000.	1,341,300.	4,251,300.
2017	3,155,000.	1,083,538.	4,238,538.
2018	3,425,000.	803,888.	4,228,888.
2019	3,715,000.	500,438.	4,215,438.
2020	4,030,000.	171,275.	4,201,275.
	$ 48,500,000.	$ 121,074,861.	$ 169,574,861.

(1) INTEREST CALCULATED AT 8.500%
(2) Capitalized Interest

$10,000,000
SUBORDINATED STATE LOAN

Year End 12/31	Principal Paid	Interest Paid	Actual Annual Payment
1981	$ (200,000)	$ 350,000	$ 150,000
1982	(408,000)	714,000	306,000
1983	(424,320)	742,560	318,240
1984	(441,292)	772,262	330,970
1985	(458,944)	803,152	344,208
1986	(477,302)	835,278	357,976
1987	(248,198)	868,690	620,492
1988	(253,160)	886,062	632,902
1989	(258,226)	903,786	645,560
1990	(263,388)	921,860	658,472
1991	(240,298)	940,298	700,000
1992	(207,118)	957,118	750,000
1993	(171,616)	971,616	800,000
1994	(83,630)	983,630	900,000
1995	(64,508)	989,484	924,976
1996	220,000	988,866	1,208,866
1997	240,000	970,200	1,210,200
1998	270,000	952,350	1,222,350
1999	280,000	933,100	1,213,100
2000	290,000	913,150	1,203,150
2001	310,000	892,150	1,202,150
3002	340,000	869,400	1,209,400
2003	360,000	844,900	1,204,900
2004	390,000	818,650	1,208,650
2005	410,000	790,650	1,200,650
2006	440,000	764,900	1,204,900
2007	470,000	933,050	1,403,050
2008	510,000	1,098,750	1,608,750
2009	540,000	1,062,000	1,602,000
2010	580,000	1,022,800	1,602,800
2011	620,000	980,800	1,600,800
2012	660,000	1,136,000	1,796,000
2013	710,000	888,050	1,598,050
2014	760,000	836,600	1,596,600
2015	810,000	781,650	1,591,650
2016	870,000	722,850	1,592,850
2017	930,000	659,850	1,589,850
2018	990,000	592,650	1,582,650
2019	1,060,000	520,900	1,580,900
2020	1,140,000	443,900	1,583,900
	$ 10,000,000	$ 34,057,962	$ 44,057,962

ALTERNATIVE IV
($15,000,000 State Loan)

1. Use of proceeds:

Costs of construction	$45,000,000	
Less: interest earnings during construction	(9,500,000)	
Less: State loan proceeds	(13,425,000)	
Construction funds from bond proceeds		$22,075,000
Capitalized interest (3 1/2 years)		12,197,000
Reserve fund		3,665,000
Contingency fund		1,833,000
Costs of issuance		1,230,000
		$41,000,000

*Net of $1,575,000 capitalized interest. 89.5%

2. a) Calculation of gross revenues required for Project financing, first full year of operation (1985):

Debt service requirements, APA Contract Revenue Bonds	$ 3,485,000
25% coverage	871,250
Debt service requirements, State loan	450,000
Project expenses	1,050,000
Less: interest earnings on Reserve and Contingency Funds	(522,310)
Gross revenues required	$ 5,333,940

Calculation of projected average wholesale electric costs: $5,333,940 ÷ 33,726,000 KWH = 15.8¢/KWH

b) Calculation of gross revenues required for Project financing, second full year of operation (1986):

Debt service requirements, APA Contract Revenue Bonds	$ 3,695,650
25% coverage	923,913
Debt service requirements, State loan	450,000
Project expenses	1,155,000
Less: interest earnings on Reserve and Contingency Funds	(522,310)
Gross revenues required	$ 5,702,253

Calculation of projected average wholesale electric costs: $5,702,253 ÷ 36,816,000 KWH = 15.5¢/KWH

c) Calculation of cost per KWH, sixth year of operation (1991 - first year of full interest payments on State loan):

Debt service requirements, APA Contract Revenue Bonds	$ 3,683,875
25% coverage	920,969
Debt service requirements, Utility System Revenue Bonds	
Debt service requirements, State loan	350,000
Operation and maintenance expenses	1,559,800
Less: interest earnings on Reserve and Contingency Funds	(522,310)
Gross revenues required	$ 5,992,334

Calculation of projected average wholesale electric costs: $5,992,334 ÷ 54,526,000 KWH = 11.0¢/KWH

d) Calculation of cost per KWH, 11th year of operation (1996 - first year of amortization of principal on State loan):

Debt service requirements, APA Contract Revenue Bonds	$ 3,676,000
25% coverage	919,000
Debt service requirements, Utility System Revenue Bonds	
Debt service requirements, State loan	604,443
Operation and maintenance expenses	2,104,988
Less: interest earnings on Reserve and Contingency Funds	(522,310)
Gross revenues required	$ 6,782,121

Calculation of projected average wholesale electric costs: $6,782,121 ÷ 70,106,000 KWH = 9.7¢/KWH

$ 41,000,000.
ALASKA POWER AUTHORITY
(TYEE LAKE PROJECT)

DATED: 05/01/81 FIRST CPN DUE: 1./01/81
PRINCIPAL DUE: 5/ 1 INTEREST DUE: 5/ 1 & 11/ 1

YEAR END 12/31	THIS $ 41,000,000. ISSUE PRINCIPAL	INTEREST(1)	TOTAL	
1981	$ 0.	$ 1,742,500.	$ 1,742,500.	(2)
1982	0.	3,485,000.	3,485,000.	(2)
1983	0.	3,485,000.	3,485,000.	(2)
1984	0.	3,485,000.	3,485,000.	(2)
1985	0.	3,485,000.	3,485,000.	
1986	220,000.	3,475,650.	3,695,650.	
1987	230,000.	3,456,525.	3,686,525.	
1988	250,000.	3,436,125.	3,686,125.	
1989	270,000.	3,414,025.	3,684,025.	
1990	295,000.	3,390,013.	3,685,013.	
1991	320,000.	3,363,875.	3,683,875.	
1992	345,000.	3,335,613.	3,680,613.	
1993	375,000.	3,305,013.	3,680,013.	
1994	410,000.	3,271,650.	3,681,650.	
1995	445,000.	3,235,313.	3,680,313.	
1996	480,000.	3,196,000.	3,676,000.	
1997	520,000.	3,153,500.	3,673,500.	
1998	565,000.	3,107,388.	3,672,388.	
1999	615,000.	3,057,238.	3,672,238.	
2000	665,000.	3,002,838.	3,667,838.	
2001	725,000.	2,943,763.	3,668,763.	
2002	785,000.	2,879,588.	3,664,588.	
2003	850,000.	2,810,100.	3,660,100.	
2004	925,000.	2,734,663.	3,659,663.	
2005	1,000,000.	2,652,850.	3,652,850.	
2006	1,090,000.	2,564,025.	3,654,025.	
2007	1,180,000.	2,467,550.	3,647,550.	
2008	1,280,000.	2,363,000.	3,643,000.	
2009	1,390,000.	2,249,525.	3,639,525.	
2010	1,505,000.	2,126,488.	3,631,488.	
2011	1,635,000.	1,993,038.	3,628,038.	
2012	1,775,000.	1,848,113.	3,623,113.	
2013	1,925,000.	1,690,863.	3,615,863.	
2014	2,090,000.	1,520,225.	3,610,225.	
2015	2,265,000.	1,335,138.	3,600,138.	
2016	2,460,000.	1,134,325.	3,594,325.	
2017	2,670,000.	916,300.	3,586,300.	
2018	2,895,000.	679,788.	3,574,788.	
2019	3,140,000.	423,300.	3,563,300.	
2020	3,410,000.	144,925.	3,554,925.	
	$ 41,000,000.	$ 102,360,833.	$ 143,360,833.	

(1) INTEREST CALCULATED AT 8.500%
(2) Capitalized Interest

$15,000,000
SUBORDINATED STATE LOAN

Year End 12-31	Principal Paid	Interest Paid	Actual Annual Payment
1981	$ (300,000)	$ 525,000	$ 225,000
1982	(612,000)	1,071,000	459,000
1983	(636,480)	1,113,840	477,360
1984	(661,938	1,158,393	496,455
1985	(688,416)	1,204,728	516,312
1986	(715,953)	1,252,917	536,964
1987	(372,297)	1,303,035	930,738
1988	(379,740)	1,329,093	949,353
1989	(387,339)	1,355,679	968,340
1990	(395,082)	1,382,790	987,708
1991	(360,447)	1,410,447	1,050,000
1992	(310,677)	1,435,677	1,125,000
1993	(257,424)	1,457,424	1,200,000
1994	(125,445)	1,475,445	1,350,000
1995	(96,762)	1,484,226	1,387,464
1996	330 000	1,483,299	1,813,299
1997	360,000	1,455,300	1,815,300
1998	405,000	1,428,525	1,833,525
1999	420,000	1,399,650	1,819,650
2000	435,000	1,369,725	1,804,725
2001	465,000	1,338,225	1,803,225
2002	510,000	1,304,100	1,814,100
2003	540,000	1,267,350	1,807,350
2004	585,000	1,227,975	1,812,975
2005	615,000	1,185,975	1,800,975
2006	660,000	1,147,350	1,807,350
2007	705,000	1,399,575	2,104,575
2008	765,000	1,648,125	2,413,125
2009	810,000	1,593,000	2,403,000
2010	870,000	1,534,200	2,404,200
2011	930,000	1,471,200	2,401,200
2012	990,000	1,704,000	2,694,000
2013	1,065,000	1,332,075	2,397,075
2014	1,140,000	1,254,900	2,394,900
2015	1,215,000	1,172,475	2,387,475
2016	1,305,000	1,084,275	2,389,275
2017	1,395,000	989,775	2,384,775
2018	1,485,000	888,975	2,373,975
2019	1,590,000	781,350	2,371,350
2020	1,710,000	665,850	2,375,850
	$ 15,000,000	$ 51,086,943	$ 66,086,943

APPENDIX C

ESTIMATED COST OF POWER PURCHASED
FROM THE PROJECT

	ALTERNATIVE I	ALTERNATIVE II	ALTERNATIVE III	ALTERNATIVE IV
1985 Total	$6,970,075	$6,424,675	$5,879,355	$5,333,940
Petersburg Portion	3,580,527	3,300,355	3,020,024	2,740,044
Wrangell Portion	3,389,548	3,124,320	2,859,331	2,593,896
1986 Total	$7,542,091	$6,876,769	$6,289,559	$5,702,253
Petersburg Portion	4,021,148	3,710,704	3,393,846	3,076,936
Wrangell Portion	3,430,943	3,166,065	2,895,713	2,625,317
1991 Total	$7,865,654	$7,472,348	$7,084,574	$5,992,334
Petersburg Portion	4,965,587	4,717,293	4,472,491	3,782,960
Wrangell Portion	2,900,067	2,755,055	2,612,083	2,209,374
1996 Total	$8,398,236	$8,260,654	$8,128,073	$6,782,121
Petersburg Portion	5,486,568	5,396,685	5,310,070	4,430,760
Wrangell Portion	2,911,668	2,863,969	2,818,003	2,351,361

PETERSBURG RETAIL POWER COSTS

	ALTERNATIVE I	ALTERNATIVE II	ALTERNATIVE III	ALTERNATIVE IV
1985 Tyee Power Cost	$3,580,527	$3,300,355	$3,020,024	$2,740,044
Petersburg Costs	1,179,000	1,179,000	1,179,000	1,179,000
Total Revenue Required	$4,759,527	$4,479,355	$4,199,024	$3,919,044
Projected KWH Sales	29,730,000			
¢/KWH	16.1¢	15.1¢	14.1¢	13.2¢
1986 Tyee Power Cost	$4,021,148	$3,710,704	$3,393,846	$3,076,936
Petersburg Costs	1,279,000	1,279,000	1,279,000	1,279,000
Total Revenue Required	$5,300,148	$4,989,704	$4,672,846	$4,355,936
Projected KWH Sales	32,270,000			
¢/KWH	16.4¢	15.5¢	14.5¢	13.5¢
1991 Tyee Power Costs	$4,965,587	$4,717,293	$4,472,491	$3,782,960
Petersburg Costs	1,679,000	1,679,000	1,679,000	1,679,000
Total Revenue Required	$6,644,587	$6,396,293	$6,151,491	$5,461,960
Projected KWH Sales	46,830,000			
¢/KWH	14.2¢	13.7¢	13.1¢	11.7¢
1996 Tyee Power Costs	$5,486,568	$5,396,685	$5,310,070	$4,430,760
Petersburg Costs	2,179,000	2,179,000	2,179,000	2,179,000
Total Revenue Required	$7,665,568	$7,575,685	$7,489,070	$6,609,760
Projected KWH Sales	58,210,000			
¢/KWH	13.2¢	13.0¢	12.9¢	11.4¢

WRANGELL RETAIL POWER COSTS

	ALTERNATIVE I	ALTERNATIVE II	ALTERNATIVE III	ALTERNATIVE IV
1985 Tyee Power Costs	$3,389,548	$3,124,320	$2,859,331	$2,593,896
Wrangell Costs	668,000	668,000	688,000	688,000
Total Revenue Required	$4,057,548	$3,792,320	$3,547,331	$3,281,896
Projected KWH Sales	16,400,000			
¢/KWH	24.7¢	23.1¢	21.5¢	19.9¢
1986 Tyee Power Costs	$3,430,943	$3,166,065	$2,895,713	$2,625,317
Wrangell Costs	668,000	668,000	668,000	668,000
Total Revenue Required	$4,098,943	$3,834,065	$3,563,713	$3,293,317
Projected KWH Sales	16,950,000			
¢/KWH	24.2¢	22.6¢	21.0¢	19.4¢
1991 Tyee Power Costs	$2,900,067	$2,755,055	$2,612,083	$2,209,374
Wrangell Costs	868,000	868,000	868,000	868,000
Total Revenue Required	$3,768,067	$3,623,055	$3,480,083	$3,077,374
Projected KWH Sales	20,100,000			
¢/KWH	18.8¢	18.0¢	17.3¢	15.3¢
1996 Tyee Power Costs	$2,911,668	$2,863,969	$2,818,003	$2,351,361
Wrangell Costs	1,168,000	1,168,000	1,168,000	1,168,000
Total Revenue Required	$4,079,668	$4,031,969	$3,986,003	$3,519,361
Projected KWH Sales	24,300,000			
¢/KWH	16.8¢	16.6¢	16.4¢	14.5¢

HJR

65

COMMITTEE REPORT

(7)

HOUSE

2/14/80

FURTHER:

Date:

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HJR 65

"Expressing gratitude to the Canadian government and the Canadian citizens involved in the rescue of six Americans from Iran."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for [ ] same title [ ] new title

and recommends

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HJR 65 Commending Canadians for rescue of Americans

ORIGINAL SPONSOR: All member of House OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: _____

HEARING DATE: ~~3/10/80~~

MEMBERS PRESENT:				
	Bill Parker	X	Pat Carney	X
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

Committee moves to pass out resolution with changed names to reflect newly elected leadership in Canada.

COMMITTEE ACTION: Resolution passed out.

TAPE # 2 SIDE k Footage 0-46

SB

132

(7)

COMMITTEE REPORT

HOUSE

FURTHER: RESOURCES

March 22 1979 Date: 3-21-79

Mr. Speaker:

The Committee on C&RA has had CSSB 132 (Rules)

"An Act relating to fisheries taxes; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the follcwing recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS.

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

60 (Rev. 12/78)

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

DOCUMENTS RELATED TO CSSB132

1. CSSB 132 (Rules)

2. Letter to Senator Tillion from Senator Ziegler re constitutionality questions.

3. Letter to Senator Tillion from Joseph Donahue, Assistant A.G., re constitutionality questions.

4. Letter to Rep. Osterback from John Messenger, Acting Commissioner of Revenue, re revenue sharing projections.

5. Fiscal Note -- Dept. of Revenue re Shared Taxes

6. Fiscal Note -- Dept. of Revenue re Revenue Collection and Management.

7. Review of various versions of SB132 with reference to local government refund provisions.

8. Letter to Senator Sackett from John Messenger re fisheries tax structure.

9. Letter of intent re SB 132 from Senate C&RA Committee.

10. Minutes -- Senate Finance Committee 3/9/79

11. Minutes -- Senate Finance Committee 3/10/79

12. July 1977 Memo--From: Avrum Gross, A.G., To: Roger Pegues Assist A.G.. RE: Municipal revenue sharing, fish processing taxes

13. Department of Revenue Guideline

14. Fiscal Note--Dept. of Revenue: requested by Osterback Re: Revenue Collection and Management

* Sec. . AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay to each organized borough, to [AND] each city, and to each municipality unified under AS 29.68.240 - 29.68. 40, 20 [OF THE FIRST CLASS 10] per cent of the amount of tax revenue collected in the municipality [BOROUGH OR CITY] from taxes levied by AS 43.75 [AS 43.75.010 - 43.75.-090]. If tax revenue is collected in a city within a borough, the department shall pay an amount equal to 10 per cent of the amount of revenue collected in the city within the borough to the city and the same amount to the borough.

* Sec. . AS 43.18 is amended by adding new sections to read:

ARTICLE 5. GRANTS FOR FISHERIES PROJECTS.

Sec. 43.18.500. GRANTS FOR FISHERIES PROJECTS. (a) The fisheries facilties grant account is established in the general fund. An amount to carry out the provisions of (b) of this section may be appropriated annually by the legislature to the account.

(b) Within the limits of legislative appropriations for this purpose, the commissioner may make grants to municipalities receiving shared fisheries tax revenues under AS 43.75.130. A grant provided under this section may not exceed 13 1/3 per cent of the amount of revenue collected in the municipality from the tax levied and collected under AS 43.75. The commissioner may make a grant to a municipality under this section only if the municipality demonstrates to the commissioner's satisfaction that the grant will be used on a fisheries project.

(c) In this section,

(1) "commissioner" means the commissioner of [ ];

(2) "fisheries project" means a dock or comparable facility which may be used for the transfer or transportation of fishery products, including all utilities necessary to service the project;

(3) "municipality" means a borough, home rule or general law city, or a municipality unified under AS 29.68.240 - 29.68.440;

2

Official Business

Senate

Office of the Secretary

March 13, 1979

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Rules Commictee

From: Secretary of the Senate

Subject: COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 132 (relating to fisheries taxes) - Conclusion on by Senace Judiciary Committee Chairman

President Tillion referred the above message to the Rules Committee this date.

Official Business

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 998

March 12, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature

Re: C SB 132

Dear Mr. President:

On March 9, 1979, you requested me, in my capacity as chairman of the Senate Judiciary committee, to review the captioned bill and to report to the Senate as to its constitutionality.

At the outset, I should state that the following comments are mine and mine alone; I do not profess to speak for the other members of the Judiciary committee. It should likewise be noted that I do not claim any special expertise in the field of constitutional law, nor have I had sufficient time to devote to the research which would ordinarily be entailed in analyzing this bill.

A close reading of CSSB 132 indicates two sections of the bill would run afoul of the Alaska Constitution. Those two are 43.75.136, providing for payments to the Commercial Fishing and Agriculture Bank, and 43.75.131, making increased refunds to local government.

Article IX, sec. 7 of the Alaska Constitution provides as follows:

> "The proceeds of any state tax or license shall not be dedicated to any special purpose except when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of the constitution by the people of Alaska."

I was assisted in my efforts to check the constitutionality of the questioned sections of the bill by the opinions of two Attorneys General dated, respectively, April 4, 1969 and May 2, 1975. Both opinions not only considered the case law of this and other jurisdictions, sparse as it is, but they also reviewed the minutes of the Alaska Constitutional Convention and committees thereof. It is evident, in both these opinions, that the framers of our constitution did not want to have additional taxes earmarked or dedicated to special purposes.

A dedication of ten per cent of the fish tax existed at the time of the ratification of the Constitution, and the dedication clearly falls within the exemption. Problems arise when that ten per cent is increased, as in the instant bill, to thirty-three and one-third per cent. The issue of the constitutionality of increasing the percentage of an existing dedicated fund was not specifically addressed by either of the opinions reviewed. However, material contained in these opinions strongly suggests that increasing an existing dedicated fund was not intended by the Constitution.

It is equally clear that payments to the Commercial Fishing and Agriculture Bank and earmarking state tax revenue for the construction of docks, etc. by local governmental units would do violence to the Constitution of the State of Alaska.

The Attorney General's opinion of April 4, 1969 holds:

> "The proceeds of any state tax or license which must be shared with local governmental units are dedicated to a special purpose and are in violation of Article IX, sec. 7 of the Alaska Constitution."

The Attorney General's opinion of May 2, 1975 states:

> "Accordingly, it is our conclusion that the dedication of any source of public revenue: tax, license, rental, sale, bonus-royalty, royalty, or whatever is limited by the state Constitution to those existing when the Constitution was ratified or required for participation in federal programs."

Conclusion: CSSB 132, as written, is patently unconstitutional.

Respectfully submitted,

Ziegler

Robert H. Ziegler, Sr.
Chairman
Senate Judiciary Committee

RHZ/pkz

3

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

March 14, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: CSSB 132 (FINANCE), relating to fish-processing taxes

Dear Senator Tillion:

In your letter of March 12, 1979, you requested that this office review AS 43.75.131 and 135 as proposed in the above-referenced bill in light of the comments of Senator Ziegler, Chairman, Senate Judiciary Committee, who raised substantial concerns regarding the constitutionality of these provisions under Article 9, Section 7 of the Alaska Constitution. That provision states:

> The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

AS 43.75 130 and 135 in the present fish processing tax chapter presently provide that the "commissioner of revenue shall pay to each organized borough and each city of the first class [twenty percent] of the amount of tax revenue" collected under this chapter. Since § 130 was originally enacted in 1962 (§ 6, ch. 155, SLA 1962) and § 135 in 1963 (§ 1, ch. 89, SLA 1963) neither of the refund provisions qualify under the grandfather clause in the second sentence of the constitutional provision. This mandatory language ("shall pay") was carried over into the new proposal AS 43.75.131 which requires the following distributions:

SLH

DRAFT

It is the intent of this committee that the revenue shared with the local municipalities pursuant to AS 43.75.131 be used for docks and other fisheries related projects. It is believed that such improvements would operate as an incentive to the development of a bottomfishing industry in the state as well as to improve and further develop the fisheries currently being exploited. This committee recognizes that AS 43.75.131 and 136 merely reflect the policy of the current legislature and that future legislatures would be free to disregard the formula set forth therein. Future legislatures should examine the extent to which municipalities which have received these revenues have made reasonable efforts to meet the demand for fishery related facilities. If future legislatures find that needed fisheries development programs have not been implemented, the revenue sharing program reflected in AS 43.75.131 should be reevaluated.

4

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 8, 1979

The Honorable Alvin Osterback
Co-Chairman
House Resource Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Osterback:

You have requested the Department of Revenue look at fish tax receipts that would be collected if a tax rate based on the effective current canned salmon rate was applied uniformly.

The breakdown of revenues on the attached sheets is based on a tax rate of 4.45 percent. This rate was arrived at by taking the raw value of salmon used by canneries, $121,758,700 (based on Fish And Game Catch Estimates) and dividing it by the FY 1978 tax collected from canneries, $5,420,438.

The total amount of revenue that would be collected using a 4.45 percent rate would be $15,205,850. A further breakdown of this total is attached for your information.

Sincerely,

John R. Messenger
Acting Commissioner

Use 4.45% rather than 6%

GENERAL FUND PORTION
(1977-1978)
Based on 4.45%

EXISTING SYSTEM

$7,097,820

PROPOSED SYSTEM

$6,139,472

COMMERCIAL FISHING AND AGRICULTURE BANK
(1977-1978)

EXISTING SYSTEM

$ -0-

PROPOSED SYSTEM

$5,068,617

REVENUE SHARING
(1977-1978)

EXISTING SYSTEM

$1,202,180

PROPOSED SYSTEM

$3,997,761

TOTALS
(1977-1978)

EXISTING SYSTEM

$8,300,000

PROPOSED SYSTEM

$15,205,850

AGENCY Department of Revenue

FISH TAX PROPOSAL
(1977-1978)
Based on 4.45%

COMMUNITIES	REVENUE SHARED	
	EXISTING (20%)	PROPOSED (33-1/3%)
ANCHORAGE CITY & BOROUGH	$ 40,519.66	$130,668.76
BRISTOL BAY	92,780.60	157,318.90
CORDOVA	111,744.77	244,183.72
CRAIG	2,814.75	20,793.45
DILLINGHAM	32,802.06	142,915.29
HAINES BOROUGH*	35,471.84	79,277.08
HAINES	4.53	18.16
HOMER	6,467.84	31,544.62
HOONAH	2,239.25	16,560.33
HYDABURG	1,564.03	11,557.42
JUNEAU CITY & BOROUGH	8,032.77	59,424.20
KENAI BOROUGH*	132,326.36	388,598.39
KENAI	34,008.00	73,347.27
KETCHIKAN GATEWAY BOROUGH*	70,299.04	144,624.06
KETCHIKAN	15,652.76	44,418.73
KING COVE	11,608.46	62,039.79
KLAWOCK	22,721.11	37,811.93
KODIAK BOROUGH	182,757.95	558,936.10
KODIAK	99 510.10	420,025.56
NENANA	13.93	72.31
PELICAN	11,916.11	88,196.89
PETERSBURG	99,651.09	267,915.01
ST. MARY'S	235.00	1,710.31
SAND POINT	14,533.00	60,817.00
SELDOVIA	1,151.34	8,499.72
SEWARD	25,281.78	82,022.13
SITKA CITY & BOROUGH	7,308.47	54,057.69
UNALASKA	140,269.07	720,077.51
WRANGELL	11,565.98	36,207.38
YAKUTAT	1,460.59	10,729.25

* Includes additional Revenue Sharing from cities within borough.

Figures are based upon 1978 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

AGENCY Department of Revenue
PHONE 465-2300

5

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 132
Title Raw Fish Tax
Requested by Community & Regional Affairs & Finance Date 2-12-79

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Development
Budget Request Unit(s) Affected Shared Taxes

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There is no additional cost to administer the Bill. The General Fund will decrease in the amount shown as the additional raw fish tax revenue is shared.

IV. DATE 2-16-79 PREPARED BY T. A. Wall
AGENCY Revenue
PHONE 465-2313

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

Fisheries Tax (Con't.)

Cities	FY 77 Actual	Actual FY 77 @ 25%	FY 78 Actual	Actual FY 78 @ 25%	Authorized	Est. FY 79 @ 25%	FY 80 Request	Est FY 80 @ 25%
Wrangell	6482	16,205.0	11571	28,927.5	5000	12,500.0	6745	16,862.5
Yakutat	1227	3,067.5	1456	3,640.0	2000	5,000.0	1277	3,192.5
Total Cities	529718	1,324,370.0	661279	1,653,197.5	481115	1,202,787.5	551254	1,378,135.0
Boroughs								
North Star	15	37.5	3	7.5	100	250.0	16	40.0
Anchorage	25367	63,417.5	40525	101,312.5	35000	87,500.0	26397	65,992.5
Bristol Bay	93101	232,752.5	92881	232,202.5	100000	250,000.0	96881	242,202.5
Fairbanks	-0-	-0-	-0-	-0-	100	250.0	-0-	-0-
Haines	4669	11,672.5	35467	88,667.5	6000	15,000.0	4859	12,147.5
Juneau	7054	17,635.0	8159	20,397.5	10000	25,000.0	7340	18,350.0
Kenai	68248	170,620.0	133925	334,812.5	75000	187,500.0	71019	177,547.5
Ketchikan	34018	85,045.0	81946	204,865.0	40000	100,000.0	35399	88,497.5
Kodiak	251716	629,290.0	182348	455,870.0	232685	581,712.5	261968	654,920.0
Mat-Su	-0-	-0-	-0-	-0-	10000	25,000.0	-0-	-0-
Sitka	5734	14,335.0	8289	20,722.5	10000	25,000.0	5967	14,917.5
Total Boroughs	489922	1,224,805.0	583544	1,458,860.0	518885	1,297,212.5	509846	1,274,615.0
Total Cities & Boroughs	1019670	2,549,175.0	1244821	3,112,052.5	1000000	2,500,000.0	1061100	2,652,750.0

AGENCY Revenue BRU Shared Taxes COMPONENT Fisheries Tax DATE REVISED

18 A CONTINUED

FY 80

Fisheries Tax

Cities	FY 77 Actual	Actual FY 77 @ 25%	FY 78 Actual	Actual FY 78 @ 25%	FY 79 Authorized	Est. FY 79 @ 25%	FY 80 Request	Est. FY 80 @ 25%
Cordova	86477	216,192.5	111791	279,477.5	69500	173,750.0	89988	224,970.0
Craig	4260	10,650.0	3273	8,182.5	5000	12,500.0	4433	11,082.5
Dillingham	29669	74,172.5	32792	81,980.0	30000	75,000.0	30874	77,185.0
Fairbanks	15	37.5	3	7.5	15	37.5	16	40.0
Haines	-0-	-0-	5	12.5	-0-	-0-	-0-	-0-
Hoonah	1952	4,880.0	2249	5,622.5	2000	5,000.0	2031	5,077.5
Homer	2697	6,742.5	6475	16,187.5	2000	5,000.0	2806	7,015.0
Hydaburg	1659	4,147.5	1564	3,910.0	2000	5,000.0	1726	4,315.0
Kake	391	977.5	-0-	-0-	500	1,250.0	407	1,017.5
Kenai	35639	89,097.5	34010	85,025.0	30000	75,000.0	37086	92,715.0
Ketchikan	14860	37,150.0	27290	68,225.0	15000	37,500.0	15463	38,657.5
King Cove	85810	214,525.0	11593	28,982.5	80000	200,000.0	89294	223,235.0
Klawock	10858	27,145.0	22716	56,790.0	10000	25,000.0	11299	28,247.5
Kodiak	74439	186,097.5	98465	246,162.5	70000	175,000.0	77461	193,652.5
Kenana	92	230.0	79	197.5	100	250.0	96	240.0
Pelican	12447	31,117.5	13153	32,882.5	12000	30,000.0	12952	32,380.0
Petersburg	36904	92,260.0	99651	249,127.5	35000	87,500.0	38402	96,005.0
Seldovia	1233	3,082.5	1151	2,877.5	1000	2,500.0	1283	3,207.5
Seward	21220	53,050.0	26850	67,125.0	20000	50,000.0	22081	55,202.5
St. Marys	-0-	-0-	235	587.5	-0-	-0-	0-	-0-
Unalaska	101417	253,542.5	154901	387,252.5	90000	225,000.0	105534	263,835.0
Valdez	-0-	-0-	5	12.5	-0-	-0-	-0-	-0-

AGENCY Revenue BRU Shared Taxes COMPONENT Fisheries Tax DATE REVISED

CONTINUED

page 1 of 2 pages Form

Fisheries Tax (Con't.)

Cities	FY 77 Actual	Actual FY 77 @ 25%	FY 78 Actual	Actual FY 78 @ 25%	Authorized	Est. FY 79 @ 25%	FY 80 Request	Est FY 80 @ 25%
Wrangell	6482	16,205.0	11571	28,927.5	5000	12,500.0	6745	16,862.5
Yakutat	1227	3,067.5	1456	3,640.0	2000	5,000.0	1277	3,192.5
Total Cities	529748	1,324,370.0	661279	1,653,197.5	481115	1,202,787.5	551254	1,378,135.0
Boroughs								
North Star	15	37.5	3	7.5	100	250.0	16	40.0
Anchorage	25367	63,417.5	40525	101,312.5	35000	87,500.0	26397	65,992.5
Bristol Bay	93101	232,752.5	92881	232,202.5	100000	250,000.0	96831	242,077.5
Fairbanks	-0-	-0-	-0-	-0-	100	250.0	-0-	-0-
Haines	4669	11,672.5	35467	88,667.5	6000	15,000.0	4859	12,147.5
Juneau	7054	17,635.0	8159	20,397.5	10000	25,000.0	7340	18,350.0
Kenai	68248	170,620.0	133925	334,812.5	75000	187,500.0	71019	177,547.5
Ketchikan	34018	85,045.0	81946	204,865.0	40000	100,000.0	35399	88,497.5
Kodiak	251716	629,290.0	182348	455,870.0	232685	581,712.5	261968	654,920.0
Mat-Su	-0-	-0-	-0-	-0-	10000	25,000.0	-0-	-0-
Sitka	5734	14,335.0	8289	20,722.5	10000	25,000.0	5967	14,917.5
Total Boroughs	489922	1,224,805.0	583544	1,458,860.0	518885	1,297,212.5	509846	1,274,615.0
Total Cities & Boroughs	1019670	2,549,175.0	1244821	3,112,052.5	1000000	2,500,000.0	1061100	2,652,750.0

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. _____

Title An Act relating to fisheries taxes

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate to extent amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is estimated that this bill will raise an additional 12 million dollars and bring total fish tax collections to 20 million dollars. These collections will be split evenly among the general fund, revenue sharing to municipalities, and the commercial fishing and agriculture bank, until fully capitalized. It is estimated that revenue sharing to municipalities would be increased by about 4 million dollars as shown in the attached breakdown. It would also allow an annual appropriation to the commercial fishing and agriculture bank of approximately 7 million dollars. Revenue to the general fund would be increased by approximately 1 million dollars and then by a greater amount when the commercial fishing and agriculture bank is fully capitalized. A breakdown of the distribution of revenues is shown in the attached pages.

IV. DATE 2/26/79

PREPARED BY John [illegible] Messenger

AGENCY Department of Revenue

PHONE 465-2300

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

GENERAL FUND PORTION
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$7,097,820	$8,277,936

COMMERCIAL FISHING AND AGRICULTURE BANK
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$ -0-	$6,834,087

REVENUE SHARING
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$1,202,180	$5,390,238

TOTALS
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$8,300,000	$20,502,261

FISH TAX PROPOSAL
(1977-1978)

COMMUNITIES	TOTAL REVENUE COLLECTED EXISTING ----- PROPOSED		REVENUE SHARED EXISTING - PROPOSED (20%)	(33-1/3%)
ANCHORAGE CITY & BOROUGH	$ 202,598.29	$ 529,886.46	$ 40,519.66	$176,452.19
BRISTOL BAY	463,903.02	636,982.85	92,780.60	212,115.28
CORDOVA	558,723.88	988,707.05	111,744.77	329,239.44
CRAIG	14,073.75	84,192.50	2,814.75	28,036.10
DILLINGHAM	164,010.31	983,561.86	32,802.06	327,526.09
HAINES BOROUGH*	177,336.56	320,918.67	35,471.84	106,890.40
HAINES	45.34	147.04	4.53	24.48
HOMER	64,678.37	255,447.72	6,467.84	42,532.05
HOONAH	11,196.27	67,052.62	2,239.25	22,328.52
HYDABURG	7,820.15	46,795.90	1,564.03	15,583.03
JUNEAU CITY & BOROUGH	40,163.84	240,608.04	8,032.77	80,122.48
KENAI BOROUGH*	327,087.01	782,202.92	132,326.36	523,952.65
KENAI	340,080.00	593,964.91	34,008.00	98,895.16
KETCHIKAN GATEWAY BOROUGH*	273,231.39	405,771.01	70,299.04	195,012.13
KETCHIKAN	156,529.99	359,702.05	15,652.76	59,890.39
KING COVE	58,042.28	251,193.57	11,608.46	83,649.12
KLAWOCK	113,605.53	153,100.14	22,721.11	50,982.35
KODIAK BOROUGH*	416,239.21	562,447.54	182,757.95	752,621.38
KODIAK	995,101.01	3,401,359.50	99,510.10	566,326.35
KENANA	69.63	292.73	13.93	97.50
PELICAN	59,580.57	357,103.42	11,916.11	118,917.10
PETERSBURG	498,258.45	1,084,785.50	99,651.69	361,233.57
ST. MARY'S	1,175.00	6,925.00	235.00	2,306.03
SELDOVIA	11,513.43	68,830.58	1,151.34	11,460.29
SEWARD	252,817.79	664,213.70	25,281.78	110,591.58
SITKA CITY & BOROUGH	36,542.35	218,879.10	7,308.47	72,886.74
UNALASKA	701,345.38	2,915,587.34	140,269.07	970,890.60
WRANGELL	57,829.92	146,603.37	11,565.98	48,818.92
YAKUTAT	7,302.94	43,442.64	1,460.59	14,466.40
Total Point			14,533.00	97,200.00

* Includes additional Revenue Sharing from cities within borough.

Figures are based upon 1978 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

Date: 4/3/79
TO: C&RA Committee
FROM: Rep. Bill Parker, Chairman
RE: CSSB 132 Relating to Fisheries Taxes

For your background information, below are listed the various versions of the section of SB 132 related to "refund to local governments."

Existing Law -- AS 43.75.130 Attached

Senate Bill No. 132 -- Original version introduced on 2/12/79 by Sen.Kerttula
Attached

CS SB132 -- Offered 3/8/79 by Community and Regional Affairs Committee

Sec. 43.75.131 REFUND TO LOCAL GOVERNMENTS. (a)The department shall pay to each borough, to each city of the first class, and to each municipality unified under AS 29.68.240 - 29.68.440, an amount equal to 33 1/3 per cent of the amount of tax revenue collected in the municipality from taxes levied in this chapter. In the case of tax revenue collected inside a city within a borough, the revenue to be shared shall be divided equally between the city and the borough.
(b) One-half of the revenue shared with a borough or city of the first class shall be used for docks or other fishery enhancement projects and those expenditures must be certified and reported to the department annually no later than January 30.

CS SB132 (Finance) Offered 3/12/79 by the Finance Committee

Same as in CS SB132 by C&RA (See above)

CS SB 132 (Rules) Offered 3/17/79 by the Rules Committee

Sec. 43.75.131 TAX SHARING WITH MUNICIPALITIES. The legislature may annually appropriate to each borough, to each city of the first class, and to each municipality unified under AS 29.68.240 - 29.68.440, an amount equal to 33 1/3 per cent of the amount of tax revenue collected in the municipality from taxes levied in this chapter. If tax revenue is collected in a city within a borough, the legislature may divide the tax revenue appropriated under this section between the city and the borough.

If a receiver, trustee, or assign is operating the property or business, he shall make the return for the person. A tax due on the basis of such return shall be collected in the same manner as if collected from the person of whose business he has custody and control. The requirements for time and place of payment of tax, and the obligation to keep records and make the records available to the commissioner of revenue are the same as those prescribed in the business license tax law for salmon canneries. (§ 2 ch 190 SLA 1959)

Sec. 43.75.120. Violations and penalties. (a) The liability to file returns and pay interest and deficiency assessments, and the subjection of property to liens is the same as prescribed in the business license tax law for salmon canneries.

(b) A violation of §§ 100 — 120 of this chapter or the regulations issued under §§ 100 — 120 of this chapter is a misdemeanor subject to punishment as prescribed in the business license tax law for salmon canneries. (§ 3 ch 190 SLA 1959)

Article 4. General Provisions.

Section
130. Refund to local governments
135. Additional refund to boroughs and cities

Sec. 43.75.130. Refund to local governments. The commissioner of revenue shall pay to each organized borough and each city of the first class 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by §§ 10 — 90 of this chapter. (§ 6 ch 155 SLA 1962; am § 75 ch 69 SLA 1970; am § 10 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "city of the first class" for "city of the first, second, and third classes."

Legislative committee report. — For report on ch. 69, SLA 1970 (HB 561), see 1970 House Journal Supplement No. 2, p. 7.

Sec. 43.75.135. Additional refund to boroughs and cities. In addition to the payment allowed in § 130 of this chapter the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by §§ 10 — 90 of this chapter and shall pay to each city of the first class located in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by §§ 10 — 90 of this chapter. (§ 1 ch 89 SLA 1963; am § 1 ch 120 SLA 1969; am § 11 ch 213 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "city of the first class" for "city of the first, second, and third classes."

8

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 9, 1979

The Honorable John C. Sackett
Chairman
Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

CS SB 132 would reform the Alaska fishery taxes by making them more equitable and uniform among types of processing while at the same time raising additional revenue for the state and municipalities for fishery enhancement programs.

Our present fish tax structure can be traced back to 1949 and has been changed little since that time. The tax structure contains different tax values and rates according to fish species being processed and the manner of processing. These different rates and values are shown in Attachment 1. Although this tax structure may have been appropriate in 1949, the tax structure as applied to today's economics is extremely unequitable and inefficient and bears no relationship to the value of the resource harvested or the economics of the business.

The fish tax structure we are proposing first of all standardizes the tax at a rate of 6 percent of the raw value of the product for all species and ~~all methods of~~ processing. Under this bill an additional $12 million would be raised the first year and the total of $20 million would be divided equally between the general fund, the commercial fishing and agriculture bank, and revenue sharing to municipalities.

Secondly, and as important as standardizing the tax structure, the legislation we are proposing will enable the state and municipalities to continue funding fishery enhancement programs, by making an additional amount of revenue available for the development of our

04-02LH

fishery industry. Specifically additional funding would be available to the Commercial Fishing and Agricultural Bank for fishermen and processor loans and additional revenue sharing would be available to fishing communities. The specific amount of this funding is shown in Attachment 2 and 3.

The State has placed a strong emphasis on Renewable Resource Development. Appropriations for fish enhancement programs alone have totaled approximately $90 million dollars since FY 1977, $30.5 million of which has been for operating expenditures and another $58.4 million for capital expenditures. Since FY 1973 fishery loans has totalled $48 million including $13 million in FY 1978.

We are all concerned about the state's financial condition. This additional funding will insure that money is available for future fishery enhancement programs.

When the Commercial Fishery and Agricultural Bank goes into operation this year it will have a beginning appropriation of $2 million. With the $6.8 million that would be appropriated with this legislation it is estimated that the bank would be able to make approximately $54 million in loans in its first year of operation. Resident processors as well as fishermen will be able to take advantage of the bank and sums large enough to help a developing bottom fishery will be available within the state.

Municipalities, too, are facing fiscal problems. The amounts of revenue sharing available to municipalities in this legislation will help solve those problems and in some cases enable municipalities to implement projects on their own without having to rely on the passage of general obligation bonds to fund their docks and fish enhancement programs.

Sincerely,

John R. Messenger
Acting Commissioner

EXISTING FISH TAX RATES

CANNERIES

FY 78 Receipts = $5,420,438

Salmon - 3% of average wholesale price of canned product during months of August - December of five years preceding license year

If figured on raw value would be an effective tax rate of 4.45%

Crab - 2% of raw value

Clam - 1% of raw value for butter clams
2% of raw value for razor clams

Herring - 1% of raw value

FREEZERSHIPS

FY 78 Receipts = $1,299,516

- 4% of raw value

COLD STORAGE

FY 78 Receipts = $1,933,484

- 1% of raw value

TOTAL

FY 1978 RECEIPTS = $8,653,438

PROPOSED TAX RATES

CANNERIES

Receipts = $7,305,520

- 6% of Raw Value

FREEZERSHIPS

Receipts = $1,949,275

- 6% of Raw Value

COLD STORAGES

Receipts = $11,600,904

- 6% of Raw Value

TOTAL

RECEIPTS = $20,855,699

Attachment 3

FISH TAX PROPOSAL
(1977-1978)

COMMUNITIES	TOTAL REVENUE COLLECTED EXISTING ----- PROPOSED		REVENUE SHARED EXISTING - PROPOSED (20%)	(33-1/3%)
ANCHORAGE CITY & BOROUGH	$ 202,598.29	$ 529,980.46	$ 40,519.66	$176,452.19
BRISTOL BAY	463,903.02	636,982.85	92,780.60	212,115.28
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HOMER	64,678.37	255,447.72	6,467.84	42,[illegible]32.05
HOONAH	11,196.27	67,052.62	2,239.25	22,328.52
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KENAI BOROUGH*	327,087.01	782,202.92	132,326.36	523,952.65
KENAI	340,080.00	593,964.91	34,008.00	98,895.16
KETCHIKAN GATEWAY BOROUGH*	273,231.39	405,771.01	70,299.04	195,012.13
KETCHIKAN	156,[illegible]29.09	359,702.06	15,652.76	59,890.39
KING COVE	58,042.28	251,198.56	[illegible]1,608.46	83,649.12
KLAWOCK	113,605.53	153,100.14	22,721.11	50,982.35
KODIAK BOROUGH*	416,239.21	562,447.54	182,757.95	753,621.38
KODIAK	995,101.01	3,401,359.50	99,510.10	566,326.35
NENANA	69.63	292.78	13.93	97.50
PELICAN	59,580.57	357,108.42	11,916.11	118,917.10
PETERSBURG	498,258.45	1,084,785.50	99,651.69	361,233.57
ST. MARY'S	1,[illegible]75.00	6,925.00	235.00	2,306.03
SAND POINT	43,600.00	261,000.00	14,533.00	82,000.00
SELDOVIA	11,513.43	68,830.58	1,151.34	11,460.29
SEWARD	252,817.79	664,213.70	25,281.78	110,591.58
SITKA CITY & BOROUGH	36,542.35	218,879.10	7,308.47	72,886.74
UNALASKA	701,345.38	2,915,587.34	140,269.07	970,890.60
WRANGELL	57,829.92	146,603.37	11,565.98	48,818.92
YAKUTAT	7,302.94	43,442.64	1,460.59	14,466.40

* Includes additional Revenue Sharing from cities within borough.

Figures are based upon 1978 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

GENERAL FUND PORTION
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$7,097,820	$8,277,936

COMMERCIAL FISHING AND AGRICULTURE BANK
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$ -0-	$6,834,087

REVENUE SHARING
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$1,202,180	$5,390,238

TOTALS
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$8,300,000	$20,502,261

The Commerce Committee considered SENATE BILL NO. 94 (relating to occupational licensing fees) and reports it back as follows: Senator Bradley, Chairman and Senator Sturgulewski signed "do pass". Senators Ferguson and Stimson signed "no recommendation". Senator Kelly signed "do not pass". SB 94

SENATE BILL NO. 94 was referred to the Finance Committee.

The Resources Committee considered SENATE BILL NO. 113 (waste of wild food animals) and reports it back as follows: Senator Sumner, Chairman and Senators Dankworth, Mulcahy and Fahrenkamp signed "do pass". SB 113

SENATE BILL NO. 113 was referred to the Rules Committee.

The Community and Regional Affairs Committee considered SENATE BILL NO. 132 (refund of raw fish tax receipts to local government) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 132, entitled: SB 132

"An Act relating to fisheries taxes; and providing for an effective date."

and reports it back as follows: Senator Sturgulewski, Chairman and Senators Kelly and Stimson signed "do pass". Senator Rodey signed "no recommendation". Senator Mulcahy signed "do not pass". The Committee further attaches a letter of intent.

SENATE BILL NO. 132 was referred to the Finance Committee.

Letter of intent accompanying SENATE BILL NO. 132 follows:

The Senate Community and Regional Affairs Committee has adopted and passed Committee Substitute for Senate Bill 132 which has a referral to the Senate Finance Committee.

Testimony, received by the Committee, indicates the need for further investigation on the economic ramifications of this legislation, with particular emphasis on the development of bottom fisheries.

By Senate Community and Regional Affa'rs Committee

Chairman

Vice-Chairman

SENATE FINANCE COMMITTEE
March 9, 1979
8:35 a.m.

Chairman Sackett convened the meeting at approximately 8:35 a.m. All committee members were present with the exception of Senator Sumner. Also in attendance were Senators Kerttula, Mulcahy, Tillion, and Stimson, as well as the Governor's Legislative Assistant Keith Specking, Garrey Peska, Administrative Assistant to the Finance Committee, representatives of the media, and individuals listed on the attendance sheet appended to these minutes. PRESENT

Chairman Sackett moved that SB 132 (Act relating to the refund of raw fish tax receipts to local government) be brought up for discussion, advising that Senate President Tillion and Mr. Specking were present to testify concerning the bill. SB 132

Senator Tillion advised that the legislation allows foregiveness of property taxes to municipalities equal to the amount paid for fishery development. He directed committee attention to page 2 of the fiscal note accompanying SB 132, advising that page 2 sets forth current distribution of shared taxes as well as proposed distributions under the subject bill.

Under the above legislation, fisheries would be taxed at basically the same rate for all species. Such taxation would not increase the general fund by a significant amount, but it would make funds available for development of fishery programs.

Senator Tillion advised committee members of the existence of a $1.684 million fisheries development bank formed last year, advising that funding in the bank can be leveraged through the Spokane Bank of Cooperatives. Development funding covers vessel loans as well as improvements ashore. He further stated that taxes do not fall evenly throughout Alaska. Senator Tillion advised that 60% of the crab caught in Alaska is caught by non-resident fishermen, while nine years ago Alaskans caught 90%. The greatest amount of crab is now caught by fishermen coming out of Seattle.

The program requires five years' residency in Alaska in order to be eligible, during three of which the individual must have participated in Alaskan fisheries. Senator Tillion advised that for the state's long-term good it will be

more beneficial to effect the increased tax now rather than maintain the status quo.

Senator Ray questioned whether revenue derived from the anticipated tax increase would be placed in the renewable resources fund, and Senator Tillion responded "no, last year we formed the bank and put $2 million into it set up as the Alaska Commercial Fishing and Agriculture Bank under the bank of cooperatives system set up by the federal gover ment."

Mr. Keith Specking next appeared before the committee to comment on the proposed bill (copy of Mr. Specking's verbatim testimony attached to these minutes). KEITH SPECKING

Following Mr. Specking's testimony, and in response to a question from Senator Ray, Senator Tillion demonstrated the effect of increased revenue sharing under the proposed legislation, advising that where the Haines Borough currently receives $35 thousand, under the subject bill it would receive $106 thousand. Basically, what the state hopes to do through increased revenue sharing is to develop its fisheries industry and take back what has been lost to Seattle. Increased funding will enable local municipalities to float revenue bonds to finance dock improvements. The fisheries industry will thus be bearing the cost of improvements rather than the general public.

Senator Mulcahy next appeared before the commi ee advising that the subject bill will have "the biggest impact on fisheries that has ever come along." He stated that problems with the legislation center on the fact that there has not been adequate time to develop information, receive input, or conduct research. He further stated that everyone knew the administration was considering a raw fish tax, but no one knew it would be anything as large as the proposed bill. In some areas of the industry the bill would effect a 500% tax increase. SENATOR MULCAHY

Senator Mulcahy stated that he believed everyone would agree that there is only one established fishery industry in Alaska--the salmon industry. Therefore the tax in his area is sometimes higher than other fishery areas xperience. Some fishery areas are new and need a chance to "develop and get on their feet." Future development appears to be in bottom fisheries. Other areas of the industry have peaked out and are now functioning at a lower level.

Senator Mulcahy alluded to problems in the bottom fish industry revolving around big foreign fleets and cheaper labor markets in foreign countries. If Alaska is going to develop a bottom fish industry, it is going to have to give the on-shore development plant a break. The Bering Sea and Continental Shelf could be the sea port of Alaska if it is only allowed to develop.

He further advised that enactment of SB 132 would kill attempts by Senator Stevens to get $2 million in funding at the national level, adding that he didn't believe a short-term moratorium would be sufficient since investors will look to a longer term.

Senator Mulcahy allowed that the current tax structure needs looking into. However, he advised that "the name of the game in resource development is that it is going to cost the state something during development." Another thing, he advised, that has helped to develop the fleet is "the existing federal tax set up. A boat owner can take money out of income tax, set it aside, and put it back into the industry."

New fishing vessels over 100 feet in length have primary as well as secondary processing capabilities. SB 132 is going to have a substantial impact on crab processing in Alaska. Senator Mulcahy further advised that he believed the numbers connected to the legislation to be understated, saying that he felt the raw fish tax "is going to generate more than anticipated," and ultimately the state will be hitting the consumer and the fisherman a lot harder than anticipated with the subject bill. He stated that with the fuel tax added on top of the raw fish tax, he felt the state would be placing the crab industry in a bad position, particularly after the peak is over.

Making reference to the Combs (sp?) Report, Senator Mulcahy advocated a bottom fishery industry without tax for the next 10 to 12 years. He further advised that Alaska may end up with 20% of the processing conducted on shore while the remaining (73%) is processed at sea.

Senator Mulcahy further advised that he had no objection to eliminating the Seattle fleet, but feared that under the proposed bill, bottom fisheries would be damaged in Alaska. He stated that impact from the legislation is sufficient enough to demand a good hard look, adding that Alaska will not have a second chance at this industry.industry.

Senator Mulcahy made reference to the fishing industry in the Pribilof Islands and the local desire to get something "going on shore." Under the proposed bill, Senator Mulcahy advised that he could not see how the local effort "would have a chance to get started."

In response, Senator Tillion advised that if Alaska is going to develop a domestic fisheries industry (small boat) it needs financing for development. He added that the small fleet could properly conduct the harvest, but it needs a source of financing. He further attested to the need for Alaskans to get something out of the fishing industry. The subject bill would provide funding assistance to fisheries and to municipalities. He concluded by stated that without funding, there is no way Alaska is going to develop its fisheries.

Senator Ray again raised questions concerning use of revenue generated by the fish tax, and Senator Tillion advised that language contained in federal regulations would allow for a cooperative effort through the Spokane Bank permitting leveraged use of agricultural funds in the Spokane Bank. Two years ago, the federal government expanded the agriculture bank to include fisheries, allowing Alaska to use agriculture funds from other states. Senator Kerttula expanded upon the above statement, advising that since Alaska has such a small percentage of agricultural development, it is allowed to use agricultural funding for fishery projects.

Chairman Sackett advised that SB 132 would be held in committee for review at a later time.

SB 132
HELD OVER

The Chairman next moved that SB 62 (Act making a supplemental appropriation to the special projects office, Office of the Governor, to continue funding the Delta agricultural development project) be brought up for discussion, advising that Bob Palmer from the Governor's Office was before the committee to testify. Mr. Palmer advised that last year the legislature appropriated first-phase funding for the project. Such funding provided money for the clearing operation which is now underway as well as money for the elevator and other items. The administration emphasized that last year's appropriation was for the first phase, and that the administration would be back before the legislature seeking funding for the second phase.

SB 62

BOB PALMER
DELTA
PROJECT

//

SENATE FINANCE COMMITTEE
March 10, 1979
10:00 a.m.

Chairman Sackett called the meeting to order at 10:00 a.m. Senators Dankworth, Bennett, Hackney, Sackett, Ray and Hohman were present. Also presnet were: Dr. Sherman Carter, VP for Finance, U of A, Don McKnight and Russell Clark from ADF & G, Jack Utton, Director of Natural Resources, Tanana Chiefs, Bob Palmer, Special Projects, Office of the Governor, Jim Farmer, Executive Director, Koyukon Development Corporation, and Robert Shelley, Analyst, Budget & Management. PRESENT

Senator Sackett advised that the purpose of the meeting was that of a bill session. He then brought up SB 132 (An Act relating to the refund of raw fish tax receipts to local government). He advised the committee that a CS had been prepared which included an amendment offered by Senator Tillion. Chairman Sackett explained the changes made by the CS. SB 132

Senator Hohman moved that CS SB 132 be passed from committee with individual recommendations. CS SB 132 passed as follows: senators Hackney, Bennett, Dankworth and Sackett voted do pass. Senators Hohman and Ray voted no recommendation. MOTION

Senator Sackett moved that SB 62 (supplemental appropriations to Special Projects Office, Office of the Governor, to fund Delta Agricultural Development Project) be brought before the committee for discussion. It was so ordered. SB 62

Senator Sackett introduced Bob Palmer, Special Projects director to give testimony on the bill. Mr. Palmer offered information regarding the bill, and gave information to the committee that had been requested in a previous meeting. Senator Hohman had questions concerning the contract dates. Mr. Palmer stated that 30% of the work had to be completed by May 1980, 60% completed by May 1981, and total preparation and ready for planting had to be completed by May 1982. When asked if they were going to stick by the contract dates, Mr. Palmer replied "most definitely!" He said there might be a couple who would not make the contract date, but he felt most of them would. CONTRACT DATES

Senator Sackett explained that a CS had been prepared for the bill. The changes were explained. Senator Hohman made a motion that CS SB 62 be passed from committee with individual recommendations. There being no objection, it was so ordered. CS SB 62 passed as follows: Senators Hohman, Hackney, Bennett, Dankworth and Sackett voted do pass. Senator Ray voted do not pass unless amended. MOTION

STATE
of ALASKA

MEMORANDUM

12

TO: Hon. Sterling Gallagher
Commissioner
Dept. of Revenue

DATE: July 6, 1977

FILE NO.

TELEPHONE NO.

FROM: Avrum M. Gross
Attorney General

BY: Rodger W. Pegues
Assistant Attorney General

SUBJECT: Municipal revenue sharing, fish processing taxes; our file J-66-687-77

This responds to your request for our opinion on the proper interpretation and application of AS 43.75.130 and 135, which provide for sharing of certain revenues with organized boroughs and first class cities.

AS 43.75.130 was enacted in 1962 and, since amended, reads as follows:

> The commissioner of revenue shall pay to each organized borough and each city of the first class 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by §§ 10 -- 90 of this chapter.

AS 43.75.135 was enacted in 1963 and, since amended, reads as follows:

> In addition to the payment allowed in § 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by §§ 10 -- 90 of this chapter and shall pay to each city of of the first class located in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by §§ 10 -- 90 of this chapter.

Under a literal reading of these two sections, as pointed out by the Legislative Audit Division, an organized borough, whether or not there is a first class city within it, would receive 20 percent of the revenue collected from sources within it. However, a literal reading does not arrive at the result the legislature appears to have intended. To better understand how these two statutes came to read as they do, one should read the latter as it was enacted in 1963 before being amended to include cities:

> Additional Refund to Boroughs. In addition to the payment allowed in sec. 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by secs. 10 -- 90 of this chapter.

§ 1, ch. 89, SLA 1963.

What happened was that the 1962 statute gave cities 10 percent of the taxes collected within them and organized boroughs 10 percent of the taxes collected within them. Of course, many cities are within organized boroughs, and the taxes collected within those cities are then collected within both. The result was that a city would get the 10 percent if the tax was collected within its limits and so would the borough, for a total local share of 20 percent. */ If the tax were collected solely within a city, i.e., one not in a borough, it would get 10 percent. If the tax were collected from outside the city limits in an organized borough, then the borough would get the 10 percent and nothing went to the city. In other words, the local people got 10 or 20 percent of the tax revenue based entirely on the locus of the tax source and the existence of both a city and an organized borough.

This result was patently unintended and unfair. The tax was to be shared with those municipal entities which levied a local tax to support schools and was designed to reduce their tax burden. Where there is a city and an organized borough, the residents in both pay the same local taxes for schools.

The 1963 Legislature passed ch. 89 to provide for a borough to get an additional 10 percent share when the city did not receive a share so that the total local share would be 20 percent. Finally, in 1969, the statute was again amended to provide the same for cities. In that way, the total local share was uniformly set at 20 percent.

*/ Of course, the original statute could have been interpreted to have a different result, i.e., it could have been viewed as not giving an organized borough any share of the tax collected from within first class cities within the borough. This would have resulted in a total local share of 10 percent. Arguably, the legislature may orginally have intended this result. However, the agency interpreted the statute otherwise, and the subsequent acts of the legislature tend to ratify the agency's view.

which--in all likelihood--was what was eventually intended by the legislature.

Our analysis is buttressed by a contempory agency construction. Under the legislation as originally enacted, when taxes were collected from a source within a city in an organized borough, the Department of Revenue gave both 10 per cent. If they were collected from a source outside the city, the borough got 10 percent and the city, nothing.

After the 1963 enactment, in the first situation given above, both continued to get 10 percent, for a total local share of 20 percent. But in the second situation given above, the borough now got 20 percent, i.e., an additional 10 percent, bringing the total local share in that situation up to an equal 20 percent.

After the 1969 amendment (to give cities as well as organized boroughs an additional 10 percent), the department continued to split 20 percent between the city and the borough when the tax source was a city within a borough (i.e., 10 percent to each), to give the borough 20 percent when the source was within the borough but outside of any city, and then to give a city which was not in an organized borough 20 percent as well. We perceive this latter amendment as tantamount to the ratification of the agency's interpretation. In effect, the legislature said, "Do the same for cities outside of boroughs."

While the precise language and history of the statute are obscure, we believe that the department's practical, longstanding and consistent interpretation of the statute and the legislature's apparent ratification of that interpretation are pretty much conclusive. Accordingly, and despite the literal terms of the statute, the department should continue to apply it as it has been doing.

RWP:chp

CHAPTER 218, Sec. 11 Session Laws of Alaska 1976

Sec. 10 AS 43.75.130 is amended to read:

Sec. 43.75.130 REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay to each organized borough and each city of the first class 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by secs 10 - 90 of this chapter.

Sec. 11. AS 43.75.135 ADDITIONAL REFUND TO BOROUGHS AND CITIES. In addition to the payment allowed in sec. 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by secs 10 - 90 of this chapter and shall pay to each city of the first class located in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by secs 10 - 90 of this chapter.

Dept of Revenue Guideline

TO SHARE RAW FISH TAX

Raw Fish tax should be shared as soon as possible after July 1 of each year. This tax is shared with boroughs, home rule cities and first class incorporated cities only.

A. Incorporated cities within an unincorporated borough receive 20%
B. First class cities in an incorporated borough receive 10%
D. The organized borough [outside of any city] receives 20%
C. The organized borough of a first class city receive 10%
E. Tax collected outside of any borough is not shared.
F. Penalty and Interest only is not shared

FISCAL NOTE

14

REQUEST
Bill/Resolution No. _____
Title An Act relating to fisheries taxes
Requested by Representative Alvin Osterback Date _____

II. FISCAL DETAIL

Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

If a tax rate of 4.45 percent is used as a base, an additional $7 million would be raised bringing the total fish tax collections to $15.2 million. These collections will be split evenly among the general fund, revenue sharing to municipalities, and the commercial fishing and agriculture bank, until fully capitalized. It is estimated that revenue sharing to municipalities would be increased by about 3 million dollars as shown in the attached breakdown. It would also allow an annual appropriation to the commercial fishing and agriculture bank of approximately 5 million dollars. With a 4.45 percent rate, revenue to the general fund would decrease by about $1 million dollars, but would increase considerably when the commercial fishing and agriculture bank is fully capitalized in a few years. A breakdown of the distribution of revenue is shown on the attached pages.

IV. DATE _____ PREPARED BY John K. Messenger
AGENCY Department of Revenue
PHONE 465-2300

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 4/6/79

BILL NUMBER AND TITLE: CSSB132 Related to taxes on fisherics

ORIGINAL SPONSOR :

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker
Carney (for a short period)
Branson Zharoff
Metcalfe O'Connell

MEMBERS ABSENT:

Parr

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Jack Chenoweth -Discusses history of 10% allocation to municipalities. His research showed that while the provision was originally established in 1953 it was repealed in 1962. Ch. 55 assigned a new 10%repayment statutue which was in fact discretionary. Refered to oninion by Assistant A.G. Donough which stated that the 10% was discretionary. Chenoweth reviewed proposed amendment which would provide for a 20% allocation to the municipalities with 13 1/3% given to the municipalities specifically for fishery enhancement projects. He pointed out that it would be difficult to guarantee that 13 1/3% would be used for fisheries projects.

Palmer McCarter
Opposed to limit the amount which could be applied for. Some municipalities don't have the power to operate port facilities. Other communities might need more and they would be limited to 13 1/3 %. Suggests that C&RA be given discretionary powers in filling applications. Leave out limit Line 22.

Rep. Nels Anderson - Suggests incorporation of HB300 provisions which would provide for a minimum entitlement of $25,000.

John Messenger, Dept. of Revenue
The repealer would have to be removed.A letter of intent could be added to specify that an amount over 20% would have to be used for fisheries projects when it was received.

Anderson again raises concept in HB300. It is the concensus that this addition would stretch the "germaine" concept if it were attached to this bill. Instead HB300 will be heard on 4/9/79.

COMMITTEE ACTION: Passed out CS with indicated changes.

TAPE # 7 SIDE 1 Sections 10 - 933

Committee agrees to make entitlement to municipalities 33 1/3% (also to include 2nd Class Cities); change title of the section; and take out the repealer citation which would now be irrelevant. The CS with these changes is agreed to.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 4/4/79

BILL NUMBER AND TITLE: CSSB 132 relating to fisheries tax

ORIGINAL SPONSOR : Kertulla

OTHER SPONSORS: C&RA Substitute
Finance CS, Rules CS (final version)

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, Metcalfe, Branson, Zharoff, O'Connell

MEMBERS ABSENT: Carney, Parr

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Rep. Parker -- Announced that the C&RA Committee would concentrate on the local governnment provisions of the fisheries taxes bill.

Ernie Haugen -- Abrupt raise. Original SB 132 only dealt with refund to local governments. Present bill is such an expansion of original bill that no one knows what it is all about. It will have a dramatic impact on local employment. The 6% tax will send the fishermen to Prince Rupert to sell fish. A tax incentive should be considered. Fully supports the idea of a tax study of the whole fisheries taxation question. The industry would cooperate in putting together a workable tax structure.

John Messenger, Acting Commissioner of Revenue
Concentrating remarks on revenue sharing section. Proposal in CSSB132 is different than original bill. Constitutional question was discussed by Messenger. Administration of current program was discussed.

Branson questions why second class cities are not receiving revenue monies based on the fish tax. Response from Jack Chenoweth is that originally, from the time of statehood, first, second and third class cities received revenue, but in 1972 a change was made with the reclassification of cities and the second class cities were eliminated as they do not have educational functions and the original designated fund justification was tied to education.

Rep. Zharoff expressed concern with the lack of an incentive fishermen would have to sell fish on-shore. With the emphasis on fresh, and frozen products, there would be an impetus set up for operations to move off shore.

COMMITTEE ACTION: Another hearing scheduled on 4/6/79 as a "mark-up" session.

TAPE # 6 SIDE 2 Sections 32-812

Rick Lauber, Alaska Manager of the Alaska Seafood Processors

Ak. Seafood Processors handle 65% of fish processed in the state. Dedicated fund provisi --10% of the dedicated fund is constitutional. Additonal 10 questionable. By repealing the original provision, the municipalities would not be in a safe position. It might be acceptable to add 10% or so on top of the 10% specified in current law.

Lauber questions revenue sharing projections saying they are only estimates and the accuracy of them is questionable. There won't be a change in the revenue sharing entitlement of a community which depends on canned salmon at the present time.. A 5 or 10X increase is most questionable.

The bill is touted as an aid to bottomfish development . SB won't do that as revenue sharing is based on present processing within communities. There is no guarentee that bottomfish will locate in the same places. Yakatat and Sitka would be likely places to share in revenue but they wouldn't get enough and would still come to the state for additional money.

The current tax system is not necessarily outdated. The value of fish has risen and so the tax has also risen accordingly. The given figures should be checked for accuracy.

Any increases of the tax on the bottomfish industry would preclude the industry's ever developing. Bottomfish is part of an international market so the prices have to be kept marketable.

There should be consideration given to the idea of a tax incentive for the bottomfish industry.

The Legislature should stand behind the fish study bill, HB 36, which was passed by the House.

Ginney Chitwood , Executive Director of the Municipal League

No position on the increase in the raw fish tax. Concerned about removing the constitutional dedication of funds to the municipality. Gross business license tax repeal is a case in point. The corporate income tax was to take its place. The municipalities have never received the 150% promised. Nor the 10% of corporate income promised. Again, revenue sharing is not funded at 100% by the legislature (or Gov.)

Sen. Mulcahy -- Greatest concern is the impact this bill would have on communities. Outdated information on figures is being used. the projections are not accurate. Income is substantially greater than that shown.

M E M O R A N D U M January 25, 1979

SUBJECT: Fisheries tax rebates
(Work Order #6047)

TO: Representative Margaret Branson

FROM: John B. Chenoweth, Legislative Counsel

Here are the several versions of last year's HB 256. The approaches taken may help you reach a decision.

HB 256 increases the amount of rebate to 20 percent only to organized boroughs, and only under AS 43.75.135. It would extend no additional assistance to cities. (That is not to say that, in meeting the request of the Municipal League, the bill could not be drafted in such a way as to extend increased aid only to cities).

CSHB 256 increases aid to only school districts (i.e., boroughs and home rule and first class cities of the unorganized borough) by increasing the percentage rebate to 20 percent.

CSHB 256 am gives every municipality (second class cities, too) 20 percent, and repeals the "additional refund" section, AS 43.75.135.

Also examined last year was HB 696 which, if enacted as offered, would have provided for a rebate to second class cities on the same basis as is now provided in law for first class cities.

JBC:nem

Enclosures

VERBATIM TRANSCRIPT

KEITH SPECKING ON SENATE BILL 132

March 9, 1979

SF-79 Tape No. 19, Side 2

Chairman:

Mr. Specking vou have the floor.

Specking: Thank you Mr. Chairman. Mr. Chairman, I think the Senator's recognized background in fisheries management far exceeds mine. However, I would like to point out that we would have no problem with the proposed amendment except that we would like our legal people to examine the language more closely. I suspect that philosophically the Governor's view is that some form of severence of this valuable resource should be made available for wider distribution to all the citizens of Alaska. I think the Senator pointed out that we're spending somewhere in the neighborhood of--or requesting--or spending nearly $30 million annually. The recovery from the present tax structure is minimal. Related to that, I would point out that the present system of taxation is a scattered system developed over a long period--much of it very old. The proposed tax increase would-- To the best of our calculations, the existing percentage rate on canned salmon is 4.45%. The system of taxing that is 3% of the average wholesale price for the canned product for a five-month period for five years.

The net effective rate is 4.45%. This would bring an increase of 1.55%. Crab is taxed at 2% of the raw value. This would be an increase of 4%. Clams at 1% for butter clams, 2% for razor clams, herring 1% of its value, etc. So that creates a very difficult situation. We have taxed freezer ships at 4%. This would be an increase of 2%. Cold storages at 1%. The whole situation of the processing industry has changed with relationship to the volume of the product processed since the time that these tax structures were created. The Senator pointed out the differences very well.

Included in your packet is a suggested distribution to boroughs and municipalities if the tax were enacted, compared against the present distribution of the raw fish tax.

I would like to suggest that where the wording on the front page says for fishery enhancement programs we are not talking about enhancement programs (inaudible portion of the tape) but rather that language might better be for fishery related development programs.

Chairman: Where are you talking about?

Specking: On the first page of the letter presented to you, Mr. Chairman.

Chairman: Of the amendment?

Specking: No, on the packet that was handed out by--

Hohman: The Department of Revenue letter?

Specking: Yes, the first page where we say fishery enhancement programs, we didn't mean to imply that these were fish hatcheries. Better language might be for fishery related development programs. And we would like to correct that language in the bill, so that it reflects that we're not talking about fish hatcheries per se.

On page 2, the language reads one-half the revenue shared with a borough or city of the first class shall be used for docks or other fishery enhancement projects, would like to change that to other fishery development related projects.

Chairman: Anything else?

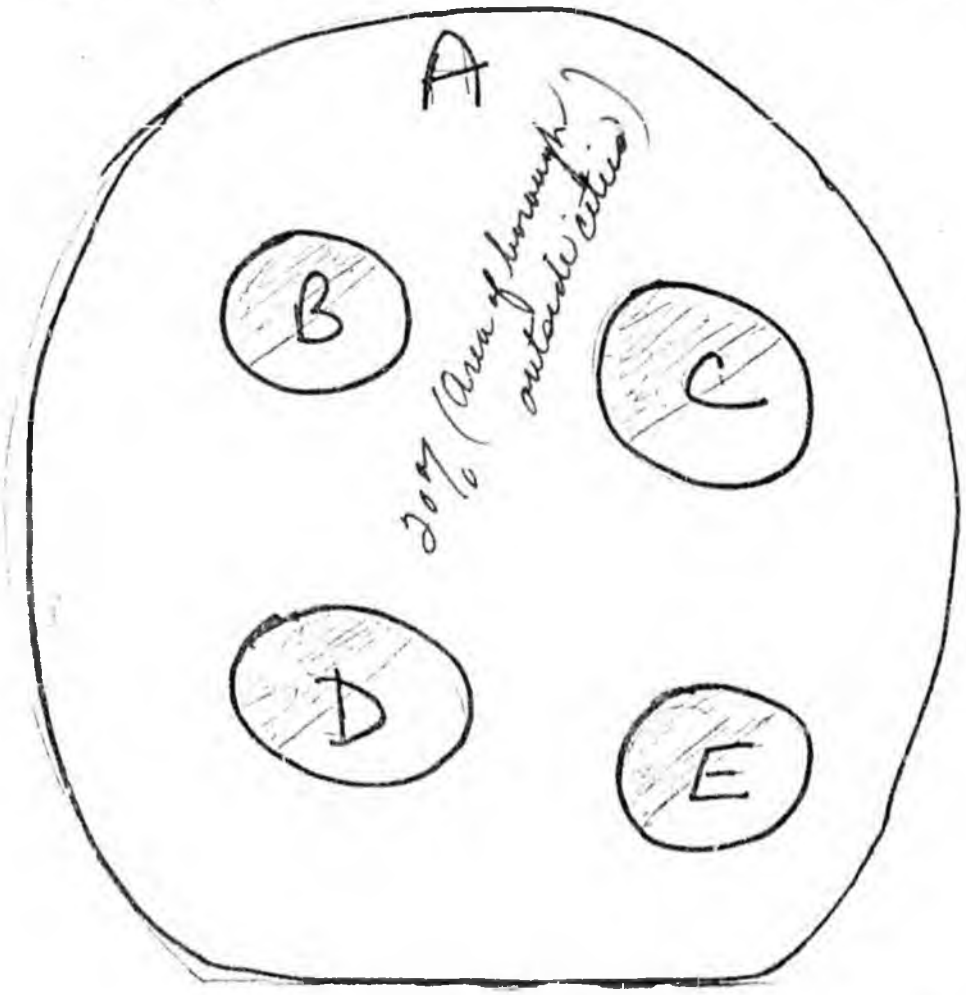
Specking: I might tell you briefly that the capitalization of the fisheries and agriculture bank is very desirable. Members to that board have been appointed and they are working with the Department of Commerce and searching for an executive director. We hope to have that bank operative sometime within the next two months.

Thank you, Mr. Chairman.

Set A - total area - borough

B - city
C - city
D - city
E - city

Set A_1 = Set A − (B + C + D + E)



Let a = total land collected in set A
b = " " " " " B
c = " " " " " C
d = " " " " " D
e = " " " " " E
a_1 = " " " " " A_1

allocation of revenues - present method

Borough A, receives $\frac{a_1}{5} + \frac{b}{10} + \frac{c}{10} + \frac{d}{10} + \frac{e}{10}$

or Borough A, receives $\frac{a_1}{5} + \frac{1}{2}\left(\frac{b}{\text{[illegible]}} + \frac{c}{\text{[illegible]}} + \frac{d}{\text{[illegible]}} - \frac{e}{\text{[illegible]}}\right)$

City B receives $\frac{b}{10}$

City C " $\frac{c}{10}$

City D " $\frac{d}{10}$

City E " $\frac{e}{10}$

allocation of revenues - HB 306
CSSB 132

$\frac{a}{3} = \frac{b}{3} + \frac{c}{3} + \frac{d}{3} + \frac{e}{3} + \frac{a_1}{3}$

Borough A, receives $\frac{a_1}{3} + \frac{1}{2}\left(\frac{b}{3} + \frac{c}{3} + \frac{d}{3} + \frac{e}{3}\right)$

City B receives $\frac{1}{2}\left(\frac{b}{3}\right)$

" C " $\frac{1}{2}\left(\frac{c}{3}\right)$

" D " $\frac{1}{2}\left(\frac{d}{3}\right)$

" E " $\frac{1}{2}\left(\frac{e}{3}\right)$

Borough - area outside cities

Raw Fish Jan

City	A	$100 -
City	B	200 -
Borough	G	200
total borough		500

* Sec. . AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay to each organized borough, to [AND] each city, and to each municipality unified under AS 29.68.240 - 29.68.440, 20 [OF THE FIRST CLASS 10] per cent of the amount of tax revenue collected in the municipality [BOROUGH OR CITY] from taxes levied by AS 43.75 [AS 43.75.010 - 43.75.090]. If tax revenue is collected in a city within a borough, the department shall pay an amount equal to 10 per cent of the amount of revenue collected in the city within the borough to the city and the same amount to the borough.

* Sec. . AS 43.18 is amended by adding new sections to read:

ARTICLE 5. GRANTS FOR FISHERIES PROJECTS.

Sec. 43.18.500. GRANTS FOP FISHERIES PROJECTS. (a) The fisheries facilties grant account is established in the general fund. An amount to carry out the provisions of (b) of this section may be appropriated annuall by the legislature to the account.

(b) Within the limits of legislative appropriations for this purpose, the commissioner may make grants to municipalities receiving shared fisheries tax revenues under AS 43.75.130. A grant provided under this section may not exceed 13 1/3 per cent of the amount of revenue collected in the municipality from the tax levied and collected under AS 43.75. The commissioner may make a grant to a municipality under this section only if the municipality demonstrates to the commissioner's satisfaction that the grant will be used on a fisheries project.

(c) In this section,

(1) "commissioner" means the commissioner of [ ];

(2) "fisheries project" means a dock or comparable facility which may be used for the transfer or transportation of fishery products, including all utilities necessary to service the project;

(3) "municipality" means a borough, home rule or general law city, or a municipality unified under AS 29.68.240 - 29.68.440;

10% ex discretionary
now - each city will receive 20% (no
longer confined to 1st class) city regardless
of location -

last - change 10% to 33½% (line 4)
10% " 16⅔% (line 9)

* Sec. . AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay to each organized borough, to [AND] each city, and to each municipality unified under AS 29.68.240 - 29.68.440, ~~20~~ 33½ [OF THE FIRST CLASS 10] per cent of the amount of tax revenue collected in the municipality [BOROUGH OR CITY] from taxes levied by AS 43.75 [AS 43.75.010 - 43.75.090]. If tax revenue is collected in a city within a borough, the department shall pay an amount equal to ~~10~~ 16⅔ per cent of the amount of revenue collected in the city within the borough to the city and the same amount to the borough.

* Sec. . AS 43.18 is amended by adding new sections to read:

~~ARTICLE 5.~~ GRANTS FOR FISHERIES PROJECTS.

Sec. 43.18.500. GRANTS FOR FISHERIES PROJECTS. (a) The fisheries facilties grant account is established in the general fund. An amount to carry out the provisions of (b) of this section may be appropriated annually by the legislature to the account.

(b) Within the limits of legislative appropriations for this purpose, the commissioner may make grants to municipalities receiving shared fisheries tax revenues under AS 43.75.130. A grant provided under this section may not exceed 13 1/3 per cent of the amount of revenue collected in the municipality from the tax levied and collected under AS 43.75. The commissioner may make a grant to a municipality under this section only if the municipality demonstrates to the commissioner's satisfaction that the grant will be used on a fisheries project.

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(3) "municipality" means a borough, home rule or general law city, or a municipality unified under AS 29.68.240 - 29.68.440;

* Sec. . AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay to each organized borough, to [AND] each city, and to each municipality unified under AS 29.68.240 - 29.68.440, ~~20~~ 33 1/3 [OF THE FIRST CLASS 10] per cent of the amount of tax revenue collected in the municipality [BOROUGH OR CITY] from taxes levied by AS 43.75 [AS 43.75.010 - 43.75.090]. If tax revenue is collected in a city within a borough, the department shall pay an amount equal to ~~10~~ 16 2/3 per cent of the amount of revenue collected in the city within the borough to the city and the same amount to the borough.

* Sec. . AS 43.18 is amended by adding new sections to read:

ARTICLE 5. GRANTS FOR FISHERIES PROJECTS.

Sec. 43.18.500. GRANTS FOR FISHERIES PROJECTS. (a) The fisheries facilties grant account is established in the general fund. An amount to carry out the provisions of (b) of this section may be appropriated annually by the legislature to the account.

(b) Within the limits of legislative appropriations for this purpose, the commissioner may make grants to municipalities receiving shared fisheries tax revenues under AS 43.75.130. A grant provided under this section may not exceed 13 1/3 per cent of the amount of revenue collected in the municipality from the tax levied and collected under AS 43.75. The commissioner may make a grant to a municipality under this section only if the municipality demonstrates to the commissioner's satisfaction that the grant will be used on a fisheries project.

(c) In this section,

(1) "commissioner" means the commissioner of [ ];

(2) "fisheries project" means a dock or comparable facility which may be used for the transfer or transportation of fishery products, including all utilities necessary to service the project;

(3) "municipality" means a borough, home rule or general law city, or a municipality unified under AS 29.68.240 - 29.68.440;

Kotzebue	inc. & League member	
Togiak	inc.	
Ugashlik	-	
Chugnik	-	
Aniak	inc.	
Akutan	-	
Egigik	-	
Squaw Harbor	-	
False Pass	-	
Chignik	-	
Manley Hot Springs	-	
Whittier	inc. & League member	
Emmonak	inc.	
Mountain Village	inc.	
Hawk Inlet	-	
Golovin	inc.	
Pilot Point	(Pilot Station is inc.)	
Ekok	-	
Fortuna Ledge	inc.	

CSSB 132

A M E N D M E N T

Offered in the HOUSE

By Osterbac

TO: HOUSE BILL NO. 306

Page 3, line 7:

After "by-products," delete the remainder of the paragraph and insert:

except fish species which have been designated by the commissioner of fish and game as a developing commercial species under AS 16.05.050(12);

Page 6, following line 20, insert:

* Sec. 13. AS 16.05.050 is amended by adding a new paragraph to read:

(12) not later than October 31 of each year, designate and provide to the commissioner of revenue the names of those species of fish of which there is a significant supply and for which there is a developing commercial market.

Renumber subsequent sections.

SENATE FINANCE COMMITTEE
March 9, 1979
8:35 a.m.

Chairman Sackett convened the meeting at approximately 8:35 a.m. All committee members were present with the exception of Senator Sumner. Also in attendance were Senators Kerttula, Mulcahy, Tillion, and Stimson, as well as the Governor's Legislative Assistant Keith Specking, Garrey Peska, Administrative Assistant to the Finance Committee, representatives of the media, and individuals listed on the attendance sheet appended to these minutes. PRESENT

Chairman Sackett moved that SB 132 (Act relating to the refund of raw fish tax receipts to local government) be brought up for discussion, advising that Senate President Tillion and Mr. Specking were present to testify concerning the bill. SB 132

Senator Tillion advised that the legislation allows foregiveness of property taxes to municipalities equal to the amount paid for fishery development. He directed committee attention to page 2 of the fiscal note accompanying SB 132, advising that page 2 sets forth current distribution of shared taxes as well as proposed distributions under the subject bill.

Under the above legislation, fisheries would be taxed at basically the same rate for all species. Such taxation would not increase the general fund by a significant amount, but it would make funds available for development of fishery programs.

Senator Tillion advised committee members of the existence of a $1.684 million fisheries development bank formed last year, advising that funding in the bank can be leveraged through the Spokane Bank of Cooperatives. Development funding covers vessel loans as well as improvements ashore. He further stated that taxes do not fall evenly throughout Alaska. Senator Tillion advised that 60% of the crab caught in Alaska is caught by non-resident fishermen, while nine years ago Alaskans caught 90%. The greatest amount of crab is now caught by fishermen coming out of Seattle.

The program requires five years' residency in Alaska in order to be eligible, during three of which the individual must have participated in Alaskan fisheries. Senator Tillion advised that for the state's long-term good it will be

more beneficial to effect the increased tax now rather than maintain the status quo.

Senator Ray questioned whether revenue derived from the anticipated tax increase would be placed in the renewable resources fund, and Senator Tillion responded "no, last year we formed the bank and put $2 million into it set up as the Alaska Commercial Fishing and Agriculture Bank under the bank of cooperatives system set up by the federal government."

KEITH SPECKING

Mr. Keith Specking next appeared before the committee to comment on the proposed bill (copy of Mr. Specking's verbatim testimony attached to these minutes).

Following Mr. Specking's testimony, and in response to a question from Senator Ray, Senator Tillion demonstrated the effect of increased revenue sharing under the proposed legislation, advising that where the Haines Borough currently receives $35 thousand, under the subject bill it would receive $106 thousand. Basically, what the state hopes to do through increased revenue sharing is to develop its fisheries industry and take back what has been lost to Seattle. Increased funding will enable local municipalities to float revenue bonds to finance dock improvements. The fisheries industry will thus be bearing the cost of improvements rather than the general public.

SENATOR MULCAHY

Senator Mulcahy next appeared before the committee advising that the subject bill will have "the biggest impact on fisheries that has ever come along." He stated that problems with the legislation center on the fact that there has not been adequate time to develop information, receive input, or conduct research. He further stated that everyone knew the administration was considering a raw fish tax, but no one knew it would be anything as large as the proposed bill. In some areas of the industry the bill would effect a 500% tax increase.

Senator Mulcahy stated that he believed everyone would agree that there is only one established fishery industry in Alaska--the salmon industry. Therefore the tax in this area is sometimes higher than other fishery areas experience. Some fishery areas are new and need a chance to "develop" and get on their feet." Future development appears to be in bottom fisheries. Other areas of the industry have peaked out and are now functioning at a lower level.

Senator Mulcahy alluded to problems in the bottom fish industry revolving around big foreign fleets and cheaper labor markets in foreign countries. If Alaska is going to develop a bottom fish industry, it is going to have to give the on-shore development plant a break. The Bering Sea and Continental Shelf could be the sea port of Alaska if it is only allowed to develop.

He further advised that enactment of SB 132 would kill attempts by Senator Stevens to get $2 million in funding at the national level, adding that he didn't believe a short-term moratorium would be sufficient since investors will look to a longer term.

Senator Mulcahy allowed that the current tax structure needs looking into. However, he advised that "the name of the game in resource development is that it is going to cost the state something during development." Another thing, he advised, that has helped to develop the fleet is "the existing federal tax set up. A boat owner can take money out of income tax, set it aside, and put it back into the industry."

New fishing vessels over 100 feet in length have primary as well as secondary processing capabilities. SB 132 is going to have a substantial impact on crab processing in Alaska. Senator Mulcahy further advised that he believed the numbers connected to the legislation to be understated, saying that he felt the raw fish tax "is going to generate more than anticipated," and ultimately the state will be hitting the consumer and the fisherman a lot harder than anticipated with the subject bill. He stated that with the fuel tax added on top of the raw fish tax, he felt the state would be placing the crab industry in a bad position, particularly after the peak is over.

Making reference to the Combs (sp?) Report, Senator Mulcahy advocated a bottom fishery industry without tax for the next 10 to 12 years. He further advised that Alaska may end up with 20% of the processing conducted on shore while the remaining (73%) is processed at sea.

Senator Mulcahy further advised that he had no objection to eliminating the Seattle fleet, but feared that under the proposed bill, bottom fisheries would be damaged in Alaska. He stated that impact from the legislation is sufficient enough to demand a good hard look, adding that Alaska will not have a second chance at this industry.industry.

Senator Mulcahy made reference to the fishing industry in the Pribilof Islands and the local desire to get something "going on shore." Under the proposed bill, Senator Mulcahy advised that he could not see how the local effort "would have a chance to get started."

In response, Senator Tillion advised that if Alaska is going to develop a domestic fisheries industry (small boat) it needs financing for development. He added that the small fleet could properly conduct the harvest, but it needs a source of financing. He further attested to the need for Alaskans to get something out of the fishing industry. The subject bill would provide funding assistance to fisheries and to municipalities. He concluded by stated that without funding, there is no way Alaska is going to develop its fisheries.

Senator Ray again raised questions concerning use of revenue generated by the fish tax, and Senator Tillion advised that language contained in federal regulations would allow for a cooperative effort through the Spokane Bank permitting leveraged use of agricultural funds in the Spokane Bank. Two years ago, the federal government expanded the agriculture bank to include fisheries, allowing Alaska to use agriculture funds from other states. Senator Kerttula expanded upon the above statement, advising that since Alaska has such a small percentage of agricultural development, it is allowed to use agricultural funding for fishery projects.

Chairman Sackett advised that SB 132 would be held in committee for review at a later time.

SB 132
HELD OVER

The Chairman next moved that SB 62 (Act making a supplemental appropriation to the special projects office, Office of the Governor, to continue funding the Delta agricultural development project) be brought up for discussion, advising that Bob Palmer from the Governor's Office was before the committee to testify. Mr. Palmer advised that last year the legislature appropriated first-phase funding for the project. Such funding provided money for the clearing operation which is now underway as well as money for the elevator and other items. The administration emphasized that last year's appropriation was for the first phase, and that the administration would be back before the legislature seeking funding for the second phase.

SB 62

BOB PALMER
DELTA
PROJECT

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 4 PM 2 04

14008 KODIAK ALASKA 58 04-04 1102A AST

PMS REP BILL PARKER, CHAIRMAN, COMMUNITY AND REGIONAL

AFFAIRS COMMITTEE

POUCH V

JUN

ON BEHALF OF OUR OFFICERS, DIRECTORS, STAFF AND FISHERMEN,

I WISH TO EXPRESS STRONG OBJECTION AND OPPOSITION TO COMMITTEE

SUBSTITUTES FOR SB138. WE IMPLORE YOUR COMMITTEE TO SERIOUSLY

CONSIDER IMPACT OF SUCH LEGISLATION TO ALASKA PROCESSORS AND

FISHERMEN. WE DO NOT NEED HIGHER TAXES. PLEASE ADVISE ON

COMMITTEE ACTION YOUR EARLIEST CONVENIENCE.

FRANK R PETERSON, PRESIDENT, KODIAK AREA NATIVE ASSN

CC SENATOR BOB MULCAHY

REPRESENTATIVE FRED ZHAROFF

CSSB132

H3306

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-7212
JUNEAU, ALASKA 99802

1979 MAR 10 PM 2 07

#

02004 TDA SANDPOINT ALASKA 59 03-10 859A AST

PMS ALVIN OSTERBACK AND BOB MULCHAY

POUCH Y

JUNEAU AK

REFERENCE FISHERIES BILL INTRODUCED TO THE HOUSE REPEALING THE RAW FISH TAX AND SUBSTITUTING A NEW TAX OF SIX PERCENT. WE FEEL THAT THIS IS AN INFLATIONARY MOVE, AND WOULD HURT THE FISHING INDUSTRY AS A WHOLE. THIS INCREASE WOULD BE DETRIMENTAL TO BOTH PROCESSOR AND FISHERMEN. WE ARE OPPOSED TO THIS TAX INCREASE

JACK GRONHOLDT, PENINSULA MARKETING ASSOCIATION

RON HOLOWASKO, PACIFIC PEARL SEAFOODS

SB 132 TITLE & SPONSOR SUMMARY

AMENDED TITLE [illegible]

AN ACT [illegible]

EFFECTIVE DATE

AND PROVIDING FOR AN EFFECTIVE DATE

THE SPONSORS [illegible]

[illegible] SPONSORS

CURRENT STATUS 3/20/79 TO [illegible]

SB 132 SENATE ACTION [illegible]

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/12/79	01	0195	FIRST READING [illegible]
03/08/79	02	0401	[illegible]
[illegible]	[illegible]	0401	[illegible]
03/12/79	04	0435	[illegible]
03/17/79	05	0533	[illegible]
			TAKEN UP [illegible]
03/17/79	06	0536	SECOND READING
03/17/79	07	0536	[illegible]
[illegible]	[illegible]	0539	[illegible]
03/17/79	09	0539	THIRD READING
03/17/79	10	0539	PASSED BY [illegible]
03/17/79	11	0539	EFFECTIVE DATE [illegible]
03/17/79	12	0539	NOTICE OF [illegible]
03/19/79	13	0560	PASSED ON [illegible]
03/19/79	14	0560	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

HB306

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

02013 POM TDA KODIAK ALASKA 15 03-10 1149A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

PLEASE OPPOSE SB132 HB306 HB193 AND FUEL TAX HIKE BILL.

THESE WILL HURT ALASKA FISHING.

HAROLD JONES

BOX 183

KODIAK ALASKA 99615

1979 MAR 10 PM 2 16

CSSB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

1979 MAR 13 AM 4 24

HB306

02337 NL TDA CORDOVA ALASKA 50 03-12 430P AST

PMS REP ALVIN OSTERBACK

JUN

THE CORDOVA DISTRICT FISHERIES UNION OPPOSES HB306, TO IMPOSE SUCH A DRAMATIC TAX INCREASE ON FISHERIES PRODUCTS BEFORE EVALUATING THE IMPACT ON THE FISHING INDUSTRY COULD BE CATASTROPHIC. W E DO SUPPORT HB36 WHICH CALLS FOR AN APPROPRIATION FOR A STUDY OF ALASKA FISHERIES TAX LAWS IN WHICH THE IMPACT OF HB306 SHOULD BE ADDRESSED.

CORDOVA DISTRICT FISHERIES UNION BOX 939 CORDOVA

[illegible] BLAKE, CHAIRMAN

HB306

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

JUNEAU, ALASKA 99802

1979 MAR 14 PM 1 02

02059 POM IDA SELDOVIA ALASKA 15 03-14 925A AST

PMS REP ALVIN OSTERBACK

JUN

LET IT BE KNOWN THAT SELDOVIA CHAMBER OF COMMERCE UNANIMOUSLY

OPPOSES 6 PERCENT RAW FISH TAX-HB306

SELDOVIA CHAMBERS

DRAWER F SELDOVIA AK 99663

TELEGRAM

0550/02

HB306

RCA ALASKA COMMUNICATIONS, INC.

JUNEAU, ALASKA 99802

1979 MAR 14 PM 2 20

02093 POM IDA SAND POINT ALASKA 15 03-14 1035A AST

PMS REP ALVIN OSTERBACK

JUN

PMA STRONGLY OPPOSES HB306. DO ANYTHING YOU CAN TO

STOP BILL

PENINSULA MARKETING ASSN

GENL DLY SAND POINT AK

TELEG CSSB132

RCA ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]
JUNEAU, ALASKA [illegible]

HB306

#

02080 POM TDA KODIAK ALASKA 15 03-10 [illegible] PM 5 26

PMS REP ALVIN OSTERBACK

JUN AK

PLEASE OPPOSE SB132 HB306 AND HB193. THESE BILLS ARE UNFAIR TO OUR FISHERMEN.

PEGGY CROSS

BOX 2541

KODIAK ALASKA 99615

C SSB 133
HB 306

PacificPearl

AN Ponfac COMPANY

March 10, 1979

Honorable Alvin Osterback
Alaska House of Representatives
Pouch V
Juneau, AK 99811

RE: HB 306

Dear Alvin;

On behalf of Pacific Pearl Seafoods, which has six seafood canneries operating in Alaska as well as one floating processor, I would like to use this letter to voice our vehement objections to the above-mentioned House bill, the purpose of which is to raise the tax on raw fish from 1% to 6%:

1) On the east coast of the United States, American tanner crab meat is already being undersold by the Canadians ($5.25/lb vs. $4.30/lb.). The proposed increase in the raw fish tax would only serve to up the American crab price by an additional 16¢, thus furthering the gap between the two and handicapping an American industry so as to be uncompetitive.

2) Far from promoting the development of a bottomfish fishery, an increase in the raw fish tax across the board would only inhibit such a growth. The 6% raw fish tax would be more than the profit margin in such a high volume - low profit fishery. So, if the promoters of HB 306 are really interested in strengthening the bottomfish potential in Alaska, it would seem they are going about it in a very inefficient way. I might add that the bottomfish industry is going to be a very essential part of this State's future fisheries resources. It is in the interest of Alaska that everything possible be done to advance the bottomfish industry, which this proposed raw fish tax increase does not do.

3) Such a drastic increase in the raw fish tax, rather that adding to the State's coffers, could very possibly end up bringing the State less monies. Why should floating processors fish in State waters and be taxed so exorbitantly when they can go outside State boundaries and not be taxed at all?

4) There are definite legal questions concerning just what constitutes the State's territorial boundaries. For instance, the International Halibut Commission said that a state cannot tax anything past a three-mile limit.

PACIFIC PEARL SEAFOODS
P.O. BOX 828
KODIAK, ALASKA 99615
[illegible] TELEX 090-25-355

This bill, if passed, is going to effect several thousands of Alaskans involved in various aspects of the fisheries industry. Therefore, it is particularly essential that it not be rushed through the House committees without the public and fishing industry being give an opportunity to speak out on it.

Respectfully,

Charles L. Jensen

CLJ:cmb

HB 306
CSSB132

Bristol
Bay
Native
Corporation 445 E. 5TH AVENUE / P.O. BOX 220 / ANCHORAGE, ALASKA 99510 / PH (907) 278-3602

March 16, 1979

Senator George Hohman
Representative Nels A. Anderson, Jr.
Pouch V
Juneau, Alaska 99811

Dear George and Nels:

(CS Senate Bill 132)

This letter is in protest of House Bill 306 (Fisheries Taxes). We ask you as our Senator and Representative to use all of your efforts in having this Bill defeated.

Why does the State Administration and some legislators want to tax the fish processors to fund State programs to the detriment of the fishermen? The fishermen and the consumers will be paying this tax indirectly for the fish processor. This means lower fish prices for the fishermen and higher prices for the consumer.

This Bill (306) discourages development of the fisheries. I don't see how the State can say they encourage development when taxation of this sort is placed on them before any development occurs. It doesn't make sense.

It seems to me the State of Alaska should have learned their lesson with the taxation they placed against the oil industry when one speaks of encouraging development.

Many fishermen in Bristol Bay come from small villages that will not benefit from this taxation proposal but will be paying their fair share to the local governments and the State of Alaska.

We must keep in mind that we cannot run off half cocked into programs we can't afford nor should we place taxation on

industries without first studying the impacts in greater detail. It will be a grave mistake should this legislation pass.

I ask that you keep me informed of the status of this Bill.

Sincerely,

Harold H. Samuelsen

Harold H. Samuelsen
President

cc: Sen. Clem Tillion
Sen. John Sackett
Rep. Terry Gardiner
Rep. Al Osterback
Rep. Phillip Guy
Gov. Jay Hammond
Ted Angasan or Kay Larson, BBNA

Q55B/132

Alaska Shrimp Trawlers Association

POST OFFICE BOX 991
KODIAK, ALASKA 99615

HB306

March 9, 1979

Rep. Alvin Osterback

In response to House Bill 306 and Senate Bill 132 - Raw Fish Tax

We strongly object to the proposed increase in the Raw Fish Tax and the way it is being handled. We feel that above and beyond disagreeing with the terms of this bill, even more outrageous is the denial of due process of law presently taking place. (In regard to the butchering and railroading of Senate Bill 132.)

Already crippled by excess licenses, permits, taxes and other regulations, this behind-the-back attack on the fisheries could be the death blow for the Alaskan fishing industry.

In effect, this Bill would force the progressive Alaskan fishermen to become part of the Seattle-based fleet in an effort to maintain even a minimal profit margin. Although legislative action at this date indicates otherwise, the fisheries represent a major industry with a heavy impact on the continued economic stability of this state.

With the passage of this Bill, the presently under-utilized bottomfish fishery will never get off the ground as a shore-based fishery, and at best, would never come close to reaching its full potential.

We request you, our representative, to make known our extreme disapproval of the terms and concepts set forth in this Bill, and our disappointment in the way it is being handled.

Thank you for your consideration in this matter.

I am,

Alvin R. Burch
Manager

cc: Senators Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Hohman, Kelly, Kertula, Meland, Mulcahy, Ray, Ruddy, Sackett, Stimson, Sturgulewski, Sumner, Tillion, Ziegler. Rep. Tharoff, Gov. Hammond, Keith Specking, United Fishermen's Marketing Assn., Fishermen's Wives Assn., Kodiak, Rep. Terry Gardiner, Rep. Brian Rogers, United Fishermen of Alaska, Kodiak Seafood Processors Assn.

CSSB132

KODIAK AREA CHAMBER OF COMMERCE

HB306

KACC

March 9, 1979

AN OPEN LETTER TO THE GOVERNOR OF ALASKA AND THE MEMBERS OF THE STATE LEGISLATURE:

Gentlemen:

The Kodiak Area Chamber of Commerce strongly opposes the proposed increase in the Raw Fish Tax, and deplores the ram-rod methods used to push this measure into law.

The increased tax will have a most serious impact on the economy of Kodiak and all the other fishing communities in the State. It will not only immediately affect the fishermen and the processors, it will be most detrimental to every person in the fishing communities, and the snow-ball effect will ultimately lower the economy of the entire State and all its citizens.

The carrot on the stick, calling for returning a larger percentage of the tax to local governments, is an obvious ploy designed to gain support from Legislators representing districts that would benefit financially. While they grab the free lunch carrot, Kodiak and the other fishing communities are being beaten with the stick.

The Chamber urges the Legislators to stop all debate on this issue until public hearings are held in all fishing communities, including Kodiak, in order to more fully understand the impact on the fishing communities and the ultimate effect the increased Raw Fish Tax will have on the economy of the State.

Sincerely,

Art Jordan, Manager
KODIAK AREA CHAMBER OF COMMERCE

AJ/bz

KODIAK MUNICIPAL BUILDING

CSSB 132

HB306

P. O. Box 37
Kodiak, AK 99615
March 10, 1979

Senator Robert Mulcahy
Alaska State Senate
Pouch V
Juneau, AK 99811

RE: SB 132, HB 306

Dear Senator Mulcahy:

We are writing this letter to state our strong objections to the above-mentioned bill which would up the raw fish tax to 6% from its present 1%.

First of all, the most obvious fact is that the increase is so pronounced as to raise the question why the jump of 5%? But beyond that is the point that we as individuals are for less taxation regardless of the limitation in services. If Proposition 13 in California last year was any example, we certainly aren't the only ones for less taxation.

There is a theory which we believe is very valid, namely that government can't tax a company. Companies only pass any taxes on to the consumer by marking up the price of their product. A solution to the problem of inflation is not further taxation, which was stipulated as being one of the reasons that this bill was initiated in the first place.

Most of the seafood that comes from Alaskan fisheries (i.e. crab and shrimp) are already very high-priced products, barely in competition with the same foreign products. This proposed increase in the fish tax should help substantially in putting Alaskan seafood products out of the market completely. Being a luxury item, people in the United States are going to stop buying it if the price becomes too exorbitant.

Alaska's fishery resources are extremely important to a good many people in this State: fishermen and their families, cannery employees, and all the services and suppliers connected with seafood processing. To see Alaska's fisheries become too inhibited or slow down all together would certainly not help the State or the livelihoods of those who derive their income from fisheries.

As far as providing revenue to the municipalities, Kodiak for one is an example of a city who has more than enough money at present. A fact that was made clear in the arguments the City used in trying to persuade the Joint Committee on Community and Regional Affairs that it should be allowed to annex parts now in the borough. We sincerely hope that you take a good look at this bill and consider just how destructive it could be.

Sincerely,

Cynthia M. Pistorese
Secretary (Pacific Pearl Seafoods)

David R. Pistorese
(Fisherman)

cc: Representative Alvin Osterback
Alaska House of Representatives

The Commerce Committee considered SENATE BILL NO. 94 (relating to occupational licensing fees) and reports it back as follows: Senator Bradley, Chairman and Senator Sturgulewski signed "do pass". Senators Ferguson and Stimson signed "no recommendation". Senator Kelly signed "do not pass". SR 94

SENATE BILL NO. 94 was referred to the Finance Committee

The Resources Committee considered SENATE BILL NO. 113 (waste of wild food animals) and reports it back as follows: Senator Sumner, Chairman and Senators Dankworth, Mulcahy and Fahrenkamp signed "do pass". SB 113

SENATE BILL NO. 113 was referred to the Rules Committee.

The Community and Regional Affairs Committee considered SENATE BILL NO. 132 (refund of raw fish tax receipts to local government) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 132, entitled: SB 132

"An Act relating to fisheries taxes; and providing for an effective date."

and reports it back as follows: Senator Sturgulewski, Chairman and Senators Kelly and Stimson signed "do pass". Senator Rodey signed "no recommendation". Senator Mulcahy signed "do not pass". The Committee further attaches a letter of intent.

SENATE BILL NO. 132 was referred to the Finance Committee.

Letter of intent accompanying SENATE BILL NO. 132 follows:

The Senate Community and Regional Affairs Committee has adopted and passed Committee Substitute for Senate Bill 132 which has a referral to the Senate Finance Committee.

Testimony, received by the Committee, indicates the need for further investigation on the economic ramifications of this legislation, with particular emphasis on the development of bottom fisheries.

By Senate Community and Regional Affairs Committee

Chairman

Vice-Chairman

The Commerce Committee considered SENATE BILL NO. 94 (relating to occupational licensing fees) and reports it back as follows: Senator Bradley, Chairman and Senator Sturgulewski signed "do pass". Senators Ferguson and Stimson signed "no recommendation". Senator Kelly signed "do not pass". SB 94

SENATE BILL NO. 94 was referred to the Finance Committee.

The Resources Committee considered SENATE BILL NO. 113 (waste of wild food animals) and reports it back as follows: Senator Sumner, Chairman and Senators Dankworth, Mulcahy and Fahrenkamp signed "do pass". SB 113

SENATE BILL NO. 113 was referred to the Rules Committee.

The Community and Regional Affairs Committee considered SENATE BILL NO. 132 (refund of raw fish tax receipts to local government) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 132, entitled: SB 132

"An Act relating to fisheries taxes; and providing for an effective date."

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SENATE BILL NO. 113 was referred to the Rules Committee.

The Community and Regional Affairs Committee considered SENATE BILL NO. 132 (refund of raw fish tax receipts to local government) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 132, entitled: SB 132

"An Act relating to fish taxes; and providing for an effective date."

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SENATE BILL NO. 132 was referred to the Finance Committee.

Letter of intent accompanying SENATE BILL NO. 132 follows:

The Senate Community and Regional Affairs Committee has adopted and passed Committee Substitute for Senate Bill 132 which has a referral to the Senate Finance Committee.

Testimony, received by the Committee, indicates the need for further investigation on the economic ramifications of this legislation, with particular emphasis on the development of bottom fisheries.

By Senate Community and Regional Affairs Committee

Arliss Sturgulewski
Chairman

Bob Mulcahy
Vice-Chairman

Jay Stimson

Joe Rodey

Tom Kelly

1977-78 Raw Fish Tax for 2nd Class Cities and Unincorporated Areas

		Raw Fish Tax	20% return	33⅓ return
	[illegible]giak	$ 65,460	$ 13,092	$ 21,798
	[illegible]	48,470	[illegible]	16,140
2ND	[illegible]nak	26,166	5,233	8,713
LASS	[illegible] Village	22,687	4,537	7,555
ITIES	[illegible]	[illegible]	924	1,538
	[illegible]akleet	4,533	906	1,511
	[illegible]rtuna Ledge	2,012	402	671
	Golovin	1,213	243	404
	[illegible] Heiden	791	158	264
	[illegible]	643	129	214
	[illegible]	[illegible]	55	92
	[illegible]mmon Bay	[illegible]	[illegible]	51
	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	177,098	35,419	58,975

	[illegible]	[illegible],176
NINCOR	[illegible]	[illegible]
	[illegible]lak	323,990
	[illegible]	165,117
	[illegible]uk	149,783
	[illegible]	65,383

C&RA

BILL WORK SHEET

BILL NO. SB 32 re Eminent Domain

Received from
Referred to

Original Sponsor
Fiscal Note

LAA Legal Research Contact

CONTACTS:

Leg. may - new language to solve const. problem
Leg. given option of deciding
P. 2 + P. 6
Second class cities included?
Tellion's bill

SSB 132

Sec AS 43.75.130 is amended to read:
The commissioner of revenue shall pay to each municipality unified under AS 29.65.240 - 29.68.440, and to each city located in the unorganized borough, 33 1/3 % of the amount of tax revenue collected in the municipality from taxes levied by AS 43.75. The commissioner of revenue shall pay to each borough 33 1/3 % of the amount of tax revenue collected in the area of the borough located outside cities from taxes levied by AS 43.75 and 16 2/3 % of the amount of tax revenue collected in cities located within the borough from taxes levied by AS 43.75. The commissioner of revenue shall pay to each city located in a borough 16 2/3 % of the amount of tax revenue collected in the city from taxes levied by AS 43.75.

City of Seldovia

P. O. DRAWER B TELEPHONE 234-7643
SELDOVIA, ALASKA 99663

March 15, 1979

SSB 132
HB 306

Honorable Representative Alvin Osterback
Co-Chairman, House Resource Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

Enclosed is City of Seldovia's Resolution #79-9. A Resolution in opposition of House Bill 306 - Raw Fish Tax and any related Senate bills.

Sincerely

CITY OF SELDOVIA

Donald G. Caswell

Donald G. Caswell

City Manager

ck

Enclosure

HB 306
CSSB 132

RESOLUTION 79-9

A RESOLUTION IN OPPOSITION OF HB 306 - RAW FISH TAX

WHEREAS, HB 306 has been introduced which would standardize the raw fish tax at 6% of raw value regardless of species of fish being processed or the method of processing, and

WHEREAS, the fishing industry is the major economy of Seldovia and this industry is presently depressed in this area, and

WHEREAS, increased taxation of this industry will bring harm to processor and fisherman alike, and will further depress the economy of our area,

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Seldovia, that this municipality hereby urges a vote of Do Not Pass on HB 306, and any related Senate bills.

PASSED AND APPROVED THIS _____ day of March, 1979.

Darlene Crawford,
Mayor

ATTEST:

Linda M. Cyr
City Clerk

(SEAL)

April 2, 1979

Dear Legislator:

I am in favor of the 6 per cent raw fish tax.

Kodiak fishermen have not paid a boat tax for the past 15 years. Many fishermen now have million dollar vessels and own interests in seafood processing plants.

Non-fishermen Alaskans are paying taxes for the fishermen.

Many fishing boats are foreign owned and also from the Lower '48. These boat owners catch Alaska's fish and leave the State with the money. The 6 per cent raw fish tax would insure Alaskans a piece of the pie. Fishermen have been free-loading long enough.

By this letter, I am expressing my strong support of needed legislation of a 6 per cent raw fish tax.

Sincerely,

Okey Chandler
Box 1655
Kodiak, Alaska 99615

1977-78 Raw Fish Tax for 2nd Class Cities and Unincorporated Areas

	Raw Fish Tax	20% return	33⅓ return
ND			
LASS			
ITIES			

* Sec. . AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay to each organized borough, t- [AND] each city, and to each municipality unified under AS 29.68.240 - 29.68.440, 20 [OF THE FIRST CLASS 10] per cent of the amount of tax revenue collected in the municipality [BOROUGH OR CITY] from taxes levied by AS 43.75 [AS 43.75.010 - 43.75.090]. If tax revenue is collected in a city within a borough, the department shall pay an amount equal to 10 per cent of the amount of revenue collected in the city within the borough to the city and the same amount to the borough.

* Sec. . AS 43.18 is amended by adding new sections to read:

ARTICLE 5. GRANTS FOR FISHERIES PROJECTS.

Sec. 43.18.500. GRANTS FOR FISHERIES PROJECTS. (a) The fisheries facilties grant account is established in the general fund. An amount to carry out the provisions of (b) of this section may be appropriated annually by the legislature to the account.

(b) Within the limits of legislative appropriations for this purpose, the commissioner may make grants to municipalities receiving shared fisheries tax revenues under AS 43.75.130. A grant provided under this section may not exceed 13 1/3 per cent of the amount of revenue collected in the municipality from the tax levied and collected under AS 43.75. The commissioner may make a grant to a municipality under this section only if the municipality demonstrates to the commissioner's satisfaction that the grant will be used on a fisheries project.

(c) In this section,

(1) "commissioner" means the commissioner of [ ];

(2) "fisheries project" means a dock or comparable facility which may be used for the transfer or transportation of fishery products, including all utilities necessary to service the project;

(3) "municipality" means a borough, home rule or general law city, or a municipality unified under AS 29.68.240 - 29.68.440;

Original sponsor: Kerttula

IN THE SENATE

HOUSE CS FOR CS FOR SENATE BILL NO. 132

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to fisheries taxes; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. FINDINGS. The legislature finds that the state has

(1) funded and implemented several fisheries-related development programs;

(2) funded and implemented fishery loan programs;

(3) increased its fishery protection and management program;

(4) funded and implemented a limited entry program; and

(5) embarked on a program of encouraging the development of a bottom fishing industry.

* Sec. 2. PURPOSE. The purposes of this Act are to

(1) insure that the state is able to continue its efforts toward overall fisheries-related development programs by raising additional revenue to pay for the programs;

(2) make the imposition of the fisheries tax more uniform among fisheries businesses; and

(3) provide funding for the development of new fisheries.

* Sec. 3. AS 43.75 is amended by adding new sections to read:

Sec. 43.75.011. FISHERIES BUSINESS LICENSE. A person engaging or attempting to engage in a fisheries business shall first apply for and obtain a license as provided in AS 43.75.020.

Sec. 43.75.015. FISHERIES BUSINESS TAX. (a) A person engaged in a fisheries business is liable for and shall pay a tax equal to five per

cent of the value of the fishery resource processed by his fisheries business during the year.

(b) A person engaging or attempting to engage in a fisheries business who actually and physically processes the fishery resource is liable for and shall pay to the department the whole tax imposed by this section. In determining this tax liability, the person may not deduct from the value of the fishery resource processed the value of fishery resources canned or processed for other fisheries businesses, but shall include this as part of the value of the fishery resources canned or processed.

Sec. 43.75.017. CREDIT. A person engaged in a fisheries business is allowed as a credit against the tax due under this chapter an amount equal to one-half of the amount which he paid during the tax year as an assessment under AS 16.10.530 - 16.10.540. The credit authorized by this section may not exceed 50 40 per cent of the taxpayer's total tax liability under this chapter before application of the credit authorized by this section.

Sec. 43.75.131. TAX SHARING WITH MUNICIPALITIES. The legislature may annually appropriate to each borough, to each city of the first class, and to each municipality unified under AS 29.68.240 - 29.68.440, an amount equal to 20 33 1/3 per cent of the amount of tax revenue collected in the municipality from taxes levied in this chapter. If tax revenue is collected in a city within a borough, the legislature may divide the tax revenue appropriated under this section between the city and the borough.

Sec. 43.75.136. PAYMENTS TO COMMERCIAL FISHING AND AGRICULTURE BANK. The legislature may annually appropriate 33 1/3 per cent of the amount of tax revenue collected under this chapter to the Commercial Fishing and Agriculture Bank established in AS 44.54.010 until the bank

is fully capitalized as determined by the commissioner of commerce and economic development based upon the estimated capital needs of the bank

Sec. 43.75.140. DEFINITIONS. In this chapter

(1) "department" means the Department of Revenue;

(2) "fisheries business" means a person who engages in processing fisheries resources for sale by freezing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants;

(3) "fishery resource" means fin fish, shellfish and fish by-products, including but not limited to salmon, halibut, herring, crab, clam, cod, shrimp, and pollock;

(4) "value" means the actual price paid for the fisheries resource by the fisheries business including indirect consideration such as fuel, supplies, or gear, except that "value" means the market value of the fishery resource if procured in company-owned or subsidized boat operated by employees of the fisheries business or under lease or other arrangement.

* Sec. 4. AS 43.75.100 is repealed and re-enacted to read:

Sec. 43.75.100. TAX IMPOSED ON TAKING OF FISHERY RESOURCE. (a) person taking, purchasing, or otherwise acquiring a fishery resource covered by this chapter which has not been subject to the tax imposed i AS 43.75.015 who sells the fishery resource to a fisheries business outside the taxing jurisdiction of the state is subject to the tax set out in AS 43.75.015 on the value of the fishery resource sold.

(b) A person paying the tax imposed by (a) of this section may claim the tax credit authorized by AS 43.75.017.

* Sec. 5. AS 43.75.030(a) is amended to read:

(a) A person subject to the tax shall file a return stating the value of [RAW] fisheries <u>resources</u> [PRODUCTS] processed during the

license year, computed as required by [AS 43.75.010 - 43.75.050 OF] this chapter, and such other information as the department prescribes by regulation. The return shall show the license number and shall be signed by the taxpayer or his authorized agent, under penalty of perjury. If a receiver, trustee, or assign is operating the property or business, he shall file the return for the person. A tax due on the basis of such a return shall be collected in the same manner as if collected from the person of whose business he has custody and control.

* Sec. 6. AS 43.75.030(e) is amended to read:

(e) Every person engaging or attempting to engage in a business for which a license is required under [AS 43.75.010 - 43.75.050 OF] this chapter shall keep [SUCH] records, make [SUCH] statements under oath, file [SUCH] returns, and comply with all [SUCH] regulations which [AS] the commissioner of revenue may prescribe.

* Sec. 7. AS 43.75.050(f) is amended to read:

(f) A person who wilfully fails to obtain a license, pay a tax, make a return, keep or display a record, or supply the information at the time required by law or regulation, in violation of [AS 43.75.010 - 43.75.055 OF] this chapter, is, in addition to other penalties provided by law, guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both, together with the cost of prosecution.

* Sec. 8. AS 43.75.055 is amended to read:

Sec. 43.75.055. SECURITY FOR COLLECTION OF TAXES. Each applicant for a license under this chapter shall, in or with his application, state under oath the amount of each of the products which he expects to produce during the license year. The applicant shall further state the extent of lienable real property owned by the applicant in the state against which the tax may be collected and other information with

respect to description, location and value of the property which the department prescribes. If the lienable value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable under this section, the department may not issue the license until the applicant files with the department a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, with interest if not paid before delinquency. However, if the applicant purchases salmon for export from Alaska in the round, the amount of the bond is $50,000 unless the applicant is the owner of lienable real property in the state of a value of at least $50,000, and the bond must be conditioned upon payment to the fisherman of the full purchase price for the salmon and the payment of the tax in full when due. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department or prepays the estimated tax.

* Sec. 9. AS 43.75.110 is amended to read:

Sec. 43.75.110. DUTY OF TAXPAYER AND PAYMENT OF TAX. A person subject to taxes under AS 43.75.100 - 43.75.120 shall make a return stating the value of [RAW] fisheries resources [PRODUCTS] taken, purchased, or otherwise acquired during the license year for sale to fisheries businesses [FREEZER SHIPS, FLOATING COLD STORAGES, OR FLOATING CANNERIES] outside of the taxing jurisdiction of the state computed as required by AS 43.75.100 - 43.75.120, and other information to carry out the provisions of AS 43.75.100 - 43.75.200 as may be prescribed by the department. The return shall contain the license number and shall be signed by the taxpayer or his authorized agent, under penalty of perjury. If a receiver, trustee, or assign is operating the property or business, he shall make the return for the person. A tax due on the

basis of such return shall be collected in the same manner as if collected from the person of whose business he has custody and control. The requirements for time and place of payment of tax, and the obligation to keep records and make the records available to the commissioner of revenue are the same as those prescribed in AS 43.75.011 - 43.75.050 [THE BUSINESS LICENSE TAX LAW FOR SALMON CANNERIES].

* Sec. 10. AS 43.75.120 is amended to read:

Sec. 43.75.120. VIOLATIONS AND PENALTIES. (a) The liability to file returns and pay interest and deficiency assessments, and the subjection of property to liens is the same as prescribed in AS 43.75.011 43.75.050 [THE BUSINESS LICENSE TAX LAW FOR SALMON CANNERIES].

(b) A violation of AS 43.75.100 - 43.75.120 or the regulations issued under AS 43.75.100 - 43.75.120 is a misdemeanor subject to punishment as prescribed in AS 43.75.011 - 43.75.050 [THE BUSINESS LICENSE TAX LAW FOR SALMON CANNERIES].

* Sec. 11. AS 29.53 is amended by adding a new section to read:

Sec. 29.53.162. TAX ADJUSTMENT FOR PROPERTY OF PERSONS ENGAGED IN CERTAIN FISHERIES BUSINESSESS. (a) The borough shall allow as a credit against the tax levied on the real property of a taxpayer used by the taxpayer in the processing of fisheries resources the amount of tax paid under AS 43.75.015 and 43.75.100 during the preceding tax year of the borough on the processing of a fish species designated by the commissioner of fish and game as a developing commercial species under AS 16.05.050(12). The tax credit may not exceed the taxpayer's tax liability to the borough under this chapter.

(b) A taxpayer claiming the tax credit provided in (a) of this section shall furnish with the tax payment a copy of his return filed with the Department of Revenue under AS 43.75.030(e) indicating his liability for, and payment of, fisheries taxes under AS 43.75 during t

preceding calendar year. A taxpayer claiming the tax credit provided in (a) of this section who, during the previous year, has processed both fish species designated by the commissioner of fish and game as developing commercial species and fish species which have not been so designate shall include a certified statement indicating the proportion of the total fisheries resource attributable to species designated by the commissioner of fish and game and for which a credit is claimed under this section.

(c) If the property for which a tax credit is claimed under this section is located inside a city within a borough and each municipality levies and collects a property tax, the tax credit allowed to the taxpayer

(1) against the tax due the city is the amount of tax paid under AS 43.75.015 and 43.75.100 attributable to developing commercial fish species designated by the commissioner of fish and game multiplied by the ratio of the city's property tax rate to the total property tax rate levied by the city and the borough;

(2) against the tax due the borough is determined by subtracting from the total tax credit allowed, the amount determined under (1) of this subsection.

* Sec. 12. AS 16.05.050 is amended by adding a new paragraph to read:

(12) not later than October 31 of each year, designate and provide to the commissioners of revenue and community and regional affairs the names of those species of fish of which there is a significant supply and for which there is a developing commercial market.

* Sec. 13. AS 43.75.010, 43.75.060, 43.75.070, 43.75.080, 43.75.090, 43.75.095, 43.75.130, and 43.75.135 are repealed.

* Sec. 14. TRANSITION. The taxes paid for the 1978 calendar year under AS 43.75 shall be shared with municipalities in accordance with AS 43.75.130

and 43.75.135, as those sections read before repeal by this Act. The taxes paid for the 1979 calendar year and for each succeeding calendar year may be shared with municipalities in accordance with AS 43.75.131, added by sec. 3 of this Act.

* Sec. 15. TREATMENT OF HALIBUT. For purposes of AS 16.05.050(12), added by sec. 12 of this Act, halibut is designated a developing commercial fish species. The designation of halibut as a developing commercial fish species ceases when the commissioner of fish and game no longer designates halibut as a species of which there is a significant supply and for which there is a developing commercial market.

* Sec. 16. Sections 1 - 10, 13 and 14 of this Act are retroactive to January 1, 1979.

* Sec. 17. Sections 1 - 10, 13, 14 and 16 of this Act take effect immediately in accordance with AS 01.10.070(c). Section 11 of this Act take effect January 1, 1980. Sections 12 and 15 of this Act take effect July 1, 1979.

SB

134

(1)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

March 22, 1979 Date: _____

Mr. Speaker:

The Committee on C&RA has had CSSB 134

"An Act making a special appropriation to the Department of Community and Regional Affairs for grants to municipalities and other recipients in place of entitlements under the program of state aid to local governments; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

50 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 4/2/79

BILL NUMBER AND TITLE: CSSB134 (companion to HB344) Suuplementary Revenue Sharing

ORIGINAL SPONSOR : Kertulla

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Parr
Branson
Parker
Zharoff
Carney

MEMBERS ABSENT:

Metcalf
O'Connell

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Senator Jay Kertulla-

Seward vitally needs this revenue sharing. Filing of application was late due to an inadvertent error. Kerttula feels perhaps the Commissioner of C&RA felt she had to be particularly careful in regard to this funding as the request was from her home district. Thinks that this was unnecessary and that the late filing communities should receive the funds.

Palmer McCarter--Dept. of C&RA

Reiterrated the Dept.'s position that there had to be some cut off date for the administration of the program.

Parr--suggests that a late filing penalty might be considered.

COMMITTEE ACTION: CSSB134 Passed out of committee

TAPE #6 SIDE 1 Sections 620-655

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DATE: 3/14/79

BILL NUMBER AND TITLE: HB 344 Appropriation to DER for grants to municipalities and other recipients in place of entitlements under the program of state aid to local governments;

ORIGINAL SPONSOR : Branson

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Zharoff
Carney O'Connell
Metcalfe Parr
Parker Branson

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Doug Griffin- Dept. of C&RA These communities didn't get applications in on time. Dept. thinks there has to be some incentive for complying with deadlines. Seward apparently had their application ready to go and doe to an error it was not mailed.

Branson -- CS SB 134 incorporates changes wanted by C&RA. That bill is presently in Senate Rules.

COMMITTEE ACTION: Action pending status of Senate bill

TAPE # 4 SIDE 1 Sections 930-996

Alaska State Legislature

Senate

Office of the Minority Leader

Pouch V
State Capitol
Juneau, Alaska 99811

March 27, 1979

Bill

TO: Representative Bill Parker
Chairman, Community and Regional Affairs

FROM: Senator Jalmar Kerttula

The 80th day is fast approaching us. Would there be a possibility of scheduling SB 134 for committee hearing soon. Through a series of errors and oversights this legislation was necessary and is vital to the City of Seward. Thank you.

Thanks

Jay Kerttula

SB

137

(7).

COMMITTEE REPORT

HOUSE

FURTHER:

April 6, 1979 Date: _____

Mr. Speaker:

The Committee on C&RA has had CSSB 137 (Rules)

"An Act relating to the municipal code; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 998

Official Business

DATE: 4/27/79

BILL NUMBER AND TITLE: SB 137 Relating to the Municipal Code

ORIGINAL SPONSOR : Rules at the request of the Governor

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Sterling Gallagher-- Consutant with John Nuveen
Discussed proposed amendment and need for it. Provisions of AS 29.58,200-220 which govern the issuance of revenue bonds by a general law municipalitiy such as the Fairbanks North Star Borough do not allow for the authorization of revenue bonds for the purpose of acquiring home mortgages. The proposed amendment would provide the requisite assurance that revenue bonds issued by the Borough would be valid.

Larry Kimball, Dept. of C&RA
Discussed Dept. support of amendment suggested by Ketchikan Gateway Borough (see attached letter) re responsibility of the borough in regard to fun .ion as board of adjustment,

Discussion followed on inclusion of "election as large" as an option in the reapportionment plan. Branson opposed to "at large" concept but will go along with it.Metcalf suggests that there be a dual vote on the reapportionment plan, that a majority inside and outside of the cities support it for passage. This concept is not given committee support.

Concensus of the committee is to support the House CS for CSSB137 which incorporated HB 384, Apportionment and Composition of Borough Assemblies, and to add amendment proposed by Sterling Gallagher. Election at Large concept is to be retained as an option in the House CS.

COMMITTEE ACTION: House CS passed out.

TAPE # 8 SIDE 1 Sections 61-1051

Also testifying:

Palmer McCarter & Don ARgetsinger
Support concept of municipalities being given the option of having voting "at large".

Marilyn Miller, Municipal League
Supports concept of "at large" option being included. Six out of 11 municipalities now have "at large" representation including three home rule boroughs.

Randy Phillips
Raises possibility of HB 429 being considered as an amendment to SB137. After discusssion it is decided that HB 429 will be acted upon separately.

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

April 10, 1979

The Honorable Bill Parker
Chairman, Community & Regional Affairs
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

With regard to CSSB 137 (Rules), Section 10, which amends AS 29.33 .110(a), I would like to offer the following comments and suggestions:

AS 29.33.070(a) says that Boroughs shall provide for planning, platting and zoning on an areawide basis. Paragraph (b) of the same section allows a borough to delegate planning, platting, and zoning responsibilities to the council of a city. AS 29.33.110(a) usurps the borough's prerogative to delegate the responsibility of board of adjustment by stating: " * * * The city council is the board of adjustment for the area within the city boundaries * * * "

There are two cities within the Ketchikan Gateway Borough. The City of Ketchikan is a home-rule city and the City of Saxman is a second-class city. The Ketchikan Gateway Borough provides for planning, platting, and zoning on an areawide basis. The Borough also provides for board of adjustment procedures by ordinance. The City of Ketchikan does not provide for board of adjustment procedures by ordinance, and I doubt the City of Saxman is even aware that they have the responsibility for board of adjustment. Conceivably there could be three different determinations and/or interpretations of the zoning code on similar appeals depending upon where property is located. Title 29 does not provide that these cities will prescribe procedures for appeals. AS 29.33.245 says: " * * * The assembly shall prescribe procedures for hearings and appeals. * * *" I question whether Title 29 has any influence on the home-rule city in the area of zoning. It

appears more logical that the Borough which has a vested interest in zoning regulation because they are charged with enforcing the decisions of the board of adjustment should retain the board of adjustment function unless they so chose to delegate it. Therefore, I suggest . . .

> "(a) The borough assembly is the board of adjustment but may delegate by ordinance part or all of its functions to a city within the borough in accordance with AS 29.33.070(b). * * *"

Your comments and/or questions are welcome.

Sincerely,

KETCHIKAN GATEWAY BOROUGH

Georgianna C. Booth

Georgianna C. Booth
Deputy Clerk

cc: The Honorable Mike Colletta
Chairman, Senate Rules

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B—JUNEAU 99801

April 26, 1979

The Honorable Bill Parker, Chairman
House Committee on Community &
Regional Affairs
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

At the request of your staff we have reviewed the proposed legislation providing for simultaneous incorporation and unification of municipalities and offer the following comments:

1) The proposal presents a very significant alternative because it does present a one-step option for an area to go from unorganized borough status to home rule unified status, the most sophisticated and antonomous form of local government recognized under State law. In special cases this may be the optimum method of unifying, but it could also be used by areas who wish "automatic antonomy" but do not possess the skills or financial basc to adequately govern as a home rule municipality. This problem of attaining home rule status before a regional local area is prepared to shoulder the responsibilities could occur under the present two-step process but it would be a slower and more deliberate process.

2) Upon unification all cities within the area are dissolved. We feel this may also prove to be a negative aspect of this proposal if a large area opts to unify under this mechanism. Governing a large land area with great distances between populated areas presents many different types of problems which would not confront a small second class city.

3) The proposed legislation requires an area wishing to unify meet borough standards set forth in AS 29.18.030, and that it contain one or more cities. This may allow a single city to make a case that it meets the borough standards and use this legislation to, in effect, unify "with itself" in an attempt to keep from being annexed by an existing borough or block the formation of a newly formed borough. If the precedent is set allowing this "single city unification" Alaska could ultimately, in the extreme case, have hundreds of small unified governments. This would defeat the whole purpose of regional borough government.

4) Although we feel this proposed legislation may fill a need in some instances and this draft is certainly an improvement over earlier proposals, legislation of this magnitude should be subjected to careful review and study, and in our view, is certainly deserving of a full range of public hearings.

We appreciate the opportunity to comment.

Sincerely,

Don Argetsinger

Don Argetsinger
Deputy Commissioner

5B 157

ANALYSIS OF PROPOSED LEGISLATION PROVIDING FOR SIMULTANEOUS INCORPORATION AND UNIFICATION OF MUNICIPALITIES

RE: SECOND DRAFT

Purpose of Proposed Legislation

The proposed addition to Title 29, Chapter 68 would have the effect of allowing the incorporation and unification of a municipality to occur simultaneously. The current statutory scheme provides only for separate incorporation and unification procedures, with A.S. 29.18.050 - 29.18.150 providing for incorporation and A.S. 29.68.240 - 29.68.440 providing for unification.

By allowing the simultaneous incorporation and unification of an area, the State would avoid duplicity of petition and election procedures inherent in the seriatim incorporation and unification procedure currently provided for. Additionally, the State and local governments would avoid the myriad of lawsuits between an incorporated borough and municipal entities within its boundaries which inevitably arise between the time of incorporation and eventual unification.

The proposed legislation, however, is not designed to change existing procedures for separate incorporation and unification. It merely adds a third alternative for those areas which are geographically and sociologically ready to take a single step from the unorganized borough to existing as a unified municipality. In this respect,

the proposed legislation does not take away from the State the prerogatives it has under current legislation for granting or denying petitions to incorporate, or to otherwise supervise the division of the State into organized boroughs. In fact, the proposed legislation would give to the State a greater power of supervision than currently exists, since the State would assume the supervisory functions otherwise performed by a borough concerning the question of unification.

Under the current statutory scheme for separate incorporation and unification, various supervisory functions are performed by the Department of Community and Regional Affairs, the Local Boundary Commission, and the Borough Assembly. For the purpose of effeciency, the proposed legislation for simultaneous incorporation and unification places all of these supervisory functions in the Department of Community and Regional Affairs, except for the functions of the local Boundary Commission under A.S. 29.18.080(b) and A.S. 29.18.090 pertaining to incorporation.

Location in the Statute

The proposed legislation has been drafted as Article 5 of Chapter 68. In effect, a new Article is thereby added to Chapter 68, which will require no amendments to the currently numbered sections in that Chapter. Chapter 68 is an appropriate chapter since it concerns alteration

of boundaries, and Article 3 therein provides for unification of local government. The proposed legislation could not be added as a new Article under Chapter 18 of Title 29, since that Chapter is devoted solely to incorporation.

Section by Section Analysis

Section 29.68.620

This section authorizes a procedure for incorporating and unifying an area at the same time notwithstanding other procedural requirements, including those applicable to separate incorporation or unification. It should be noted that §29.68.840 of the proposed legislation provides that the procedures for simultaneous incorporation and unification do not change the procedures for separate incorporation and unification provided elsewhere.

Section 29.68.630

This section is a blending of the provisions of 29.18.050 and 29.68.250, which respectively provide for the commencement of incorporation and unification procedures by petition. The petition requirements of 29.18.050 are incorporated by reference in the proposed section 640, discussed infra. The provision of 29.68.250 that formation of a Charter Commission may be proposed by resolution of the Assembly is modified to allow initiation by resolution of a first class home rule city within the proposed municipality. There is precedent for allowing a local government body's resolution to affect a surrounding area (§35149 Cal. Govt. Code). This would present no due process violation since the resolution merely proposes the question to be presented to all affected voters.

Section 29.68.640

This section represents a modification of A.S. 29.68.260 to reflect the fact that the petition will be asking for an election on both incorporation and unification. It should be noted that the question to be posed to the voters is not severable into the question of incorporation and the question of unification. In other words, the proposition submitted to the voters would only raise the question of whether the singular procedure of simultaneous unification and incorporation should occur, and there would be no opportunity to vote only for incorporation without unification.

This section also incorporates the provisions of A.S. 29.68.260 concerning the signature requirements for the petition, and the provisions of A.S. 29.18.050 concerning the informational requirements.

Section 29.68.650

This section incorporates the provisions of 29.18.060 and 29.68.270 concerning review of the petition for statutory compliance. This section represents very little change to the current scheme in incorporation procedures, but substitutes the Department of Community & Regional Affairs for the Borough Assembly concerning review of the unification aspect of the petition.

Section 29.68.660

This section incorporates by reference A.S. 29.18.070 concerning investigation, combination of petitions, and the requirement of at least one public hearing on the question of incorporation. It also utilizes the provisions of A.S. 29.18.090, by providing that the Local Boundary Commission makes the final decision on whether the proposed unified municipality

meets the standards for incorporation, with appeal of such decision pursuant to the Administrative Procedure Act.

Section 29.68.670

The source of this new section is 29.68.290. In lieu of requiring the petitions to be filed with "the Borough Clerk", the new section requires filing with the Department of Community & Regional Affairs.

Section 29.68.680

The language of this section is taken from A.S. 29.68.300, with the exception that the new section substitutes the Department of Community & Regional Affairs for the Borough Clerk.

Section 29.68.690

The language of this section is taken from A.S. 29.68.310, except the term "proposed unified municipality" is substituted for the word "borough".

Section 29.68.700

This section consists of a blending of the provisions of A.S. 29.18.110 and 29.68.390, with modifications thereof to reflect the fact that the Department of Community & Regional Affairs shall perform the functions under the new section that would otherwise be performed by either the Local Boundary Commission or the Borough Assembly under the sections for separate incorporation or unification. In the election provided for by this section, the voters will address the question of simultaneous unification incorporation and, if the petition passes, elect charter commission members. It should be noted that this section

does not provide for election of initial officers, since that will occur after ratification of the charter. See discussion of §29.68.790, infra.

Section 29.68.710

This section uses the election scheme of A.S. 29.18.110 in that a simple majority of all votes cast within the boundaries of the proposed unified municipality will approve the proposition for simultaneous incorporation and unification. Since initial incorporation of an area has as much, if not greater, impact upon the individuals residing in that area as unification would have, and since A.S. 29.18.110 currently requires only a simple majority vote to approve of incorporating an area, it is felt that the same simple majority requirement can be fairly applied to that portion of the proposition pertaining to unification.

Section 29.68.720

This section is an adaptation of A.S. 29.68.330, describing how the Charter Commissioners are elected in the charter election.

Section 29.68.730 thru 29.68.830

These sections are basically adaptations of A.S. 29.68.340 to 29.68.440, with some exceptions noted below, and with changes in language to reflect the fact that the Department of Community & Regional Affairs would be performing the functions pertaining to unification procedures which would otherwise be performed by a borough in the current statutory scheme, and to reflect the fact that the entity within which

the procedures occur is a "proposed unified municipality" instead of a borough.

Proposed §29.68.730(g) provides that the expenses incurred by the Charter Commission will be borne by the State, since there would be no existing borough to bear the costs.

The lack of an existing borough also was the basis for the provision in proposed §29.68.750 whereby public hearings would occur in each area represented by the eight charter commission members not elected at large, rather than areas represented on the "Borough Assembly" as provided by A.S. 29.68.360.

Proposed §29.68.780 deviates from its source (A.S. 29.68.390) by providing that the Department of Community and Regional Affairs perform functions that §29.68.39 required of a borough clerk, and by ommitting the filing of the ratified charter with a borough clerk.

Additionally, §29.68.78(d) provides for three chances to ratify the charter, instead of two, as provided under A.S. 29.68.390.

The provisions of A.S. 29.68.390(e), relating to borough assembly appointments to Charter Commission vacancies, have not been incorporated into the proposed legislation. The reason is that there would be no borough assembly to make such appointments in an area seeking simultaneous incorporation and unification. The Charter Commission will still be able to fill vacancies pursuant to the provisions of §29.68.730(e), which was adapted from A.S. 29.68.340(e).

Proposed §26.68.790 provides for election of initial officers of the unified municipality in an election to be held after ratification of the charter. It is reasonable to delay the election of initial officials until the candidates and voting public know what kind of government will be established by

by the charter. The procedural aspects of the nomination and election of initial officers, as well as qualification requirements, are adapted from A.S. 29.18.120. Of course, the ratified charter should not become effective until there are elected officers to run the new government, so this proposed section provides that the charter takes effect the same day as the newly elected officers are certified. The effect of the charter will be to dissolve all local governments within the area of unification in accordance with the charter, which is currently provided for under A.S. 29.68.400.

Section 29.68.840

This section provides that current legislation on incorporation and unification as separate procedures will remain intact. In short, the proposed legislation will apply only to simultaneous incorporation and unification. A borough which has already incorporated and now wishes to unify would, therefore, still proceed under the provisions of 29.68.240 thru 29.68.440 for separate unification. By the same token, an area within the unorganized borough which desires to only incorporate would proceed according to the provisions of A.S. 29.18.050 thru 29.18.150.

The effect of this section, therefore, is to prevent legislative repeal of any of the provisions in currently existing legislation pertaining to incorporation and unification of municipal entities.

SB 137 TITLE & SPONSOR SUMMARY 14:05 4/24/79 PAGE 1 OF 3

AMENDED TITLE: CS SB 137 (RLS)

AN ACT RELATING TO THE MUNICIPAL CODE; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSORS: SENATE RULES COMMITTEE

CO-SPONSORS:

CURRENT STATUS: 4/06/79 IN (H) C&RA

SB 137 SENATE ACTION 14:07 4/24/79 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/12/79	01	0199	FIRST READING -- COMMITTEE REPORTS
02/12/79	02	0199	GOV TRANSMITTAL LETTER
02/12/79	03	0199	FISCAL NOTE is ZERO
03/08/79	04	0402	C&RA -- CS05
03/12/79	05	0437	RLS -- OTHER05
03/03/79	06	0708	RLS -- CS04, NR04
04/04/79	07	0722	SECOND READING
04/04/79	08	0722	RLS CS ADOPTED BY UNAN CONSENT
04/04/79	09	0723	ADVANCED TO 3RD READING BY UNAN CONSENT
04/04/79	10	0723	THIRD READING
04/04/79	11	0723	PASSED BY DIV 17-02-01
04/04/79	12	0723	EFFECTIVE DATE VOTE SAME AS PASSAGE
04/04/79	13	0723	NOTICE OF RECONSIDERATION GIVEN
04/05/79	14	0738	RECONSIDERATION NOT TAKEN UP
****	**	**	*** *** ***

SB 177

SECOND DRAFT

Amendment proposed for addition to SB 177 - not considered

Article 5. Simultaneous
Incorporation and Unification

Sec. 29.68.620. SIMULTANEOUS INCORPORATION AND UNIFICATION AUTHORIZED. Notwithstanding other provisions of law relating to incorporation and unification, an area conforming to the standards set forth in A.S. 29.18.030, which contains one or more cities within its proposed boundaries, may simultaneously incorporate and unite to form a single unified municipality by complying with this chapter.

Sec. 29.68.630. SIMULTANEOUS INCORPORATION AND UNIFICATION TO BE PROPOSED BY PETITION OR RESOLUTION. Simultaneous incorporation and unification of an area shall be proposed by filing a petition with the Department of Community and Regional

Affairs conforming with the requirements of section 640 of this chapter, or by resolution of the council of a first class home rule city within the proposed unified municipality. Such a resolution shall present the proposition required in §640(a) of this chapter, include all information required by §640(c), and shall be presented to the Department of Community and Regional Affairs. Such a resolution may be adopted not more often than once every 12 months.

Sec. 29.68.640. PETITION REQUIREMENTS.

(a) The petition shall read:

"PETITION FOR ELECTION CONCERNING SIMULTANEOUS INCORPORATION AND UNIFICATION AND ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION CHARTER

We, the undersigned, qualified voters of the proposed unified municipality do hereby petition that the following proposition be placed before the voters within the proposed unified municipality as provided by law:

'Shall there be simultaneous incorporation of the area described as

and formation of a charter commission (the charter commission members to be elected as elsewhere provided in this ballot) to prepare, adopt and submit to the voters for their approval or rejection a proposed charter uniting the incorporated area and all cities within it as a single unit of home rule government having the powers,

duties and functions of a unified government as authorized by law?

Yes [ ] No [ ]'

Signature	Address	Inside First Class or Home Rule City	Outside First Class or Home Rule City"

(b) The petition shall be signed by at least

(1) that number of qualified voters within the proposed unified municipality who live outside of all first class and home rule cities in the proposed unified municipality equal to 25 per cent of the qualified voters who voted in the last general election; and

(2) that number of qualified voters residing in each first class and home rule city located within the proposed unified municipality equal to 25 per cent of the qualified voters who voted in the last general election in each city.

(c) The petition shall include all information about the proposed unified municipality which is required by A.S. 29.18.050.

Sec. 29.68.650. REVIEW. The Department of Community and Regional Affairs shall review the petition to determine whether it complies with §640 of this chapter. A deficient petition shall be immediately returned to the person who initiated it with a statement indicating which requirements have not been satisfied.

Sec. 29.68.660. INVESTIGATION AND CALL FOR CHARTER COMMISSION NOMINATIONS. Once it is determined by the Department of Community and Regional Affairs that a petition meets the requirements of §640 of this chapter, the following actions shall be taken:

(1) the Department of Community and Regional Affairs shall comply with the provisions of A.S. 29.18.070 and A.S. 29.18.080(a), concerning the incorporation aspects of the petition or resolution;

(2) the Local Boundary Commission shall comply with the provisions of A.S. 29.18.080(b) and A.S. 29.18.090 concerning the incorporation aspects of the petition or resolution.

(3) if the Local Boundary Commission determines that the proposed municipality meets the standards for incorporation, it shall accept the petition or resolution and the Department of Community and Regional Affairs shall issue a call for the nomination of charter commission candidates, specifying the filing deadline and outlining the procedure described for making nominations under §670 of this chapter.

Sec. 29.68.670. NOMINATION OF CHARTER COMMISSION CANDIDATES. (a) Charter commission candidates shall be nominated by a petition signed by at least 50 qualified voters of the area within the proposed unified municipality from which the candidate seeks election or by a number of qualified voters from that area equal to at least 10 per cent of the number of votes cast from that area in the last general election, whichever is less.

(b) Nomination petitions shall be filed with the Department of Community and Regional Affairs on or before the date set by the Department of Community and Regional Affairs, which date shall not be less than 30 days

after notice of the call for nominations has been given by the Department of Community and Regional Affairs.

Sec. 29.68.680. QUALIFICATIONS OF CHARTER COMMISSION CANDIDATES. A person is eligible to be nominated as a candidate for the charter commission if he has been a qualified voter of the area within the proposed unified municipality from which he seeks election for at least one year immediately preceding the date his nomination petition is filed with the Department of Community and Regional Affairs.

Sec. 29.68.690. COMPOSITION OF CHARTER COMMISSION. The charter commission members shall be qualified voters and shall consist of 11 members, three of whom shall be residents elected at large from the area of the proposed unified municipality and 8 of whom shall be (1) residents of and elected from the area outside cities in the proposed unified municipality or (2) residents of and elected from a city or cities in the proposed unified municipality. The number representing

each of these areas shall be proportionate to the respective populations as determined by the Department of Community and Regional Affairs.

Sec. 29.68.700. ELECTION. (a) After accepting the petition or resolution for simultaneous incorporation and unification, and after the date fixed for receiving nominations for charter commission candidates, the Department of Community and Regional Affairs shall immediately notify the lieutenant governor of its acceptance of the petition. Within 30 days after notification, the lieutenant governor shall order an election in the proposed unified municipality to determine whether the voters desire simultaneous incorporation and unification of the proposed unified municipality. The election shall be held not less than 30 nor more than 90 days after the date of the election order.

(b) The ballot on the question of simultaneous unification and incorporation shall be worded exactly as provided in §640(a) of this chapter.

(c) The election of charter commission members shall take place at the same time as the election on the question of simultaneous incorporation and unification. If the petition fails, no charter commission members are elected.

(d) An Alaska voter who has been a resident of the area within the proposed unified municipality for 30 days before the date of the election order may vote.

(e) The lieutenant governer shall supervise the election in the general manner prescribed by the Alaska Election Code (A.S. 15.05 - 15.60). The State shall pay all election costs under this section.

Sec. 29.68.710. REQUIREMENTS FOR APPROVAL OF SIMULTANEOUS INCORPORATION AND UNIFICATION. If a majority of the votes cast within the boundaries of the proposed unified municipality favors the proposition for simultaneous incorporation and unification, the proposition shall be approved.

Sec. 29.68.720. REQUIREMENTS FOR ELECTION OF CHARTER COMMISSION. If simultaneous incorporation and unification is approved, those charter commission

candidates who received the highest number of votes from their respective areas shall serve as members of the commission.

Sec. 29.68.730. CHARTER COMMISSION ORGANIZATION AND PROCEDURE. (a) The charter commission authorized by this chapter shall hold its first meeting within 30 days of the date of certification of its election. The commission shall elect from among its members a chairman and a deputy chairman.

(b) A majority of the total membership of the charter commission constitutes a quorum. No decision of the commission is valid or binding unless approved by that number of members necessary to constitute a quorum.

(c) The charter commission may elect other officers from among its membership, adopt rules governing its procedures and hire and discharge commission employees. Rules adopted must conform with the provisions of this chapter.

(d) Meetings of the charter commission shall be open to the public at all times. A journal of commission proceedings shall be kept and shall be available for public inspection at the Department of Community and Regional Affairs.

(e) Vacancies on the charter commission shall be filled by a majority vote of the commission. The person appointed to fill a vacancy must be a qualified voter of the same area as the person whom he succeeds and must have been a qualified voter of that area for at least one year immediately preceding the date of his appointment.

(f) The Department of Community and Regional Affairs may grant a per diem allowance to the commission members and may reimburse the members for travel expenses incurred in carrying out the duties prescribed by this chapter.

(g) Costs, fees, and other expenses incurred by the charter commission shall be paid by the State.

Sec. 29.68.740. CHARTER PREPARATION. (a) A charter commission established under this chapter shall prepare, adopt and submit a proposed home rule charter for the area to be unified to the voters for approval or rejection at an election called by the Department of Community and Regional Affairs and held within 60 days of the date of publication and posting of the proposed charter as required in §770 of this chapter. The charter shall include among its provisions:

(1) provisions for adjustment of existing bonded indebtedness and other obligations in a manner which will reserve a fair and equitable burden of taxation for debt service, subject to §800 of this chapter;

(2) provision for the establishment of

(A) service areas;

(B) sections, if desired; and

(C) reapportionment of the sections, if established;

(3) provision for nonpartisan government and provision for the selection, organization, authority and responsibilities of the governing body and its executive and administrator;

(4) the transfer or other disposition of property and other rights, claims, assets and franchises of the local government to be unified under the charter;

(5) provision for exercise of the rights of initiative and referendum as required by A.S. 29.13.050;

(6) a method of amending the charter;

(7) the date on which the charter, if approved at the charter election required by §780 of this chapter, is effective;

(8) designation of the new unified municipality's official name, subject to the provisions of (b) of this section;

(9, other charter provisions which the charter commission elects to include and which may be included in a home rule charter under this chapter and the state constitution.

(b) The area to be unified shall be known as a borough or a city or by some other designation consistent with existing law.

Sec. 29.68.750. PUBLIC HEARINGS. Both before and after drafting the proposed charter, the charter commission shall hold a public hearing in each area of the proposed unified municipality represented on the charter commission by the eight charter commission members who were not elected at large. Other public hearings may be held by the charter commission whenever and wherever it believes necessary and appropriate.

Sec. 29.68.760. FILING OF PROPOSED CHARTER. Upon the adoption of a proposed home rule charter by the charter commission, the charter shall be signed by at least a majority of the total membership of the commission and shall be filed with

the Department of Community and Regional Affairs. A copy with signatures affixed shall also be filed with the clerk of each city within the proposed unified municipality.

Sec. 29.68.770. PUBLICATION AND POSTING OF PROPOSED CHARTER. Within 10 days after filing the proposed charter, the Department of Community and Regional Affairs shall have it published once in at least one newspaper having general circulation distributed within the proposed unified municipality, if there is a newspaper having general circulation distributed within the proposed unified municipality. In addition, the Department of Community and Regional Affairs shall have a copy of the proposed charter posted in at least three public places within each city of the proposed unified municipality and each area outside cities. Copies of the proposed charter shall be made available by the Department of Community and Regional Affairs to the public at both the office of the Department of Community and Regional Affairs and the office of the clerk of each city within the proposed unified municipality. The Department of Community and Regional Affairs shall publish notice by radio and television of the publication, posting, and availability of the proposed charter in a manner intended to apprise the entire proposed unified municipality population of the existence of the proposed charter.

Sec. 29.68.780. ELECTION ON CHARTER.

(a) The proposed charter adopted by the charter commission shall be submitted to the voters at the election specified in §740 of this chapter. The Department of Community and Regional Affairs shall prepare the ballots for use in the election in the manner in which regular municipal elections are conducted. In addition, the Department of Community and Regional Affairs shall publish notice of the election by radio and television in a manner intended to apprise the entire proposed unified municipality population of the election.

(b) A person who is a qualified voter within the proposed unified municipality may vote in the election on the proposed charter.

(c) If a majority of the votes cast in the area of the proposed unified municipality outside all first class and home rule cities and a majority of the votes cast in the remaining area of the proposed unified municipality, composed of all first class and home rule cities, are cast in favor of the proposed charter, the charter is ratified. If the charter is ratified, two copies of the charter shall be filed with each of the following authorities:

(1) lieutenant governor;

(2) commissioner of the Department of Community and Regional Affairs;

(3) district recorder for the area of the unified municipality;

(4) clerk of each city in the unified municipality.

(d) If a proposed charter is rejected, the charter commission shall prepare, adopt and submit another proposed charter to the voters within the proposed unified municipality at a general election, or a special election called by the Department of Community and Regional Affairs, held within 120 days of the date of the first charter election. If the second proposed charter is also rejected, the Charter Commission shall submit a third proposed charter to the voters at an election called by the Department of Community and Regional Affairs and held within 120 days of the second charter election. If the third proposed charter is rejected, the Charter Commission shall be dissolved, and the question of simultaneous incorporation and unification shall be treated as if it had never been proposed or approved.

Sec. 29.68.190. [illegible]

OFFICERS AND EFFECT OF RATIFIED CHARTER.

(a) After ratification of the charter, nominations for initial officers of the unified municipality shall be made by petition in the form prescribed by the lieutenant governor which includes the name and address of the nominee and a statement of the nominee that he is qualified under the provisions of this title for the office that he seeks. A person may file for and occupy more than one office, but he may not serve simultaneously as municipal mayor and as member of the municipal assembly or council. Petitions to nominate elected municipal officers must include the signatures and resident addresses of 50 voters in the area of the unified municipality, or that area of the unified municipality from which the officers are to be elected under the composition and apportionment set out in the accepted incorporation petition.

(b) Election of the initial officers shall occur within 90 days after ratification of the charter. The elected initial officers shall take office on the first Monday following certification of their election. The initial elected assembly or council members shall determine by lot the length of their terms of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

(c) The ratified charter becomes effective on the same day that the elected initial officers take office and operates to dissolve all local governments within the area of the unified municipality in accordance with the charter.

Sec. 29.68.800. ASSETS AND LIABILITIES. A municipality created by simultaneous incorporation and unification shall succeed to all the assets and liabilities of the local governments it unified. A bonded indebtedness or other debt incurred before unification shall remain the tax obligation of the area which contracted the debt, except that the tax obligation may be spread over a larger area by ordinance if the governing body determines that the asset for which the bonded indebtedness or other debt was incurred was used for the benefit of the larger area before unification, or is so used after unification. However, pre-unification bonded indebtedness or other debt for sewage collection systems, water distribution systems, and streets, even if determined to be used for the benefit of a larger area than that which incurred the debt, shall remain the tax obligation of the area which incurred the debt.

Sec. 29.68.810. ORIDNANCES. Within two years after ratification of the charter, the governing body of the unified municipality

shall revise, repeal, or reaffirm all city ordinances, resolutions and orders in force within the unified municipality at the time of unification. Each ordinance, resolution, regulation, or order in force at the time of unification shall remain in force until superseded by action of the new governing body.

Sec. 29.68.820. RIGHT TO STATE AND FEDERAL FUNDS PRESERVED. All provisions of law authorizing contributions of any kind, in money or otherwise, from the state or federal government to cities shall remain in full force and effect with respect to a unified municipality organized under §§ 620 - 830 of this chapter.

Sec. 29.68.830. POWERS OF A UNIFIED MUNICIPALITY. A municipality organized under §§ 620 - 830 of this chapter shall have all powers

(1) not prohibited it by law or charter;

(2) granted to organized boroughs and first class cities.

Sec. 29.68.840. EFFECT. §§620 - 830 of this chapter do not modify the procedures for incorporation pursuant to §§29.18.050 - 29.18.150 or for unification pursuant to §§29.68.240 - 29.68.440.

(1) provisions for adjustment of existing bonded indebtedness and other obligations in a manner which will reserve a fair and equitable burden of taxation for debt service, subject to §800 of this chapter;

(2) provision for the establishment of

(A) service areas;

(B) sections, if desired; and

(C) reapportionment of the sections, if established;

(3) provision for nonpartisan government and provision for the selection, organization, authority and responsibilities of the governing body and its executive and administrator;

(4) the transfer or other disposition of property and other rights, claims, assets and franchises of the local government to be unified under the charter;

(5) provision for exercise of the rights of initiative and referendum as required by A.S. 29.13.050;

(6) a method of amending the charter;

(7) the date on which the charter, if approved at the charter election required by §780 of this chapter, is effective;

Jamie- I am not sure this page is in the right sequence

Messages dated May 1, 1979 were read stating the Senate has concurred in the House amendments to the following bills, thus adopting:

HOUSE COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 22, (limited entry program)	HCS SCR 22
HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 86 (legislative oversight and designating programs and activities for review and termination under AS 44.66; effective date)	HCS SB 86
COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 145 amended House (implementation of the Alaska coastal management program)	CSSB 145 amH
HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 192 amended House (leasing and exploration of state land for oil and gas development; effective date)	HCS SB 192 amH
HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 198 (hiring of nonpermanent employees in the state personnel system; effective date)	HCS SB 198
HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 234 (Finance) amended House (materialmen's and mechanics' liens)	HCS SB 234 (Fin) amH

Messages dated May 1, 1979 were read transmitting the following Senate amendments to House bills. They will be considered at a later time:

SENATE COMMITTEE SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 3 (designation of incompatible uses within the Chena River Recreational Area)	HCR 3am
COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 29 amended Senate (public employees' and teachers' retirement systems, effective date)	CSHB 29

A message dated May 1, 1979 was read stating the Senate has passed the following and it is returned:

HB 81 HOUSE BILL NO. 81
(trapping license receipts; effective date)

The above bill was referred to the Chief Clerk for enrollment.

HB 359 am A message dated May 1, 1979 was read stating the Senate has adopted the FREE CONFERENCE COMMITTEE Report on HOUSE BILL NO. 359 amended (salmon enhancement and SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 359 amended Senate (enhancement of the salmon fishery through private hatchery development), thus adopting:

FREE CONFERENCE COMMITTEE SUBSTITUTE
FOR HOUSE BILL NO. 359
(relating to salmon enhancement)

REPORTS OF SPECIAL COMMITTEES

CSHB 34 The Free Conference Committee which has had CSHB 34 (preparation and distribution of a taxpayer's summary of the budget) and SCS CSHB 34 (budget and appropriation information) under consideration, recommends that

FCCSHB 34 (relating to budgets, to appropriations, and to fiscal information; and providing for an effective date)

be adopted. The report was signed by Senators Sackett (Chairman), Sumner and Hohman, and Representatives Rogers (Chairman), Duncan and Montgomery.

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF SENATE BILLS

CSSB 137 (Rls) COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 137 (Rules) (the municipal code; and providing for an effective date) was read the second time with the Community and Regional Affairs Committee report (page 1144 of the journal)

HCS CSSB 137

Mr. Anderson moved and asked unanimous consent that HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 137 (same title) be adopted in lieu of the original bill. There being no objection, it was so ordered.

Amendment No. 1 by Cotten:

Page 8, line 8

Add new subsection:

"(c) A municipality may also issue revenue bonds for any lawful purpose. The bonds shall be payable from any amounts pledged by the municipality except taxes and shall not constitute general obligations of the municipality."

Mr. Cotten moved and asked unanimous consent that Amendment No. 1 be adopted.

Mr. Miller objected.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

Yeas:	24	Anderson, Barnes, Bettisworth, Branson, Buchholdt, Carney, Chatterton, Cotten, Halford, Hayes, McKinnon, Malone, Martin, Metcalfe, Montgomery, Moss, Munson, Osterback, Parr, Phillips, Randolph, Schaeffer, Smith, Zharoff.
Nays:	7	Beirne, Freeman, Gardiner, Miller, O'Connell, Parker, Rogers.
Not voting:	9	Brown, Duncan, Eliason, Fuller, Guy, Haugen, Hurlbert, Meekins, Miles.

And so, Amendment No. 1 was adopted.

HCS CSSB 137 amH

Mr. Metcalfe moved and asked unanimous consent that HCS CSSB 137amH be moved to the bottom of the calendar.

Mr. Malone objected.

Mr. Metcalfe withdrew his motion.

Mr. Malone moved and asked unanimous consent that HCS CSSB 137amH be returned to the Rules Committee to be placed on this afternoon's supplemental calendar. There being no objection, it was so ordered.

SB 250 SENATE BILL NO. 250 (continuing the existence of the Alcoholic Beverage Control Board; effective date) was read the second time with the Commerce Committee report (page 1154 of the journal).

HCS SB 250 Mr. Anderson moved and asked unanimous consent that HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 250 (terminating the existence of the Alcoholic Beverage Control Board, reassigning its responsibilities to the Department of Commerce and Economic Development, amending laws relating to the department's responsibilities; and providing for an effective date) be adopted in lieu of the original bill. There being no objection, it was so ordered.

Amendment No. 1 by Randolph:

Page 7, line 10

Delete "may in its discretion," and insert "shall"

Page 7, lines 14 through 17

Delete all material after the word "resort"

Mr. Randolph moved and asked unanimous consent that Amendment No. 1 be adopted.

Mr. Miller objected.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

Yeas:	26	Barnes, Beirne, Bettisworth, Carney, Chatterton, Cotten, Freeman, Halford, Hayes, Hurlbert, McKinnon, Malone, Martin, Metcalfe, Miles, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Randolph, Rogers, Schaeffer.
Nays:	10	Anderson, Branson, Brown, Buchholdt, Eliason, Fuller, Gardiner, Miller, Smith, Zharoff.
Not voting:	4	Duncan, Guy, Haugen, Meekins.

HCS SB 250 amH And so, Amendment No. 1 was adopted.

Mr. Anderson moved and asked unanimous consent that HCSSB 250amH be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

HCS CSSB 137amH (relating to worker's compensation for volunteer ambulance attendants and police), which had been returned to the Rules Committee (page 1289 of the journal), was read the second time. HCS CSSB 137 amH

Amendment No. 2 by Malone:

Page 1, lines 22 and 23:

Delete subsection (a)

Renumber subsequent sections

Mr. Malone moved and asked unanimous consent that Amendment No. 2 be adopted.

Mr. Parker objected.

The question being: "Shall the House adopt Amendment No. 2?" The roll was taken with the following result:

Yeas:	21	Barnes, Bettisworth, Brown, Buchholdt, Chatterton, Cotten, Eliason, Freeman, Gardiner, Halford, Hurlbert, Malone, Martin, Metcalfe, Montgomery, Monson, Osterback, Randolph, Schaeffer, Smith, Zharoff.
Nays:	12	Anderson, Branson, Carney, Fuller, Hayes, Miles, Miller, Moss, O'Connell, Parker, Parr, Phillips.
Not voting:	7	Beirne, Duncan, Guy, Haugen, McKinnon, Meekins, Rogers.

And so, Amendment No. 2 was adopted.

Amendment No. 3 by Metcalfe:

Page 2, line 8:

Replace subsection (c) with the following:

(c) The proposals set out in (b) of this section shall be submitted to the voters. The vote on the proposals submitted to the voters shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and home rule cities in the borough. The other classification shall consist of all votes cast in the remaining area of the borough. The borough assembly shall, within three months of the certification of the results of the election, adopt an ordinance providing for its composition and the form of representation which conforms to the form of representation receiving a plurality of the votes in each classification at that election.

HCS CSSB 137 amH

Mr. Metcalfe moved and asked unanimous consent that Amendment No. 3 be adopted.

Mr. Malone objected and withdrew his objection.

There being no further objection, Amendment No. 3 was adopted.

Mr. Anderson moved and asked unanimous consent that HCS CSSB 137amH be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

HCS CSSB 137amH was read the third time.

The question being: "Shall HCS CSSB 137amH pass the House?" The roll was taken with the following result:

Yeas:	27	Anderson, Beirne, Bettisworth, Branson, Brown, Carney, Chatterton, Cotten, Eliason, Freeman, Fuller, Gardiner, Halford, Hayes, Hurlbert, McKinnon, Malone, Metcalfe, Miles, Montgomery, Moss, Munson, Osterback, Parker, Parr, Randolph, Schaeffer.
Nays:	5	Barnes, Martin, Miller, O'Connell, Phillips.
Not voting:	8	Buchholdt, Duncan, Guy, Haugen, Meekins, Rogers, Smith, Zharoff.

And so, HCS CSSB 137amH passed the House.

Mr. Anderson moved and asked unanimous consent that the roll call on the passage of HCS CSSB 137amH be considered the roll call on the effective date clause. There being no objection, it was so ordered.

Representative Malone served notice of reconsideration on HCS CSSB 137amH on the next legislative day.

Alaska State Legislature

HOUSE CALENDAR

OFFICIAL BUSINESS OF THE HOUSE

ONE HUNDRED EIGHTH DAY

Wednesday

Chaplain: Danny Plotnick, lay Rabbi
Juneau Jewish Community

May 2, 1979
Convenes: 10:00 a.m.

SECOND READING OF SENATE BILLS

(am) CSSB 137 "An Act relating to the municipal code; and providing for an effective date."
(C&RA report w/HCS (same title), p. 1144)

SB 250 "An Act continuing the existence of the Alcoholic Beverage Control Board; and providing for an effective date."
(Commerce report w/HCS (new title), p. 1154)

Cotton amendment - OK.
Metcalfe - dual Mugar majority amendment

revenue bond for any "lawful" purpose

[illegible]

Free Conference

CS SB 137

p.2 l21

& 29.18.090 > Provision of

p.3 l17

H
Floor amendments

p.1 Line 22-23
Deleted subsection "A" > Malone

p.2 l8 Metcalfe >
10 yr. review.
dual surality

SENATE BILL NO. 137 by the Rules Committee by request of the Governor, entitled: SB 137

"An Act relating to the municipal code; and providing for an effective date."

was read the first time and referred to the Community and Regional Affairs Committee.

Fiscal note is zero.

Governor's transmittal letter follows:

February 9, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting for your consideration a measure to amend certain features of the Alaska Municipal Code to eliminate some of its problems. The bill is very similar to last legislature's CSHB 483 am, which was introduced by the Community and Regional Affairs Committee.

The first section merely specifies when newly elected assemblymen take office correcting an obvious oversight. The second deletes a redundant specification of a borough's mayoral election. AS 29.28.020 specifies the date for all municipal elections. The third section eliminates the altogether unwarranted delay in implementing the manager plan of government. The fourth straightens out the seating date for newly elected councilmen and also eliminates a redundant reference to the date of councilmanic elections.

200

SB 137

Section five adds a provision for emergency meeting of city councils; none now exists. A similar provision for borough assemblies is currently contained in AS 29.23.060(a).

Section six reduces the term of mayor in second class cities from three years (as a rule) to one. The rationale for the change is that a term of one year is ample where, as here, the office is filled by and from the council rather than by a vote of all the voters in the municipality.

Section 7 removes still another redundant reference to municipal election dates. Section 8 places a 60-day deadline on the assembly or council to move ahead with a manager plan following voter approval. Legally, there is no choice on the matter. The manager plan is actually adopted by the voters. The amendment merely tells the courts how long the legislature is giving the council or assembly to act.

Section 9 deletes a cross reference to other sections of the code. The proposed amendment here means that this provision will stay current when and if new areawide powers are added by the legislature. The deletion of the specific cross reference in section 10 (board of adjustment) accomplishes the same result.

Section 11 substitutes the word "borough" for the words "platting board" in identifying who may bring suit to enjoin a prohibited transfer of an interest in realty. It is the borough, and not its platting board, which is the juridical entity to sue and be sued.

Section 12 deletes resolutions from the requirements for codification. As with legislative resolutions, there is no need to codify a municipal resolution. Section 13 revises the language defining the word "codified" and more particularly the word "ordinance." The existing language is meaningless.

Section 14 adds a new provision requiring that resolutions -- which will no longer be codified -- will be kept serially for future reference.

Section 15 revises AS 29.48.200 to conform with the changes recommended for sec. 180.

Section 16 adds a new chapter authorizing municipalities to establish public corporations or other authorities to operate public facilities or services. There is no prohibition against their doing so, and therefore home rule municipalities may do so now. This is a device which investors outside are familiar with, and it should facilitate municipal revenue bonding.

Sincerely,

Jay S. Hammond
Governor

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Original sponsor: Rules/Governor

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 137

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the municipal code; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.23 is amended by adding new sections to read:

Sec. 29.23.021. ASSEMBLY COMPOSITION AND APPORTIONMENT. (a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If a borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with AS 29.23.[illegible] and prescribed by charter or ordinance.

(c) An assembly may not provide for weighted voting.

Sec. 29.23.023. COMPOSITION AND REPRESENTATION REQUIREMENTS FOR GENERAL LAW BOROUGHS. (a) The assembly of a general law borough may not be composed of more than 11 members.

(b) The assembly of a general law borough shall provide, by ordinance, that members of the borough assembly are

(1) elected at large by all qualified voters of the borough, [illegible] live within an election district or none established by [illegible] the election of borough assembly members; or

(2) [illegible] districts or [illegible]

[illegible] 137

[illegible] equal population per delegate

lished by the borough for the election of borough assembly members.

(c) A member of the assembly of a general law borough may not be elected or appointed by and from the council of a city in the borough.

Sec. 29.23.025. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT. (a) Not later than July 31, 1981, and, thereafter, within four months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 - 29.23.023.

(b) If the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021 - 29.23.023, the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may change the composition of the assembly.

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 borough voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall make the determination requested.

(d) An ordinance adopted by the assembly under (b) or (c) of this section shall be submitted to the voters for approval. In order for the ordinance to be approved it must receive the approval of a majority of votes cast.

(e) Within four months of a determination by the assembly that the [illegible] apportionment [illegible] of AS 29.23.021 -

29.23.025; the assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the four month time period, an ordinance providing for reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 - 29.23.023.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which follows approval of a reapportionment ordinance.

* Sec. 2. AS 44.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021; 29.23.025 - 29.23.030 (composition and apportionment of borough assembly, borough assembly reapportionment and reapportionment; assembly representation)

* Sec. 3. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council, but the number of members of a borough assembly may not exceed 11;

* Sec. 4. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are provided by borough charter or ordinance. The regular term of office begins on the first Monday following certification of the election.

TER OR ORDINANCE, OR THEY CEASE TO BE A MEMBER OF EITHER THE ASSEMBLY COUNCIL.] The current term of incumbent assemblymen may not be alte under this section. This section applies to home rule and general la boroughs.

* Sec. 5. AS 29.23.130(c) is amended to read:

(c) The borough mayor's regular term of office is three years a until a successor is elected and has qualified and begins on the firs Monday following certification of the mayor's [HIS] election [, WHICH HELD THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT DATE OF ELECTIO IS PROVIDED BY ORDINANCE]. The assembly may provide by ordinance for different term not to exceed four years, except that the current term an incumbent borough mayor may not be altered.

* Sec. 6. AS 29.23.130(d) is amended to read:

(d) A borough may adopt or abandon a manager plan at any time, provided in AS 29.23.410 - 29.23.480. The borough mayor may not veto ordinance or resolution calling for an election on this question. Th manager has all the powers and duties of the borough mayor as chief administrative officer. [IF THE MANAGER PLAN IS ADOPTED, IT BECOMES EFFECTIVE FOLLOWING CERTIFICATION OF THE RESULTS OF THE FIRST REGULAR ELECTION OCCURRING AT LEAST SIX MONTHS AFTER ADOPTION OF THE PLAN.] borough mayor then serves as borough executive.

* Sec. 7. AS 29.23.260(a) is amended to read:

(c) Councilmen are selected [AN EXECUTIVE IS HELD ANNUALLY ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT ELECTION DATE OR INTERVA OF YEARS IS PROVIDED BY ORDINANCE, TO ELECT COUNCILMEN] for three-ye terms and until their successors are elected and have qualified. The regular term of office begins on the first Monday following certifica [illegible] election. The council may provide by ordinance the [illegible]

[illegible]

incumbent councilmen may not be altered.

* Sec. 8. AS 29.23.210(a) is amended to read:

(a) The council shall meet at least once every month, unless otherwise provided by ordinance. Special meetings may be held on the call of the mayor or two councilmen upon not less than 24 hours written or oral notice communicated to each member. In an emergency, a special meeting called on less than 24 hours notice is a legal meeting if all members are present or there is a quorum and all absent members have waived in writing the required notice. A waiver may be made either before or after the time of the meeting. The waiver shall be attached to and made a part of the journal for the meeting.

* Sec. 9. AS 29.23.250(c) is amended to read:

(c) The mayor of a second class city is elected by and from the council for a term of one year and until a successor is elected and has qualified [EQUAL IN LENGTH TO A COUNCILMAN'S TERM].

* Sec. 10. AS 29.23.250(d) is amended to read:

(d) The mayor's regular term begins on the first Monday following certification of the mayor's [HIS] election [, WHICH IS HELD ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT DATE OF ELECTION IS PROVIDED BY ORDINANCE]. The council of a second class city shall meet on the first Monday after certification of the regular election [DATE] and elect a mayor who takes office immediately.

* Sec. 11. AS 29.23.440(a) is amended to read:

(a) If the manager plan is approved, the assembly or council shall, within 30 days, adopt it by ordinance or resolution.

* Sec. 12. AS 29.23.610(b) is amended to read:

(b) The city, whether it has or has not, may exercise all powers

* Sec. 13. AS 29.33.070(b)(2) and (3) are amended to read:

(2) delegate other planning and zoning powers conferred by this chapter [ADMINISTRATIVE AND ENFORCEMENT RESPONSIBILITIES] to a [THE] city within the borough [, PROVIDED THAT BOROUGH JURISDICTION IS NOT IMPAIRED];

(3) revoke or modify any part or all of the [WITHDRAW] powers delegated under this subsection.

* Sec. 14. AS 29.33.110(a) is amended to read:

(a) The assembly is the board of adjustment for areas outside cities. The city council is the board of adjustment for the area within the city boundaries but may delegate by resolution or ordinance part or all of its functions to the borough [, SUBJECT TO AS 29.33.070(b)(2),] in addition to making delegations as provided for an assembly under AS 29.33.245. Meetings of the borough board are held at the call of the presiding officer and of the city board by the mayor. The presiding officer or mayor may administer oaths and compel attendance of witnesses. Meetings and hearings of the board shall be open to the public and the board shall keep minutes of its proceedings as a public record.

* Sec. 15. AS 29.33.190(a) is amended to read:

(a) The owner or agent of the owner of land located within a subdivision who transfers, sells, or enters into a contract to sell land in a subdivision before a plat of the subdivision has been prepared, approved, and recorded, is guilty of a misdemeanor and upon conviction [illegible] by a fine of not more than $500 for each lot or parcel [illegible], sold, or included in a contract to be sold. The borough [illegible] may enjoin a transfer, sale, or contract to sell, and [illegible] penalty by appropriate legal action.

* Sec. 16. AS 29.33.[illegible](a) is amended to read:

[illegible]

[illegible].

* Sec. 17. AS 29.48.180(c)(2) is amended to read:

(2) the ordinance is a provision which establishes a rule of conduct or behavior and which is included, or to be included, in a code of ordinances or other complete system of [POSITIVE] law enacted [PROMULGATED BY THE COUNCIL] and kept current [BY THE CITY] at reasonable intervals.

* Sec. 18. AS 29.48 is amended by adding a new section to read:

Sec. 29.48.185. RESOLUTIONS. The assembly or council shall provide for the maintenance of a permanent file of resolutions that have been adopted.

* Sec. 19. AS 29.48.200 is amended to read:

Sec. 29.48.200. PENALTIES. For the violation of an ordinance, the assembly or council may prescribe punishment not to exceed a fine of [illegible] or imprisonment for 30 days, or both. However, the punishment authorized under this section may be imposed only if [AN ORDINANCE IS CODIFIED AND] copies of the ordinance are made available for distribution to the public at cost.

* Sec. 20. AS 29.63.065(b)(2) is amended to read:

(2) a claimant receiving the exemption must file with the [illegible] by March [JANUARY] 15 of each subsequent year a separate application proving eligibility as of January 1 in order to retain the [illegible]. Within the same year the department [THE ASSEMBLY OR COUNCIL] for good cause shown may waive the claimant's failure to make [illegible] application and approve the application as if timely filed.

* Sec. 21. AS [illegible].020 is repealed.

* Sec. 22. AS [illegible] is repealed.

* Sec. 23. [illegible], AS [illegible], amended by sec. 4 of this Act, [illegible]

[illegible]

borough assembly - city council seats are not affected by the amendment made to AS 29.25.040 in sec. 4 of this Act until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 31 of this Act, or is effected as required or proposed under AS 29.23.021 - 29.23.025, added by sec. 1 of this Act.

* Sec. 24. Sections 1 - 3 and 21 of this Act take effect January 1, 1981. Sections 4 - 20, 22 and 23 of this Act take effect immediately in accordance with AS 01.10.070(c).

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Introduced: 2/12/79
Referred: Community &
Regional Affairs

IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

SENATE BILL NO. 137

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the municipal code; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. The regular term of office begins on the first Monday following their election. However, if under a borough apportionment city councilmen are appointed as assemblymen or elected to dual assembly-council seats, they may not be replaced until their assembly term expires as provided by city charter or ordinance, or they cease to be a member of either the assembly or council. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs.

* Sec. 2. AS 29.23.130(c) is amended to read:

(c) The borough mayor's regular term of office is three years and until a successor is elected and has qualified and begins on the first Monday following his election [, WHICH IS HELD THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT DATE OF ELECTION IS PROVIDED BY ORDINANCE]. The assembly may provide by ordinance for a different term not to exceed four years, except that the current term of an incumbent borough mayor may not be altered.

* Sec. 3. AS 29.23.130(d) is amended to read:

(d) A borough may adopt or abandon a manager plan at any time, as provided in secs. 410 - 480 of this chapter. The borough mayor may not veto an ordinance or resolution calling for an election on this question. The manager has all the powers and duties of the borough mayor as chief administrative officer. [IF THE MANAGER PLAN IS ADOPTED, IT BECOMES EFFECTIVE FOLLOWING CERTIFICATION OF THE RESULTS OF THE FIRST REGULAR ELECTION OCCURRING AT LEAST SIX MONTHS AFTER ADOPTION OF THE PLAN.] The borough mayor then serves as borough executive.

* Sec. 4. AS 29.23.200(c) is amended to read:

(c) Councilmen are selected [AN ELECTION IS HELD ANNUALLY ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT ELECTION DATE OR INTERVAL OF YEARS IS PROVIDED BY ORDINANCE, TO CHOOSE COUNCILMEN] for three-year terms and until their successors are elected and have qualified. The regular term of office begins on the first Monday following the election. The council may provide by ordinance for different terms not to exceed four years, except that the current term of incumbent councilmen may not be altered.

* Sec. 5. AS 29.23.210(a) is amended to read:

(a) The council shall meet at least once every month, unless otherwise provided by ordinance. Special meetings may be held on the call of the mayor or two councilmen upon not less than 24 hours written or oral notice communicated to each member. In an emergency, a special meeting called on less than 24 hours notice is a legal meeting if all members are present or there is a quorum and all absent members have waived in writing the required notice. A waiver may be made either before or after the time of the meeting. The waiver shall be attached to and made a part of the journal for that meeting.

* Sec. 6. AS 29.23.250(c) is amended to read:

(c) The mayor of a second class city is elected by and from the council for a term of one year and until a successor is elected and has qualified [EQUAL IN LENGTH TO A COUNCILMAN'S TERM].

* Sec. 7. AS 29.23.250(d) is amended to read:

(d) The mayor's regular term begins on the first Monday following his election [, WHICH IS HELD ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT DATE OF ELECTION IS PROVIDED BY ORDINANCE]. The council of a second class city shall meet on the first Monday after the regular election date and elect a mayor who takes office immediately.

* Sec. 8. AS 29.23.440(a) is amended to read:

(a) If the manager plan is approved, the assembly or council shall, within 60 days, adopt the plan by ordinance or resolution.

* Sec. 9. AS 29.33.010(b) is amended to read:

(b) No city, whether home rule or not, may exercise an areawide power [CONFERRED IN, OR ASSUMED BY MEANS OF SECS. 250 - 290 OF, THIS CHAPTER] once that power is being exercised by a borough.

* Sec. 10. AS 29.33.110(a) is amended to read:

(a) The assembly is the board of adjustment for areas outside cities. The city council is the board of adjustment for the area within the city boundaries but may delegate by resolution or ordinance part or all of its functions to the borough [, SUBJECT TO SEC. 70(b)(1) OF THIS CHAPTER,] in addition to making delegations as provided for an assembly under sec. 245 of this chapter. Meetings of the borough board are held at the call of the presiding officer and of the city board by the mayor. The presiding officer or mayor may administer oaths and compel attendance of witnesses. Meetings and hearings of the board shall be open to the public and the board shall keep minutes of its proceedings as a public record.

* Sec. 11. AS 29.33.190(a) is amended to read:

(a) The owner or agent of the owner of land located within a subdivision who transfers, sells, or enters into a contract to sell land in a subdivision before a plat of the subdivision has been prepared, approved, and recorded, is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $500 for each lot or parcel transferred, sold, or included in a contract to be sold. The borough [PLATTING BOARD] may enjoin a transfer, sale, or contract to sell, and may recover the penalty by appropriate legal action.

* Sec. 12. AS 29.48.180(a) is amended to read:

(a) Each ordinance [AND RESOLUTION] after adoption shall be codified.

* Sec. 13. AS 29.48.180(c)(2) is amended to read:

(2) the ordinance is a provision which establishes a rule of conduct or behavior and which is included, or to be included, in a code of ordinances or other complete system of [POSITIVE] law promulgated [BY THE COUNCIL] and kept current [BY THE CITY] at reasonable intervals.

* Sec. 14. AS 29.48 is amended by adding a new section to read:

Sec. 29.48.185. RESOLUTIONS. The assembly or council shall provide for the maintenance of a permanent file of resolutions that have been adopted.

* Sec. 15. AS 29.48.200 is amended to read:

Sec. 29.48.200. PENALTIES. For the violation of an ordinance, the assembly or council may prescribe punishment not to exceed a fine of $500 or imprisonment for 30 days, or both. However, the punishment authorized under this section may be imposed only if [AN ORDINANCE IS CODIFIED AND] copies of the ordinance are made available for distribution to the public at cost.

* Sec. 16. AS 29 is amended by adding a new chapter to read:

CHAPTER 59. OBLIGATIONS ISSUED ON BEHALF OF MUNICIPALITIES.

Sec. 29.59.010. AUTHORITY TO ISSUE OBLIGATIONS FOR SPECIFIED PURPOSES. (a) A general law municipality may establish a public corporation or other municipal instrumentality. This public corporation or other municipal instrumentality may issue obligations to provide the public facilities and services enumerated in AS 29.48.-030(a).

(b) The public corporation or other municipal instrumentality created under authority of (a) of this section shall be created and operated solely to provide one or more of the public facilities or services enumerated in AS 29.48.030(a).

* Sec. 17. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Tacked onto Municipal Bond Bk. Bill wasn't legal to do so even though passed 176 or 177 wasn't put into effect

Could be const. problems - 2 subject rule?

Sen Bodey enters originally

This language exists now in Sec 29.57.010

Anch considering using this

Proposed C&RA amendment adopted.

Gene - 5/2/79 This section never used.

Original sponsor: Rules/Governor

Offered: 3/8/79
Referred: Rules

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 137

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the municipal code; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. <u>The regular term of office begins on the first Monday following certification of the election.</u> However, if under a borough apportionment city councilmen are appointed as assemblymen or elected to dual assembly-council seats, they may not be replaced until their assembly term expires as provided by city charter or ordinance, or they cease to be a member of either the assembly or council. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs.

* Sec. 2. AS 29.23.130(c) is amended to read:

(c) The borough mayor's regular term of office is three years and until a successor is elected and has qualified and begins on the first Monday following <u>certification of the mayor's</u> [HIS] election [, WHICH IS HELD THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT DATE OF ELECTION IS PROVIDED BY ORDINANCE]. The assembly may provide by ordinance for a different term not to exceed four years, except that the current term of an incumbent borough mayor may not be altered.

* Sec. 3. AS 29.23.130(d) is amended to read:

(d) A borough may adopt or abandon a manager plan at any time, as provided in AS 29.23.410 - 29.23.480. The borough mayor may not veto an ordinance or resolution calling for an election on this question. The manager has all the powers and duties of the borough mayor as chief administrative officer. [IF THE MANAGER PLAN IS ADOPTED, IT BECOMES EFFECTIVE FOLLOWING CERTIFICATION OF THE RESULTS OF THE FIRST REGULAR ELECTION OCCURRING AT LEAST SIX MONTHS AFTER ADOPTION OF THE PLAN.] The borough mayor then serves as borough executive.

* Sec. 4. AS 29.23.200(c) is amended to read:

(c) Councilmen are selected [AN ELECTION IS HELD ANNUALLY ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT ELECTION DATE OR INTERVAL OF YEARS IS PROVIDED BY ORDINANCE, TO CHOOSE COUNCILMEN] for three-year terms and until their successors are elected and have qualified. The regular term of office begins on the first Monday following certification of the election. The council may provide by ordinance for different terms not to exceed four years, except that the current term of incumbent councilmen may not be altered.

* Sec. 5. AS 29.23.210(a) is amended to read:

(a) The council shall meet at least once every month, unless otherwise provided by ordinance. Special meetings may be held on the call of the mayor or two councilmen upon not less than 24 hours written or oral notice communicated to each member. In an emergency, a special meeting called on less than 24 hours notice is a legal meeting if all members are present or there is a quorum and all absent members have waived in writing the required notice. A waiver may be made either before or after the time of the meeting. The waiver shall be attached to and made a part of the journal for that meeting.

* Sec. 6. AS 29.23.250(c) is amended to read:

(c) The mayor of a second class city is elected by and from the council for a term of one year and until a successor is elected and has qualified [EQUAL IN LENGTH TO A COUNCILMAN'S TERM].

* Sec. 7. AS 29.23.250(d) is amended to read:

(d) The mayor's regular term begins on the first Monday following certification of the mayor's [HIS] election [, WHICH IS HELD ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT DATE OF ELECTION IS PROVIDED BY ORDINANCE]. The council of a second class city shall meet on the first Monday after certification of the regular election [DATE] and elect a mayor who takes office immediately.

* Sec. 8. AS 29.23.440(a) is amended to read:

(a) If the manager plan is approved, the assembly or council shall, within 60 days, adopt the plan by ordinance or resolution.

* Sec. 9. AS 29.33.010(b) is amended to read:

(b) No city, whether home rule or not, may exercise an areawide power [CONFERRED IN, OR ASSUMED BY MEANS OF AS 29.33.250 - 29.33.290] once that power is being exercised by a borough

* Sec. 10. AS 29.33.110(a) is amended to read:

(a) The assembly is the board of adjustment for areas outside cities. The city council is the board of adjustment for the area within the city boundaries but may delegate by resolution or ordinance part or all of its functions to the borough [, SUBJECT TO AS 29.33.070(b)(1),] in addition to making delegations as provided for an assembly under AS 29.33.245. Meetings of the borough board are held at the call of the presiding officer and of the city board by the mayor. The presiding officer or mayor may administer oaths and compel attendance of witnesses. Meetings and hearings of the board shall be open to the public and the board shall keep minutes of its proceedings as a public record.

* Sec. 11. AS 29.33.190(a) is amended to read:

(a) The owner or agent of the owner of land located within a subdivision who transfers, sells, or enters into a contract to sell land in a subdivision before a plat of the subdivision has been prepared, approved, and recorded, is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $500 for each lot or parcel transferred, sold, or included in a contract to be sold. The borough [PLATTING BOARD] may enjoin a transfer, sale, or contract to sell, and may recover the penalty by appropriate legal action.

* Sec. 12. AS 29.48.180(a) is amended to read:

(a) Each ordinance [AND RESOLUTION] after adoption shall be codified.

* Sec. 13. AS 29.48.180(c)(2) is amended to read:

(2) the ordinance is a provision which establishes a rule of conduct or behavior and which is included, or to be included, in a code of ordinances or other complete system of [POSITIVE] law enacted [PROMULGATED BY THE COUNCIL] and kept current [BY THE CITY] at reasonable intervals.

* Sec. 14. AS 29.48 is amended by adding a new section to read:

Sec. 29.48.185. RESOLUTIONS. The assembly or council shall provide for the maintenance of a permanent file of resolutions that have been adopted.

* Sec. 15. AS 29.48.200 is amended to read:

Sec. 29.48.200. PENALTIES. For the violation of an ordinance, the assembly or council may prescribe punishment not to exceed a fine of $500 or imprisonment for 30 days, or both. However, the punishment authorized under this section may be imposed only if [AN ORDINANCE IS CODIFIED AND] copies of the ordinance are made available for distribution to the public at cost.

* Sec. 16. AS 29.59 is repealed and re-enacted to read:

CHAPTER 59. OBLIGATIONS ISSUED ON BEHALF OF MUNICIPALITIES.

Sec. 29.59.010. AUTHORITY TO ISSUE OBLIGATIONS FOR SPECIFIED PURPOSES. (a) A home rule or general law municipality may establish a public corporation or other municipal instrumentality. This public corporation or other municipal instrumentality may issue obligations to provide the public facilities and services enumerated in AS 29.48.030(a).

(b) The public corporation or other municipal instrumentality created under authority of (a) of this section shall be created and operated solely to provide one or more of the public facilities or services enumerated in AS 29.48.030(a).

* Sec. 17. AS 29.63.065(b)(2) is amended to read:

(2) a claimant receiving the exemption must file <u>with the department</u> by <u>March</u> [JANUARY] 15 of each subsequent year a separate application proving eligibility as of January 1 in order to retain the exemption. Within the same year the <u>department</u> [THE ASSEMBLY OR COUNCIL] for good cause shown may waive the claimant's failure to make timely application and approve the application as if timely filed.

* Sec. 18. This Act takes effect immediately in accordance with AS 01.-10.070(c).

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

April 26, 1979

The Honorable Bill Parker
Chairman
Community and Regional Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

The Department of Community and Regional Affairs has considered points raised by Ms. Georgianna C. Booth, Deputy Clerk, Ketchikan Gateway Borough, in her April 10 letter to you with regard to Committee Substitute for Senate Bill 137 (Rules), Section 10. We concur with Ms. Booth in both her analysis and recommendations.

There does indeed appear to be an inconsistency between AS 29.33.070 and AS 29.33.110(a), as Ms. Booth alleges. Subsection (a) of AS 29.33.070 clearly assigns to first and second class boroughs planning, platting and zoning authority on an areawide basis, including the responsibility of serving as the board of adjustment, also on an areawide basis. Subsection (b) of AS 29.33.070 allows, but does not require the borough assembly by ordinance to delegate to a city council the borough's responsibility to serve as a board of adjustment within the city.

AS 29.33.110(a) implies that a city council acts as the board of adjustment for the area within the city's boundary whether or not the borough assembly delegates such authority to the city council. However, AS 29.33.070 and concept of areawide planning lead to the conclusion that a city council may serve as the board of adjustment only if such authority is delegated to the city council by the borough assembly. For this reason, we support Ms. Booth's recommendation to amend AS 29.33.110(a) to read:

> Sec. 29.33.110. Board of adjustment. (a) The assembly is the board of adjustment but may delegate by ordinance part or all of this function to a city within the borough in accordance with

§70(b)(1) of this chapter, in addition to making delegations as provided for an assembly under §245 of this chapter. Meetings of the borough...

We encourage the Community and Regional Affairs Committee to consider amending Committee Substitute for Senate Bill 137 as proposed in this letter.

Sincerely,

Lee McAnerney
Commissioner

cc: Ms. Georgianna C. Booth
Deputy Clerk
Ketchikan Gateway Borough

LAW OFFICES
WOHLFORTH & FLINT
A PROFESSIONAL CORPORATION
645 G STREET
ANCHORAGE, ALASKA 99501

ERIC E. WOHLFORTH
ROBERT B. FLINT
TIMOTHY G. MIDDLETON
PETER AMOSTRANGER
SARAH FORGES

April 13, 1979

James Nordale, Esq.
Borough Attorney
FAIRBANKS NORTH STAR
BOROUGH
P. O. Box 1267
Fairbanks, Alaska 99701

Re: Proposed Issuance of Fairbanks North Star Borough Home Mortgage Revenue Bonds.

Dear Jim:

Yesterday we discussed the power of the Fairbanks North Star Borough to issue revenue bonds for the purpose of acquiring home mortgage loans under the plan submitted to you by John Nuveen & Co. In this respect, we noted the provisions of AS 29.58.200-220 which govern the issuance of revenue bonds by a general law municipality such as the Fairbanks North Star Borough. These provisions apparently authorize bonds for public facilities, the rates or fees to be charged for which would be pledged to the payment of the bonds. The statute does not contemplate the authorization of revenue bonds for the purpose of acquiring home mortgages where the essential security for the bonds would be the home mortgages and the payments of principal and interest made thereon.

Accordingly, we discussed the fact that an amendment to the above quoted sections would probably be necessary in order to provide the requisite assurance that revenue bonds issued by the Borough for home mortgages would be valid.

I enclose on the attached sheets, alternative proposals, one amending the revenue bond section to expand generally revenue bonding powers, and the other one limited to an expansion for home revenue mortgage purposes.

Very truly yours,

Eric E. Wohlforth

Eric E. Wohlforth

EEW:jr

Enclosures - as stated.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

ALTERNATE "A"

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act concerning revenue bonds of municipalities."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. AS 29.58.200 is amended to read as follows:

Sec. 29.58.200. REVENUE BONDS. (a) A municipality may acquire, construct, improve and equip capital improvements to be operated upon a revenue-producing basis, and bonds for these purposes are payable solely from pledged revenue of the public facilities for which the bonds are issued.

(b) A municipality may also issue revenue bonds for any lawful purpose. The bonds shall be payable from any amounts pledged by the municipality except taxes and shall not constitute general obligations of the municipality.

Sec. 2. AS 29.58.205 shall read as follows:

Sec. 29.58.205. NO ELECTION REQUIRED. No election is required to authorize the issuance and sale of revenue bonds, unless otherwise provided by ordinance.

Sec. 3. AS 29.58.210 is amended to read as follows:

Sec. 29.58.210. FORMS AND TERMS. The assembly or council shall fix the date of the bonds, denominations, maturities, rates or rates of interest, place and manner of payment, redemption terms, registration privileges, manner of execution and signatures required and all other details of the bonds. If an officer whose

signature appears on the bonds or coupons ceases to be an officer before delivery of the bonds, his signature is valid as if he had remained in office until delivery.

* Sec. 4. AS 29.58.220 is amended to read as follows:

Sec. 29.58.220. PAYMENT. Bonds issued under §§200-220 of this chapter or the proceedings of the assembly or council authorizing their issuance may contain the covenants which the assembly or council considers advisable concerning

(1) the rates or fees to be charged for services rendered by the public facilities, the revenue of which is pledged to the payment of the bonds or the terms and conditions of any other charges or other amounts collected which are pledged to the payment of the bonds;

(2) the deposit and use of the revenue of the public facilities or of the charges or other amounts collected which are pledged to the payment of the bonds;

(3) the issuance of additional bonds payable from the revenue of the public facilities or from the charges or other amounts collected which are pledged to the payment of the bonds;

(4) the rights of the bondholders in case of default in the payment of the principal or interest on the bonds, including the appointment of a receiver to operate the public facilities;

(5) other covenants as the assembly or council determines.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c).

ALTERNATE "B"

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act concerning revenue bonds of municipalities".

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.58.200 is amended to read as follows:

Sec. 29.58.200. REVENUE BONDS. (a) A municipality may acquire, construct, improve and equip capital improvements to be operated upon a revenue-producing basis, and bonds for these purposes are payable solely from unpledged revenue of the public facilities for which the bonds are issued.

(b) A municipality may also issue revenue bonds to finance the purchase of residential mortgage loans. The bonds shall be payable from the principal and interest of the mortgage loans and from any other amounts pledged by the municipality except taxes and shall not constitute general obligations of the municipality.

* Sec. 2. AS 29.58.205 reads as follows:

Sec. 29.58.205. NO ELECTION REQUIRED. No election is required to authorize the issuance and sale of revenue bonds, unless otherwise provided by ordinance.

* Sec. 3. AS 29.58.210 is amended to read as follows:

Sec. 29.58.210. FORMS AND TERMS. The assembly or council shall fix the date of the bonds, denominations, maturities, rate or rates of interest, place and manner of payment, redemption terms, registration privileges, manner of execution and signatures

required and all other details of the bonds. If an officer whose signature appears on the bonds or coupons ceases to be an officer before delivery of the bonds, his signature is valid as if he had remained in office until delivery.

* Sec. 4. AS 29.58.220 is amended to read as follows:

Sec. 29.58.220. PAYMENT. Bonds issued under §§200-220 of this chapter or the proceedings of the assembly or council authorizing their issuance may contain the covenants which the assembly or council considers advisable concerning

(1) the rates or fees to be charged for services rendered by the public facilities, the revenue of which is pledged to the payment of the bonds, or the terms and conditions of any other amounts collected which are pledged to the payment of the bonds;

(2) the deposit and use of the revenue of the public facilities or of other amounts collected which are pledged to the payment of the bonds;

(3) the issuance of additional bonds payable from the revenue of the public facilities or other amounts collected which are pledged to the payment of the bonds;

(4) the rights of the bondholders in case of default in the payment of the principal or interest on the bonds, including the appointment of a receiver to operate the public facilities;

(5) other covenants as the assembly or council determines.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c).

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

April 30, 1979

Ms. Georgianna Booth
Deputy Clerk
Ketchikan Gateway Borough
344 Front St.
Ketchikan, Ak. 99901

Dear Ms. Booth,

Thank you for your comments of April 10, 1979 on CSSB 137 (Rules) relating to the Municipal Code. The Department of Community and Regional Affairs agreed with your suggested amendment and the Committee supported its incorporation in House CSSB 137 (Rules).

It seems more logical that the Borough retain the board of adjustment function and more consistent with the provisions of AS 29.33.070 (a).

Thank you for your comments. Enclosed please find a copy of the House Committee Substitute with the amendment on p. 6, Sec. 14, Lines 19-23.

Yours truly,

Bill Parker
Chairman

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

April 10, 1979

The Honorable Bill Parker
Chairman, Community & Regional Affairs
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

With regard to CSSB 137 (Rules), Section 10, which amends AS 29.33 .110(a), I would like to offer the following comments and suggestions:

AS 29.33.070(a) says that Boroughs shall provide for planning, platting and zoning on an areawide basis. Paragraph (b) of the same section allows a borough to delegate planning, platting, and zoning responsibilities to the council of a city. AS 29.33.110(a) usurps the borough's prerogative to delegate the responsibility of board of adjustment by stating: " * * * The city council is the board of adjustment for the area within the city boundaries * * * "

There are two cities within the Ketchikan Gateway Borough. The City of Ketchikan is a home-rule city and the City of Saxman is a second-class city. The Ketchikan Gateway Borough provides for planning, platting, and zoning on an areawide basis. The Borough also provides for board of adjustment procedures by ordinance. The City of Ketchikan does not provide for board of adjustment procedures by ordinance, and I doubt the City of Saxman is even aware that they have the responsibility for board of adjustment. Conceivably there could be three different determinations and/or interpretations of the zoning code on similar appeals depending upon where property is located. Title 29 does not provide that these cities will prescribe procedures for appeals. AS 29.33.245 says: " * * * The assembly shall prescribe procedures for hearings and appeals. * * *" I question whether Title 29 has any influence on the home-rule city in the area of zoning. It

appears more logical that the Borough which has a vested interest in zoning regulation because they are charged with enforcing the decisions of the board of adjustment should retain the board of adjustment function unless they so chose to delegate it. Therefore, I suggest . . .

> "(a) The borough assembly is the board of adjustment but may delegate by ordinance part or all of its functions to a city within the borough in accordance with AS 29.33.070(b). * * *"

Your comments and/or questions are welcome.

Sincerely,

KETCHIKAN GATEWAY BOROUGH

Georgianna C. Booth

Georgianna C. Booth
Deputy Clerk

cc: The Honorable Mike Colletta
Chairman, Senate Rules

Page 1, line 24 --

(b) The borough assembly shall provide for its composition and for the form of its representation. Not later than July 31, 1981, and thereafter within four months after the report of a federal decennial census, the assembly shall propose and submit to the voters at a regular election or special election called for the purpose alternative forms of representation by which members are

(1) elected at large by all qualified voters of the borough, but required to live within an election district or zone established by the borough for election of assembly members, with each district or zone being of substantially equal population; or

(2) elected by and from election districts or zones established by the borough for the election of borough assembly members.

(c) The borough assembly shall, within three months of the certification of the results of the election held in accordance with (b) of this section, adopt an ordinance providing for its composition and the form of representation which conforms to the form of representation receiving a majority of the votes at that election.

((Existing (c) becomes new (d).))

Copy P to document file

SENATE SPECIAL COMMITTEE ON ELECTORAL REFORM
POUCH V
JUNEAU, ALASKA 99811
465-3822

QUESTIONNAIRE-LOCAL OFFICIALS

1. ARE YOU IN FAVOR OF CONSOLIDATING LOCAL AND STATE ELECTIONS?

_____YES _____NO - see copy of letter attached.

Comments:

2. SHOULD THE STATE PROVIDE ADDITIONAL ASSISTANCE IN LOCAL ELECTIONS?

_____YES _____NO

Comments:

3. HOW CAN WE INCREASE THE NUMBER OF VOTERS IN LOCAL ELECTIONS? People should be educated that local elections are also important
More publicity on voter registration via news media and radio for state elections; articles stressing responsibility of voter toward local govt.
4. WHAT SPECIFIC CHANGES WOULD YOU RECOMMEND IN IMPROVING elections AND SIMPLIFYING ELECTIONS?

- later-

5. ANY COMMENTS ON SB 126, 127: SB 126 - no comment.
I know the municipal clerks are supporting SB 127, but I have reservations as to how this would work. There are a great number of municipalities in the State; it would take some coorperation from all to get the input into the
6. ADDITIONAL SUGGESTIONS: system on who voted in municipal elections - of which there are many throughout the year.

- if you are in no great hurry - will come up with some suggestions. Personally, I do not feel state election laws are all that bad, the state just needs to follow them.

NAME: Frances Brymer, Clerk
Kenai Peninsula Borough
ADDRESS: _____
Soldotna, Ak. 99669
CITY: _____ ZIP CODE: _____

PHONE: 262-4441, ext 220-221

The Municipal Clerks appreciate your consulting us. Thank you.

KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

Gene, Don Gilman raised issue at hearing. Please check today to find out for sure whether amendment needed or not. Talk to Jack C. probably 9/

February 28, 1979

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: SB 137

Dear Senator Sturgulewski:

It is difficult to debate the proposed amendments to Title 29, SB 137 when the reasons for the requested changes are not known.

A.S. 29.23.040 Proposed Amendment "The regular term of office begins on the first Monday following their election."

The above amendment will create difficulties with most municipal elections. The Alaska Municipal Clerks Association adopted a uniform model election code for local elections, and most of us have our elections on the first Tuesday in October. In this borough some of the city clerks have allowed us to combine their elections with the borough election. All 5 cities and the borough has the regular election on the first Tuesday in October. We use the same polling places and in most instances the same election judges and split the expense.

In the Kenai Peninsula Borough there are 26 precincts, some in remote areas. At times we cannot get all the ballots back to this office until the Monday following the election. We start canvassing at 9 A.M. on that particular Monday. Canvassing is sometimes continued until Tuesday a.m. The election is certified Tuesday night by the assembly and if the elected or appointed candidate is present he assumes the office on that night.

It seems to me the assembly and Mayor's term should begin when the election is certified and the person has been administered the oath of office. Occasionally an elected person is certified, but may be out of town on that particular night or ill and cannot be administered the oath until a later date. (He has 30 days from date of election or appointment to take the oath and be seated.)

Each municipality has its own problems with timing and coordination of the entire election process. For example, our ballots returning from the Hope Precinct, leave Hope on Friday; 2 P.M. They arrive

at the Soldotna Post Office on Saturday after the Post Office has closed. Mail leaves Hope only on Tuesday and Friday.

English Bay and Port Graham mail pick up is on Friday; weather permitting. Cook Inlet Aviation gets the mail out usually after 1 P.M. from these areas. The pilot put these packets in the mail at Homer sometime late Friday. The mail leaves Homer about 12:30 or 1 p.m. on Friday, so the materials do not reach Soldotna until Monday. The Post Office is usually closed on Monday as this is Columbus Day. We make arrangements with the postmaster to pick up what we can on Saturday, but sometimes this is inconvenient for the postal employees.

Sec. 2. A.S. 29.23.130 (c) indicates deletion from Title 29 of the Tuesday in October for the regular election day, which leads me to believe the state may be considering combining municipal with state elections. Most municipal clerks will object to this, however, there may be some who have different procedures set out in charters, and they might not object to the combination.

The reasons we would object to combining with the State are:

1. Polling place space is limited; ballot boxes,booths limited.
2. State election law and municipal election laws differ to some extent.
3. Municipal Clerks would not want the legality of their elections to depend on state management or vise versa.

4. Combining the city/borough with state elections would be most confusing. We have found this true at times when combining our city and borough elections. The judges get very busy at certain hours, and the voter may put his city ballots in the borough ballot box or his questioned ballot in the borough questioned ballot envelope.

I have talked with the City Clerk of Soldotna, also Kenai and our assembly representative from Homer. You will probably receive more correspondence on this subject.

It seems once a procedure has been established and people get accustomed to it, it is difficult to change.

Yours very truly,

Frances Brymer

(Mrs) Frances Brymer,
Borough Clerk

for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. However, if under a borough apportionment city councilmen are appointed as assemblymen or elected to dual assembly-council seats, they may not be replaced until their assembly term expires as provided by city charter or ordinance, or they cease to be a member of either the assembly or council. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972)

Cross reference.—See Editor's note to AS 29.18.120.

Effect of amendment. — The 1972 amendment rewrote this section.

Editor's note.— Section 20, ch. 118, SLA 1972, provides: "The terms of elected officials who are incumbents on September 10, 1972, are not affected by this Act. Their terms expire as provided before enactment of this Act."

Sec. 29.23.130. Power generally. (a) If the borough has not adopted a manager plan, the borough executive and administrative power is vested in an elected borough mayor. If the borough has adopted a manager plan, the administrative power is vested in an appointed manager and the executive power in an elected borough mayor who has the same functions as those of the mayor of a manager-plan city under § 240 of this chapter.

(b) A borough voter is eligible to be borough mayor. The assembly may by ordinance establish residence requirements for candidates for borough mayor not exceeding three years.

(c) The borough mayor's regular term of office is three years and until a successor is elected and has qualified and begins on the first Monday following his election, which is held the first Tuesday of October, unless a different date of election is provided by ordinance. The assembly may provide by ordinance for a different term not to exceed four years, except that the current term of an incumbent borough mayor may not be altered.

(d) A borough may adopt or abandon a manager plan at any time, as provided in §§ 410—480 of this chapter. The borough mayor may not veto an ordinance or resolution calling for an election on this question. The manager has all the powers and duties of the borough mayor as chief administrative officer. If the manager plan is adopted, it becomes effective following certification of the results of the first regular election occurring at least six months after adoption of the plan. The borough mayor then serves as borough executive. (§ 2 ch 118 SLA 1972)

(e) A borough adopting a manager plan may, by agreement with a city, enter into a contract providing for the manager of a city located within the borough to serve also as borough manager. A city adopting a manager plan may, by agreement with a borough, enter into a contract providing for the manager of a borough within which the city is located to serve also as city manager. Appointment and service of the manager shall be as otherwise provided for managers in §§ 130 — 150 and §§ 450 — 470 of this chapter. Nothing in this subsection affects the authority of the assembly or council to provide for other dual office holding if the dual offices held are compatible or otherwise to appoint officers and employees in accordance with law.
(am § 1 ch 6 SLA 1975; am § 1 ch 63 SLA 1976)

Sec. 29.23.200. Composition, eligibility, election and term. (a) Each first class city has a council of six members elected by the voters at large. Each second class city has a council of seven members elected by the voters at large. The council of a first or second class city may by ordinance provide for election of members other than on an at-large basis for all members.

(b) A city voter is eligible to hold office as a member of the council. The council may by ordinance establish residence requirements for council members not exceeding three years. A council member who ceases to be eligible to be a city voter immediately forfeits that office. (§ 2 ch 63 SLA 1976)

(c) An election is held annually on the first Tuesday of October, unless a different election date or interval of years is provided by ordinance, to choose councilmen for three-year terms and until their successors are elected and have qualified. The regular term of office begins on the first Monday following the election. The council may provide by ordinance for different terms not to exceed four years, except that the current term of incumbent councilmen may not be altered. (§ 2 ch 118 SLA 1972)

Sec. 29.23.210. Procedure. (a) The council shall meet at least once every month, unless otherwise provided by ordinance. Special meetings may be held on the call of the mayor or two councilmen upon not less than 24 hours written or oral notice communicated to each member.

(b) The council shall determine its own rules and order of business and provide for keeping a journal of its proceedings.

(c) Four councilmen constitute a quorum. Four affirmative votes are required for the passage of an ordinance, resolution, or motion.

(d) The final vote on each ordinance, resolution, or substantive motion is a recorded roll call vote. All councilmen present shall vote unless the council, for special reasons, permits a member to abstain. (§ 2 ch 118 SLA 1972)

Sec. 29.23.250. Election and term of mayor. (a) A voter of a home rule or general law city is eligible to hold the office of mayor, except that a home rule city may prescribe additional residency requirements by charter. The council, for all other cities, may be ordinance establish residence requirements for candidates for mayor not exceeding three years.

(b) The mayor of a first class city is elected at large for a term of three years and until a successor is elected and has qualified. The council may provide by ordinance for a different term not to exceed four years, except that the current term of an incumbent mayor may not be altered.

(c) The mayor of a second class city is elected by and from the council for a term equal in length to a councilman's term.

(d) The mayor's regular term begins on the first Monday following his election, which is held on the first Tuesday of October, unless a different date of election is provided by ordinance. The council of a second class city shall meet on the first Monday after the regular election date and elect a mayor who takes office immediately. (§ 2 ch 118 SLA 1972)

Editor's note.—Section 20, ch. 118, SLA 1972, provides: "The terms of elected officials who are incumbents on September 10, 1972, are not affected by this Act. Their terms expire as provided before enactment of this Act."

Sec. 29.23.440. Adoption. (a) If the manager plan is approved, the assembly or council shall adopt the plan by ordinance or resolution.

(b) The assembly or council shall notify the Department of Community and Regional Affairs of the adoption of the manager plan. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in subsection (b).

Sec. 29.33.010. Scope of areawide powers. (a) First and second class boroughs shall exercise the powers as specified and in the manner specified in this chapter on an areawide basis, both inside and outside cities within their boundaries.

(b) No city, whether home rule or not, may exercise an areawide power conferred in, or assumed by means of §§ 250 — 290 of, this chapter once that power is being exercised by a borough. (§ 2 ch 118 SLA 1972; am § 6 ch 93 SLA 1977)

Effect of amendment. — The 1977 amendment substituted "First and second class boroughs" for "Boroughs" at the beginning of subsection (a).

Cited in Jefferson v. State, Sup. Ct. Op. No. 1084 (File No. 2000), 527 P.2d 37 (1974).

Sec. 29.33.110 Board of adjustment. (a) The assembly is the board of adjustment for areas outside cities. The city council is the board of adjustment for the area within the city boundaries but may delegate by resolution or ordinance part or all of its functions to the borough, subject to § 70(b)(1) of this chapter, in addition to making delegations as provided for an assembly under § 245 of this chapter. Meetings of the borough board are held at the call of the presiding officer and of the city board by the mayor. The presiding officer or mayor may administer oaths and compel attendance of witnesses. Meetings and hearings of the board shall be open to the public and the board shall keep minutes of its proceedings as a public record.

(b) The board of adjustment shall hear and decide

(1) appeals regarding alleged errors in enforcement of zoning ordinances and building codes;

(2) appeals from the decisions of the planning commission on requests for conditional uses;

(3) appeals from the decisions of the planning commission on requests for variances from the terms of the zoning ordinance which are not contrary to the public interest, when a literal enforcement would deprive a property owner of rights commonly enjoyed by other properties in the same district.

(c) A variance shall not be granted because of special conditions caused by actions of the person seeking relief or for reasons of pecuniary hardship or inconvenience. A variance shall not be granted which will permit a land use in a district in which that use is prohibited. (§ 2 ch 118 SLA 1972)

Sec. 29.33.190. Penalties. (a) The owner or agent of the owner of land located within a subdivision who transfers, sells, or enters into a contract to sell land in a subdivision before a plat of the subdivision has been prepared, approved, and recorded, is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $500 for each lot or parcel transferred, sold, or included in a contract to be sold. The platting board may enjoin a transfer, sale, or contract to sell, and may recover the penalty by appropriate legal action.

(b) No person may record a plat or seek to have a plat recorded unless it bears the approval of the platting board. A person who knowingly violates this requirement is punishable upon conviction by a fine of not more than $500. (§ 2 ch 118 SLA 1972)

Sec. 29.48.180. Codification. (a) Each ordinance and resolution after adoption shall be codified.

(b) Within three years after incorporation of the municipality, the municipal executive, with the advice and assistance of a legal advisor, shall have prepared a general codification of all municipal ordinances of general applicability having the force and effect of law. The municipal code shall be revised and printed at least every five years, unless the code is kept current by regular supplements.

(c) In (a) of this section, "codified" means

(1) the ordinance has been given a serial number or other permanent identifying number and, bearing a notation of the date of adoption and the designation of the adopting authority, it has been entered by the municipal clerk in a properly indexed book maintained for the purposes of organizing and recording the ordinances; or

(2) the ordinance is a provision included, or to be included, in a code of ordinances or other complete system of positive law promulgated by the council and kept current by the city at reasonable intervals.

(d) This section applies to general law and home rule municipalities. (§ 2 ch 118 SLA 1972)

Revisor's note (1972).—For specific discussion of AS 29.48.180, see 1972 House Journal, p. 1725, or 1972 Senate Journal Supp. No. 3, p. 8.

Minimum codification requirements. —To meet the minimum codification requirements of this section municipal ordinances should be topically arranged under a logical and systematic set of chapters and subchapters. There should be a table of contents, an index, and a system of cross-referencing. The code, to be useful, must have a current supplement which indicates all additions, amendments, and repeals. Periodically the additions and changes noted in the supplement should be incorporated into the main body of the code. These are minimum requirements. Nothing

Sec. 29.48.200. Penalties. For the violation of an ordinance, the assembly or council may prescribe punishment not to exceed a fine of $500 or imprisonment for 30 days, or both. However, the punishment authorized under this section may be imposed only if an ordinance is codified and copies of the ordinance are made available for distribution to the public. (§ 2 ch 118 SLA 1972)

Chapter 59. Obligations Issued on Behalf of Municipalities.

Section
10. Authority to issue obligations for specified purposes

Effective date of chapter. — Section 5, ch. 56, SLA 1976, makes this chapter effective May 6, 1976, in accordance with AS 01.10.070(c).

Sec. 29.59.010. Authority to issue obligations for specified purposes. (a) A home rule or general law municipality may establish a public corporation or other municipal instrumentality. This public corporation or other municipal instrumentality may issue obligations to provide the public facilities and services enumerated in AS 29.48.030(a).

(b) The public corporation or other municipal instrumentality created under authority of (a) of this section shall be created and operated solely to provide one or more of the public facilities or services enumerated in AS 29.48.030(a). (§ 4 ch 56 SLA 1976)

Cross reference. — As to loans to municipalities by the bond bank authority through purchase of municipal bonds, see AS 44.58.170.

Chapter 23. Municipal Officers and Employees

Article
1. Borough Assembly (§§ 29.23.010—29.23.100)
2. Borough Executive and Administrator (§§ 29.23.130—29.23.180)
3. City Council (§§ 29.23.200—29.23.220)
4. City Executive and Administrator (§§ 29.23.240—29.23.290)
5. School Boards (§ 29.23.310)
6. Utility Boards (§ 29.23.340)
7. Other Officers and Employees (§§ 29.23.360—29.23.401)
8. Adoption or Repeal of Manager Plan (§§ 29.23.410—29.23.480)
9. Miscellaneous Provisions (§§ 29.23.500—29.23.580)

Article 1. Borough Assembly.

Section
10. General power
20. Composition, apportionment, and reapportionment
30. [Repealed]
40. Regular term of office
50. Qualifications
60. Procedure
70. Departments
80. Assembly vacancies
90. [Repealed]
100. [Repealed]

Sec. 29.23.010. General power. The legislative power of a borough is vested in the assembly. (§ 2 ch 118 SLA 1972)

Establishment of department and procedures for exercise of areawide power. — The establishment of a department and of standards and procedures to be used in the exercise of an areawide power is a task for the borough assembly, in which is vested the general legislative power. 1962 Op. Att'y Gen., No. 9.

The borough assembly may set up a board of health as an advisory board and be substantially guided by such a board of health in its exercise of the public health power, as long as the borough assembly is the body finally expressing the public health power. 1962 Op. Att'y Gen., No. 9.

Borough chairman cannot serve on borough assembly. — To permit the borough chairman to serve on the borough assembly would constitute a clear violation of this section, and would violate the common law prohibition against holding incompatible offices. 1963 Op. Att'y Gen., No. 27.

But positions of borough assemblyman and school board representative can be served concurrently. — A person elected to the positions of borough assemblyman and borough school board could properly exercise the powers, privileges and duties of both offices concurrently. 1963 Op. Att'y Gen., No. 27.

Sec. 29.23.020. Composition, apportionment, and reapportionment. (a) The assembly shall be composed of the number of members and be apportioned in a manner set out in the incorporation petition approved by the voters or, if a borough is already incorporated, the assembly shall be composed and apportioned in a manner prescribed by charter or ordinance. Assembly composition and apportionment, including voting procedures based on the apportionment, may be prescribed in any manner consistent with the equal representation standards of the Constitution of the United States.

(b) Within six months of October 14, 1972, and thereafter within six months of the official report of a federal decennial census and issuance of any supplementary data to the report necessary to

establish population distribution within the borough, the ass shall

(1) determine and declare by resolution whether the existi assembly apportionment meets the standards designated under (a) of this section;

(2) if the existing apportionment does not meet the designated standards, provide by ordinance for reapportionment and, if it chooses, changes in assembly composition, in accordance with the designated standards;

(3) submit the ordinance to borough voters for approval or rejection as provided in (c) of this section.

(c) The vote on an ordinance submitted under (b) (3) of this section shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and the home rule cities of the borough. The other classification shall consist of all votes cast in the remaining areas of the borough. In order for the ordinance to be approved it must receive majority approval in each classification. If, at the end of the time period prescribed in (b) of this section, no ordinance has been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards designated in (a) of this section.

(d) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide for its reapportionment and, if it chooses, a change in assembly composition, whenever, on the basis of federal census reports or other reliable population data, it determines that the existing apportionment does not meet the standards for apportionment designated in (a) of this section. The assembly is required to determine whether the standards are being met upon petition of 50 borough voters. The petition must include reliable evidence that the existing apportionment of the assembly does not meet the designated standards. Reapportionment under this section shall be implemented by ordinance or by act of the Department of Community and Regional Affairs in the same manner as prescribed for reapportionment in (c) of this section.

(e) Members of the assembly are selected according to assembly composition and apportionment set out in the incorporation petition approved by the voters or subsequently provided in accordance with this section. A change in assembly composition or apportionment under this section shall be effective beginning with the next regular election to the assembly.

(f) Assembly or Department of Community and Regional Affairs determinations or reapportionments made under this section are subject to judicial review. The running of time periods specified

in (b) of this section shall be tolled until a final judgment is rendered in an action brought under this subsection.

(g) This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 12 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Cross reference.—See Editor's note to AS 29.18.120.

Effect of amendments. — The first 1972 amendment rewrote this section.

The second 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the last sentence of subsections (c) and (d), and in the first sentence of subsection (f).

This section provides a convenient method for reapportioning whenever necessary. 1965 Op. Att'y Gen., No. 5.

It does not indicate what population data may be used by the reapportioning agency. 1965 Op. Att'y Gen., No. 5.

However, the agency may use population data other than official census figures in apportioning seats or votes. 1965 Op. Att'y Gen., No. 5.

The only limit imposed by this section is that a reapportionment plan may not take effect until the next assembly election. 1965 Op. Att'y Gen., No. 5.

Sec. 29.23.030. Election and appointment.

Repealed by § 16 ch 118 SLA 1972.

Cross reference.—See Editor's note to AS 29.18.120.

Editor's note.—The repealed section derived from § 2, ch. 118, SLA 1972.

Sec. 29.23.040. Regular term of office. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. However, if under a borough apportionment city councilmen are appointed as assemblymen or elected to dual assembly-council seats, they may not be replaced until their assembly term expires as provided by city charter or ordinance, or they cease to be a member of either the assembly or council. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972)

Cross reference.—See Editor's note to AS 29.18.120.

Effect of amendment. — The 1972 amendment rewrote this section.

Editor's note.—Section 20, ch. 118, SLA 1972, provides: "The terms of elected officials who are incumbents on September 10, 1972, are not affected by this Act. Their terms expire as provided before enactment of this Act."

Sec. 29.23.050. Qualifications. A resident of the borough is eligible to be an assemblyman if he is a borough voter. An assemblyman who ceases to be a borough voter immediately forfeits his office. An assemblyman elected from or selected to represent a borough area less than the borough area at large and who becomes a resident of another area may continue to serve only until the next regular election. The assembly may by ordinance establish residence requirements for assemblymen not exceeding three years.

Chapter 23. Municipal Officers and Employees.

Article 1. Borough Assembly.

Sec. 29.23.010. General power.

Lack of a valid legislative body would not prevent the valid incorporation of a municipality. This conclusion is bolstered by noting that Alaska's newly-enacted Municipal Government Code has completely separated the statutes relating to the incorporation procedure from those relating to the borough's legislative body. Jefferson v. State, Sup. Ct. Op. No. 1084 (File No. 2000), 527 P.2d 37 (1974).

The incorporation of a municipality is a process both conceptually and functionally distinct from that of establishing a legislative body for that corporation. Jefferson v. State, Sup. Ct. Op. No. 1084 (File No. 2000), 527 P.2d 37 (1974).

Sec. 29.23.020. Composition, apportionment, and reapportionment.

Section supersedes home-rule enactments. — By AS 29.13.100 the legislature has specifically provided that this section supersedes existing and prohibits future home-rule enactments which provide otherwise. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Section is ambiguous as to when voter ratification of subsequent apportionment plan required. — This section is ambiguous as to whether there must be voter ratification of an apportionment plan when the existing plan has not been determined to be unconstitutional. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Such ratification is required when existing plan not found unconstitutional. — Voter ratification of a subsequent apportionment plan is required when the existing plan has not been determined to be unconstitutional. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Authority to alter apportionment, etc., when apportionment is unconstitutional. — The assembly is required to take action when it determines that the apportionment of its assembly fails to meet the standards of the equal protection clause of the United States Constitution. Under those circumstances, authorization is granted to the assembly to make changes in its composition as well as to make the necessary reapportionment. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

But section is ambiguous as to authority when apportionment not found unconstitutional. — This section is ambiguous as to whether the assembly may alter either its apportionment or composition when the existing arrangement has not been found by the assembly to be unconstitutional. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

This section may have several referents: (a) that the make-up of the assembly may initially be composed and apportioned in a manner prescribed by the charter or ordinance, (b) that there may be changes made in the composition and apportionment by charter or ordinance at any time or (c) such changes may only be made in the manner spelled out in subsections (b) and (d) of this section which mandate such changes when the assembly apportionment fails to meet equal representation standards. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

The words in subsection (a), "... If a borough is already incorporated, the assembly shall be composed and apportioned in a manner prescribed by charter or ordinance," while not ambiguous in themselves, refer to several different possible applications. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

This particular ambiguity is best resolved in favor of the assembly having the power of reapportion itself or alter its composition even when there has been no determination of unconstitutionality. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Section is ambiguous as to when election required for reapportionment. — Taking in conjunction this section's silence

as to whether an election is required for reapportionment with its silence on the power of the assembly to reapportion in the absence of a determination of unconstitutionality, the supreme court found ambiguity exists as to whether an election is required. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

The legislature intended that all reapportionment ordinances be submitted to the electorate. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Sec. 29.23.060. Procedure.

Cross reference.
As to abstaining from official action when there is a conflict of interests, see AS 29.23.555.

Article 2. Borough Executive and Administrator.

Section
130. Power generally

Sec. 29.23.130. Power generally.

(b) A borough voter is eligible to be borough mayor. The assembly may by ordinance establish residence requirements for candidates for borough mayor not exceeding three years.

(e) A borough adopting a manager plan may, by agreement with a city, enter into a contract providing for the manager of a city located within the borough to serve also as borough manager. A city adopting a manager plan may, by agreement with a borough, enter into a contract providing for the manager of a borough within which the city is located to serve also as city manager. Appointment and service of the manager shall be as otherwise provided for managers in §§ 130 — 150 and §§ 450 — 470 of this chapter. Nothing in this subsection affects the authority of the assembly or council to provide for other dual officeholding if the dual offices held are compatible or otherwise to appoint officers and employees in accordance with law.
(am § 1 ch 6 SLA 1975; am § 1 ch 63 SLA 1976)

Effect of amendments. — The 1975 amendment, effective February 17, 1975, added subsection (e).

The 1976 amendment added the second sentence of subsection (b).

As the rest of the section was not affected by the amendments, it is not set out.

Article 3. City Council.

Section
200. Composition, eligibility, election and term

LAW OFFICES
WOHLFORTH & FLINT
A PROFESSIONAL CORPORATION
645 G STREET
ANCHORAGE, ALASKA 99501

ERIC E. WOHLFORTH
ROBERT B. FLINT
TIMOTHY G. MIDDLETON
PETER AMDAHL
SARAH FORBES

April 13, 1979

James Nordale, Esq.
Borough Attorney
FAIRBANKS NORTH STAR
BOROUGH
P. O. Box 1267
Fairbanks, Alaska 99701

Re: Proposed Issuance of Fairbanks North Star Borough Home Mortgage Revenue Bonds.

Dear Jim:

Yesterday we discussed the power of the Fairbanks North Star Borough to issue revenue bonds for the purpose of acquiring home mortgage loans under the plan submitted to you by John Nuveen & Co. In this respect, we noted the provisions of AS 29.58.200-220 which govern the issuance of revenue bonds by a general law municipality such as the Fairbanks North Star Borough. These provisions apparently authorize bonds for public facilities, the rates or fees to be charged for which would be pledged to the payment of the bonds. The statute does not contemplate the authorization of revenue bonds for the purpose of acquiring home mortgages where the essential security for the bonds would be the home mortgages and the payments of principal and interest made thereon.

Accordingly, we discussed the fact that an amendment to the above quoted sections would probably be necessary in order to provide the requisite assurance that revenue bonds issued by the Borough for home mortgages would be valid.

I enclose on the attached sheets, alternative proposals, one amending the revenue bond section to expand generally revenue bonding powers, and the other one limited to an expansion for home revenue mortgage purposes.

Very truly yours,

Eric E. Wohlforth

Eric E. Wohlforth

EEW:jr

Enclosures - as stated.

Sterling Gallagher

6 - 2660 x 222

ALTERNATE "B"

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act concerning revenue bonds of municipalities".

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.58.200 is amended to read as follows:

Sec. 29.58.200. REVENUE BONDS. (a) A municipality may acquire, construct, improve and equip capital improvements to be operated upon a revenue-producing basis, and bonds for these purposes are payable solely from unpledged revenue of the public facilities for which the bonds are issued.

(b) A municipality may also issue revenue bonds to finance the purchase of residential mortgage loans. The bonds shall be payable from the principal and interest of the mortgage loans and from any other amounts pledged by the municipality except taxes and shall not constitute general obligations of the municipality.

* Sec. 2. AS 29.58.205 reads as follows:

Sec. 29.58.205. NO ELECTION REQUIRED. No election is required to authorize the issuance and sale of revenue bonds, unless otherwise provided by ordinance.

* Sec. 3. AS 29.58.210 is amended to read as follows:

Sec. 29.58.210. FORMS AND TERMS. The assembly or council shall fix the date of the bonds, denominations, maturities, rate or rates of interest, place and manner of payment, redemption terms, registration privileges, manner of execution and signatures

required and all other details of the bonds. If an officer whose signature appears on the bonds or coupons ceases to be an officer before delivery of the bonds, his signature is valid as if he had remained in office until delivery.

* Sec. 4. AS 29.58.220 is amended to read as follows:

Sec. 29.58.220. PAYMENT. Bonds issued under §§200-220 of this chapter or the proceedings of the assembly or council authorizing their issuance may contain the covenants which the assembly or council considers advisable concerning

(1) the rates or fees to be charged for services rendered by the public facilities, the revenue of which is pledged to the payment of the bonds, or the terms and conditions of any other amounts collected which are pledged to the payment of the bonds;

(2) the deposit and use of the revenue of the public facilities or of other amounts collected which are pledged to the payment of the bonds;

(3) the issuance of additional bonds payable from the revenue of the public facilities or other amounts collected which are pledged to the payment of the bonds;

(4) the rights of the bondholders in case of default in the payment of the principal or interest on the bonds, including the appointment of a receiver to operate the public facilities;

(5) other covenants as the assembly or council determines.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c).

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

April 26, 1979

The Honorable Bill Parker
Chairman
Community and Regional Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

The Department of Community and Regional Affairs has considered points raised by Ms. Georgianna C. Booth, Deputy Clerk, Ketchikan Gateway Borough, in her April 10 letter to you with regard to Committee Substitute for Senate Bill 137 (Rules), Section 10. We concur with Ms. Booth in both her analysis and recommendations.

There does indeed appear to be an inconsistency between AS 29.33.070 and AS 29.33.110(a), as Ms. Booth alleges. Subsection (a) of AS 29.33.070 clearly assigns to first and second class boroughs planning, platting and zoning authority on an areawide basis, including the responsibility of serving as the board of adjustment, also on an areawide basis. Subsection (b) of AS 29.33.070 allows, but does not require the borough assembly by ordinance to delegate to a city council the borough's responsibility to serve as a board of adjustment within the city.

AS 29.33.110(a) implies that a city council acts as the board of adjustment for the area within the city's boundary whether or not the borough assembly delegates such authority to the city council. However, AS 29.33.070 and concept of areawide planning lead to the conclusion that a city council may serve as the board of adjustment only if such authority is delegated to the city council by the borough assembly. For this reason, we support Ms. Booth's recommendation to amend AS 29.33.110(a) to read:

> Sec. 29.33.110. Board of adjustment. (a) The assembly is the board of adjustment but may delegate by ordinance part or all of this function to a city within the borough in accordance with

§70(b)(1) of this chapter, in addition to making delegations as provided for an assembly under §245 of this chapter. Meetings of the borough...

We encourage the Community and Regional Affairs Committee to consider amending Committee Substitute for Senate Bill 137 as proposed in this letter.

Sincerely,

Lee McAnerney
Commissioner

cc: Ms. Georgianna C. Booth
Deputy Clerk
Ketchikan Gateway Borough

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

April 10, 1979

The Honorable Bill Parker
Chairman, Community & Regional Affairs
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Parker:

With regard to CSSB 137 (Rules), Section 10, which amends AS 29.33 .110(a), I would like to offer the following comments and suggestions:

AS 29.33.070(a) says that Boroughs shall provide for planning, platting and zoning on an areawide basis. Paragraph (b) of the same section allows a borough to delegate planning, platting, and zoning responsibilities to the council of a city. AS 29.33.110(a) usurps the borough's prerogative to delegate the responsibility of board of adjustment by stating: " * * * The city council is the board of adjustment for the area within the city boundaries * * * "

There are two cities within the Ketchikan Gateway Borough. The City of Ketchikan is a home-rule city and the City of Saxman is a second-class city. The Ketchikan Gateway Borough provides for planning, platting, and zoning on an areawide basis. The Borough also provides for board of adjustment procedures by ordinance. The City of Ketchikan does not provide for board of adjustment procedures by ordinance, and I doubt the City of Saxman is even aware that they have the responsibility for board of adjustment. Conceivably there could be three different determinations and/or interpretations of the zoning code on similar appeals depending upon where property is located. Title 29 does not provide that these cities will prescribe procedures for appeals. AS 29.33.245 says: " * * * The assembly shall prescribe procedures for hearings and appeals. * * *" I question whether Title 29 has any influence on the home-rule city in the area of zoning. It

appears more logical that the Borough which has a vested interest in zoning regulation because they are charged with enforcing the decisions of the board of adjustment should retain the board of adjustment function unless they so chose to delegate it. Therefore, I suggest . . .

> "(a) The borough assembly is the board of adjustment but may delegate by ordinance part or all of its functions to a city within the borough in accordance with AS 29.33.070(b). * * *"

Your comments and/or questions are welcome.

Sincerely,

KETCHIKAN GATEWAY BOROUGH

Georgianna C. Booth

Georgianna C. Booth
Deputy Clerk

cc: The Honorable Mike Colletta
Chairman, Senate Rules

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B – JUNEAU 99811

March 1, 1979

Proposed amendment put in CSSB

The Honorable Arliss Sturgulewski
State Senate
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

We would like to respectfully request that the attached language be considered as a suggested amendment to Senate Bill 137.

This suggested wording would "clean-up" another section of Title 29.

This section deals with Senior Citizen Sewer and Water Assessment Deferment and the fact that the State fully pays that special assessment to the municipality involved.

The problem stems from the requirement of involvement by a local unit in a program for which it no longer has any involvement, since the State has already reimbursed the municipality for the loss of revenue created by the Senior Citizen Special Assessment Deferment program.

The section being amended relates only to renewal of the exemption each January. The revision allows the Department to waive the renewal deadline rather than requiring local councils and assemblies to be involved in the routine, annual renewal. Also, the renewal deadline is proposed to be moved from January 15 to March 15 to allow more time following the end of a calendar year for a succession of notices prior to the deadline.

This would clear up some areas of confusion and simplify the administration not only for the Department but also for the Senior Citizens and the municipality involved.

Thank you for your consideration in this matter.

Sincerely,

Lee McAnerney
Commissioner

By: Palmer McCarter
Director

Enclosure

1-P2LH

PROPOSED LEGISLATION
A BILL

For an Act entitled: "An Act relating to senior citizen special assessment exemption."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.63.065(b) is amended to read:

(2) A claimant receiving the exemption must file <u>with the department</u> by [JANUARY] <u>March</u> 15 of each subsequent year a separate application proving eligibility as of January 1 in order to retain the exemption. Within the same year the <u>department</u> [THE ASSEMBLY OR COUNCIL] for good cause shown may waive the claimant's failure to make timely application and approve the application as if timely filed.

A M E N D M E N T

Offered in the HOUSE By Hurlbert

TO: CSSB 137 (Rules)

Page 5, between lines 6 and 7:

Insert the following:

"* Sec. 17. AS 29.23.540(c) is amended to read:

(c) No state employee or school district employee may be denied the right to serve as an elected municipal official because of his employment by the state or a school district unless specifically prohibited by charter or ordinance of a municipality, adopted at a special or general election. However, no school district employee may serve on a school district board in the school district where he is employed except in a school district with an average daily membership, as defined in AS 14.17.250(1), of 300 or less. Provisions of this section do not apply to term of office in effect on August 24, 1976."

Renumber remaining sections accordingly

AMENDMENT

Offered in the HOUSE By Hurlbert

TO: CSSB 137 (Rules)

Page 5, between lines 6 and 7:

Insert the following:

"* Sec. 17. AS 29.23.540(c) is amended to read:

(c) No state employee or school district employee may be denied the right to serve as an elected municipal official because of his employment by the state or a school district unless specifically prohibited by charter or ordinance of a municipality, adopted at a special or general election. However, no school district employee may serve on a school district board in the school district where he is employed except with the written approval of the commissioner of education. Provisions of this section do not apply to term of office in effect on August 24, 1976."

Renumber remaining sections accordingly

beyond those assured by the foundation program. (§ 1.01 ch 164 SLA 1962)

Sec. 14.17.225. Construction and implementation of chapter. (a) This chapter may not be construed so as to create a debt of the state.

(b) Funds to carry out the provisions of §§ 10 — 190 of this chapter may be appropriated annually by the legislature into the public school foundation account. If amounts in the account are insufficient to meet the allocations authorized under §§ 10 — 190 of this chapter, such funds as are available shall be distributed pro rata among each district based upon the district's basic need.

(c) Repealed by § 1 ch 79 SLA 1971.

(d) The average daily membership allotment supplemental account is established. Funds to carry out the provisions of § 215 of this chapter may appropriated annually by the legislature to the account. If amounts in the account are insufficient to meet the allocations authorized under § 215 of this chapter, such funds as are available shall be distributed pro rata among eligible districts based upon § 215 of this chapter.

(e) Repealed by § 1 ch 79 SLA 1971. (§ 8 ch 95 SLA 1969; am § 1 ch 79 SLA 1971)

Effect of amendment. — The 1971 amendment repealed subsections (c) and (e).
Legislative committee report. — For report on ch. 79, SLA 1971 (HB 365), see 1971 House Journal, p. 586.

Sec. 14.17.230. Transition.

Repealed by § 2 ch 71 SLA 1972.

Editor's note. — The repealed section derived from § 5.04, ch. 164, SLA 1962.
Legislative committee report. — For report on ch. 71, SLA 1972 (HCSSB 383 am H), see 1972 House Journal, p. 898.

Sec. 14.17.240. Repealer.

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Sec. 14.17.250. Definitions. In this chapter, unless the context otherwise requires

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(2) "commissioner" means the commissioner of the Department of Education;

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SB

145

(7)

COMMITTEE REPORT

HOUSE

FURTHER:

April 19, 1979 Date: [illegible]

Mr. Speaker:

The Committee on CSRA has had CSSB 145

"An Act relating to implementation of the Alaska coastal management program."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99

DATE: 4/27/79

BILL NUMBER AND TITLE: CSSB145 Act relating to implementation of the Alaska Coastal Management Program

ORIGINAL SPONSOR : Rules by request of the Governor

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	
Margaret Branson	X	Charlie Parr	
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Roger Allington, Co-Chairman of the Ak. Coastal Policy Council
Discussed effect of CS in terms of local program development.

COMMITTEE ACTION: Bill passed out of Committee

TAPE # 8 SIDE 1 Sections 0-60

SB 145 TITLE & SPONSOR SUMMARY 14:42 5/01/79 PAGE 1 OF 3

AMENDED TITLE: GS SB 145 AM H

AN ACT RELATING TO IMPLEMENTATION OF THE ALASKA COASTAL MANAGEMENT PROGRAM

PRIME SPONSORS: SENATE RULES COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 4/30/79 PASSED (H)

SB 145 SENATE ACTION 14:44 5/01/79 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/13/79	01	0214	FIRST READING -- COMMITTEE REPORTS
02/13/79	02	0214	GOV TRANSMITTAL LETTER
02/13/79	03	0214	FISCAL NOTE IS ZERO
03/05/79	04	0365	CRA --- DNP01, ES02
03/07/79	05	0366	RLS --- OTHER04
04/17/79	13	0832	RES --- OTHER05
03/08/79	06	0409	SECOND READING
03/08/79	07	0409	CRA CS ADOPTED BY UNAN CONSENT
03/08/79	08	0409	ADVANCED TO 3RD READING BY UNAN CONSENT
03/08/79	09	0409	THIRD READING
03/08/79	10	0409	FAILED BY DIV 10-09-01
03/08/79	11	0409	NOTICE OF RECONSIDERATION GIVEN
03/09/79	12	0419	RECOMMITTED TO RLS BY UNAN CONSENT
04/18/79	14	0832	RETURN FROM THIRD LINE
04/18/79	15	0653	PASSED ON RECONSIDERATN BY DIV 15-05-00
****	**	**	*** *** ***

SB 145 HOUSE ACTION 14:51 5/01/79 PAGE 3 OF

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/19/79	16	0979	FIRST READING -- COMMITTEE REPORTS
04/27/79	17	1136	CRA --- DP04
04/30/79	18	1230	SECOND READING
04/30/79	19	1231	AM01 ADOPTED BY DIV 34-01-00
04/30/79	20	1231	ADVANCED TO 3RD READING BY UNAN CONSENT
04/30/79	21	1231	THIRD READING
04/30/79	22	1231	PASSED BY DIV 25-08-07
****	**	**	*** *** ***

Introduced: 2/13/79
Referred: Community & Regional Affairs

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 145

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to implementation of the Alaska Coastal Management Program."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.40.050 is amended to read:

Sec. 46.40.050 ACTION AND SUBMISSION BY COASTAL RESOURCE DISTRICTS. Each coastal resource district shall make substantial progress, in the opinion of the council, toward completion of an approvable district coastal management program and shall complete and submit to the council for approval its program within 30 months of the effective date of this Act [JUNE 4, 1977] or within 30 months of certification of the results of the district's organization, whichever is later. If, in the opinion of the council, after receipt of a written request for extension from the district which includes the reasons for the extension, an extension is considered proper, the council may grant an extension to a date not to exceed 54 months of the effective date of this Act or within 54 months of certification of the results of the district's organization, whichever is later.

* Sec. 2. AS 46.40.090(a) is amended to read:

(a) A district coastal management program approved by the council [AND THE LEGISLATURE] for a coastal resource district which does not have and exercise zoning or other controls on the use of resources within the entire coastal area of the district shall be implemented by appropriate state agencies, and by municipalities within the district which have and exercise zoning power. Implementation shall be in

Senate Action -- CZM

SB 145 --Committee Substitute would eliminate all of SB 145 except for Section 1 amendments.

Action on CZM Regulations:

Accepted regs with change on p. 5 (6 AAC 80.100 (a) (3) cahnge word "prevent" to "minimize"

Introduced: 2/13/79
Referred: Community &
Regional Affairs

IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

SENATE BILL NO. 145

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

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* Sec. 2. AS 46.40.090(a) is amended to read:

(a) A district coastal management program approved by the council [AND THE LEGISLATURE] for a coastal resource district which does not have and exercise zoning or other controls on the use of resources within the entire coastal area of the district shall be implemented by appropriate state agencies, and by municipalities within the district which have and exercise zoning power. Implementation shall be in

accordance with the comprehensive use plan or the statement of needs, policies, objectives and standards adopted by the district.

* Sec. 3. AS 46.40.120(b) is amended to read:

(b) The commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area or set any other appropriate service area boundary according to geographic, cultural, or other features relevant to coastal planning

(1) if a substantial portion of the coastal area contains land and water area owned by the federal government over which it exercises exclusive jurisdiction or land held in trust by the federal government for Alaska Natives over which the state would not exercise control as to use; [OR]

(2) if, after giving due consideration to the standards applicable to incorporation of borough governments and the likelihood that a borough will be incorporated within the area, the commissioner determines that the functions to be performed under this chapter could be undertaken more efficiently through the combination of two or more regional educational attendance areas as a single coastal resource service area; or

(3) if the commissioner determines that another boundary would be more appropriate to the needs of this chapter.

* Sec. 4. AS 46.40.080 is repealed.

Senate Action -- CZM

SB 145 --Committee Substitute would eliminate all of SB 145 except for Section 1 amendments.

Action on CZM Regulations:

Accepted regs with change on p. 5 (6 AAC 80.100 (a) (3) cahnge word "prevent" to "minimize"

SB

201

(7)

COMMITTEE REPORT

HOUSE

FURTHER:

Date: _____

Mr. Speaker:

The Committee on CARA has had CSSB 201

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99

Official Business

DATE: 4/23/79

BILL NUMBER AND TITLE: CSSB201 Relating to the Salaries of elected municipal officials

ORIGINAL SPONSOR : Community and Regional Affairs Committee by request

OTHER SPONSORS: (Rules)CS

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Bill Parker y	Pat Carney X
Margaret Branson X	Charlie Parr X
Pat O'Connell X	Fred Zharoff X
	Ray Metcalfe X

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Ginny Chitwood, Municipal League

Refers to Senate rationale for removing reference to mayor's salary not being aule to be reduced. The only public officials at the present time who can't have salaries reduced are judges. Senate did not want to include mayors.

Parr- Concerned about the need for balance. O'Connell agrees with Parr. Sees that the Seante wording might alllow the Coun cil or Assembly to use mayor's salary as a weapon. Would like to see the assurance that tne mayor's salary not be reduced back in the bill it was contained in Hi 127. Allows mayors to keep up with the cost of living. Parr say leave statute as is or use HOuse version.

Concensus is that the House version of the bill, HB 127, replace CSSB201 as a House Committee Substitute.

Passed out with a unanimous DO PASS recommendation.

COMMITTEE ACTION: Passed out DO PASS

TAPE # 7 SIDE 2 Sections 1150-1235

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Referred to --
Received from --

BILL NO. HB 127re Salaries of elected municipal officials

Original Sponsor (H)C&RA Committee

Fiscal Note Received from C&RA ($0 impact)

Contacts:
Lee Sharp
Marilyn Miller
Dept. of D&RA

LAA Legal Research contact Chenoweth

Bill was introduced last year ('78) as HB ~~125~~ or ~~127~~.
Introduced this yr. at request of Municipal League.

Mayor of Soldotna doesn't receive salary. Wanted to give him some compensation so bill being introduced to say you can raise amount but not change it.(reduce it)

Hearing to be held on March 2 when Municipal League Legislative Committee and Mayors are in Juneau.

3/2/79 Workshop with Municipal League

Ron Larson--Mayor, Mat-Su Borough- on Municipal League Legislative Committee
HB 127 Top priority of Municipal League
Local level would amke the decisions themselves
If you establish a salary are you "changing" a salary?

Tom Bearup--Mayor, Soldotna
Supports HB 127

Jim NOrdale -- Attorney, North Star Borough. On Municipal League Leg. Committee
Home Rule communities are (aren't) under the bill.
Supports HB 127.

Dr. Mike Emmick--Kodaik (POrt Lions)
Supports HB 192 (Revenue Sharing)
On 40% bill--In KOdaik they take total number of votes and divide by # of people who voted. Expense to local government should be considered.
This is a problem if you are voting in a fire service area. Perhaps 300 people live in the area. You need 40% and only 100 people vote.
It should be local option to allow municipality to retain the 40% provision in elections.

Martin Tengs-- Haines Borough Mayor.

Mike Emmick--Anchorage had been supportive of HB 192 when it was being drafted.

Re HB 192 suggests using 17Million rather than 27Million $ to get realistic formula.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 201 (HB 127)
Title "An Act relating to the salaries of elected municipal officials."
Requested by Community & Regional Affairs Committee Date 2-27-79

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		-0-	-0-	-0-		
200 TRAVEL		-0-	-0-	-0-		
300 CONTRACTUAL		-0-	-0-	-0-		
400 COMMODITIES		-0-	-0-	-0-		
500 EQUIPMENT		-0-	-0-	-0-		
600 LAND & STRUCTURES		-0-	-0-	-0-		
700 GRANTS, CLAIMS, ETC.		-0-	-0-	-0-		
		-0-	-0-	-0-		
TOTAL		-0-	-0-	-0-		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

NO FISCAL IMPACT TO THE STATE

IV. DATE: February 27, 1979 PREPARED BY Palmer McCarter, Director
AGENCY Community & Regional Affairs, LGAD
PHONE 465-4707

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 10/78)

SB 201 TITLE & SPONSOR SUMMARY 13:54 4/16/79 PAGE 1 OF 3

AMENDED TITLE: CS SB 201
AN ACT RELATI 3 TO THE SALARIES OF ELECTED MUNICIPAL OFFICIALS

PRIME SPONSORS: SENATE C&RA COMMITTEE.

CO-SPONSORS.

CURRENT STATUS: 4/11/79 IN (H) C&RA

SB 201 SENATE ACTION 13:56 4/16/79 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/13/79	01	0235	FIRST READING -- COMMITTEE REPORTS
03/07/79	02	0386	CRA -- DP05
04/09/79	03	0763	RLS -- CS01, OTHER04
04/10/79	04	0774	SECOND READING
04/10/79	05	0774	RLS CS ADOPTED BY UNAN CONSENT
04/10/79	06	0774	ADVANCED TO 3RD READING BY UNAN CONSENT
04/10/79	07	0774	THIRD READING
04/10/79	08	0775	PASSED BY DIV 20-00-00
****	**	**	*** *** ***

80004 Forms, Inc.

SB

311

(7)

COMMITTEE REPORT

HOUSE

2/4/80

FURTHER: JUDICIARY

Date: _____

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 311am

"An Act relating to ride sharing; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

#7418 - Baldwin

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 311

By HACKNEY

"An Act relating to ride sharing; and providing for an effective date."

Introduced in the Senate 1/14/, 1980

HISTORY IN THE SENATE

1980		Read first time and referred to Committee on
1	14	JUDICIARY
1	30	Reported back with recommendation that Jud 4 do pass 1 do pass if amd. to Rules.
1	31	Rules: Calendar 2/1
2	1	Read second time and amended adv
2	1	Read third time and
2	1	PASS ed / Effective Date: Yeas 18 / Yeas; Nays 1 / Nays same; Absent 1 / Absent; Excused / Excused
		Reconsideration: PASS / Effective Date: Yeas / Yeas; Nays / Nays; Absent / Absent; Excused / Excused
2	1	Reported correctly engrossed
2	1	Signed by President
2	1	Sent to House

Peggy Mulligan
SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

1980		Read first time and referred to Committee on
Feb	4	C+RA- Judiciary
		Reported back with recommendation that
		Read second time and
		Read third time and
		PASS / Effective Date: Yeas / Yeas; Nays / Nays; Absent / Absent; Excused / Excused
		Reconsideration: PASS / Effective Date: Yeas / Yeas; Nays / Nays; Absent / Absent; Excused / Excused
		Reported correctly engrossed
		Signed by Speaker
		Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. .....

31-001

Alaska State Legislature

HOME ADDRESS
1136 SUNSET DRIVE
FAIRBANKS, ALASKA 99701
HOME PHONE: 456-4610

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
HOME PHONE 586-3593
OFFICE PHONE 465-3788

SENATOR
GLENN HACKNEY
REPRESENTING
SENATE DISTRICT O
"ALASKA'S GOLDEN HEART"

COMMITTEES
FINANCE

HEALTH, EDUCATION & SOCIAL SERVICES
CHAIRMAN

State Senate

February 5, 1980

Representative Bill Parker
Chairman, House Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Parker,

The Ridesharing Bill (SB 311) which is in your committee was introduced in response to some model state law that showed up at a meeting of the Western Council of the Conference of State Governments. In the enclosed folder is a report excerpted from the proceedings of that conference.

The thrust of the 1979 annual CSG meeting was ENERGY. From various speakers, the one theme that emerged was that remedies for the United States are several years away. The answer to the energy question is, of course, energy self-sufficiency for our country. In the meantime, the one thing we can all practice is energy conservation. As you will note by the comments on page 15 of the enclosed booklet, substantial amounts of gas could be saved if ride-sharing were practiced on a widespead basis. Perhaps it's time for Alaska to do its bit.

SB 311 is merely an effort to remove some of the impediments for people wishing to enter into a ridesharing arrangement. I'd be very glad to appear before your committee and testify on the bill.

Also enclosed is some material from Al Koschmann who is with the U.S. Department of Transportation.

Sincerely,

Glenn

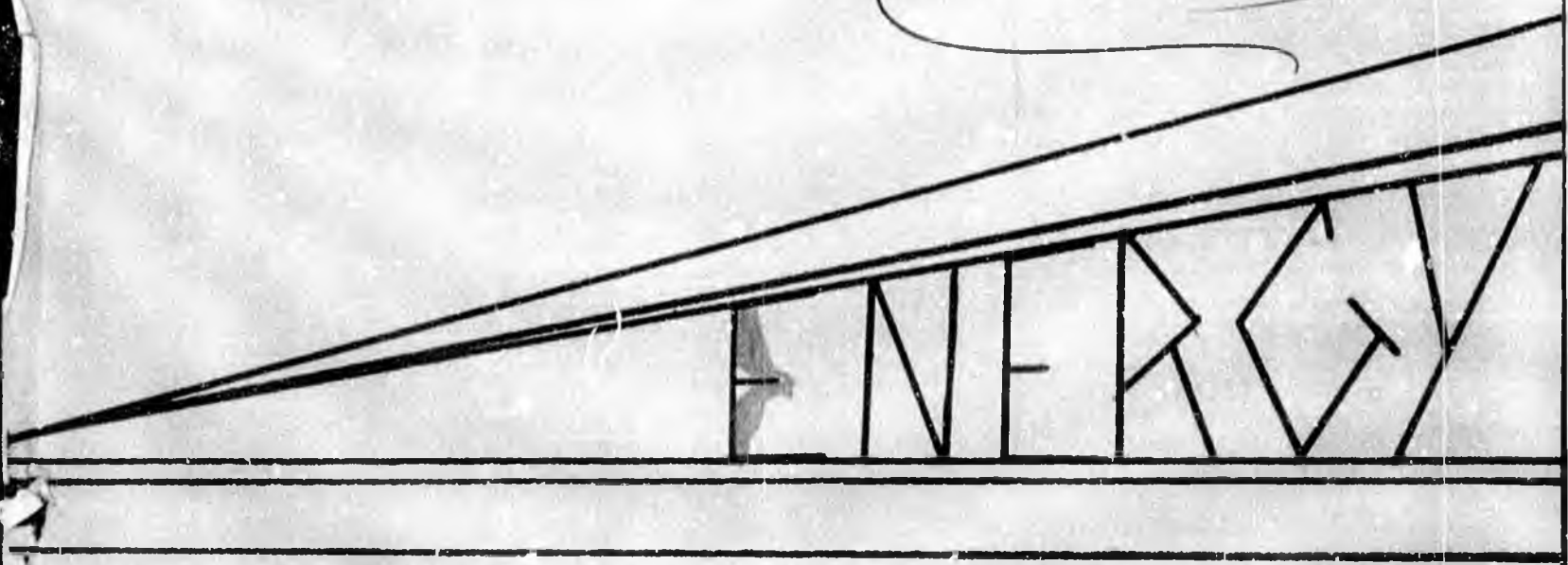
Glenn Hackney
State Senator

Enclosures

GLENN HAGGINS'

WESTERN CONFERENCE
1979 ANNUAL MEETING
HELENA, MONTANA

SEE PG. 15



The Council of State Governments

WESTERN CONFERENCE EXECUTIVE COMMITTEE 1979-1980

Chairman: Representative Bill Grannell, Oregon
Chairman-Elect: Senator Keith Ashworth, Nevada
Vice-Chairman: Representative Cary Peterson, Utah
Immediate Past-Chairman: Senator Robert Ziegler, Sr., Alaska

ALASKA
Senator Glen Hackney
Senator George Hohman
Representative Joseph H. McKinnon
Senator Robert H. Ziegler, Sr.

AMERICAN SAMOA
Senator Maiavatele P. Hunkin
Senator Tagaloa M. Tuiolosega

ARIZONA
Senate President Leo Corbet
Senator James Mack
Representative Sam McConnell, Jr.

CALIFORNIA
(vacancy)

COLORADO
Senator President Fred Anderson
Representative Bob Kirscht

GUAM
Senator Cecilia C. Bamba
House Speaker Thomas V.C. Tanaka

HAWAII
Senator John T. Ushijima

IDAHO
Representative Walter E. Little
Senator James Risch
Representative John Sessions

MONTANA
Representative John Scully
Senator John Healy
Representative Robert Marks

NEVADA
Senator Keith Ashworth
Senator James I. Gibson
Assemblyman Tom Hickey
Senator Lawrence Jacobsen
Speaker Paul W. May

NEW MEXICO
Representative Leo Catanach
Representative James Caudell
Senator Alex G. Martinez

OREGON
Representative Bill Grannell
Representative Gretchen Kafoury
Senator Jason Boe
Speaker Hardy Myers
Senator E. D. Potts

UTAH
Representative C. Demont Judd
Speaker James V. Hansen
Senate President Miles "Cap" Ferry
Representative Cary Peterson
Senator Karl Snow, Jr.

WASHINGTON
Senator Gordon Walgren
Co-Speaker Duane Berentson
Co-Speaker John A. Bagnariol

WYOMING
Senator Milton E. Nichols
Senator Donald Northrup
Representative Russ Donley

WESTERN OFFICE

The Council of State Governments
165 Post Street
Room 500
San Francisco, California 94108

415/986-3760

THE WESTERN CONFERENCE

of

The Council of State Governments

Conference Staff
The Council of State Governments
Western Office
165 Post Street, 5th Floor
San Francisco, California 94108
(415) 986-3760

October 31, 1979

Dear Friends and Colleagues:

Our Annual Meeting in Helena, Montana fulfilled its two major objectives: education on a significant issue on which legislators have to give leadership and make decisions, and setting a direction for the work of the Western Conference in the coming year.

The critical importance of energy issues to the entire nation -- and their particular difficulties and potential in the West -- persuaded the Executive Committee to concentrate the entire educational portion of the Conference on "Energy: The Western Perspective." Knowledgeable speakers shared their expertise with the audience. The discussion between speakers and the audience elicited additional provocative ideas and generated serious thought about options many had not yet considered.

Our plenary discussions led logically to another part of our program -- work groups in which participants debated problems and likely solutions to energy issues and planned activities which they believed the Western Conference should undertake the coming year. The products of the work groups were of high calibre, and the Executive Committee now has the critical task of selecting from among this rich store of proposed projects those they deem of most significance to the West and achievable with Western Conference resources. Following the next Executive Committee meeting in November, committees and task forces will be asked to begin activity on projects stemming from the work groups in which you yourselves participated and which will reflect your interests.

These Proceedings are <u>not</u> intended merely as a record of the Annual Meeting. We have included much of the content of the panels because of the richness of thought and ideas expressed. We have included a summary of the specific proposals from the work groups. We hope that these sections -- the program summaries and the action proposals -- will contribute to your thinking and your actions as you give leadership to your state and region on these complex energy issues.

Thank you for joining us at the Annual Meeting. I hope you will be part of the work of the Western Conference during the coming months.

Sincerely,

Bill Grannell, Representative, Oregon
Chairman, Western Conference

Special recognition and thanks must be given to the Host Committee of the State of Montana, chaired by Representative Bob Marks, and to its staff, headed by Diana Dowling, Executive Director of the Montana Legislative Council, who worked unceasingly to organize an imaginative social program which added so much to the pleasure of all who attended.

To them, to the Montana State Legislature who invited us to Big Sky country, to the Montana business community who contributed support, delegates and guests express warm appreciation.

To our own Western Conference staff belongs the credit for an Annual Meeting program whose content will stimulate thought and spur action throughout the coming year.

PROCEEDINGS

1979 ANNUAL MEETING -- WESTERN CONFERENCE

September 22-26, 1979

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1979 ANNUAL MEETING

Western Conference of The Council of State Governments

September 22-26, 1979

Helena, Montana

Saturday, September 22		Site
11:30 am	Staff Advisory Task Force Meeting	Gold Nugget
1:00 - 5:30 pm	Registration for Conference	Lobby
1:30 - 4:30 pm	Work Group Facilitators' Meeting	Capitol Club
3:30 pm	Legislative Service Agency & Research Directors' Meeting	Lobby
4:30 pm	Executive Committee Meeting	Capitol Club
6:00 pm	Early Bird Reception (Greater Helena Parlor-Pickin' Society plays Bluegrass) Host: Montana Trial Lawyers Association, Buttrey Foods, and Montana Host Committee	Lobby

Sunday, September 23		
7:30 am	Registration for Conference	Lobby
7:30 - 9:00 am	Breakfast for all Conferees Host: Montana Bankers' Association and 12 Western States Bank Associations	Ballroom
9:00 am	CONCURRENT COMMITTEE MEETINGS:	
	- Agriculture Presiding: Assemblyman Thomas J. Hickey, Nevada	Clark
	- Government Reform and Fiscal Affairs Presiding: Senator Karl N. Snow, Utah	Capitol Club
	- Transportation Presiding: Representative John Sessions, Idaho	Lewis
12:30 pm	LUNCH Greetings: William J. "Pete" Page, Jr., Executive Director, The Council of State Governments Speaker: Dr. Alan Rosenthal, Director Eagleton Institute of Politics, Rutgers University	Ballroom
2:00 pm	CONCURRENT COMMITTEE MEETINGS:	
	- Energy and Natural Resources Presiding: Senator Lawrence Jacobsen, Nevada	Capitol Club
	- Judiciary Presiding: Representative John Scully, Montana	Clark
	- Education and Social Services Presiding: Senator Glen Hackney, Alaska	Lewis
6:00 pm	PITCHFORK BEEF FONDUE (Stamp, whistle, and yahoo with Montana's own famous Mission Mountain Wood Band playing Bluegrass, Country, Folk, Rock. Recently seen on the Cheryl Ladd TV Special)	County Fairgrounds
7:30 pm	SPECTACULAR HORSE EXHIBITION	

Bus Leaves From Colonial At 6:00 pm. Will Stop at ALL Hotels.

1979 Annual Meeting
WesConf of CSG

Monday, September 24		Site
7:30 am	WOMEN'S CAUCUS Presiding: Representative Gretchen Kafoury, Oregon	Capitol Club
8:30 am	OPENING SESSION Presiding: Senator Robert H. Ziegler, Sr., Alaska Chairman, Western Conference Welcomes: Representative Robert L. "Bob" Marks Chairman, Montana State Host Committee Lieutenant Governor Ted Schwinden, Montana	Ballroom
8:45 am	PLENARY SESSION Presiding: Representative William Grannell, Oregon Chairman-elect and Program Chairman ENERGY ISSUES IN THE WEST Speaker: Lieutenant Governor Ted Schwinden, Montana	Ballroom
9:30 am	ENERGY OPTIONS (Panel) Moderator: Lieutenant Governor Ted Schwinden, Montana Panelists: - Oil Ed Cahill, Economic Consultant, Standard Oil of California - Coal Charles Metzger, Regional Representative of Secretary, U.S. Department of Energy, Region VIII - Synthetic Fuels Dave Freudenthal, Administrative Aide to Governor, Wyoming - Nuclear Dr. Frank Rahn Electric Power Research Institute, California - Solar and Renewables Wilson Clark, Assistant to Governor for Issues and Planning, California	Ballroom
12:30 pm	LUNCH Speaker: Betsy Moler, Staff Counsel, U.S. Senate Committee on Energy and Natural Resources	Ballroom
2:00 pm	CONSERVATION (Panel) Panelists: - Overview: Role of Conservation in Solving Energy Problems Amory Lovins, Friends of the Earth and Author, Soft Energy Paths - Utility Conservation C. P. Davenport, Vice President Pacific Power and Light Company - Transportation Conservation Ed Kearney, Executive Director National Committee on Uniform Traffic Laws	Ballroom

1979 Annual Meeting
WesConf of CSG

3:00 pm	TRANSPORTATION (Panel) Moderator: Representative John Sessions, Idaho Panelists: - Transpo. tation of Coal Lila Cockrell, Mayor of San Antonio - Transportation of Oil James R. Hodge, Northern Tier Pipeline - Transportation of Nuclear Materials Bob Jefferson, Manager, Transportation Technology, Sandia Labs	Ballroom
5:30 - 6:30 pm	RESOLUTIONS COMMITTEE MEETING	Capitol Club
6:30 pm	COCKTAILS (Water Ballet by Choralettes--synchronized Swim Team ages 9-17 from Butte, Montana under direction of Georgia Byrnes and Sue Darlington) Hosted by Atlantic Richfield Company/Anaconda Company, and Buttrey Food Stores.	Poolside
8:00 pm	MONTANA STATE DINNER Presiding: Justice John Sheehy, Montana Supreme Court Invocation: Reverend George Harper St. Paul's United Methodist Church Keynote Speaker: Governor Thomas L. Judge, Montana Entertainment: Shearen Elebash (Humor, Song and Story...Bit of Theatre--"Down Home Politician) Selection of wines provided by The Wine Institute	Ballroom

Tuesday, September 25

7:30 am	EXECUTIVE COMMITTEE BREAKFAST Guest: Jackson S. Gouraud, Deputy Undersecretary for Commercialization, Department of Energy	Capitol Club
8:30 am	PLENARY SESSION Speaker: Jackson S. Gouraud "The Administration Plan"	Ballroom
9:30 am	Speaker: Guy Martin, Assistant Secretary for Land and Water, Department of Interior	
10:00 am	REGULATORY INCENTIVES AND BARRIERS (Panel) Moderator: John Watson, Executive Director Western Interstate Energy Board Panelists: - Utility Regulations Conley Ward, Jr., Commissioner Idaho Public Services Commission - Taxing of Energy Resources Senator Tom Towe, Montana - Interstate Transmission of Power Representing the Western Systems Coordinating Council Russell D. Hulse, Vice President of Resource Planning, Arizona Public Service Company	Ballroom

1979 Annual Meeting
WesConf of CSG

10:00 am REGULATORY INCENTIVES AND BARRIERS
Panelists: (cont'd)
- Resource Ownership
  Representative Cary Peterson, Utah
- Environmental Regulations
  Nicholas Yost, General Counsel
  Council on Environmental Quality

12:30 pm LUNCH
(Lunch will be served in rooms where meetings of Work Groups are scheduled. Please go to the room where the group you have selected is meeting.)

12:30 pm WORK GROUPS
Focus: Regulatory Incentives and Barriers
(The work groups are designed to follow up on the issues addressed in earlier Plenary Sessions. The groups will attempt to detail the role of State Government relative to each issue and to outline strategies for working on these issues in the next year. Work group plans will be presented to the entire conference on Wednesday morning.)

I.	ENERGY OPTIONS	
	- Oil	Executive (A)
	- Coal	Executive (B)
	- Synthetic Fuels	Judicial (A)
	- Alcohol Fuels	Judicial (B)
	- Solar and Renewables	Legislative (A)
	- Nuclear	Legislative (B)
II.	CONSERVATION	
	- Residential and Commercial	Lewis
	- Industrial	Clark
	- Transportation	Gold Nugget
III.	TRANSPORTATION	
	- Transportation of Coal	Capitol Club (A)
	- Transportation of Oil	Capitol Club (B)
	- Transportation of Nuclear Materials	Lobby

6:30 - 8:30 pm FRONTIER TOWN--rustic setting at the edge of the Continental Divide.
Bus Leaves From Colonial At 6:00 pm. Will Stop At ALL Hotels.
Host: Air Transport Association.

Wednesday, September 26

8:30 am BUSINESS SESSION — Ballroom
Presiding: Senator Robert Ziegler, Sr., Alaska
- Reports from Work Groups
- Reports from Study Committees
- Reports from Women's Caucus
- Western Conference Reorganization Plan
- Resolutions
- Election of Officers
- Report on 1980 Annual Meeting
- Invitation to 1981 Annual Meeting

12:00 pm ADJOURNMENT

ENERGY ISSUES IN THE WEST

Energy Issues in the West, the topic for the 1979 Western Conference Annual Meeting, provided an opportunity for participants to examine the scope of the energy dilemma and develop recommendations for grappling with some of the issues. The following pages summarize the key points made by the speakers and panelists. To enable the reader to get additional information from any of the speakers on their viewpoint or their specific recommendations, their addresses and phone numbers will be found on pages 53-55.

Due to recording difficulties, the comments of Guy Martin, Assistant Secretary for Land and Water Resources, Department of Interior, and Betsy Moler, Staff Counsel, U.S. Senate Committee on Energy and Natural Resources, were not included.

OPENING PLENARY SESSION
Monday, September 24

LIEUTENANT GOVERNOR TED SCHWINDEN, Montana
Keynote Speaker and Moderator, Energy Options Panel

Topic: Energy Issues in the West

The West has come into focus in the national arena. A recent Newsweek cover story entitled "The Angry West vs. The Rest" is testimony to this. "The energy needs of this country have caused Easterners to cast hungry eyes toward the resources of the West. We are sitting on a wealth of coal, oil, shale, uranium, and other minerals that can provide us with our trump card in trying to gain a louder voice in Washington." The Lieutenant Governor cautioned that the West not be lured by grandiose production schemes without fully examining the trade-offs. Some guarantees must be made that the states will retain the right to control production and development within their own borders. The Energy Mobilization Board, if allowed full power to determine the course of production, could leave the West with "scarred plains and dried up rivers." A Newsweek cover story one hundred years from now might be entitled "The Wasted West...A National Tragedy".

As policy makers it is important to make the distinction between temporary and permanent solutions. As state officials, the question as to the appropriate role of the states in contributing to these temporary and permanent solutions must be addressed. Everyone involved in energy decisions has the responsibility for seeing that the public is not misled into believing that exploiting limited energy resources can be considered a final solution. "As a region, as individual states, and as individuals, we must make a commitment to decrease consumption and increase conservation...But the most effective conservation efforts cannot solve the energy problem without exploring new areas of supply."

"We in the West have our own challenge. By joining together as an informed Western coalition, we have begun to catch the ear of the rest of the nation. If we want to shake the image of the West as the country's kid brother, we are going to have to prove that we can stand on our own two feet--that we can take our future into our own hands and develop ways to serve the country's energy needs while protecting the region's unique personality..."

ENERGY OPTIONS
Monday morning, September 24

ED CAHILL
Economic Consultant, Standard Oil of California

Topic: Oil

In the United States, about 50% of our total energy is dependant on oil. Another 25% on gas. In the first seven months of this year net imports accounted for 42% of our total energy consumption as compared with 51% in Western Europe and 75% in Japan.

Dependence on foreign oil must be diminished. Any one of the OPEC countries can produce an energy crisis in free world energy supply overnight. Moreover, world oil production is rapidly approaching its peak.

The United States is the only country in the free world with ample resources to meet its energy needs. However, all resources must be tapped.

The conservation track record in the U.S. is good. In 1978, the U.S. consumed 8% less energy per unit of GNP than in 1972. Gasoline consumption in July was down 6% from one year ago. We need to continue a strong effort in conservation. In addition we must pursue our coal, oil shale, nuclear, solar, geothermal and biomass resources.

State governments can play a significant role in providing incentives for the development of energy resources. States can assist in removing some regulatory barriers such as price controls, imbalanced environmental regulations and taxes.

DR. FRANK RAHN
Director, Electric Power Research Institute,

Topic: Nuclear

Nuclear power has an important and continuing role in the future production of electrical power. It is important to distinguish between electrical generation and energy sources that will make contributions other than electrical generation, such as solar heating.

While total energy consumption over the last few years has been relatively stagnant, electrical demand has increased. There are currently 52 GW nuclear capacity service in the U.S. These plants produced 12½% of the total electrical power produced in the U.S. last year. We have another 139 GW of nuclear capacity on order. This is at least 75 GW of generation capacity less than what we had expected from nuclear power.

The major advantages of nuclear power are cost and reliability.

ENERGY OPTIONS

Nuclear power appears today to be the least expensive electrical option we have. In addition, nuclear power is not subject to sudden fuel disruption. Once a nuclear plant has been built, the plant becomes anti-inflationary because about one-third of the cost of electricity comes from the cost of fuel itself as contrasted with two-thirds for that of fossil fuel. The major cost from Three Mile Island is that related to replacement power from oil and fossil fuel plants. Each nuclear power plant saves enough gasoline to fuel roughly half a million cars.

The disadvantages of nuclear are financial issues, safety, waste disposal and public perception. Nuclear plants have been cancelled or delayed due to the fact that they require 20% more in capital outlay than comparable capacity fossil fuel plants.

While the accident at Three Mile Islands focused on safety issues, there were no workers killed or injured, no evidence of any member of the public injured, and none of the safety related systems failed.

The technology for handling the waste disposal issue is in hand. All of the engineering principles are understood. It is policy and institutional questions which are holding back solutions to the waste problem.

The public has a nebulous misperception as to what the real risks of nuclear power are. Radiation from ordinary nuclear operation is neglible compared to either background radiation or radiation received from medical X rays.

CHARLES METZGER, Regional Representative of the Secretary
U.S. Department of Energy, Region VIII

Topic: Coal

Many factors contibute to increased demand for coal: the pending synthetic fuels program; the Powerplant and Industrial Fuel Use Act, which calls for coal conversion; problems associated with nuclear power, which resulted in a reduction of projected nuclear plants; increased wheeling of electricity to other areas; expanded foreign markets for coal; and population increases in the West.

The limitations to coal development include the cost of materials, siting difficulties, environmental regulating leasing, and transportation.

The national eye is on the West because it is rich with energy resources. The potential is for crash development particularly in light of the Energy Mobilization Board and the proposed synthetic fuels program. However, the concerns of the West should keep development within reasonable limits. The West will not allow the EMB to move too rapidly to deplete our resources.

ENERGY OPTIONS

The concern in the West for the land, as exemplified by the reclamation of coal lands, has contributed significantly to a new attitude particularly on the part of industry.

Western states have increased their ability to deal with energy issues. However, the responsibility placed on the shoulders of elected officials is great. Energy is a tough problem and politicians are faced with hard decisions that will not always come out rosy.

DAVE FREUDENTHAL
Administrative Aide to Governor, Wyoming

Topic: Synthetic Fuels

The synthetic fuels program, as originally outlined by President Carter, was clearly a "crash" program. Its objectives addressed the problem of supply but it failed to account for the physical realities of gearing up for such a program. A modified program is being discussed because it would take a massive capitol investment to accomplish the original goal. There is an unwillingness in the nation as a whole to commit that level of investment. The society cannot afford the massive shift of resources. Senator Jackson indicated that the original proposal represented a one trillion dollar shift in capital availability and resources.

Synthetic fuels offer a long term, as opposed to an immediate solution. Even in the long term, its potential should not be over-emphasized. Cost of construction has vastly increased and continue to do so. In addition, much of the ultimate responsibility for the realization of synthetic fuels potential lies in the private sector. Government policy regarding synthetic fuels does not always account for the private sector role.

The development of synthetic fuels poses some fundamental policy problems for the states. The Energy Mobilization Board, the "step child" of synthetic fuels, with its waivers and procedures regarding substantive state law, its designation of priority projects, and so on, will produce more problems than we currently have in contending with layers of "red tape". States may have to reformulate their regulatory structure. State legislatures may have to respond quickly to priority and time line changes imposed at the federal level. It may also mean that states will have to take a different approach to protecting the substantive rights of citizens regarding facility permitting.

Another problem with synthetic fuels is that many states have not developed environmental standards for many of the byproducts created by synthetic fuels. If the EMB passes in any of its forms, it may have the ability to prevent the application of post construction standards to a synthetic fuels plant.

ENERGY OPTIONS

It is inevitable that those states siting synthetic fuels plants are going to need an increase in the funding of regulatory bodies, both for the handling and processing of the permits and for the increase in technical aid. Also, the regulatory bodies are going to have to formulate information immediately so that the sites can be designated with some clarity.

Synthetic fuels development potentially compounds the reserved water rights problem in the West. As federal resources shift toward massive energy development, the pressure on the states to provide funds for social programs will increase.

WILSON CLARK
Assistant to Governor for Issues and Planning, California

Topic: Solar and Renewables

It has been stated that much of the discussion among proponents of solar energy today is just as irresponsible as that of nuclear advocates in the early 1950's. Then nuclear proponents were saying that no other energy form would be needed; nuclear power will be so bountiful it will be too cheap to meter.

Renewable sources of energy are probable sources, not panaceas. We are not going to see a major source of energy supply in the next twenty years from solar energy. But we must make a commitment now if we hope to see anything in twenty years.

California has pursued an aggressive program to explore the extent to which the consumer marketplace can be penetrated by conservation and solar energy. One of the greatest impediments to this process is the limited understanding individuals have regarding appliances, housing design, and solar techniques. The consequences are maintainance of traditional building practices, zoning laws, bank loans and a pervasive attitude, particularly on the part of local government, that housing is housing and energy is energy and the two are different categories.

A study by the Department of Commerce on electrical growth indicated an annual level of 3½% which would result in the need for about 1.1 million megawatts of capacity by the year 2000. With this growth projection we would need the generating capacity of plus or minus 500 1000-megawatt powerplants. In Stobough and Yergin's book* they indicate that the potential for reducing the level of growth through various conservation housekeeping techniques and more aggressive local utility programs, would amount to 150 to 200 power plants. Further, if we improve the efficiency of our industrial electrical use system by techniques such as combined cycle generation in fossil plants and cogeneration, it is possible to produce as much as 100 to 200 equivalent 1000-megawatt power plants. Further, in the solar area, photovoltaic

*"Energy Future", Random House, New York, 1979.
The six year study on energy by the Harvard Business School

power might reasonably provide energy equivalent of five to twenty power plants by the year 2000.

Other power plant equivalents:
Concentrated solar energy by power towers, solar ponds -- 10 power plants;
Wind power -- 30-50 power plants;
Hydro power (small scale) -- 30-50 power plants
Biomass -- 40-80 power plants

In this 20 year bridging period, with this conservative estimate, we can get from our alternatives a supply in the range of 365 to 590 power plant equivalents. The Battelle Labs have computed that in the United States over the last generation we have spent somewhere around $220 billion to subsidize conventional energy facilities ranging from hydro to coal to gas to nuclear. With an equivalent kind of investment, we can build quite a bridge to the future. We cannot have a renewable society in 20 years, but perhaps, in the span of two or three generations, we will have something to debate about other than sharing a progressively smaller pie.

Moderator TED SCHWINDEN
Summary

1- The energy crisis ultimately is a political crisis.

2- We have already delayed too long in taking the actions that are necessary. That delay, in large part, has occurred because the public does not perceive that there is indeed an energy crisis in this country.

3- Regulatory lag is costly, not only in terms of real dollars, but also in terms of failure to move forward in developing acceptable energy options for the future.

4- There are no miracles in the energy business. Many of the things we are talking about are transitions. Final solutions are a long way down the road.

CONSERVATION
Monday afternoon, September 24

AMORY LOVINS
Consultant, Friends of the Earth
Author, "Soft Energy Paths"

Topic: Overview: Role of Conservation in Solving Energy Problems

Mr. Lovins emphasized that conservation could save more than 40% of energy expenditures without entailing major sacrifices in life style. With the minimum attention now being given to energy efficiency, industry has already saved twice as much energy as we are getting from Alaskan oil. Efficiency improvements made in the last five years in all sectors of our economy has achieved twice the energy producing capacity that is claimed can be achieved by synthetic fuels in ten years. An energy conscious materials policy would treble our national energy efficiency.

The basic question in thinking about the energy problem is: What do we use the energy for?

58% of our energy goes into heating
34% into portable liquid fuels to run vehicles
8% for special premium industrial uses that need electricity

Instead of lumping these separate elements together as total energy needs, we should examine how much energy it takes to accomplish separate tasks.

In areas such as home heating, we could have enormous savings by examining end use. Electricity at 3¢ KWH is equivalent to buying oil at $48/barrel heat equivalent. New electricity by building a new power plant would be about 6¢ KWH or $100/barrel heat equivalent. That's expensive for heating a home. We use electricity for purposes for which we can never get our money's worth. It's like cutting butter with a chain saw or using a forest fire to fry an egg. 92% of our energy supply problem is heat and portable liquid fuels, but supplying more electricity is too slow and too expensive. Asking what kind of new power station to build is the wrong question. They're all uneconomic. We can heat homes much more economically by using weatherstripping, insulation, greenhouses, biomass alcohols, etc. Expensive large power stations are unnecessary overkill.

Traditionally we define the energy problem by demand predictions which lump all needs together. Instead, we should start with the tasks we're trying to accomplish with the energy. How can each of them be done with the least amount of energy? This approach has significant implications for policy.

Efforts to increase oil supply by the heat equivalent of one barrel of oil/day increases capitol investment tenfold. Moving to power stations and grids, capitol intensity increases another tenfold. It becomes so capitol intensive that every thousand

megawatt power plant directly and indirectly loses approximately 10,000 net jobs just by starving other parts of the economy for needed capitol.

Soft technologies are always cheaper than present oil and gas; they are consistently cheaper than what we would have to do to replace oil and gas (e.g., synthetic fuels). A "shell game" is played with energy costs. Department of Energy compares costs of the hard technologies with each other; then they compare costs of conservation and solar with historically cheap and heavily subsidized oil and gas rather than against current replacement costs.

Mr. Lovins called for building on the existing consensus for using conservation and renewables, pointing out that moving quickly on these areas of agreement might lessen the need for the hard technologies on which there is great disagreement.

C. P. DAVENPORT
Vice President, Pacific Power and Light

Topic: Utility Conservation

Mr. Davenport's company stopped the "hard sell" of electric energy in 1970. In 1973, Pacific Power and Light began to promote and subsidize actively conservation among electric consumers. In 1976, the company began home energy audits and encouraged customers to retrofit their homes for greater energy efficiency. In 1977, the Oregon legislature passed a bill which defined the plan currently being used by Pacific Power and Light.

The plan consists of the following elements: If you are customer of Pacific Power and Light with an electrically heated house, the company will give your house an energy audit free of charge. Once sources of energy waste are located, the company will find an independent contractor to make energy saving improvements and finance the improvements up to $1,500 at a 10-year 6½% loan ($2,000 if storm windows are included).

This plan was a basic shift in policy for the company. It used funds for home energy improvement loans instead of for the construction of a new power plant. The company's decision to invest in conservation was based on economic necessity. Conservation is cheaper than building a new plant and it uses less energy.

Mr. Davenport finished his talk with a quote from Daniel Yergin, editor of Energy Future:

> Conservation of energy produces no radioactive waste, costs nothing in the way of petrodollars. Moreover, it can provide the energy that conventional sources may not be able to furnish. Unhappily, it does not receive the emphasis and

attention it deserves. The barriers to potential savings through conservation are very great but they are rarely technological. Although some of the barriers are economic, they are in most cases institutional, political, and social. Overcoming them requires policies that champion conservation, that will give it a chance equal in the market place with that enjoyed by the conventional sources of energy.

ED KEARNEY, Executive Director
National Committee on Uniform Traffic Laws

Topic: Transportation Conservation

In the U.S., according to the U.S. Bureau of the Census, 80 million people drive to work. Of those, 52 million are alone in their cars. If a substantial number of those 52 million single car commuters would share rides to work, it would save the country 10 million gallons of gas per day!

Mr. Kearney represents a national project funded by the federal government to look into the laws, both state and federal, which are impediments to ride-sharing arrangements. Some of the impediments to ride-sharing and to van-pooling (the most organized and institutionally supported program of ride sharing) are:

1. Workman's compensation requirements make employers fearful that, by encouraging ride-sharing, they will increase their liability for injury-compensation payments.

2. Income taxes. Record keeping is required if you collect money from riders.

3. If the riders cross taxing jurisdictions, a common occurrence, it brings the regulation of the arrangement under reciprocal jurisdictional arrangements and special gasoline tax provisions.

4. Some states have laws prohibiting the use of public vehicles for private purposes.

A partial solution to some of the problems is contained in the model legislation for van-pooling and ride-sharing which was developed under Mr. Kearney's project. State legislators were encouraged to study all of their state's laws which may inhibit ride-sharing and to pass legislative packages with ride-sharing, and consequent energy savings it offers, in mind.

(Following this page: Model State Law to Remove Legal Impediments to Ridesharing Arrangements)

INTRODUCTION

Eighty percent of travel to work is by motor vehicle and most drivers commute by themselves. If drivers participated in ridesharing arrangements, it has been estimated that over 10 million gallons of gas would be saved each day and that rush hour traffic could be reduced by 30%. For these and other reasons, people should be encouraged to share rides to work and any law that unnecessarily impedes or discourages such sharing should be changed.

The National Committee on Uniform Traffic Laws and Ordinances is an independent, non-profit, voluntary association, which exists to maintain the Uniform Vehicle Code and Model Traffic Ordinance. The Uniform Vehicle Code is a specimen set of motor vehicle and traffic laws used as a guide by state legislatures, and the Model Traffic Ordinance is a companion document used by local legislative bodies. The National Committee is a carefully selected group of over 140 individuals representing federal, state and local government, private industry, and other groups interested in achieving sound, uniform motor vehicle and traffic laws. Since 1972, the National Committee has drafted texts of model laws in areas of emerging interest that are not covered by the Uniform Vehicle Code. The purpose of this activity is to have the best possible laws to test new ideas or to conduct programs necessary to solve new problems.

Under the title "Model Ridesharing Law" (dated March 26, 1979), the first draft of this document was distributed to more than 1,000 agencies and organizations for their review. Over 65 letters commenting on the first draft were received. These comments were summarized and a second draft dated June 15, 1979 was prepared and distributed to all persons who had commented on the first draft. The second draft, and letters commenting on it, were submitted to a Special Panel, which at a meeting on August 20-21, 1979, decided the contents of this document. The members of the Special Panel were: Senator Nat Washington (Chairman), Jack Derby (California Office of Ridesharing), Ken Dirkzwager (Minnesota Division of Driver and Vehicle Services), Bill Fortune (National Association of Vanpool Operators), Charles Gray (National Association of Regulatory Utility Commissioners), Tim Letzkus (Highway Users Federation for Safety and Mobility), Herb Scheuer (American Public Transit Association), and Mavis Walters (Insurance Services Office).

The preparation of this document was preceded by a review by the NCUTLO Staff of state laws which could impede forming carpools and vanpools. This review will be published under the title "Legal Impediments to Forming Carpools, Vanpools and Other Types of Ridesharing Arrangements." Using that review will enable each state to determine which of sections of this Model Law should be considered for enactment and will facilitate determining how the sections of this Model Law compare with laws in all jurisdictions.

§ 1. DEFINITION OF RIDESHARING

Section 1. Ridesharing arrangement defined.

Ridesharing arrangement means the transportation of persons in a motor vehicle where such transportation is incidental to another purpose of the driver. The term shall include ridesharing arrangements known as carpools, vanpools and buspools.

§ 2. MOTOR CARRIER LAWS

Section 2. Motor carrier laws do not apply to ridesharing.

The following laws and regulations of this state shall not apply to any ridesharing arrangement using a motor vehicle with a seating capacity for not more than 15 persons, including the driver:

(a) Chapter ..... pertaining to the regulation of motor carriers of any kind or description by the (Public Utilities Commission).

(b) Laws and regulations containing insurance requirements that are specifically applicable to motor carriers or commercial vehicles.

(c) Laws imposing a greater standard of care on motor carriers or commercial vehicles than that imposed on other drivers or owners of motor vehicles.

(d) Laws and regulations with equipment requirements and special accident reporting requirements that are specifically applicable to motor carriers or commercial vehicles.

(e) Laws imposing a tax on fuel purchased in another state by a motor carrier or road user taxes on commercial buses.

§ 3. WORKMEN'S COMPENSATION LAWS

Section 3. Workmen's compensation law does not apply to ridesharing.

Chapter ..... providing compensation for workers injured during the course of their employment shall not apply to a person injured while participating in a ridesharing arrangement between his or her place of residence and place of employment or termini near such places, provided that if the employer owns, leases or contracts for the motor vehicle used in such arrangement, Chapter ..... shall apply.

§ 4. LIABILITY OF EMPLOYER

Section 4. Liability of employer.

(a) An employer shall not be liable for injuries to passengers and other persons resulting from the operation or use of a motor vehicle, not owned, leased or contracted for by the employer, in a ridesharing arrangement.

(b) An employer shall not be liable for injuries to passengers and other persons because he provides information, incentives or otherwise encourages his employees to participate in ridesharing arrangements.

§ 5. INCOME TAXES

Section 5. Ridesharing payments are not income.

Money and other benefits, other than salary, received by a driver in a ridesharing arrangement using a motor vehicle with a seating capacity for not more than 15 persons, including the driver, shall not constitute income for the purpose of Chapter ..... imposing taxes on income.

Comment: Excepting income received by a driver in smaller ridesharing arrangements from taxes will avoid keeping records. Such a record-keeping requirement is perceived as an impediment to forming carpools and vanpools.

§ 6. MUNICIPAL LICENSES AND TAXES

Section 6. Municipal licenses and taxes.

No county, city, town or other municipal corporation may impose a tax on, or require a license for, a ridesharing arrangement using a motor vehicle with a seating capacity for not more than 15 persons, including the driver.

§ 7. OVERTIME AND MINIMUM WAGE LAWS

Section 7. Overtime compensation and minimum wage laws.

The mere fact that an employee participates in any kind of ridesharing arrangement shall not result in the application of Chapter ..... (laws requiring payment of a minimum wage, overtime pay or otherwise regulating the hours a person may work).

§ 8. BUSES AND STATE VEHICLE CODES

Section 8. Certain ridesharing vehicles are not commercial vehicles or buses.

(a) A motor vehicle used in a ridesharing arrangement that has a seating capacity for not more than 15 persons, including the driver, shall not be a "bus" or "commercial vehicle" under the portion of Chapter ..... (state vehicle code) relating to equipment requirements or rules of the road.

(b) A motor vehicle used in a ridesharing arrangement that has a seating capacity for not more than 15 persons, including the driver, shall not be a "bus" or "commercial vehicle" under the portions of Chapter ..... (state vehicle code) relating to registration.

(c) The driver of a passenger car (motor vehicle that has a seating capacity for not more than 10 persons, including the driver) used in a ridesharing arrangement is not a "chauffeur" nor is he transporting persons for compensation under the driver licensing portions of Chapter ..... (state vehicle code).

Comment: As to "passenger car" in subsection (c), Uniform Vehicle Code § 1-142 defines this term as a motor vehicle designed to carry 10 passengers or less that is used to transport persons.

§ 9. USE OF PUBLIC VEHICLES

93. Section 9. Use of public motor vehicles for
94. ridesharing.
95. Motor vehicles owned or operated by any state
96. or local agency may be used in ridesharing arrange-
97. ments (for public employees). Participants in any
98. such ridesharing arrangement shall pay the actual
99. total costs of using the vehicle in that arrangement.

Comment: States should enact the phrase in parentheses if they decide to allow only public employees to ride to work in vehicles owned or leased by government agencies.

MISCELLANEOUS TOPICS

Incentives

Several people commenting on the "Model Ridesharing Law" recommended the enactment of incentives that would increase sharing rides. While this subject is definitely worthy of consideration, it was deemed beyond the scope of this document.

Cost and availability of insurance

A problem for forming ridesharing arrangements in the past has been the cost and availability of insurance, particularly for vanpools.

Mandating coverage. The Special Panel considered a section which would have prohibited insurers from increasing premiums, cancelling any policy or denying coverage because a motor vehicle is used in a ridesharing arrangement. Members of the Panel unanimously agreed that this approach could be counter-productive and could even result in higher premiums for vehicles used in pooling arrangements. The Panel also thought that enactment of the sections in this document coupled with recent developments in the insurance industry should solve this problem.

No fault benefits. In states where economic losses caused by injuries in crashes are compensated on a no-fault basis, consideration of the source of such compensation in accidents involving ridesharing vehicles should be considered. There may be some reduction in insurance premiums for ridesharing vehicles if the occupants are compensated by their own insurers rather than the insurer of the owner of the vehicle.

Deduction of expenses by employer

The Special Panel considered a section which would allow employers to deduct the costs of "promoting, organizing, administering and operating" ridesharing programs as ordinary business expenses. The Panel's view was that providing for such deductions in state income tax laws was unnecessary because employers already could deduct such costs as ordinary business expenses. And inclusion of the cost of operating vanpools might allow employers to write off the cost of acquiring vans on an accelerated basis.

Parking facilities

Several people commenting on the first draft recommended that this Model Law contain sections that would facilitate establishing lots where people could park their cars and continue their journey to work or sporting events in ridesharing arrangements or by using public transit. The Panel did not regard problems in this area to be impediments to most ridesharing arrangements but it did agree that it would be helpful to alert states to possible existence of problems in establishing such lots.

Use of public funds for parking lots located on private property. If the owners of a parking lot in a shopping center agree to allow commuters to park cars in their lot, there probably should be authority to expend public funds to indicate the existence of the facility and to pay the cost of any extra maintenance that may be necessary.

Liability issue. Owners of private property who allow commuters to park probably should be liable for injury or damages to such users only when the owners are grossly negligent. Another approach would be to authorize purchasing insurance to cover any such liability.

Tax-exempt status. If a church allows commuters to park in its lot, it may be necessary to provide that such use of its property does not affect its tax-exempt status.

TRANSPORTATION
Monday afternoon, September 24

Moderator: Representative John Sessions, Idaho

HONORABLE LILA COCKRELL
Mayor of San Antonio, Texas

Topic: Transportation of Coal

The major problem in San Antonio re coal transportation is the exorbitant rates set by Burlington-Northern Railroad and approved by ICC for transportation of coal from Wyoming to Texas.

The history of the situation is that in the early 1970s, San Antonio decided to convert most of its power generation from natural gas to coal. The quoted price of coal was $7.50 per ton from Wyoming mines; the railroad's charge for transporting was $7.90 per ton. At these costs, San Antonio decided to convert and to construct coal-fired plants although the costs of construction of a coal plant were about two and one-half times that of a gas plant.

The 1979 price of transportation by Burlington-Northern is $19.05 per ton -- an increase of $11 per ton in less than eight years. You could add $2.00 more if San Antonio had not decided to purchase its own freight cars and provide its own maintenance.

The major Texas utilities now won't use Wyoming coal. They are exploring Australian, South African coal. Absurdly, it is actually cheaper to ship coal across the wide ocean than it is to transport it across a couple of states. San Antonio would not have considered coal conversion in 1972 had it anticipated the increases in cost.

Mayor Cockrell believes that deregulation of the railroads might cause even higher rates and less service.

WILLIAM SAGE
Vice-President, Public Affairs, Northern Tier Pipeline Company

Topic: Transportation of Oil

Here is the history of two proposals to carry crude product from the west coast to middle America. Both have been dropped. (1) The Kitimat Pipeline was rejected by Canadian officials because of possible oil spills; (2) the SOHIO project (Long Beach to Texas) was dropped by SOHIO due to the difficulty of obtaining necessary state and local permits. There has been no oil refinery construction in the past ten years and none is likely in the near future.

Supply and demand play an important part in decisions re oil

transportation. Alaska Pipeline pumps 1.2 million barrels of heavy sulfur crude into Valdez where it goes by tanker down the West Coast of the United States. Due to the lack of desulfurization equipmen , only 400-500,000 barrels are utilized on the west coast. The remaining oil goes to the Panama Canal to be loaded in large stationary tanks. Smaller tankers then take it through the Canal to the Gulf of Mexico. Once oil gets to the Gulf of Mexico, it still has to be transported to where it is needed. It is estimated that this process costs $2 more per barrel than would any other proposed pipeline system.

The review process Northern Tier is undergoing for its pipeline in Washington State is a one-stop permitting process. Northern Tier applied formally through use of an Environmental Impact Statement and paid for an independent consultant hired by the State. The consultant evaluates Northern Tier's EIS and prepares a State EIS. The Washington Energy Facilities Siting Council reviews both documents, makes recommendation to the Governor who must make a decision within sixty days. One legal issue still has to be decided: Can state government pre-empt county and local zoning ordinances?

A federal permit for pipelines is issued under the Federal Energy Act of 1978 and it provides for the BLM to do an EIS with input from all affected federal agencies. BLM makes its recommendation to the President by October 15 (for this particular pipeline) and the President must decide by December 6. The Department of Energy supports Northern Tier strongly.

Northern Tier has already committed $55 million to future construction costs as a direct result of the permit process and public concern about environment. It has a Public Information Office in Port Angeles (pipeline site) and has held a dozen public meetings to work with local communities in addressing environmental concerns.

How do you go about constructing a 1550 mile pipeline? You have to be very aggressive to get one built with the morass of regulations and the environmental groups seeking to delay the project.

ROBERT M. JEFFERSON
Manager, Nuclear Materials Transportation Technology Department
Transportation Technology Center, Sandia Laboratories

Topic: Transportation of Nuclear Materials

There is a basic problem we face -- the disparity between the public perception of the problems attending nuclear waste and the real facts.

··· Public Perception: All radioactive wastes need the same degree of care during transport.

Fact: The basic rule, in effect since the 1940s, is that regulation should be proportional to the risks involved in transporting waste. For example, nuclear spent fuels are much more dangerous than radioactive pharmaceuticals; therefore, they are regulated and protected differently.

There are four categories of waste:

1)	Exempt	Smoke detector
2)	Type A	Radioactive pharmaceuticals
3)	Type B	Radioactive gauges; radioactive therapy sources
4)	Spent nuclear fuels	

··· Public Perception: Protection must be provided by the packaging itself; there should be no reliance on how the package is moved or handled.

Fact: The first two categories must survive normal handling experience. Certain tests are designed to test packaging.

For Type B, the packaging must be able to survive extra severe accidents. Radioactive materials are the only hazardous materials that must be packaged to survive accidents. World-wide engineering test standards are used. Packages must survive four tests, including dropping from a height, fire, and immersion in water. The public misunderstands the efficiency of this testing process, which is more than adequate to protect against accidents.

The amount of nuclear material moved in this country is infinitesimal compared to other hazardous material. Looking back to 1957, there is only one truck accident per 400,000 miles, occurring at a velocity under 80 mph in 99% of the cases. Trains have also had few accidents, most not severe. This proves the number of truck and train accidents that could damage the packaging are very few.

··· Public Perception: Nuclear wastes are vulnerable to the possibility of sabotage.

Fact: A world-wide study of sabotage found only a minor case of attack on a nuclear shipment.

Sandia Labs tries to make the risk as low as possible and still be cost-effective. Mr. Jefferson contends that stringent procedures and regulations surrounding nuclear wastes render its transportation less hazardous than that of other dangerous materials.

Plenary Speaker
Tuesday morning, September 25

Jackson Gouraud
Deputy Undersecretary
U.S. Department of Energy

The National Effort To Solve The Energy Crisis

The energy problem is real, and we're in for a very rough 20-25 years, beginning right now. Worldwide oil demand exceeds worldwide oil supply. We are living on the edge of crisis.

Whatever we do in the long-term, in the short-term we are dependent on imported oil. What are the near-term alternatives? The only significant alternatives to oil are natural gas, coal, and nuclear. Under the Natural Gas Pricing Act, a trillion cubic feet of gas from intrastate production has been released to interstate sale, and this extra gas is easing demand on oil. As far as nuclear is concerned, public perception of its risks and the financial risks envisioned by potential lenders has made it unlikely that we will have the 150-200 nuclear plants anticipated by 2000. Some say we'll be lucky to keep on line the 70-odd plants now in existence, and perhaps finish 90 others under construction. Coal also has problems. It is dangerous and difficult to mine, to transport, and to burn without polluting.

So, if the supply side of the energy picture is gloomy in the near-term, what else is there? There is the demand side; we have to reduce our energy demands; we have to conserve.

Conservation should mean "the wise use of resources", "the elimination of waste", and "doing more with less". The cheapest added barrel of oil you can buy anywhere is the barrel you save by not letting it go wastefully up your chimney or out your exhaust pipe.

What <u>you</u> can do about the energy crisis:

1. Industrialize to put in place a 55% solar state tax credit.
2. Deregulation of van-pools. Van-pools have been exempted from ICC regulation. Sixteen states have already deregulated van-pooling. The remaining states need to do so. Our goal: a saving of 400,000 barrels of oil per day through car-pooling, van-pooling, and commuter buses and trains.
3. Small-scale Hydroelectric Development
   Federal goal: 100 small-scale hydroelectric plants by the end of 1981 to be constructed with over $300 million in funds reprogrammed from a myriad of federal agencies. States need to remove unreasonable/outdated licensing and permitting requirements Massachusetts and New Hampshire are examples of states who have simplified permitting and review requirements and passed legislation to encourage development of hydroelectric potential.
4. Low-Income Weatherization Assistance
   The flow of money for weatherization assistance to low-income people has been slowed by federal administration problems. We're making a major effort to solve them. We need state cooperation. Make sure your state is not sitting on weatherization funds.
5. Utility Home Audits
   DOE's Residential Energy Conservation Service will soon be issuing regulations prescribing standards for mandatory utility audits of homes. States will be

required to work with utilities to design a plan for carrying out these audits. State legislatures could help by watching utility rate-making so that those who weatherize their homes are not penalized with higher rates as consumption drops. Property tax assessments should also be watched so that people can retrofit their homes without threat of higher assessments. Legislatures can help market the federal tax credit for weatherization and solar retrofits. They can help us meet the President's goal to retrofit 90% of existing homes by 1985. Look at time-of-sale retrofit requirements. There is much states can do here.

There are things we're doing in Washington to cope with the energy crisis. The supply-demand crunch is real and will be while we make the transition to other energy resources. But this country has all the energy resources it needs to meet its demands for centuries once they're developed. And much is being done to develop them by Washington.

In April 1978, a DOE commercialization Committee was formed. I was Chairman, and it included the Assistant Secretaries and the Director of Energy Research. We listed all the technologies with commercial potential and organized Task Forces to assess each technology for its technical readiness, economic potential, and its institutional, environmental, and market acceptablity. We identified 19 technologies in four categories.

LIQUID FUELS: We identified Enhanced Oil Recovery, Coal Liquifaction, and Oil Shale. Conventional methods leave almost 2/3 of the oil in the ground. Enhanced Oil Recovery means getting more out of the fields by various methods. The processes are expensive and take time, but we could double or more than double our proved reserves of 30 billion barrels. Oil produced by these techniques will be allowed world price. Beginning in January 1980, producers can get upper tier prices for their lower tier oil to finance 75% of certain Enhanced Oil production, up to $20 million a project.

Coal Liquifaction Processes: The closest to commercialization is Solvent Refined Coal (SRC), which can be produced by two different technologies. Two SRC demonstration plants, each illustrating a different process, will be built.

Oil Shale: We plan a limited-duration financial incentive, a $3 per barrel tax credit, to speed industry development of Oil Shale. Production could reach 300,000 barrels a day by the 1990's.

Gaseous Fuels: includes several processes. We are trying to modify pricing regulations for methane from tight sand formation. DOE has awarded a $3.8 million grant to test the commercial possibilities of using natural gas from coal seams and Devonian shale. We are trying to get a subsidy for a consortium willing to put the first High-BTU Gasification facility together.

ELECTRIC MARKETS TECHNOLOGIES: Some are still in the R&D stage: Utility Atmospheric Fluidized Bed Combustion, Combined-Cycle Integrated Gasifier, and Fuel Cell Power Plants. Considered ready now are: Geothermal, Low-Head or Small Hydroelectric, and Small Wind. Pacific Gas & Electric has increased its Geothermal Energy production from The Geysers, near San Francisco, from 500 to 600 megawatts. By 1985, production will be over 2,000 megawatts. Geothermal reservoirs around the country, heating in the 300-400^{0}F range, can be used in many industries and are being explored. Cheap oil forced many small or Low-Head hydroelectric dams into disuse. We're now helping municipalities, indstries, and public utilities by

providing $300 million to renovate 100 small hydroelectric projects by 1981.

DIRECT END USE: includes Urban Waste, Cogeneration, Industrial Atmospheric Fluidized Bed Combustion, Solar Hot Water, Passive Solar, and several conservation projects.

Urban Waste: Is a widely-known energy source in Europe; we're close to mastering the economics that would encourage broad use here.

Cogeneration: Fifteen people in DOE regional offices have been appointed to get cogeneration going. The technology is well developed, and many industries are expected to move into it soon.

Atmospheric Fluidized Bed Combustion: We are co-sponsoring four 10-30 megawatt plants in several industries to prove its value. We're confident that when these projects prove successful, other industries will adopt their process.

Solar Hot Water and Passive Solar: Principal barrier holding back their development is high first cost. To supplement the NEA tax credits, we plan these steps:

1. To work for a fair share of passive and active solar in new housing.
2. To encourage lenders and appraisers to consider solar and conservation potential on appraisal and lending forms.
3. To help rationalize solar component certification and to eliminate duplicate tests in different states.
4. To help establish 500 to 1,000 small firms, many of them divisions of existing HVAC and plumbing contractors, to solicit business and install collectors.
5. To mount a major public information program to make sure people understand what they can do about solar and conservation.

Finally, there are existing products that can save energy, but people aren't aware of them and industry is slow in switching from first-cost to life-cycle costing. Noteworthy are: Oil-Field Heating Equipment, High Efficiency Motors, Air/Fuel Ratio Combustion Controls, and Ignition Devices to eliminate pilot lights.

These are some of the things being done in Washington and elsewhere to solve our energy problems. The actions I've described will help reduce oil imports; conservation by the public, business, and industry will do even more.

REGULATORY INCENTIVES AND BARRIERS
Tuesday morning, September 25

Moderator: John Watson, Executive Director
Western Interstate Energy Board

CONLEY WARD, JR.
Commissioner, Idaho Public Service Commission

Topic: Utility Regulations

Mr. Ward spoke on the importance of state utility commissions with the West's emerging role as the nation's energy supplier. Much of the regulation of energy should be done at the state level in preference to federal strategies such as the creation of an Energy Mobilization Board, an attempt to create another level of bureaucracy.

The states should change their public utilities commissions from "bulwarks of the status quo" to institutions encouraging every effort, both public and private, toward innovation and efficiency. Coal-fired electric plants require three BTUs of coal for every BTU of electricity produced. It would be better to use coal directly in industrial processes. Mr. Ward criticized the monopolization of electricity production within the states by electric utilities. It is arguable that this protective system has outgrown its usefulness as it inhibits energy efficient schemes, such as cogeneration.

The next fifty years will require great changes in our entire outlook toward energy, and state governments should develop regulatory and tax structures that will encourage innovation in dealing with energy problems.

REPRESENTATIVE CARY PETERSON, Utah

Topic: Resource Ownership

State efforts to wrest control of its own resources from the federal government is becoming, in the words of Senator Norman Glaser of Nevada, a "Sagebrush Rebellion."

Some of the major activities by state governments in this regard:

- Nevada Assembly Bill 314 calls for state control of BLM lands.
- California recently passed AM 1407 which ordered feasibility study of state control of BLM lands.
- Utah and several other Western states are preparing similar bills for introduction in the next legislative session.
- U.S. Senator Orrin Hatch, Utah, introduced a bill in the Congress that would return all BLM lands to state and private control as is constitutionally provided.

The Western Conference has formed a coalition of state and local governments to study and lobby for redress of the problem of excessive federal ownership of Western state lands. Members of

the Conference were urged to become active in their support of this emerging movement.

SENATOR TOM TOWE, Montana
(Senator Towe was one of the chief sponsors of the coal tax in Montana)

Topic: Taxing of Energy Resources

The Montana coal tax is neither an incentive nor a barrier to energy development. The state of Montana passed the coal tax because coal is non-renewable resource. The philosophy behind the tax is: the state must require that people taking things out of the ground give something back to the people of the state.

The Montana coal tax is 30%, collected as a severance tax by the state. An additional amount, 45% of the sales price of the coal, is placed into the taxable valuation of the counties. This amounts to about 3%. The coal tax, then, is 33% of the coal price once it is ready for market.

Revenues from the tax go to three general areas: one-third for impact (rapid growth phenomenon was one of the chief reasons for supporting the tax); one-third for future generations (e.g. education and alternative energy development); one-third for the state's general fund.

The coal tax has given the state control over the impact of coal development.

RUSSELL HULSE
Vice President for Resources and Planning, Arizona Public Service Company

Topic: Interstate Transmission of Power

Growth is the single word that best characterizes the West today. Arizona, for example, has a growth pattern similar to many other Western states. In the last eight years Arizona's population has grown 32%; in the next ten it will grow 26%.

The continued growth of the Western states will require much more energy. At present rates of consumption, by the year 2000, the population in the West will require three times as much coal, twice as much natural gas, and three times as much oil. Because oil and natural gas are becoming less available, the West will have to rely on the development of coal and nuclear power.

Mr. Hulse's solution to future energy problems in the West is for the states to pool their energy resources. He urged a loosening of state and federal regulations regarding the interstate transmission of power. Two other key factors to implementing an effective method of regional power transmission are technological improvements and education of localities on the economies of large power plants supplying power on a regional basis.

NICHOLAS YOST
General Counsel, Council on Environmental Quality

Topic: Environmental Regulations

1) What are the environmental problems? 2) What are the laws and regulations we have adopted to deal with them? 3) What has our experience been under those laws and regulations? 4) What are we doing to improve the situation?

There is probably not a person who does not want to free the U.S. from dependence on OPEC oil. There is probably not a person--particularly in the West--who doesn't care about clean air and clean water.

The intent of federal regulations is to protect the public. Sometimes regulation writers miss the mark or go overboard, but in all cases regulations attempt to address real problems.

Nine classes of regulations impinge on energy development. This list includes the Clean Air Act, the Clean Water Act, and the Surface Mining Act. The National Environmental Policy Act implements environmental impact statements through the Council on Environmental Quality.

One myth: The use of Environmental Impact Statements retards energy growth. Since 1977, there have been 76 applications for coal-fired plants. Of those, 74 have been approved. In the period of 1975-78, there have been 49 applications for refineries; only two of those have been turned down. Moreover, during the last six years, U.S. refinery capacity has increased 27%.

Another myth: Environmental Impact Statements lead to excessive litigation. Taking the years since NEPA's effectiveness (1970) there were 1,052 NEPA lawsuits--roughly 100 per year. Of these, 103 involved energy development; 17 of those involved injunctions. That is only two per year.

President Carter ordered the Council on Environmental Quality to reorganize the entire NEPA process, adopting regulations to force federal agencies to accomplish three things:

1. Reduce delay
2. Reduce paperwork
3. Try to insure that the system concentrated on arriving at environmentally sensitive decisions rather than paperwork.

Public interest, business, and environmental groups all took part in the process. At the end of it, they agreed that the new regulations regarding environmental impact statements were an improvement over the old system. Some of the accomplishments cited include:

1. Mandatory time limits.
2. The so-called scoping process: getting everyone with an interest in the controversy involved from the outset.
3. An effort to make the permits work concurrently rather

than consecutively.

4. Reduction of paperwork: Shortening the length of the Environmental Impact Statements.

Mr. Yost concluded by supporting President Carter's plan to create an Energy Mobilization Board.

WORK GROUP RECOMMENDATIONS
(Summary)

1979 Western Conference Annual Meeting

Process

The work group topics were closely related to those discussed in the plenary sessions. They were intended to focus on the specifics of problems/needs in the various subject areas and propose appropriate actions for the coming year to the Executive Committee of the Western Conference who will decide on priorities and assignment to committees.

Each work group was facilitated by one or two legislators who helped keep the group on target. The group was asked to look at possibilities for future action with the following criteria in mind:

1) Does this program element have specific Western significance?
2) What is now being done?
3) What needs to be done?
4) What is the best mechanism for accomplishing this?
5) Who are the key players?
6) How much time should be devoted to the effort?
7) What resources are available to lend assistance?
8) How will we evaluate the product?

In the course of a single afternoon, twelve small groups met, argued, shared ideas. Limited space makes it impossible to include all phases of the discussion, but listed below are the recommendations which will be seriously considered for the Western Conference Work Plan for 1980.

Summary of Recommendations from the Work Groups

ENERGY OPTIONS

OIL

Establish central information clearinghouse on land and resource development questions.

COAL

1. Continue OSM funded surface mining project
2. Advocate passage of S 1403, the "Surface Mining Control and Reclamation Act Amendments of 1979", in the House of Representatives.
3. Assess state laws and programs related to mine and plant siting, protection of clean air and water, and mitigation of social impacts from increased coal mining and usage.
4. State by state assessment and comparison of coal taxes to include impacts on production, revenues, and mitigation of negative social impacts.
5. Examination of the viability of establishing a uniform data base on coal in the Western states to be used as a resource for elected officials.

ENERGY OPTIONS (Continued)

SYNTHETIC FUELS

1. Analysis of state water laws and interstate compacts with a focus on the effects of synthetic fuels development on Western water rights.
2. Expedite and induce development of synfuels through:
   * tax incentives and subsidies for research and development (state level)
   * impact aid to affected communities
   * revision of federal tax structure to induce private industry efforts at research and development and aid to affected communities
   * excess profits tax should be channeled into private industry R&D and impact aid
   * adoption of an Energy Mobilization Board with limited powers regarding substantive state law

ALCOHOL FUELS

Formation of an alcohol fuels committee of the Western Conference to examine the potential for alcohol fuels to replace other compounds, emissions control problems related to alcohol fuels, the BTU balance, and the efficient use of byproducts of alcohol fuels.

SOLAR AND RENEWABLES

Information clearinghouse on solar energy to include:
* compilation of proven cost effective programs
* compilation of current research projects
* compilation of state legislation

NUCLEAR

1. Develop a model site banking/prepermitting program for power plants.
2. Develop regional criteria for determining what materials should be disposed in disposal sites and what levels of radiation should be allowed.

CONSERVATION

RESIDENTIAL CONSERVATION

1. CSG Actions

   a. Compile, analyze and evaluate existing financial incentive programs and disseminate to legislatures (what is working; what isn't)
   b. CSG, NCSL lobby conservation in Congress
      1) Education (include lawmakers)
      2) Testing and demonstration funds for both individual states and CSG
      3) Push DOE or other appropriate organizations to publish consumer guides
   c. CSG compile, analyze and evaluate information delivery systems
      1) Energy extension service
      2) May need to disseminate DOE generated info
   d. CSG evaluate laws, regulations including mobile/modular housing

2. State Actions

   a. Provide low interest loan programs to provide front end money
   b. Each state develop energy oriented curriculum
      1) K-12
      2) Community colleges (installers)
   c. Set example for energy efficiency
      1) Life cycle costing
      2) Retrofit weatherization into building
      3) Pilot programs/demonstrations
   d. Make utilities analyze end use and provide the most efficient life cycle costed power--be it thermal, renewable, or conservation
   e. Examine building practices and building codes for obsolete practices and problems for improved efficiency (include retrofit as well as new; recognize regional differences)
   f. Rate structure changes, e.g. Baseline/Marginal cost
   g. Education
      1) Publicity campaign to inform public about benefits
      2) Elected officials take lead role
      3) Educate professional community
      4) Educate public servants
      5) Make consumers guides available.
   h. Mandate energy audits for all homes
   i. Require energy efficiency "full disclosure" act for homes (include selling or renting)
   j. Require retrofit at time of sale
   k. Ban baseboard heat (or charge a fee for all new baseboard heat)
   l. Examine utility charters
      1) Allow profit on conservation
      2) May need to reevaluate along end use lines
   m. Set up energy fund
      1) Must include oil, gas, electric
      2) Provide front end funds

CONSERVATION (Continued)

INDUSTRIAL CONSERVATION

Study the utilization of unused industrial energy in the specific areas of co-generation, siting, waste heat, and energy efficiencies. Study should include:

* identification of regulations impeding co-generation, etc.
* development of model legislation for industrial tax credits
* development of model legislation for rate structure incentives for higher energy efficiencies
* development of industrial awareness program on increased energy efficiency

TRANSPORTATION CONSERVATION

1. Review state laws which may serve as impediments to vanpooling and present info to states prior to 1980 legislative session.
2. Prepare a paper explaining in detail the "Metcalf Amendment", compile Western States weight limit laws, and distribute package to chairpersons of the Western States Committees on Transportation and to the Western Conference of Trucking Association Directors.
3. Work to develp a standardized presentation that can be used throughout the West to inform people how improved driving habits can save fuel.
4. Study programs such as Utah's satellite parking lots to see where states can further encourage carpooling.
5. Research the question of improving fuel efficiency in agricultural equipment.
6. The Federal Clean Air Act requires states with non-attainment areas for carbon monoxide and ozone to enact mandatory vehicle emissions inspection and maintenance (I&M) statutes and implement those programs by 1982. The States of the Western Conference of the Council of State Governments are encouraged to examine energy savings potential of requiring vehicles to be maintained as recommended by vehicle manufacturers (e.g., engine parameter adjustments) so as to comply with the requirement of the federal Act. Such adjustments maximize fuel efficiency, minimize emissions, and assure maximum performance.

TRANSPORTATION

TRANSPORTATION OF COAL

1. Establish a task force to develop policy on ICC regulations and present to Congress
2. Prepare model legislation on railroad taxation to provide necessary incentives for private railroad development.
3. Develop amendments to the 4R Act which would allow greater western participation for introduction in Congress.

TRANSPORTATION OF OIL

1. Develop model oil spill liability legislation
2. Develop model legislation relating to "one stop" permit clearinghouse

TRANSPORTATION OF NUCLEAR MATERIALS

1. Sponsor workshops for legislators on scientific and technological management and transportation of nuclear materials.
2. Put pressure on the Department of Transportation for better enforcement of regulations.
3. Determine what jurisdictions the states have to adopt penalties and inspect shipments according to federal standards. Determine whether the states can adopt by reference federal standards and then enforce them. If states can, then training programs for inspectors of carriers of nuclear materials should be arranged in each state for the vigorous enforcement of standards.

Luncheon Speaker
1979 Annual Meeting
Western Conference

Dr. Alan Rosenthal
Eagleton Institute of Politics
Rutgers University

Getting It Together Rather Than Pulling It Apart

Introduction

The title of my speech is "Getting It Together Rather Than Pulling It Apart." It is about something that is given little attention these days--the legislative institution.

I have been working with state legislatures for 13 years--observing the scene and developing affection for legislatures and the people who inhabit them. I am a legislative groupie or legislative junkie--I'm not sure which.

I have just finished the manuscript for a book on state legislatures--It's titled LEGISLATIVE LIFE, and will be published next year by Harper & Row. Let me repeat that, so you can write it down.

Most of the period during which I've been involved with legislatures has been one of legislative progress, development, reform. From, let's say 1965 to 1975, legislatures built their capacity, acquired the wherewithal to do a job. Able staff was hired, facilities were expanded, salaries were raised, procedures were streamlined, the process was opened up--and so forth.

You should feel proud of these institutions in which you serve. As a citizen, I take pride in that messy, disorderly, chaotic, unpredictable, lovable institution that we call the legislature.

But the easy period--of progress, of development, of building capacity--is over, done, finished.

I am concerned--have spoken of my concerns in various states and have written them up--and would like to share a selected few concerns (but by no means all of them) with you.

The legislature as an institution is under challenge. There are forces from without and from within threatening to pull it apart--just when it needs to be getting itself together.

Yet, the legislature tends to respond to these forces, as all of us do, in terms of old solutions--drawing on reforms that proved useful during the period of progress in 1965 to 1975.

But the reforms that served well yesterday may not serve well today. It is said, in fact, that today's reforms are likely to become tomorrow's tyrannies. So we should be wary of reform--which reform for what.

Let me briefly illustrate what I see happening--pulling the legislature apart--by considering: first, independence; second, ethics; and third, structure.

Getting It Together Rather Than Pulling It Apart

A. First, let's take independence. I'm referring now to the independence of individual members, not that of the legislatures as a branch of government.

The independence of individual legislators has been enhanced significantly these past years. Salaries are higher, pension provisions are generous, staff and staff allowances are available, legislators in more and more states have offices and people working their districts for them.

Meanwhile, wherever they meant anything at all--usually in the East or Midwest--political party organizations mean much less today. Few legislators in my own state of New Jersey take instructions from local party leaders anymore.

Independence is a good thing, but it can go too far. It probably has in many places.

Today the individual is king--he does his own thing, restrained only by the people back home, a powerful group or two in his district, and his ambitions for higher office.

In legislatures today there is less socializing, less colleagiality, less drinking, less poker, less of a community. Members work harder, alone and take their recreation jogging--hardly a social activity. Individualism is triumphant.

If individuals are pulling the legislature apart, then leadership should be be able to hold it together.

But leadership has been diminished practically everywhere. Legislative leaders could never command. Now they find it difficult even to persuade.

Everyone in the legislature today is his own leader--no one is a follower. Yet, without followers there can be no leaders.

Individualism and independence, fine for members, can be harmful to the institution.

The institution depends on people coming together, not moving apart.
The institution requires interdependence and community.
The institution needs people interested in the legislature--in its future as well as in their own.

B. Let's take ethics as a second example.

There is no question that twenty or even ten years ago, in a number of legislatures, the ethical climates and practices left much to be desired. But most legislators were compulsively honest, square, dull.

Since then we have undergone an ethical revolution. There are now strict conflict of interest laws. There are now strict disclosure laws. There are now ethics committees and regulations prohibiting this and forbidding that.

There are even ways now for disqualifying members from being involved in any subject they happen to know about--in the fear that interests will come into conflict. Of course they will--life is a bundle of conflicing interests, resolved only by death.

We are going bananas about purity--legislators must be purer than thee and purer than thou.

The press keeps up its unrelenting vigil, protecting us all from impurity--such as that found in junketing.

Probably no legislative delegation that went to San Francisco for the annual meeting of NSCL this past summer escaped enumeration in the local press.

How many people went?

How much did it cost? Where did the money come from? A reporter from the Boston Globe was there counting the buses that left for the Napa Valley late one afternoon.

DeNardis from Connecticut handled the matter as cleverly as anyone I know.

The press, through its vigil, uncovers malefaction and frailty for all of us to see.

I must admit (there is no better place than here and no better time than now) to both malefaction and frailty--in about equal parts.

Arriving in my room here at the Colonial early Saturday morning (1:30 a.m. your time, 3:30 real time), I was famished.

Imagine my surprise and joy to find a large basket with bread, meat, and cheese. I thought--It must be the food-basket fairy. But I discovered later that day from an article in Friday's Great Falls Tribune that Safeway had provided gift baskets to 30 government leaders. They made a mistake with me. I am not a government leader, but ate the food anyway. I wish to apologize for taking bread and cheese out of the mouths of government leaders, but I also want to thank Safeway.

Then, of course, there was the steak and egg breakfast today, brought by the Montana Bankers Association. I do not eat big breakfasts, so here I'm clean. But I am appreciative, nonetheless, to the bankers for the offer.

I must return East very early tomorrow morning, so I shall miss Atlantic Richfield's cocktails, Buttrey Food Store's hors d'oeuvres, the Wine Institute's wine, the Air Transport Asscciation's hard liquor later in the week. I am leaving my name and address behind so that all of this can be forwarded and I shall miss none of the goodies.

One final comment by way of this disrespectful ethical detour. The Great Falls Tribune reported that Chevron donated $1,500 to bring in speakers for the conference, but (I quote here) "had no say to which speakers, according to Legislative Council director Diana Dowling."

Getting It Together Rather Than Pulling It Apart

I have great respect for Diana Dowling, but let's be candid about this.

A few months ago, when I was filling up at my neighborhood Chevron station, the dealer asked if, by chance, I would be willing to speak to all kinds of people, so I said why not. The very next day (after checking, I assume, with Corporate Headquarters) the dealer asked me to choose between speaking to the Hawaiian Legislature in Honolulu, the 16-member unicameral of the Virgin Islands in St. Thomas, or a bunch of stray legislators from some Western states in Helena, Montana. I naturally chose Helena, and here I am.

I am not only grateful to all the people I mentioned--I am beholden, and I am grateful, too, to the Great Falls Tribune, the newspaper responsible for letting me know just whom to be beholden to.

Regulating ethical behavior can go only so far.

The problem is that regulations acquire a life and momentum of their own, and pretty soon the regulations are using us rather than vice versa.

A column by David Broder in The Washington Post, and other papers, a few days ago, illustrates my point.

The ethics committee of the U.S. Senate has been active of late. Among its many rulings there is "Interpretive Ruling No. 236".

Franked newsletters are limited to 5 "personally phrased references to a senator per page". Ah--but what is the definition of a page--with little pages, teeny-weeny pages, one will be able to get more references in all. The committee, to plug up the loophole, defined a page to be each side of an 8½ by 11 inch or 8½ by 14 inch sheet of paper, irrespective--mind you--of the number of folds.

I hope that the Senate has hired the additional staff necessary to enforce its ruling--reading and counting senatorial references in all the newsletters. Perhaps this is appropriate work for college student interns, who can thus learn first hand what the federal government is all about.

We should not pass regulations regarding ethical behavior (and other matters as well) that cannot reasonably be enforced--and without adding to our burgeoning bureaucracies.

Indeed, the ethic fever is pulling the legislative institution apart.

We have managed in the name of ethics and reform to ruin what was left of political parties. We must make sure that we don't, waving the banners of ethics and reform, end up ruining ourselves.

I do not believe that politicians generally are crooks--although a few undoubtedly are. It is time to stop treating them as if they all were. It is time to stop sowing distrust and governing on the basis of such negative beliefs.

C. Take structure as a third and final example of what is happening.

Getting It Together Rather THan Pulling It Apart

The assumption has been--and continues to be--that there is a structural solution for any problem.

In fact, when there is no program that is safe to advance politically, or no money to spend, legislators frequently resort to reorganization.

They reorganize the executive branch--which is always fair game--and whatever else is at hand. They even reorganize themselves.

Reorganization is not in itself foolishness. However, structural change frequently is not the solution for what ails us.

It is an easy solution to understand even though it may have little to do with the issues at hand.

It can be reflected in either an organization chart or in members, or sometimes both. What can be more alluring than boxes and figures!

Take one structural change that has been among the currency of reform for some time. REDUCE THE NUMBER OF STANDNG COMMITTEES IN THE LEGISLATIVE HOUSE. Reformers are insistent in their advocacy of fewer committees. Why fewer?

How many is too many? How many is too few? What is just right?

Whatever the advantage of fewer committees may be, there are disadvantages. Reformers ignore them.

A major disadvantage is the weakening of leadership power. With fewer committees, there will be fewer chairmanships available to leaders for allocating among members. Inactive, letterhead committees can be important, allowing leaders to appoint members to them who otherwise might do poorly chairing major committees. Leadership needs flexibility and more rather than fewer committees helps provide it.

The member of committees is a complicated issue, and it can't be discussed outside of a specific context. Yet, it is presented by reformers in terms of fewer being better--tidier, more logical.

We must beware of neatness and logic, which are divorced from common sense and politics.

One of the most popular structure reforms goes beyond reducing the number of committees--it is the reduction in the number of legislators.

Reformers advocate reducing the size of the house.

Many legislative bodies have shrunk in membership over the years--Massachusetts and Connecticut, most significantly.

New Hampshire has resisted the tide of reform, and still has a house of 400 members. The ridicule heaped on New Hampshire is fierce. But it is a delightful house, with all sorts of folks, male and female, young and old, big and little, fat and thin, and it manages pretty well, better than their small Senate.

Why smaller bodies--just to save a few bucks (that will be frittered away elsewhere), just to rid the world of politicians?

In this increasingly impersonal world, where the media mold the message and the bureaucracy gets tangled in knots, what is wrong with small districts--legislators representing a few people rather than multitudes.

A California senator has 500,000 constituents, while a representative from a single-member district in New Hampshire has 2,000 and one from Montana has 7,000.

Small here is nice, not nasty.

Furthermore, a legislative body requires a certain number of members in order to do its job.

Senates generally are small, and it is difficult to divide up labor among leadership and standing committees, and among fiscal affairs, substantive policy domain, and the various forms of legislative oversight. There simply may not be enough talent for the tasks at hand.

Up to a point, the more members the more talent. I believe in the "one-third" principle.

It goes as follows (I'll speak slowly--you may want to jot it down):

In any group --be it legislator or human and ranging in size from 12 to 3.7 million --1/3 of the members will be able, 1/3 will be unable, and 1/3 will be in the middle.

Applying that principle specifically to the legislature: 1/3 of the members are able, hard working, skillful legislators, good at lawmaking and at oversight--no matter what; 1/3 are unable, interested in other things, perhaps lazy, not at all willing to do the tough job--no matter what; and 1/3 are switch hitters--they can go either way depending upon circumstances, conditions, and fate.

Applying the "1/3 cubed" principle--in a 150 member body, there will be 50 able people, and perhaps as many as 50 others with some ability for majority and minority positions, for standing committees, for leaderships, and so forth. That's not too many at all.

I am not formally recommending that a branch of 100 be enlarged to 400, but such a recommendation is just as worthy of serious consideration as a proposal for reducing a house from 400 to 100.

We cannot afford to spread the good people thinner, and the way to get more good people is not by further limiting opportunities to achieve legislative office. It is by maintaining, or even increasing, opportunities.

Then, of course, there is unicameralism--which will probably again be on the ballot in Montana next year.

I am much too circumspect, tactful to comment on unicameralism, since I am now in

Montana, and since I will be visiting with Nebraska in a few weeks.

I am reminded, however, of Jesse Unruh's position on unicameralism. Jess, as most of you know, was a major shaper of state legislatures in the 1960's, having served as Speaker of the California Assembly for 8 years. He is now State treasurer. Unruh favored unicameralism, and when asked why replied: "I always thought it meant one man".

One man meant Unruh. Unicameralism doesn't mean one man, but it does mean fewer men and/or fewer women.

D. Now, having gone--at least by example--through some things that are pulling the legislative institution apart--I am obliged to comment on how it can be gotten together. At least the title of my remarks holds out that promise.

Earlier this year a talk I gave in Florida and Nevada was published in State Legislatures magazine under the title "Separate Roads--The Legislator as an Individual and the Legislature as an Institution". A number of legislators and staff members who read it thought that my comments came uncomfortably close to the mark. But at least one legislator--Dorothy Bradley, a former member of the Montana House, was disappointed. I suggested no solutions for the problems, she pointed out.

I shall not disappoint her with inconsistent behavior today. I still have not specific solutions for the problems. No devices, no formulas, no gimmicks, no reforms, no panaceas (and if I did, I have little time left here to present them).

However, I do believe that if we can stop the legislature from being pulled apart by the ambitions of individual members, by the pressures from the press, by the demands of all kinds of groups, by the moral fervor of the times. and by phoney-baloney solutions--there's a good chance then of getting it together.

It's up to legislators. They will have to trust themselves and their leaders. They will have to dedicate themselves to some new tasks--such as legislative oversight, which if properly done can be remarkably beneficial. They will have to use their common sense and show that they have guts, perhaps a bit more than they have done recently.

As legislators--and also as legislative staff--you are the custodians of a vital political institution. After you have achieved higher office or returned to the pleasures of private life, and after energy and conservation policies have been modified and redirected in countless ways, the legislature will still be here.

There's nothing to take its place--how healthy or how infirm an institution is up to all of you. I hope that when you leave to go on or back to better things, the legislature is stronger than when you arrived.

I wish you well in the task ahead--maintaining and strengthening the state legislature as an institution of government. It is one of the most important parts of your job, and--I will not deny--certainly one of the toughest.

THE WESTERN CONFERENCE

of

The Council of State Governments

Conference Staff
The Council of State Governments
Western Office
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San Francisco, California 94108
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RESOLUTIONS

1979 Annual Meeting

I.	Public Land Policy
II.	Western Coalition Activities
III.	Congressional Study of the Economic Impact of Federal Laws and Regulations on Public Lands
IV.	Waiver of Federal Sovereign Immunity
V.	Public Land Information Clearinghouse
VI.	Wilderness Areas
VII.	Sale of Federal Lands
VIII.	Amendments to 1902 Reclamation Act
IX.	Grazing on Public Range Lands
X.	Federal Acreage Limitations on Agricultural Projects
XI.	A Bill to Divest the Federal Government of the Public Domain and to Vest Title Therein with the Respective States
XII.	Water Rights
XIII.	Assistance from Western States Water Council
XIV.	Energy Education
XV.	Pacific Northwest Power
XVI.	Energy Mobilization Board
XVII.	Hualapai Hydroelectric Project
XVIII.	Energy Supply and Usage
XIX.	Exempting State Plans from Strip Mining Regulations
XX.	Holtzman Bill HR 3697
XXI.	The Bumpers Bill S 111
XXII.	Roth Grant Reform Bill S 878
XXIII.	Resolution on Ridesharing Arrangements
XXIV.	Federal Regulatory Rebellion
XXV.	International Trade
XXVI.	To the President of the United States (on federal speakers at Western Conference meetings)
XXVII.	Sunset Provision on Western Conference Resolutions

Copies of any or all of the Resolutions may be obtained from the Western Office, The Council of State Governments.

REORGANIZATION OF THE WESTERN CONFERENCE

At the 1979 Annual Meeting, the delegates recognized a need to enhance the effectiveness of the Western Conference by assuring that the various segments of our annual work program complement each other, have clear objectives and specific plans for their achievement, and concentrate on issues of special concern to the West.

Reorganization of the Western Conference was endorsed so that an organization with a more focused direction and with greater program coherence could emerge.

The most significant change requires that the Executive Committee take responsibility for the direction of the Western Conference, setting priorities among proposed projects, evaluating them for merit and feasibility, and assigning them to committees and/or task forces for action. This task appropriately belongs to the Executive Committee because its membership includes the chairs of the committees thereby permitting it an overview of all ongoing projects as well as the ability to weigh their relative merit and potential pay-off for the West.

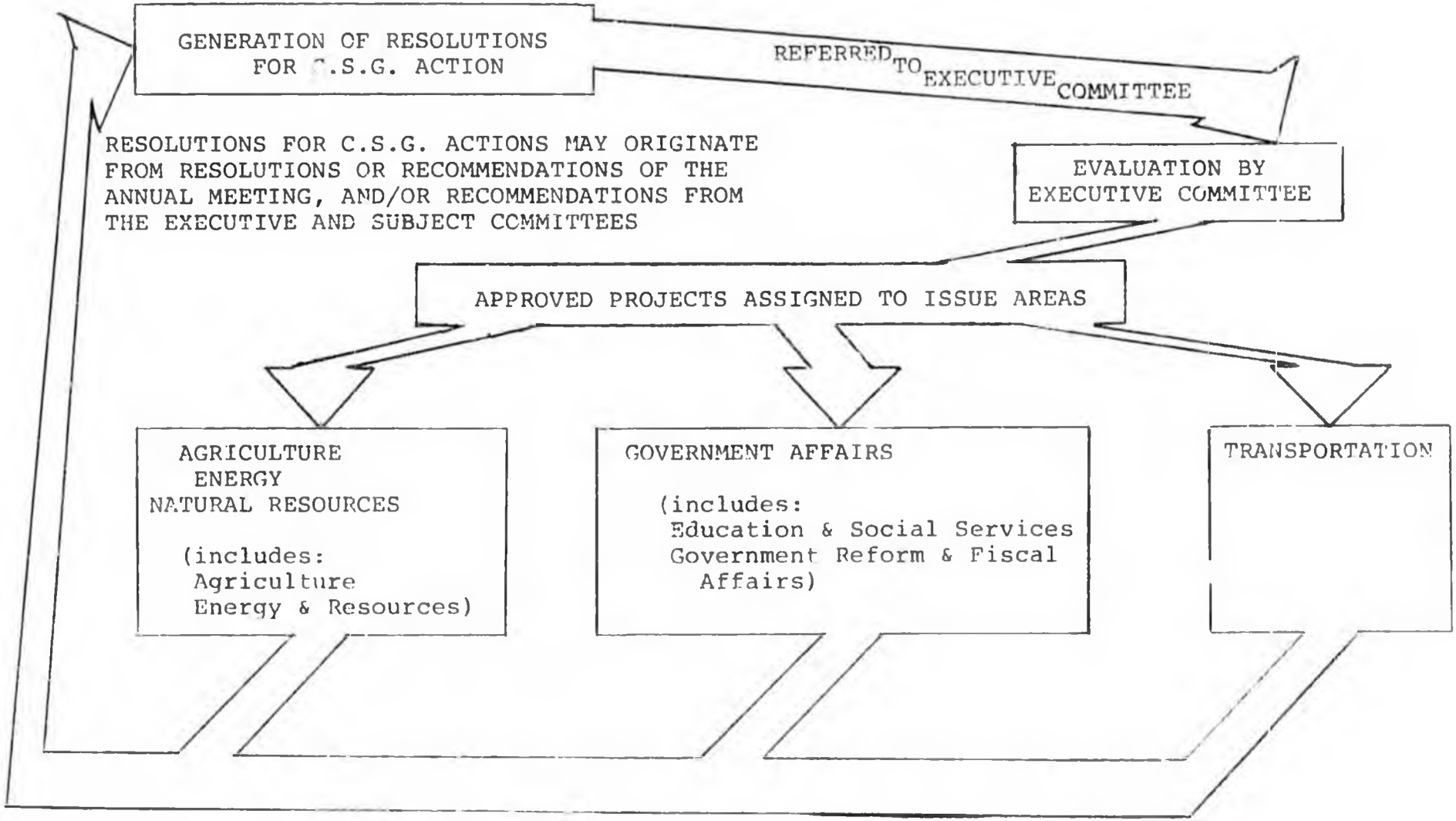
In addition, in an effort to lessen fragmentation, three issue areas were established with the six current committees falling under the three umbrellas:

Agriculture/Energy/Natural Resources
Government Affairs
Transportation

The Executive Committee, taking into consideration any proposals coming from the six subgroups, will assign tasks to them, receive reports on their activities, and make a report on our collective work at the 1980 Annual Meeting. If additional organizational changes appear useful at that time, the Executive Committee will forward recommendations to the delegates prior to the Annual Meeting so that there is time to consider any further proposals likely to strengthen the Western Conference.

Following this page is a chart reflecting the organizational changes and outlining the process by which Western Conference programs will be developed and put into action.

COUNCIL OF STATE GOVERNMENTS ISSUE FLOW CHART



EVALUATION

Your reaction to and comments on the questions below will be very helpful to those responsible for planning next year's Annual Meeting. Please take the few minutes necessary to respond--and leave the form on the table or with the staff person in your work group before you leave.... Thanks very much for your help.

(Ratings: 1 is high; 5 is low. Please use back of page if necessary.)

..A single focus conference (rather than multi-topic as in previous conferences) is a

GOOD IDEA — BAD IDEA

1 2 3 4 5

Next year, I would prefer:

single focus_____
multi-cocus _____
OR (suggest your idea of a useful format)_____

_____

..Listening to the panel speakers and discussion I

LEARNED MANY THINGS I DID NOT KNOW — I'D HEARD IT ALL BEFORE

1 2 3 4 5

Panel Discussions in full plenary sessions are

WORTHWHILE — WORTHLESS

1 2 3 4 5

Briefly, what ideas/facts/issues discussed (in plenary/panel discussions) were of particular significance to you?

_____

_____

_____

_____

..The Conference presented approaches/ideas about energy issues and possible solutions to problems that can influence your future activity and/or study.

WILL GREATLY INFLUENCE — WILL NOT INFLUENCE

1 2 3 4 5

If possible, be specific about which ideas and/or your anticipated response.

_____

_____

_____

..Work groups intended to plan ongoing activity around specific issues or projects is

AN EXCELLENT IDEA FOR AN ANNUAL MEETING — BAD OR INAPPROPRIATE FOR ANNUAL MEETING

1 2 3 4 5

My particular Work Group achieved

A PLAN(S) WELL OUTLINED — NOTHING CONCRETE

1 2 3 4 5

How might the Work Group have been more effective?

ALLOW MORE TIME _____
MORE BACKGROUND INFORMATION PROVIDED _____
MORE CLEAR-CUT GOALS _____
OTHER _____

_____

(Your Work Group _____)

..Overall, was this Conference

VERY GOOD (of worth to you) — NOT WORTHWHILE

1 2 3 4 5

..Please list:

- Two (or more) factors you feel contributed to what was good about the Conference.

_____

_____

_____

- Two (or more) factors you feel lessened its value to participants.

_____

_____

_____

..Any other comments?? (e.g., content/format/site/registration procedure/social events/ transportation/etc.) Please use back of page.

Respondent: LEGISLATOR____ STATE STAFF____ GUEST____

Name (only if you wish)_____

THANKS AGAIN.

EVALUATION RESULTS

(For the first time, the 1979 Annual Meeting of the Western Conference asked participants to give their reactions to the Conference. On Tuesday afternoon, at the end of the Work Groups, sixty (60) participants filled in and returned the questionnaire on page Respondents were: Legislators - 41; State Staff - 11; Guests - 8. The results follow).

..A single focus conference (rather than multi-topic as in previous conferences) is a

GOOD IDEA				BAD IDEA
1	2	3	4	5
(36)	(12)	(7)	(3)	(1)

..Next year, I would prefer:

SINGLE FOCUS 40
MULTI-FOCUS 8
OR ...

- Energy again (2)
- Water Resources
- one or possibly two topics (5)
- let issues define format. Single focus has real advantages as to depth, but may restrict participation -- important second issues may be overlooked (4)
- Combating Federal regulations in lands, resources, and all other areas possible
- Energy is long-time problem; might be well to design a continuing mechanism which would not require a fullscale, one-issue conference
- Single, but limit to 3 days

.. Listening to the panel speakers and discussion I

LEARNED MANY THINGS I DID NOT KNOW				I'D HEARD IT ALL BEFORE
1	2	3	4	5
(12)	(20)	(19)	(5)	(3)

.. Panel discussions in full plenary sessions are

WORTHWHILE				WORTHLESS
1	2	3	4	5
(18)	(26)	(9)	(4)	(1)

(one comment: need more input from audience)

..Briefly, what ideas/facts/issues discussed (in plenary/panel discussions) were of particular significance to you?

- significance of soft energy and conservation (10)
- conservation technology/incentives/barriers
- federal regulatory problems (2)
- federal government pre-emption of states' rights (8)
- federal red tape and ignorance of federal bureaucrats about what other departments are doing
- need for developing a viable energy policy
- utility regulations (2)
- need for Western Coalition concept across the spectrum (2)
- broad range of alternatives and the attempts to facilitate them
- transportation of coal
- solar and renewables
- nuclear safety
- nuclear transport and waste (3)
- PP&L program and other energy enhancement programs (3)
- energy needs projections
- ideas on energy especially in areas of electricity, coal, oil
- presentations of Amory Lovins ... Cahill ... Conley Ward
- coal freight rates
- Recitation of track record on energy projects (Council on Environmental Quality)
- programs in other states
- problems associated with use and production of energy alternatives
- perspective of end use analysis being primary consideration for looking at future needs, new construction
- relationships in data sources -- comparison tables by cost, barrels of oil, etc. -- as common language for discussions
- update on where Congress may be heading (2)
- economic benefits of conservation vs new thermal plants
- energy simulator (exhibit)
- synfuels information
- need for inter-state cooperation
- Administration position on the Energy Mobilization Board proposal
- Arguments for nuclear power (2)

..The Conference presented approaches/ideas about energy issues and possible solutions to problems that can influence your future activity and/or study.

WILL GREATLY INFLUENCE				WILL NOT INFLUENCE
1	2	3	4	5
(11)	(17)	(23)	(5)	(2)

..If possible, be specific about which ideas and/or your anticipated response.

- ideas re solar (2)
- ideas re coal, nuclear transportation, van pooling, and federal lands/water
- S 1403 active support -- continue work on 95-87
- federal/state impact review
- I will strive to incorporate ideas presented for greater conservation effort and more reliance on private effort into my future legislative and personal action.
- plant siting preplanning
- I'll stress conservation options (4)
- energy alternatives
- a unity of western states can be cemented and carry greater influence in D.C.
- the discussion of the West as the "national powerhouse" concerns me
- the Energy Mobilization Board is a poor idea (except for federal regulations) and should be opposed
- the States should demand the needed independent authority when given the responsibility for federal energy programs
- need to emphasize that both conservation and energy development are required -- prove conservation alone is not enough
- need for and potential impact of common action regarding federal roadblocks relating to energy/land use issues
- efforts to eliminate overlapping permits and impact statements and consolidate them with planning the development in question
- carry the message of conservation as the cheapest source of "new" energy
- single permit programs in other states
- synfuel work session was productive and problem-oriented in very practical way
- legislative and regulatory reforms that may be needed/possible -- what others have done in these areas
- nuclear materials management
- interest in life-line rates and conservation awards
- workshop suggestions on last day
- recommendation on one-stop permit for states - pipeline, etc.
- carpool legislation should be done

..Work groups intended to plan ongoing activity around specific issues or projects is an

EXCELLENT IDEA FOR AN ANNUAL MEETING				BAD OR INAPPROPRIATE FOR ANNUAL MTG
1	2	3	4	5
(26)	(21)	(9)	(1)	(2)

..My particular Work Group achieved

A PLAN(S) WELL OUTLINED				NOTHING CONCRETE
1	2	3	4	5
(19)	(26)	(7)	(2)	(2)

..How might the Work Groups have been more effective?

ALLOW MORE TIME	6
MORE BACKGROUND INFORMATION PROVIDED	22
MORE CLEAR-CUT GOALS	13

OTHER ...

- would have come prepared with more specifics if I'd known we would review appropriate legislation from other states
- should be earlier in program -- too tired when set-up
- should meet 2 or 3 times rather than one long session
- alert everyone earlier that will have this important function
- alert each state to have well-informed person on state programs
- poor attendance -- perhaps assign legislators?
- schedule people into group -- particularly resource people
- more information and longer advance time for facilitators and staff
- group leader more knowledgeable and more focused on specific goals and alternatives
- mix group better -- representatives from different states
- more knowledgeable resource people

.. Overall, was this Conference

VERY GOOD (of worth to you)				NOT WORTHWHILE
1	2	3	4	5
(24)	(29)	(5)	(0)	(2)

.. Factors you feel contributed to what was good about the Conference

- high quality speakers/panelists (14)
- location conducive to work (4)
- Montana a very fine host (4)
- topic of great interest and timely (8)
- format good (2)
- staff and guests did outstanding job
- panel discussion on facets of single issue (3)
- input from other than federal bureaucrats
- work sessions (6)
- very high caliber of participants
- individual participation encouraged
- openness to both sides of issues (5)
- opportunity for questions
- good panels
- good to meet other people and exchange ideas and viewpoints (3)
- very well planned, organized and busy schedule (9)
- social activities -- broaden acquaintances (2)
- additional time for the conference
- broad representation
- a digestable program
- information presented helped expand knowledge and gave potential new sources of information
- Mission Mountain Wood Band

..Good Factors (continued)

- interaction with legislators of many views
- ran close to schedule (2)
- informed me of causes of energy problems
- goal orientation of working sessions
- commitment of delegates to achieve a direction (2)
- broad cross-section of resources on panels (2)
- work ethic of conference
- came up with specific ideas and recommendations
- sharing views on problems that affect various states
- positive attitude of delegates
- issues identified and addressed
- support of S 1403
- support of maintaining state supremacy with Energy Mobilization Board
- panels rather than traditional speakers
- opportunity for audience participation reacting to a broadly based panel
- appreciated eyeball opportunity with Metzger and Martin
- people I met to contact for information and assistance in future (2)
- social events were superb

..Factors you feel lessened Conference's value to participants

- nothing new presented
- lack of interest and cooperation of Administration/lack of attendance of real policymakers from D.C. (10)
- lack of printed take-home material on specific subjects
- working on Sunday - prefer time for church
- preoccupation with reorganization
- lack of explanation re resolution procedures
- bureaucratic "party line" presentations
- conference too long (4)
- too tight a schedule; no breaks (3)
- too many speeches
- Conference never answered "what now" and "so what" questions
- lack of interest by participants and/or competing/distracting activities held during conference
- not starting on time (2)
- not enough question time (2)
- some sessions not well attended
- work groups somewhat fragmented
- need more media coverage
- not enough time on resolutions
- local legislators not allowed to dictate some of the speakers
- not enough time for interchange among participants
- opposing opinions not presented together or at all
- some decisions cut-and-dried; little time for healthy cynicism or misgivings to be voiced
- need more active participation by industry (displays, etc.)
- smaller workshops probably better
- repetitive (3)
- conferees not keen on business part of conference

..Other Comments

- A very good meeting and I hope I'm back next year
- I have attended/planned/participated in a large number of conferences and this one ranks high on list of successes.

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1979 ANNUAL MEETING
Colonial Inn - Helena, Montana
September 22-26, 1979

FINAL ATTENDANCE LIST

OFFICIAL PARTIES

ALASKA

Billy G. Berrier, Director, Division of Legal Services, Legislative Affairs Agency
Senator Thelma Buckholdt
M. R. Charney, Executive Director, Legislative Affairs Agency
Senator Mike Colletta
Representative John G. Fuller
Senator Glenn Hackney, Chairman, Western Conference Committee on Education and Social Services
Senator Pete Meland
Representative Ray Metcalfe
Representative Mike Miller
Representative Joyce Munson
Guy A. Van Doren, Administrative Assistant, Senate Judiciary Committee
Senator Robert H. Ziegler, Chairman, Western Conference

AMERICAN SAMOA

Senator Ametuanate Meredith
Senator Mulitauopele Tamotu

ARIZONA

Representative Pete Corpstein
Representative Peter Kay
Representative Bill Lewis
Senator Jim Mack
R. David McCuen, Research Analyst, Arizona State Senate
Representative James B. Ratliff
L. Jane Richards, Assistant Chief Clerk, House of Representative
Representative James J. Sossaman

CALIFORNIA

Wilson Clark, Energy Advisor for Governor

1979 WesConf Annual Meeting
Final Attendance List

COLORADO

Senate President Fred Anderson
Senator Regis F. Groff
Representative William F. Hilsmeier
Representative Bob Kirscht
Lorraine F. Lombardi, Chief Clerk, House of Representatives
David F. Morrissey, Assistant Director, Legislative Council
Senator Harold McCormick
John M. Polak, Staff Attorney, Legislative Drafting Office
Marjorie L. Rutenbeck, Secretary of the Senate

HAWAII

Senator Stanley Hara

IDAHO

Representative Carl P. Braun
Senate President Pro Tem Reed Budge
Senator Richard High
Senator James A. Leese
Representative Bud Lewis
Representative Morgan Munger
Speaker Ralph Olmstead
Representative Harold Reid
Representative Dorothy Reynolds
Myron H. Schlechte, Director, Legislative Council
Representative John Sessions, Chairman, Western Conference Committee on Transportation
Representative L. C. "Jack" Spurgeon
Conley Ward, Jr., President, Idaho Public Utilities Commission
Senator Dane Watkins
Senator J. Marsden Williams

MONTANA

Senator Gary Aklestad
Representative Verner L. Bertelsen
Senator Paul Boylan
Senator Steve Brown
Barbara Buda, Conference Coordinating Assistant
Representative James H. Burnett
Representative Gene Donaldson
Senator Harold Dover
Diana Dowling, Executive Director, Legislative Council
House Majority Leader Ann Mary Dussault
Representative Robert A. Ellerd
Senator Mark Etchart
Representative Ralph Eudaily

1979 WesConf Annual Meeting
Final Attendance List

MONTANA (cont'd)

Senator Larry Fasbender
Senator Jack Galt
Speaker Harold E. Gerke
Senator Pat M. Goodover
Representative Carroll Graham
Senator William F. Hafferman
Senator John E. Healy
Representative Andrea Hemstad
Representative Herb Huennekens
Representative Burt Hurwitz
Senator Greg Jergeson
Representative George R. Johnston
Governor Thomas Judge
Senate President Pro Tem Allen Kolstad
Representative Oscar S. Kvaalen
Representative Earl C. Lory
Representative Art Lund
Representative Rex Manuel
Representative Robert L. Marks, Immediate Past Chairman, Western Conference, and Chairman, Montana Host Committee
Representative Jack K. Moore
Representative Kathleen McBride
Senator George McCallum
Senator Jesse G. O'Hara
Representative Robert J. Pavlovich
Bob Person, Director of Research, Legislative Council
Representative Howard C. Porter
Bob Pyfer, Director of Legal Services, Legislative Council
Representative Joe Quilici
Senator George Roskie
Lieutenant Governor Ted Schwinden
Representative John Scully, Chairman, Western Conference Committee on Judiciary
Justice John Sheehy, Montana Supreme Court
Representative Arthur H. Shelden
Representative Robert Sivertsen
Representative Bobby Spilker
Senator C. R. Thiesen
Senator Thomas Towe
Senator J. A. Turnage
Representative Melvin Underdal
Representative John Vincent

1979 WesConf Annual Meeting
Final Attendance List

NEVADA

Senator Keith Ashworth, Vice Chairman, Western Conference
Robert Erickson, Senior Research Analyst, Legislative Counsel Bureau
Senator James Gibson
Assemblyman Thomas J. Hickey, Chairman, Western Conference Committee on Agriculture
Assemblyman Nicholas J. Horn
Senator Lawrence E. Jacobsen, Chairman, Western Conference Committee on Energy and Natural Resources
Assemblyman Jack Jeffrey
Speaker Paul W. May
Arthur J. Palmer, Director, Legislative Counsel Bureau
Assemblyman Dean Rhoads
Assemblyman Sue Wagner
Fred Welden, Senior Research Analyst, Legislative Counsel Bureau

NEW MEXICO

Representative Dan Berry
Representative Leo D. Catanach
Senator Tito D. Chavez
Senator Don King
Senator C. B. Trujillo

OREGON

Senator Vern Cook
Representative Wayne Fawbush
Representative Bill Grannell, Chairman-elect, Western Conference and Program Chairman, 1979 Annual Meeting
Representative Gretchen Kafoury
Monty C. King, Legislative Assistant
Representative Ed Lindguist
Representative Kip Lombard
Representative Max Rijken
Representative Bill Rogers
Representative Glen Whallon
Speaker Pro Tem Curt Wolfer
Linda Zuckerman, Administrator, State Senate

UTAH

Bill Asplund, Legislative Research Staff
Senator Jack M. Bangerter
Representative Norman Bangerter
Senator William T. Barton
Senator Wilford R. Black
Senate President Miles "Cap" Ferry
Representative Merrill W. Harward
Senator Moroni Jensen

1979 WesConf Annual Meeting
Final Attendance List

UTAH (cont'd)

Representative C. DeMont Judd, Jr.
Senator Eldon A. Money
Representative Ray Nielsen
Senator Kenneth E. Pace
Representative Charles E. Parkin
Representative Cary Peterson
Senator Karl N. Snow, Chairman, Western Conference Committee on Government Reform and Fiscal Affairs
Senator Karl G. Swan
Representative James J. White

WASHINGTON

Senator Max E. Benitz
Representative Harold Clayton
Bill Coan, Research Analyst, Senate Transportation Committee
Senator H. A. "Barney" Coltz
Eric Grant, Administrative Assistant to Senate Majority Leader
Senator Sam C. Guess
Susan Hosch, Research Analyst, House of Representatives
Representative Margaret Hurley
Charlie Johnson, Sergeant at Arms, State Senate
Senator R. H. "Bob" Lewis
Representative Geraldine McCormick
Representative Frances North
Dave Tips, Staff, State Senate
Senator Peter von Reichbauer
Senate Majority Leader Gordon Walgren
James Wandell, Administrative Assistant to Senate Majority Leader
Dick Watson, Research Analyst, State Senate Energy Committee
Representative Bob Williams
Representative Sim Wilson

WYOMING

Marge Cotton, Office Manager, Legislative Service Office
Senator O. R. "Bud" Daily
Representative Russ Donley
Representative H. L. Jensen
David D. Freudenthal, Administrative Assistant, Office of the Governor
Representative Patrick H. Meenan
Senator Milton E. Nichols
Senator L. Donald Northrup
Representative C. R "Bob" O'Neil
Kevin M. Taylor, Business Manager, Wyoming Travel Commission
Ralph E. Thomas, Director, Legislative Service Office
Senator Diemer True

1979 WesConf Annual Meeting
Final Attendance List

GUESTS

Sydney Abrams, Western States Representative, Wine Institute, Washington
Don Allen, Montana Petroleum Association
John Amend, Professor of Chemistry, Montana State University
Jim Anderson, Pacific Power & Light
E. A. Andrews, Manager, Public Affairs, Puget Power, Washington
John Augustine, Director, Government Affairs, Conoco, Colorado

Jack A. Barnett, Executive Director, Western States Water Council, Utah
W. S. Benson, Public Affairs Director, Mountain Bell, Wyoming
Douglas S. Bisbee, Regional Public Relations Diector, Beneficial Management, California
Cal Black, President, Western Interstate Region, National Association of Counties
Fred Bockmon, Associate Director, Government Relations, Atlantic Richfield, Colorado
Jackie Bradford, Sales Representative, Ramada Snow King Resort, Wyoming
Dorothy Bradley, Director of Information, National Center for Appropriate Technology
Paul Brooks, Northwest Director, Industry Relations, Avco Financial Serivces, Idaho
J. E. Burnham, Staff Administrator, Mountain Bell, Montana
Keith Burns, Legislative Liaison, Pacific Gas Transmission, Oregon

John Cadby, Montana Bankers Association
E. J. Cahill, Economic Consultant, Standard Oil Company of California
Jack Canavan, Aluminum Division, Anaconda Company, Columbia Falls Reduction Plant, Montana
Terrence D. Carmody, Executive Director, Environmental Quality Council, Montana
Jay Christensen, Public Affairs Area Manager, Chevron, U.S.A., Inc., Utah
Cliff Christian, Montana Realtors Association
Lila Cockrell, Mayor of San Antonio, Texas
Timothy Cole, Director, Public Affairs, Continental Airlines
Dwight Connor, Director, Energy Program, National Conference of State Legislatures
Lloyd Crippen, State Director, Montana Government Relations, ARCO/Anaconda Company
Dave Cunningham, Public Affairs Representative, Washington Water Power Co.

C. P. Davenport, Vice President, Pacific Power & Light Co., Oregon
John L. Delano, Director, Montana Railroad Association
Muriel Dobbin, West Coast Bureau Chief, Baltimore SUN, California
Fred Dressler, Entertainer

Thomas E. Ebzery, Director, Western State Government, Amax Coal Co.
Shearen Elebash, Entertainer, Alabama
Roy Erickson, Vice President, Public Relations, Northwest Airlines, Minnesota
Jim Evans, Representative, Western Interstate Region, National Association of Counties

Arthur P. Flynn, Area Manager, 3 M Company, Minnesota

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William Hunt, Director Montana Water Resource Research Center, Montana State University

Joe H. Irwin, President, Montana Consumer Finance Association

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Lester Loble, II, Montana-Dakota Utilities Company
Amory Lovins, Friends of the Earth and Author of Soft Energy Paths

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DEPARTMENT OF TRANSPORTATION

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- [ ] NOTE AND RETURN
- [ ] DISCUSS WITH ME
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- [ ] OF _____

REMARKS:

Of particular interest to you may be Section 6, pages 15-20, in the manual "How Ridesharing Can Help Your Company." It provides a concise overview of vanpools. I've also attached a brochure on the cost factors for ridesharing, and an article on the vanpool program in North Dakota. If I can be of any further assistance, let me know.

FROM:	TELEPHONE NO.	ORG/RTG SYMBOL
Al Koschmann	586-7431	

FORM DOT F 1320.9 (5-67) FORMERLY FORM OST F 1320.1 GPO 904.204

Rideshare and Save — A Cost Comparison

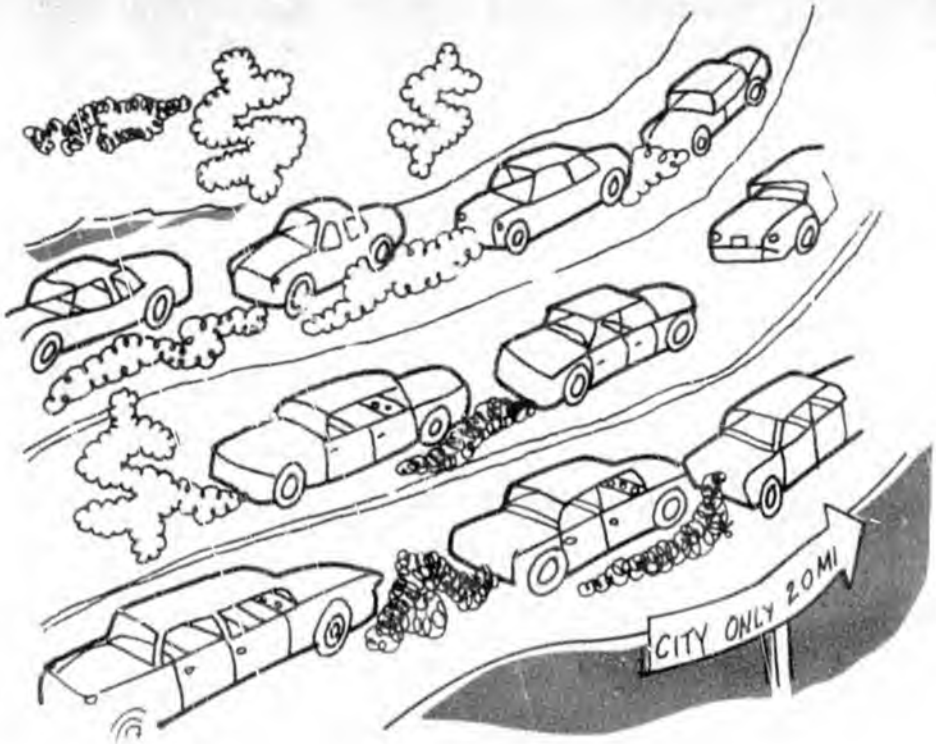
U.S. DEPARTMENT OF TRANSPORTATION
Federal Highway Administration
1979

Second
Edition

ANNUAL COSTS OF COMMUTING TO WORK*
Driving Alone and Ridesharing

One-Way Commute (miles)	Vehicle Type	Cost Category	Drive Alone	Ridesharing Options					
				Shared-Driving Carpool		Shared-Riding Carpool		Vanpool	
				2-person	4-person	2-person	4-person	8-person	12-person
10	Subcompact (Pinto, Chevette, etc)	Operating	412	206	103	206	103		
		Owning	314	192	114	157	79	82	54
		Total	726	398	217	363	182	372	248
								454	302
	Standard (LTD, Caprice, etc)	Operating	620	310	155	310	155		
		Owning	442	272	161	221	111		
		Total	1062	582	316	531	[illegible]		
20	Subcompact	Operating	823	412	206	412	206		
		Owning	439	306	192	220	110	163	109
		Total	1262	718	398	632	316	372	248
								535	357
	Standard	Operating	1240	620	310	620	310		
		Owning	617	433	272	309	155		
		Total	1857	1053	582	929	465		
40	Subcompact	Operating	1646	823	412	823	412		
		Owning	548	427	306	274	137	327	218
		Total	2194	1250	718	1097	549	372	248
								699	466
	Standard	Operating	2480	1240	620	1240	620		
		Owning	771	604	433	386	193		
		Total	3251	1844	1053	1626	813		

*In 1979 dollars



ANNUAL COSTS OF COMMUTING TO WORK BY DRIVING ALONE AND RIDESHARING

This publication has been developed by the Federal Highway Administration (FHWA) to advise commuters about the amount of money involved in traveling to work by driving alone, carpooling, or vanpooling. By making commuters aware of the costs of driving alone as compared to the costs of ridesharing, it is hoped that more commuters who presently drive alone will carpool or vanpool. Not only will the commuter save money, but the Nation will save fuel, air pollution will be reduced, and the highway system will serve more people in fewer vehicles.

The operating costs shown in the table include all mileage-related costs associated with the work trip for gas, oil, maintenance, tires, and repairs. The owning costs shown in the table include all other nonmileage-related costs associated with ownership of a vehicle, such as insurance, depreciation, finance charges, licensing fees, and taxes. The latter are assigned to the commuting costs based upon the proportion that the work trip mileage bears to the average automobile nonwork trip mileage.

The costs shown should be viewed as conservative. They do not assume that an additional vehicle is required by the household as a result of one car being used for commuting to work, nor do they include the costs of parking since this cost varies widely and can be easily determined by commuters based on their specific circumstances. The costs of using an automobile or van are based on preliminary cost data for the FHWA document entitled "Cost of Owning and Operating Automobiles and Vans 1979."

Two types of carpooling costs are shown since there is an appreciable difference, depending on whether the arrangement is one where each of the carpoolers takes turns at using his or her auto (shared driving carpool) or where one auto is used and all share the costs (shared riding carpool). Costs are shown for the two extremes of vehicle size, the American subcompact of the Chevette or Pinto type and the American standard of the Caprice or LTD type. In addition, costs are shown for a range of one-way commuting distances covering 10, 20, and 40 miles. The 40-mile commuting distance is particularly appropriate in vanpooling situations.

To illustrate the use of this table in determining the individual commuter's savings by ridesharing, consider the case of the "Lone Ranger" who uses a standard sized auto alone for a 20-mile trip (40-mile roundtrip) to work. The total costs amount to $1,857 per year, *not including* the costs of parking at work or any extra vehicle ownership costs if another vehicle is needed by the household since the commuting vehicle is not available. Our "Lone Ranger" could save $804 by alternating driving with only one other person in a shared driving carpool ($1,857 - $1,053) or save $1,392 by being one of four persons in a shared riding carpool ($1,857 - $465), or save $1,500 as a member of a 12-person vanpool ($1,857 - $357).

TECHNICAL ANALYSIS

Assumptions

Seven assumptions were made to develop a methodology for calculating costs for driving alone and for ridesharing.

1. There are two options for carpooling:

   a. Shared Driving: Each person shares using his or her car. All cars must carry insurance based on being driven to work but each car gets a 10 percent discount due to reduction in work mileage.

   b. Shared Riding*: One person's car is used. Costs for that car are shared equally among everyone in the carpool. Only that car must carry insurance based on being driven to work, but it does not get any discount due to reduction in work mileage.

2. The average person works 250 days per year.

3. The average nonwork trip mileage per year is constant at 6,667 miles** irrespective of the work trip mileage. The fixed costs (insurance, depreciation, taxes, finance charges) of owning a vehicle should be assigned to work trip commuting based on the ratio of work to total annual mileage.

4. All of the van ownership costs are attributed to the work trip.

5. The costs contained in the document "Cost of Owning and Operating Automobiles and Vans 1979," while based on costs in the Baltimore, Maryland/Washington, D.C., area, are considered to be representative of the average in the United States in 1979.

6. The average vanpooling commuting operation uses a van for only the initial 4 years of the useful life of the van, while the average drive-alone or carpool commuting operation uses an automobile that can be either new or up to 10 years old.

7. The costs of parking the commuting vehicle at work are not included as they vary widely and can be readily determined by commuters based on their own experience.

---

*The change in auto ownership costs of the riders who no longer need a car for commuting are not considered in this option. The rider can realize additional cost savings by selling a vehicle that was formerly needed to commute to work.

**The document "Cost of Owning and Operating Automobiles and Vans 1979" shows the average automobile operates 10,000 miles per year and the "National Personal Transportation Study Report: Volume 8" shows that nonwork purposes account for two-thirds of the total automobile miles.

Calculations

This section shows the methodology used to calculate the values in the table.

Operating costs for driving alone and carpooling — These costs include gasoline, oil, tires, repairs, and maintenance. Parking fees and tolls are not included in these calculations.

1. Annual work trip mileage is determined by multiplying the one-way commute miles by 2 (trips per day) and by 250 (work days per year).

2. The following unit costs *(in cents per mile)* are used:

Item	Subcompact	Standard
Gasoline @ $1/gal.*	4.00 cents	6.67 cents
Oil, tires, maint., repairs	4.23	5.73
TOTAL	8.23 cents	12.40 cents

*Subcompact gets 25 mpg and Standard gets 15 mpg.

3. Annual operating cost *for driving alone* is the product of the annual work trip mileage and the unit cost.

4. Annual operating cost *for shared driving and shared riding carpools* equals that for driving alone divided by the number of carpoolers.

Ownership costs for driving alone and carpooling — These are average annual costs for all fixed or nonmileage-related costs associated with owning an automobile.

5. The following costs (in dollars) are used:

Item	Subcompact	Standard
Insurance	$200	$ 223
Depreciation	425	646
Finance charges	45	70
Taxes, license fees	61	89
TOTAL	$731	$1,028

6. The "P" ratio is developed which is the ratio of the annual vehicle work trip to total mileage. The annual total mileage equals the annual work trip mileage plus 6,667 as per assumption number 3. The "P" ratio is used to assign the appropriate portion of the vehicle ownership costs to the work trip. "P" values for the range of work trip miles used to calculate the costs shown in the table are as follows:

Annual Vehicle Work Trip Miles	"P" Ratio
1,250	.16
2,500	.27
5,000	.43
10,000	.60
20,000	.75

7. Annual ownership cost *for driving alone* is the product of the total fixed costs in 5. and the "P" ratio for the annual vehicle work trip miles.

8. Annual ownership cost *for shared riding carpools* is that cost for driving alone divided by the number of carpoolers.

9. Annual ownership cost *for shared driving carpools* is the product of the total fixed costs in 5. and the "P" ratio for the annual vehicle work trip miles for one of the vehicles used in shared driving carpooling. In addition, a 10 percent discount in the annual cost of insurance for the vehicle is included as per assumption 1a.

Operating costs for vanpooling —

1. Annual work trip mileage is determined as in 1. for carpooling.

2. The following unit costs *(in cents per mile)* are used:

Item	
Gasoline @ $1/gal*	10.00 cents
Oil, tires, maint., repairs**	3.06 cents
TOTAL	13.06 cents

*Van gets 10 mpg

**This is 1¢ - 3¢/mile less than for automobiles in 2. for carpooling due to assumption 6 since maintenance and repair costs are less for a van with 4-year life compared to an auto with 10-year life.

3. Annual operating cost *for vanpools* is the product of the annual work trip mileage and the unit costs divided by the number of people in the vanpool.

Ownership costs for vanpooling —

4. The average annual cost (in dollars) for all fixed or nonmileage related costs associated with owning a van during the initial 4-year life is as follows:

Item	
Insurance*	$ 900
Depreciation	1,463
Financing	399
Taxes, license fees	213
TOTAL	$2,975

*Insurance costs can vary considerably due to vehicle ownership arrangements and insurance company policies.

5. Annual ownership cost *for vanpools* is the ownership costs in 4. divided by the number of people in the vanpool.

Cut and Save

WORKSHEET
FOR
YOUR COST OF COMMUTING TO WORK

This worksheet is designed to allow the reader an opportunity to calculate the commuting costs for his or her particular situation. First calculate the costs to drive alone, then calculate the costs under the ridesharing options. How does the cost of driving alone compare to the cost of ridesharing to work?

1. Annual depreciation costs of your vehicle* $ _____
2. Annual cost of insurance for your vehicle $ _____
3. Annual taxes (sales, personal property, etc) for your vehicle $ _____
4. Annual fees (State registration and licensing) for your vehicle $ _____
5. Annual finance charges on the loan for your vehicle $ _____
6. Price per gallon of gasoline (cents/gal) _____ cents/gal
7. Your number of working days per year _____ days
8. Daily one-way mileage that you travel to work _____ miles
9. Your annual mileage to work (2 x line 8 x line 7) _____ miles
10. Your annual nonwork related mileage (estimated) _____ miles
11. Miles per gal. (mpg) of your commuting vehicle _____ miles/gal
12. Number of people in the carpool/ vanpool _____
13. Annual parking cost/tolls (daily x line 7) $ _____

Your costs for driving alone to work:

14. Mileage-related operating costs for your vehicle
    - Gasoline (line 6 ÷ line 11) _____ cents/mi
    - Oil, tires, maintenance and repairs (use 4.23¢/mi for subcompact; 4.59¢/mi for compact; and 5.73¢/mi for standard)** _____ cents/mi

    Total for line 14 _____ cents/mi
15. Annual mileage-related operating costs (line 14 x line 9) ÷ 100 $ _____
16. Annual parking cost/tolls (line 13) $ _____
17. Your total annual operating costs (line 15 + line 16) $ _____

18. Your average annual ownership cost (for all travel purposes):
    - Insurance (line 2) $ _____
    - Depreciation (line 1) $ _____
    - Finance charge (line 5) $ _____
    - Taxes (line 3) $ _____
    - Fees (line 4) $ _____

    Total for line 18 $ _____

19. Proportion of your ownership costs allocated to the work trip [line 9 ÷ (line 9 + line 10)] 0. _____
20. Your annual ownership cost for work trip (line 18 x line 19) $ _____
21. Your total cost for driving to work alone (line 17 + line 20) $ _____

Now, calculate your commuting costs in a ridesharing situation.

For a shared driving carpool:

22. Your total annual operating cost for the work trip (line 17 + line 12) $ _____
23. Your average annual ownership cost (for all travel purposes)
    - Insurance (90% of line 2) $ _____
    - Depreciation (line 1) $ _____
    - Finance charge (line 5) $ _____
    - Taxes (line 3) $ _____
    - Fees (line 4) $ _____

    Total for line 23 $ _____

24. Annual work trip mileage for your vehicle in a shared driving carpool (line 9 + line 12) _____ miles
25. Proportion of your ownership costs allocated to the work trip for a shared driving carpool [line 24 ÷ (line 24 + line 10)] 0. _____
26. Your annual ownership cost allocated to the work trip for each person in a shared driving carpool (line 23 x line 25) $ _____
27. Your total cost for commuting to work in a shared driving carpool (line 22 + line 26) $ _____

For a shared riding carpool:

28. Your total annual operating costs for the work trip (line 17 + line 12) $ _____

29. Your annual ownership costs allocated to the work trip in a shared riding carpool (line 20 ÷ line 12) $ _____
30. Your total cost for driving to work in a shared riding carpool (line 28 + line 29) $ _____

For a vanpool:

31. Mileage-related operating costs for the van
    - Gasoline (line 6 ÷ 10 mpg, or actual if known) _____ cents/mi
    - Oil, tires, maintenance and repair (use 1.06¢/mi for estimate if actual costs are not known) _____ cents/mi

    Total for line 31 _____ cents/mi
32. Annual mileage-related operating costs for the van (line 9 x line 31) ÷ 100 $ _____
33. Annual parking cost/tolls (line 13) $ _____
34. Total annual operating costs for the van (line 32 + line 33) $ _____
35. Total ownership costs per year for the van
    - Insurance $ _____
    - Depreciation* $ _____
    - Financing charges $ _____
    - Taxes $ _____
    - Fees $ _____

    Total for line 35 $ _____
36. Your total cost for commuting to work in a van [(line 34 ÷ line 35) + line 12] $ _____

*Depreciation = (purchase price - estimated selling price) ÷ No. of years owned.

**Based upon preliminary cost data for the FHWA document "Cost of Owning and Operating Automobiles and Vans 1979." Substitute your specific costs if known.

☆U.S. GOVERNMENT PRINTING OFFICE: 1979-281-568/211

VANPOOLING

Vanpools and Shortcuts Through Red Tape

What do starting vanpools and cutting government red tape have in common? Fortunately, in North Dakota the two are very compatible, reports FHWA Division Administrator George H. Seaworth.

As part of an FHWA-funded program, the state is offering no-interest loans to individuals or businesses that would like to start vanpools. To encourage pooling, the requirements and paperwork to start a vanpool have been cut to a minimum. The state has an energetic public transit assistance office pushing the program.

One man decided to test the speed in cutting the red tape. Daniel Jenkowski, manager of the Underwood Hotel, had heard of the vanpool program and decided it could be a valuable asset for many of his customers who work at the Beulah power plant, a round trip distance of 140 miles. The story, related by State Highway Commissioner Walter Hjelle, gives an idea of what can be done to slice through red tape.

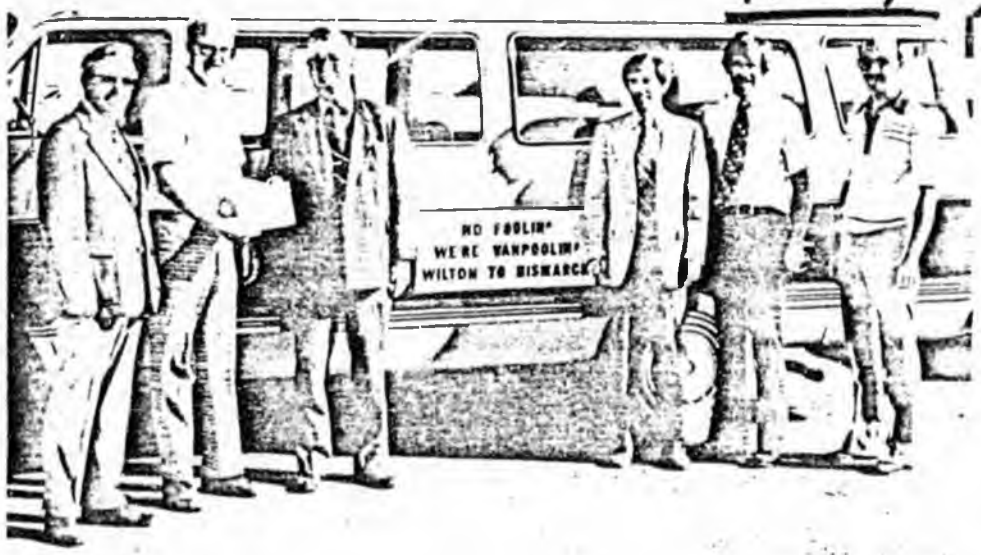
Jenkowski stopped by one recent Monday morning to inquire about funding of a van. He filed a request for assistance, and was informed of the four basic requirements for starting a vanpool:

1. Get a minimum of eight riders signed up.
2. Obtain two price quotes on vans.
3. Agree to operate the vanpool for at least four years.
4. Pay 10 percent of the van's total cost as a down payment.

On Friday, Jenkowski returned. He had found the riders, gotten the bids, and had the money in hand for a down payment. After reviewing the vehicle specifications, and signing the contract, Jenkowski was able to drive his new van home Friday evening.

Hjelle credited the Federal Highway Administration with simplifying its requirements for administering the federal funds. "The procedure is very basic and uncomplicated since the Department handles all the paperwork for the program," he said. "I must admit, however, that it's rare to have someone complete the arrangements as quickly as Jenkowski did."

One major drawback for many aspiring vanpools is the lack of vans in stock.



(Left to right) George Seaworth, FHWA; Bill Bitz, Owner; Walter Hjelle, NDSHD; Bill Weimer, NDSHD; Duane Beitz, NDSHD and John Milke, NDSHD.

"There has been a heavy demand for vans," Hjelle said, "and with the changeover to 1980 models, there is a shortage of available vans. Some pools have had to wait as long as three months before they could get their vans. Jenkowski got bids on vans that were in stock at the dealers."

For Jenkowski, the arrangements were handled in a week. Behind the scenes, however, it took a little longer as the state coordinated among several departments to get the contract approved and signed, obtain the title and mortgage lien and establish the project file.

One important area the state checks is vehicle specifications. In promoting vanpooling, it encourages the purchase of deluxe vans, since rider comfort helps to hold riders in the pools. Among the options the state allows are air conditioning, an auxiliary rear heater, additional insulation and cloth seats. Normally, a van costs $9,500—$10,000 but if the owner/driver wants to purchase additional options such as camping or stereo equipment, he may do so at his own expense.

"As of September 5, we have funded 27 vanpools," Division Administrator Seaworth reported, with total funding of $240,000 for the program. There are 13 owned by organizations or companies and 14 owned by individuals. The minimum round trip distance is 10 miles, the maximum, 180, with a total of 1,415 round trip miles and 336 persons involved.

Estimated gas savings on the vanpools already in existence total 220,000 gallons per year. Although the vans get only about eight miles per gallon in town and 12 miles per gallon on the road, the gas savings add up quickly when eight to 12 people share the ride. The record for commuting the greatest distance is presently held by the John Larson Company, whose vanpool travels 90 miles one way from Bismarck to north of Beulah where energy development is underway.

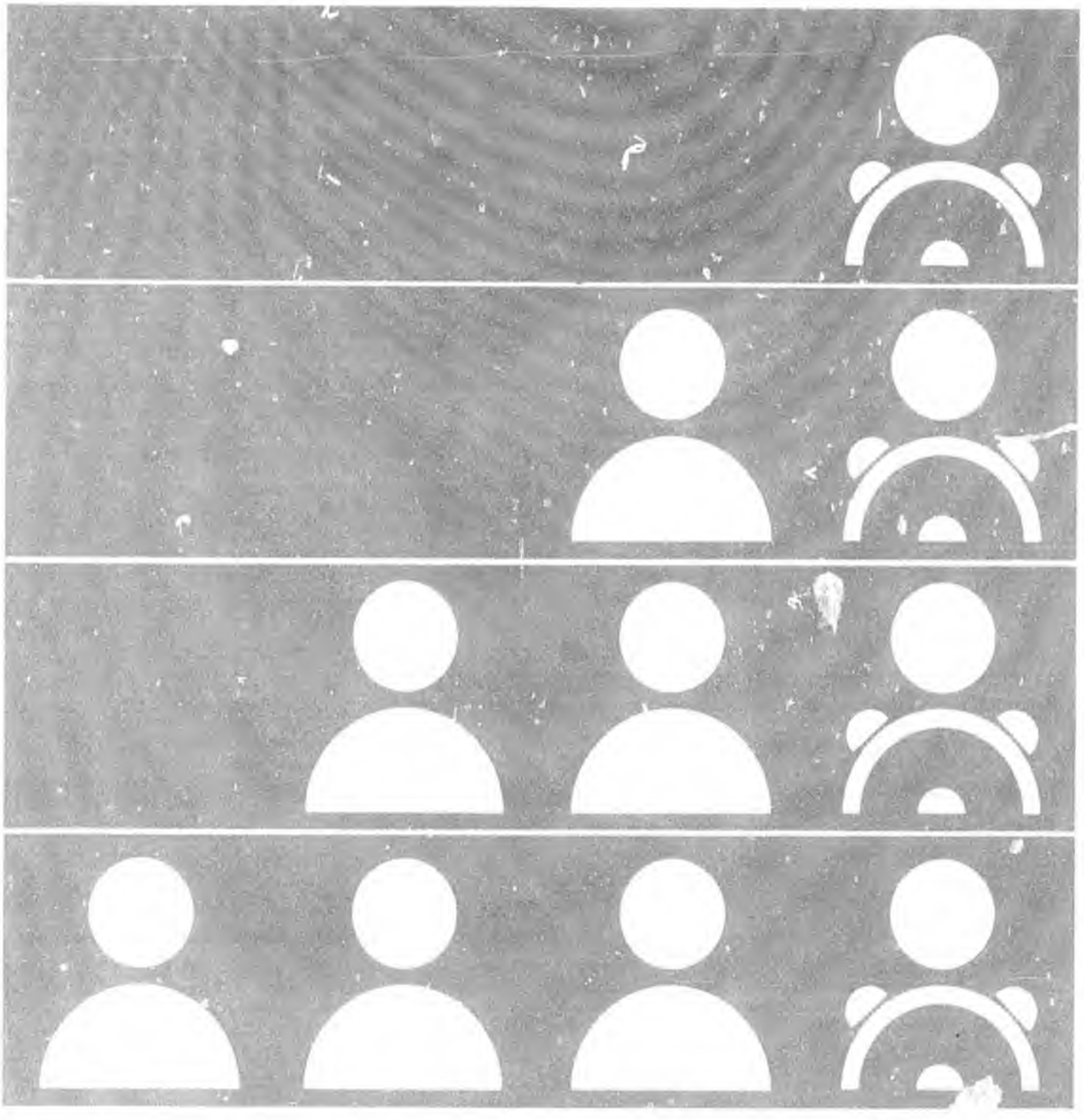
"In the North Dakota State Highway Department central office, they have three pools started," Seaworth said, "and several more people, statewide, are interested in pooling." The vanpools have the advantage of preferential parking. One problem is most people want to ride rather than be the sponsor/driver. The former 10 percent operator down payment was very attractive and the state has highly recommended changing back to this matching requirement. Since a 100 percent (less administrative costs) payback is expected, the cost to the government is not substantially increased.

"We're very pleased with the success to data," Seaworth said. "If more people would take advantage of the program, we'll be happy to eliminate the red tape. We just want to get the vanpools started." ■

How Ridesharing Can Help Your Company

A Manual for Employers

U.S. Department of Transportation
Washington, D.C. 20590



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5	Costs of Start-up and Administration	13 ►
6	Considerations Unique to Vanpools	15 ►
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Appendices

Appendix 2 contained
in pocket inside back cover

Appendix 1

Exhibit A
Selected HOV Projects and Other Preferential Treatments For Ridesharing Pools

Exhibit B
Employer-Sponsored Vanpool Programs

Exhibit C
Federal Highway Administration Division Offices

Exhibit D
State and Local Ridesharing Agencies

Exhibit E
State Departments of Transportation

Appendix 2
(See pocket inside back cover)

Exhibit F
Estimated Annual Cost of Maintaining Various Company Carpool Programs

Exhibit G
Start-up Costs for Company-Sponsored Vanpool Programs

Exhibit H
Costs of Maintaining Company-Sponsored Vanpool Programs

Exhibit I
Vanpool Driver/Coordinator Cooperative Agreement

Exhibit J
Vanpool Cost and Fare Calculation

Exhibit K
Vanpool Subscription Agreement

Exhibit L
Sample Employe Interest Survey

What Ridesharing Car Do For Your Company

Section
1

Ridesharing is not a new mode of transportation. But, it is a special mode which increases the productivity of existing transportation and worksite parking facilities to serve a growing population without extensive capital investment or business and residential relocations.

Over 15 million of the nation's commuters rideshare through carpools, vanpools, and buspools. Ridesharing benefits users by reducing the costs and daily hassle of driving to work. It benefits the public through reductions in energy use, traffic congestion and air pollution. It can benefit the employer by delivering employes refreshed and on time, by attracting employes from a broader labor market, and by helping to solve company problems such as overflow parking, retention of workers in relocations and long commutes to remote worksite locations.

Carpooling is the old faithful and most widely promoted form of ridesharing. Vanpooling is a relatively new and carfee commuting mode offering the door-to-door convenience of private autos plus the economy of a multi-passenger vehicle. Buspooling is a useful concept that has not been fully exploited. However, successful buspools operate in many suburban areas.

Many companies are realizing substantial benefits from their investment in ridesharing programs. These benefits include the following.

Reduced Need for Parking Space

Pooling programs can reduce parking requirements and open areas for more productive use at some worksites and/or reduce the cost of leased space. These reductions can result in substantial savings to employers and are of particular benefit to companies which are expanding and either need to use present parking space for new structures or need additional space to handle more employes.

For each vanpool that is formed, a company can remove six or more vehicles from its lots. For each carpool formed, about two vehicles can be removed. The 3-M Company in St. Paul, Minn., saved $2.5 million by eliminating the need for 1,500 additional parking spaces through vanpools. The Tennessee Valley Authority saved $10 million by reducing the need for construction and maintenance of parking and highway facilities.

Elimination of one surface parking space can save an estimated $135 a year. For a space in a parking garage, the saving would be $395 a year. These savings are even greater in areas of increased land values and construction costs. Some estimated costs for construction and land run as high as $1,000 per surface space and $6,000 for a multi-story parking lot stall. When operating and maintenance expenses and taxes are added to the cost of parking areas, the annual savings increase by $200 to $1,000 per space.

Relocation

When companies relocate, they often risk losing some of their labor force due to excessive travel distances to the new site. Erving Paper Mills in Brattleboro, Vt., initiated vanpooling to prevent the loss of highly skilled employes when it moved 25 miles from a previous worksite. Prudential Insurance in Newark and Nabisco in East Hanover, N.J., have also successfully used vanpools to retain employes after relocation.

More Convenient Commuting

Pooling provides the means to bring employes to sites where transit service is poor, where there is a high crime rate, or where locations are remote. Some companies that have found pooling a successful way to make commuting easier include Montgomery Ward in Chicago; Sperry Flight Systems, Phoenix; General Mills in Minneapolis; Hoffman-LaRoche, Nutley, N.J.; Chrysler Corp., Detroit; AT&T in Somerset, N.J.; and Winnebago in Forest City, Iowa.

Air Quality

Federal clean air requirements may cause state and local government officials to petition employers to reduce the number of vehicles bringing employes to and from work. Although Erving Paper Mills, Erving, Mass., instituted a pooling program due to plant relocation, it was most pleased to receive Industry Magazine's award for the most important contribution by a Massachusetts company to the improvement of the environment. Continental Oil Company in Houston and 3-M Company also received much favorable publicity as a result of their programs.

Reduced Congestion

Often state and local governments are unable to relieve auto congestion near worksites. In addition to reducing traffic, company ridesharing programs in urban areas reduce the number of vehicles parked on neighborhood side streets. The Geico Insurance company in Washington, D.C., instituted a ridesharing program after neighborhood residents complained that streets were clogged with employes' cars. Now the firm has better neighborhood relations and a better image as a result.

let's pool together, America!

All across the country, folks are finding that carpooling pays. By making driving more fun. And putting fewer cars on the road.

And whether you're going to work, play or school, a pool is better for all of us. It saves effort. It saves fuel. And it sure saves money, too.

So carpool America! Share a ride with a friend.

What Ridesharing Can Do For Your Employes

Section 2

Hundreds of companies have found that ridesharing is an inexpensive and direct means of providing lower cost, more efficient transportation for employes. Ridesharing is an opportunity offered by the company which is purely voluntary on the part of the employe, yet serves to bring the employe closer to the company.

Employe Benefits

The following are some of the specific benefits for your employes:

Lower Commuting Costs—The cost of ridesharing is usually substantially lower than that of driving to work alone. Out-of-pocket commuting costs for driving alone are estimated at 8.4 cents per vehicle mile. In a carpool, these costs are divided among the members. For vanpooling, the operating cost per mile averages 9.1 cents, but this is divided among the riders. Although automobile insurance rates vary with the type of coverage, size of car, residential location, age, and sex of driver, etc., reducing the user's share of driving time could result in classifying the car as more pleasure than business driving, with rates 10 to 20 percent lower depending on work distances. Driving less also means reduced wear and tear on the cars.

Personalized Service—While participating in pools may not be quite as convenient as solo driving, many people find it does have advantages and conveniences. Driving times are preset and reliable. Many pools operate door-to-door. If they do not, pick-up points can be selected to suit the convenience of carpool members and to avoid inclement weather. Often employers offer preferential parking spaces to pool vehicles which are much closer to the work place entrance.

Special Carpool Lanes—The growing number of bus/carpool lanes on freeways is speeding up commuting trips for many ridesharing workers. The city may have or plan to build special high occupancy vehicle lanes near your work location. Some 50 preferential lane projects have been established in 33 cities and more are planned. See Exhibit A for a list of selected cities with high occupancy lanes for carpools, buses, and vanpools.

The More Relaxed Mode—Sharing the driving enables carpoolers to avoid the tension and hassle that go with driving alone every day. The certainty of a carpool or vanpool, the assurance of having a seat—these things make ridesharing very attractive to many people. Some people who dislike driving long distances say they like the security, safety, and companionship of riding with a group.

Alternative Uses for Travel Time—An employe who doesn't have to drive is free to doze, socialize, read, or just daydream. This is more important for the long haul commutes of 10 or more miles.

Car Free for Family Use—When the car is no longer needed for the trip to work every day, it is available to other family members, thus reducing the need for a second car. The employe can save money by deferring the purchase of a second car; or, if he/she owns a second car, he/she may be able to sell it.

Leaving Work on Time—Ridesharing offers strong incentives to leave work at the normal close of business. Since many employes dislike after-hours meetings, they appreciate the regularity of a ridesharing pool that enables them to leave on time.

Barriers to Overcome

Appealing as the benefits may be, for many employes there are drawbacks. Every employer who is considering starting a ridesharing program should be aware of them. They are important in setting the goals for the program. Potential drawbacks can be minimized through good management. For some employes these barriers must be overcome before they are willing to pool:

Extra Pick-up and Drop-off Time—Depending upon how far apart the pooling employes live from each other, extra pick-up and drop-off time can become a disadvantage. If the travel times are too great, a pool may not be practical.

Interpersonal Relations—Some drivers treasure their time alone in the car each day as periods to listen to the radio or collect their thoughts. Further, some are reluctant to open the way for strangers to intrude on their personal lives, or discuss sensitive situations at the employment site. While congeniality and compatibility usually develop in successful pools, some people subconsciously fear the exposure to new interpersonal conflicts—from the simple issues of smokers vs. nonsmokers to more complex social or political differences.

Dependence on Others—Some people are unwilling to depend on others for a function where timeliness and reliability are of such paramount importance.

Loss of Flexibility—Many commuters hold in high regard the flexibility of having their own car at work. Many shop after work, or have other activities which prevent them from going straight home. Pools are unsuitable for those who choose to maintain irregular hours, for last minute meetings or for after-work activities.

Employes with Problems at Home or Small Children—For those who need to respond quickly to problems arising at home, such as with children or invalids, pooling may also prove difficult.

continued

Part-Time Employes—Part-time employes may have difficulty finding members with comparable hours. However, some workers pool one way and use public transit the other.

Solutions

For potential poolers some of these problems are real, some are imagined, some can be remedied, some cannot. Many of the potential problems inhibiting pool formations can be overcome if the company ridesharing coordinator establishes good lines of communication with all prospective poolers and takes a personal interest in the matching operation.

For those with special interests or preferences, one solution is to organize pools with rules: no-talk-in-the-morning pools, no-smoking pools, five-minute-maximum-wait pools, and so on. These rules would be established before the members join and be listed as preferred options on the application forms for ridesharers seeking to form pools.

Issues for Management Consideration

Section 3

Certain decisions must be made at the outset concerning your company's potential to support and operate a ridesharing program. The first decision is whether the firm will launch a self-generated pooling program or participate in an area-wide program. In some urban areas, area-wide pooling efforts are sponsored by local government agencies such as councils of governments or metropolitan planning organizations or even state departments of transportation.

Ridesharing programs can be mounted most successfully at worksites with large numbers of employes. Nationally there are some 12,000 establishments with 500 or more workers. However, the smaller firms which represent the majority of employers stand to benefit more from the broad coverage offered by an area-wide ridesharing program.

In the absence of an area-wide effort several small employers can form a joint venture to cooperate in a ridesharing program. This can be most effective where the employers are located in the same area. This was the case with Aerospace and the Air Force Space and Missile Systems Organization (SAMSO) in El Segundo, Calif., when they introduced a carpool matching service and bus operation in 1972. In 1975 they started a vanpool program which is currently carrying 130 employes in 13 vans.

Some local governments offer turnkey marketing as part of their ridesharing programs. City ridesharing coordinators approach companies and offer assistance in promoting, surveying, matching, and organizing employe pools, thus relieving employers of practically all responsibility of program start-up. They also supply information on van purchases, insurance and accounting schemes. After a program has been established, it is turned over to the company.

Some organizations utilize private third-party operators who own and operate vans. They provide an attractive option to employers wishing to limit the time and other resources invested in their vanpool programs. While third party arrangements involve fewer headaches, they are also more costly. The third-party owner can be an employe-owner-operator, who buys the van and provides the service, or a financial institution, such as an employe credit union, or a private company providing the service.

A company's decision on whether to participate in an available program or to start its own will depend on the size of the company, the kind of problems it faces, and the state of development of the area-wide program.

A second planning decision involves what kinds of ridesharing the firm will want to support. The firm may select among carpooling, vanpooling, and subscription bus service. While all have common features regarding promotion, matching and incentives, a van or buspooling program will probably involve buying or leasing vehicles, with additional employe staff responsibilities, although van ownership can be left to individual employes.

In coming to such decisions it is important to conduct a feasibility study to identify the potential market for the various forms of ridesharing and an investigation of legal and financial constraints. The study should detail how such activities as employe surveys, promotion, organization, matching, van acquisition, insurance, maintenance, fare structure, fare disbursements, administering of program incentives, program monitoring, driver selection, and training will be handled. The company should consider conducting a pilot program with a few vans or buspools and establishing matches for new carpools before acquiring additional vehicles.

If van or buspool service is being considered, potential legal problems should be investigated in advance regarding public regulation of such services, competition with conventional transit, driver and vehicle licensing, the liability of organizers and operators, driver compensation, and taxation. These concerns are addressed in Section Six.

Management Support

Top management support is essential for the success of a ridesharing program, both in the initial planning stage and in program development. Management must play a central role in determining the goals, objectives, and incentives of the program, enthusiastically encourage employe interest, maintain an open line of communication with the ridesharing coordinator, and exhibit continued support of program operations and expansion.

The development of a large vanpool program can involve substantial amounts of money and time. Administrative duties could require the services of one full or part-time position. Purchases of equipment or leasing costs are obvious items of direct control, but it should also be recognized that the cost of initial program development and of operation usually must be absorbed by employers. Employe interest can be developed by determining what transportation problems employes have and through a wide range of promotional and incentive strategies. These include special parking privileges for ridesharing participants, flexitime, and elimination of free or subsidized parking. Management must recognize that the publicity, employe surveys, and the process of matching employes into pools will result in some diversion of time and effort from the primary duties of the employe who serves as ridesharing coordinator. These can be minimized, however, with good planning. More information on management cost consideration is provided in Section Five.

Staff Support

In most successful programs, the program coordinator has access to top management, is highly interested in the establishment of a ridesharing operation and has a record of accomplish-

continued

ing assignments. A useful first step is for the coordinator to organize an advisory committee, including representatives from personnel, administration, legal, insurance, accounting, and public relations to investigate all aspects of program feasibility. These departments logically have an interest in the operation and success of the program. Further, their experience, support, and help will be needed in the promotion and implementation of the program. For example:

Personnel: Initial survey of employes for pooling information (residential location, route to work, work schedule, etc.) and coordination with labor union representatives.

Administration: In-house promotion, community relations, incentives, benefits, arranging for preferential parking for poolers.

Legal Office: Van acquisition, insurance, taxation, potential liability.

Accounting: Keeping track of cash flow from van riders to vendors (van dealer, service stations, etc.) and the driver.

Payroll: Collecting van or bus fares through payroll deduction if that option is chosen.

Identification of the Potential Market

Carpooling: Practically any size company can institute a carpooling program. As the number of employes increases, the average occupancy of vehicles used in the work trip tends to rise markedly. High density destinations, along with transportation and work conditions at the job site (e.g., lack of parking or public transit, job turnover, irregular hours) are more likely to influence pooling formations than the number of employes in a company. Three of the most commonly stated reasons for not carpooling are: (1) lack of a match, (2) need for transportation at lunch, and (3) incompatible hours. These can largely be resolved through good program management.

Vanpooling and Buspooling: Companies with 500 or more employes offer the best potential for successful vanpool and buspool programs because they are more likely to have enough employes living in close enough proximity to form a pool, and they are in a better position to absorb the administrative expenses involved. However, small companies can also form such pools. Erving Paper Mills, Erving, Mass., Zenith Corp. in Chicago, Aramco Services in Houston, and other firms with work sites of 100 to 500 employes have launched successful vanpool programs.

For the company that is large enough, the probability for a successful vanpool program is high if the firm has regular (non-shift) work hours, gives advance notice of overtime schedules or minimizes overtime requirements, offers use of vehicles during the day for errands, lunch, etc., and offers back-up transportation in personal emergencies or to employes required to work late.

No matter which variety of pooling is considered, the geographic location of your plant may offer better potential to some commuter neighborhoods than others. Commuter characteristics to look for in identifying potential markets include:

- Residential locations generally 10 miles or more away from the employment site. Trip distances in urban areas average slightly less than a 20-mile round trip for carpools and a 20 to 50-mile round trip for van or buspools. Longer routes produce the most successful van/buspools because the cost savings over other modes increase with trip length. The importance of time spent doing something else (reading, dozing) increases with travel time, and passenger collection and distribution times comprise a smaller fraction of total travel time.
- A sufficient concentration of employes residing in the same area or along a commuting route. For vanpools, at least 12 interested employes should be identified plus a reserve to help maintain high occupancy. For buspools, at least 50 employes with proximate origins and destinations and common work hours are needed, plus a reserve base.
- Employes in areas lacking public transit or served by inadequate transit are prime pooling candidates.
- Traffic congestion along major commuter routes to the plant influences pooling potential. Vanpools have been popular in the Palos Verdes area of Los Angeles, for example, where commuter routes are heavily congested.
- The availability of high occupancy vehicle lanes on nearby freeway and arterial streets or of special bypass lanes on access ramps to freeways.
- Finally, the desire of some employes to form a commuter group to sponsor a van or buspool. They may all be personally acquainted or share other common factors which influence the potential for pool success. Such a group may be an informal "booster" club or a more structured one that actually participates in the program through driver or rider recruitment.

A visual survey and sample counts in parking lots or garages may be a useful first step to determine how most employes arrive at work. An informal survey can then be conducted by the personnel department using employe records and zip codes or city maps to pinpoint areas with large residential populations. Similarity of work hours will also need checking if your company operates on shifts or staggered work hours. Once areas of residential concentration have been identified, trip distances to the work location must be estimated for van or buspool potential. It would also be a good idea to determine the availability of existing transit service using route maps and timetables.

Depending on company size, it may be more time and cost efficient to obtain this information as well as an indication of employe interest by conducting a simple survey. A sample survey is included in Exhibit L.

Program Promotion and Organization

Section 4

Soliciting Interest

There are many ways to publicize the benefits of ridesharing programs and the incentives offered by the employer. Area-wide programs with broad based advertising may have already created a climate of opinion which makes pooling "the way to go." In some companies ridesharing promotions have taken on the flavor of major campaigns. All the channels that your firm typically uses for employe communications, e.g., memos, fliers, newsletters, public address announcements, bulletin boards, or lunch gatherings, can be used to introduce and promote ridesharing. Employe booklets, posters, and ads can be obtained from the U.S. Department of Transportation.

The promotional materials should stress the personal convenience and savings from pooling and might list potential pilot areas for vanpool participation, estimated fares and the responsibilities and benefits for pool drivers. If possible, all promotional materials should lead the employe into taking the action which will get him or her involved. That action could be filling out response cards (conveniently placed near the ad), signing a register of interested parties, or calling the organization's pooling coordinator. Some programs have been started solely on the basis of such promotion, bypassing a formal survey.

Potential Rider Survey and Matching

There is a variety of ways of getting information on employes' interests, residential areas, and work schedules. The most prevalent way is a survey based on a form given each employe. Often, however, the completion of forms is left entirely voluntary. One possible remedy is to have forms turned in at the end of a special "coffee klatch" or lunchtime presentation on the company's ridesharing program. Another way is to have office supervisors or shop stewards distribute and collect the completed forms.

Matching programs may be run at the company level or local government level. Heavily traveled commuting routes, corridors leading to high employment concentrations and longer than average trips should be identified as indicators of high potential. This matching process identifies commuters with common home-to-work trip lengths and routes, residential locations and compatible work hours.

A locator board is another matching technique. This involves putting up a map with a rack of response cards and matching the respondents. Too often, however, they are placed in only one area and are self-servicing. One drawback of this system is that all persons must visit that one location, assuming they have been informed of its existence.

When there is a large number of responses, 300 or more, matching can be done by computers, which can handle large volumes of forms quickly, require little employe effort, minimize errors, and provide a low cost individual printout for each applicant of fellow employes with whom they might form a pool. Computer printouts should be prepared in the form of a personal letter to prospective poolers, providing the names and complete information about other employes near them who want to rideshare.

If a company feels that a major problem of matching is the development of its own soft-ware, there are many existing computer programs. A company can acquire matching assistance through regional government agencies or from the U.S. Department of Transportation. Several versions of computer soft-ware are available and a company can choose the one that can be most readily adapted to its situation and available equipment.

Pilot Pooling Program

A demonstration or pilot program, concentrating on carpooling and a few vans or buses limited to employe residental areas of greatest potential, is a good way to test the feasibility of such service and to identify any problem areas. It is also a good promotional technique since employes can see how it works and whether participating employes like it. Survey forms can be distributed to employes from areas targeted by the feasibility study for initial service, or they can be distributed to employes of all areas to which the program may be expanded. If all employes ares surveyed, it should be pointed out that the program will begin as a pilot and may not offer service in their area at the outset.

The vans or buses needed for the pilot stage should be ordered as early as possible. Delivery time on purchases may be six to eight weeks. Leased vehicles can generally be obtained in a shorter time. Potential riders may lose interest or make other travel arrangements if they have to wait too long before service starts.

Pooling Incentives

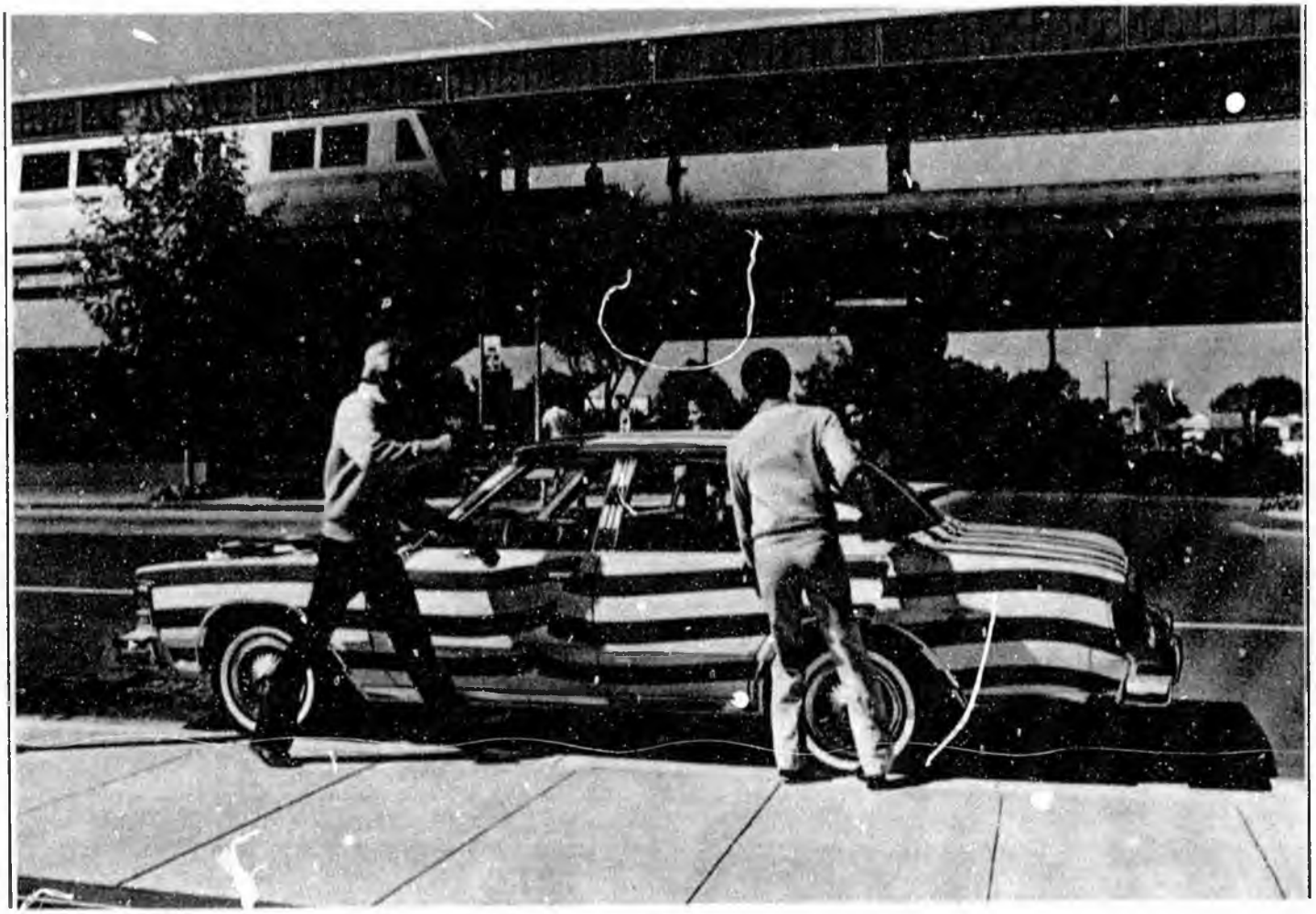
Most successful programs offer some or all of the following incentives to ridesharing employes:

- Preferential parking in the form of reserved spaces when lots are crowded, or assigned spaces closest to the building entrances when lots are large. Even if the entire parking lot is close to the plant entrance, an area set aside for the vans or carpools is a highly visible expression of management commitment and an effective promotional tool.
- Flexible hours.
- Quitting times five minutes before other employes.
- Advance overtime notice or relief from overtime demands.

continued

- Use of company vehicles during workday for errands, lunch, etc.
- Back-up vans or alternative travel arrangements for employes in personal emergencies or for those working late.

Generally, the larger the firm, the greater its capacity to provide incentives.



Costs of Start-Up and Administration

Section 5

In planning ridesharing programs, most employers will want to have an estimate of the costs involved. The company may conclude that it will receive benefits from the program which more than offset the costs; or it may choose to absorb certain program costs and recognize them as employe benefits or worthwhile community relations efforts. However, it is important to recognize all of the possible costs before starting a ridesharing program.

Administrative time and effort will usually be the major resource not recovered. The dollar value of administrative costs is difficult to determine in general because they vary with the size and stage of the program. Start-up costs will be greater than ongoing administrative costs since more staff time will be required. Generally, it requires only a fraction of a staff person's time to administer a small program once it is organized, especially if ridesharing workers take an active part in its operation.

What Do Carpooling Programs Cost?

Carpooling programs usually involve less direct support by the employer than vanpool programs. They require no capital investment, but do require administrative support. In assessing potential costs, most employers examine what it has cost other companies to initiate pools under similar circumstances. Recent comprehensive estimates of costs for company-sponsored carpooling indicate that both the initial organizing costs and the ongoing costs vary widely; not as much with company size as with the quality of the program and/or the kind of incentives used. Well planned and promoted programs often take a few months of top management preparation time and continue to require some part-time effort from the ridesharing coordinator and a full-time secretary.

The primary expenditure of staff time is not on carpool promotion directly, but rather on matching assistance and administering an incentive program such as preferential parking. Most costs are program expenses, i.e., they are associated with setting up and operating a carpool program, which do not vary greatly regardless of company size or number of poolers.

A moderately well-organized carpool promotion/matching program can be started for about $12,000 in staff time and materials. This estimate is probably most applicable to large firms (1,000 or more employes) where some carpooling incentives are offered.

Ongoing costs can range from nothing (if after the program is promoted there is no further corporate involvement) to the cost of one full-time staff member. Experience indicates the work can be handled by a quarter-time secretary with estimated annual maintenance cost (including overhead) of $4,000. The estimates for nine companies maintaining carpooling programs appear in Exhibit F of the Appendix.

What Do Vanpooling Programs Cost?

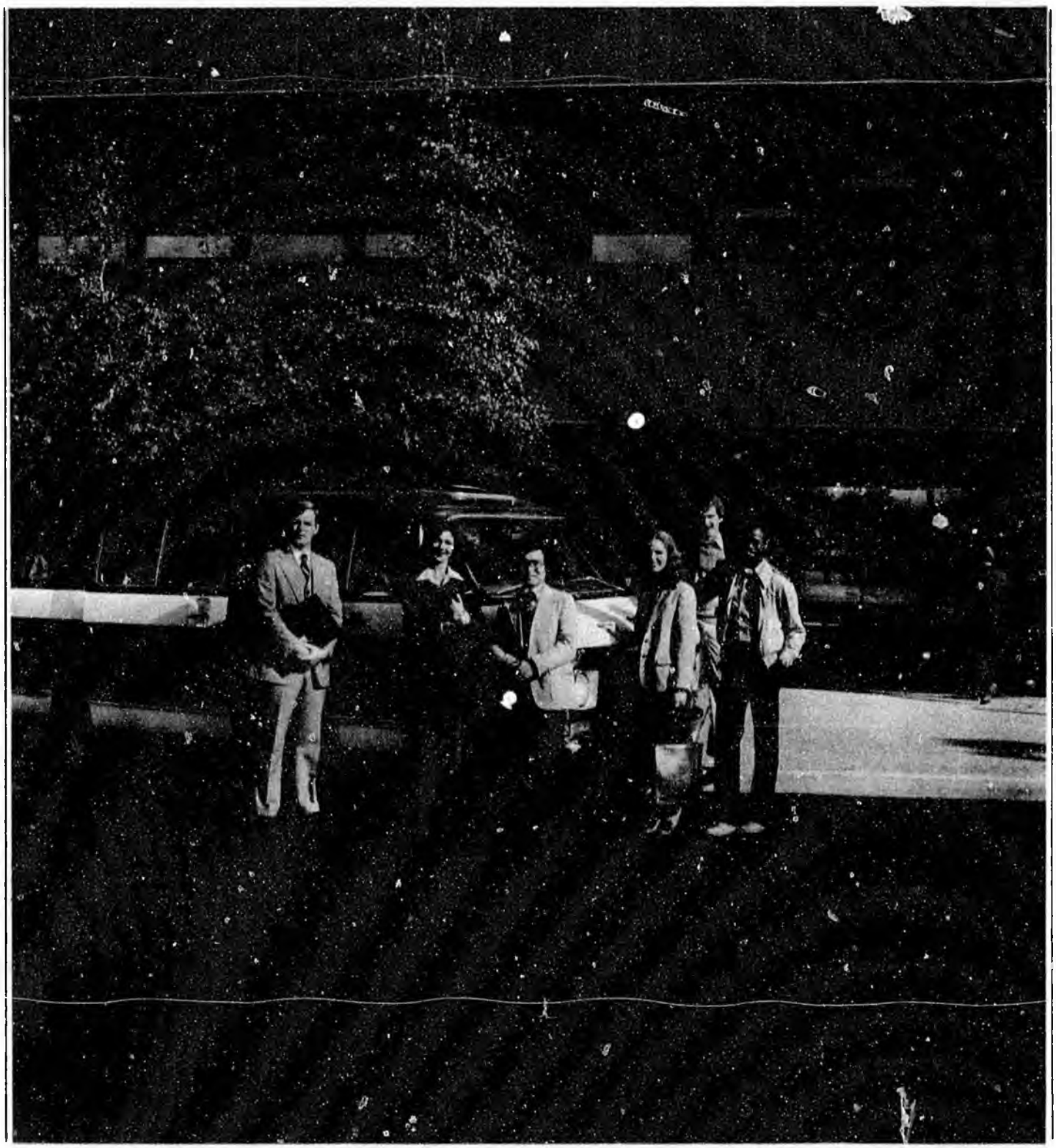
A company-sponsored vanpooling program requires all the start-up activities of a carpooling program plus certain additional costs; and, of course, there are economies of scale if both car and vanpooling are undertaken. These added costs may include van acquisition and insurance and setting up accounting and fleet management systems. A decision to purchase vans can involve substantial capital expenditure and expose the company to liability risk, so more planning and decision-making time should be allocated, generally three to six months, before launching a program.

Exhibit G presents several companies' estimates of the costs required to start up a vanpooling program, excluding van purchases. The estimates vary considerably due in part to differences in reporting and in the decisionmaking structures of the individual companies. The total start-up cost for 3-M company of $26,000 seems to be a reasonable mid-point.

In preparing these and other estimates, two facts emerged. First, some companies (i.e., Zenith and Conoco in Houston) spent a great deal of time researching the concept before implementation. As vanpooling is now more familiar, less initial research will be necessary and therefore planning costs may be lower. Second, if the vanpool idea germinated at the top management level, less time was spent in research than if the idea was presented to top management. Like the carpool programs, the time spent on establishing a vanpool program is primarily related to planning, decisionmaking, and system set-up activities which are not repeated regardless of vanpool turnover.

Estimates of the administrative costs involved in maintaining a vanpool program are provided in Exhibit H. Annual program maintenance appears to cost about $290 per van. For 1978, the purchase price of new vans ranged from $8,800 to 9,500 and vans cost about 7¢ to 10¢ per mile to operate. Specific details on the cost of acquisition of vans, insurance, etc., and how to set van fares will be found in the section "Considerations Unique to Vanpools."

In existing vanpool programs, certain costs are absorbed by companies and are not covered by revenues from fares. These usually include the cost of administrative staff time and the initial capital or interest cost of financing the purchase of vans. If companies are not willing to support programs in this manner, they can charge for capital expense, parking, vehicle registration, and even administrative costs. In Knoxville, Tenn., for example, the TVA Employes Credit Union, which performs many of the administrative functions for the TVA vanpool program, charges $15 per month per van for its service. The impact of these added costs on program participation must also be given consideration. Keep in mind that employe participation may be diminished if the resulting fares are so high that they are not competitive with the cost of their present means of transportation.



Considerations Unique to Vanpools

Section **6**

Vanpools have grown substantially in the last five years. Much has been learned about vanpool formation and operation. This section addresses the concerns most often expressed.

Driver Selection

The selection of good, responsible, and enthusiastic vanpool drivers is extremely important to the success of the program. The driver becomes the pivotal force in maintaining the enthusiasm of the van riders and the efficiency of the operation. In most cases drivers not only operate the vans, but provide most of the management of the service as well.

Duties—The driver's responsibilities include:

Organizing the vanpool from the list of prospective participants or from other employes the driver recruits.

Keeping the level of van occupancy at or above the breakeven load (9 or 10 riders).

Driving the van to and from the place of work, maintaining reliable, on-time service.

Arranging for proper maintenance and cleaning of the van.

Providing adequate overnight parking of the van to ensure its safety and reliability in the event of severe weather.

Collecting and dispensing fares to the appropriate department of the company (unless the riders pay their fares directly to the company, possibly through payroll deductions).

Keeping a record of the vanpool's operations, such as mileage for commuting, business and personal use, and number of passengers each week.

Helping select and train a back-up driver.

It is very important that these and any other responsibilities the company wants the driver to assume be clearly spelled out. Most firms have their driver sign an agreement that outlines both the duties of the driver and the commitments of the company. A sample agreement developed by the Masspool program is presented in Exhibit I. Masspool is a statewide project which implements carpool and vanpool programs in Massachusetts.

Driver Incentives—In return for the services performed, most programs provide some or all of the following benefits to the driver.

- A free ride to and from work.
- Monetary incentive of allowing the driver to keep the fares of the extra passengers (over the number needed to break even), which can potentially total about $100 per month if the van is running at full capacity.
- Personal use of the van after working hours, on a reasonable mileage basis.
- Option for buying the van, when it is retired from commuter passenger service.

Driver Selection Criteria—The potential drivers are generally asked to submit an application providing information on their driving record, attendance record and mechanical aptitude. Recommendations may be obtained from supervisors concerning the employe's dependability, ability to get along with others and assume responsibility.

Two or three qualities should be sought in selecting a driver. First, the person must be a safe driver (with a record to back it up); dependable (come to work on time and keep a schedule, etc.); and, very important, a "hustler" who is able to find and keep passengers. In assessing these qualities, especially the latter, it is important for the interviewer to understand personal motivations. As one writer put it, a person who wants to drive a van only for the personal use or extra income without showing a genuine interest in the success of the operation may not be the best choice for a driver.

Van Acquisition

Selecting the Vehicle—The major criterion in selecting the vehicle is seating capacity. It is important to select a large enough van to allow a feasible cost per passenger but not so large that the time needed to pick up riders becomes too great. The most popular size is a 12-seat van.

The following options (except for the last three which should be purchased for emergencies) are all available on the 12-seat vans made by the major auto manufacturers:

- V-8 engine
- automatic transmission
- power steering
- power front disc brakes
- heavy duty or radial tires
- shocks and suspension matched to load
- exterior rear view mirrors on both sides
- custom or deluxe interior with carpeting
- oversize fuel tank
- air conditioner and heater with front and rear outlets
- AM or AM/FM stereo radio with rear speaker
- push-out side windows for ventilation

continued

- fire extinguisher
- first aid kit
- flares

Standard vans are not built to consistently carry full passenger loads over long time periods. Therefore, safety and reliability should not be sacrificed by avoiding some extras to keep the costs down. All vans should be equipped with heavy duty suspension and other heavy duty options (radial tires).

Mini buses accommodating 16 to 19 passengers are also available, but additional costs and regulatory issues must be considered. If considering such a purchase, check with the manufacturer to see how they can be outfitted.

Financial Considerations

The purchase price of vans will range from $8,800 to $9,500 depending on how they are equipped, how many are bought, the buyer's bargaining relationship with the dealer, and the cost of financing. Many companies have purchased the vans and established fares that assure reasonable pay-back. Such purchases are eligible for tax benefits and investment credits, but should not be made without recognizing the inherent added costs described in Section Five.

The principal decision in vanpool program financing is whether to purchase or lease the vans. Vans can be purchased outright, on credit, or leased. Leasing is generally considered the costlier of these options because of finance charges and charges for the lessor's business expenses including overhead. Vehicles purchased outright involve some cost savings and tax benefits, but many companies cannot afford to tie up their capital in this way.

Company benefits gained from the program, (e.g., savings from reduced need for parking facilities), must be traded off against the vanpool investment. Most van purchases are financed over time, generally through lending institutions other than the company's prime lender. Some company credit unions provide the most attractive terms, offering 100 percent financing at lower than usual interest rates. Under the Federal-aid highway legislation, states can elect to use Federal-aid funds to make interest-free loans up to 75 percent of the value of the van, provided the loans are paid back.

If the number of vans is substantial or the company regularly purchases vehicles, fleet financing should be obtainable. Some companies report fleet price purchases ranging 10–15 percent below the van sticker price.

Companies already utilizing vans in their daily business operations should explore the possibility of using these vans to transport employes to and from work. State regulations governing vanpool operations should be examined since some states prohibit dual use. Impacts on insurance costs must also be assessed.

Leasing

The decision to lease vans will depend on (1) the availability of an interested lessor in your community, (2) your company's cash position, (3) tax options, (4) ability to dispose of the vans at the end of their useful lives, and (5) the level of commitment the employer initially wants to make in vanpool sponsorships.

Leasing enables your firm to sponsor a van for a fixed monthly charge that includes most of the costs of vehicle acquisition, financing, insurance, and maintenance, if desired. Some companies prefer the predictability of cost and convenience of leasing and the accurate budgeting which this arrangement allows. Companies that are uncertain about the feasibility of a van program may prefer to lease vans at the outset until it is determined that the program is successful. Alternatively, if a company program is extremely successful and there is demand for expansion, leased vehicles can be obtained on short notice to fill that demand.

Your accounting staff will have to determine the fiscal advantages of leasing versus buying. Leasing generally will add $4 to $5 to the fare charge, but leasing costs will vary depending on the services provided. For example, some leasing firms obtain insurance at 20–40 percent below the standard rate. Their volume of maintenance work may also result in low costs; alternatively, if your firm services its own fleet of vehicles, you may save money by servicing your vans.

In 1978, the typical cost for leasing a van driven 50 miles daily round trip was about $140 per month. This covers the cost of the van, freight, dealer preparation, excise tax, registration fees, sales tax, financing charges, and the lessor's overhead. The monthly cost may also include insurance costs of approximately $40 and maintenance costs of $35 for a total cost of $215 per van. You should also check for the availability of closed and open end leases and make the selection according to how they best fit your needs.

Maintenance

One of the benefits mentioned frequently by vanpool riders is the satisfaction in knowing their van will be at the door without fail every morning. Most of the credit for this goes to the careful attention that drivers pay towards maintaining their vans. Seeing that each van is maintained as scheduled by your program is the driver's responsibility.

If your firm has a large vehicle fleet with its own shop, why not use it for van service? At the garage of Texas Instruments, time

and parts used for vanpools are charged directly to the vanpool account. Most repairs are handled the same day. The Aerospace Corporation services its leased vans in-house.

Whether your vans are leased or purchased you may be able to arrange for maintenance on a contract basis from a dealer, auto service center, or a reliable, nearby service station. These contracts offer comprehensive service for a fixed price averaging $35 per month. In addition to regularly scheduled tune-ups and alignments, the contract may also include pick-up and delivery of the vans for your lot, replacement of specified, worn out or defective parts, tires for the life of the van, and use of a replacement van during longer repairs.

Estimated maintenance costs should be included in operating cost to determine the fare, so it is important to accurately assess these costs.

Fares for Vanpools

The setting and collection of fares should be clearly understood and not subject to controversy. In most vanpool programs, it is made clear to the riders that they are paying in advance for a reserved seat. A sample agreement appears in Exhibit K. Refunds usually are not made for occasional inability to ride the van because all of the riders are sharing a fixed cost. Van fares are usually low enough, however, that poolers can occasionally miss a ride and still save a considerable amount of money compared to driving alone.

Nevertheless, you may wish to adjust the rules for the particular conditions at your worksite. At the Aerospace Corporation those who frequently miss one or more days each week are accommodated by a system that charges one-third of the monthly fare by subscription and the remainder as a daily fare. Part-time or substitute riders are seated for the daily fare plus a small surcharge. Chrysler in Detroit offers to support its vanpools for a 60-day grace period if ridership drops below the breakeven level. This gives the driver a chance to recruit new riders without operating in the red.

A few firms lower fares by using vans for business purposes during the work day. In turn, the department using the van pays the van account 15 cents per mile. This more than offsets the van's operating costs of 7–10 cents per mile and helps defray fixed costs. In St. Paul, Minn., Cenex vans display the company logo and receive a fee from their advertising department. Find out whether business use is affected by state regulations and how it affects the insurance classification and rates of the vans, so that you don't wind up with an increase rather than a decrease in fares.

Some companies allow vanpool riders, if properly licensed, to sign up for the use of their van for lunchtime errands, at the discretion of the driver. Thus, poolers needn't feel stranded during the day. In this case, it may be necessary to charge a reasonable usage rate.

A form for calculating vanpool fares is included in this booklet as Exhibit J. After your vans have been running for six months or a year you will have a better basis for adjusting fares to more accurately reflect your costs.

In some cases, the driver is responsible for managing the financial affairs of the vanpool. In company sponsored programs, the firm must establish a system to see that each rider is billed for the upcoming month's fare and that the driver receives whatever incentive reward is due. This may be handled through either an invoice or payroll deduction. In the first case the driver issues each rider a monthly invoice. The rider either mails a check directly to the company cashier or pays the driver, who deposits the checks in the proper account.

Cenex and Erving Paper Mills use payroll deduction. Along with other deductions, each rider's monthly fare is taken out of the paycheck and placed in the vanpool's account. The driver can receive incentive payments through the same mechanism according to the amounts shown on the van's monthly expense record. To minimize month-to-month changes in the payroll deductions, have poolers work out payments for substitute riders and backup drivers among themselves.

Federal Aid for Vanpool Projects

Federal-aid Primary, Secondary, and Urban System highway funds can be used for vanpool projects. The funds can be used with a federal share of 75 percent and a local match of 25 percent which can be paid by the company. These highways funds can be used to:

- Establish vanpool projects, including personnel, public information, matching, and other project expenses.
- Acquire vehicles, through interest-free loans or leasing, as long as the loan is paid back and the users pay fees covering reasonable vehicle depreciation, operating and maintenance costs.
- Protect against financial loss if the vanpool must be terminated before the end of a previously agreed upon period of time, usually 12 months.

Under the Energy Tax Act of 1978, employers that provide a commuting vehicle which seats at least eight passengers to carry employes to and from work and which has a three-year useful life may be entitled to an investment credit. The value of this commuter transportation is not considered employe income so long as it meets the qualifications for the investment credit, is provided under a written plan assuring the transportation's value is in addition to (not in place of) the employe's compensation, and that the service does not discriminate in favor of officers,

continued

shareholders or highly-paid employes.

Regulatory Status of Ridesharing Operations

Vehicles engaged in pooling operations may be subject to regulation at the federal, state, and local levels.

Because vanpools are a comparatively new phenomenon, regulations are undergoing change constantly. The following summary is based on information obtained in early 1979. It is not to be construed as a strict interpretation of the law, but for guidance only. All employers are urged to get their own legal interpretations of the laws prevailing in their states and jurisdictions. Other companies sponsoring ridesharing programs in your state can be very helpful.

Federal—Federal law now exempts from regulation by the ICC vehicles seating up to 15 passengers that are used for a single daily commuting round trip. This eliminates a problem previously faced by ridesharing pools that cross state lines.

State—In some states, regulation can be a major problem. Motor carrier statutes applicable to pooling operations vary from state to state and are generally administered by public utility commissions.

Carpools have generally been exempt from regulations based on seating capacities of seven or less riders, or have been ignored or overlooked by regulatory bodies because there were too many to regulate.

Common carrier status is inapplicable to vanpooling since the service is not available to the public-at-large. Nor does the general public have a right to demand service by the vanpool. If vanpools are regulated as contract carriers which contract only with persons they choose to deal with, they will be free of motor carrier regulation (although they do remain subject to vehicle and driver licensing registration, insurance, and safety requirements).

State motor carrier regulations are especially important for van or buspool operations because they influence such factors as route planning, driver requirements and licensing, registration, inspection, safety requirements, insurance requirements, and ultimately, the fare structure.

In recent years, many states have totally or partially exempted vanpools from regulation. The most prevalent exemption has been for employer-sponsored and other non-profit vanpool operations. Some states, however, still consider vanpools subject to substantial regulation and do not exempt them.

The states use various definitions and limitations in exempting vanpools from regulation. These limitations focus on such things as seating capacity of vans, the purpose of the travel, requiring that fares be limited to covering certain expenses, and the ownership of the vans.

New Hampshire, for example, exempts vanpools with 8 to 15 passengers while Illinois sets the level at 12 to 15 passengers, and Tennessee and California at 15 passengers or less.

Illinois permits arrangements where operating, administrative, maintenance and reasonable depreciation costs are paid principally by the persons using the vans. Pennsylvania provides that vanpool riders may contribute such amounts so as not to exceed the cost of operation to the employer.

Buspools are regulated in most states because they are generally for-profit operations contracted out to third parties by employers or city governments.

Insurance

In the case of vanpools, liability is assumed by the owner or driver of the vehicles. While vanpools have not been involved in any serious accidents, a company contemplating vanpool sponsorship should be concerned about protecting its liability while assuring that employes would be adequately compensated in the event of an accident. As in the discussion on regulation, the following information is offered for general guidance only. Your insurance underwriter and your state insurance commissioner can advise you on how regulations affect your situation.

Statistics on vanpool accidents to date indicate vans are an above average safety risk. However, since no serious vanpool accident has yet occurred, there is no firm basis for predicting the degree of liability which would rest on the employer or driver, or whether workers' compensation would be judged the primary source of compensation.

The insurance industry's Insurance Services Office (ISO), a statistical and actuarial body, has established classifications for vanpools which have been adopted by most states that require approval of such classifications.

For employer sponsored pools, ratings applicable to vanpools of 9–20 persons are set at 1.05 times the lowest commercial rate and 1.25 for all other pools. The latter rating covers third party operations, multiple employment site pools, and employer pools where workmen's compensation probably will not apply.

The relatively low classification assigned to employer van insurance is based on the assumption that workers' compensation would apply to most vanpool accidents. ISO based its decision on a state analysis of workers' compensation laws. ISO says the applicability of workers' compensation to van accidents will be decided on a case-by-case basis.

Adoption of the ISO ratings by the states should help to reduce the wide variation in vanpool premium rates although independent underwriters in each state are free to use or reject the classifications, and coverage may not be available everywhere at the lower rates.

Options for Employer Coverage—As an employer contemplating vanpool sponsorship, you will want to consult insurance and legal staffs to determine the most comprehensive type of insurance and the best source and rates. No specific amount of insurance coverage or rate recommendations can be made for all programs but your staff may be able to reduce its research time by obtaining recommendations from other companies. Alternatively, your local planning organization, if engaged in a ridesharing program, may be able to advise or assist in obtaining coverage.

Existing Company Coverage—Many large companies have experienced little difficulty in obtaining insurance for their vans. They simply extend their existing fleet insurance or umbrella policy to cover vanpools. Increases in premium rates should be minimal, but will vary depending on the amount of coverage desired, the number of passengers to be insured, etc. The savings from fleet insurance can be substantial—over $250 per van per year compared to special policy coverage. Insurance costs are generally completely recouped from van fares.

Self-Insured—Some companies elect to insure for all or a portion of the vanpool risk. Comprehensive and collision insurance can be added to existing fleet or umbrella coverage through a self insurance fund. Aerospace Corporation, for example, set up such a fund by initially assessing each van $20 per month to build a reserve and then lowered the monthly charge to $10. Montgomery Ward in Chicago, Winnebago in Forest City, Iowa, Texas Instruments in Dallas, and AT&T Long Lines in Somerset, N.J., also self insure for part or all of their vanpool risks.

Special Policies—It is important to have an insurance program to limit liability so that the total assets of your company are not at risk. If you have no other option but to purchase a special vanpool policy, two important criteria that insurance underwriters will use for rate classification are (1) the financial capability of your company and the degree of control you have over the program and (2) the requirements you have established for driver training. Special policy rates range from $400 to $750 for extensive coverage of $1 million or more. You should contact other company vanpool coordinators to identify their best sources of coverage and rates. (See Exhibit B for the list of vanpool programs.)

Companies which lease vans may find it advantageous to insure through the lessor, many of whom have a good insurance rating due to their large volume and good safety records. Some leasing company insurance rates are 20 to 40 percent below the standard rates. But check closely on the amount of coverage provided.

Driver Liability—Some companies are now required to purchase a special rider covering the liability of vanpool drivers. Interpretations on the need for such coverage vary among insurance underwriters from state to state, as there is no precedent for judging the degree of liability which would rest on the employer or the driver if judged at fault in a major vanpool accident.

There is no reliable method of limiting driver liability contractually. Such limits may be spelled out in ridership contracts, but courts have generally not accepted such agreements purporting to relieve a party from liability.

Some cases imply the courts might support such a liability limitation in rider contracts if passengers have been given a clear option of paying higher fares for increased protection or lower fares with a reduction in liability.

Workers' Compensation—Generally, state workers' compensation statutes make employers strictly liable for employe injuries that occur within the course of employment. The maximum amount of recovery for death or disability is limited, but the employer is usually required to pay for all medical bills incurred. The major issue in vanpool accidents would be whether the injured party was an employe acting within the scope of his/her job at the time the injury was sustained.

The Insurance Services Office, in adopting a specific classification for employer vanpools, assumed workers' compensation would cover the injuries of any employe rider. The decision was based on a state by state analysis of Workers' Compensation Acts.

The issue of Workers' Compensation is far from resolved and will ultimately hinge upon each state's interpretation of its act.

Your insurance broker or agent will make an assessment of coverage by Workers' Compensation and then set your van insurance premium accordingly. When the agent assumes coverage by Workers' Compensation, your van insurance premium will be lower.

Other Regulations

Safety—States may have vehicle safety regulations which your vans will have to meet. Generally, the agency responsible for motor vehicle licensing and registration or the public service/utilities commission can provide information on safety requirements. Your insurance agent should also be able to advise you in this regard.

You may also wish to require an express warranty in your van purchase agreement or leasing contract, which holds the seller/lessor responsible for providing a van in full compliance with the states' safety standards as they apply to a van to be used for commuter vanpooling.

continued

Vehicle Registration—You should contact the agency in your state responsible for motor vehicle licensing and registration to determine the classification most appropriate to vanpool vehicles. In some states you may have an option. If so, select the classification which costs the least, provided there are no special limitations which could prove to be a problem for your vanpool. For example, certain "truck" or "commercial vehicle" classifications may cost less than a "passenger vehicle" license. But such vehicles may be excluded from parkways or certain local streets, and may be required to pay higher bridge or turnpike tolls.

Finally, consult your insurance agent regarding the proposed classification to see if there are insurance implications.

Driver Licensing—As is the case with the vanpool vehicle, a state may have special licensing requirements for vanpool drivers, usually due to the carriage of passengers, even though the vans are physically no larger than full size cars. Check with the state's agency for motor vehicle operator licensing. All drivers, backup drivers and occasional drivers must secure the appropriate licenses.

Even where not mandatory, some companies have required van drivers to obtain a "chauffeur" or similar license, and to complete a "safe drivers" training course such as the "Defensive Drivers Course" offered by local offices of the National Safety Council. The course consists of eight hours of classroom work to teach driving skills to licensed drivers through lectures and visual aids. These added precautions will give the driver more confidence in his or her van driving ability and provide further assurance that the van will be operated safely at all times. Further information about defensive driving courses can be obtained from the National Safety Council, Ray Martinez, Director of Training, Driver Improvement Program, 444 Michigan Avenue, Chicago, Illinois 60611, telephone (312) 527-4800, ext. 328.In some states employers may be able to obtain copies of drivers' records of violations to insure the selection of safe drivers. In other states with applicable privacy statutes you may ask your employes to provide you with copies of their records.

Income Tax and Wages—The employer, as operator of the vanpool, should follow appropriate IRS regulations to properly account for operating expenses, van depreciation, and revenues.

If you choose a fare structure that provides a financial incentive to the driver to keep the van full, the driver is required to report this incidental income on his or her personal tax return.

Van riders may not itemize their fares or any other commuting costs as deductions.

The Wage and Hour Division of the U.S. Department of Labor has stated that there is no requirement that vanpool drivers be paid by their employers for their driving time, since participation in a vanpool program is entirely voluntary.

State Requirements—In the states where statutory exemptions for vanpools have recently been passed, the amendments were not controversial. Should you determine that the expense and inconvenience of meeting your state's current licensing and certification requirements renders vanpooling infeasible or less attractive for your company, and you may want to contact your legislative representatives and request an amendment to the law.

Where Can I Get Help?

Section 7

There is a wealth of printed material available containing more detailed information on how to organize carpools, vanpools, and buspools. In addition there are individuals who can provide technical assistance.

Many local governments have developed or are in the process of training specialists to provide technical assistance in starting up or running a ridesharing program. In many cities, area-wide programs are underway which the employer can join, thereby reducing some of the costs.

The Federal-aid highway legislation allows states to use Primary, Secondary, and Urban System funds for ridesharing activities at 75 percent federal share. Local officials are encouraged to exercise considerable initiative and creativity in developing projects with the funds which are tailored specifically to local needs. Activities eligible for funding include vehicle acquisition costs. Some local governments have purchased vehicles and leased them to private employers. Funds may also be used to protect vanpool sponsors from the risk of vanpool failures.

Help is available from local officials and state transportation and energy offices. Federal Highway Administration division offices are located in the state capital in most states and are listed in Exhibit C.

Printed material is also available directly from:

U.S. Department of Transportation
Office of Public and Consumer Affairs, I-38
400 7th Street, S.W.
Washington, D.C. 20590

You may wish to consult with other employers on current vanpooling practices. A listing of U.S. employers sponsoring vanpool programs appears in Exhibit B.

VANPOOLING WORKS.

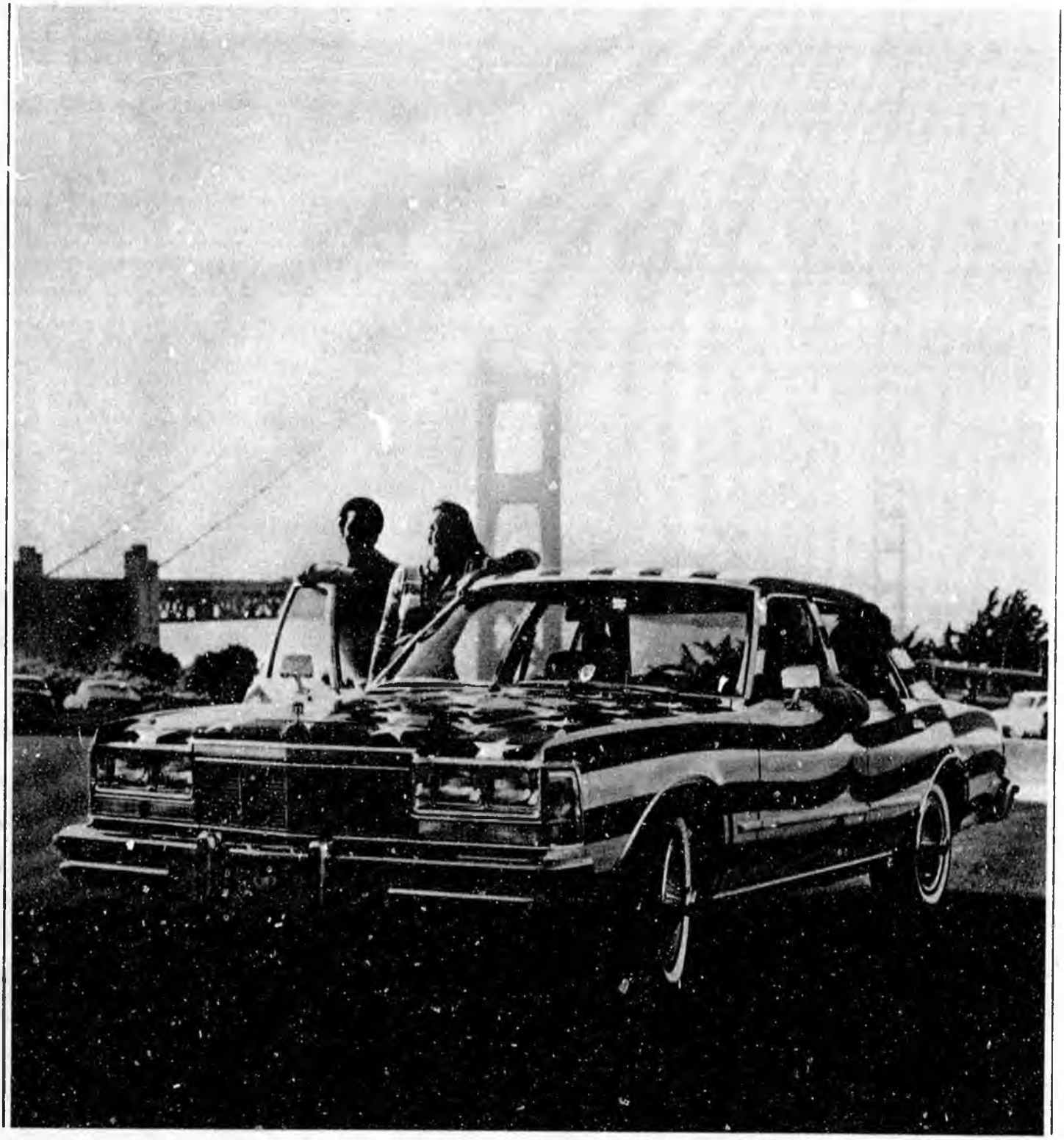
FOR YOU, YOUR EMPLOYEES AND YOUR BOTTOM LINE.

Find out how you can put a vanpool to work for you. Write for our vanpooling kit to: Office of the Secretary, U.S. Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590.

A Public Service of This Magazine, the U.S. Department of Transportation & The Advertising Council

Appendix 1

Appendix 2 inside
back cover pocket



Selected HOV Projects and Preferential Treatments for Ridesharing Pools

Exhibit

A

Los Angeles—El Monte Busway Express Lanes

Description:
The 11-mile express lane facility for buses and carpools is a two-lane exclusive roadway in the center and along the side of the San Bernardino Freeway (one lane in each direction) between El Monte and Los Angeles. The section from El Monte to the Long Beach Freeway is open to carpools with three or more persons.

Commuter Usage:
Buses carry 5,300 daily round trip passengers. Some 1,600 carpools use the lanes during peak periods.

Los Angeles—Freeway Ramp Bypasses

Description:
Buses and two-or-more-person carpools are given preferential bypass treatment at metered freeway entry ramps. Eligible vehicles may bypass single occupant vehicles at ramps. Some 24 such ramps are operating in either the a.m. or p.m. peak period, and there are plans to open more.

Commuter Usage:
In the initial stage, there was an average 50 percent increase in the number of carpools using the ramps. There were, on the average, 1,850 carpools and 105 buses using the bypasses in the a.m. peak period, carrying 4,270 and 4,200 persons respectively.

Marin County, Calif.— U.S. 101 Bus-carpool Lanes

Description:
Contra-flow bus lane in one direction, and with-flow bus and carpool lanes in both directions, in two separate segments on an eight-lane divided facility. The contra-flow bus lane operates during afternoon peak periods and use is limited to buses and three-or-more-person carpools southbound between 6 and 9 a.m., and northbound between 4 and 7 p.m.

Commuter Usage:
Some 1,500 to 1,800 three-or-more-person carpools and 120 transit buses use the facility during each peak period.

Location:
The four-mile contra-flow lane runs from just north of the Golden Gate Bridge to just south of the Richardson Bay Bridge. The with-flow lane continues from the Richardson Bay Bridge to Sir Francis Drake Boulevard, a distance of 3.8 miles.

Connecticut Turnpike— Reduced Tolls

Description:
Commutation tickets on the 129-mile Connecticut Turnpike were reduced from $3.50 to $1 for a book of 42 tickets for three person carpools. Use is limited to a series of three consecutive toll (barrier) stations during a 60-day period.

Commuter Usage:
Approximately 5,000 per day or 110,000 per month.

Honolulu—Kalanianaole Highway HOV Lane

Description:
The project operates as a reversible exclusive lane for buses and three-person carpools on a four-lane undivided street for 2.0 miles and on a six-lane divided arterial for an additional one-half mile. The facility operates only from 6 to 8 a.m. with two or three regular inbound lanes, the reversible inbound reserved lane, and one or two regular lanes outbound.

Commuter Usage:
1,200 autos and 16 buses carrying 3,600 and 660 passengers respectively during the morning peak period.

Location:
The highway serves the University of Hawaii and the Honolulu CBD.

Miami—I-95/7th Avenue HOV Lanes

Description:
The median shoulder of I-95 in the Miami area has been reserved and converted for the exclusive use of carpools of two or more persons and buses. The project operates from 7 to 9 a.m. southbound and 4 to 6 p.m. northbound on weekdays. Lanes are open to general use at other times.

Commuter Usage:
1,650 daily passengers on 52 buses, and approximately 2,600 persons in 1,250 carpools in the p.m. peak hour, including 22 percent violators. Prior to lowering the permissible carpool size to two persons, ridership peaked at approximately 1,700 persons in 700 automobiles. However, almost half of the automobiles were violators.

Location:
The 7.5-mile project runs on I-95 from the Golden Glades interchange south along N.W. 7th Avenue to downtown Miami, the Airport, and Civic Center.

Miami—South Dixie Highway HOV Lane

Description:
The project consists of a median with-flow bus and carpool lane, and traffic signal improvements in a 5.5-mile segment of South Dixie Highway, a six-lane arterial. Initially, buses were carried on a contra-flow lane, but this was dropped in favor of joint use of the median lane with carpools of two or more persons. The project operates from 7 to 9 a.m. and 4 to 6 p.m. on weekdays.

Commuter Usage:
Average daily bus ridership is about 2,100 on 61 buses, representing a 100 percent increase in ridership. The facility carries 1,200 carpools serving 2,600 passengers during peak hours. The bus/carpool lane carries about 40 percent of all riders on the highway during peak hours.

Location:
South Dixie Highway between S.W. 72nd Avenue in South Miami to the entrance to I-95 south of the Miami central business district.

Boston—I-93 HOV Lane

Description:
A preferential lane is located in the far left lane of a four-lane roadway. The lanes are reserved for buses and carpools of three or more persons. The intent of the preferential lane is to give head-of-the-line privileges to carpools for downtown Boston during the morning rush hours.

Commuter Usage:
An average of 32 buses and more than 500 carpools per day, carrying a total of 2,620 passengers.

Location:
A 3/4 mile section of I-93 southbound in Charlestown, Mass.

Minneapolis—Grant Street Carpool Ramp

Description:
The I-35 Urban Corridor Demonstration project established nine bypass ramps for buses. The Grant Street project permits carpools of three or more people to share the use of the bypass ramp in downtown Minneapolis. The Grant Street ramp is limited to vehicles outbound from the CBD in the evening peak period.

Commuter Usage:
Average occupancy of carpools is 3.6 persons. The project serves approximately 240 persons per peak period.

Washington, D.C./Northern Virginia—Shirley Highway (I-95)

Description:
Buses and four-or-more-person carpools are allowed the exclusive use of a physically separated two-lane reversible section in the median of I-95. The Shirley Highway is a major commuter route which links suburban Northern Virginia and Washington, D.C. The buses and carpools enter and exit on exclusive ramps.

Commuter Usage:
During the a.m. peak period (6 to 9:30 a.m.) 4,042 carpools and 540 buses carry 16,000 and 21,600 persons respectively. Approximately 56 percent of the use (or 21,000 persons) occurs in a single hour.

Location:
The 12-mile facility extends from Springfield, Va., to Washington, D.C. via the 14th Street Bridge. Vehicles can save 15 or 20 minutes by using the express lane. The highly successful project has attracted a substantial number of carpools.

Employer Sponsored Vanpool Programs

Exhibit

B

AT&T Long Lines
110 Belmont Drive B-26
Somerset, N.J. 08873
(201) 885-2480

Action NOW, Inc.
1015 West Chestnut
Louisville, Ky. 40203
(502) 584-2403

Action Resources, Inc.
VAN-GO Hawaii
1077 Bishop Street #440
Honolulu, Hawaii 96813
(808) 524-7333

Adolph Coors Co.
Dept. 402
Boulder, Colo. 80401
(303) 279-6565

The Aerospace Corp.
Energy & Resources Division
C101—Room 642
P.O. Box 92957
Los Angeles, Calif. 90009
(213) 648-6154

Allendale Mutual Insurance Co.
Allendale Park Box 7500
Johnston, R.I. 02919
(401) 275-4211

Allied Chemical
Columbia Rd. & Park Ave.
P.O. Box 2245R
Morristown, N.J. 07960
(201) 455-3575

Allstate Insurance Co.
Allstate Plaza North—F4
Northbrook, Ill. 60062
(312) 291-5484

American Can
American Lane
Greenwich, Conn. 06830
(203) 552-2184

Ampex
401 Broadway —MS 2-01
Redwood City, Calif. 94063
(415) 367-2115

Aramco Services
1100 Milam
Houston, Texas 77002
(713) 641-5870

Atlantic Richfield Co.
515 S. Flower Street
Los Angeles, Calif.
(213) 486-3458

Bell Laboratories
600 Mountain Avenue
Murray Hill, N.J. 07974
(201) 582-4396

195 Broadway Corp.
295 N. Maple Avenue
Room 411 G1
Basking Ridge, N.J. 07920

Brown & Root
P.O. Box 3
Houston, Texas 77001
(713) 676-5395

Butler Manufacturing Co.
P.O. Box 917
Kansas City, Mo. 64141
(816) 968-3000

CCEC/McCullagh-Leasing, Inc.
300 St. Paul Place—12th Fl.
Baltimore, Md. 21202
(301) 332-2814

California Dept. of Transportation
(Caltrans)
1120 N Street, Room 5332
Sacramento, Calif. 95814
(916) 445-6143

Cargill
Box 9300
Minneapolis, Minn. 55440
(612) 475-7575

Cenex
P.O. Box G
South St. Paul, Minn. 55165
(612) 451-5468

Chrysler Corp.
Office of Public Responsibility
P.O. Box 1919
Detroit, Mich. 48231
(313) 956-5353

City of Los Angeles
City Hall
200 North Spring
Los Angeles, Calif. 90012
(213) 485-2751

Commercial Credit
300 St. Paul Place
12th Floor
Baltimore, Md. 21202
(301) 332-2814

Commuter Computer Van Pool
3440 Wilshire Blvd.
Suite 610
Los Angeles, Calif. 90010
(213) 380-7433
(Third Party Operator)

Commuter Transportation Systems
3440 Wilshire Blvd.
Suite 610
Los Angeles, Calif. 90010
(213) 380-7433

Connecticut Department of Transportation
Mass Transit Planning
24 Wolcott Hill Road
Wethersfield, Conn. 06109
(203) 566-2414

Conservation Industries
525 C Street
Suite 402
San Diego, Calif. 92101
(714) 234-4787

Continental Oil (Conoco)
P.O. Box 2197
Houston, Texas 77001
(713) 965-1484

Control Data
P.O. Box 42-C
Bloomington, Minn. 55440
(612) 853-3241

Cooper & Woodruff
P.O. Box 2947
Amarillo, Texas 79105
(806) 335-1742

Corning Glass Works
Houghton Park A-3
P.O. Box 158
Corning, N.Y. 14830
(607) 974-8064

Detroit Edison Co.
200 Second Avenue
Detroit, Mich. 48226
(313) 237-7763

Digital Equipment Corporation
129 Parker Street
PK 32/A28
Maynard, Mass. 01754
(617) 493-6555

Economics Laboratories Inc.
370 Wabasha
St. Paul, Minn. 55102
(612) 224-4678

Educational Testing Service
Rosedale Road
Princeton, N.J. 08540
(609) 921-9000

Erving Paper Mills
Vernon Road
Brattleboro, Vt. 05301
(802) 257-0511

Farmers Union Grain Terminal Assn.
1667 North Snelling Avenue
St.Paul, Minn. 55167
(612) 646-9433 x435

Fiesta Paratransit
7500 E. Butherus Drive
Scottsdale, Ariz. 85260
(602) 948-8383

General Dynamics
Electric Boat Division
Eastern Point Road
Groton, Conn. 06340
(203) 446-6842

General Mills
P.O. Box 1113
Minneapolis, Minn. 55440
(612) 540-3552

Golden Gate Bridge
Highway and Transportation District
Office of Special Projects
Box 9000 Presidio Station
San Francisco, Calif. 94129
(415) 456-0977

Gulf Oil Company
#2 Houston Center
P.O. Box 2001 Room 2144
Houston, Texas 77001
(713) 750-3498

Gulf Research and Development
P.O. Box 2038
Pittsburgh, Pa. 15230
(412) 362-1600

Hewlett Packard
1501 Page Mill Road
Palo Alto, Calif. 94304
(415) 493-1501

Hoffman-LaRoche Pharmaceuticals
340 Kingsland Street
Nutley, N.J. 07110
(201) 235-3898

Honeywell
Honeywell Plaza
Minneapolis, Minn. 55408
(612) 870-2165

Household Finance Corp.
2700 Sanders Road
Prospect Heights, Ill. 60601
(312) 564-5000

Hughes Tool
P.O. Box 2539
Houston, Texas 77001
(713) 676-3011

Johns-Manville
P.O. Box 5108
Denver, Colo. 80217
(303) 979-1000

Knoxville Commuter Pool
Transportation Center
University of Tennessee
Knoxville, Tenn. 37916
(615) 974-6666
(Third Party Operator)

Laminating Corp. of America
611 Industrial Way West
Eatontown, N.J. 07724
(201) 544-9494

Massachusetts General Life Insurance
One Newton Executive Park
Newton Lower Falls, Mass. 02162
(617) 964-5000

Michigan Bell
1365 Cass Avenue
Room 1603
Detroit, Mich. 48226
(313) 223-8150

Minnesota Highway Department
Public Transportation Section
Highway Building, Room 807
St. Paul, Minn. 55155
(612) 296-5975

Minnesota Mutual Life Insurance
345 Cedar Street
St. Paul, Minn. 55101
(612) 298-3445

Modnar
School of Mechanical Engineering
Georgia Institute of Technology
Atlanta, Ga. 30332
(404) 894-3255
(Third Party Operator)

Montgomery Ward
One Montgomery Ward Plaza
General Distribution 5-South
Chicago, Ill. 60671
(312) 467-3606

Nabisco
River Road
Hanover, N.J. 07936
(201) 884-0500

National Car Rental
5501 Green Valley Drive
Bloomington, Minn. 55437
(612) 830-2152

National Liberty Corp.
Liberty Park
20 Moores Road
Frazer, Pa. 19335
(215) 648-5202

New England Mutual Life Insurance
501 Boylston Street
Boston, Mass. 02117
(617) 266-3700 x2431

Northeast Utilities Service Co.
Box 270
Hartford, Conn. 06101
(203) 666-6911

Offutt Vanpool
Building 105
Offutt AFB, Neb. 68113
(402) 294-3571

PHd Corp.
P.O. Box 20008
San Diego, Calif. 92120
(714) 283-7161

Peterson, Howell, & Heather
P.O. Box 2174
Baltimore, Md. 21203
(301) 667-2116

Polaroid
151 Third Avenue
Needham Heights, Mass. 02194
(617) 444-1306

Prudential Insurance
3701 Wayzata Blvd.
Minneapolis, Minn. 55416
(612) 374-8901

Prudential Insurance
Eastern Operations Home Office
Box 750
South Plainfield, N.J. 07080
(201) 321-2122

Prudential Insurance
P.O. Box 388
Fort Washington, Pa. 19034
(215) 784-2345

Prudential Insurance
P.O. Box 2075
Houston, Texas 77001
(713) 790-1400 x688

Ralph M. Parsons Co.
100 West Walnut
Pasadena, Calif. 91124
(213) 440-2477

Reston Commuter Bus
11404 Washington Plaza West
Reston, Va. 22090
(703) 437-7800
(Third Party Operator)

Richfield Bank and Trust
6625 Lyndale Avenue South
Minneapolis, Minn. 55423
(612) 861-7355 x279

Rides for Bay Area
Commuter, Inc.
100 Van Ness Avenue
San Francisco, Calif. 94102
(415) 863-9588

Rockwell International
Rocky Flats Plant
Box 464
Golden, Colo. 80401
(303) 497-4124

Rubbair Door Division
Eckel Industries
100 Groton-Shirley Road
Ayer, Mass. 01432
(617) 772-0480

Sandoz
Route 10
East Hanover, N.J. 07936
(201) 386-7536

Schering-Plough
2000 Galloping Hill Road
Kenilworth, N.J. 07033
(201) 931-2503

Scott Paper
Industrial Highway
Plaza One
Philadelphia, Pa. 19113
(215) 521-5000 x300

G. D. Searle & Co.
P.O. Box 5110
Chicago, Ill. 60680
(312) 679-7700

SmithKline Corp.
1500 Spring Garden Street
Philadelphia, Pa. 19101
(215) 854-4118

Social Security Administration
G-122 W. West Building
Baltimore, Md. 21235
(301) 594-4747

Southern California Commuter
Bus Service
16782 Bolero Lane
Huntington Beach, Calif. 92647
(714) 896-4153
(Third Party Operator)

Southern New England Telephone
Office of Environmental Affairs
146 Temple Street, 2nd Floor
New Haven, Conn. 06506
(203) 771-7225

Specialty Transit Company, Inc.
P.O. Box 253
Wentzville, Mo. 63385
(314) 327-6000

Sperry Flight Systems
Mail Station 101E
P.O. Box 21111
Phoenix, Ariz. 85036
(602) 942-2311 x221

State Employees Commuter Assn.
4706 El Bardo Court
Rio Rancho, N.M. 87124
(505) 827-3111

State-Times & Morning Advocate
525 Lafayette Street
Baton Rouge, La. 70821
(504) 388-0235

Statitrol
140 South Union
Lakewood, Colo. 80228
(303) 986-1581

Taylor, Wiseman, Taylor
306 Fellowship Road
Mt. Laurel, N.J. 08054
(609) 235-7200

Tektronix
P.O. Box 500
Beaverton, Ore. 97077
(503) 644-0161

Tennessee Valley Authority
121 Evans Building
Knoxville, Tenn. 37902
(615) 632-2494

Texas Instruments
P.O. Box 225474
Mail Station 361
Dallas, Texas 75265
(214) 238-4879

Texas Medical Center
1133 MD Anderson Blvd.
Houston, Texas 77030
(713) 797-0100

Toledo Hospital
2142 N. Cove Blvd.
Toledo, Ohio 43606
(419) 473-4518

3M Company
3M Center
St. Paul, Minn. 55101
(612) 733-9648

United Services
Automobile Assn.
USAA Building
San Antonio, Texas 78288
(512) 690-2694

University of California
Berkeley, Calif.
(415) 642-6000

University of California at San Francisco
Medical Center
1379 Third Avenue
San Francisco, Calif. 94143
(415) 666-1511

University of Washington
Physical Plant, FJ-10
Seattle, Wash. 98195
(206) 545-1429

Vanpool Services
4510 West 77th Street
Suite 127
Minneapolis, Minn. 55435

Alan M. Voorhees & Associates
Westgate Research Park
7798 Old Springhouse Road
McLean, Va. 22101
(703) 893-4310

Washington University School
of Medicine
660 South Euclid, Box 8106
St. Louis, Mo. 63110
(314) 454-2441

Weyerhaeuser Co.
WL
Tacoma, Wash. 98401
(206) 924-2561

Winnebago
P.O. Box 152
Forest City, Iowa 50436
(515) 582-3535 x158

Zenith Radio
1900 N. Austin Avenue
Chicago, Ill. 60639
(312) 391-7165

Federal Highway Administration Division Offices

Exhibit

C

FHWA Alabama Division
441 High Street
Montgomery, Ala. 36104
(205) 832-7370

FHWA Alaska Division
709 West 9th Street, P.O. Box 1648
Juneau, Alaska 99801
(907) 586-7418

FHWA Arizona Division
Suite 201
3500 North Central Avenue
Phoenix, Ariz. 85012
(602) 261-6675

FHWA Arkansas Division
Federal Office Building, Room 3128
700 West Capitol Avenue
Little Rock, Ark. 72201
(501) 378-5625

FHWA California Division
Federal Building, 2nd Floor
801 Eye Street, P.O. Box 1915
Sacramento, Calif. 95809
(916) 440-2428

FHWA Colorado Division
10488 West 6th Place
Denver, Colo. 80215
(303) 234-4425

FHWA Connecticut Division
990 Wethersfield Avenue
Hartford, Conn. 06114
(203) 244-2410

FHWA Delaware Division
Federal Office Building, 2nd Floor
300 South New Street, P.O. Box 517
Dover, Del. 19901
(302) 678-4860

FHWA District of Columbia Division
McLachlen Bldg.
666 11th St., N.W., Rm. 1000
Washington, D.C. 20001
(202) 724-3379

FHWA Florida Division
Ackerman Building
223 W. College Avenue, P.O. Box 1079
Tallahassee, Fla. 32302
(904) 224-8111

FHWA Georgia Division
1422 Peachtree Street, N.W.
Atlanta, Ga. 30309
(404) 881-4751

FHWA Hawaii Division
300 Ala Moana Boulevard, Suite 4119
Honolulu, Hawaii 96850
(808) 546-5150

FHWA Idaho Division
3010 W. State Street
P.O. Box 7527
Boise, Idaho 83707
(208) 384-1843

FHWA Illinois Division
3085 East Stevenson Drive
P.O. Box 3307
Springfield, Ill. 62708
(217) 529-6781

FHWA Indiana Division
575 N. Pennsylvania Street
Indianapolis, Ind. 46204
(317) 269-7474

FHWA Iowa Division
105 6th Street, P.O. Box 627
Ames, Iowa 50010
(515) 233-1664

FHWA Kansas Division
444 S.E. Quincy Street
Topeka, Kan. 66683
(913) 295-2550

FHWA Kentucky Division
John C. Watts Federal Building
330 West Broadway Street
P.O. Box 536
Frankfort, Ky. 40601
(502) 227-7321

FHWA Louisiana Division
Federal Office Bldg., Room 237
750 Florida Boulevard
Baton Rouge, La. 70801
(504) 389-0244

FHWA Maine Division
Federal Building/U.S. Post Office,
Room 614
40 Western Avenue
Augusta, Maine 04330
(207) 622-6171

FHWA Maryland Division
711 West 40th Street
Baltimore, Md. 21211
(301) 962-4440

FHWA Massachusetts Division
100 Summer Street
Suite 1517
Boston, Mass. 02110
(617) 223-2879

FHWA Michigan Division
Federal Building
315 West Allegan Street
P.O. Box 10147
Lansing, Mich. 48901
(517) 372-1910, Ext. 234

FHWA Minnesota Division
Metro Square Building, Suite 490
7th and Robert Streets
St. Paul, Minn. 55101
(612) 725-7001

FHWA Mississippi Division
Suite 105, 666 North Street
Jackson, Miss. 39201
(601) 969-4215

FHWA Missouri Division
209 Adams Street, P.O. Box 148
Jefferson City, Mo. 65101
(314) 636-7104

FHWA Montana Division
301 South Park
Drawer 10056
Helena, Mont. 59601
(406) 449-5306

FHWA Nebraska Division
100 Centennial Mall North
Lincoln, Neb. 68502
(402) 471-5521

FHWA Nevada Division
1050 E. Williams Street
Suite 300
Carson City, Nev. 89701
(702) 470-5318

FHWA New Hampshire Division
Federal Building
55 Pleasant Street
Concord, N.H. 03301
(603) 224-3385

FHWA New Jersey Division
Suburban Square Building
25 Scotch Road
Trenton, N.J. 08628
(609) 989-2288

FHWA New Mexico Division
U.S. Court House, Room 117
Santa Fe, N.M. 87501
(505) 988-1255

FHWA New York Division
Leo W. O'Brien Federal Building
9th Floor
Albany, N.Y. 12207
(518) 472-3616

FHWA North Carolina Division
Federal Building
310 New Bern Avenue, P.O. Box 26806
Raleigh, N.C. 27611
(919) 755-4346

FHWA North Dakota Division
New Federal Building, P.O. Box 1755
Bismarck, N.D. 58501
(701) 255-4011

FHWA Ohio Division
200 North High Street
P.O. Box 15008
Columbus, Ohio 43215
(614) 469-6896

FHWA Oklahoma Division
200 N.W. Fifth Street
Oklahoma City, Okla. 73102
(405) 231-4624

FHWA Oregon Division
Equitable Center, Suite 100
530 Center Street, N.W.
Salem, Ore. 97301
(503) 378-3835

FHWA Pennsylvania Division
228 Walnut Street, P.O. Box 1086
Harrisburg, Pa. 17108
(717) 782-2222

FHWA Puerto Rico Division
U.S. Courthouse and Federal Building
Carlos Chardon Street
Hato Rey, Puerto Rico 00918
(809) 753-4600

FHWA Rhode Island Division
Suite 250, Federal Building and U.S.
Post Office
Exchange Terrace
Providence, R.I. 02903
(401) 528-4541

FHWA South Carolina Division
Suite 203
2001 Assembly Street
Columbia, S.C. 29201
(803) 765-5411

FHWA South Dakota Division
Federal Office Building, P.O. Box 700
Pierre, S.D. 57501
(605) 224-7351

FHWA Tennessee Division
Federal Building, Room A926
U.S. Courthouse, 801 Broadway
Nashville, Tenn. 37203
(615) 251-5394

FHWA Texas Division
Federal Office Building, Room 826
300 East Eighth Street
Austin, Texas 78701
(512) 397-5511

FHWA Utah Division
Federal Building
125 South State Street, P.O. Box 11563
Salt Lake City, Utah 84147
(801) 524-5141

FHWA Vermont Division
Federal Building, P.O. Box 568
Montpelier, Vt. 05602
(802) 223-5294

FHWA Virginia Division
Federal Building, 10th Floor
400 N. Eighth Street, P.O. Box 10045
Richmond, Va. 23240
(804) 782-2371

FHWA Washington Division
711 South Capitol Way, P.O. Box 29
Olympia, Wash. 98501
(206) 753-9480

FHWA West Virginia Division
2000 Federal Office Building
500 Quarrier Street
Charleston, W.Va. 25301
(304) 343-6181, Ext. 203

FHWA Wisconsin Division
4502 North Vernon Blvd., P.O. Box 5428
Madison, Wis. 53705
(608) 252-5395

FHWA Wyoming Division
O'Mahoney Federal Center
2120 Capital, P.O. Box 1127
Cheyenne, Wyo. 82001
(307) 778-2220, Ext. 2101

State and Local Ridesharing Agencies

Exhibit

D

Birmingham Regional Planning Commission
21 Office Plaza South, #220
2112—11th Ave. South
Birmingham, Ala. 35205
(205) 251-8139

Carpool Program
Municipality of Anchorage
Pouch 6-650
3500 Tudor
Anchorage, Alaska 99502
(907) 274-2525

Project Pool It
70 E. Mitchell Dr. #2A
Phoenix, Ariz. 85012
(602) 248-7283

Rideshare, PIMA Association of Governments
405 Transamerica Building
Tucson, Ariz. 85701
(602) 792-1093

Commuter Computer
3440 Wilshire Blvd.
Suite 610
Los Angeles, Calif. 90010
(213) 380-7433

Office of Ridesharing
California DOT
1120 N Street
Sacramento, Calif. 95814
(916) 445-3087

Commuter Computer of San Diego
P.O. Box 82358
San Diego, Calif. 92138
(714) 234-7665

Rides for Bay Area Commuters, Inc.
100 Van Ness Ave., 19th Floor
San Francisco, Calif. 94102
(415) 863-9588

Vanpool Project Administrator
Golden Gate Bridge, Highway & Transportation District
P.O. Box 9000 - Presidio Station
San Francisco, Calif. 94129
(415) 457-3110

Carpool Locator Service
Pikes Peak Regional Library District
P.O. Box 1579
Colorado Springs, Colo. 80901
(303) 473-2080

Rideshare Coordinator
Denver Regional Council of Governments
2480 W. 26th Ave., Suite 200 B
Denver, Colo. 80211
(303) 758-5166

Connecticut Carpooling
Statewide Information Number
1-800-842-1910

Taltran Carpool Information Center
City of Tallahassee
2620 S. Monroe St.
Tallahassee, Fla. 32301
(904) 877-2800

Van Go Hawaii
1077 Bishop St., Suite 442
Honolulu, Hawaii 96813
(808) 524-0946

Ridesharing Coordinator
Ada County Highway District
318 E. 37th St.
Boise, Idaho 83704
(208) 384-8936

Coordinator of Carpooling
Madison County Council of Govt.
Madison County Govt. Center
Anderson, Ind. 46016
(317) 646-9338

Carpooling Committee
Ashland Area Chamber of Commerce
1740 Winchester Ave.
Ashland, Ky. 41101
(606) 324-5111

Carpool Coordinator
Barren River Development District
1415 Woodhurst Drive
Bowling Green, Ky. 42101
(502) 745-4555

Metro Carpool Project
Louisville Area Chamber of Commerce
301 W. Liberty St.
Louisville, Ky. 40202
(502) 582-2421

Capital Regional Planning Commission
333 N. 19th St.
P.O. Box 3355
Baton Rouge, La. 70821
(504) 342-5203

Lafayette Regional Planning Commission
P.O. Box 2154
Lafayette, La. 70501
(318) 234-4245

Imperial Calcasieu Regional Planning and Development Commission
P.O. Box 3164
Lake Charles, La. 70601
(318) 433-1771

Ouachita Council of Governments
2115 Justice St.
Monroe, La. 71201
(318) 387-3521

Regional Planning Commission
333 St. Charles Ave.
Suite 900, Masonic Temple Building
New Orleans, La. 70130
(504) 523-1432

Rapides Area Planning Commission
P.O. Drawer 1410
Pineville, La. 71360
(318) 445-8293

Shreve Area Council of Governments
1237 Murphy St., Room 307
Shreveport, La. 71101
(318) 226-6488

Computeride
City of Baltimore
414 N. Calvert St.
Baltimore, Md. 21202
(301) 396-3010

VANGO, Inc.
Airport Investment Building
Suite E-100
Linthicum, Md. 21090
(301) 796-7665

Montgomery County DOT
6110 Executive Blvd.
Rockville, Md. 20852
(301) 468-4065

The Maryland-National Capital Park and Planning Commission
8787 Georgia Ave.
Silver Spring, Md. 20907
(301) 565-7388

Masspool
150 Causeway Street
Room 301
Boston, Mass. 02114
(617) 227-7665

Share A Ride
MTC/Commuter Services
4530 W. 77th St.
Edina, Minn. 55435
(612) 835-7755

Central Mississippi Planning and Development District, Inc.
2675 Riverridge Rd.
Jackson, Miss. 39216
(601) 981-1511

Mid-America Regional Council
20 W. Ninth St.
Kansas City, Mo. 64105
(816) 474-4240

East-West Gateway Coordinating Council
112 N. Fourth St.
St. Louis, Mo. 63102
(314) 421-4220

Lincoln Carpool/Vanpool Program
Room A405
County-City Building
555 S. 10th Street
Lincoln, Neb. 68508
(402) 473-6399

Metro Area Carpool
2615 Cuming Street
Omaha, Neb. 68131
(402) 341-7665

Nassau County Office of Public Transportation
Davis Bldg., Plainview Complex
1425 Old Country Road
Plainview, N.Y. 11803
(516) 420-5080

Mecklenberg County Engineering Department, Transportation
720 E. Fourth St.
Charlotte, N.C. 28202
(704) 374-2768

Carpool Coordinator
Traffic Engineering Division
City of Durham
P.O. Box 2251
Durham, N.C. 27702
(919) 683-4366

Capital Area Carpool
City of Raleigh
P.O. Box 590
Raleigh, N.C. 27602
(919) 755-6363

Personal Mobility Committee, Inc.
Suite 702, Transportation Building
Fourth and Sycamore Sts.
Cincinnati, Ohio 45202
(513) 381-7665

Northeast Ohio Areawide Coordinating Agency
439 The Arcade
Cleveland, Ohio 44114
(216) 241-2414

Montgomery-Greene County Transportation & Development Planning Program
333 W. First St., Suite 500
Dayton, Ohio 45402
(513) 223-6323

Toledo Metropolitan Area Council of Governments
420 Madison Ave.
Toledo, Ohio 43604
(419) 241-9155

Salem Carpool Project
Mid Willamette Valley COG
Civic Center, Room 305
Salem, Ore. 97301
(503) 588-6177

Tri-County Metropolitan Transportation District
4012 S.E. 17th Ave.
Portland, Ore. 97202
(503) 238 4892

Harrisburg-Area Energy Action Program
P.O. Box 711
Harrisburg, Pa. 17108
(717) 234-3573

Delaware Valley Regional Planning Commission
3rd Floor, Penn Towers Building
1819 John F. Kennedy Blvd.
Philadelphia, Pa. 19103
(215) 567-3000

Southwestern Pennsylvania Regional Planning Commission
564 Forbes Ave.
Pittsburgh, Pa. 15219
(412) 263-3500

Ridesharing Coordinator
Central Midlands Regional Planning Council
800 Dutch Blvd., Suite 155
Columbia, S.C. 29210
(803) 798-1243

Knoxville Commuter Pool
City Hall Park
Knoxville, Tenn. 37902
(615) 637-7433

Office of Transportation Pgms.
City of Dallas
New City Hall, Room 58 South
1500 Marilla
Dallas, Texas 75201
(214) 670-4033

Carpool Coordinator
Traffic Engineering Department
City of Fort Worth
1000 Throckmorton St.
Fort Worth, Texas 76102
(817) 335-7211

Houston Carshare Program
Public Transportation
P.O. Box 1562
Houston, Texas 77001
(713) 222-5541

Energy Conservation Program
City of San Antonio
P.O. Box 9066
San Antonio, Texas 78285
(512) 223-6381

Central Vermont Regional Planning Commission
144 Main St.
Montpelier, Vt. 05602
(802) 229-0389

Easyride, Peninsula Transportation District Commission
3400 Victoria Blvd.
Hampton, Va. 23661
(804) 722-2837

Tidewater Transportation Commission
P.O. Box 660
Norfolk, Va. 23501
(804) 627-9291

Seattle/King County Commuter Pool
Room 600 Old Arctic Building
704 Third Ave.
Seattle, Wash. 98104
(206) 625-4651

Commuter Club
Metropolitan Washington Council of Governments
1225 Connecticut Ave., N.W.
Washington, D.C. 20036
(202) 659-6420

Milwaukee Area Carpooling Program
901 N. 9th St.
Milwaukee, Wis. 53233
(414) 271-7111

Southeastern Wisconsin Regional Planning Commission
916 N. East Ave.
Waukesha, Wis. 53186
(414) 547-6721

State Departments of Transportation

Exhibit

E

State of Alabama Highway Department
State Highway Building
11 S. Union St.
Montgomery, Ala. 36030
(205) 832-5440

Department of Transportation and Public Facilities
Pouch 2
Juneau, Alaska 99802
(907) 364-2121

Arizona Department of Transportation
206 S. 17th Ave.
Phoenix, Ariz. 84007
(602) 261-7011

Arkansas State Highway Department
State Highway Department Building
9500 New Benton Hwy, P.O. Box 2261
Little Rock, Ark. 72203
(501) 569-2000

Department of Transportation
P.O. Box 1139
Sacramento, Calif. 95805
(916) 445-2201

Colorado State Department of Highways
4201 E. Arkansas Ave.
Denver, Colo. 80222
(303) 757-9201

Department of Transportation
P.O. Drawer "A"
Wethersfield, Conn. 06109
(203) 566-3477

Department of Transportation
P.O. Box 778
Dover, Del. 19901
(302) 678-4301

Department of Transportation
Presidential Building, Room 508
415 12th St., N.W.
Washington, D.C. 20004
(202) 628-6000

Florida Department of Transportation
Haydon Burns Building
605 Suwannee St.
Tallahassee, Fla. 32304
(904) 488-8541

Department of Transportation
No. 2 Capitol Square
Atlanta, Ga. 30224
(404) 656-5200

Department of Transportation
869 Punchbowl St.
Honolulu, Hawaii 96813
(808) 548-3205

State of Idaho Transportation Department
P.O. Box 7129
Boise, Idaho 83707
(208) 384-3699

Illinois Department of Transportation
2300 S. Dirksen Parkway
Springfield, Ill. 62764
(217) 782-5597

Indiana State Highway Commission
State Office Building, Room 1101
100 N. Senate Ave.
Indianapolis, Ind. 46204
(317) 633-5816

Iowa Department of Transportation
State Capitol
Des Moines, Iowa 50319
(515) 296-1101

Kansas Department of Transportation
State Office Building
Topeka, Kan. 66612
(913) 296-3461

Department of Transportation
State Office Building
High and Clinton Sts.
Frankfort, Ky. 40601
(502) 564-4890

Department of Transportation and Development
P.O. Box 44245
Capitol Station
Baton Rouge, La. 70804
(504) 389-5112

Department of Transportation
State Office Building
Augusta, Maine 04333
(207) 289-2551

Maryland Department of Transportation
P.O. Box 8755—Elm Road
Baltimore-Washington International Airport, Md. 21240
(301) 787-7397

Executive Office of Transportation and Construction
One Ashburton Place, 16th Floor
Boston, Mass. 02108
(617) 727-7680

Michigan Department of State Highways and Transportation
P.O. Box 30050
Lansing, Mich. 48904
(517) 373-2090

Department of Transportation
State Transportation Building
St. Paul, Minn. 55155
(612) 296-3000

State Highway Department
P.O. Box 1850
Jackson, Miss. 39205
(601) 354-6594

Missouri State Highway Department
State Highway Building
Jefferson City, Mo. 65101
(314) 751-2551

Montana Department of Highways
E. Sixth Ave. and Roberts St.
Helena, Mont. 59601
(406) 449-2482

Department of Roads
P.O. Box 94759
Statehouse Station
Lincoln, Neb. 68509
(402) 477-6012

Nevada Department of Highways
Administration Building, Room 201
1263 S. Stewart St.
Carson City, Nev. 89712
(702) 885-5440

Department of Public Works and Hwys.
85 Loudon Rd.
Concord, N.H. 03301
(603) 271-3734

Department of Transportation
1035 Parkway Ave.
Trenton, N.J. 08625
(609) 292-3346

New Mexico State Highway Dept.
P.O. Box 1149
Santa Fe, N.M. 87501
(505) 983-0100

New York State Department of Transportation
1220 Washington Ave.
State Campus, Building 5
Albany, N.Y. 12232
(518) 457-4422

Department of Transportation
P.O. Box 25201
Raleigh, N.C. 27611
(919) 733-7384

North Dakota Highway Department
State Highway Building
Capitol Grounds
Bismarck, N.D. 58501
(701) 224-2581

Ohio Department of Transportation
25 S. Front St.
Columbus, Ohio 43215
(614) 466-2335

Oklahoma Department of
Transportation
200 NE 21st St.
Oklahoma City, Okla. 73105
(405) 521-2631

Department of Transportation
State Transportation Building
Room 140
Salem, Ore. 97310
(503) 378-6388

Department of Transportation
1220 Transportation & Safety Building
Commonwealth & Forester Sts.
Harrisburg, Pa. 17120
(717) 787-5574

Department of Transportation
State Office Building
Providence, R.I. 02903
(401) 227-2481

State Highway Department
State Highway Building
Drawer 191
Columbia, S.C. 29202
(803) 758-2716

South Dakota Department of
Transportation
Transportation Building
East Broadway
Pierre, S.D. 57501
(605) 773-3265

Tennessee Department of
Transportation
Highway Building, Corner 6th Ave.,
North and Deaderick Sts.
Nashville, Tenn. 37219
(615) 741-2848

State Department of Highways and
Public Transportation
Texas Highway Building
11th and Brazos Sts.
Austin, Texas 78701
(512) 475-3525

Utah Department of Transportation
603 State Office Building
Salt Lake City, Utah 84114
(801) 533-5695

Department of Highways
133 State Street
Montpelier, Vt. 05602
(802) 828-2657

Department of Highways and
Transportation
1221 E. Broad Street
Richmond, Va. 23219
(804) 786-2801

Washington State Highway
Commission
Department of Highways
Highway Administration Building
Franklin at Maple Park
Olympia, Wash. 98504
(206) 753-6005

West Virginia Department of Hwys.
1900 Washington St., East
Charleston, W.Va. 25305
(304) 348-3456

Department of Transportation
4802 Sheboygan Ave.
Madison, Wis. 53702
(608) 266-1113

Wyoming Highway Department
P.O. Box 1708
Cheyenne, Wyo. 82001
(307) 777-7471

Department of Transportation and
Public Works
Box 3909 G.P.O.
San Juan, Puerto Rico 00926
(809) 725-5840

Appendix 2

Exhibit F
Estimated Annual Cost of Maintaining Various Company Carpool Programs

Exhibit G
Start-up Costs for Company-Sponsored Vanpool Programs

Exhibit H
Costs of Maintaining Company-Sponsored Vanpool Programs

Exhibit I
Vanpool Driver/Coordinator Cooperative Agreement

Exhibit J
Vanpool Cost and Fare Calculation

Exhibit K
Vanpool Subscription Agreement

Exhibit L
Sample Employe Interest Survey

Exhibit F

Estimated Annual Cost of Maintaining Various Company Carpool Programs

Company	Management Salary	Secretarial Salary	Overhead (33%)	Total Cost	Company Employes
Prudential Insurance Co. Newark, N.J.		Time: 18 Months Cost: $15,000	$ 5,000	$20,000	4,000
John Hancock Mutual Life Boston	Time: 12 Months Cost: $25,000	Time: 12 Months Cost: $10,000	$11,700	$46,700	
AT&T Long Lines Somerville, N.J.		Time: 4.5 Months Cost: $ 3,800	$ 1,300	$ 5,100	1,000
Mountain Bell Denver		Time: 0.6 Months Cost: $ 500	$ 200	$ 700	11,000
Hallmark Cards, Inc. Kansas City, Mo.				$25,000	5,000
Motorola, Inc. Chicago				No Cost*	7,000
Kraft, Inc. Chicago	Time: 0.25 Months Cost: $ 500		$ 200	$ 700	700
Sandia Laboratories Albuquerque, N.M		Time: 3 Months Cost: $ 2,500	$ 800	$ 3,300	7,000
Airesearch Manufacturing Company of Arizona Phoenix	Time: 3 Months Cost: $ 6,300	Time: 3 Months Cost: $ 2,500	$ 2,900	$11,700	5,000

Note: Time is measured in person months
Assumed Annual Salaries:
Management: $25,000; Secretary: $10,000

**Company Estimate*

Source: "Carpool and Vanpool Subsidies: The Hidden Cost of Ridesharing," Chris Johnson, Ashish K. Sen, and Claire McKnight, Proceedings of 19th Transportation Research Forum, V. XIX, No. 1, 1978. Data taken from phone conversations with company personnel

Estimated Annual Cost of Maintaining Various Company Carpool Programs

Exhibit G

Start-Up Costs for Company Sponsored Vanpool Programs

Company		Secretarial	Para-Professional	Middle Management (co-ordinators)	Special Services (Lawyers, Insurance, Finance)	Top Management	Sub Total ($)	Overhead ($) (33%)	Total ($)
3-M Company	Time		5 months	3.6 months	0.95 month	0.4 month			
	Cost		$ 6,250	$ 9,000	$ 2,800	$ 1,500	$19,600	$6,500	$26,100
T.V.A.	Time	0.5 months		2 months	0.25 month	0.5 month			
	Cost	$420		$ 5,000	$730	$ 1,880	8,000	2,600	10,600
Chrysler	Time	0.75 months		1 month	0.34 month	2 months			
	Cost	$620	$500 (Travel)	$ 2,500	$992	$ 7,500	12,100	4,000	16,100
CONOCO	Time			0.23 month	10.23 months				
	Cost			$580	$30,000		30,600	10,000	40,700
Zenith	Time			3 months	0.97 month	0.57 month			
	Cost			$ 7,500	$ 2,800	$ 2,100	12,400	4,100	16,500
Montgomery Ward								(Estimate)	$30,000
Commuter Computer								(Estimate)	$40,000

Note: Time is measured in person months.
Assumed Annual Salaries:

Secretary	*$10,000*
Para Professional	*15,000*
Middle Management	*30,000*
Special Services	*35,000*
Top Management	*45,000*

Source: "Carpool and Vanpool Subsidies: The Hidden Cost of Ridesharing," by Chris Johnson, Ashish K. Sen, and Claire McKnight, Proceedings of 19th Transportation Research Forum, V. XIX, No. 1, 1978.

Start-Up Costs for Company Sponsored Vanpool Programs

Exhibit H

Costs of Maintaining Company Sponsored Vanpool Programs

Company		Secretarial	Para-Professional	Middle* Management	Sub Total ($/Year)	Overhead @ 33% ($/Year)	Total ($/Year)	Fleet Size (Vans/ Program)	Annual Cost per Van ($/Van/Year)
3-m	Time	1.5 months		6 months					
	Cost	$1,250		$12,500	$13,800	$4,500	$18,300	80	229
TVA	Time	24 months	18 months	36 months					
	Cost	$20,000	$22,500	$75,000	117,500	38,800	156,300	480	326
Chrysler	Time			7.2 months					
	Cost			$15,000	15,000	5,000	20,000	78	256
CONOCO	Time	0.12 month		4 months					
	Cost	$100		$ 8,300	8,400	2,800	11,200	37	303
Zenith	Time		2.4 months						
	Cost		$ 3,000		3,000	1,000	4,000	9	444
Montgomery Ward	Time			1.2 months $ 2,500					
	Cost			2,500	2,500	600	3,300	16	206
Hughes Tool	Time	0.12 month		1.5 months					
	Cost	$100		$ 3,100	3,200	1,100	4,300	20	215
Hoffman LaRoche	Time	0.6 month $500		0.6 months					
	Cost	600		$ 1,200	1,700	600	2,300	20	115

Note: Time is measured in person months.

*Middle Management salary ranges vary from Exhibit G because often a different person (at a lower salary) is assigned to maintain the program once it is initiated.

Assumed Annual Salaries:

Secretary	*$10,000*
Para Professional	*15,000*
Middle Management	*25,000*

Source: "Carpool and Vanpool Subsidies: The Hidden Cost of Ridesharing," by Chris Johnson, Ashish K. Sen, and Claire McKnight, Proceedings of 19th Transportation Research Forum, V. XIX, No. 1, 1978.

U.S. Department of Transportation May 1979

Costs of Maintaining Company Sponsored Vanpool Programs

Vanpool
Driver / Coordinator
Cooperative Agreement

Exhibit

I

This Agreement between the Driver/Coordinator whose signature appears below and (*Company Name*), hereinafter called the "Company," shall become effective on the date it is accepted by the Company, as evidenced by the signature of its authorized representative in the space provided below for this purpose.

For the purpose of forming and operating a vanpool with a minimum of nine (9) passengers, the Company agrees to furnish the use of a 12-passenger van, to assist in forming and maintaining the vanpool and to render such other reasonable assistance as may be required for the functioning of the vanpool. The Driver/Coordinator will be the primary driver of the van during the term of this Agreement.

The Driver/Coordinator agrees to be responsible for the following in connection with the operation of the van assigned to him or her.

1 Obtain and maintain a valid State driver's or chauffeur's license as required for operating the van.

2 Drive the van to and from his/her Company location and pick up and deliver the other Company employees who pay to ride with him/her.

3 Keep the passenger pool for the van at or above the minimum of nine (9) paying passengers, but not to exceed a maximum of eleven such passengers.

4 Operate the van on a punctual schedule and according to a route approved by the Company.

5 Arrange for service and maintenance in accordance with the schedule prescribed in the vehicle's maintenance or instruction manual. Obtain fuel for the van and clean the vehicle inside and out as needed.

6 Train sufficient Backup drivers to insure daily operation of the van.

7 Supply a secure place for "at home" parking of the van, preferably in a locked garage.

8 Arrange alternative transportation for passengers to and from the Company in the event the van is not operable due to mechanical failures or other similar emergencies.

9 Keep a record, satisfactory to the Company, of the operation, expense and income of the van.

10 Maintain a list of all passengers and either bill and collect from passengers by the first day of each month the approved fares and deposit the monies as specified by the Company, or submit a signed list for monthly payroll deductions as specified by the Company.

The Company agrees to reimburse the Driver/Coordinator for his or her out-of-pocket expenses in the operation of the van to and from work along the prescribed route. The Company also agrees that the Driver/Coordinator may ride free to and from work daily and retain any funds received from passengers in excess of the required minimum of nine (9) passengers and that he or she may use the vehicle during off hours at a rental rate of cents per mile to be based on the actual costs incurred by the Company including, but not necessarily limited to gas, oil, and maintenance. The Company also agrees that the Driver/Coordinator may make the vehicle available for use by the Backup driver, as an incentive to the Backup driver, at the above rate and under the same terms as applicable to the Driver/Coordinator as set forth herein. The Backup driver must maintain required State driver's license for driving the van. The Company reserves the sole right to decide if the off-hour use of the vehicle is proper and does not become excessive as to mileage or type of use.

It is agreed that the following regulations apply to the operation of the van:

1 Operation of the unit is permitted only by the Driver/Coordinator and Backup drivers and by the spouse of either of them, if properly licensed. Only under emergency conditions will any other person be permitted to operate the vehicle. In this connection, in the absence of both the Driver/Coordinator and the Backup driver, any Company employee that is a member of the vanpool may operate the van for pickup and delivery of passenges to and from work if he or she is authorized to do so by the Driver/Coordinator and is properly licensed.

2 The vehicle is to carry no passengers to and from the Company facilities, other than Company employees.

3 In the case of personal use, the carrying of passengers other than Company employees and members of the immediate household of either the Driver/Coordinator or the Backup driver is not allowed without prior written permission of the Company.

4 The vehicle is not to be used for a trip beyond a one-hundred (100) mile radius of the Driver/Coordinator's home without specific advance written approval from the Company.

5 The vehicle is not to be used to carry passengers or freight for hire, for ride sharing or any other purpose involving pay for transportation, other than the specific purpose of the Company vanpool program.

6 Repair work will be done only by those persons approved by the Company. All repair work, except in emergency situations, must have prior approval of the Company.

7 Accessories, including appearance items, or additional equipment will not be added or removed without prior approval of the Company.

8 Use of the vehicle to pull trailers is not allowed. No trailer hitches, temporary or permanent, are to be attached to the unit.

9 The vehicle is not to be used for any purpose requiring the removal of any seats.

10 The vehicle is to be driven only on hard surfaced public streets and highways and other normal access roads and driveways, and is not to be driven off normal roads, on beaches or in fields, on frozen lakes and rivers, or in any other manner that would expose the vehicle to unsafe conditions.

11 The vehicle is not to be driven over bridges posted to allow vehicles weighing only 4 tons or less.

12 The Driver/Coordinator is responsible for promptly reporting any accident involving bodily injury or property damage. Such reporting is to be in accordance with the procedures specified by the Company.

a Such reporting is also to include injury to a passenger in the van even though no other party is involved. (This would include such cases as a person falling inside the vehicle or injuring himself or herself while entering or alighting from the vehicle.)

b The Driver/Coordinator will be responsible for completing and filing all appropriate motor vehicle accident reports as well as the Company automobile accident reports.

c In the case of any and each accident during personal use of the van in which damage to the van is sustained, the Driver/Coordinator or Backup driver must pay the Company up to a maximum of (*the Company collision deductible, if any*) for repairs to cover the deductible amount under the van insurance.

13 Safe courteous driving habits, consistent with complete observance of all traffic regulations are of the utmost importance. Any citation resulting from a moving traffic violation while driving the van is the responsibility of the Driver/Coordinator and/or Backup driver. The Driver/Coordinator and/or Backup driver agrees to report to the Company any citation resulting from a moving traffic violation, whether committed while driving the van or any other vehicle.

14 The Company, at its sole option, may dissolve any vanpool which is unable to maintain the minimum number of nine paying passengers and/or which is operating uneconomically.

15 The fares charged passengers will be periodically reviewed by the Company and increased or decreased consistent with the cost of operation.

16 The Driver/Coordinator is responsible for reporting the extra income received from any passengers over the minimum of nine on his or her State and Federal Income Tax returns.

This Agreement may be terminated by either party on thirty (30) days written notice delivered to the other party in person, by telegram or by mail. In addition, it will terminate automatically on (a) termination of the Driver/Coordinator's employment with the Company, (b) loss by the Driver/Coordinator of the required State driver's license or (c) breach by the Driver/Coordinator of the terms of this Agreement.

Driver/Coordinator

_____

Date _____

Accepted: (*Company Name*)

By _____

Date _____

Vanpool
Driver/Coordinator
Cooperative Agreement
(*continued*)

Exhibit I

Agreement to Serve as Backup Driver

I have received a copy of the above Vanpool Driver/Coordinator Cooperative Agreement, have read it and agree to be bound by its terms in serving as Backup driver to the above Driver/Coordinator. I understand that breach of such terms will result in automatic termination of my right to serve as Backup driver.

	Signature	Commencement Date	Termination Date
1			
2			
3			
4			

Source: Vanpool Implementation Handbook Federal Energy Administration 1977.

"How Ridesharing Can Help Your Company" U.S. Department of Transportation May 1979

Vanpool Cost and Fare Calculation

Exhibit **J**

		Sample	Your Van
A	**Calculate the monthly fixed cost of a *purchased* vehicle**		
1	Determine the cost per month for depreciation purposes		
	Start with the cost of the vehicle	$7,400	
	Subtract immediate depreciation (tires)	− 200	
		$7,200	
	Less salvage value (after 4 years)	−2,800	
	Equals depreciable value	$4,400 or	$ 92/month
2	Add other annual expenses		
	License, registration, taxes	$ 120	
	Insurance	+ 460	
	Equals other fixed expenses	$ 580 or	+ $ 48/month
3	Monthly fixed cost (items 1 plus 2 above)		$140/month
4	Add optional maintenance contract		+$ 35/month
	Total monthly fixed cost		**$175/month**
B	**Or calculate the monthly fixed cost of a *leased* vehicle**		
1	Start with your monthly leasing cost		$140/month
2	Add maintenance contract (if not in lease)		35/month
3	Add insurance (if not in lease)		40/month
	Total monthly fixed costs		**$215/month**
C	**Calculate per mile operating costs for *purchased* and *leased* vehicles**		
1	Start with the cost of gasoline (60¢/gal ÷ 9 Mi/gal)	$0.067/mile	
	If you included a maintenance contract on A or B, gas is your only per mile cost. Otherwise:		
2	Add the cost of oil change, filter and lubrication	$0.005/mile	
3	Add other maintenance cost	$0.012/mile	
4	Tire costs over the life of the van	$0.006/mile	
	Total operating cost/mile	**$0.09 /mile**	
D	**Calculate passenger fares**		
1	Start with each van's daily round trip distance	50 miles	
2	Multiply this by your average number of workdays in a month	×20 = 1000 miles	
3	Multiply this by your per mile operating cost from C	×$0.09 = $ 90/month	
4	Add the van's monthly fixed cost from A or B	+$ 140 = $230/month	
5	Divide this cost by your breakeven number of passengers	÷ 9 = **$ 26/month**	

Source: Vanpool Implementation Handbook, Federal Energy Administration, 1977. *"How Ridesharing Can Help Your Company" U.S. Department of Transportation May 1979*

Vanpool Subscription Agreement

Exhibit

K

(*Company Name*) is pleased to announce that it is organizing a van pool program, on a pilot basis, to enable you and your fellow employes to get to work and back in a way that will be more efficient and economical than driving your own cars. If you and a sufficient number of fellow employes living near enough to you to form a convenient and efficient vanpool elect to participate in this program, the Company will attempt to provide a commuter van which will:

1 Pick you up for transportation to work and deliver you to your home or other mutually agreeable location after work on a regular schedule to be determined by the Driver/Coordinator.

2 Continue to operate in the event the Driver/Coordinator is unable to drive; a Backup driver will be provided for this purpose.

3 Continue to operate during a 60-day grace period if and when the number of passengers has fallen below the minimum load; in this event it is expected that the Driver/Coordinator and the passengers will be able to recruit the additional passenger(s) necessary to meet minimum load before the 60 days has expired.

If you elect to participate you will be expected to:

1 Pay each month's commuter fare to the driver in advance or authorize payroll deduction where available; for this you receive a guaranteed reserved seat on the commuter van. (Note: Prior to the first payment you will receive an invoice showing the amount you are to pay each month; estimated fares are available from the Vanpool Administrator.)

2 Notify the Driver/Coordinator in advance whenever you cannot meet the van's scheduled pick-up time; it is your responsibility to be on time for pick-up.

3 Arrange other means to get to and from work if you cannot meet the van schedule on a particular day.

4 Understand that the van must maintain a schedule and that it cannot wait more than three (3) minutes for a passenger pick-up.

5 Notify the Driver/Coordinator in advance when you are on sick leave or vacation. (Note: You may arrange for a substitute passenger to take your reserved seat, if he or she lives near or can meet the regular van route.)

6 Notify the Company and the Driver/Coordinator at least 15 days in advance if you elect to withdraw from the commuter vanpool.

If you wish to subscribe to this program under the terms set forth above, please so indicate by signing and dating this agreement and returning it to the Vanpool Administrator. A minimum of nine (9) passengers plus a Driver/Coordinator must be subscribed to a specified route before a van can be ordered. Service would begin upon receipt of the vehicle, which is estimated to require approximately 60 days once the order is placed.

Accepted:

Signature of Employe	Vanpool Administrator
Date	Date

Source: Vanpool Implementation Handbook Federal Energy Administration, 1977.

"How Ridesharing Can Help Your Company" U.S. Department of Transportation May 1979

Sample Employe Interest Survey

Exhibit

L

Commute-A-Van Pilot Program

Return To:

_____ _____

1. Name _____
   (last) (first) (middle initial)

2. My home address is:

   _____
   Street or R.F.D. No.

   _____ _____ _____
   City State Zip

3. I work in Building: _____

4. Normal Work hours: _____

5. Phone Number: home _____ work _____

6. I'm interested in becoming a : (Circle one only)
   1 — Pool Coordinator/Driver
   2 — Back-up Driver
   3 — Passenger

7. I normally get to work by: (Circle one only)
   1 — Driving car alone
   2 — Driving car with passengers
   3 — Taking turn in driving for carpool
   4 — Riding in carpool
   5 — Being dropped off at work
   6 — Riding bus

8. I need a car during working hours: (Circle one only)
   1 — Seldom
   2 — Frequently

9. I generally travel on company business: (Circle one only)
   1 — 1-2 Days a month
   2 — 3-5 Days a month
   3 — Over 5 days a month

10. My job would be classified as: (Circle one only)
    1 — Office
    2 — Supervisor
    3 — Management
    4 — Laboratory
    5 — Production

Van Pool Interest Slip

Commuter Van Pool Interest Survey

I am interested in becoming a member of a Commuter Van Pool.
I would like to be a

☐ Driver ☐ Passenger ☐ Either

Name _____

Address _____ City _____

Nearest major cross streets _____

CIMS _____ Office Phone No. _____ Start Work _____ Leave Work _____

MAIL TO: Tom McDonald

Van Pool Lists

WARREN **#8 4:15**

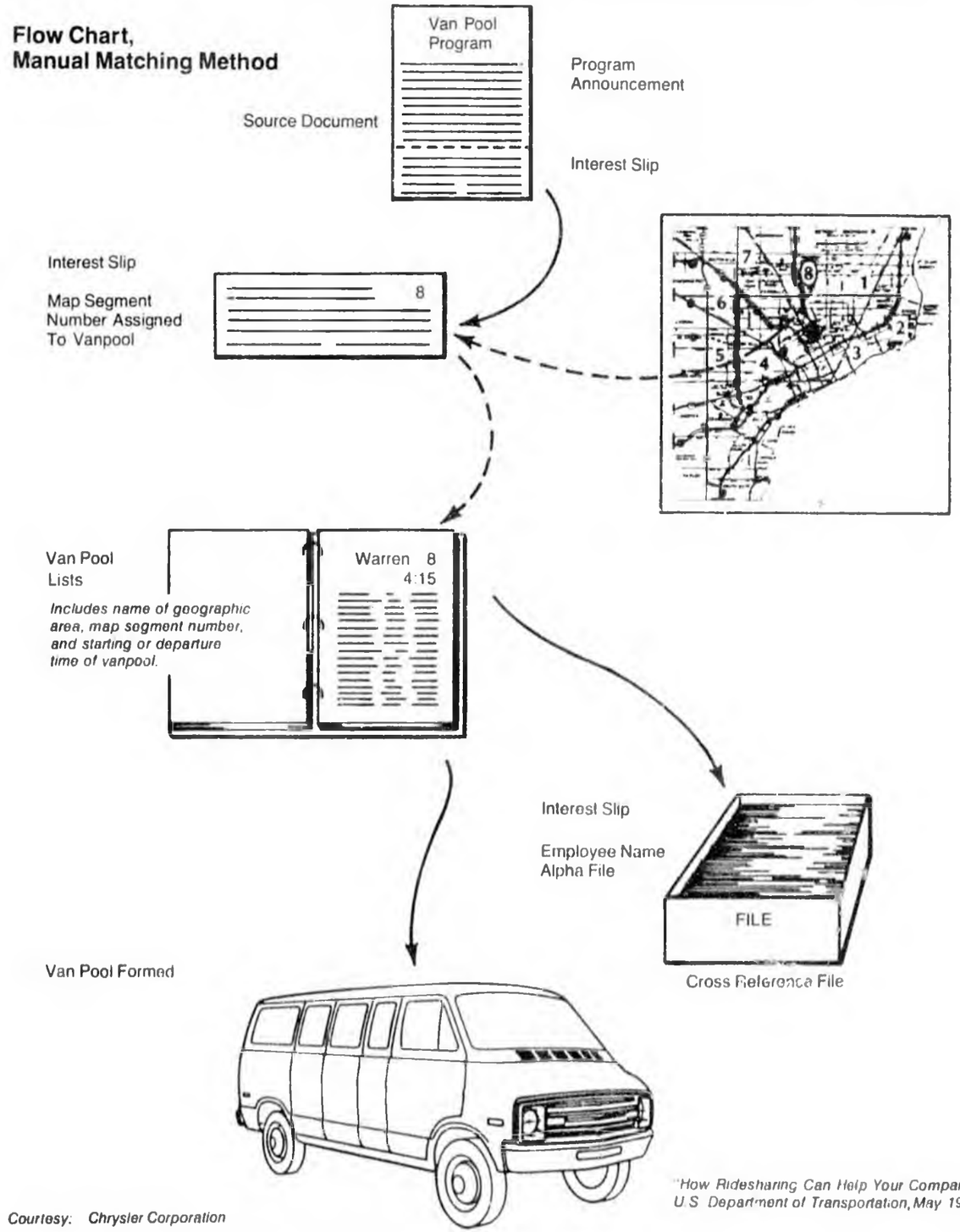
Name	Office Phone	Major Cross Streets
S. J. JONES	6-5142	Garfield & 13 Mile Rd.
T. M. THOMAS	6-3728	Moran & 13 Mile Rd.
B. L. ALLEY	6-2061	Kelly & 12 Mile Rd.
V. O. AKERS	6-2742	Sims & Kerby

Vanpool list above includes name of geographic area, list of prospective vanpool members, the map segment number and starting or departing time. This illustrates the type of information a vanpool driver/coordinator would need to form a pool.

Sample Employe Interest Survey

Exhibit L

Flow Chart, Manual Matching Method



Courtesy: Chrysler Corporation

"How Ridesharing Can Help Your Company" U.S. Department of Transportation, May 1979

Appendix 2

Exhibit F
Estimated Annual Cost of Maintaining Various Company Carpool Programs

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Start-up Costs for Company-Sponsored Vanpool Programs

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Exhibit L
Sample Employe Interest Survey

SB

334

COMMITTEE REPORT

HOUSE

FURTHER: RESOURCES

Date: _____

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 334 am

"An Act relating to the acquisition of land by the United States; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: SB334am Acquisition of Land by the United States

ORIGINAL SPONSOR: Ziegler
RECEIVED FROM: Senate C&RA

OTHER SPONSORS:
FURTHER REFERRALS: Resources

HEARING DATE: 5/7/80

MEMBERS PRESENT:			
Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Guy VanDoren, A.A.,Sen. Ziegler

Bill is based on Oklahoma Land bill. Navada has passed similar legislation as has Utah. There is a possibility that a western regional lawsuit might evenually be developed related to land rights and a claim against the federal government. Two basic policies underlie the bill: (1) the equal footing doctrine which says that all states should enter the Union on the same basis and that the western states have been discriminated against.(2) Federal government is bound to a policy of transition of ownership to the states.

Sponsor would like to see p. 1 line 15 reference to "state land" read "land in the state" wherever it appears as it did in the original bill.

Van Doren expresses the opinion that the issue will go to the courts at some time but that the Federal government needs to be made aware of state's rights. The Western Attorney Generals may be working on suits related to the issue.

Parr - Asks if the bill shouldn't be made retroaction to statehood.

Ken Vasser, Attorney for Legislative Research, Leg. Affairs

In regard to the retroactive question, state's rights must first be determined. The bill is presently "progressive" in nature effecting future activity. Question of states' rights vs. federal rights. Power to exercise "exclusive legislation" rather than land ownership.

Parr - While he can see that logically the bill should be retroactive, there may still be a problem with homestead land.

Parr - p. 1. line 27,28 Neither the term "withdrawal" nor "acquisition" is accurate if you assume that the state owned the land all the time.

Vasser - Agrees and says use of term "unlawful" might be preferable.

COMMITTEE ACTION: Directs that CS be prepared with noted chan

TAPE # 10 SIDE 2 Footage 551-1574

Parr - "attempted" withdrawn might be considered.

Branson - Suggests there might be some conflict between the bills passed by the House recently and the idea of making this bill retroactive. Asks if the state consented to the passage of ANCSA?

Committee approves of amendments as noted.

Metcalfe - Suggests adding the 'management program" as contained in HB398 to the bill. Says that there must be a "clash" created if the state is going to get any action. The state must assert its management rights.

AMENDED TITLE: SB 334 AM
AN ACT RELATING TO THE ACQUISITION OF LAND BY THE UNITED STATES; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: ZIEGLER.

CO-SPONSORS: HACKNEY.

CURRENT STATUS: 2/01/80 IN (H) C&RA REFERRAL: RESOURCES

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/16/80	01	0032	FIRST READING -- COMMITTEE REPORTS
01/22/80	02	0069	RES -- DP07
01/23/80	03	0075	RLS -- OTHER04
01/28/80	04	0105	SECOND READING
01/28/80	05	0105	POSTPONED UNTIL 01/31/80 BY UNAN CONSENT
01/31/80	06	0125	AM01 ADOPTED BY UNAN CONSENT
01/31/80	07	0125	ADVANCED TO 3RD READING BY UNAN CONSENT
01/31/80	08	0125	THIRD READING
01/31/80	09	0125	PASSED BY DIV 10-01-01
01/31/80	10	0126	EFFECTIVE DATE VOTE SAME AS PASSAGE
****	**	**	*** *** ***

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL WORK SHEET

BILL NUMBER SB 334/am RE Acquisition of lands by the U.S.

Received from Senate
Referred to

Fical Note
LAA Legal Contact Vassar

CONTACTS:

Sponsor:

✓ Zuegler
Dept. of Natural Resource
✓ BLM - Conch.
Herb McVee 271-5960
Bob Arnold

Rep Parker

Re: SB 334

from Senator Ziegler

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU ALASKA 99811
907-465-3600

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

November 26, 1979

SUBJECT: Acquisition of Land by the United States (Work Order Number 7480)

TO: Senator Robert H. Ziegler, Sr.

FROM: Kenneth E. Vassar
Legislative Counsel KEV

Enclosed is the bill you requested, based upon Oklahoma's HB 1178, which would prohibit the federal government from acquiring land in the state without the consent of the state legislature. No doubt you are aware that this bill will raise some constitutional inquiries.

The bill is explicitly based upon Art. I, Sec. 8 of the United States Constitution. Art. I, Sec. 8, ¶17, provides that:

> Congress shall have power . . .
> To exercise exclusive legislation in all cases whatsoever over [the District of Columbia] and to exercise like authority over all places purchased by the consent of the legislature of the state in which the same shall be, for the erection of forts, magazines, arsenals, dock-yards, and other needful buildings . . .

It is interesting to note that the bill would seem to expand this power of Congress to the extent that it consents to the acquisition by the United States of land by means beyond simple purchase. On the other hand, the bill attempts to limit Congress' power by providing that the United States may not, without the legislature's consent, acquire land for any purpose other than those listed. The constitutional provision relates to the exercise of exclusive legislation and does not speak to the acquisition of land.

The results of a consent by a state to the exercise of exclusive jurisdiction by Congress may be briefly noted. Congress alone has the power to punish for crimes committed within the area. Battle v. United States, 209 U.S. 36 (1908).

Private property within the area is not subject to taxation by the state. Surplus Trading Co. v. Cook, 281 U.S. 647 (1930). State statutes enacted after the cession have no effect. Western Union Telegram Co. v. Chiles, 214 U.S. 274 (1909). And, the law of the state in effect at the cession continues until changed by Congress. James Stewart and Co. v. Sadrakula, 309 U.S. 94 (1940).

Whether the United States has the power to acquire land, other than with the consent of a state's legislature, other than for those purposes enumerated in Art. I, Sec. 8, ¶17, and other than with the concomitant power of exclusive jurisdiction over those lands, is a matter of some debate recently. Arguably, such power derives from Art. I, Sec. 8, ¶18, which provides that:

> The Congress shall have power . . .
> To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States . . .

Art. IV, Sec. 3, ¶2 further provides:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular state.

It appears to be implicitly recognized by the foregoing that the United States will own property. This is particularly so since the government of the United States owned property even prior to the adoption of the Constitution. In 1783, six years prior to the ratification of the Constitution, Virginia ceded its claims to the area beyond the Ohio River to the Confederation. Other states of the Confederation made similar grants. These grants were the basis of what is now called the public lands of the United States.

Finally, the provisions of Art. VI, ¶2, provide that the laws of the United States are the supreme law of the land. If the acquisition of land by the United States is a legitimate and constitutional function of the federal government, this bill would be in conflict with any laws passed by Congress in furtherance of that function. Hence, under Art. VI, ¶2, the state law would be invalid. In my opinion,

that is the most likely outcome if the bill should pass and be challenged in court, although I have no cases to cite specifically addressing the issue.

A corollary matter rises with relation to the Alaska Statehood Act (72 Stat. 339). Sec. 4 of that act provides in part:

> As a compact with the United States said State and its people do agree and declare that they forever disclaim all right and title to any lands or other property not granted or confirmed to the State or its political subdivisions by or under the authority of this Act. . .

The Statehood Act, as the supreme law of the land, would take precedence over any subsequently enacted state law which would conflict with its provisions.

Finally, I would like to bring to your attention a particular section in the bill which was not included in the Oklahoma bill. That is sec. 38.05.510, which expressly denies any potential inference of consent to President Carter's Antiquities Act withdrawals in Alaska. This is a matter which I thought you might want to add ss since part of sec. 38.05.500 of the bill includes a consent to the acquisition of land by the United States for the purpose of consolidation within existing boundaries of National Forests within Alaska.

KEV:ljb

Enclosure

ROBERT L. JERNBERG
111 STEDMAN STREET-SUITE 201
KETCHIKAN, ALASKA 99901

Dean Sherman's
Forest Industry Affairs
Letter

Information for decision / 213 S.W. Ash Street / Portland, Oregon 97204 / 503 / 228-0108

Vol. 12 No. 16 Sept. 14, 1979

Remember the ad headline of a few years ago? "They all laughed when I sat down to play...But...?"

Can well apply that phrase to the "SAGEBRUSH REBELLION". That's the name that Nevada State Senator Norman Glaser branded onto the impressive movement that took roots in his state.

The ..... "SAGEBRUSH REBELLION"

And one thing is certain...no one is laughing about it now...since the 13 Western States, including Alaska, are becoming involved. It's a ground-swell sort of thing and it can well shake the rafters in Washington before they are through.

At the Western Coalition on Public Lands regional meeting in Reno last week, one gained the specific feeling that something was about to happen...some long-needed actions were about to be taken. And sponsored by the Western Conference, Council of State Governments...Western Region, National Association of Counties...with Nevada Legislature's Select Committee on Public Lands as host...it was clearly evident nobody was fooling. And what is more, the whole action is being well researched, studied and organized...Final direction is pointed toward the Supreme Court.

What is happening...is a rebellion against long standing inequities that have strayed from the original intent. Behind it is the same kind of spirit and determination that built this nation...to correct the long tolerated ills, that if left hanging much longer, could seriously impair this nation.

It's a rebellion against the right-angle drift from basic principles of our constitution. It's directed against over-regulation, against irresponsible legislation. It is leveled at inexcusable "overlording" by bureaucrats and aimed at unfair treatment and unequal footing between sister states. It's a rebellion to break the back of the overdose of preservation counter-culture groups who have whipped the federal government (the Congress, Administration and Agencies)...into an unrealistic submission...no-growthers hiding behind environmentalism, that can bring this nation to its knees if not stopped cold.

The "Sagebrush Rebellion" is directed at Federal negligence...at requirements that have fouled up essential management and development of our public lands within the concerned states...at frustrations at being prevented from exploring and developing needed resources such as oil, coal, minerals, timber, water, grazing within the respective state's boundaries.

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And to say the least, it is a rebellion against the BLM Organic Act which declares that henceforth all federal public lands will remain within the ownership and control of the Federal Government. That was the igniting spark!

The fact is...the "Sagebrush Rebellion" is rolling. From our overview it seems apparent that it will not be stopped until its objectives have been somehow satisfied. Right now, that means until each state concerned has control of the public lands within its borders. Nobody is going to ride the range with blazing 30/30s or six-shooters...and it will take some time because this is both a legal as well as a philosophical issue.

But the Western states have sensed that the timing is ripe to gain an equality with other states. And they likely are right in view of energy shortages, critical water issues, massive wilderness oversell, severe economic pressures within various states...and what is obviously mismanagement of much public land by federal bureaucracies...often managed for politics by unrelated people. It doesn't appear likely either, that the situation will be eased or settled by soothing words of bureau heads, politicians, committee chairmen or administrative pleas.

Nevada has given lead to an action that may now be broadened to meet needs of other western states...And it seems likely will spread like wildfire. Nevadans did it by initiating their own legislation that has declared that: "Subject to existing rights...all public lands in Nevada and all minerals not previously appropriated, are property of the State of Nevada and subject to its jurisdiction and control."

Now take a quick look into some of the action...since whatever happens now, within the 13-western states, will have a profound effect on the future management and ownership of the more than every other acre of land in those states that has been under control of federal bureaus. And we are talking about the states of Montana, Wyoming,Colorado, New Mexico, Utah, Arizona, California, Nevada, Oregon,Washington, Idaho, Alaska and Hawaii.

Legislation to date includes....

The Nevada Assembly Bill No. 413 which asserts a strong moral claim upon the public lands...commits itself to wise management on multiple use basis...and provides for a transition period of continuing, uninterrupted management of the lands.

Commitment reads that the state will administer the lands "to conserve and preserve natural resources, wildlife, habitat, wilderness areas, historical sites and artifacts...permit development of compatible public uses for recreation, agriculture, ranching, mining, timber production and development and production and transmission of energy and other public utility services under principles of multiple use".

A sum of $250,000 was appropriated beginning July 1, 1979 for the biennium, to cover costs of carrying out the act and enforcement.

CALIFORNIA passed its Assembly Bill 1407 without a dissenting vote, on Sept. 5th, is now on the Governor's desk for signing. It's a beginning action... provides funds and directs the State Lands Commission to study and determine lands within the boundaries of California which may now be under management of BLM...but which should by constitutional right, be vested in the state. Excludes private and other specific lands as political subdivisions, parks, monuments, national forest lands,etc. To be reported back by July 1, next year.

Most of the legislators from other states in the West left the meeting with the declared intent of developing compatible legislation for their own state.

On the Federal level...Senator Orrin Hatch (D-Utah) has introduced Senate bill S.1680. Referred to as the "Hatch Act"...it carries the name "Western Lands Distribution and Regional Equalization Act of 1979".

Co-sponsors include Senators Goldwater and DeConcini of Arizona...Cannon of Nev., Zorinsky of Neb., Stevens of Alaska, Helms of North Carolina, Garn of Utah and Jepsen of Iowa.

The Hatch bill would cede some 544 millions of acres of BLM and National Forest lands to control of the 13 Western states. It sets up procedures too, for states to obtain title to the unappropriated Federally-held public lands within their respective borders. This ranges from 29% of the lands in the state of Washington to 87% in Nevada and 96% in Alaska.

There is claimed sound legal basis for the action, as well as philosophic and economic. One is the "Equal Footing Doctrine". While not a part of the constitution...it was one of the well developed constitutional documents dating back to the Northwest Ordinance of 1787. Holds that the states must be admitted to the Union on an "equal footing". And the primacy of state sovereignty has since been upheld by the Supreme Court on numerous occasions.

Many states had that or similar statements in their admittance documents. On the other hand, many western states were required to sign documents that they would not seek control of unappropriated lands within their borders... An action that is now viewed as illegal in some quarters.

A second base is the "Public Trust Theory: Says in effect that if a state has NOT, by virtue of its admission to the union...acquired title to unappropriated public lands...then the federal government holds a bare title as trustee for the people of the state...There is then an obligation to develop a systematic plan for disposal of those public lands for the benefit of the beneficiaries.

Legal issues are complex and varied. But Western Attorney Generals are already organized, researching and moving into a key spot on this entire issue. They know they are fighting unlimited funds...potential political abuse and scorn of entrenched environmentalists who will fight to maintain their strangle-hold on Congress. Reportedly Federal Government lawyers are skeptical, consider the Western states case to be without merit.

But the growing mood among the Western states attorney generals is little fazed by Washington legals...That there is a serious problem between federal and western states relationships...that there is a basic inequity in the way in which the public lands are being administered...and in the way public land states can exercise their rightful sovereignty over lands within their borders.

As a matter of fact...the Western Conference of Attorney Generals meeting in Juneau in July...passed a resolution establishing a "Study Committee on Public Lands" and essential task groups. In many western states the respective attorney generals have given the public land issue the highest priority rating in their offices...stand ready to work with each other and with legislators. They urge other states considering such legislation to closely involve their Attorney Generals...That they make line item appropriations available on which expensive litigation can be carried out.

Frank Gregg, Director, Bureau of Land Management...told the Western Coalition that he hoped they would develop a triple strategy to go along with their enthusiasm for gaining ownership of the public lands.

One, the legal case, that may go on for years...Another, the Congressional initiative that involves a question of such magnitude that it cannot be resolved quickly...The third...a recognition that in the meantime we have a body of laws...we have lands...we have people who use the lands...and we must make some choices and decisions now.

In the push to oust the federal landlords, he asked that equal attention be given to current laws and problems...particularly to the Federal Land Policy Management Act...where there is need for continuing interest and involvement in decision making.

Gregg assured the Western Coalition that many changes have been made and more would be made, in BLM. That both he and Secretary Andrus take the concept of "multiple use" seriously...that he staunchly believes that "if the government is going to hang onto its lands, then it must become a good manager. And if it isn't going to be a good manager...then it ought to get rid of the lands".

He expressed belief that the frustrations expressed in the "Sagebrush Rebellion" are reactions to newly effected Federal environmental regulations, running into potential economic development and spurred by the energy crisis ..believed that the environmental pendulum is beginning to swing back and we will "see a better balance ahead".

As an answer to closer cooperation...Gregg suggested pooling of technical resources and a willingness to set up some experimental projects to "test out if we can cooperate under a shared-decisions system".

Gregg took his lumps along with other federal officials. And though well liked, the audience obviously does not trust the system of dominance of political decisions behind him.

SENATOR Paul Laxalt (R-NV) in a top notch speech, said that the "Sagebrush Rebellion" indicates that the people in the west no longer want their states to be treated like colonies. They want full partnership...are sick and tired of arbitrary policies imposed upon them by non-elected bureaucrats 3000 miles away who had not the slightest knowledge of what their decisions are doing.

He suggested an omnibus "Western Package" bill which would embrace all of the land and water problems and provide the protection needed as one solution. And this would include pending legislation that any court litigation must be heard where controversies arise...and not in Washington where courts are often used as a mechanism for influencing local decisions."

REP. Don Clausen (R-Cal) and the ranking Republican on the Interior Committee, expressed his belief that whatever legislation relating to Public Lands considered by the Congress...it must assure that we are maintaining the economic and political integrity of the county governments. "And as far as I am concerned...what is really required is a major massive coalition that would be born irrespective of party, and says in no uncertain terms...that we want to advance a program of fiscal and institutional decentralization away from the domination of what has in effect been an over-consoling central government in Washington".

Dean Sherman

An Act

ENROLLED HOUSE
BILL NO. 1173

BY: MORGAN, HOLDEN, SHEPPARD, ROGERS, BRADLEY, ANDERSON, MONKS, PETERSON, MILACEK, HILL, JOHNSON (Don), KENNEDY, SHURDEN, GLOVER, BRISCOE and CUNNINGHAM of the HOUSE

and

YOUNG, DAHL, JOHNSTON and LAMB of the SENATE

AN ACT RELATING TO PROPERTY; AMENDING 80 O.S. 1971, SECTIONS 1 AND 6; GRANTING CONSENT OF THIS STATE TO ACQUISITION OF LAND BY THE FEDERAL GOVERNMENT FOR CERTAIN PURPOSES; GRANTING CONSENT FOR CERTAIN LIMITED ACQUISITIONS BY CERTAIN MEANS; REQUIRING LEGISLATIVE APPROVAL FOR CERTAIN ACQUISITIONS; REVOKING CONSENT FOR CERTAIN ACQUISITIONS; PROVIDING CONCURRENT JURISDICATION OF THIS STATE AND THE FEDERAL GOVERNMENT OVER ACQUIRED LANDS; REPEALING SECTIONS 7-301 AND 7-306, CHAPTER 17, O.S.L. 1974 (29 O.S. SUPP. 1978, SECTION. 7-301 AND 7-306); AND DECLARING AN EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. 80 O.S. 1971, Section 1, is amended to read as follows:

Section 1. A. The consent of this state is hereby given, in accordance with Section 8 of Article I of the Constitution of the United States, to the acquisition by the United States, by purchase, condemnation or otherwise, of any land in this state required for sites for custom houses, post offices, arsenals, forts, magazines,

Correctly Enrolled: _____ Chairman, Committee on Enrolled and Engrossed Bills

dockyards, military reserves, irrigation or drainage projects, municipal water facilities or for needful public buildings.

The consent of this state is also given to the acquisition of land by the United States, by condemnation only with the consent of the owner, or purchase, gift or exchange, for the purpose of consolidation within existing boundaries of National Forests within this state.

B. Land outside of any incorporated municipality, which is being considered for acquisition by the United States for any other purpose, whether by fee or easement, may be acquired only after consent of a majority of the Legislature of the State of Oklahoma.

SECTION 2. 80 O.S. 1971, Section 6, is amended to read as follows:

Section 6. The State of Oklahoma shall retain a concurrent jurisdiction with the United States in and over any lands acquired, so far that civil process in all cases, and such criminal process as may issue under the authority of the State of Oklahoma against any person charged with the commission of any crime without or within said jurisdiction, may be executed thereon in like manner as if this act had not been passed.

SECTION 3. Sections 7-301 and 7-306, Chapter 17, O.S.L. 1974 (2 O.S. Supp. 1978, Sections 7-301 and 7-306), are hereby repealed.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Correctly Enrolled: *Chairman, COMMITTEE ON ENGROSSED AND ENROLLED BILLS*

Passed the House of Representatives the 2nd day of May, 1979.

David L. Boren, Jr.
Speaker of the House of Representatives

Passed the Senate the 7th day of May, 1979.

ACTING
President of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 8th
day of May, 1979,
at 3:00, o'clock P M.

By: Dana P. Winslow

Approved by the Governor of the State of Oklahoma the 9th day of
May, 1979, at 5:06, o'clock P M.

George Nigh
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this 10
day of May, 1979,
at 11:20, o'clock A M.

Jeanette B. Johnson
By:

AMENDMENT No. 1

IN THE SENATE adopted BY RAY

TO: SB 334

Page 1, line 15

Delete "land in the state" and insert "state land"

Page 1, line 19

After "acquisition of" insert "state"

Page 1, line 23

Delete "Land" and insert "State land"

Page 1, lines 28 - 29

Delete "of the acquisition" and insert "to the withdrawal"

Page 1, line 29

After "United States" delete "of land"

Page 2, line 1

After "July 1, 1980," insert "of land in Alaska"

Page 2, line 2

After "rivers" insert "which would otherwise be available for selection by the state under the Alaska Statehood Act (48 U.S.C. Prec. sec. 21, as amended)"

SB 334 passes the Senate

Jan. 31, 1980

Rep Parker

Re: SB 334

from Senator Ziegler

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

November 26, 1979

SUBJECT: Acquisition of Land by the United States (Work Order Number 7480)

TO: Senator Robert H. Ziegler, Sr.

FROM: Kenneth E. Vassar
Legislative Counsel

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KEV:ljb

Enclosure

SB

562

(7)

COMMITTEE REPORT

HOUSE

5/5/80

FURTHER:

Date: 9 May 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSSB 562

"An Act relating to the formation of coastal resource service areas; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[x] replace with CS for [illegible] [x] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
Bill Pearl	[illegible]
[illegible]	[illegible]
[illegible]	
[illegible]	

Bill Pearl

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: CSSB562 Relating to Coastal Management Service Areas

ORIGINAL SPONSOR: Mulcahy
OTHER SPONSORS:

RECEIVED FROM: Senate Floor
FURTHER REFERRALS: --

HEARING DATE: 5/9/80

MEMBERS PRESENT:				
	Bill Parker	X	Pat Carney	X
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

Rep. Parker discusses the outcome of a meeting on the subject of CSSB562 which occurred on 5/8/80 and which was attended by Jessie Dodson, Murray Walsh, Larry Kimball, John Halliwell (Haines), Tom Lawson, John Halterman, and Marjorie Gorsuch and Margo Waring (staff to House and Senate C&RA). At the meeting the group discussed the concerns raised by Roger Allington in his testimony on the bill. It was the concensus of the group that the CSSB562 as written, would meet the needs of the areas affected and that Mr. Allington's objections were not well founded.

Murray Walsh, Office of Coastal Zone Management
Reitterated the comments made by Rep. Parker and added that Don Gillman, Vice Chairman of the Council had been contacted and that he support CSSB562 as written.

Rep. Metcalfe suggests amending the bill with the Allington amendments. There was no support for this motion.

The committee signed out CSSB562.

COMMITTEE ACTION: Bill passed out.

TAPE # 11 SIDE 1 Footage 178-479

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: CSSB 562 Relating to Coastal Management Service Areas

ORIGINAL SPONSOR: Mulcahy
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: --

HEARING DATE: 5/7/80

MEMBERS PRESENT:

Bill Parker	X	Pat Carney	X
Margaret Branson	X	Charlie Parr	X
Pat O'Connell	X	Fred Zharoff	X
		Ray Metcalfe	X

Roger Allington, Former member of Coastal Policy Council Opposed to the bill and sees it as a threat to the local autonomy which was the keystone of the Coastal Management Act. Reads p. 2 l. 17 which requires mutual agreement to be made as a violation of the concept of local autonomy. Suggests that there may be a conflict with Title 29 in having the planning body do planning for surrounding areas as is suggested in the bill. Says that it is not necessary to make the changes suggested in the bill to accomplish what is needed in the Aleutians. Suggests that a number of sections be eliminated from the CS including Section 3, d (2). and p. 1 lines 25-27.

Says that it is not necessary to mandate an agreement as the Council would not approve plans unless they are consistent with the plans of adjacent areas.

COMMITTEE ACTION: No action.

TAPE # 10 SIDE 2 Footage 00-353

AS 46.40.080 is hereby amended to read as follows:

Effective date of Alaska Coastal Management Program. The Alaska Coastal Management Program adopted by the council, and any additions, revisions, or amendments of the program, take effect upon [adoption of a concurrent resolution] enactment by the legislature of a statutory amendment pursuant to this section approving the program or any addition, revision or amendment of the program. [by a majority of the members of each house of the legislature or by vote of the majority of the members of each house at the time the houses are convened in joint session to confirm executive appointments submitted by the governor.]

Walsh should review the original resolution

Original sponsor: State Affairs Committee

Offered: 4/30/80
Referred: Rules

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 562

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the formation of coastal resource service areas; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.40.120(a) is amended to read:

(a) Except as otherwise provided in [(b) OF] this section, each regional educational attendance area established under AS 14.08.031 containing a part of the coastal area may be organized as a coastal resource service area.

* Sec. 2. AS 46.40.120 is amended by adding a new subsection to read:

(d) For purposes of coastal zone management only, the commissioner of the Department of Community and Regional Affairs may, after public hearings held in the regional educational attendance area affected, divide an existing regional educational attendance area into no more than three coastal resource service areas according to geographic, cultural, economic, environmental, or other features relevant to coastal management planning; however

(1) each coastal resource service area formed by dividing an existing regional educational attendance area must contain at least one first class city or home rule city;

(2) a city within a coastal resource service area formed by dividing an existing regional educational attendance area may not elect to exclude itself from the coastal resource service area; and

(3) a coastal resource service area formed before the effective date of this Act may not be divided for coastal management planning

1st cl. cities - pl. powers. - from around them. // Craig/Klawock Cordova 3/"rural" crsda - no pl. powers PWS.

OR - I'll talk re probs of orig. as per meeting

#34. CRA Veronica's rec

retro limited apple. -

Why would Com. of C&RA decide that way?

some have already done their plans

Have Murray do initiate defense

(1) Div. by C&RA
(2) local auto
(3)

The bill can be seen as extending local control over st control

I'm glad I got my WH Conference Res. through
I need something to cling to

Thorne Bay may be second class
I didn't say out misquote

purposes.

* Sec. 3. AS 46.40.190 is amended to read:

Sec. 46.40.190. COOPERATIVE ADMINISTRATION. (a) A city within the coastal area which is not part of a [AN ADJACENT] coastal resource service area shall be included [MAY INCLUDE ITSELF] for purposes of this chapter within an adjacent coastal resource service area unless [IF] its governing body, by resolution adopted by a majority of its membership, chooses to exclude [CONSENTS TO THE INCLUSION OF] the city from an adjacent coastal resource service area and a copy of the resolution is filed with the commissioner of the Department of Community and Regional Affairs.

(b) Nothing in this chapter restricts or prohibits cooperative or joint administration of functions between a municipality and a coastal resource service area organized under the provisions of this chapter upon initiation of a mutual agreement for the purpose. A city which elects to be excluded from an adjacent coastal resource service area under (a) of this section shall enter into a mutual agreement for cooperative or joint administration of functions with the coastal resource service area board from the adjacent coastal resource service area.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-070(c).

I can't believe that they have forgotten that the local autonomy was originally a political compromise — this is much preferably for CZM purposes!

Reg.

up to CRA

CZM advice

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B – JUNEAU 99811

April 21, 1980

The Honorable Bill Parker
Chairman
Community and Regional Affairs
Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

At your request, the Department of Community and Regional Affairs has prepared background information on HB 992 and explored alternatives to the bill.

BACKGROUND

The Alaska Coastal Management Act of 1977, as amended, allows residents of the unorganized borough to organize coastal resource districts encompassing one or more regional educational attendance areas (REAAs). The Commissioner of Community and Regional Affairs has authority to combine two or more REAAs into a single coastal resource service area prior to organizational elections. Municipalities which exercise planning powers are also districts; they may join an adjacent coastal resource service area but are not required to do so. Each district prepares a coastal management program to be submitted to the Coastal Policy Council and State Legislature. This system seems to work well in certain areas, but has been received with reservation in others. Attachment 1 lists each coastal REAA and coastal resource districts within each REAA and indicates whether the district's coastal management program is under way or completed. REAAs which have not yet conducted coastal management elections but could do so under the present law are described as "potential" districts.

Coastal resource districts have been organized in three regions of the unorganized borough; another region is seriously considering following suit. Districts have formed in the Northwest Alaska region (REAA 1), the Bering Straits region (REAA 2), and the Yukon/Kuskokwim region (REAAs 3 and 4); district formation is under consideration in the Bristol Bay region (REAAs 6 and 7). These four regions have the following traits in common:

1. Each region has one dominant regional center: Kotzebue in the Northwest Alaska region; Nome in the Bering Straits region; Bethel in the Yukon/Kuskokwim region and Dillingham in the Bristol Bay region.

2. All of the communities in the Northwest Alaska region and all but one in each of the other regions are second class cities or unincorporated and therefore obtain educational services from an REAA. (First class and home rule cities operate their own school districts.)

3. In two of the three regions which have organized coastal resource districts the regional center has chosen not to join the adjacent service area. Consequently, in the Bering Straits region there are two coastal resource districts, the City of Nome and the Bering Straits Coastal Resource Service Area; in the Yukon/Kuskokwim region, there are also two coastal resource districts, the City of Bethel and the Yukon/Kuskokwim Coastal Resource Service Area.

In addition to the regions discussed in the foregoing paragraphs, there are six coastal REAAs which have not yet organized coastal resource districts. They have the following characteristics:

1. Four of them--the Aleutian Islands (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19) and Prince William Sound (REAA 21)--have several first class or home rule cities each and no dominant regional center. Therefore, each region has several school districts, several coastal resource districts, and no established central gathering place or service center (except Anchorage, Juneau, or Seattle).

2. Federal landholdings consume much of the land within each region. Federally owned land is not part of the State's coastal zone. Settled areas and non-federal land often occur as isolated pockets separated by thousands of acres of federally owned land.

HB 992 resulted from concern that options offered by the Alaska Coastal Management Act may not be well suited to the second set of REAAs discussed above (REAAs 8, 9, 10, 18, 19, 21). Attachment 2 describes advantages and disadvantages of the status quo [AS 46.40.120(b)], HB 992, two legislative alternatives and one administrative alternative.

Sincerely,

Marie Matsumoto-Pignalberi

for Lee McAnerney
Commissioner

Attachments

cc: The Honorable Arliss Sturgulewski
Alaska State Senate

The Honorable Bob Mulcahy
Alaska State Senate

The Honorable Al Osterback
Alaska State House of Representatives

Keith Specking
Office of the Governor

Attachment 1

	Region	Coastal Resource Districts (Including cities and boroughs within regions generally defined by REAAs)
REAA 1	Northwest Alaska	* NANA Coastal Resource Service Area
REAA 2	Bering Straits	* Nome * Bering Straits Coastal Resource Service Area
REAA 3&4	Lower Yukon/ Lower Kuskokwim	Bethel * Yukon/Kuskokwim Coastal Resource Service Area
REAA 6&7	Nushagak-Bristol Bay Lake/Peninsula-Bristol Bay	Dillingham * Bristol Bay Borough * Bristol Bay Coastal Resource Service Area (potential)
REAA 8	Aleutian Islands	Unalaska King Cove Sand Point Aleutian Chain Coastal Resource Service Area (potential)
REAA 9	Pribilof Islands	Pribilof Islands Coastal Resource Service Area (potential)
REAA 10	Adak	Adak Coastal Resource Service Area (potential)
REAA 18	Northern Panhandle	* Yakutat * Haines (City) * Skagway * Juneau Pelican Hoonah * Sitka * Kake Northern Panhandle Coastal Resource Service Area (potential)
REAA 19	Southern Panhandle	* Petersburg * Wrangell * Klawock * Craig * Hydaburg * Ketchikan Gateway Borough Southern Panhandle Coastal Resource Service Area (potential)
REAA 20	Met...katla/Annette	* Annette Islands Indian Reserve
REAA 21	Chugach	* Cordova * Valdez Prince William Sound Coastal Resource Service Area (potential)

* Program under way or completed

Status quo	Advantages	Disadvantages
AS 46.40.120(b) allows the Commissioner of Community and Regional Affairs to consolidate two or more REAAs into one coastal resource service area after considering standards applicable to incorporation of borough governments , the likelihood that a borough would be incorporporated within the area, or the extent of federally owned land and water within the area.	By using the REAA as the basic unit for planning in the unorganized borough, the present law does not create any new boundaries for delivery of government services.	The present law allows first-class and home rule cities (and second-class cities under certain circumstances) to develop coastal management programs separate from the region. Many cities do not see it in their best interest to join forces with an entire REAA. Consequently, coastal resource service areas are not being organized in several REAAs, yet many cities have legitimate interest in influencing development outside their corporate limits.
HB 992		
Under HB 992, AS 46.40.120(b) would be amended to allow the Commissioner of Community and Regional Affairs to not only consolidate two or more REAAs into one coastal resource service area, but also subdivide REAAs into separate coastal resource service areas according to geographic, cultural, or other features relevant to coastal management planning. Borough incorporation standards would also be considered, as would federal ownership of coastal land and water.	HB 992 also uses REAAs as the basic unit of reference for coastal resource service areas. First-class or home-rule cities of the unorganized borough might be more inclined to join coastal resource service areas smaller than the entire REAA in which they are located. HB 992 would allow residents to plan for those areas which affect them most directly and with which they are most intimately familiar.	Indiscriminate subdivision of an REAA could produce fragmented coastal management programs.
Legislative alternative #1		
Retain the language of HB 992, but restrict application of the subdivision provision to the Aleutian Chain (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19), and Prince William Sound (REAA 21). Allow the Commissioner of Community and Regional Affairs to combine REAAs with subdivisions of other REAAs if such combinations satisfy standards mentioned in HB 992.	This provision would restrict application of the subdivision section to areas most likely to express interest in them.	The restriction may be unnecessary since coastal resource service areas have organized districts in most of the other coastal REAAs. There may be constitutional questions about treating regions differently by specifying the geographic area rather than by specifying standards which must be met

Legislative alternative #2	Advantages	Disadvantages
Retain the language of HB 992, but add the following provision: If an REAA is divided and an organization election is called in one subdivision, an election will automatically be called in all other subdivisions of the REAA. If any one of the subdivisions elects to organize a district, all other subdivisions are automatically organized. The coastal management program from all subdivisions of an REAA must be coordinated from the outset and submitted simultaneously to enable the Coastal Policy Council and State Legislature to reach a reasonable conclusion about the compatibility of the plans. Although each subdivision would have its own board, there would be a seven-member regional oversight board with representation from the entire REAA (or combination of REAAs) on a one-man, one-vote basis.	All of the advantages of HB 992. Greater coordination among plans than would be afforded under HB 922.	Certain areas may be prematurely coerced into preparing a coastal management program by virtue of actions taken by neighboring areas. Any section could delay approval of the programs of other sections. Creation of another layer of government would make the process more cumbersome and costly.
Administrative alternative		
A coastal resource service area encompassing one or more REAAs could voluntarily organize itself in such a way that board members from one area would meet routinely with local people in that area and use full board meetings as a means to combine sectional ideas and make compromises if necessary.	Local involvement in regional coastal management planning with as few new formal structures as possible. No legislative change would be needed.	The representation and consequent voting strength of any given area on the seven-member service area board would be less in an entire REAA than in a subdivision of it.

Application of ACMP to the Aleutian/Pribilof Island Region

Problem:

Options provided under the Alaska Coastal Management Act for formation of "coastal resource districts" are not applicable to the Aleutian/Pribilof Island Region.

Background:

The Aleutian/Pribilof Island Region presents a unique situation relative to the establishment of coastal resource service areas. Within the Region are three first-class cities (Sand Point, King Cove and Unalaska) as well as regional educational attendance areas 8, 9 and 10 (Aleutian Chain, Pribilof and Adak).

Under present law the first-class cities have the option of becoming single coastal resource service areas, thus establishing their own coastal management planning programs within their respective political boundaries, or of joining forces with the REAA's to develop a regional planning effort.

In addition, the three REAA's may become separate coastal resource service areas or, under authority granted in AS 46.40.120(b) the Commissioner of the Department of Community and Regional Affairs, may consolidate REAA's 8, 9 and 10 into one or two service areas for coastal management purposes.

Given these conditions there exists the possibility of one or six, or any combination within these numbers, coastal resource service areas being created within the Aleutian/Pribilof Island Region.

The population of the Region is approximately 3600 with 2274 (63%) residing in the three first-class cities (Sand Point 773, King Cove 733 and Unalaska 768). The second-class communities of Akutan and St. Paul contain 652 residents, 85 and 567 respectively. Total Regional population residing in incorporated municipalities totals 2926 or 81%. Clearly, if the first-class communities elect to establish their own programs within their jurisdictions, the remaining area (REAA's 8, 9, & 10) will be substantially diluted of human resources with which to develop and implement a coastal management program.

Land interests in the region are geographically complex. Village corporations were unable to select ANCSA entitlements within the core townships of Native villages due to the configuration of islands and Federal reserves. As such, village corporations selected deficiency lands under the Act this resulted in the ownership of land many miles from their respective villages. An example is the Tanadqusix Corporation at St. Paul (Pribilof Islands). Tanadqusix Corporation has substantial land holdings approximately 200 miles away on Unalaska Island. This is the case for a majority of the Aleutian's village corporations thus creating an extremely fragmented pattern of land ownership and land interests throughout the chain.

Several Aleutian villages are vacant of population, yet represent vast land holdings and thus development interests for shareholders residing elsewhere. Unga and Sanak are two cases in point. Village Corporation members from Unga and Sanak reside in Sand Point yet hold major land interests outside of Sand Points City boundaries. They fear that should Sand Point elect to become a coastal resource service area they, as residents of Sand Point, will be precluded from having a voice in a coastal management program which encompasses their corporate land holdings.

The communities, on the other hand, would prefer to work with the respective corporations in a coastal management program but do not care to be involved or necessarily influenced by actions a thousand miles away.

The Aleutian/Pribilof Island Region situation strongly indicates the need to provide a third option for creating coastal resource service areas. This option would address the need to create service districts which emphasize common interests and geographic proximity in areas where land mass, economic interests and population are not contiguous.

Proposed Legislative Amendment

Section 3 AS 46.40.120(b) is amended to read:

(b) The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area or may subdivide an existing regional education attendance area according to geographic, cultural or other features relevant to coastal management planning.

CITY OF UNALASKA
P.O. BOX 89
UNALASKA, ALASKA 99685
581-1251
"Capital of the Aleutians"

March 24, 1980

Mr. Lawrence H. Kimball, Jr.
Director
Division of Community Planning
Department of Regional and Community Affairs
225 Cordova, Building B.
Anchorage, AK 99501

Dear Mr. Kimball Gary

In response to your letter of March 21, 1980 concerning the language of a possible amendment to AS 46.40.120(b), I can state the amendment accomplishes precisely the purpose which the City Council hopes for. I have discussed the language of the amendment with City Manager Burton; it has the support of the City administration. At the next regular City Council meeting (April 10, 1980), we shall report on the swift response which we have had from the Division to our request for assistance and inform the Council of the proposed amendment.

Thank you, again, for the attention which you have given this matter.

Sincerely,

CITY OF UNALASKA PLANNING DEPARTMENT

Rich

Richard Careaga, AICP
Director of Planning

RECEIVED
DEPT. OF COMM & REG. AFFAIRS
COMM. PLANNING
Date 3/26

Veronica

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING

225 CORDOVA, BUILDING B
ANCHORAGE, ALASKA 99501

March 21, 1980

Mr. Richard Careaga
Director of Planning
P.O. Box 89
Unalaska, Alaska 99685

Dear Mr. Richard Careaga:

In response to your letter of March 17 requesting our assistance in drafting an amendment to AS 46.40.120(b), I would like to relay the following information.

The City Councils of Sand Point and King Cove have made identical requests. In order to accommodate these requests in a timely manner I drafted a proposed amendment and presented same to the Alaska Coastal Policy Council on Wednesday, March 19.

Following my presentation and brief discussion the Council voted 11-0 in favor of a resolution supporting the proposed amendment. This support will accompany the proposed amendment to Juneau where we will request it be introduced via committee. We will meet with Sand Point officials and legislators for the affected area next week in Juneau to discuss the matter.

I have enclosed a copy of the proposed amendment for your City Council's review. Should the Council support it as written, I would appreciate a letter to that affect. Should there be a need to amend the language please contact me immediately as time is of the essence.

Thank you for your assistance in this matter and please assure the City Council and Mayor Holmes that we will keep them informed as things progress.

Thank you also for the courtesies extended during our recent visit. I enjoyed our stay.

Best regards,

Larry

Lawrence H. Kimball, Jr.
Director

Attachment

21-P16LH

CITY OF UNALASKA
P.O. BOX 89
UNALASKA, ALASKA 99685
581-1251
"Capital of the Aleutians"

March 17, 1980

Mr. Lawrence H. Kimball, Jr.
Director, Division of Community Planning
Alaska Department of Community and Regional Affairs
225 Cordova, Building B, Suite 104
Anchorage, Alaska 99501

Dear Mr. Kimball:

The City Council, by motion, has instructed me to contact your office to determine the feasibility of amending AS 46.40.120 to permit the Commissioner discretionary authority to establish coastal resource service areas which emcompass areas smaller than REAA's. It is the view of the City Council that participation in a properly drawn service area could be a more effective mechanism for Unalaska's taking part in coastal management under the Act than either as its own district or as part of a district taking in most of the Chain.

Any assistance which your office could render in drafting a candidate amendment would aid us greatly in approaching our legislators on the question and would be greatly appreciated.

Sincerely yours,

CITY OF UNALASKA PLANNING DEPARTMENT

Richard Careaga, AICP
Director of Planning

RECEIVED
DEPT. OF COMM & REG. AFFAIRS
COMM. PLANNING
Date 3/19

SB

641

"An Act relating to wage rates."

COMMITTEE REPORT

3/24/75 HOUSE

Mr. Speaker: Date April 23, 1975

The Committee on JUDICIARY has had SB 641 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

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

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Tony Hardin	Do Pass	
	" "	
	" "	

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Tony Hardin Chairman

Mon.

SENATE BILL NO. 641

For an Act entitled: "An Act Relating to Wage Rates".

The Wage and Hour Divison of the Alaska Department of Labor respectfully endorses the proposed amendments to Secs. 36.05.010 and 36.05.070(a) of Title 36, PUBLIC CONTRACTS.

We believe the proposed amendments will clarify the interpretation of the meaning and intent of these sections which are ambiguious and which have been referred to as "somewhat muddled" in a memorandum dated May 15, 1974 signed by former Deputy Attorney General Michael R. Peterson.

We submit the new language provided in the proposed amendments constitutes a reasonable interpretation of the meaning of "prevailing wage rates". To hold otherwise would be to lock workers into the rates prevailing at the beginning of a contract. Should the performance of a contract require a considerable length of time and should economic factors cause a change in these prevailing rates it seems only logical and equitable that workers should be paid at the new adjusted rates being paid to other workers of similar classifications on projects commenced at a later date.

We further submit in support of this position that "in the case ambiguity of language, that construction should be adopted which would be most favorable to the parties seeking to obtain the wage rate which the statute calls for" re: McKibbin vs City of New York, N.YS 2nd 50,52 (1945) affirmed 53 N.YS 2nd 474, affirmed 64 N.E. 2nd 288.

In conclusion we submit, Prevailing Wage Rates should be effective from the date they are established by the Department of Labor and applicable to all contracts involving public funds.

STATE
of ALASKA

MEMORANDUM

SB641

TO: E. T. Leland, Supervisor
Wage and Hour Division
Department of Labor

DATE : February 23, 1976

FROM: Avrum M. Gross
Attorney General

SUBJECT: "Prevailing wage rates"

By: Richard M. Burnham
Assistant Attorney General

You have asked this department for our views on the following three questions.

1. Does "prevailing wage rate" mean the advertised rate, AS 36.05.070(a) and (b)(2), or does it mean the rate periodically determined by the Department of Labor under AS 36.05.030 and 8 AAC 30.050?

2. If the prevailing wage rate is the same as the contract wage rate at the outset of a contract, must the contract wage rate change during the life of the contract in accordance with changes in the prevailing wage rate?

3. Where a contractor on a public works project is signatory to a collective bargaining agreement obligating him to make payments to a union benefit trust account, does the contractor satisfy the requirement of Title 36 by paying the benefit amounts directly to the employee as wages rather than making payments to the union trust account on behalf of the employee?

Our short answers to your questions are: (1) the "prevailing wage rate" means the rate periodically determined by the Department of Labor; (2) the contract wage rate must equal or exceed the prevailing wage rate and therefore the contract rate must change accordingly during the life of the contract; and (3) payments directly to the employee satisfy the requirements of Title 36.

The purpose of AS 36.05 is to assure that the state and its political subdivisions do not pay substandard wages on public construction projects. Of primary import in AS 36.05 is sec. 05.010 which mandates that whatever wage a contractor or subcontractor pays on a public construction project, it shall not be "less than the prevailing rate of wages for work of a similar nature in the region in which the work is done."

E. T. Leland, Supervisor
Wage and Hour Division

February 23, 1976

As a result of this mandate, the advertised rate, referred to in AS 36.05.070, must at least equal the prevailing wage rate in existence at the time the advertised rate is published. Most often, the advertised rate will be but a statement of what the prevailing wage rate is at that moment in time. As the prevailing wage rate changes, so must subsequent advertised rates.

This same analysis applies to public construction contract rates as they too must not be less than the prevailing wage rate. If during the life of the contract the prevailing wage rate increases to the point where it exceeds the contract rate, the latter rate must be increased accordingly to comply with AS 36.05.010.

Pursuant to AS 36.05.030 and 8 AAC 30.050 promulgated thereunder, the determiner of the prevailing wage rate is the Department of Labor, and that rate is to be "periodically revised". 8 AAC 30.050(a)

The above discussion establishes what the "prevailing wage rate" means. Whether a public contractor chooses to pay that rate directly to an employee or to pay a portion of it into a union trust account is not a concern of Title 36 for this title only addresses the amount of the wage and not the manner by which it is to be paid. We suggest that disagreements over whether an employer has complied with the provisions of a collective bargaining agreement be left to the parties to the agreement to resolve.

RMB:jf

Terry's desk for

Friday morning.

file
SB641

SCR

7

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

February 12, 1979

SUBJECT: Relating to the regulations of the Alaska Housing Finance Corporation defining the term "rural." (Work Order No's: 6419 and 6420)

TO: Senator Bill Ray

FROM: John B. Chenoweth, Legislative Counsel

A word, if I may, concerning the legislation provided:

The confusion begins because the Alaska Housing Finance Corporation has, by regulation, defined the term "rural." In fact, their responsibility was to apply the standards which are part of the definition of the term "remote, underdeveloped or blighted area" to the map of Alaska.

It is apparent that AHFC has taken the easy way out, excluding the entirety of the three unified municipalities (Anchorage, Juneau, Sitka) and the urban areas of some other boroughs merely on th basis of population. Ms. Walton has a good point in that AHFC has not met the legal requirement imposed by AS 18.56.210(12) with its several standards as to what constitute "remote, underdeveloped or blighted" areas. The Senate Concurrent Resolution is submitted to annul the regulation.

However, that is not to say that AHFC will not essentially try to do substantially the same thing the next time around. The bill is offered to emphasize the point that AHFC shall make its geographical determination on the basis of a reading of all the standards, not just population, and that within urbanizing boroughs and unified local governments the board should go beyond examination of the corporate limits to see whether parts of the borough or unified municipality would meet the "remote, underdeveloped or blighted" standards.

That is not to say that even if the bill and resolution are adopted just as offered here, AHFC will conclude that Linda Walton's house at 23 mile Glacier Highway is in a "remote, underdeveloped or blighted" area. If you want AHFC to have the authority to promote residential housing in "rural, underdeveloped or blighted" areas, please let me know. I will go through AS 18.56 and change "remote" to "rural" every place it appears, and conjure up a definition of "rural" that is tied to, say, the absence of water and sewer systems, as Ms. Walton suggests.

You may offer the resolution, the bill, both, or neither, depending on how you want to get at the points presented in Ms. Walton's letter. But I do not guarantee that, even if both pieces of legislation are enacted, AHFC will find that 23 mile Glacier Highway is "remote, underdeveloped or blighted." "Rural," perhaps, but hardly "remote."

JBC:nem

Alaska HOUSING FINANCE CORPORATION

February 21, 1979

Hon. W. E. "Brad" Bradley
Pouch V
Juneau, Alaska 98111

Dear Senator Bradley:

I am enclosing a status report on the rural housing program which was authorized by the legislature in 1978 under AS 18.56.090(25). As you can see, we have put a great deal of time, effort and money into establishing this program to fulfill what we feel is the legislative intent for this program. You must also keep in mind that this has to be a viable and ongoing program in order to meet the needs of the bush communities. We, therefore, designed our loan criteria around what we feel is prudent business practice. We can foresee, if our criteria is followed, that in not too many years, this program would be in a position to command the sale of bonds in the public market, and be self-sustaining without the need for money being provided from the State's general fund to purchase all the mortgages created under the program. It appears the State is short of funds, and by creating a viable program, we feel it would be good for the taxpayer and still serve the needs of our remote communities.

AHFC was created in 1971 for the primary purpose of increasing the supply of housing in the State for persons of lower and moderate income and for persons residing in remote, underdeveloped or blighted areas of the State. We have a total of 7,023 loans in our portfolio totaling $377,433,000. There is a total of $420,460,000 bonds outstanding from a total issued of $428,725,000 and with the sale this week of an additional $72 million issue, AHFC will have provided over $500 million for housing throughout the State of Alaska with the use of the tax-exempt bond market and not the taxpayers dollars.

In order to continue providing the much needed housing for our State, it is necessary for the legislature to appropriate money for the Mortgage Insurance Fund. This amount is equal to 2% of the bonds issued on the public market. We leverage this 2% figure on a 50 to 1 basis in selling the bonds; i.e., $1 million of appropriated funds allows us to sell $50 million in bonds. AHFC has requested by resolution of the Board of Directors, an appropriation for fiscal year 1980 of $6 million. It is anticipated we will need $4 million in our regular loan program with an additional $1 million for anticipated impact in loan applications from Alaska Veterans since their program has been sus-

Telephone (907) 274-4621
Suite 100
Plaza 201 E. 3rd Avenue
P.O. Box 1020
Anchorage, Alaska 99510

pended. House Bill 165 has been introduced requesting an appropriation of $5 million. The continuation of our regular program will lend credence to our ability to go to the bond market in the future for the rural program that we want to institute as soon as possible.

Your support for our appropriation is necessary so AHFC can continue to provide funds at reasonable rates to the people of our State.

Sincerely,

J. M. Linton
Executive Director

JML:jr

Enclosure

Alaska HOUSING FINANCE CORPORATION

P.O. Box 1020, Anchorage, Alaska 99510

TO: J. M. Linton, Executive Director DATE: February 20, 1979

FROM: James P. Kennedy, Rural Program Coordinator

Re: Rural Housing Program
Summary of Events

The Rural Program Coordinator was hired July 10, 1978 to assist in the implementation of the Rural Housing Program. With the Executive Director of AHFC, we began to develop the Rural Program guidelines and criteria. In addition, a good deal of time was spent reviewing existing and past Federal and State housing programs and the causes of failure of many of these programs. From the beginning the "Rural Housing Program" was designed to be efficient, simple, and secure. Early on we developed simplified Loan Application forms, Property Appraisal forms, Verification forms and a simplified Seller/ Servicer Guide.

On July 28, 1978, the Program Coordinator first met with Mr. Pat Pletnikoff, President of the Association of Alaska Housing Authorities and Executive Director of the Aleutian Housing Authortiy. We reviewed the program guidelines and the proposed loan criteria. We also discussed the participation of the individual Housing Authorities in the program. Mr. Pletnikoff was supportive. He and his staff have helped coordinate the efforts of AHFC and the Regional Housing Authorities since that time. He also provided the necessary exchange of information required to finalize the criteria to be used.

On August 2, 1978, we visited Nome to discuss the program with Charles Nelson of the Bering Straits Regional Housing Authority and other interested persons in the Nome area. They expressed interest, support, and a willingness to participate in the program.

On August 3, 1978, we requested any final recommendations and comments from all of the Regional Housing Authorities and further requested that individuals be identified to receive training as loan originators. That request was followed up on August 15.

On August 18, we went to Barrow with the same intent of soliciting support and participation in the program. The North Slope Burrough Housing Authority expressed continued support.

Throughout this period of time we worked with title insurance and mortgage insurance companies to develop mechanisms for adequate security of the Rural program loans. We also wrote "plain language" Note and Deed of Trust documents in order to help make the mortgage loan more understandable to the ultimate rural borrower.

On September 19, a progress report (attached) was sent to the AHFC Board chairman and all Board members. The prime difficulty was the lack of Housing Authority Personnel available to attend the training session.

A three-day tour of rural communities with representatives of TICOR Mortgage Insurance Co. was conducted on September 26, 27, and 28. The tour was to familiarize them with the condition of the home to be insured as well as with the economic condition in rural areas. (Barrow, Bethel, Marshall, and Kotzebue)

The Program Coordinator attended the meeting of the Association of Alaska Housing Authorities held in Kodiak October 3, 1978. Some of the Housing Authorities had become hesitant to get involved, and others had workload and budget problems that prevented them from sending any of their staff to the proposed training session. This difficulty was expressed in the October 17 progress report the AHFC Board Chairman and all board members. With the assistance of the Aleutian and AVCP Regional Housing Authorities, others were again encouraged to participate. The October 27 meeting of the Association resulted in firm commitments from the AVCP, Aleutian, Bering Straits, and KANA Regional Housing Authorities. We also received commitments for future participation from the Bristol Bay and Tlingit-Haida Housing Authorities.

With these commitments we scheduled and conducted the planned training in Anchorage. From November 27 through December 15, Housing Authority personnel were trained in loan origination, loan processing, loan closing, and loan servicing. Classroom instructions were conducted in the offices of AHFC, and "on the job training" was conducted at the First National Bank of Anchorage, Alaska National Bank of the North and United Bank Alaska. At this point, we felt the Housing Authority personnel were sufficiently trained and equipped to implement the program. On January 15, 1979, the staff of AHFC recommended to the Board of Directors final approval and implementation of the new "Rural Housing Program" along with some other policy changes designed to encourage the availability of AHFC loans in rural areas. Those recommendations were not approved at the February 7th meeting of the Board held in Juneau.

The staff of AHFC desires, and is ready to implement and administer, a sound and effective "Rural Housing Program" as soon as possible.

RURAL HOUSING PROGRAM

The purpose of the proposed rural housing program is to expand the activities of AHFC to permit the financing of homes in rural areas of the State for those borrowers who can afford the cost of homeownership, but for whom financing has been unavailable.

The current AHFC programs can and do meet a portion of the market in rural areas. The proposed rural housing program will increase the scope and availability of home financing. The following represents some of the factors that were considered, as problem areas in the development of a viable, ongoing program.

1). Lack of an existing lender competent and willing to originate and service loans in rural areas.

2). Difficulty in obtaining mortgage insurance, title insurance, and fire insurance, in some cases.

3). Lack of suppliers of new housing.

4). Borrowers income source that is not suitable to the usual monthly payments.

The elements that provide for these factors are:

1). The Regional Housing Authorities will supplement the usual lenders in rural areas. They have provided personnel for specialized training in loan origination, loan processing, loan closing and loan servicing. They possess specialized knowledge of housing in remote areas. They have first hand knowledge of, and regular contact with those who will be borrowers under the program. They are active residents of the areas to be served.

A loan committee representing the Housing Authorities and AHFC will review loan submissions. The committee has provided input for establishing loan criteria and policy and will supervise the seller/servicers.

2). A good deal of consideration was given to the problem of mortgage security. Private mortgage insurance is available in most every case, at a cost comparable to other areas of the State. Title insurance is available in most every case. The major problem is the high cost of the necessary survey. We believe that a marketable title does increase the value of real property substantially so we will allow the cost of the survey to be added to the value. Our loan would then finance a large portion of that cost.

We further believe that adequate fire insurance is critical, particularly in rural areas, not only for the protection of AHFC and its bond holders, but ultimately for the homeowner himself. Until alternate sources of fire insurance are available we see no way to avoid this cost. It should also be noted that the generally higher monthly cost of fire insurance is offset somewhat by the lack of property taxes in most rural areas. Providing for alternative methods of hazard insurance is a political discussion of State and Federal Governments.

3). We believe there is a great potential for cooperation between the Native Regional Corporations and the Regional Housing Authorities in developing reliable suppliers of new housing. There is also the potential for cooperation between the Housing Authorities and existing lenders for interim financing. The readily available long-term financing commitments will, in turn, make construction financing more attractive.

4). The proposed rural housing program allows for payment schedules other than monthly when the income source of the borrower dictates.

We believe that the loan criteria (summary attached) developed in cooperation with the Housing Authorities and others meets a need for unsubsidized residential financing. At the same time the criteria provides for prudent lending practices to adequately protect the Housing Authorities, AHFC, its bond holders, and the potential borrowers.

ALASKA HOUSING FINANCE CORPORATION

P.O. Box 1020, Anchorage, Alaska 99510

TO: All Board Members DATE: January 15, 1979

FROM: J. M. Linton, Executive Director
and James P. Kennedy, Rural Program Coordinator

Subject: Staff Recommendation for "Remote Rural Housing Program"

Only the participating Regional Housing Authorities will originate and service loans under the "Remote Rural Housing Program." They will originate loans in the major "hub" communities as well as the more remote areas, and will benefit from the portfolio mix thus achieved. They will not be able to originate loans for purchase under any of AHFC's existing programs. The Housing Authorities will contribute to a "loan committee" that will review all submissions, develop reliable suppliers of new housing, and will periodically review and make recommendations concerning loan criteria. In addition, the "loan committee" will supervise the Seller/Servicers and will assist in dealing with and correcting default situations.

Existing AHFC Seller/Servicers will continue to originate and service loans under present AHFC programs. They will further benefit as construction lenders with "take-out" commitments processed through the Housing Authorities. It is further recommended that where appropriate, the existing AHFC rural programs be modified to encourage lender's more active participation in remote areas. For example: AHFC will pay ½ of 1% servicing fee to lenders on those loans originated in remote areas.

This recommendation is made for the following reasons:

From the beginning the "Remote Rural Housing Program" was conceived as a special purpose program. A separate and distinct insurance account and funding is required. It is felt that the legislative intent of amendments to Section 11, AS 18.55.997 and Section 7, AS 18.56.090, authorizing the Regional Housing Authorities to make and sell loans to AHFC, and aurhtorizing AHFC to purchase Housing Authority loans, was to establish the Seller/Servicer arrangement under this program.

The Regional Housing Authorities have provided personnel for specialized training. These personnel are residents of the rural areas they will serve. They are knowledgeable of the housing needs and have a first-hand knowledge of, and regular contact with, those who will be borrowers under the program.

Initially, there will be approximately $9 million available to the Housing Authorities. If those funds were allocated among our existing Seller/Servicers as well as the participating Housing Authorities, they would be spread very thinly. It is necessary for the continued success of the program for the Housing Authorities to develop a portfolio of sufficient size to cover their administrative costs. Their only income will be derived from origination and servicing fees of Rural Program loans as they have no deposit base from which to work.

Finally, this recommendation provides a basis for a mutually beneficial cooperative relationship between the Housing Authorities and our existing Seller/Servicers. It will provide our existing Seller/Servicers additional incentive to become more actively involved in the remote, underdeveloped, and blighted areas of the State. It will demonstrate to legislative bodies AHFC's dedication to more vigorous involvement in all rural areas. It will not limit the funds available to the Housing Authorities, and it will increase AHFC's overall portfolio ratio of "rural" to "urban" and "suburban" loans.

SUMMARY OF LOAN CRITERIA

REMOTE RURAL HOUSING PROGRAM

1). Loans eligible for purchase:

a). Loans to finance the purchase of a dwelling designed for the residential use and intended as the principle residence of the borrower(s).

b). Loans to owner/builders which constitute the first permanent financing on a newly constructed residential dwelling, the construction of which was financed by the owner or a lender, provided that the loan to be purchased does not exceed 80% of the appraised value.

2). Basic Criteria for single family dwellings:

Max. Loan Amount	Min. Down Payment	Term	PMI Req.
$90,000	10%	30 yrs.	yes
$75,000	5%	20 yrs.	yes

3). Basic Criteria for duplex loans:

Max. Loan Amount	Min. Down Payment	Term	PMI Req.
$130,000	20%*	30 yrs.	No*

* 10% secondary financing allowable. PMI is required on duplex loans with less than 20% equity contributed by the borrower.

4). Lien requirement: Each mortgage purchased under the Remote "Rural Housing Program" must meet the following critera:

a). Constitute a first lien, subject only to permitted encumbrances, on real estate in fee simple, or on a leasehold having a term necessary to secure the Corporation's interest (not less than 10 years past the term of the mortgage).

b). Be a mortgage loan for completed, owner-occupied residential housing located in a "rural" area as defined in AS 18.55.997 as from time to time amended.

c). Be insured by a policy of title insurance acceptable to the Corporation.

5). Fees:

a). AHFC Loan Commitment Fee is ½ of 1% of the loan amount.

b). Seller/Servicers may charge an origination fee of 1% of the loan amount.

c). AHFC will pay a servicing fee of ½ of 1%.

6). Income Limits: None

7). Interest Rate: No rate will be guaranteed.

P.O. Box 1020, Anchorage, Alaska 99510

TO: Perry R. Eaton
Chairman of the Board

DATE: September 19, 1978

FROM: Jay Kennedy
Rural Program Coordinator

Re: Rural Housing Program, Progress Report

1. The following work has been completed:

   a. I was hired as program coordinator effective July 3, 1978.

   b. In coordination with the Association of Alaska Housing Authorities there has been a slight modification of the proposed program. The Association will act as the "Seller/Servicer" per se, with the various regional housing authorities acting as loan originators in their respective areas. This was done with an eye toward more efficiency, stability, and economy in loan servicing, and to avoid unnecessary duplication of effort and staff.

   c. The Program Coordinator has prepared the training program including the necessary study aids, training schedule and publications that will be required. Included in these publications are the following:

      1). A revised Seller/Servicer Guide specifically for the rural program.

      2). Revised "plain language" Note and Deed of Trust forms for use in the rural program.

      3). Appraisal forms, application forms and the numerous verification documents have been modified to better meet the requirements of the rural program.

   d. The various local banks who have volunteered their services for providing "on the job training" for the trainees have confirmed this interest and support.

   e. The AHFC Bond Counsel and Bond underwriters are prepared to issue and sell bonds to the Department of Revenue.

2. The following work is in progress:

   a. The Regional Housing Authorities and the Association of Alaska Housing Authorities are identifying the individuals who will receive training as Loan Originators, Seller/Servicers and individuals who will form the Loan Committee. This needs to be done before a firm date to begin training is set. Training is tentatively scheduled to begin October 16, 1978, and end November 10, 1978.

   b. Representatives of Ticor Mortgage Insurance Company will be touring some rural areas of the state with the Program Coordinator the week of the 25th of September. Mr. Robert Sullivan, an interested member of the banking community, will also accompany that tour.

I will provide you with follow-up information on the results of that tour. I will also provide you with the finalized training schedule and the results of decisions made by agencies other than AHFC. The Rural Housing Program should be fully functional by December 1, 1978.

JPK/djd

RURAL PROGRAM TRAINING OUTLINE

I. INTRODUCTION AND OVERVIEW.
The AHFC Rural Program

II. THE SELLER/SERVICERS GUIDE.
Review and Discussion

III. MAKING THE LOAN
- A. Origination
  - 1. Letting the People Know
  - 2. The Initial Interview to Gain Knowledge of the Borrower
    - a. Reviewing the Sales Agreement
    - b. Taking the Application
    - c. Forms Completion
    - d. Good Faith Cost Estimate. (RESPA)
    - e. Analysis
- B. Processing
  - 1. Verification (Borrower(s) Desire and Ability to Pay)
    - a. Verification of Employment (Income)
    - b. Verification of Funds
    - c. Verification of Credit
  - 2. Verification (Suitability of Property)
    - a. Appraisal
    - b. Survey
    - c. Inspection
    - d. Title Report
  - 3. Additional Requirements
    - a. Preliminary Commitment for Title Insurance
    - b. Fire Insurance
    - c. Mortgage Insurance
    - d. Payoff Information
  - 4. The Completed Loan Package
  - 5. The Loan Committee
  - 6. AHFC Approval and Commitment to Pruchase.
- C. Closing
  - 1. Cost Disclosure HUD-1
  - 2. Clearing Title Exceptions
  - 3. Preparation of the Note
  - 4. Preparation of the Deed
  - 5. Preparation of the Assignment
  - 6. Closing
  - 7. Recording
  - 8. Disbursement
- D. Shipping
  - 1. Documents Required by AHFC
  - 2. Documents Held by Seller/Servicer

IV. SERVICING THE LOAN
   A. Collection of Payments
   B. Administration of Reserves
   C. Records Keeping and Accounting Practices
   D. Default

SCR

12

(7)

COMMITTEE REPORT

HOUSE

FURTHER:

March 15, 1979

Date: 2 Apr 79

Mr. Speaker:

The Committee on C&RA has had SCR 12

Approving regulations adopted by the Alaska Coastal Policy Council.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[X] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS:
Bill Parker	
[illegible]	[illegible] (No Rec)
Charles Parker	[illegible] (No Rec)

Bill Parker

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/30/79

BILL NUMBER AND TITLE: SCR 12 Coastal Zone Management Regulations

ORIGINAL SPONSOR : Senate C&RA Committee

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Parker
Carney
Branson
Parr
O'Connell
Metcalfe
Zharoff

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Judith Andregg, Office of CZM
Advises that when the planning money runs out, there will only be management money.

Palmer McCarter
Discusses Section 308 CEIP funding

Roger Allington
Cautions that the regulations should be passed on their merit rather than just as a way to get Federal money.

Proposed letter of intent is discussed. It is decided to reword the "ordering" language which is directed to the Dept. of C&RA and to also include the change embodied in the Senate Letter of Intent.

COMMITTEE ACTION: The bill is passed out of Committee with the attached Letter of Intent

TAPE # 6 SIDE 1 Sections 600-619; 950-1192

SECOND READING OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 12 (approving regulations adopted by the Alaska Coastal Policy Council) was read the second time. SCR 12

Senator Sturgulewski moved and asked unanimous consent that the letter of intent of the Community and Regional Affairs Committee on pages 372-373 of the journal be adopted as the Senate Letter of Intent. Without objection, the letter was adopted and appears as follows:

SENATE LETTER OF INTENT

Testimony received by the Community and Regional Affairs Committee indicated the need for a change in the Alaska Coastal Policy Council's regulations. Specifically:

1) 6 AAC 80.100 (a)(3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats. The testimony indicated the need:

following the words "streambanks and shorelines," to delete
the word "prevent," and replace with the word "minimize."

A representative from the Alaska Coastal Policy Council and a representative from the Office of the Coastal Management concurred with the need for this change.

It is the intent of this Committee that the words "minimize adverse impacts" should apply to both fish resources and habitats, and wildlife resources and habitats.

The Committee urges the Alaska Coastal Policy Council to consider and adopt this change at its earliest convenience.

Senator Colletta moved that the Senate adopt SENATE CONCURRENT RESOLUTION NO. 12. Senator Kerttula objected.

SCR 12 The question being: "Shall SENATE CONCURRENT RESOLUTION NO. 12 (approving regulations adopted by the Alaska Coastal Policy Council) pass the Senate?" The roll was taken with the following result:

Yeas:	10	Colletta, Fahrenkamp, Meland, Mulcahy, Rodey, Stimson, Sturgulewski, Summer, Tillion, Ziegler
Nays:	8	Bennett, Bradley, Dankworth, Ferguson, Hackney, Kelly, Kerttula, Ray
Absent:	2	Hohman, Sackett

and so, SENATE CONCURRENT RESOLUTION NO. 12 failed to pass the Senate.

Senator Kerttula gave notice of reconsideration on SENATE CONCURRENT RESOLUTION NO. 12.

UNFINISHED BUSINESS

SCR 7 Senator Kerttula requested that the reconsideration of SENATE CONCURRENT RESOLUTION NO. 7 be taken up at this time.

RECONSIDERATION OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 7 was before the Senate at this time on reconsideration.

The question to be reconsidered is: "Shall SENATE CONCURRENT RESOLUTION NO. 7 (annulling a regulation of the Alaska Housing Finance Corporation defining the term "rural" for the purposes of administration of its housing loan program) pass the Senate?" The roll was taken with the following result:

Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT
SCR 12

The concept of local control in coastal zone management has been basic to the development of the state's coastal zone management program. A predominant concern of the committee is the functioning of this local control in the unorganized borough.

This letter is intended to condition legislative approval of these regulations on a requirement that the Department of Community and Regional Affairs submit an adequate development plan for the organization of effective, locally-controlled coastal resource districts. Appropriations for the coastal management program will be allocated accordingly. The committee suggests that the Department of Community and Regional Affairs work with the Legislative Council to satisfy this requirement.

While rural communities may not initially want to involve themselves in coastal zone management, it is doubtful they will want to entrust it to others when fully understood. Considering the implications district coastal zone management has for subsistence habitat protection and rehabilitation, one can probably expect strong local participation in district coastal zone management policy making.

The Legislative Council will establish an interim program to monitor the state's coastal resource disticts' community organization. Important to this organization is fair local-level understanding of the phrase "land and water uses of state concern". The energy siting regulations are designed to guide local coastal resource districts to properly regulate such land and water uses of state concern.

In addition, the committee is aware that the proposed standard 6 AAC 80.160 (a) introduces a new element in the coastal management program . Existing public participation regulations (6 AAC 80.020 and 6 AAC 85.130) apply specifically to adoption of district programs and amendments to district programs. In districts which develop district programs containing areas which merit special attention, the public involvement provisions of 6 AAC 85.130 apply. It is the intent of this committee that regulations for public involvement be developed for areas not in districts which are designated as meriting special attention by the Council. Council designation should include evidence of effective and significant opportunity for public participation in the specified "concurrence" and such public involvement process should be specified in the Alaska Coastal Managemnet Plan Guidelines.

Further, it is the intent of the committee that the letter of intent of the Senate Community and Regional Affairs Committee which appears on page 463 of the Senate Journal be approved.

PROPOSED 5-YEAR OCS OIL & GAS LEASING PROGRAM

DRAFT

U. S. Department of the Interior March 1979

SALE AREA	1980												1981												1982												1983												1984												1985											
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55 Gulf of Alaska			F		P		SC	R	N	S																																																												
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Navarin Basin																		C		D		T														E		H			F		P		SC	R	N	S								
St. George Basin 1/																			C		D		T														E		H			F		P		SC	R	N	S							

C - Call for Nominations
D - Nominations Due
T - Tract Selection
E - Draft Environmental Statement
H - Public Hearing

F - Final Environmental Statement
P - Proposed Notice of Sale
SC - State comments Due
R - Energy Review
N - Notice of Sale

S - Sale

1/ These sales have been included in this schedule in order that planning may be commenced. Subsequent events (e.g., deletion of another sale from this schedule) will determine whether these sales will be held as indicated, deleted or postponed until after February 1985.

COASTAL ZONE Management -2- March 14, 1979

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/21/79

BILL NUMBER AND TITLE: SCR 12 Related to Coastal Zone Management Regulations

ORIGINAL SPONSOR : Ak. Coastal Policy Council

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, Parr, Carney, Metcalfe, BPanson, O'Connell, Zharoff

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Don Clocksin,Alaska Legal Service

Committee shouldn't feel as it it has a firm obligation to approve the regulations. It should not be rushed into. Committee should review Federal requirements for approval. Clocksin doesn't feel the Alaska Plan complies in two areas:
Sec. 305 (a) (6) Call for "A description of the organizaitonal structure proposed to implement such management program, including the responsibilities and inter-relationships of local, areawide, state, regional, and interstate agencies in the management process".

In this regard, the Alaska CZM Plan soes not have sufficient detail in the organizational structure of the implementation in the unorganized borough.There is no mechanism for implementation of the program in the unorganized borough. Just the direction that the program be handled by the State. There are few guidelines in the unorganized borough re AMSA creations.

Thereis no way to resolve conflicts between state agencies and districts within the unorganized borough.

Sec. 205 (a) (8) Additional provision in the Federal Act calls for "a planning process for energy facilities likely to be located in, or which may significantly affect, the coastal zone, including, but not limited to, a process for anticipating and managing the impacts from such facilities."

Clocksin claims that the Five-year plan developed by the State did not have adequate public imput. There are no adequate procedures for analyzing the impact on the coasts.

Specific problems with the proposed regulations:
6 AAC 80.070 "Major" and "minor" facilities not delineated. (a)
6 AAC 80.070 (b) This wording might be taken to mean that the districts and state agencies "must" locate suitable siting locations for major energy facilities. Clocksin says it was not the intent of the Federal Act to require this.

COMMITTEE ACTION:

TAPE # 5 SIDE 1 Sections 520-525

6 AAC 80.900 (20) "feasible and prudent" definition leaves an "open door" (Ex. A safety feature for an energy facility might be seen as being too costly and this definition could be construed to not require that it be used. Public interest would not necessarily be well served in this case)

6 AAC 80.070 (c)Broad range of items are involved in oil and gas leases. Areas which are speciafically of local concern should not be included as uses of state concern. (Ex. Where drilling waste get dumped, where gravel is taken from, etc.) The local district should have a say in the disposition of these matters which are of a definite local concern.

AS 46.40.210 (6) Questions definition of "uses of state concern" as outlined in this section. This should be subjected to critical public review. A Resolution was drafted by the Council but not adopted regarding this definition.

Clocksin suggests that the Committee pass SCR 12 with a Letter of Intent which would include the following points:

1. A directive that more attention be given the program implementation in the unorganized borough
2. That a mechanism be developed which would resolve conflicts between the local districts and the state. court
3. That there be assurance that the placing of energy facilities not be a requirement for every district which develops a plan
4. That there be a limitation on the definition of the "feasible and prudent" which would recognize "public interest" and safeguard that public interest.
5. That "uses of state concern" definition not be tied to all leasing activities. The local districts should have the control over related leasing activity which is strictly of local concern.
6. Broader questions should be looked at:
   Is there a real planning process for energy facilities?
   Should there be one?
   There should be legislative review of the 5 yr. proposed leasing program and the extent to which it coincides with CZM and generally, how it relates to the whole CZM program.

Fran Ulmer, Co-Chairman of the Ak. Coastal Policy Council
In response to the points made by Clocksin (listed above)

1. This is up to the Legislature. If they want to create a mandatory borough, it is up to them.
2. The Act is silent in conflict situations which go beyond the authority of the Council.
3. Act says that there are a number of uses the districts must find place for. The Federal Gov't has not indicated that this requirement goes too far.
4. "Feasible and prudent" definition is a balancing act. Product of the bast thinking the Council could come up.
5. "Use of State Concern" definition is from the CZMAct adopted by the legislature in 1977.

Allington, Co-Chair of Ak. Coastal Policy Council

If must be made clear that if the regs. don't pass, there will be no more Federal funds made available.

1. Re lack of specifics in the unorganized borough handling. Planning is done by the Locals and implemented by the State. Intent of the legislature was to not add another bureaucratic layer.

3. This wording was the result of the decision that the local district rather than the state identify sites for energy siting.

4. The point of the "feasible and prudent" definition was to get balance.

The resolution drafted by the Council was intended a a guideline in relation to "uses of state concern".

Walsh

Federal government has indicated that it will approve the plan.

Parr--Questioning of some of the funding proposed under the CEIP. Police Adacemy Design-Community Bldg. Initial funding should not be appropriated for extraneous activities.

Committee Action -- There will be further discussion of SCR 12

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/21/79-

BILL NUMBER AND TITLE: SCR 12 Related to Coastal Zone Management Regulations

ORIGINAL SPONSOR : Ak. Coastal Policy Council

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, Parr, Carney, Metcalfe, BPanson, O'Connell, Zharoff

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Don Clocksin,Alaska Legal Service

Committee shouldn't feel as it it has a firm obligation to approve the regulations. It should not be rushed into. Committee should review Federal requirements for approval. Clocksin doesn't feel the Alaska Plan complies in two areas:
Sec. 305 (a) (6) Call for "A description of the organizaitonal structure proposed to implement such management program, including the responsibilities and interrelationships of local, areawide, state, regional, and interstate agencies in the management process".

In this regard, the Alaska CZM Plan soes not have sufficient detail in the organizational structure of the implementation in the unorganized borough.There is no mechanism for implementation of the program in the unorganized borough. Just the direction that the program be handled by the State. There are few guidelines in the unorganized borough re AMSA creations.

Thereis no way to resolve conflicts between state agencies and districts within the unorganized borough.

Sec. 205 (a) (8) Additional provision in the Federal Act calls for "a planning process for energy facilities likely to be located in, or which may significantly affect, the coastal zone, including, but not limited to, a process for anticipating and managing the impacts from such facilities."

Clocksin claims that the Five-year plan developed by the State did not have adequate public imput. There are no adequate procedures for analyzing the impact on the coasts.

Specific problems with the proposed regulations:
6 AAC 80.070 "Major" and "minor" facilities not delineated. (a)
6 AAC 80.070 (b) This wording might be taken to mean that the districts and state agencies "must" locate suitable siting locations for major energy facilities. Clocksin says it was not the intent of the Federal Act to require this.

COMMITTEE ACTION:

TAPE # 5 SIDE 1 Sections 520-525

6 AAC 80.900 (20) "feasible and prudent" definition leaves an "open door" (Ex. A safety feature for an energy facility might be seen as being too costly and this definition could be construed to not require that it be used. Public interest would not necessarily be well served in this case)

6 AAC 80.070 (c)Broad range of items are involved in oil and gas leases. Areas which are speciafically of local concern should not be included as uses of state concern. (Ex. Where drilling waste get dumped, where gravel is taken from, etc.) The local district should have a say in the disposition of these matters which are of a definite local concern.

AS 46.40.210 (6) Questions definition of "uses of state concern" as outlined in this section. This should be subjected to critical public review. A Resolution was drafted by the Council but not adopted regarding this definition.

Clocksin suggests that the Committee pass SCR 12 with a Letter of Intent which would include the following points:

1. A directive that more attention be given the program implementation in the unorganized borough
2. That a mechanism be developed which would resolve conflicts between the local districts and the state. court
3. That there be assurance that the placing of energy facilities not be a requirement for every district which develops a plan
4. That there be a limitation on the definition of the "feasible and prudent" which would recognize "public interest" and safeguard that public interest.
5. That "uses of state concern" definition not be tied to all leasing activities. The local districts should have the control over related leasing activity which is strictly of local concern.
6. Broader questions should be looked at:
   Is there a real planning process for energy facilities?
   Should there be one?
   There should be legislative review of the 5 yr. proposed leasing program and the extent to which it coincides with CZM and generally, how it relates to the whole CZM program.

Fran Ulmer, Co-Chairman of the Ak. Coastal Policy Council
In response to the points made by Clocksin (listed above)

1. This is up to the Legislature. If they want to create a mandatory borough, it is up to them.
2. The Act is silent in conflict situations which go beyond the authority of the Council.
3. Act says that there are a number of uses the districts must find place for. The Federal Gov't has not indicated that this requirement goes too far.
4. "Feasible and prudent" definition is a balancing act. Product of the bast thinking the Council could come up.
5. "Use of State Concern" definition is from the CZMAct adopted by the legislature in 1977.

Allington, Co-Chair of Ak. Coastal Policy Council

If must be made clear that if the regs. don't pass, there will be no more Federal funds made available.

1. Re lack of specifics in the unorganized borough handling. Planning is done by the Locals and implemented by the State. Intent of the legislature was to not add another bureaucratic layer.

3. This wording was the result of the decision that the local district rather than the state identify sites for energy siting.

4. The point of the "feasible and prudent" definition was to get balance.

The resolution drafted by the Council was intended a a guideline in relation to "uses of state concern".

Walsh

Federal government has indicated that it will approve the plan.

Parr--Questioning of some of the funding proposed under the CEIP. Police Adacemy Design-Community Bldg. Initial funding should not be appropriated for extraneous activities.

Committee Action -- There will be further discussion of SCR 12

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 3/19/79

BILL NUMBER AND TITLE: SCR 12 Related to adoption of CZM regulations

ORIGINAL SPONSOR :

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

Parker, Carney, Parr, Metcalfe, O'Connell, Branson, Zharoff

MEMBERS ABSENT:

None

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Roger Allington, Co-Chairman of theAlaska Coastal Policy Council
Related background of CZM Plan adoption. Refers to the two "carrots" dangled by the Federal government--money and federal consistency provisions.

Fran Ulmer, Co-Chairman of the Ak. Coastal Policy Council
Reviewed membership of the Council. Mentioned importance of CZM in relation to massive oil leasing schedule proposed by Dept. of INterior. $5 MIllion in Planning monies have been expended by the State. (rather are expected to be received)

Murray Walsh, Office of CZM
Four grants have been received by the State at $1.4 Million each. $250,000 have been appropriated by the State general fund.

Larry Kimball, C&RA
Section 308 CEIP monies also will be received by the state. These funds include construction and design monies as well as planning money. There are grants as well as loans in this program.
Council has overriding power if a local plan restricts a use of state concern. If it is "feasible and prudent" the local gov't has control.

Mark Stephens, Cept. of C&RA
Discusses the various Coastal Resource Districts. Refers to differences in the various plans which have been prepared around the state. N.W. Ak. REAA has planned an election April 3;Yukon Kuskakwim on May 15. Seven member boards will be elected in these areas.
CZM is meant to be a "balanced management program". It is a "process" rather than a plan which is being approved.

COMMITTEE ACTION:

Continue action 3/21/79

TAPE #5 SIDE 1 Sections 1-480

COASTAL ZONE MANAGEMENT WORKSHOP

2/26/79

Guest Speaker: Clifton Curtis, Center for Law and Social Policy, Washington, D.C.

Original CZM legislation passed in 1972 on the Federal level. Attributed consciousness raising during '60's as being partially responsible. CZM as grant-in-aid program in '72..Amended in '76..General policies speak to development as well as protection so there is a basic conflict in policy statement. '74 Alaska begins receiving money. Sec. 307 Consistency provisons. Neutral planning process--too little guidance from Feds. according to Curtis.
1979 - 13 states have plans
'79-- 8 more states will be approving plans
Mentioned Cal. law suit..Curtis says concern for national interest not happening. This concern has been focused primarily on energy siting impacts and recreation uses, access to beaches, and protection of fragile areas have not been given as much consideration as areas for national conern. Cal. case got to merits of issue.Stated that there was adequate consideration given to energy interest. That there is no mandate which requires frim siting decisions.
Look at needs and balance approach.
Don't be too specific in regs.
Curtis sees the following problems in CZM plan:
1. Lack of specificity--ambiguite in legislation. Should define areas of national conern
2.Process oriented so if good programs don't result you have just increased bueauracy.
3. Annual reveiw requirement. Little guidance for giving $ .Good programs should be rewarded. Incentives should be included in Federal legislation.

Energy siting--hightest and best use. Look for possible relocation inland.
O.C.S. activity--83% of nation's total in Ak.
Maximum safeguards; should require use of best tachnology;more information on likely effect on environment.
*Oversight function of legislature is important one.
Imbalance in ferms of pressure re decisons

**Affirmative approval requirement may be appropriate now in theoretical stage---this requirement later may delay putting plans into effect.
In some areas local zoning ordinances may work but you run a great risk if you don't have adequate ordinances. Veto approach over plans might be a way to go.

Management plan better for organized boroughs while not so in unorganized borough. More of an effort money and staff-wise needed to assist and advise people so they can be in a better positon to act.

"Uses of state concern" development of these at heart of matter. If there is no "feasible alternative" then it may be located on the coast. Curtis says this is an indefinite phrase.

Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 2/1/79

COMMITTEE MINUTES

BILL NUMBER AND TITLE: Coastal Zone Management Regulations and Statutory Changes
Joint Briefing with Senate C&RA Committee

ORIGINAL SPONSOR : Ak. Coastal Policy Council

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:
Parker
Zharoff
Branson
O'Connell

MEMBERS ABSENT:
Parr
Metcalfe
Carney

INDIVIDUALS CONTACTED:
Fran Ulmer, Co-Chairman of Ak. Coastal Policy Council

WITNESSES TESTIFYING:

Ulmer -- Overview of State Program given. "Program" isn't defined now. Legislature reviews local plans as well as regulations. District Plans must now come before the legislature for approval. Delay in implementation may result so statutory change requested.

Resource service areas formed with REAA for CZM planning purposes . Boundary of CZM area can't be smaller than taht of REAA at present time.

Local election held in Resource Service Area.

Allington, Co-Chairman Ak. Coastal Policy Council
Carrots: Federal Consistency (Feds. will repsect State Plan
Federal Funds
Regulations and changes to statutes need to be approved this Session.

COMMITTEE ACTION:

TAPE # SIDE ____ Sections

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 21, 1979

SUBJECT: Authority to implement and enforce coastal management programs by service areas in the unorganized borough: (Work Order No. 6365)

TO: Representative Bill Parker

FROM: John B. Chenoweth, Legislative Counsel

I have tried to draft the enclosed bill to meet your directive that authority to implement (as well as to plan) coastal management programs in the unorganized borough be granted to the coastal resource service areas which may be formed in the unorganized borough.

You should know, I think, that the premise underlying the statement in Mr. Cohen's letter, the apparent source of this request, is partially in error. When the coastal management legislation took shape in 1977, some thought went into the relationship between existing cities of the unorganized borough and the service areas which might be formed there. The consensus, now part of the legislation, was to provide a range of options, allowing individual cities that were willing and able to initiate and complete the planning process to do so, or to authorize service areas to undertake the planning process, or to rely on existing state agencies where there was no interest expressed at the community or regional level. As to implementation, it was clear that, in the unorganized borough, because cities (first or second class) had authority to exercise planning, zoning, and other powers, rather than extend planning and zoning authority to service areas (where there was really no push to extend the authority), existing law would be left unchanged: either a city would implement or state agencies would act. If people were really worked up enough on a regional basis to want to become involved in implementation, the first or second class borough option remained available to them.

Mr. Cohen states: "In the unorganized borough, this power [i.e., responsibility for implementation of coastal management programs] is taken away from the local people and placed with state agencies." He is not correct. As a matter of law, the exercise of zoning and other controls in the unorganized borough outside of cities has never rested with anyone other than the state agencies. (AS 40.15.070 - 40.15.075; AS 44.47.050 (8) and (9)).

The 1975 Legislature mandated unorganized borough control of education; the 1977 legislation authorized a role for the unorganized borough in coastal resource planning. The 1979 Legislature is asked to extend authority of service areas to exercise zoning and other controls in the coastal zone. Frustration prompts me to ask how, if all these are granted, withholding only the authority and responsibility to levy and collect taxes, this structure is any different than the first or second class borough system now provided in general law?

JBC:nem

Enclosure

Introduced: 2/13/79
Referred: Community &
Regional Affairs

IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 12

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

Approving regulations adopted by the
Alaska Coastal Policy Council.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Chapter 84, Session Laws of Alaska 1977, established the Alaska Coastal Policy Council and charged the council with the responsibility of adopting regulations establishing guidelines and standards for the development of a coastal management program; and

WHEREAS the Alaska Coastal Policy Council has adopted guidelines and standards in 6 AAC 80 and 6 AAC 85 for use by state agencies in making land and water use decisions and for use by municipalities and coastal resource service areas in the preparation and development of district and coastal resource service areas coastal management programs; and

WHEREAS the guidelines and standards adopted by the council on March 31, 1978 have been approved by the legislature during the Second Session of the Tenth Legislature with selective deletions and letters of intent calling for further attention to certain matters in the guidelines and standards; and

WHEREAS the council adopted amendments to the guidelines and standards on December 15, 1978, in response to the request of the legislature and other parties; and

WHEREAS the amendments to the guidelines and standards approved and adopted by the Alaska Coastal Policy Council are generally consistent with the objectives for the state coastal management program identified in AS 46.-40.020; and

WHEREAS AS 46.40.080 requires approval of amendments to the state coastal management program either by adoption of a concurrent resolution by a

majority of the members of each house of the legislature or by majority vote of the members of each house at the time the houses are convened at a joint legislative session to confirm executive appointments submitted by the governor; and

WHEREAS, in accordance with the statute, the Alaska Coastal Policy Council has submitted its amendments to the guidelines and standards for legislative approval;

BE IT RESOLVED, that in accordance with AS 46.40.080, the Alaska State Legislature approves the amendments to 6 AAC 80 and 6 AAC 85 adopted by the Alaska Coastal Policy Council on December 15, 1978.

Gilman SCR12 - Kenai
public hearings held - not extent original reqs.
Allington - pp. 51-54 of Annual Report
Energy facility siting
Option - either accept or not accept (Leg.)
p. 45 Annual Report -
Ken Schwalker - Sohio - No problem c guidelines
J. Clark / Ak Loggers Ass'n - Support
Sec. 6 - p. 45 of Report Item #3 Letter Intent) Senate
"prevent adverse effect +
minimize (being used c absolute sense)
wants to change this word to "minimize" - This change
acceptable to M. Walsh - Rec. [illegible] in April when Council meets.
Clark wants Letter Intent re this [illegible] Senate C+RA.
Pass out c individual rec.

SECOND READING OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 12 (approving regulations adopted by the Alaska Coastal Policy Council) was read the second time. SCR 12

Senator Sturgulewski moved and asked unanimous consent that the letter of intent of the Community and Regional Affairs Committee on pages 372-373 of the journal be adopted as the Senate Letter of Intent. Without objection, the letter was adopted and appears as follows:

SENATE LETTER OF INTENT

Testimony received by the Community and Regional Affairs Committee indicated the need for a change in the Alaska Coastal Policy Council's regulations. Specifically:

1) 6 AAC 80.100 (a)(3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats. The testimony indicated the need:

following the words "streambanks and shorelines," to delete
the word "prevent," and replace with the word "minimize."

A representative from the Alaska Coastal Policy Council and a representative from the Office of the Coastal Management concurred with the need for this change.

It is the intent of this Committee that the words "minimize adverse impacts" should apply to both fish resources and habitats, and wildlife resources and habitats.

The Committee urges the Alaska Coastal Policy Council to consider and adopt this change at its earliest convenience.

Senator Colletta moved that the Senate adopt SENATE CONCURRENT RESOLUTION NO. 12. Senator Kerttula objected.

SCR 12 TITLE & SPONSOR SUMMARY 14:46 5/01/79 PAGE 1 OF 3

AMENDED TITLE:
APPROVING REGULATIONS ADOPTED BY THE ALASKA COASTAL POLICY COUNCIL

PRIME SPONSORS: SENATE C&RA COMMITTEE

CO-SPONSORS:

CURRENT STATUS: 4/29/79 PASSED (H)

SCR 12 SENATE ACTION 14:47 5/01/79 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/13/79	01	0230	FIRST READING -- COMMITTEE REPORTS
03/06/79	02	0372	CRA -- DP02, DNP01
03/06/79	03	0372	C&RA CMTE-LTR OF INTENT
03/12/79	04	0437	RLS -- OTHER05
03/13/79	05	0463	SECOND READING
03/13/79	06	0464	FAILED BY DIV 10-08-02
03/13/79	07	0464	NOTICE OF RECONSIDERATION GIVEN
03/13/79	08	0372	SENATE LTR OF INTENT
03/14/79	09	0480	PASSED ON RECONSIDERATN BY DIV 13-07-00
****	**	**	*** *** ***

SCR 12 HOUSE ACTION 14:49 5/01/79 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/15/79	10	0580	FIRST READING -- COMMITTEE REPORTS
04/03/79	11	0826	CRA -- DP04, NR01
04/03/79	12	0826	C&RA LETTER OF INTENT
04/28/79	13	1162	SECOND READING
04/28/79	14	1162	PASSED BY DIV 22-15-03
04/28/79	15	1162	HSE ADOPT C&RA LTR/INTENT
04/28/79	16	1162	NOTICE OF RECONSIDERATION GIVEN
04/29/79	17	1200	RECONSIDERATION NOT TAKEN UP
****	**	**	*** *** ***

000070

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER Pouch V

DEPARTMENT Alaska Legislature

ATTENTION Dep. Bill Parker

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT Community & Regional Affairs

BY [illegible] DATE 4/13/79

02-002 (REV.10/73)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

April 13, 1979

The Honorable Bill Parker, Chairman
Committee on Community & Regional Affairs
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Bill Chairman:

I want to call your attention to the Coastal Energy Impact Program (CEIP) awards just announced.

This less publicized aspect of the total Coastal Zone Management Program has provided $2.5 million in State and local planning grants to date. The announcement of $1.5 million in additional local grants in the enclosed press release brings the benefits of this program to $4.0 million.

In addition, the program offers another $65 million in low interest loans to provide facilities which could be required by coastal communities because of petroleum development projects.

If I or members of my staff administering this program can provide further information, please let us know.

Sincerely,

Lee

Lee McAnerney
Commissioner

Enclosure
cc: Community & Regional Affairs
Committee Members

21-P2LH

OFFICE OF THE GOVERNOR
JUNEAU

JAY S. HAMMOND
GOVERNOR

NEWS RELEASE

FOR INFORMATION CONTACT:
Scott Foster, Press Secretary
Office of the Governor
Pouch A Juneau, Alaska 99811

OR PHONE: 907-465-3500

ALASKAN COMMUNITIES RECEIVE FEDERAL FUNDS
April 11, 1979
#67

Municipal planning and design projects totaling $1.5 milion have been recommended for funding under the U.S. Department of Commerce Coastal Energy Impact Program, Governor Jay Hammond announced today. The State has recommended funding for projects in nine communities.

Although the proposed grants are subject to review by the Department of Commerce, federal officials have accepted State recommendations in the past, Governor Hammond added.

The Coastal Energy Impact Program, administered by the State Department of Community and Regional Affairs, requires the federal government to assume some of the responsibility for consequences to local communities for energy development projects undertaken to meet national needs. Grants and loans are made available to help plan for the consequences of coastal energy development; to provide front-end financing for municipal facilities needed when energy projects affect coastal cities; and to plan for facilities to guard against losses to coastal environmental and recreational resources.

"With eight outer continental shelf lease sales off Alaskan coasts proposed by the Department of the Interior over the next five years, many communities could be affected," Governor Hammond said.

The largest project in the group to be funded is $1 million for preliminary engineering of water source development in Eagle River Valley in Anchorage. Anchorage officials have said early development of additional water supplies must be addressed there as a result of oil exploration administrative and support personnel being based in Anchorage.

Several projects in Kenai Peninsula communities are to receive funds. They are funding for the development of preliminary plans for new municipal office buildings in Homer, $50,000; in Kenai, $50,000; and in Soldotna, $50,000. In addition, Soldotna, as the seat of borough government and as a major residential area for oil industry workers, is to receive $115,000 for planning water system expansion.

Two communities will also receive funds for large-scale topographic mapping for further planning of municipal utilities and drainage networks. Kenai will receive $65,000 and Seldovia will receive $32,000.

Seward, anticipating major harbor activity in support of offshore oil exploration, is to receive $91,000 to fund

preliminary planning for hydroelectric power development.

The Kenai Peninsula Borough is to receive $68,000 to prepare a long-range solid waste disposal plan.

Cordova and Skagway, althrough not affected by OCS development, are to receive planning grants under another section of the federal energy impact law which provides partial funding for coping with energy-related impacts affecting the coastal zone.

The Cordova grant of $24,000, matched by $6,000 in local monies, will fund preliminary engineering for additional water supply which will be needed when Coast Guard personnel and their families arrive to man a new helicopter base in that city.

A matching grant to the city of Skagway is to prepare a development strategy to guide the city in managing substantial population growth, due to workers handling ocean freight destined for the proposed gas pipeline construction project in Canada.

-00-

C&RA

BILL WORK SHEET

BILL NO. SCR12 re CZM

Received from _____
Referred to _____

Original Sponsor _____
Fiscal Note _____

LAA Legal Research Contact _____

3/30 CONTACTS:

✓ Murray Walsh
✓ Ulmer
✓ Allington 6-6400
✓ Clarkson 6-6425
✓ CRA

Tom del Piaz
Jim Clarke
Judith Andrasak 3540

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

LEITER OF INTENT
SCR 12

The concept of local control in coastal zone management has been basic to the development of the state's coastal zone management program. A predominant concern of the committee is the functioning of this local control in the unorganized borough.

This letter is intended to condition legislative approval of these regulations on a requirement that the Department of Community and Regional Affairs submit an adequate development plan for the organization of effective, locally-controlled coastal resource districts. Appropriations for the coastal management program will be allocated accordingly. The committee suggests that the Department of Community and Regional Affairs work with the Legislative Council to satisfy this requirement.

While rural communities may not initially want to involve themselves in coastal zone management, it is doubtful they will want to entrust it to others when fully understood. Considering the implications district coastal zone management has for subsistence habitat protection and rehabilitation, one can probably expect strong local participation in district coastal zone management policy making.

The Legislative Counci will establish an interim program to monitor the state's coastal resource disticts' community organization. Important to this organization is fair local-level understanding of the phrase "land and water uses of state concern". The energy siting regulations are designed to guide local coastal resource districts to properly regulate such land and water uses of state concern.

In addition, the committee is aware that the proposed standard 6 AAC 80.160 (a) introduces a new element in the coastal management program . Existing public participation regulations (6 AAC 80.020 and 6 AAC 85.130) apply specifically to adoption of district programs and amendments to district programs. In districts which develop district programs containing areas which merit special attention, the public involvement provisions of 6 AAC 85.130 apply. It is the intent of this committee that regulations for public involvement be developed for areas not in districts which are designated as meriting special attention by the Council. Council designation should include evidence of effective and significant opportunity for public participation in the specified "concurrence" and such public involvement process should be specified in the Alaska Coastal Managemnet Plan Guidelines.

Further, it is the intent of the committee that the letter of intent of the Senate Community and Regional Affairs Committee which appears on page 463 of the Senate Journal be approved.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / *POUCH B—JUNEAU 99801*

March 27, 1979

The Honorable Bill Parker, Chairman
Committee on Community & Regional Affairs
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Bill Chairman:

In response to a request by Representative Parr, I have asked our staff member administering the Coastal Energy Impact Program (CEIP) to project possible funding of CEIP in Alaska over the next five to six years.

First, a word of explanation about the program: The bulk of funding for planning (or possibly for construction) comes from the formula grants section of the program (color red on the attached Figure 1). Formula grants are allocated among states based on activity during the prior fiscal year in the areas of: 1) Outer Continental Shelf (OCS) acreage leased (50%), 2) oil produced in the OCS off that state (25%) and 3) oil first landed on that state's shores (25%).

Barring an immediate major find in the Lower Cook Inlet with accompanying rapid development, we do not believe that the oil produced or oil first landed factors will come into play in determining the Alaska CEIP allocation in the next five years. For purposes of "guestimating," however, we have assumed low end-of-the-range allocations during the first four years and the high end-of-the-range allocation during the final year. Put another way, the Alaska entitlement will be based only on acreage leased through FY '83, but will rise somewhat in FY '84 as oil production begins.

Other assumptions are:

1. Federal appropriations over the five year period will remain constant*, at the level of the FY '80 budget request:

Formula Grants	$27,750,000 (same as FY '79--red on Figure 1)
Planning Grants	3,500,000 (green on Figure 1)
Environmental/Recreational	-0- (yellow on Figure 1)

*Although the Office of Coastal Zone Management-CEIP, is considering requesting a doubling of formula grants in FY '81, an official there feels that such a request is not likely. This official has written an article for Practicing Planner (December 1978), in which he points out that "the anticipated energy boom town will be the exception," and that "few areas will be impacted by tremendous...growth and...increased demand for public facilities..."

2. Congress will not pass an amendment to the Outer Continental Shelf Lands Act Amendments of 1978 to provide Alaska with a minimum of two percent of the total national CEIP formula grant appropriations each year. (The Department is working with the Congressional Delegation in an effort to insure that Alaska would receive at least the 2% minimum in years following years in which there is no OCS acreage leased.)

3. During the entitlement years, Alaska OCS acreage leased will account for between 20 and 40 percent of the total acreage leased nationally in any one year (Lower Cook Inlet sale in October 1977 covered 42% of acreage leased nationally in FY '78).

4. Lease sales shown on the Department of Interior March 1979 Planning Schedule will be held; thus, there will be a sale off Alaska in FY '80 (Beaufort Sea, Dec., '79), three sales in FY '81, none in FY '82, two in FY '83 and one in FY '84.

Under the above assumptions, formula grant funds, useable for planning or for construction, would be available as follows:

FY '79	$4,234,000	
FY '80	0	
FY '81	$2.8 million	(20% x 50% x $27.8 million) (FY '81 allocation dependent on questionable lease sale in FY '80.)
FY '82	2.8 million	
FY '83	0	
FY '84	5.5 million	(40% x 50% x 27.8 million)

FY '80-FY '84 = $11 million [Probable Range: $10 million to $25 million]

Although formula grants (red on Figure 1) may be used for construction, the amounts are so small that we have agreed with municipal officials that Alaska allocations should be limited to planning and design. A single grant for construction in even one of the smaller municipalities could require all or most of our available allocation of formula grant funds.

In addition to formula grants, it probably is reasonable to assume award of between $300,000 and $350,000 for each of the five years for planning grants (80% federal--green on Figure 1).

Please let me know if I can provide additional information.

Sincerely.

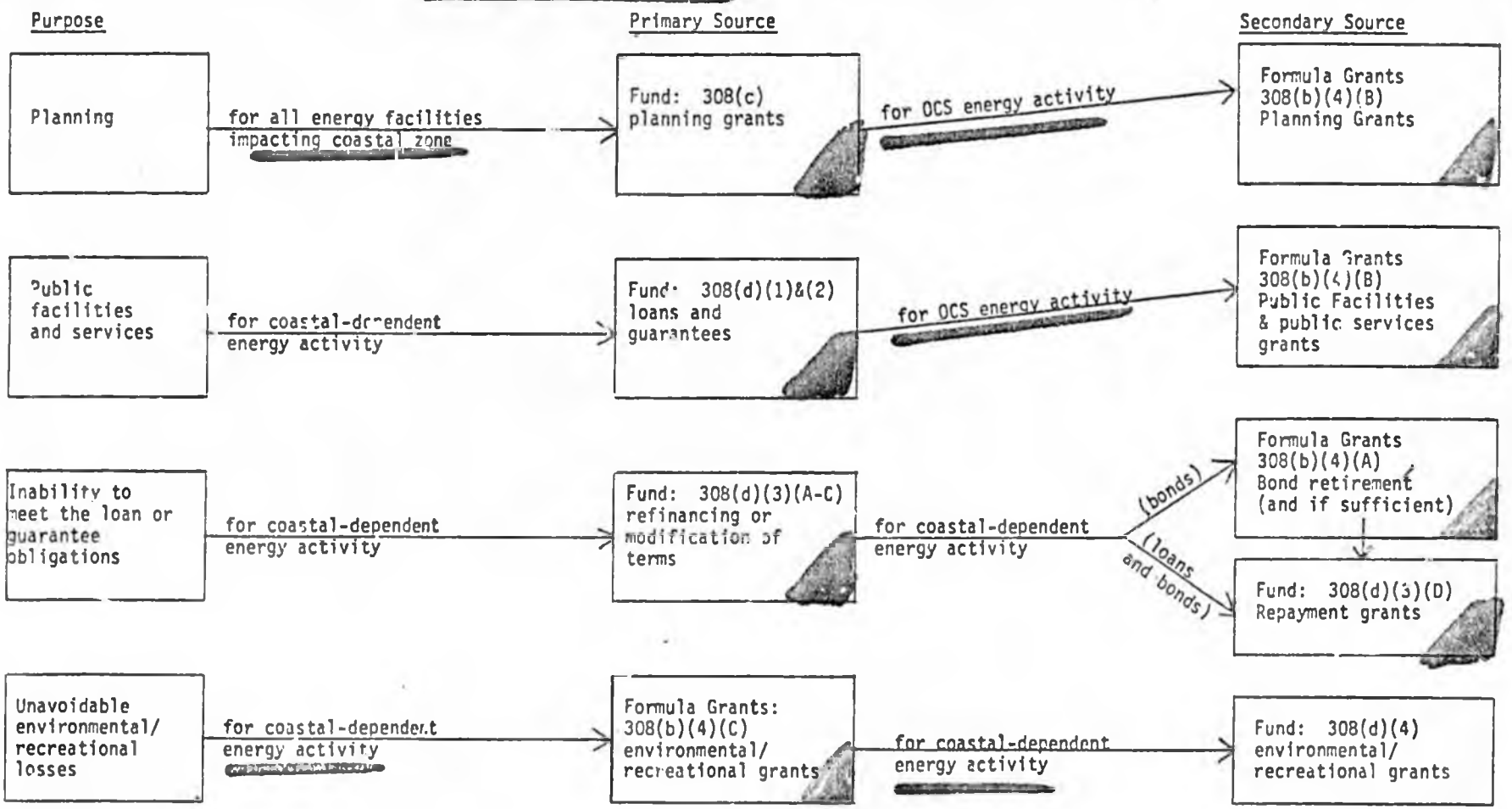
lee

Lee McAnerney
Commissioner

Attachments

Figure 1

PL 94-370 Coastal Energy Impact Program: Primary and Fund 308(c) Planning Grants



	FY 77	FY 78	FY 79
Formula Grants	1,178,643	211,372	4,235,000
"Fund" (Credit Assistance)	48,612,973	20,348,664	0
Planning Grants (80% Federal)	365,466	303,219	0
Environmental/Recreational	662,904	278,700	0

COASTAL ENERGY IMPACT PROGRAM
FY 77-78 Funding (Round 2)
Municipal Allocations for Planning

6-29-78

MUNICIPALITY	REQUEST	ALLOCATION FROM 308(b)	ALLOCATION FROM 308(c)	REQUIRED LOCAL MATCH
CORDOVA (Rd. 1) Solid wastes plan	$ 40,000	$ 25,000		
KENAI PENIN. BOROUGH				
1) Facility siting study	$160. 00	$160,000		
2) Comp. plan for Kenai City	80, 00		$ 58,000	$ 14,500
3) Comp. plan for Seldovia	32,000		25,600	6,400
HOMER - Water system design	280,000	248,643		
SELDOVIA - Water system design	65,000	55,000		
KODIAK ISLAND BOROUGH Management plan	48,000		46,000	11,500
HOMER - Drainage plan	50,000		37,400	9,350
SUB TOTAL:			$167,000	
PROGRAM ADMIN - C&RA includes admin. of total CEIP: FY77 programs in progress plus FY78 funding: Planning grants: $ 514,591 Loans 20,348,664 Env/Rec. grants 278,700	170,274		$136,219	34,055
TOTALS AWARDED:		$488,643	$303,219	
TOTALS AVAILABLE FY77 Sec. 308(b) FY78 Sec. 308(c) FY78 Sec. 308(b)		$488,643 $211,372	$303,219	

DEFERRED PROJECTS

HOMER - Port & Spit plan	$120,000	Rd. 1
SEWARD - Port plan	180,000	
KENAI - Street design	125,000	Rd. 1
HOMER - Street surveys	45,000	Rd. 1
SELDOVIA - Mapping	42,000	
HOMER - Sewerage design	75,000	
HOMER - Community complex plan	50,000	
HOMER - Social serv. plan	15,000	
HOMER - Recreation plan	25,000	

REJECTED PROJECTS

SELDOVIA - Water exploration	$ 34,000
YAKUTAT - Implementation planning	45,000

Department of Community & Regional Affairs
Division of Community Planning
Pouch B
Juneau, Alaska 99811

ALASKA COASTAL ENERGY IMPACT PROGRAM

ROUND 2 ENVIRONMENTAL/RECREATIONAL GRANT AWARDS

Summary of Round 1 Awards:

Available E/R FY '77 funding	$662,904
Amount awarded in Round 1	306,636
Available funding for Round 2	$356,268

Round 2 Projects funded (listed in order of priority)

	Applicant	Project	Award
1	City of Homer	Campground relocation/expansion Planning and design	$230,000
2.	City of Valdez	Salmon rehabilitation project study	13,244
3.	City of Cordova	Long-range salmon planning	79,543
4.	AK Dept. Fish/Game	Salmon stock evaluation	33,481(partial)
			$356,268

Round 2 Projects not funded--deferred projects

			Request not funded
5.	AK Dept. Fish/Game	Broodstock selection	$35,000
6.	City of Yakutat	Oil spill contingency plan	$75,000
7.	City of Seldovia	Recreation plan for boardwalk	$85,000
8.	City of Seldovia	Park Plan for Beach	$65,000

Round 2 Projects not funded--rejected projects

9.	City of Kenai	Erosion Prevention	$200,000

3rd Round CEIP Grant Applications

Municipality or Agency		Projects	Planning Requested	Grants Env./Reg. Requested	Credit Assist
City of Soldotna	1)	Water System Master Plan	37,500		
	2)	Municipal Complex Plan	97,500		
	3)	Water Storage Reservoir	77,500		
City of Skagway	4)	Master Plan	40,000		
City of Homer	5)	Roads and Streets Master Plan	95,000		
	6)	Sewer Treatment Plant Exp.	75,000		
	7)	Port Feasibility Study	20,000		
	8)	Community Complex Design	50,000		
	9)	Recreation Plan	60,000		
Kenai Peninsula	10)	Solid Waste Disposal Plan	58,000		
City of Cordova	11)	Water Resource Study	80,000		
	12)	Hospital & Emergency Services Study	53,000		
City of [illegible]	13)	Air Quality Study	262,500		
	14)	Hydroelectric Feas. Study	91,000		
City of [illegible]	15)	CEIP/OCS Planning	138,000		
City of [illegible]	16)	Community Building Design	238,000		
	17)	Contour Mapping	125,000		
DC & ED	18)	Energ. Facility Siting Eval.	24,842		
City of [illegible]	19)	Water & Sewage Line Design	[illegible]		
DNR/Parks	20)	Recreation Resource Plan.		[illegible]	
Mun. of Anchorage	21)	Economic Base Study	160,000		
	22)	Coal Utilization Study	55,000		
	23)	Water Supply Study	1,000,000		
	24)	Wastewater Treatment Plan	160,000		
	25)	Air Quality Study	72,000		
	26)	Surface Drainage Plan	165,000		
	27)	Police Data Processing Plan	250,000		
	28)	Human Resources Study	56,800		
	29)	Program Facilities Study	240,000		
	30)	Port Study	125,000		
	31)	Master Utility Planning	220,000		
	32)	Police Academy Design	47,000		
City of Tanker	33)	City Planner	122,700		
		Total	4,361,342	113,9[illegible]	

Department of Community
& Regional Affairs
Division of Community Planning
Pouch B
Juneau, Alaska 99811

SECOND READING OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 12 (approving regulations adopted by the Alaska Coastal Policy Council) was read the second time. SCR 12

Senator Sturgulewski moved and asked unanimous consent that the letter of intent of the Community and Regional Affairs Committee on pages 372-373 of the journal be adopted as the Senate Letter of Intent. Without objection, the letter was adopted and appears as follows:

SENATE LETTER OF INTENT

Testimony received by the Community and Regional Affairs Committee indicated the need for a change in the Alaska Coastal Policy Council's regulations. Specifically:

1) 6 AAC 80.100 (a)(3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats. The testimony indicated the need:

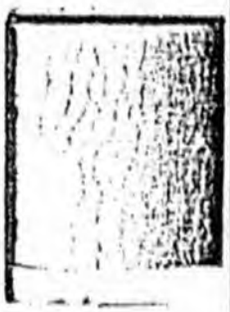
following the words "streambanks and shorelines," to delete
the word "prevent," and replace with the word "minimize."

A representative from the Alaska Coastal Policy Council and a representative from the Office of the Coastal Management concurred with the need for this change.

It is the intent of this Committee that the words "minimize adverse impacts" should apply to both fish resources and habitats, and wildlife resources and habitats.

The Committee urges the Alaska Coastal Policy Council to consider and adopt this change at its earliest convenience.

Senator Colletta moved that the Senate adopt SENATE CONCURRENT RESOLUTION NO. 12. Senator Kerttula objected.



STATE OF ALASKA

COASTAL POLICY COUNCIL

January 25, 1979

LOCAL MEMBERS:
Roger Allington, Northern Southeast, Co-Chairman
Roger Fagerstrom, Bering Straits
Donald Gilman, Lower Cook Inlet
Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
Stan Paukan, Southwest
Robert Sanderson, Southern Southeast
Lidia Selkregg, Upper Cook Inlet
Betty Wallin, Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer, Director of Policy Development & Planning, Co-chairwoman
Donald Harris, Commissioner of Transportation & Public Facilities
Phillip Hubbard, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

On behalf of the Alaska Coastal Policy Council, and as required by law, we respectfully submit that portion of the Alaska Coastal Management Program adopted during 1978. We also request that you initiate legislative review and approval of this portion of the program.

Section 44.19.893(4) of the Alaska Coastal Management Act requires the Council to "...submit annually to the legislature, not later than the 10th day of each regular session, the portion of the coastal management program approved or amended by the council during the preceding year..."

As you also know, Section 46.40.080. of the Act provides that:

> The Alaska coastal management program adopted by the council, and any additions, revisions, or amendments of the program, take effect upon adoption of a concurrent resolution by a majority of the members of each house of the legislature or by a vote of the majority of the members of each house at the time the houses are convened in joint session to confirm executive appointments submitted by the governor.

In a legal opinion issued last spring, the Attorney General defined the "coastal management program" as that phrase is used in the foregoing citations, to include all regulations adopted by the Council, and all local government coastal programs mandated by Section 46.40.030. of the Act.

ALASKA
COASTAL MANAGEMENT PROGRAM

The attached portion of the program consists of a set of amendments to the ACMP Guidelines and Standards adopted by the Council in December of 1978.

The original Guidelines and Standards were prepared during late 1977 and early 1978 and submitted to the Legislature in April of 1978. (This late submittal was authorized by SB 388 which amended the Act to allow a one-time special submittal date for the originial Guidelines and Standards.) In June of 1978 the original Guidelines and Standards were approved by the Legislature and went into effect.

Since the last session, however, a number of requests were made to amend the Guidelines and Standards including some requests by the Legislature itself through letters of intent. In Section 80.010(c) of the original Guidelines and Standards, the Council bound itself to review these regulations periodically, and so, in the fall of 1978, the Council re-examined the regulations in light of various requests and suggestions and adopted the attached amendments.

We have followed the requirements of the Administrative Procedures Act in adopting these regulations and the Attorney General has reviewed and approved these amendments.

In a few days you will also receive the Council's Annual Report which describes the activities of the Council and ACMP as a whole. That report will repeat this submission and request for approval of these amendments. Further, the Annual Report will contain a number of reference items, such as the Alaska Coastal Management Act of 1977, and the original Guidelines and Standards, and will be a convenient reference source for the Legislature as it considers the requests of the Council.

We thank you for your consideration of these requests. We are at your disposal for presentations and discussions on these amendments to the Guidelines and Standards and any other matters related to ACMP. Please call Murray Walsh at the Office of Coastal Management (465-3540) to arrange for our participation if you or other members of the Legislature would so desire.

Sincerely,

Frances A. Ulmer
Co-Chairman

Roger Allington
Co-Chairman

Enclosures

6 AAC 80.040(b), COASTAL DEVELOPMENT, is amended to read:

(b) The placement of structures and the discharge of dredged or fill material into coastal water must, at a minimum, comply with the standards contained in Parts 320-323, Title 33, Code of Federal Regulations, (Vol. 42 of the Federal Register, pp. 37133--47 (July 19, 1977)).
(Eff. 7/18/78, Reg. 67; am. / /, Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.060, RECREATION, is amended by adding a new subsection to read:

(b) Districts and state agencies shall give high priority to maintaining and, where appropriate, increasing public access to coastal water. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.070, ENERGY FACILITIES, is amended to read:

(a) Sites suitable for the development of major energy facilities must be identified by districts and the state in cooperation with districts.

(b) The siting and approval of major energy facilities by districts and state agencies must be based, to the extent feasible and prudent, on the following standards:

(1) site facilities so as to minimize adverse environmental and social effects while satisfying industrial requirements;

(2) site facilities so as to be compatible with existing and subsequent adjacent uses and projected community needs;

(3) consolidate facilities;

(4) consider the concurrent use of facilities for public or economic reasons;

(5) cooperate with landowners, developers, and federal agencies in the development of facilities;

(6) select sites with sufficient acreage to allow for reasonable expansion of facilities;

(7) site facilities where existing infrastructure, including roads, docks, and airstrips, is capable of satisfying industrial requirements;

(8) select harbors and shipping routes with least exposure to

reefs, shoals, drift ice, and other obstructions;

(9) encourage the use of vessel traffic control and collision avoidance systems;

(10) select sites where development will require minimal site clearing, dredging and construction in productive habitats;

(11) site facilities so as to minimize the probability, along shipping routes, of spills or other forms of contamination which would affect fishing grounds, spawning grounds, and other biologically productive or vulnerable habitats, including marine mammal rookeries and hauling out grounds and waterfowl nesting areas;

(12) site facilities so that the design and construction of those facilities and support infrastructures in coastal areas of Alaska will allow for the free passage and movement of fish and wildlife with due consideration for historic migratory patterns and so that areas of particular scenic, recreational, environmental, or cultural value will be protected;

(13) site facilities in areas of least biological productivity, diversity, and vulnerability and where effluents and spills can be controlled or contained;

(14) site facilities where winds and air currents disperse airborne emissions which cannot be captured before escape into the atmosphere;

(15) select sites in areas which are designated for industrial purposes and where industrial traffic is minimized through population centers; and

(16) select sites where vessel movements will not result in overcrowded harbors or interfere with fishing operations and equipment.

(c) Districts shall consider that the uses authorized by the issuance of state and federal leases for mineral and petroleum resource extraction are uses of state concern. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.080(a), TRANSPORTATION AND UTILITIES, is amended to read:

(a) Transportation and utility routes and facilities in the coastal area must be sited, designed, and constructed so as to be compatible with district programs. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.100, TIMBER HARVEST AND PROCESSING, is amended to read:

(a) Commercial timber harvest activities in the coastal area must be conducted so as to meet the following standards:

(1) the location of facilities and the layout of logging systems must be sited so as to minimize adverse environmental impacts;

(2) free passage and movement of fish in coastal water must be assured; and

(3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats.

(b) Commercial timber transport, storage, and processing in the coastal area must be conducted so as to meet the following standards:

(1) onshore storage of logs must be encouraged where compatible with the objectives of the Alaska Coastal Management Program;

(2) sites for in-water dumping and storage of logs must be selected and these activities conducted so as to minimize adverse effects

on the marine ecosystem, minimize conflicts with recreational uses and activities, be safe from storms, and not constitute a hazard to navigation;

(3) roads for log transport and harvest area access must be planned, designed, and constructed so as to minimize mass wasting, erosion, sedimentation, and interference with drainage, and must be adequately maintained until they are returned to their pre-road natural drainage patters (put-to-bed); and

(4) stream crossings, including bridges and culverts, must be kept to a minimum number, designed to withstand seasonal high water and flooding, and must provide for free passage and movement of fish. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.110(a), MINING AND MINERAL PROCESSING, is amendend to read:

(a) Mining and mineral processing in the coastal area must be regulated, designed, and conducted so as to be compatible with the standards contained in this chapter, adjacent uses and activities, statewide and national needs, and district programs. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.160(a), AREAS WHICH MERIT SPECIAL ATTENTION, is amended to read:

(a) Any person may recommend to a district or to the council areas to be designated as areas which merit special attention. Districts shall designate in district programs areas which merit special attention. Areas which are not in districts and which merit special attention shall be designated by the council with the concurrence of appropriate state agencies, municipalities, and villages affected by the designation. Designations must include the following information:

(1) the basis or bases for designation under AS 46.40.210(1) or (b) of this section;

(2) a map showing the geographical location, surface area and, where appropriate, bathymetry of the area;

(3) a description of the area which includes dominant physical and biological features;

(4) the existing ownership, jurisdiction, and management status of the area, including existing uses and activities;

(5) the existing ownership, jurisdiction, and management status of adjacent shoreland and sea areas, including existing uses and activities;

(6) present and anticipated conflicts among uses and activities within or adjacent to the area, if any; and

(7) a proposed management scheme, consisting of the following:

(A) a description of the uses and activities which will be considered proper and the uses and activities which will be considered improper with respect to land and water within the area;

(B) a summary or statement of the policies which will be applied in managing the area; and

(C) an identification of the authority which will be used to implement the proposed management scheme. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.900, DEFINITIONS, is amended by adding new paragraphs to read:

6 AAC 80.900, DEFINITIONS. Unless the context indicates otherwise, in this chapter

(20) "feasible and prudent" means consistent with sound engineering practice and not causing environmental, social, or economic problems that outweigh the public benefit to be derived from compliance with the standard which is modified by the term "feasible and prudent;

(21) "including" means including but not limited to;

(22) "major energy facility" includes marine service bases and storage depots, pipelines and rights-of-way, drilling rigs and platforms, petroleum or coal separation, treatment, or storage facilities, liquid natural gas plants and terminals, oil terminals and other port development for the transfer of energy products, petrochemical plants, refineries and associated facilities, hydroelectric projects, other electric generating plants, transmission lines, uranium enrichment or nuclear fuel processing facilities, and geothermal facilities; "major energy facility" means a development of more than local concern carried out in, or in close proximity to, the coastal area, which meets one or more of the following criteria:

(1) a facility required to support energy operations for exploration or production purposes;

(2) a facility used to produce, convert, process, or store energy resources or marketable products;

(3) a facility used to transfer, transport, import, or export energy resources or marketable products;

(4) a facility used for in state energy use; or

(5) a facility used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are involved in any activity described in (1) - (4) of this paragraph;

6 AAC 80.900(9), is amended to read:

(9) "geophysical hazard areas" means those areas which present a threat to life or property from geophysical or geological hazards, including flooding, tsunami run-up, storm surge run-up, landslides, snowslides, faults, ice hazards, erosion, and littoral beach process; (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 85.040(a), BOUNDARIES, is amended to read:

(a) Each district must include a map of the boundaries of the coastal area within the district subject to the district program. Boundaries must enclose those lands which would reasonably be included in the coastal area subject to the district program if they were not subject to the exclusive jurisdiction of the federal government. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 85.130(b), PUBLIC INVOLVEMENT, is amended to read:

(b) At least 60 days before giving conceptual approval to the district program or significant amendment to the district program, the district shall give written notice to the council and any person who has requested notice in writing, as well as public notice of the proposed action by conspicuous advertisement in a newspaper of general circulation within the district. In addition, notice must be given by radio and by posting in villages and municipalities within the district. The notice must specify the time and place of a public hearing on the proposed action and the availability for review of the proposed district program document or significant amendment to the district program. The public hearing under this subsection may be held not sooner than 30 days after notice is given. At the public hearing, each person must be given

the opportunity to present statements, arguments, or contentions, orally or in writing. Districts shall insure that, where appropriate, translation into the appropriate Native language(s) is provided. The district shall consider all relevant matter presented to it. A written transcript or electronic recording of the public hearing must be submitted to the council. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 85.150, COUNCIL REVIEW, is amended to read:

(a) (((No changes.)))

(b) Within 30 days after submission of the district program or amendment under (a) of this section, the Office of Coastal Management shall issue its recommendation. The recommendation may be based, in whole or in part, on matters not submitted by the district under (a) of this section. Any matters so used must be identified in the recommendation and placed in the record file under (c) of this section. The recommendation must contain findings and conclusions based on this chapter, the standards contained in ch. 80 of this title, AS 46.40.060, and AS 46.40.070. The recommendation must be served on the district, the council, all persons who testified or submitted timely written statements at the public hearing held under sec. 130(b) of this chapter, and all persons who have requested the recommendation in writing. Broad public notice of the recommendation must be given.

(c) (((No changes.)))

(d) Within 30 days after service of the recommendation, any person served with the recommendation may serve on the council comments on the recommendation. Within 30 days after public notice of the recommendation, any other person may serve on the council comments on the recommendation. Within 10 days after the deadline for serving comments on the council under this subsection, the Office of Coastal Management may submit additional matter to the council in response to the comments. All comments served and all additional matter submitted under this subsection will be placed in the record file. The Office of Coastal Management shall respond to all comments within 30 days of receipt.

(e) (((No changes.)))

(f) If the council's decision under (e) of this section disapproves, in whole or in part, the district program, the decision will specify the date and location for the initial mediation session under AS 46.40.-060(b). Mediation sessions will be held with due regard for the convenience of the participants. Any person may attend mediation sessions. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 85.900, DEFINITIONS, is amended by adding new subsections to read:

6 AAC 85.900, DEFINITIONS. Unless the context indicates otherwise, in this chapter

(9) "feasible and prudent" has the same meaning as in 6 AAC 80.900;

(10) "including" has the same meaning as in 6 AAC 80.900.

(Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

REPORTS OF STANDING COMMITTEES

SCR 2 The State Affairs Committee has had SENATE CONCURRENT RESOLUTION NO. 2 (relating to the employment of persons in permanent part-time positions in state government) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Eliason, Fuller, Gardiner and Martin.

SCR 2 was referred to the Rules Committee for placement on the calendar.

CS SCR 11am The State Affairs Committee has had COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 11 amended (relating to the hazardous condition of the Muldoon and Fort Richardson cloverleafs on the Glenn Highway due to lack of adequate guardrails) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Eliason, Fuller, Gardiner and Martin.

CSSCR 11am was referred to the Rules Committee for placement on the calendar.

SCR 12 The Community and Regional Affairs Committee has had SENATE CONCURRENT RESOLUTION NO. 12 (approving regulations adopted by the Alaska Coastal Policy Council) under consideration and a majority of the committee reports it back with individual recommendations and attaches a letter of intent. Parker (Chairman), Branson and Parr recommend do pass. Carney and Zharoff have no recommendation.

SCR 12 was referred to the Rules Committee for placement on the calendar.

The Community and Regional Affairs Committee's letter of intent on SCR 12 appears as follows:

LETTER OF INTENT
SCR 12

The concept of local control in coastal zone management has been basic to the development of the state's coastal zone management program. A predominant concern of the committee is the functioning of this local control in the unorganized borough.

This letter is intended to condition legislative approval of these regulations on a requirement that the Department of Community and Regional Affairs submit an adequate development plan for the organization of effective, locally-controlled coastal resource districts. Appropriations for the coastal management program will be allocated accordingly. The committee suggests that the Department of Community and Regional Affairs work with the Legislative Council to satisfy this requirement.

SCR 17

While rural communities may not initially want to involve themselves in coastal zone management, it is doubtful they will want to entrust it to others when fully understood. Considering the implications district coastal zone management has for subsistence habitat protection and rehabilitation, one can probably expect strong local participation in district coastal zone management policy making.

The legislative Council will establish an interim program to monitor the state's coastal resource disticts' community organization. Important to this organization is fair local-level understanding of the phrase "land and water uses of state concern". The energy siting regulations are designed to guide local coastal resource districts to properly regulate such land and water uses of state concern.

In addition, the committee is aware that the proposed standard 6 AAC 80.160 (a) introduces a new element in the coastal management program . Existing public participation regulations (6 AAC 80.020 and 6 AAC 85.130) apply specifically to adoption of district programs and amendments to district programs. In districts which develop district programs containing areas which merit special attention, the public involvement provisions of 6 AAC 85.130 apply. It is the intent of this committee that regulations for public involvement be developed for areas not in districts which are designated as meriting special attention by the Council. Council designation should include evidence of effect ve and significant opportunity for public participation in the specified "concurrence" and such public involvement process should be specified in the Alaska Coastal Managemnet Plan Guidelines.

Further, it is the intent of the committee that the letter of intent of the Senate Community and Regional Affairs Committee which appears on page 463 of the Senate Journal be approved.

The Commerce Committee has had SENATE BILL NO. 125 (making a special appropriation for operating expenses of radio station KYUK, Bethel, and lapsing a portion of an appropriation for a capital expenditure for that station; effective date) under consideration and a majority of the committee reports it back with individual recommendations. Brown (Chairman), Munson and Bettisworth recommend do pass. Malone has no recommendation. Randolph recommends do not pass. SB 125

SB 125 was referred to the Finance Committee.

The Community and Regional Affairs Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 134 (making a special appropriation to the Department of Community and Regional Affairs for grants to municipalities and other recipients in place of entitlements under the program of state aid to local governments; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Parker (Chairman), Branson, Carney, Parr and Zharoff. CSSB 134

CSSB 134 was referred to the Finance Committee.

June 2, 1977

The Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Re: CCS SCS CSHB 342 (coastal zone management)
Our File: J-88-066-77

Dear Governor Hammond:

At your request, we have reviewed CCS SCS CSHB 342 relating to the management of the coastal resources of the state. Although the bill contains some problems, we know of no reason, legal or otherwise, why it should be vetoed. A general discussion follows.

The proposed Act is the result of two and a half years of administration effort to obtain this legislation, the result of successful public education that has diminished public fears of coastal management, and the result of an administration-legislative partnership initiated last year around the common theme of obtaining federally approvable coastal management this year. 1976 HCR 123. Little would be served by rehashing earlier legislative proposals in this review. It is enough to say that they came too soon, were too new and comprehensive, and created too much power at the state level. The proposed Act stands in contrast. It follows two years of public debate; it acknowledges and uses the substantial body of existing law; it recognizes that municipalities should have a large part in coastal management; and it recognizes that the state can be most effective and useful by providing broad policies and guidelines to local governments for local implementation of the program.

Since the proposed Act was jointly sponsored by the administration with the legislature and passed virtually unchanged, we will abbreviate our discussion of how the proposed Act will work, and turn our attention to some of the problems associated with it. Most of the problems are not new; they were debated earlier within the administration -- such as the problem of creating new single purpose governments in the unorganized borough to handle coastal planning. But since this and other problems raised were regarded as serious by several state agencies, they will be set out in this review, as a record, and as a possible agenda for future action or amendment.

The central feature of the proposed Act is the creation of the Alaska Coastal Policy Council in the Office of the Governor. AS 44.19.891. The council is comprised of nine public members (who must be elected municipal officials) appointed by the governor from the nine coastal regions set out in sec. 891(1), and seven state cabinet officials mentioned in sec. 891(2). The main function of the council is to adopt guidelines and standards, for use by municipalities in organized boroughs and "coastal resource service areas" in the unorganized borough, stating how to develop a coastal management program and what to include in that program to gain council approval. The main components of these local programs (called "district coastal management programs") would be the adoption of boundaries, the identification of land and water uses and activities subject to the district program, the identification of those land and water uses and activities which are permissible in different areas of the district and which are not permissible, and the adoption of policies and regulations for control of permissible uses to minimize their adverse impacts and for the exclusion of impermissible uses. AS 46.35.040. The guidelines and standards of the council (and the district coastal management programs adopted under them) do not take effect until approved by concurrent resolution of the legislature. AS 46.-34.080.

After the guidelines and standards are adopted by the council, and the district coastal management programs, by the municipalities or coastal resource service areas, the district programs are submitted to the council for review and approval. The council reviews the district programs for consistency with the proposed Act, and with the guidelines and standards (AS 46.-35.060) and summarily approves the program if consistent. However, if the council finds deficiencies, it directs mediation of those deficiencies with the affected local entity, and, failing mediation, directs commencement of formal public hearings under the Administrative Procedure Act (AS 44.62). As previously mentioned, the district coastal mangement programs, after adoption by the local governments or service areas, and by the council, still do not take effect until legislative approval. AS 46.35.080.

Following legislative approval of the district programs, the municipalities which exercise zoning or land use controls implement the programs for their areas, and in areas of the coast where zoning or land use controls are not exercised state agencies implement the program. If the programs are not implemented or if they are not being properly enforced, a coastal resource district, a citizen of the district, or a state agency can commence an administrative action before the council under the Administrative Procedure Act ("APA"), to require implementation or enforcement.

The council decision is reviewable in superior court under the APA and orders of the council are enforceable in superior court under AS 46.35.100. That summarizes how the bill works; the rest of this review deals with problems associated with the bill.

Most of the problems associated with the proposed Act arise not so much from legal difficulties as from serious policy differences. Many of these issues were debated both publicly and internally during passage of the proposed Act, and, in many cases, the differences were not whether one approach was better than another, but whether the administration was willing "to live with" less than an ideal bill in order to get anything. Two principal issues where this surfaced were over planning in the unorganized borough and over authorization of state level regional planning.

The proposed Act authorizes creation of special service areas in the unorganized borough, under AS 29.03.020, called "coastal resource service areas." AS 46.35.110. These service areas, while encompassing the same geographical area as regional educational attendance areas established under AS 14.08.031, serve a single governmental purpose -- the preparation of a district coastal management program. They do not tax themselves to carry out this function, and they do not implement the program themselves -- that is left to state agencies acting under existing law. The service area simply plans.

Several state agencies consider this a major step back in providing governmental services to the unorganized borough. Almost every state agency agreed with this appraisal and favored, over the long haul, a comprehensive look at the problem of government in the unorganized borough. Within time limitations, there was considerable internal debate and the final administration position was "to live with" the provisions. Considering this is the third instance where single purpose service areas have been created (health and education previously), considering the long range implications for government in general in the unorganized borough, and considering the issue will arise again and again if unresolved, it may be time for the administration to initiate legislation to deal with the problem once and comprehensively.

Another issue is state-level regional planning in the coastal areas of the state. It relates to the previous issue because it was seen by some agencies as a substitute for the coastal resource service area in the unorganized borough. But in other respects the issue is broader: it encompasses the question

of whether regional plans are needed to prevent fragmentation of planning and management, created by chopping up the state into "districts," and it encompasses the question of whether state agencies are giving up any of their present planning and management prerogatives over the state's natural resources.

Initially the administration position was that state regional plans should be required and that these plans should explicitly incorporate the same components that must be in the district coastal management programs; i.e., identification of boundaries, land and water uses subject to the program, etc. The legislature failed to adopt our language, and adopted instead a simple direction to the council to 'initiate an interagency program of comprehensive coastal resource planning for each geographic region described in sec. 891(a)(3) of this chapter.' AS 44.19.893(2).

This language in the proposed Act may be viewed by some agencies as narrowing their planning authority. Under existing law, agencies could plan for anything reasonably related to the powers constitutionally or legislatively conferred upon them. The proposed Act would, to some extent, put them in the hands of the council, although the council is instructed to initiate a comprehensive interagency program. The proposed Act would also subject some of the state's coastal management activities to the council's discretion, when proposed in a state-level regional plan, or when in conflict with an approved district coastal management program.

These problems of erosion of state authority, and conflict with local programs are probably more theoretical than real. For example, the state has never used its zoning power in the unorganized borough, and there has even been substantial debate over whether it should be used. The legislature passed two bills this session which narrow the power. CSHB 273 am (third class boroughs) and SCS CSHB 67 (land sales, etc.). The legislature has, in the past, annulled environmental regulations it did not like and can always expand or narrow powers legislatively conferred. Furthermore, the council is unlikely to invade many of the state's management prerogatives because internally the council will be subject to the same 'political' and "bureaucratic" pressures and attitudes as exist in almost all other governmental institutions. The council will not be environmentally extreme, but neither is it likely to give away the state's resources.

In return for "giving up' some planning responsibilities and management discretion, the state gets: coastal management along the entire coast, management that must incorporate scientific

data and principles, management subject to minimum state standards and guidelines, and management which must consider suggestions made by the state and by the citizens of the state.

A provision of the bill which could cause substantial difficulties to municipalites is AS 46.35.080 requiring legislative approval before the Alaska coastal management program, and any additions, revisions or amendments, take effect. This legislative involvement is unnecessary and will cause unnecessary delays to municipalities initially adopting programs, and thereafter revising them. The City and Borough of Juneau urged deletion of this provision as did the administration, but the provision remained. This section may need to be amended in the future.

A final problem relates to the legislature's recent passage of CSHB 73 am, an Act relating to boroughs, to CSHB 73 am's relationship with this bill, and to the relationship of both with the federal Coastal Management Act of 1972. This bill is designed to win federal approval under the federal Coastal Zone Management Act, to obtain coastal management program development and administration grants, to maintain eligibility for federal OCS impact grants and loans, and to require federal consistency of federal activities with the state coastal management program. To obtain all these benefits, the state's program must meet the minimum requirements of federal law.

The thrust of the federal Act is to encourage states through grants-in-aid to develop comprehensive coastal management programs. Grants are available to states to develop programs in the first instance, and then to administer the programs after they meet federal approval. To win federal approval the state must show that it can control land and water uses and activities in the coastal zone, and that it can exclude land or water uses or activities it considers impermissible An example of an impermissible use might be an oil refinery in a productive wetland, when suitable alternative sites were available.

The principal planning and management power to exclude an impermissible use is the zoning power, the power to decree that in a particular zone particular uses are allowed and particular uses are not allowed. The proposed Act, in our opinion, meets this federal requirement: within municipalities exercising zoning powers, that power exists at the local level and its exercise must conform to council guidelines and standards; within the unorganized borough, the power to zone resides in the director of the Division of Lands.

The passage of CSHB 273 am, relating to boroughs, however, could seriously impair the state's chance to obtain federal approval, because that bill abolishes the power of the director of lands to zone in a third-class borough which has zoning powers but chooses not to exercise them or which exercises them, e.g., in a single service area within the borough. The later passage of SCS CSHB 67, if not vetoed, and if it becomes law after CSHB 273 am, would remedy the defect created by CSHB 273 am. SCS CSHB 67 reinstates the director's power to zone in third-class boroughs within the coastal zone where the borough chooses not to zone. In our opinion, the adoption of SCS CSHB 67, or a similar Act, is essential to the state's program. The power may never have to be used, but we must show the federal government we have it if we need it.

The bill now has to be implemented which, by its terms, can take up to three years. The administration, the legislature, and the public should continue to closely follow the next stages to make sure that the lofty ideals espoused by the proposed Act -- the protection and wise use of the coastal zone -- will not be lost in helter skelter scrambles to meet deadlines or develop the state's resources.

Sincerely,

Avrum M. Gross
Attorney General

AMG:rd:SS

February 3, 1978

The Honorable Joseph L. Orsini
Senator
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Federal lands
in the Coastal Zone
Our File No. J-66-456-78

Dear Senator Orsini:

You have asked for our opinion as to which federally owned lands, if any, are subject to state regulation under the provisions of the Coastal Zone Managment Act of 1972 ("Act"). 16 U.S.C. §§1451-64. In our view:

(1) while federal land use decisions will not be governed or controlled by the state's coastal management program, they must, to the degree that they directly affect non-federal coastal resources, conform to the state program to the maximum extent practicable; and

(2) the activities of lessees, permittees and other private persons on non-exclusive federal coastal lands remain subject to state regulatory authority--including the coastal management program--unless the particular state regulation is preempted by, irreconcilably conflicts with or frustrates the pur-p pose of another federal law.

The difficulty in reaching a conclusion on this

matter is the imprecise wording of the Act itself. Section 304(a) of the Act excludes from the coastal zone "lands the use of which is by law subject solely to the discretion of or which is held in trust by the Federal Government. . ." Very few federal reserves are solely subject to the regulatory authority of the federal government. Indeed, the basic rule with regard to state jurisdiction within federal lands is that land ownership status itself is irrelevant in determining the extent of state jurisdiction. Kleppe v. New Mexico, 426 U.S. 529, 541-45 (1976); James v. Dravo Contracting Co., 302 U.S. 134 (1937); Colorado v. Toll, 268 U.S. 228 (1925); Omaechevarria v. Idaho, 246 U.S. 343 (1918); State ex. rel. Andrus v. Click, 554 P.2d 969, 973 (Idaho 1976). Unless, with the consent of the state, the area in question has become one of exclusive federal jurisdiction (U.S. Const., Art. 1, §8, ch. 17) 1/ the federal government's status vis-a-vis the land is "that of an ordinary proprietor." Paul v. United States, 371 U.S. 245, 264 (1963), and state regulatory jurisdiction is unimpaired. By virtue of its land ownership, and under the so-called Property Clause (U.S. Const., Art. IV, §3 cl. 2), Congress is empowered to enact laws pertaining to its lands which, in the event of irreconcilable conflict with state enactments, will supersede the latter.

1/ There are several areas in Alaska where Congress has the power of exclusive legislation. See Alaska Statehood Act, §§10, 11 (72 Stat. 339).

Kleppe v. New Mexico, supra. Moreover, Congress may pre-empt the exercise of traditional state authority on federal lands. To do so, however, Congress must "unmistakenly ordain exclusivity of federal regulation." DeCanas v. Bica, 424 U.S. 351 (1976). Nonetheless, Congress' power to supersede state law under the Property Clause does not end the inquiry, it only begins it--under considerations of conflict and pre-emption. Andrus v. Click, supra.

Certainly, there is nothing in the Act which would suggest a constricting of traditional concurrent authority of the states. Aside from extensive articulation of what has been termed "cooperative federalsim" (§§302, 303), section 307(e)(1) of the Act contains what the Senate Committee described as "a standard clause disclaiming intent to diminish Federal or State authority in the fields affected by the Act." S. Rep. No. 753, 92d Cong., 2d Sess., reprinted in [1972] U.S. Code Cong. & Adm. News 6734.

Thus, at first blush, the Senate Commerce Committee's statement that "national forests and wildlife refuges" (id., at 6723)--which are normally not areas of exclusive jurisdiction--were included in the exclusionary language of §§304(a), and the Conference Committee's view of the exclusion as including (without cavaet) "Federal lands" (id., at 6762), seem at once a misstatement of the law, and in potential conflict with the pre-emption disclaimer of the Act.

The reconciliation comes in a recognition of the

potential implications of including any federal lands within the definition of the coastal zone. Concurrent jurisdiction does not carry with it an ability to override federal land management; as noted previously, if an irreconcilable conflict develops, the state law must yield. Moreover, absent an express waiver of sovereign immunity, states have no right to direct federal officials to manage federal property in a particular manner. See EPA v. California, 426 U.S. 200 (1976). 2/ To the extent that including federal lands in the "coastal zone" definition might, in NOAA's words, "assimilate a limited body of state law into federal law for the purpose of governing the conduct of federal agencies," 3/

2/ Such an express waiver, both as to procedural and substantive requirements, has been made with regard to state solid waste (P.L. 94-580, §6001), air quality (P.L. 95-95, §118) and water pollution (P.L. 95-217, §313) controls. State standards adopted by the Department of Environmental Conservation under the rubric of the latter two laws must be incorporated in the state's coastal management program (§307(f)), and federal land managers are, indeed, under a direct obligation to conform to these standards. Pursuant to 33 U.S.C. §1288 (the so-called "208 planning process"), the Department of Environmental Conservation is developing water quality related management practice standards which, pursuant to §313 of the Federal Clean Water Act, will be binding upon, and enforceable against federal land managers. Thus, at least as to water quality protection, the meaning of the exclusionary language of §304(a) of the Coastal Zone Management Act may eventually be a moot question.

3/ Department of Justice, Scalia to Brewer letter, August 10, 1976 at 5.

the traditional reaches of concurrent jurisdiction would indeed be exceeded.iIn our opinion, it is this "exten[sion] [of] state authority" (S. Rep., supra at 6723) that Congress intended to preclude in §304(a). Thus, the phrase "the use of which is by law subject solely to the discretion of. . . the Federal Government", id., was not intended to draw a distinction between areas of concurrent and exclusive jurisdiction, but rather refers to the ultimate management prerogative which, on all federal lands, reposes with the responsible federal manager. Section 304(a) thus shields that prerogative from direct state control.

However, despite the fact that all federal lands are excluded from the definition of the coastal zone, federal officials must nonetheless conform their land management decisions to the state's program "to the maximum extent practicbble", §307(c)(1), for those management decisions which will "directly affect", id.) non-federal land or water resources covered by the state's program. As the conference report, supra at 6762, makes clear, the exclusionary language of section 304(a) does not exempt federal land management decisions from the consistency requirements of section 307. Under what conditions federal management decisions will "directly affect" non-federal coastal resources involves far too many variables to be susceptible to summarization. I have enclosed proposed rules which would interpret and implement the federal consistency requirements of section 307.

which should provide a good understanding of how the Department of Commerce interprets that section.

Finally, it is our opinion that the state may extend the requirements of its coastal management program, within the previously-noted confines that traditionally attend the exercise of concurrent jurisdiction, 4/ to the activities of private persons on federal coastal lands. Again as discussed previously, this authority would exist absent the federal Act and, far from the explicit manifestation of preemptive intent necessary to constrict state jurisdiction, the language of the Act indeed negates the existence of any pre-emptive designs. §§302, 303, 307(e)(1). Thus, while particular program regulations may--for reasons of conflict or pre-emption--have to yield, it is our view that a blanket exclusion by the state of all federal lands from the regulatory reach of the program is unwarranted.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By:
Jonathan K. Tillinghast
Assistant Attorney General

JKT:dlm

4/ See Andrus v. Click, supra, in which the Idaho Supreme Court held that that state's surface mining controls were applicable to mining activities on federal lands.

THE ALASKA NATIVE FOUNDATION

411 WEST 4th AVENUE • ANCHORAGE, ALASKA 99501 • PHONE (907) 274-2541

February 27, 1979

Arliss Sturgulewski, Chairman
Alaska State Legislature
Senate
Committe on Community & Regional Affairs
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Arliss:

Although it is not possible for me to appear personally before your committee I wish to express some longstanding concerns related to the implementation of CZM. Please share them with other members of your committee.

1. The actual impact of CZM will be most felt by private landholders, since the State does not have jurisdiction over Federal lands and does not need CZM to manage its own lands. Private lands in Alaska are predominately owned by Native people (or will be when conveyed).

2. Much of the privately held land is by any standard, rural in nature, containing a variety of communities. Most of these communities do not have the planning capability or history of planning present in other Alaskan cities. While larger cities prepare their own plans to become part of the whole, rural communities cannot. Implementation of CZM should contain the resources necessary to allow rural communities their own planning process resources so that they may present their formal and technically acceptable points of view.

3. While the State has made an effort to involve these rural people that effort falls far short of the community planning process needed. The State thus is in the position of planning for, not with, communities which are made up of people who actually own most of of the land affected, as the people of better prepared communities do not.

4. I suggest a beefing up of community planning resources concurrent with CZM implementation.

This is not a "for or against" communication, but only raises some concerns which I have felt for some years.

Sincerely,

Roger

Roger Lang,
President

RL:slj

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 12, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting to you a bill which would make certain amendments to the Alaska Coastal Management Act (AS 46.40). These changes were recommended to me by resolution of the Alaska Coastal Policy Council at the council's December 14-15, 1978 meeting. The council is the administering body of the Coastal Management Program, and is composed of both state and local government representatives.

Under the Alaska Coastal Management Act, the council has established guidelines and standards for the preparation of local government coastal programs. These programs are then submitted to the council for its review to determine conformity with the guidelines and standards. This legislation would authorize an additional time period for preparation of local plans. Under current law, plans must be completed by December 1979 -- an unrealistic deadline for many local governments. The proposed amendments would afford an additional two years for preparation of plans if an adequate justification for the delay was presented to the council.

Under AS 46.40.080, the "Alaska Coastal Management Program" is effective only after approval by the legislature by concurrent resolution. A great deal of confusion has arisen as to what, in fact, constitute the components of the Alaska "program." In fact, the guidelines and standards for local program preparation were submitted to, and approved by, the legislature pursuant to that section last year. It has been suggested by some that, additionally, each local district program must, in addition to obtaining council approval, also obtain legislative approval under sec. 80. The suggestion makes no sense. Approval of local district programs is a quasi-judicial action of the council. AS

attendance areas. The Coastal Policy Council feels strongly that, in certain cases, these districts might be better drawn on rational cultural or geographic features, rather than educational attendance areas. Current law also provides that, in resource service areas which do not exercise planning and zoning powers, state agencies will be the sole implementing tool for the program. A change in the law proposed by the Department of Community and Regional Affairs would make it clear that within these service areas, those cities which in fact exercise zoning powers would implement the programs within their municipal boundaries.

Sincerely,

Jay S. Hammond
Governor

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46.40.060 provides substantial procedural protections in the approval process both for local governments and affected citizens. Additionally, the council itself has created, for local plan approval, a decision-making process painstakingly designed to ensure protection of all interested parties. The procedure (6 AAC 85.150) envisions a decision based on the record, and premised on specific findings and conclusions for which substantial comment and review provisions are made.

Under a broad interpretation of sec. 80, even after the question of local plan approval has proceeded through public hearings, council findings, mediation, and adjudicatory hearing, it might still be argued that legislative approval of the program remains necessary. This creates several practical problems. First, although judicial review of final council action is available, would a court undertake review while the matter is pending before the legislature? And if the final decision is, in fact, that of the legislature, is it realistic to assume that judicial review would be available at all?

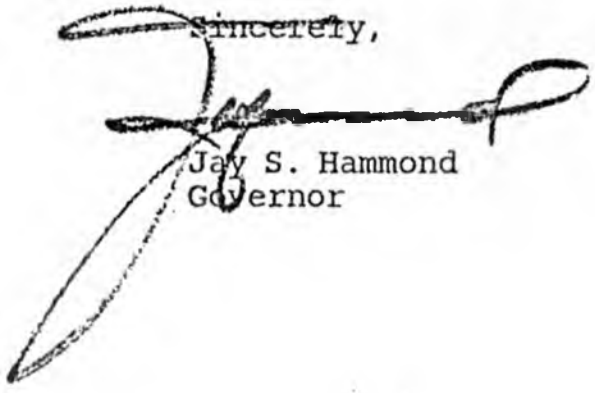
In addition, the requirement of legislative approval before the effectiveness of district programs places substantial burdens and uncertainties on local governments. While AS 46.40.060, and the council's regulations, provide for rather stringent deadlines for the review of district programs, those deadlines would become rather meaningless if the effectiveness of the program were, in fact, deferred until affirmative legislative concurrence were obtained. Perhaps most fundamentally, one would need to address the question of how the legislature would intend to conduct this "approval" authority. Would it sit as a fact-finding body? Would the resolution of approval contain findings of fact and conclusions of law based upon the record adduced at legislative hearings?

In sum, AS 46.40.080, to the extent that it suggests that legislative approval of district programs is required, is at best odd, and at worst terribly burdensome upon all those involved in the issue of coastal management. The proposed repeal of sec. 80 would remove this uncertainty, while still leaving adequate legislative review authority over future council guidelines (to the extent constitutionally permissible).

Two other proposed changes deal with implementation of the Coastal Management Program in the unorganized borough. Currently, the organization of coastal resource service areas must be based upon regional educational

attendance areas. The Coastal Policy Council feels strongly that, in certain cases, these districts might be better drawn on rational cultural or geographic features, rather than educational attendance areas. Current law also provides that, in resource service areas which do not exercise planning and zoning powers, state agencies will be the sole implementing tool for the program. A change in the law proposed by the Department of Community and Regional Affairs would make it clear that within these service areas, those cities which in fact exercise zoning powers would implement the programs within their municipal boundaries.

Sincerely,



Jay S. Hammond
Governor

Ketchikan Daily News

VOL. 44 NO. 60 (USPS 293-940) KETCHIKAN, ALASKA, TUESDAY, MARCH 13, 1979 25 CENTS

Borough assembly skeptical:

More local control with coastal management

By MARK DAHLE
Daily News Staff Writer

In a workshop Monday night skeptical members of the Borough Assembly agreed to take part in the first phase of a coastal management program for Ketchikan.

Many members doubted that the program would work as it was explained, but the predominant feeling was that it was worth a try.

Kathy Carrsow, who explained the coastal management program to the assembly, said that once the local policy was federally approved, federal agencies would have to interpret their authority within those policy guidelines.

For example, she said, if the assembly had set the area near the ferry terminal aside as an area important for harbor development, the United States Postal Service would not have been able to build a post offic there.

In another example, she said a stream could be set aside as important for hydro power.

"For the fish and game department," she said, "all streams may be important for the fish resource. But at the local level we can say, 'This stream is more important for hydro.' "

A position paper the assembly received said that "trade offs must be made when incompatible resource uses are in conflict...The Alaska Coastal Management Program affords local governments the opportunity to take the major role in making these trade offs."

Assembly memberGary Elkins echoed the sentiments of many assembly members when he said, "I can't help but be a skeptic. It seems utopian." But he said he was "damn tired of having big brother..if this offers even a little bit of hope I'm all for it."

Carssow said the policy would streamline the decision-making policies, and let local governments have the prevailing policy.

The program sets the ground rule for giving governments control, according to Carssow. "Every program takes time to build clout," she saud. "But if we follow through, we can say 'listen, you made this deal with us.'"

The borough only has clear authority in determining the manangement policy of borough lands, she said. The U.S. Borax and Chemical Corp. mine at Quartz Hill is out of local jurisdiction, and the state will set the policy for it, since it is in an unorganized borough.

But the act allows local governments to address adjacent areas, like Quartz Hill. "It is not clear how much authority we have," she said.

The borough planning department is developing Ketchikan's coastal management program. To aid the department, six advisory task forces are planned.

Each task force is planned around coastal resources. They are: industrial-commercial waterfront; rural shorelines; viewsheds, heritage, recreational; fish and wildlife; timber and minerals; hazards and watersheds.

The task forces will be chaired by members of the borough planning department.

Each task force will include a member of the Borough Assembly, and one or more members of the community, selected by the borough mayor. City government staff will serve on task forces addressing resources within city boundaries. Local residents who want to be on a task force were encouraged to call the planning department.

Carssow said that June was set as a target for completion of work by the task forces ending the first phase, program development. In the first phase, areas requiring further study can be identified.

In June $2,188,000 will be available for Alaskan communities to work on the second phase of the project, which will more closely identify areas for specific applications. The monies are federal funds.

Also at the meeting, the Borough Assembly discussed an ordinance relating to the board of equalization hearings.

All assembly members were present except Helen Finney and Borough Mayor Carroll Fader.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM February 21, 1979

SUBJECT: Authority to implement and enforce coastal management programs by service areas in the unorganized borough: (Work Order No. 6365)

TO: Representative Bill Parker

FROM: John B. Chenoweth, Legislative Counsel

I have tried to draft the enclosed bill to meet your directive that authority to implement (as well as to plan) coastal management programs in the unorganized borough be granted to the coastal resource service areas which may be formed in the unorganized borough.

You should know, I think, that the premise underlying the statement in Mr. Cohen's letter, the apparent source of this request, is partially in error. When the coastal management legislation took shape in 1977, some thought went into the relationship between existing cities of the unorganized borough and the service areas which might be formed there. The consensus, now part of the legislation, was to provide a range of options, allowing individual cities that were willing and able to initiate and complete the planning process to do so, or to authorize service areas to undertake the planning process, or to rely on existing state agencies where there was no interest expressed at the community or regional level. As to implementation, it was clear that, in the unorganized borough, because cities (first or second class) had authority to exercise planning, zoning, and other powers, rather than extend planning and zoning authority to service areas (where there was really no push to extend the authority), existing law would be left unchanged: either a city would implement or state agencies would act. If people were really worked up enough on a regional basis to want to become involved in implementation, the first or second class borough option remained available to them.

To: Representative Bill Boller

From: Clifton Curtis
Center for Law & Social Policy

SUBJECT: TESTIMONY BEFORE THE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS ON FEBRUARY 26, 1979.

Based on my understandings that you would pick up my transportation costs, plus a per diem, for my trip to Juneau from Portland, Oregon, the following are my expenses

- Air fare from Portland on 2/25 to Juneau, and return to Seattle, Washington on 2-26 $226.68

- 2 days per diem for 2/25 & 2/26 at $55 per day $110.00

- taxi/bus service from Seattle to downtown & back to airport ($3.00 each way) 6.00

TOTAL EXPENSES $342.68

Make check payable to:

Center for Law & Social Policy
1751 N St. N.W.

Clifton E. Curtis
2-26-79

Mr. Cohen states: "In the unorganized borough, this power [i.e., responsibility for implementation of coastal management programs] is taken away from the local people and placed with state agencies." He is not correct. As a matter of law, the exercise of zoning and other controls in the unorganized borough outside of cities has never rested with anyone other than the state agencies. (AS 40.15.070 - 40.15.075; AS 44.47.050 (8) and (9)).

The 1975 Legislature mandated unorganized borough control of education; the 1977 legislation authorized a role for the unorganized borough in coastal resource planning. The 1979 Legislature is asked to extend authority of service areas to exercise zoning and other controls in the coastal zone. Frustration prompts me to ask how, if all these are granted, withholding only the authority and responsibility to levy and collect taxes, this structure is any different than the first or second class borough system now provided in general law?

JBC:nem

Enclosure

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 19, 1979

Jon Buchholdt
North Slope Borough
835 D St.
Anchorage, Alaska 99501

Dear Mr. Buchholdt,

The House Community and Regional Affairs Committee will be holding a meeting on Monday, February 26 for the purpose of providing members with an overview briefing on Coastal Zone Management. If it is possible for you to attend, we would appreciate your insights on this matter.

Thankyou very much.

Sincerely,

Bill Parker
Chairman

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 19, 1979

Bill Rice
Trustees For Alaska
835 D St.
Anchorage, Alaska 99501

Dear Mr. Rice,

The House Community and Regional Affairs Committee will be holding a meeting on Monday, February 26 for the purpose of providing members with an overview briefing on Coastal Zone Management. If it is possible for you to attend, we would appreciate your insights on this matter.

Thankyou very much.

Sincerely,

S

Bill Parker
Chairman

Original sponsor: Community and Regional Affairs Committee

Offered:
Referred:

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE CONCURRENT RESOLUTION NO. (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

Approving regulations adopted by the Alaska Coastal Policy Council.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Chapter 84, Session Laws of Alaska 1977, established the Alaska Coastal Policy Council and charged the council with the responsibility, among others, of adopting guidelines and standards for the development of the district and the statewide coastal management programs; and

WHEREAS the Alaska Coastal Policy Council has adopted guidelines and standards in 6 AAC 80 and 6 AAC 85 for use by state agencies and by municipalities and service areas in the preparation and development of the district and statewide coastal management programs; and

WHEREAS the guidelines and standards adopted by the council on March 31, 1978 have been approved by the legislature by means of House Concurrent Resolution No. 125 which was adopted during the second session of the tenth legislature with selective deletions and letters of intent calling for further attention to certain matters in the guidelines and standards; and

WHEREAS the council has adopted amendments to the guidelines and standards on December 15, 1978 in response to the request of the legislature and other parties; and

WHEREAS the amendments to the guidelines and standards approved and adopted by the Alaska Coastal Policy Council are generally consistent with the objectives for the state coastal management program identified in AS 46.40.020 and additional parts of the coastal management program; and

WHEREAS AS 46.40.080 requires approval of the state coastal management program either by adoption of a concurrent resolution or by majority vote of the members of both houses at a joint legislative session as a prerequisite to the taking effect of the program; and

WHEREAS, in accordance with the statute, the Alaska Coastal Policy Council has submitted its amendments to the guidelines and standards for legislative approval.

BE IT RESOLVED that the Alaska State Legislature approves the regulations adopted by the Alaska Coastal Policy Council on December 15, 1978, as approved by the Department of Law and submitted to the legislature on January 26, 1979.

CZM

UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Rockville, Maryland 20852

Office of Coastal Zone Management
Washington, D. C. 20235 CZ1:PGC

JAN 25 1979

RECEIVED
JAN 30 1979
POLICY DEVELOPMENT
& PLANNING

Ms. Frances A. Ulmer
Director
Division of Policy Development
and Planning
Office of the Governor
Pouch AP
Juneau, Alaska 99811

Dear ~~Ms. Ulmer:~~ Fran

I would like to take this opportunity to commend you and the other members of the Alaska Coastal Policy Council for the approval, at your December 14-15, 1978 meeting, of the proposed revisions to the Guidelines and Standards for the Alaska Coastal Management Program (ACMP). As I noted in my letter to you of November 17, 1978, we believe that the specificity and comprehensiveness contributed to the ACMP by these revisions should go far to assure the ultimate approvability of the Program. With adoption of the revisions, the Council has taken a very important step in the direction of Federal approval of the Alaska Program.

At the same time, we recognize that the Council's action is only the first of two critical steps that must occur in order to make these changes effective. Adoption of the proposed revisions by the Alaska Legislature is essential before they can be considered fully a part of the Program that is before me for approval. Although the ACMP and Draft Environmental Impact Statement have been circulated for public review and comment, the authorities upon which my preliminary determination of approvability is based include the revisions now before the Legislature. In order that the public may review the Program in its final form, and because it would be presumptuous to anticipate approval of the proposed revisions in the guidelines and standards by the Legislature, I do not intend to release the Final Environmental Impact Statement until the Legislature acts to establish the guidelines and standards in final form.

The need to await this final action raises another issue discussed in my November 17 letter: Federal support of the Alaska Program with funds during the interim period. We are sensitive to the need for adequate Federal funding of many of the important tasks of state and local governments under the ACMP between now and approval of the

Program, when the State becomes eligible for the substantial increase in funding available under Section 306 of the Federal Act. Alaska's share of the limited Federal program development funding is scheduled to be exhausted by June 30, 1979. Given the time needed for final program distribution and approval, we foresee the need for legislative action on the proposed Guidelines and Standards amendments, before April 30, 1979.

In the interests of smooth transition of the Alaska Coastal Management Program into the implemention stage, I urge you and Governor Hammond to use your good offices to encourage early action by the Legislature. We recognize that if circumstances force a lapse in Federal assistance, much valuable momentum toward sound coastal management by state agencies and local coastal communities will be lost. If I am able to assist you in any way to help us all meet our schedule, including testimony before the Legislature, I am at your service. We look forward to your success.

Sincerely yours,

Robert W. Knecht
Assistant Administrator

AMERICAN PETROLEUM INSTITUTE v. KNECHT

U.S. District Court
Central District of California

AMERICAN PETROLEUM INSTITUTE, et al., Plaintiffs, v. ROBERT W. KNECHT, et al., Defendants, No. CV 77-3375-RJK, August 31, 1978

LAND

Federal, state, and local regulation — Statutory construction (§8.05)

Court jurisdiction and procedure — Injunctions (§15.71)

Oil industry trade group is not entitled to injunction barring Department of Commerce approval of California coastal zone management program for program's alleged failure to affirmatively accommodate energy facility siting in coastal zone, since program provides for adequate consideration of overall national interests, and since Section 306(c)(8) of Coastal Zone Management Act does not require state program to give priority consideration to energy interests.

Oil industry trade group challenges Department of Commerce approval of California Coastal Zone Management Act program.

On plaintiffs' motion for preliminary injunction.

Denied.

Philip K. Verleger, Howard J. Privett and Ward L. Benshoot, Los Angeles, Calif., for plaintiffs.

Sanford Sagalkin, deputy assistant attorney general, Bruce A. Rashkow, and William Brian Morrison, Department of Justice Washington, D.C., for federal defendants.

Roger Beers and James B. Frankel, Palo Alto, Calif., for intervenors Natural Resources Defense Council and Sierra Club.

Evelle J. Younger, attorney general, R.H. Connett, assistant attorney general, Roderick E. Walston, and Donatas Jamuta, deputy attorneys general, San Francisco, Calif., for intervenor California.

Full Text of Opinion

Plaintiffs American Petroleum Institute, Western Oil and Gas Association, and certain oil company members of the aforesaid Institute and Association brought this action against three federal officials ("the federal defendants") in their official capacities as Secretary of Commerce, Administrator of the National Oceanic and Atmospheric Administration ("NOAA"), and Acting Associate Administrator of the Office of Coastal Zone Management ("OCZM"), seeking declaratory and injunctive relief against defendants' imminent grant of "final approval" of the California Coastal Zone Management Program ("CZMP") pursuant to §306 of the Coastal Zone Management Act of 1972, as amended ("CZMA") (16 U.S.C. §§1451 *et seq.*) and seeking further relief in the nature of mandamus directing the federal defendants to grant "preliminary approval" to the CZMP pursuant to §305(d) of the Act.

In brief, plaintiffs contend that the California Program cannot lawfully be approved by the federal defendants under §306 of the CZMA, principally for two reasons. First, the CZMP is not a "management program" within the meaning of §304(11) of the Act in that (a) it fails to satisfy the requirements of §§305(b) and 306(c), (d), and (e), and regulations promulgated thereunder, as regards content specificity; and (b) it has not been "adopted by the state" within the meaning of §306(c)(1). Second, the procedures by which the CZMP has reached the present state of development violate the CZMA, the National Environmental Policy Act ("NEPA") (42 U.S.C. §§4321 *et seq.*), and California statutes in that the final environmental impact statement, which differs substantially from both the draft and revised draft environmental impact statements, was not subject to formal notice and hearings, yet purports to contain one of five "elements" of the CZMP.

The action was commenced on September 9, 1977, by the filing of a complaint and application for temporary relief, pursuant to which a temporary restraining order ("TRO") and order to show cause were issued on September 12, the effect of which was to restrain the federal defendants from giving final approval to the CZMP pending further hearing on plaintiffs' motion for a preliminary injunction. Thereafter, on October 7, following a hearing on October 3 and 6, an order, agreed to by all parties[1] issued, whose ef-

[1] Defendant California Coastal Commission had moved to intervene pursuant to Rule 24, F.R.Civ.P., which motion had been granted

last was to (1) consolidate the hearing on the motion for a preliminary injunction with the trial on the merits (pursuant to Rule 65(a)(2), F.R.Civ.P.), (2) establish a briefing schedule, (3) provide for the lodging of evidentiary matter, and objections thereto, and (4) lift the TRO in order to permit the federal defendants (a) to disburse funds to California under the CZMA and (b) to take whatever action they deemed "necessary and appropriate," including formal approval of the CZMP under §306[2], accompanied by the findings required under §306. The order further provided, however, that pending entry of final judgment in this Court, any such approval under §306 by the federal defendants would be deemed ineffective to trigger the "consistency" provisions of §307(c) and (d). The CZMP was given final approval by Acting Associate Administrator Knecht, to whom the duty of approving or disapproving management programs submitted under §306 had been and continues to be delegated, on November 7, 1977. His findings were issued at that time.

Thereafter, on February 13, 14, 15 and 16, 1978, the Court held the aforesaid consolidated hearing and heard argument on cross-motions for summary judgment, and the matter was further briefed and submitted to the Court for decision.

All of the parties have agreed that there is no genuine issue as to any material fact in this case and that by examining the pleadings and the evidence in the record before it, and after consideration of the arguments made in writing and orally, the Court may proceed to a disposition on the merits, which we now do.

For reasons set forth below, the Court affirms the federal defendants' §306 approval of the CZMP and grants judgment for defendants and against plaintiffs.

FACTS

The following facts appear to be before the Court without dispute:

1. Plaintiff American Petroleum Institute ("API"), a corporation organized under the District of Columbia nonprofit corporation laws, is a national trade association of approximately 350 companies and 7,000 individuals engaged in the petroleum industry. Its members include companies and individuals actively engaged in exploration, production, refining and marketing of petroleum products in the United States, including the State of California and the outer Continental Shelf off the coast of California.

2. Plaintiff Western Oil and Gas Association ("WOGA"), a corporation organized under the California nonprofit corporation laws, is a regional trade association of over 75 member companies and individuals engaged in the petroleum industry. Its members include companies and individuals responsible for in excess of 65 percent of the production of petroleum, in excess of 90 percent of the refining of petroleum, and in excess of 90 percent of the marketing of petroleum in the southern western states of the United States, including California and the outer Continental Shelf off the coast of California.

3. Plaintiffs Champlin Petroleum Company; Chevron U.S.A., Inc.; Continental Oil Company; Exxon Corporation; Getty Oil Company; Gulf Oil Corporation; Mobil Oil Corporation; Reserve Oil & Gas Company; Shell Oil Company; Texaco, Inc.; and Union Oil Company of California ("the oil company plaintiffs") are each corporations organized under the laws of the various states and are members of API or WOGA. The oil company plaintiffs, among other activities, are engaged in the business of exploration for and production of oil and natural gas both within the state of California and on the outer Continental Shelf ("OCS") off the California coast. Some of the oil company plaintiffs own interests in OCS leases purchased in federal lease sales under the provisions of the Outer Continental Shelf Lands Act (43 U.S.C. §§1331 *et seq.*). The remaining plaintiffs have interests in the coastal zone of California and/or are oil and gas consumers engaged in business in California.

4. Defendant Juanita Kreps, sued herein in her official capacity, is Secretary of the United States Department of Commerce ("Secretary") and is charged with administering the CZMA, which includes approval or disapproval of coastal zone management programs submitted by the coastal states, of which California is one. NOAA exists within the Department of Commerce. By administrative directive dated October 13, 1976, the Secretary delegated, *inter alia*, the CZMA approval func-

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without objection October 3rd. Defendants Natural Resources Defense Council and Sierra Club ("NRDC"), who appeared as *amici* at the hearings, were granted permissive intervention on November 9th.

[2] Without such approval there had as yet been no final "agency action" (within the meaning of the Administrative Procedure Act ("APA"), 5 U.S.C. §§551(13) and 701) upon which judicial review could be predicated.

tion to the Administrator of NOAA and expressly reserved other powers under the Act. Defendant Richard Frank is the Administrator of NOAA and is sued herein in his official capacity. Within NOAA there exists the Office of Coastal Zone Management ("OCZM"). Defendant Robert W. Knecht is the Acting Associate Administrator ("Acting Administrator") for coastal zone management and is sued herein in his official capacity. By administrative directive dated October 20, 1976, the Administrator of NOAA delegated to the Associate Administrator for Coastal Zone Management the authority to exercise all functions under the CZMA not expressly reserved to either the Secretary or the Administrator of NOAA.

5. The defendant-in-intervention, California Coastal Commission, is an agency of the State of California created pursuant to the California Coastal Act of 1976 (Cal.Pub.Res.Code §§3000, *et seq.*). The Coastal Commission is the successor in interest to the California Coastal Zone Conservation Commission created pursuant to Proposition 20 (Cal.Pub.Res.Code §§27000, *et seq.*), which expired on December 31, 1976. The California Coastal Act became effective on January 1, 1977.

6. Defendants-in-intervention, Natural Resources Defense Council, Inc., and the Sierra Club ("NRDC") are associations whose members claim an interest in coastal zone management.

7. On March 31, 1976, the California Coastal Zone Conservation Commission submitted to the federal defendants a coastal zone management program for approval under the provisions of CZMA §306.

8. In September of 1976 the federal defendants issued a Draft Environmental Impact Statement ("DEIS") wherein they announced their tentative decision to approve the California Coastal Zone Management Program submitted in March. Thereafter, the State of California enacted the Coastal Act of 1976, which declared itself to be "California's coastal zone management program within the coastal zone for purposes of the Federal Coastal Zone Management Act of 1972 . . ." (Cal.Pub.Res.Code §30008.)

9. On October 20, 1976, the DEIS was withdrawn and the public hearings to be held thereon were cancelled. On April 12, 1977, the federal defendants issued a Revised Draft Environmental Impact Statement ("RDEIS") and announced their tentative decision to approve the revised coastal zone management program submitted by the Coastal Commission. At this time the CZMP was described as consisting of the California Coastal Act of 1976, the Coastal Conservancy Act (Cal.Pub.Res.Code §§31000 *et seq.*), and the Urban and Coastal Park Bond Act (Cal.Pub.Res.Code §§5096.777 *et seq.*). Public hearings were held on the RDEIS and the CZMP as therein described on May 19, 1977, in Los Angeles, California. Plaintiffs appeared and (by oral testimony and written comments submitted before the hearing and additional comments submitted thereafter) recommended that the CZMP not be approved and that a new environmental impact statement be prepared.

10. On August 16, 1977, the federal defendants issued their Final Environmental Impact Statement ("FEIS"), together with Attachment K, containing written statements from parties commenting on the CZMP. In the FEIS, the CZMP was described as consisting of five elements: the Coastal Act of 1976, the Coastal Conservancy Act, the urban and Coastal Park Bond Act, the Coastal Commission's final regulations (Cal.Admin.Code, Title 14, §§13000 to 14000), and Part II (Introduction and Chapters 1-14) ("the Program Description") of the FEIS.[3] On September 1, 1977, plaintiffs submitted to the federal defendants written comments objecting to approval of the CZMP as defendants proposed in the FEIS. Defendants replied by letter dated September 8, 1977, from Acting Administrator Knecht to plaintiffs' counsel, by which letter defendants indicated that they intended to proceed with approval of the CZMP. As noted previously, final approval, accompanied by a recital of findings, occurred on November 7.

The Court has before it for determination both preliminarily and for ultimate disposition questions of the highest importance, greatest complexity, and highest urgency. They arise as the result of high legislative purpose, low bureaucratic bungling, and present inherent difficulty in ju-

[3] The FEIS document is entitled *State of California Coastal Management Program and Final Environmental Impact Statement*. The "Program Description" (FEIS at 5-107) and "Coastal Management Program Appendices" have been printed with a black border, indicating that they comprise the CZMP. The combined document was utilized for efficiency reasons, in order to avoid the necessity of duplication of the Program in a separate document as well as in the FEIS.

dicial determination. In other words, for the high purpose of improving and maintaining felicitous conditions in the coastal areas of the United States, the Congress has undertaken a legislative solution, the application of which is so complex as to make it almost wholly unmanageable. In the course of the legislative process, there obviously came into conflict many competing interests which, in typical fashion, the Congress sought to accommodate, only to create thereby a morass of problems between the private sector, the public sector, the federal bureaucracy, the state legislature, the state bureaucracy, and all of the administrative agencies appurtenant thereto. Because the action taken gives rise to claims public and private which must be adjudicated, this matter is now involved in the judicial process.

In whatever technical form the questions and issues are here presented, they resolve themselves into the familiar situation in which a court must sit in some form of judicial review of administrative action — and it isn't easy.

We deal here with a hybrid kind of record and consequent hybrid form of review. As will appear from the extensive discussion below, the several approaches to and differing views of the proper scope and kind of judicial review are here brought under consideration.

We have questions of whether review is proper or timely and, if so, of what proper scope and result. We treat each *seriatim*.

STANDING

This issue need not detain us long. While defendants originally urged that plaintiffs in this case lack standing to litigate speculative harms, during oral argument counsel for the NRDC, to whom the task of pressing defendants' standing and ripeness contentions was apparently assigned, conceded that what had previously been designated an issue of standing was more properly characterized as a ripeness problem. The Court nevertheless briefly examines the standing of plaintiffs to maintain the present action before addressing the ripeness issue.

The Supreme Court has liberalized the law of standing so that, while injury in fact is always required, *Sierra Club v. Morton*, 405 U.S. 727, 740 [3 ERC 2039] (1972), "an identifiable trifle is enough." *U.S. v. Students Challenging Regulatory Agency Procedures (SCRAP)*, 412 U.S. 669, 689 n.14 [5 ERC 1449] (1973) [quoting Davis, *Administrative Law Treatise*, §22.09-5 at 748 (1970 Supp.)]; *National Automatic Laundary & Cleaning Council v. Schultz*, 443 F.2d 689, 693 (D.C.Cir. 1971). The distinction that the Court has drawn is one between actual and abstract injury.

> Abstract injury is not enough. It must be alleged that the plaintiff "has sustained or is immediately in danger of sustaining some direct injury" as a result of the challenged statute or official conduct.

O'Shea v. Littleton, 414 U.S. 488, 494 (1974). *See Cady v. Morton*, 527 F.2d 786, 791 [8 ERC 1097] (9th Cir. 1975).

In the present case plaintiffs, whose activities will be regulated by the CZMP to the extent that their activities in exploring for and developing oil and gas resources on the OCS must be consistent therewith, have alleged and shown injury in fact. For upon approval by the federal defendants of the CZMP under §306 of the CZMA, the consistency provisions of §307 are triggered. Thereafter, before federal agencies may approve certain activities of plaintiffs relating to exploration and development of OCS resources, plaintiffs must certify that the proposed activity is consistent with the CZMP. Although the state is afforded six months to certify to the federal agency whether or not a proposed activity is consistent, the initial burden of determining consistency falls to the applicant. The gravamen of the complaint is that the submitted CZMP as approved by the federal defendants lacks the requisite specificity under CZMA and consequently may not be approved under §306. If approved, plaintiffs claim immediate and substantial harm by compulsion to expend large sums of money to determine if their proposed activities are consistent. Moreover, plaintiffs allege that this lack of specificity increases their burden and makes it impossible to discharge, since they cannot with any reasonable assuredness certify that any activity subject to §307 is in fact consistent with the CZMP. The undeniable interest[4] of plaintiffs in the areas subject to the CZMP, the fact that once §306 approval is given, their activities are subject to regulation under it, and the fact that an immediate consequence is to compel plaintiffs to expend financial resources in an effort to satisfy the requirements of §307, combined with their claim that this burden is substantially increased by virtue of the very defects which they assert make ap-

[4] Plaintiffs have invested millions of dollars in exploration and development of energy resources located on the OCS and continue so to do.

proval improper, provide the necessary injury in fact to give plaintiffs standing to challenge the federal defendants' action in approving the CZMP under §306.

Accordingly, the Court finds that the plaintiffs have standing to litigate the issues presented.

RIPENESS

On this issue the Court must delineate what issues are and are not before it for review. The Court concludes that the approval given by the federal defendants results in action which is ripe for review, but that issues relating to the state's application of §307 of the CZMA to particular activities of plaintiffs is not ripe for review. This conclusion has impact with respect to two other issues in this lawsuit: first, plaintiffs' request that the Court undertake a full-scale declaration of the parties' rights and obligations under the CZMA and the CZMP; and, second, plaintiffs' claim that the environmental impact statement and review process were deficient in failing to address potential impact nationwide if energy resource development in areas subject to the CZMP was retarded or halted by virtue of the state's application of its §307 powers. The Court declines to undertake the first because such declarations are best left to a time when a court has before it a case or controversy sufficiently identifiable to allow to a specific issue application of a specific provision or provisions of the Act or Program. The Court declines the second so far as it requires the Court to assume that the state may abuse its §307 powers and that federal officials will fail to correct such abuses under their power so to do, pursuant to the provisions of §§307(c)(3) and 312.

A triology of Supreme Court decisions[3] forms the bedrock for the modern law of ripeness. In oft-quoted language from *Abbott Laboratories*, the Court stated:

> [The] basic rationale [of the ripeness doctrine] is to prevent the courts, through avoidance of premature adjudication, from entangling themselves in abstract disagreements over administrative policies, and also to protect the agencies from judicial interference until an administrative decision has been formalized and its effects felt in a concrete way by the challenging parties. The problem is best seen in a *twofold aspect*, requiring us to evaluate both the *fitness of the issues for judicial decision and the hardship to the parties of withholding court consideration.*

387 U.S. at 148-49 (emphasis supplied).

A. *Fitness of the Issues for Judicial Decision.*

Courts typically focus on two factors: whether they are presented with issues that are "purely legal" (*Abbott Laboratories, supra*, 387 U.S. at 149; *National Automatic Laundry & Cleaning Council, supra*, 443 F.2d at 695; *Bethlehem Steel Corp. v. U.S. Environmental Protection Agency*, 536 F.2d 156, 161 [8 ERC 2114] (7th Cir. 1976)) and whether they are presented with "final agency action" (*Abbott Laboratories, supra*, 387 U.S. at 149; *Natural Resources Defense Council, Inc. v. U.S. Nuclear Regulatory Commission*, 539 F.2d 824, 836-37 (2d Cir. 1976); *Bethlehem Steel Corp., supra*, 536 F.2d at 161).

Considering finality, or reviewability, first, the Court notes that approval under §306 is the culmination of the agency review process here involved. Following approval, there is nothing further to be done as part of the administrative process, other than the obligation of "continuing review" under §312(a), an obligation which relates to a management program that has already been approved under §306. The present case is thus unlike *Bethlehem Steel Corp.*, wherein the challenged regulations were found "only [to] provide for a study by the State . . . of future air pollution problems in the designated areas. Any standards for petitioners to follow will not be promulgated until the study is completed. Our review of the challenged actions consequently will interfere with an ongoing administrative process. Because of this we cannot say the agency action is 'final'." 536 F.2d at 161.

The fact that agency approval is here involved rather than rule-making is of no consequence. Courts have heeded the Supreme Court's approval in *Abbott Laboratories* of a "pragmatic" interpretation of the finality requirement. 387 U.S. at 150, citing *Columbia Broadcasting System v. U.S.*, 316 U.S. 407, 418-19 (1942) (FCC statement of intention not to license stations which maintained certain contracts with networks; no license yet denied or revoked); *National Automatic Laundry & Cleaning Council, supra* (interpretative letter of agency); *Natural Resources Defense Council, Inc., supra*, 539 F.2d at 837 (order of agency). The Court concludes that the federal defendants' approval under §306 constituted final agency action for purposes of reviewability.

On the question of whether purely legal issues are presented, the Court notes that

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[3] *Abbott Laboratories v. Gardner*, 387 U.S. 136 (1967); *Toilet Goods Association v. Gardner*, 387 U.S. 158 (1967); and *Gardner v. Toilet Goods Association*, 387 U.S. 167 (1967).

this is not a case in which plaintiffs are challenging agency action on the grounds that it exceeds the agency's statutory authority (as was the case in *Abbott Laboratories* and *National Automatic Laundry*). Here the agency's action involved findings in part premised on its interpretation of the CZMA (as amended in 1976); hence the Court is presented with predominantly legal issues. The facts, while not unmuddied by the nature of the administrative action here involved[6], nevertheless are not in dispute. The dispute centers on the legal characterization of such facts under the language of the statute. Thus, the federal defendants' finding under §306(c)(8) that the California Program "provides for *adequate consideration* of the national interest involved in planning for, and in the siting of, [energy] facilities . . . which are necessary to meet requirements which are other than local in nature" pre-supposes a legal determination on the part of the agency as to just what is meant and required by "adequate consideration." This in turn requires an examination of Congress' intent in enacting and amending the CZMA. To be sure, this case does not fit neatly into the category of case typified by *National Automatic Laundry*. There the court could state: "There is no 'record' to be studied or made, for the only record involved on this issue is that established by such materials as the law and its legislative history." 443 F.2d at 695. Here, on the other hand, the very statute whose provisions must be construed requires that before approving a management program under §306, the agency find that it includes certain substantive provisions and that it has been adopted in accordance with certain procedures. Consequently, at the same time that the Court must construe the statute, it must review administrative findings subject to the limited review under §706(2)(A) of Title 5, the Administrative Procedure Act ("APA"). The complexity arises from the fact that many of those findings present classic examples of mixed questions of law and fact, further complicated by their essentially technical nature.

The Court's conclusion is supported further by the fact that the findings required under §306 involve the agency's comparison of the provisions of the CZMP with the CZMA and regulations promulgated thereunder, at least with respect to the requirements of the Act relating to substantive program content. As noted previously, nothing remains to be done by the agency *vis-à-vis* §306 approval. If the propriety of that approval is not ripe for judicial review at this time, it will never be ripe.

Finally, the Court notes that, irrespective of the above characterization, whether the issues presented are legal is merely a factor to be balanced against hardship to the parties; it is not a requirement in the absence of which the Court must find the action unripe for review. In pre-enforcement judicial review of agency action, typically the agency argues that the legal issues are too abstract or speculative to be determined in advance of their being shaped and sharpened by efforts to enforce them, or that the very fact of enforcement is uncertain. Where "consideration of the underlying legal issues would necessarily be facilitated if they were raised in the context of a specific attempt to enforce the regulations" (*Gardner, supra*, 387 U.S. at 171), a court might and probably should conclude that the matter is not ripe; but where the issues would not be sharpened thereby, ripeness is more readily found.

Here, the Court in applying the above principle concludes that issues specifically related to application of the §307 consistency power are wholly speculative and thus not ripe for review. On the other hand, review of the agency's approval predicated on its impact on plaintiffs' interests is nonspeculative. As defendants have stated, the propriety of the approval stands or falls on the record made before the agency and the support it lends to the administrator's findings that the CZMP,

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[6] The Court is here faced with review of neither an adjudication nor rule-making, in both of which instances a clear administrative record emerges. Rather, the Court sits in review of agency action which stretches over a long period of time, includes non-transcribed public hearings, not essentially adversary in nature, and in fact, quite the contrary. Cooperative efforts on the part of the state and the agency produced the environmental impact statement. At times the Court has the sense that the record by its very nature permits only an occasional brief glance into the workings of the administrative decision-making process in this instance. Perhaps prompted in part by difficulties of this sort which inhere in attempts to review such action, courts have held that in circumstances like the present — that is, where agency approval of a specific program or project is involved — "from the standpoint of effectuating congressional intent, it is the Administrator's approval of the project in the first instance that becomes the all-important step in the process. And it is the Administrator's approval that should be the focal point for judicial review." *Air Line Pilots Association v. Dept. of Transportation*, 446 F.2d 236, 242 (5th Cir. 1971).

both in content and in manner of adoption and approval, meets the requirements of the CZMA.

B. *Hardship to the Parties of Withholding Court Consideration.*

In *Abbott Laboratories*, in finding petitioners' pre-enforcement challenge to certain labelling regulations promulgated by the Commissioner of Food and Drugs ripe for review, the Court emphasized the hardship to petitioners if judicial review were deferred. In so doing the Court focused on the impact on petitioners of deferring review:

> This is also a case in which the impact of the regulations upon petitioners is sufficiently direct and immediate as to render the issue appropriate for judicial review at this stage. These regulations purport to give an authoritative interpretation of a statutory provision that has a direct effect on the day-to-day business of all prescription drug companies; its promulgation puts petitioners in a dilemma that it was the very purpose of the Declaratory Judgment Act to ameliorate . . . . The regulations are clear-cut, and were made effective immediately upon publication . . . . If petitioners wish to comply they must change all their labels advertisements, and promotional materials; they must destroy stocks of printed matter; and they must invest heavily in new printing type and new supplies. The alternative to compliance . . . may be even more costly. That course would risk serious criminal and civil penalties . . . .

387 U.S. at 152-53. Similarly, in finding the issue of what sort of items are "color additives" within the meaning of the Color Additive Amendments of 1960 to the Food, Drug, and Cosmetic Act, 21 U.S.C. §321(t)(1), to be ripe for review in light of regulations relating thereto which respondents challenged as beyond the Commissioner's statutory authority to promulgate, the Court stressed the fact that "these regulations are self-executing, and have an immediate and substantial impact upon the respondents." *Gardner, supra*, 387 U.S. at 171.

The significance of this requirement of immediate and substantial impact is underscored by the Court's finding of a lack of ripeness in the remaining case in the above trilogy. In *Toilet Goods Association*, after having agreed with the Court of Appeals that the agency action was final and that the question presented was purely legal (387 U.S. at 162-63), the Court nevertheless found these factors outweighed by other considerations — chiefly the facts that (1) the regulation was not self-executing but merely gave notice of what the agency might do in the future, (2) justification for the regulation would depend "not merely on an inquiry into statutory purpose, but concurrently on an understanding of what types of enforcement problems are encountered by the FDA, the need for various sorts of supervision in order to effectuate the goals of the Act, and the safeguards devised to protect legitimate trade secrets" (*id.* at 163-64), and (3) immediate and substantial impact was lacking. While the second factor relates to the fitness of the issues, the first and third relate to hardship. In analyzing the lack of such in the case before it and contrasting it with the sort of impact "felt immediately by those subject to it in conducting their day-to-day affairs" (*id.* at 164), the Court remarked:

> This is not a situation in which primary conduct is affected — when contracts must be negotiated, ingredients tested or substituted, or special records compiled. This regulation merely states that the Commissioner may authorize inspectors to examine certain processes or formulae; no advance action is required of cosmetics manufacturers . . . . Unlike the other regulations challenged in this action, . . . a refusal to admit an inspector here would at most lead only to a suspension of certification services to a particular party, a determination that can then be promptly challenged through an administrative procedure, which in turn is reviewable by a court. Such review will provide an adequate forum for testing the regulation in a concrete situation.

Id. at 164-65.

From the above, it is evident that the Court is here faced with a problem of classification: Are the consequences of which plaintiffs complain — not those flowing from the manner in which California might exercise its §307 powers but rather those involving the need of plaintiffs to take steps to certify their proposed activities as consistent with the CZMP — consequences of "immediate and substantial impact"? More specifically, is the uncertainty in the conduct of the affairs which plaintiffs claim follows from §306 approval of the CZMP the sort of impact on day-to-day activities that courts have typically found to be a sufficient hardship to support a finding of ripeness?

First, it should be noted that the *Abbott Laboratories* standard refers to hardship to

the "parties," not merely the plaintiff. The agency may benefit as much as the private complainant from prompt judicial review of the challenged action. Perhaps more than any other single factor, placing an entire program of the breadth, dimension, and significance of the CZMP in a position where subsequent challenges could be made to the contents and manner of adoption of the entire CZMP would be intolerable from the point of view of the state and federal defendants. The state, in reliance on the approval and attendant receipt of millions of dollars in administration funds (80 percent of the costs thereof being borne by the federal government), will have proceeded to implement the CZMP in a variety of ways (e.g., staffing, acquiring fee title to certain lands). The federal defendants, faced with applications for §306 approval from other coastal states, and in reliance on the legality of the procedures utilized in adopting and approving the CZMP and in reliance upon their interpretation of the requirements of the CZMA, may proceed to approve other programs, the validity of which approval would then be cast in doubt. Given that all facts pertinent to a determination of whether the federal defendants' approval was proper have occurred and nothing that may occur hereafter can in any way alter the record upon which approval was premised, substantial hardship may result from deferring a decision on the merits.

Second, from plaintiffs' perspective, the hardship attendant upon having to determine whether present and planned activities are consistent with a program which has received §306 approval is severe, particularly in light of the contention that the very lack of specificity which makes compliance difficult if not impossible makes the approval unlawful under the CZMA. The cases which refer to uncertainty in business activities and increased costs do not resolve the questions posed earlier, though they tend to favor plaintiffs in this action. For example, in *Bethlehem Steel Corp., supra*, plaintiffs sought review of regulations of the Environmental Protection Agency designating certain areas in Indiana as air quality maintenance areas. The court found the matter unripe for review, noting that "petitioners are not required to do anything nor refrain from doing anything." 536 F.2d at 162. Petitioner steel and power companies had argued that they suffered immediate injury as a result of the designations because uncertainties in their business operations were thereby created — for example, the need to maintain capital to cover the possible expenditure of funds for pollution control equipment in the event more restrictive air pollution regulations were applied. The court rejected these arguments, finding the claims of uncertainty "not sufficient to warrant our review of an ongoing administrative process . . . . [T]he claims . . . do not involve injuries on the order of . . . concrete immediate business costs. . . ." *Id.* It further noted that petitioners "need not expend any funds at this time since there is no administrative directive to which they must comply nor, of course, do they face any sanctions for noncompliance." *Id.* at 163. Plaintiffs here have argued that they do incur immediate business costs by virtue of §306 approval and that they must comply with §307 or face refusal of permits, licenses, and other manifestations of federal agency approval of particular activities they may desire to undertake on the OCS. In *Phillips Petroleum Co. v. Federal Energy Administration*, 435 F.Supp. 1239 (D.Del. 1977), plaintiffs challenged the agency's interpretation and contemplated application of a 1973 regulatory scheme dealing with the method by which plaintiffs priced petroleum products as a result of increased costs incurred over a given thirteen-month period. The court found that the agency action had a direct and immediate impact on the plaintiffs' conduct of their business.

> Each month that passes without resolution of the present controversy threatens plaintiffs with a dilemma. If they actually charge the prices that they believe they are lawfully entitled to charge, they risk FEA action requiring price rollbacks, cash refunds, and substantial civil and criminal penalties, as well as private treble-damage actions. On the other hand, if plaintiffs forebear from such pricing, they may be forced unnecessarily to delay further in recovering costs they have actually incurred, and they may be permanently barred from recovery by missing market opportunities that will never be repeated.

Id. at 1246-47. *See Commonwealth of Puerto Rico v. Alexander*, 438 F.Supp. 90 (D.D.C. 1977) (expenses required to comply with the challenged regulations found to be injury in fact).

One problem the Court here faces in determining the existence of substantial immediate impact is the emphasis the cases appear to place on plaintiffs being placed in a "dilemma" should the Court defer review. *See, e.g., Abbott Laboratories,*

supra, 387 U.S. at 152; *Gardner, supra*, 387 U.S. at 171 ("quandry"); *National Automatic Laundry, supra*, 443 F.2d at 696. Arguably any costs of determining consistency which plaintiffs must bear after §306 approval result from the congressional scheme; and any increased costs due to the alleged unlawful lack of specificity in the CZMP are speculative. Similarly, any detriment to plaintiffs which results from the six-month period which Congress has afforded a state to exercise its §307 power before consistency is conclusively presumed is not a matter with respect to which plaintiffs may be heard to complain. The difficulty is that to the extent plaintiffs have a substantial interest in having the CZMP comply with the CZMA, if review, particularly of the manner of adoption and approval, is here denied, it is unclear whether such review will ever occur, and it is clear that if it does the hardship to the state and the federal defendants which would result from a successful challenge must also be considered. The court in *Bethlehem Steel Corp.* recognized the validity of this factor.

> The other consideration to be taken into account in determining whether there is sufficient hardship to the parties to warrant our review is that of whether the challenged action will be reviewable in the future. If it will not be reviewable later, our review now may be warranted to protect the right of the parties to have the issues heard in court.

536 F.2d at 163.

C. Conclusion.

Having examined the facts of this case in light of the above precedents, the Court finds that the issue of ripeness is a close question and takes to heart the admonition of the Seventh and District of Columbia Circuits:

> The determination to be made is the imprecise one of considering and balancing the relevant factors. It is "very much a matter of practical common sense," *Continental Air Lines, Inc. v. C.A.B.*, 522 F.2d 107, 124 (D.C.Cir. 1975).

Bethlehem Steel Corp., supra, 536 F.2d at 160.

The Court concludes that the approval of the federal defendants of the CZMP under §306 of the CZMA is ripe for review. First, the agency action challenged herein is final. Second, while there are mixed questions of law and fact involved in the agency's findings under §306, the facts are either documentary or not in dispute and the law is a proper subject for judicial review. Third, consideration of the issues involved in the §306 approval would not be sharpened by further actions taken with respect to the Program. Review of that which has occurred would not be further particularized by awaiting a challenge to a refusal of the state to certify one of plaintiffs' proposed activities as consistent with the CZMP. Fourth, while plaintiffs are not faced with the classic dilemma found in *Abbott Laboratories*, nevertheless they do face the onerous task of complying with a program whose provisions they claim are too uncertain to permit approval under §306 properly to have occurred. Fifth, the magnitude, impact, and significance of the CZMP, and the interests of the state and federal government in connection therewith, bespeak the need to resolve at the earliest practicable date the challenges to its approval, particularly those directed toward the manner by which it was adopted by the state and approved by the federal defendants. Severe hardship could accrue to defendants (particularly the state defendant) should a successful challenge be mounted subsequent to its implementation. Sixth, the public interest demands that claims that federal statutes have been violated (the CZMA and NEPA) should receive a judicial forum. The propriety of the §306 approval will never be more ripe for disposition. If not challenged at this time, important public interests may never receive the judicial forum to which they are entitled.

The Court concludes further that no issues regarding §307 are presently ripe for disposition. Whether the state will utilize its consistency powers improperly to retard or halt energy development are wholly speculative. No specific activities contemplated by plaintiffs have been presented or form any part of the record in this case; no anticipated refusals to certify have been alleged or presented. The construction of particular provisions of the CZMP will have to await the presentation of a concrete controversy over their meaning or application to specific activities. Similarly, the Court concludes that there is no need to engage in a treatise-like recital of each provision of the CZMA. Such construction of provisions and regulations as is necessary to review the federal defendants' findings under the limited standard of review applicable to this case will be undertaken. As with the CZMP, a detailed treatment of various provisions of the CZMA must await a more concrete dispute than is here presented for resolution.

STANDARD OF REVIEW

The standard of review has been the subject of serious dispute between the parties. Plaintiffs argue that while purely factual determinations made by an administrative agency without formal hearings are governed by the "arbitrary or capricious" standard of 5 U.S.C. §706(2)(A), nevertheless purely legal determinations, determinations of both questions of fact and law (such as mixed questions), and determinations of fact questions predicated on documentary evidence which the reviewing court is in as good a position as the agency to appraise all permit a reviewing court to undertake *de novo* review and to substitute its judgment for that of the agency, particularly where the agency possesses no special technical qualifications or long-standing expertise with respect to the subject matter of the challenged action. Plaintiffs argue that the federal defendants' §306 approval of the CZMP falls within the above categories warranting *de novo* consideration.

The starting point for any inquiry into the appropriate standard of review of agency action is §10 of APA, 5 U.S.C. §706:

> To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall —
>
> . . .
>
> (2) hold unlawful and set aside agency actions, findings, and conclusions found to be —
>
> (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;
>
> . . . .
>
> (C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;
>
> (D) without observance of procedure required by law; . . . .

As with so many statutory standards, the case law has placed a significant gloss on the meaning of the literal language, affecting its applicability in various contexts, its meaning, and the factors to be considered in determining whether the administrative action under review falls within the standard thus established.

One problem initially to be resolved is the ambiguous overlap among the "arbitrary and capricious," "excess of statutory authority," and "without observance of procedure" standards set forth in paragraphs (A), (C), and (D) of §706(2), inasmuch as all apply to "agency action, findings, and conclusions." Few cases deal with this difficulty; and the parties to this litigation have argued throughout for application of paragraph (A) alone or *de novo* review of what have been characterized as mixed questions of fact and law.

The Court distinguishes between (a) review of the federal defendants' decision to approve the CZMP based on the Acting Administrator's finding that its contents and manner of adoption by the state satisfied the substantive and procedural requirements of the CZMA, and (b) review of the agency's determination that the manner of §306 approval satisfied the procedural requirements of CZMA and NEPA. As to the former, the arbitrary and capricious standard governs; but as to the latter, the Court focuses its review on the observance of procedure standard. *Cady v. Morton, supra,* 527 F.2d at 793 (referring to the standard as "*ad hoc* in character"), citing *Lathan v. Brinegar,* 506 F.2d 677 [7 ERC 1048] (9th Cir. 1974) and *Trout Unlimited v. Morton,* 509 F.2d 1276, 1282 [7 ERC 1321] (9th Cir. 1974) (the procedural standard "is less helpful in reviewing the sufficiency of an EIS than one might wish").[7]

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[7] The excess of statutory authority standard applies only to the extent that it authorizes judicial review of the agency's construction of the CZMA. *Ethyl Corp. v. EPA,* 541 F.2d 1, 34 & n.71 (D.C.Cir.), *cert. denied,* 426 U.S. 941 (1976). Here, there is no claim that the Acting Administrator's §306 approval exceeded his statutory authority except to the extent that the findings (and statutory construction) on which it was based are assailable under the arbitrary and capricious standard and in that sense unauthorized. Nor is the agency's authority to promulgate regulations under §§305 and 306 called into question. Thus, the excess of statutory authority standard has no significant bearing on this Court's review of the §306 approval.

The "substantial evidence" standard for agency findings of fact (5 U.S.C. §706(2)(E)) is inapplicable in that the substantial evidence test applies only to review of findings made on a hearing record. *Tiger International, Inc. v. CAB,* 554 F.2d 926, 935-36 (9th Cir. 1977), construing *Camp v. Pitts,* 411 U.S. 138, 141 (1973). *Accord, California Citizens Band Association v. U.S.,* 375 F.2d 43, 53-54 (9th Cir.), *cert. denied,* 389 U.S. 844 (1967). *See Hughes Air Corp. v. CAB,* 482 F.2d 143 (9th Cir. 1973). In this case, the agency was not required to act on the basis of a recorded hearing and the public hearings held provided an opportunity for the submission of comments and information to the agency, to be utilized by it in arriving at its determination under §306 of CZMA.

A distinction must also be made with regard to the applicability of the observance of procedure standard to this case. To the extent that the Acting Administrator is required under the CZMA to find that certain procedures were followed in placing the CZMP before him for §306 approval — these procedures relating to the fact and manner of adoption of the CZMP by the state — as noted above, the arbitrary and capricious standard applies. The observance of procedure standard applies to the procedures required of the federal agency in undertaking §306 approval. These are the procedures required by §306 of the federal agency itself and also those required by NEPA with respect to the environmental impact review process.

The arbitrary and capricious standard of review has been the subject of judicial opinions too numerous to cite here. It has been construed by the Supreme Court in *Citizens to Preserve Overton Park, Inc. v. Volpe*, 401 U.S. 402, 416 [2 ERC 1250] (1971).

> To make this finding the court must consider whether the decision was based on a consideration of the relevant factors and whether there has been a clear error of judgment. [Citations omitted.] Although this inquiry into the facts is to be searching and careful, the ultimate standard of review is a narrow one. The court is not empowered to substitute its judgment for that of the agency.

Quoted in *Bowman Transportation, Inc. v. Arkansas-Best Freight System, Inc.*, 419 U.S. 281, 285 (1974) ("The agency must articulate a 'rational connection between the facts found and the choice made' ").

This standard of review was treated at length in a thoughtful opinion by the District of Columbia Circuit in *Ethyl Corp. v. EPA*, 541 F.2d 1 [8 ERC 1785] (D.C.Cir. 1976). In reviewing a challenge to informal rule-making by the EPA requiring annual reductions in the lead content of gasoline pursuant to its authority under §211(c)(1)(A) of the Clean Air Act, the court stated:

> This standard of review is a highly deferential one. It presumes agency action to be valid. [Citation omitted.] Moreover, it forbids the court's substituting its judgment for that of the agency [citations omitted] and requires affirmance if a rational basis exists for the agency's decision. [Citations omitted.]
>
> This is not to say, however, that we must rubber-stamp the agency decision as correct. To do so would render the appellate process a superfluous (although time-consuming) ritual . . . . This is particularly true in highly technical cases.
>
> . . .
>
> There is no inconsistency between the deferential standard of review and the requirement that the reviewing court involve itself in even the most complex evidentiary matters; rather, the two indicia of arbitrary and capricious review stand in careful balance. The close scrutiny of the evidence is intended to educate the court. It must understand enough about the problem confronting the agency to comprehend the meaning of the evidence relied upon and the evidence discarded; the questions addressed by the agency and those bypassed; the choices open to the agency and those made. The more technical the case, the more intensive must be the court's effort to understand the evidence, for without an appropriate understanding of the case before it the court cannot properly perform its appellate function. But that function must be performed with conscientious awareness of its limited nature. The enforced education into the intricacies of the problem before the agency is not designed to enable the court to become a superagency that can supplant the agency's expert decision-maker. To the contrary, the court must give due deference to the agency's ability to rely on its own developed expertise. [Citation omitted.] The immersion in the evidence is designed *solely* to enable the court to determine whether the agency decision was rational and based on consideration of the relevant factors. [Citation omitted.] Thus, after our careful study of the record, we must take a step back from the agency decision. We must look at the decision not as the chemist, biologist or statistician that we are qualified neither by training nor experience to be, but as a reviewing court exercising our narrowly defined duty of holding agencies to certain minimal standards of rationality.

Id. at 34-36 (emphasis original).

The court noted that despite the use of "clear error of judgment" in *Overton Park*, the Supreme Court did not intend thereby to supplant the arbitrary and capricious standard with the broader-ranging review of district court fact findings permitted an appellate court under the "clearly erroneous" standard of Rule 52(a), F.R.Civ.P. The court concluded: "Accordingly, in the context of 'arbitrary and capricious' re-

view, we shall reverse for a 'clear error of judgment' only if the error is so clear as to deprive the agency's decision of a rational basis." 541 F.2d at 35 n.74.

While the agency's decision need not be based on substantial evidence, nevertheless "a decision must be considered 'arbitrary and capricious' if the facts on which it is purportedly based are not supported by the record." *National Citizens Committee for Broadcasting v. FCC*, 555 F.2d 938, 956 (D.C.Cir. 1977).

As noted previously, one of the features of this litigation which adds complexity to the standard of review issue is the fact that in undertaking to approve the CZMP under §306, the Acting Administrator is required to make certain findings, both as to content and manner of adoption by the state; yet these findings necessarily embrace a judgment on his part as to what the statute requires and what the agency's regulations themselves require, particularly with regard to (1) the specificity of a program's content under §§305(b) and 306(c), (d), and (e) and with regard to (2) what constitutes "adequate consideration of the national interest" under §306(c)(8). Thus, the Court in reviewing §306 approval must also review the Acting Administrator's construction and interpretation of the CZMA and the regulations promulgated thereunder.

That deference is due an agency's interpretation of its own regulations and the statute it is charged with administering is indisputable. *Seattle Trust & Savings Bank v. Bank of California, N.A.*, 492 F.2d 48, 50 (9th Cir. 1974), citing *Udall v. Tallman*, 380 U.S. 1 (1965); *U.S. v. Consolidated Mines & Smelting Co., Ltd.*, 455 F.2d 432, 446 (9th Cir. 1971) ("[T]he ultimate criterion is the administrative interpretation, which becomes of controlling weight unless it is plainly erroneous or inconsistent with the regulation . . ."); *Ethyl Corp., supra*, 541 F.2d at 31 n.64, citing *Train v. NRDC, Inc.*, 421 U.S. 60 (1975). The agency's construction should not be overruled unless clearly wrong. *American Trucking Association, Inc. v. U.S.*, 425 F.Supp. 903, 907 (D.D.C.), *aff'd*, 425 U.S. 955 (1975).

The critical inquiry is the degree of deference due the agency's interpretation. This turns on a number of factors. The principle of deference itself is premised on the twin notions of agency expertise and congressional acquiescence in that interpretation. *Wilderness Society v. Morton*, 479 F.2d 842, 866 [4 ERC 1977] (D.C. Cir.) (en banc), *cert. denied*, 411 U.S. 917 [5 ERC 1208] (1973); *Morton v. Ruiz*, 415 U.S. 199, 230 (1974). In an oft-quoted passage from *Skidmore v. Swift & Co.*, 323 U.S. 134, 140 (1944), the Court stated that the weight given an administrative decision "will depend upon the thoroughness evident in its consideration, the validity of its reasoning, its consistency with earlier and later pronouncements, and all those factors which give it power to persuade, if lacking power to control." Quoted in *Morton v. Ruiz, supra*, 415 U.S. at 237; *Hodgson v. Consolidated Freightways, Inc.*, 503 F.2d 797, 800 (9th Cir. 1974).

The clearest cases for the reviewing court's taking a hard look at the agency's interpretation of a controlling statute or regulation arise where the agency action is challenged on the ground that (1) it exceeds the agency's statutory authority, *Seattle Trust & Savings Bank, supra*, 492 F.2d at 50, (2) its interpretation is contrary to the evident congressional intent manifested in the language of the statute (and supported by the legislative history), *Morton v. Ruiz, supra*, 415 U.S. at 237 ("In order for an agency interpretation to be granted deference, it must be consistent with the congressional purpose"); *N.L.R.B. v. Brown*, 380 U.S. 278, 291 (1965); *Hart v. McLucas*, 535 F.2d 516, 520 (9th Cir. 1976) ("[W]hen . . . the administrative construction is clearly contrary to the plain and sensible meaning of the regulation, the courts need not defer to it"), or (3) its action does not call for the application of any special or long-standing expertise, *Texas Gas Transmission Corp. v. Shell Oil Co.*, 363 U.S. 263, 268-69 (1960) (agency construction of private contract expressly based on application of "ordinary rules of contract construction").

The Supreme Court has also noted the difference between the deference to be accorded "legislative" regulations, which have "the force and effect of law," and "interpretive" regulations, to which a lesser deference is owed. *Batterton v. Francis*, U.S. , 97 S.Ct. 2399, 2405 n.9 (1977). With respect to the former, where Congress has expressly delegated to the agency the power to promulgate regulations which interpret statutory terms, the arbitrary and capricious standard applies to the agency's regulations; but in the latter case, "[v]arying degrees of deference are accorded to administrative interpretations, based on such factors as the timing and consistency of the agency's position, and the general nature of its expertise. [Citations omitted.]" *Id.* In affirming an appellate court's denial of enforcement of an N.L.R.B. order, the Court has stated, by

way of limitation on the principle of deference to agency interpretations of applicable statutes.

> Reviewing courts are not obliged to stand aside and rubber-stamp their affirmance of administrative decisions that they deem inconsistent with a statutory mandate or that frustrate the congressional policy underlying a statute . . . . [W]here, as here, the review is not of a question of fact, but of a judgment as to the proper balance to be struck between conflicting interests, "[t]he deference owed to an expert tribunal cannot be allowed to slip into a judicial inertia which results in the unauthorized assumption by an agency of major policy decisions properly made by Congress." *American Ship Building Co. v. National Labor Relations Board* 380 U.S. [300] at 318 . . . [(1965)].

N.L.R.B. v. Brown, supra, 380 U.S. at 291 (1965). *See Hodgson, supra,* 503 F.2d at 800.

A somewhat special situation is presented where an agency charged with implementing a new statute construes it. Courts tend to be more deferential to practical administrative interpretations of disputed provisions of the governing statute in such a case.

> Particularly is this respect due when the administrative practice at stake "involves a contemporaneous construction of the statute by the men charged with the responsibility of setting its machinery in motion, of making the parts work efficiently and smoothly while they are yet untried and new." [Citation omitted.]

Power Reactor Development Co. v. International Union, etc., 367 U.S. 396, 408 (1961), quoted in *NRDC, Inc. v. Train,* 510 F.2d 692, 706 (D.C.Cir. 1975). In *Power Reactor* the Court upheld an order of the Atomic Energy Commission continuing in effect a provisional construction permit issued for a nuclear power reactor. In so holding the Court, in addition to the factor of contemporaneous construction noted above, emphasized the fact that the agency's interpretation had repeatedly been brought to the attention of Congress, thereby suggesting congressional acquiescence in the administrative construction. *Id.* In *Washington Public Power Supply System v. FPC,* 358 F.2d 840 (D.C.Cir.), *rev'd on other grounds,* 387 U.S. 428 (1966), the court, after holding that where an agency must and does initially determine the specific application of a statutory provision the reviewing court is limited to deciding whether the agency interpretation "has 'warrant in the record' and a reasonable basis in law," *id.* at 846, quoted Mr. Justice Frankfurter's dissent in *I.C.C. v. J-T Transport,* 368 U.S. 81, 127 (1961):

> The factors to be considered on judicial review of such an administrative determination include the precision of the statutory language, the technical complexity of the relevant issues, the need for certainty as against experimentation, and the likelihood that Congress foresaw the precise question at issue and desired to express a foreclosing judgment on it.

See also Ethyl Corp., supra, 541 F.2d at 31 n.64; *NORML v. DEA,* 559 F.2d 735, 749 n.64 (D.C.Cir. 1977) ("[D]eference is owed to any agency decision construing a statute continually applied by the interpreting agency — particularly where the statutory meaning 'is enhanced by technical knowledge . . .'").

The application of these principles to the facts of this case satisfies the Court that considerable deference is due the federal defendants' interpretation of their approval regulations. First, the Acting Administrator's approval has proceeded on the assumption that the regulations are clear; and consequently, he has not articulated in precise terms what he understands the regulations to mean or require or how the provisions of the CZMP satisfy the particular provisions of each applicable regulation. He has expressly stated which of the 1975 regulations he has considered with reference to each of the specific findings required under the CZMA in order for §306 approval to be granted. However, to the extent his approval of the California Program can be said to be premised on interpretation of the NOAA regulations at all, his construction thereof proceeds *sub voce;* the fact that the CZMP has been found to meet their requirements is tantamount to little more than a statement that the provisions of the Program contain that which the regulations demand. No clearer interpretation has been forthcoming; and presumably, in the Acting Administrator's view, no clearer expression is here required. This makes judicial review difficult, to say the least, especially where the regulations on the whole have reference to fairly technical requirements, compliance with which the agency is in a far better position than the court to assess.

Second, although NOAA has no long-standing experience and expertise in administering the CZMA, nevertheless, it appears (as will be discussed *infra*) that Con-

gress placed responsibility for administering the CZMA in the Department of Commerce with the clear expectation that such responsibility ultimately would be delegated to NOAA, an agency favored by Congress expressly because of its technical expertise in matters relating to the Nation's coasts. Moreover, during enactment of the 1976 Amendments, Congress applauded NOAA's administration of the Act and directed it to promulgate regulations further clarifying the requirements of the Act (specifically §306(c)(8)). In short, Congress, fully cognizant of the federal defendants' efforts and activities in administering the CZMA since 1972, apparently determined to reaffirm its original vesting of considerable discretion in NOAA, thereby calling into play the greater deference due "legislative" regulations noted above.

Third, as will be shown subsequently, the Court concludes that the interpretation evidenced by the Acting Administrator's approval of the CZMP is not contrary to, but rather consistent with, the evident congressional intent in this instance. Fourth, the "special situation" alluded to where the agency is charged with implementing a new statute is here presented, and consequently greater deference is due.

Finally, the Court adheres to Mr. Justice Frankfurter's enumeration of factors to be considered and concludes that all four here favor according considerable deference to the federal defendants' implicit interpretation of the NOAA program approval regulations.

SCOPE OF REVIEW

From the inception of this lawsuit, the parties have been at odds over the issue of the permissible scope of review of the Acting Administrator's approval of the CZMP under §306. Defendants have urged the Court to restrict its review to the administrative record before the Acting Administrator, to be supplemented only if necessary to explain the basis for his decision by affidavits or testimony of the Acting Administrator. Plaintiffs have argued that the Court consider additional evidence necessary to understand the record, to explain or clarify ambiguities therein, and to illuminate deficiencies in the environmental impact statement.

Both sides agree that any consideration of the appropriate scope of review must commence with *Overton Park* and *Camp v. Pitts, supra*. Under §10 of APA, 5 U.S.C. §706, review is to be based on "the whole record"; however, the statute does not define what is meant by this expression and case law construing it is scarce. Moreover, there is no statutory requirement, either under APA or the CZMA, that the record take a particular form.

While judicial review is limited to the administrative record, if that record is inadequate to disclose the factors upon which the Acting Administrator's decision was based, the Court may require additional "explanation" by way of affidavits or testimony from the responsible official(s) or remand to the agency for formal findings. *Overton Park, supra*, 401 U.S. at 419-20; *Camp v. Pitts, supra*, 411 U.S. at 142-43. To be sure, "inquiry into the mental processes of the administrative decision-makers is usually to be avoided. [Citation omitted.] And where there are administrative findings that were made at the same time as the decision, . . . there must be a strong showing of bad faith or improper behavior before such inquiry may be made." 401 U.S. at 420. The Court was even more explicit in *Camp*:

> Unlike *Overton Park*, in the present case there was contemporaneous explanation of the agency decision . . . . The validity of the [agency's] action must, therefore, stand or fall on the propriety of that finding. . . . If that finding is not sustainable on the administrative record made, then the . . . decision must be vacated . . . and the matter remanded . . . for further consideration.

411 U.S. at 143.

At first blush the present action appears to be more closely assimilable to the pattern in *Overton Park* — the Acting Administrator's findings, while technically made contemporaneously with his approval of the CZMP, obviously could not avoid taking into account plaintiffs' claims asserted in this law suit (filed two months earlier). Further scrutiny, however, requires classification, if at all, in the category of action represented by *Camp v. Pitts*. The *Overton Park* court noted that in a case where the agency decision issued unaccompanied by any statement of reasons, any explanation following upon the heels of an action seeking review of that decision would likely take on the aspect of "litigation affidavits." "These affidavits [are] merely '*post hoc*' rationalizations [citation omitted] which have traditionally been found to be an inadequate basis for review." 401 U.S. at 419. Recognizing the potential problem presented by a district court having to

inquire into the mental processes of the responsible officials, the Court cautioned:

> It may be that the Secretary can prepare formal findings . . . that will provide an adequate explanation for his action. Such an explanation will, to some extent, be a '*post hoc* rationalization' and thus must be viewed critically. If the District Court decides that additional explanation is necessary, that court should consider which method will prove the most expeditious so that full review may be had as soon as possible.

Id.

No "additional explanation" is here required — nor is there need to view the Acting Administrator's November 7, 1977 findings as critically as those of the Secretary of Transportation in *Overton Park*. This is so because: (1) when the Acting Administrator had communicated to plaintiffs on September 8th his determination to approve the CZMP under §306, plaintiffs sought and this Court issued a temporary restraining order preventing the Acting Administrator from formal effectuation of his approval; and (2) no strong showing of bad faith or improper behavior on the part of the responsible officials has been presented. (This is not to disregard the sweeping allegation that the environmental review process was a sham undertaking to window dress a determination to approve the CZMP before the NEPA review was ever commenced.)[8]

As regards the agency's production of the "whole record" in this Court, plaintiffs, pursuant to the October 7, 1977 order, submitted the evidence they urged the Court to consider. This evidence included, among other things, affidavits of plaintiffs' agents and employees seeking to establish irreparable harm and affidavits of various experts seeking to demonstrate the inadequacy both of the CZMP and the FEIS. It also included documentary evidence which plaintiffs asserted either was or should have been before the Acting Administrator at the time of his approval of the CZMP, and thus included in the administrative record laid before the Court by the federal defendants.

Among the alleged deficiencies are federal defendants' failure to include the following documents or groups of documents:

(1) the Biennial Report to the Legislature of the California Energy Commission, Volumes 4 and 7 (May 1977);

(2) permit decisions of the California Coastal Commission and various regional commissions (which the state defendant has stated constitute precedents under the Coastal Act);

(3) certain papers prepared by the Governor's Office of Planning and Research;

(4) correspondence between the Coastal Commission and federal defendants;

(5) the California Coastal Commission "Meeting Notice" and "Agenda" for July 19-20, 1977;

(6) a memorandum from the Coastal Commission's Executive Director to the Commissioners (July 11, 1977);

(7) "Threshold Papers" (prepared by the staff at OCZM, which set forth certain "minimum requirements" which any program submitted for §306 approval was required to satisfy) (December 8, 1975 and May 24, 1976);

(8) NOAA Proposed Program Approval (§306) Regulations, 15 C.F.R. Part 923, 42 Fed.Reg. 43552 (August 29, 1977);

(9) NOAA Proposed Consistency (§307) Regulations, 15 C.F.R. Part 930, 42 Fed.Reg. 43586 (August 29, 1977);

(10) affidavits prepared by plaintiffs in connection with the filing of this lawsuit and plaintiffs' motions for preliminary relief[9]; and

(11) interrogatories from plaintiffs to federal defendants and the state defendant, and defendants' responses thereto (October 14, 1977).

Defendants objected generally to the receipt in evidence of the above on the grounds that consideration by the Court of plaintiffs' evidence would contravene the scope of review to which the Court must adhere under *Overton Park* and *Camp v. Pitts*

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[8] Plaintiffs' reference to the fact that in issuing the DEIS and RDEIS the federal defendants indicated a tentative decision to approve is unpersuasive.

[9] The Court naturally has received these in connection with plaintiffs' motion for preliminary relief, but concludes that they do not constitute part of the administrative record. "The book has to be closed at some point in time." *Silva v. Lynn*, 482 F.2d 1282, 1286 n.5 (1st Cir. 1973). Plaintiffs had been given ample opportunity to present and submit comments to the Acting Administrator. They had done so. No reason appears why the fact of their filing an action should extend the period during which the agency was required to accept comments.

and that plaintiffs had the opportunity to submit such evidence to the agency during the review process. This last objection appears directed more at plaintiffs' expert testimony than at documents which plaintiffs assert were or, because of their notoriety and obvious importance, should have been before the Acting Administrator. To the extent it is directed at documents which were allegedly in the federal defendants' files, defendants' latter objection must be viewed as tantamount to an assertion that those challenging informal agency action have the burden of assuring that the agency considers its own records and documents. Certainly no such burden exists. *See County of Suffolk v. Secretary of the Interior*, 562 F.2d 1368, 1385 [10 ERC 1513] (2d Cir.), *cert. denied*, 429 U.S. 1307 [11 ERC 1272] (1977).

If the Court is to discharge its responsibility under APA, the "whole record" which was before the agency must be produced:

> . . . [T]he law requires production of the entire administrative record, . . . While there may be instances in which the entire record need not be filed, where the correctness of factual findings are involved or where complainants request the full record, . . . the agency must produce it in court.

Silva v. Lynn, 482 F.2d 1282, 1283 n.1 [5 ERC 1654] (1st Cir. 1973) (HUD decision to assist in a housing project); *NRDC, Inc. v. Train*, 519 F.2d 287, 291 (D.C.Cir. 1975); *Overton Park, supra*, 401 U.S. at 419-20.

This principle similarly demonstrates that defendants' first ground of objection — that receipt of such evidence by the Court would violate the limited scope of review mandated by APA — begs the question, namely, what constitutes the "whole record" in this instance?

During the February hearings, the Court tentatively admitted all plaintiffs' evidence, reserving a final ruling as to its admissibility (and for what purpose) pending plaintiffs' submission of a document setting forth the issues as to which the evidence was offered. That document having been received, the Court has determined to consider and has considered plaintiffs' proffered evidence for the purpose, unless otherwise indicated, of determining whether the federal defendants considered and/or lodged with the Court all that they should have during the review process and, if not, whether their failure so to do infected their decision to grant final approval to the CZMP to such a degree as to require this Court's vacating it and remanding the matter for further consideration.

Whether certain evidence be deemed part of the "whole record" or not, the Court notes that where (as here) the adequacy of the environmental impact statement is challenged, evidence pertinent thereto is admissible, not subject to the stricter constraints to which the receipt of other evidence (admittedly not part of the administrative record) is subject. *County of Suffolk, supra*. As the Second Circuit explained, with reference to the district court's receipt of evidence outside the administrative record in another challenge to the adequacy of an EIS:

> *Nor was the court obliged to restrict its review to the administrative record.* Although the focus of judicial inquiry in the ordinary suit challenging nonadjudicatory, nonrulemaking agency action is whether, *given the information available to the decisionmaker at the time*, his decision was arbitrary or capricious, and for this purpose "the focal point for judicial review should be the administrative record already in existence, not some new record made initially in the reviewing court", *Camp v. Pitts*, 411 U.S. 138, 142, 93 S.Ct. 1241, 1244, 36 L.Ed.2d 106 (1973), in NEPA cases, by contrast, a primary function of the court is to insure that the information available to the decisionmaker includes an adequate discussion of environmental effects and alternatives, *Natural Resources Defense Council, Inc. v. Callaway*, 524 F.2d 79, 90-94 (2d Cir. 1975); *Greene County Planning Board v. FPC*, 455 F.2d 412, 419-20 [3 ERC 1595] (2d Cir. 1972), which can sometimes be determined only looking outside the administrative record to see what the agency may have ignored.
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> *A suit under NEPA challenges the adequacy of part of the administrative record itself — the EIS.* Glaring sins of omission may be evident on the face of the statement. [Citations omitted.] Other defects may become apparent when the statement is compared with different parts of the administrative record. [Citations omitted.] Generally, however, allegations that an EIS has neglected to mention a serious environmental consequence, failed adequately to discuss some reasonable alternative, or otherwise swept "stubborn problems or serious criticism . . . under the rug," *Silva v. Lynn*, 482 F.2d at 1285, raise issues sufficiently important to permit introduction of new evidence

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in the district court, including expert testimony with respect to technical matters, both in challenges to the sufficiency of an environmental impact statement and in suits attacking an agency determination that no such statement is necessary.

Id. at 1384-85 (first and third emphases supplied; second emphasis original). *See Cady v. Morton,* 527 F.2d 786, 796 (9th Cir. 1975); *Friends of the Earth v. Coleman,* 513 F.2d 295, 300 & n.6 [7 ERC 1827] (9th Cir. 1975); *Trout Unlimited v. Morton,* 509 F.2d 1276, 1281, 1284 (9th Cir. 1974); *Life of the Land v. Brinegar,* 485 F.2d 460, 463, 469-73 (9th Cir. 1973), *cert. denied,* 416 U.S. 961 (1974). As previously noted, plaintiffs have lodged such expert testimony, and the Court has received it.

Plaintiffs have complained that the agency review of the CZMP was fatally infected by the agency's application of the January 1975 §306 regulations. Plaintiffs suggest that at least in some respects (and particularly with regard to §306(c) (8)), these regulations fail to take account of the 1976 Amendments to the Act and suggest that the CZMP should have been tested against the proposed regulations instead.[10] The federal defendants, to the contrary, argue that the CZMP must be tested by reference to the regulations in effect at the time it was developed and submitted to OCZM, that the 1976 Amendments worked no major changes in the approval requirements, and that, in any event, the CZMP meets all requirements of the CZMA, as amended.

The Court looks to the proposed and interim final regulations for the limited purpose of determining how the agency's views of the requirements of the CZMA may have changed in light of its experience in administering the CZMA and in light of the 1976 Amendments. To the extent that changes have been substantial and to the extent that the CZMP appears not to qualify for approval under the later regulations, the evidence is relevant to the issue of whether approval in late 1977 at the very time the new regulations were published in proposed form constituted an abuse of discretion.

ADOPTION BY THE STATE

On its face the record produced by the federal defendants establishes that the CZMP was "adopted by the state" within the meaning of CZMA §306(c)(1). In pertinent part this section provides:

> (c) Prior to granting approval of a management program submitted by a coastal state, the Secretary shall find that:
>
> (1) The state has developed and adopted a management program for its coastal zone in accordance with rules and regulations promulgated by the Secretary. . . .

The regulation which covers this requirement of §306(c) (1) is 15 C.F.R. §923.31, which provides that "(a). . . the management program must show evidence that: (1) The management program has been formally adopted in accordance with State law, or in its absence, administrative regulations; . . . " Subsection (b) (1) amplifies the agency's interpretation of this requirement:

> The management program must demonstrate that it represents the official policy and objectives of the State. In general, this will require documentation in the management program that the State management entity has formally adopted the management program in accordance with either the rules and procedures established by statute or, in the absence of such law, administrative regulations.

This presents no problem as to the first four of the five "elements" of which the Acting Administrator stated the CZMP consists: (1) the Coastal Act of 1976 (which he characterized as comprising "the core element" of the Program); (2) the Coastal Conservancy Act of 1976; (3) the Urban and Coastal Park Bond Act of 1976; (4) Coastal Commission Regulations promulgated pursuant to the Coastal Act of 1976; and (5) the "Program Description" (contained in Part II of the combined *State of California Coastal Management Program and Final Environmental Impact Statement* ("FEIS").[11] Approval of the California Coastal Management Program (November 7, 1977) ("Findings") at 3.

It is with respect to the status of this last element — the Program Description —

[10] The proposed regulations have since been replaced by "interim final" regulations. 43 Fed.Reg. 8378 (March 1, 1978).

[11] *See supra* note 3. This Program Description embraces the Introduction and Chapters 1 through 11 of Part II of what has heretofore been referred to simply as the FEIS. The only additional matter contained in Part II is a transmittal letter from the Governor of California to NOAA indicating that he has reviewed the CZMP and approves it, in accordance with the requirement of §306(c)(4).

that the Court has from the inception of this litigation found difficulty. Plaintiffs assert that the Program Description was prepared by Coastal Commission staff and that the record contains no evidence of its ever having been reviewed, much less formally adopted, by the Coastal Commission itself, even assuming that formal adoption by such would constitute "formal adoption by the State." Apparently only Chapter 11 was approved by the Coastal Commission, but plaintiffs contend that the approval was without notice and opportunity for public participation required not only by the CZMA but by the California Open Meeting Act (Cal.Gov.Code §§11120 *et seq.*).

The Introduction to Part II (the Program Description) of the FEIS states:

> Part II of this document is a narrative description of the legislative and administrative measures embodied in the C[Z]MP, organized to correspond to the specific requirements of the Coastal Zone Management Act of 1972, as amended. As such, the bulk of Part II is explanatory, descriptive, historical, and interpretative in nature. Chapter 11 is quite different in that it is a definitive policy statement adopted by the Coastal Commission. Chapter 11 explains how national considerations were addressed in the development of the C[Z]MP, illustrates how Federal agencies were involved in California's coastal planning, and outlines a general approach for implementing the Federal Consistency provisions of Section 307 of the CZMA in California. Several public hearings have been held on this material as it has evolved over the past two years.

FEIS at 15.[12]

Turning first to plaintiffs' charge that Chapter 11 was improperly adopted by the Coastal Commission, the Court notes that §11125 of the California Government Code provides:

> (a) The state agency shall prepare an agenda for, and provide notice of, its meeting to any person who requests such notice in writing. Notice shall be given at least one week in advance of and shall include the agenda for the meeting. . . .
>
> (b) Notice shall include the items of business to be transacted, and no item shall be added to the agenda subsequent to the provisions of such notice, absent unforeseen emergency conditions. . . .
>
> (c) A person may request, and shall be provided, notice pursuant to subdivision (a) for all meetings of the agency . . . only for a specific meeting or meetings. . . .

Section 11125.1 provides:

> (a) Notwithstanding any other provision of this chapter, agendas of public meetings and copies of public documents, or summaries thereof, which are to be discussed or considered at a public meeting of a state agency shall be made available to the public by the state agency prior to the commencement of such meeting. . . .

Plaintiffs have failed to allege that they requested notice of the July 19-20, 1977 meeting of the Coastal Commission at which Chapter 11 was formally adopted, either specifically or as part of an ongoing request for notice of "all meetings" under §11125(c). Nor have plaintiffs alleged that copies of revised Chapter 11 were unavailable to the public prior to the meeting under §11125.1(a). Nevertheless, plaintiffs have submitted an undated "Meeting Notice" and "Tentative Agenda" for those meetings. That notice omits any reference to presentation of Chapter 11 for action thereon by the Commission, although a July 11, 1977 memo to the Commissioners from Joseph E. Bodovitz, Executive Director of the Commission, submits the revised Chapter 11 and notes that it is to be considered by the Commission at the July 19-20 meeting. Thus, although on the record before the Court plaintiffs lack standing to complain of a violation of §11125(a), it would appear that a violation of §§11125.1(a) and 11125(b) may have occurred.

Even assuming such to be the case, the question remains whether this Court can grant plaintiffs the relief they seek — to wit, treating Chapter 11 as a nullity for purposes of reviewing the Acting Administrator's finding that the CZMP includes

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[12] One substantive change wrought by revised Chapter 11 is described by the staff of the OCZM in their response to comments received on the RDEIS:

> Based on comments received on the draft, Chapter 11 . . . reflects a change in the Commission's earlier intention . . . delegate the Federal consistency decisions to local units of government after approval of local coastal programs. This change in policy — to maintain consistency determinations at the state level subject to review and comment by affected local, state, and federal agencies and interested groups — will assure that these decisions will reflect continuing statewide, regional, and national interests in the decisions.

FEIS, Attachment J at J-4.

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Chapter 11 of Part II of the FEIS and that Chapter 11 was formally adopted by the state within the meaning of §306(c)(1) and 15 C.F.R. §923.31. Section 11130, the only provision of the Open Meeting Act (Article 9 of Chapter 1 of Part 1 of Division 3 of the Government Code) which addresses the subject of relief for violations of that act, provides:

> Any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this article or to determine the applicability of this article to actions or threatened future actions by members of the state agency.

The remedial section looks to present and prospective violations; it is silent with respect to what relief, if any, is available for past violations of §§11125(b) and 11125.1(a). The parties have not addressed the issue and the Court, in reviewing what little case law has been reported under Article 9 and in reviewing the other provisions of Part 1 of Division 3 (dealing with "State Departments and Agencies" within the "Executive Department") has found no authority for plaintiffs' assault on the validity of the Commission's adoption of Chapter 11 as a "declaration of policy."[13] The few cases that have arisen under §11130 and the Open Meeting Act generally have involved plaintiffs' seeking present or prospective relief; none has sought to overturn action for violation of the notice and agenda provisions of §§11125 and 11125.1. *See, e.g., California State Employees Association v. State Personnel Bd.*, 31 Cal.App.3d 1009, 108 Cal.Rptr. 57 (3d Dist. 1973); *Harmer v. Superior Court*, 275 Cal.App.2d 345, 79 Cal.Rptr. 855 (3d Dist. 1969). In possibly the most closely analogous situation — that of a challenge to the validity of regulations — the California statute expressly provides for declaratory relief following the promulgation of the regulation (Cal.Gov.Code §11440), but conditions judicial relief on a finding of "substantial failure to comply with the provisions of this chapter [4.5]." The adoption of Chapter 11 has not been challenged on this ground, rather, the sole ground of attack has been alleged failure to comply with Article 9 of Chapter 1. The Court rejects this ground of attack, finding that plaintiffs have failed to show either their entitlement to receive notice of the July 19-20 meeting (and the agenda thereof), unavailability of Chapter 11 prior to the meeting, or, assuming a violation of the Open Meeting Act by omitting to include action on Chapter 11 in the agenda, authority for the relief they seek. The Court notes, finally, that the revisions to Chapter 11, which first appeared in the RDEIS, were largely a response to comments received by the Coastal Commission and the federal defendants from plaintiffs and other interested persons and agencies. In short, the policies sought to be furthered by the Open Meeting Act and by CZMA §306(c)(1) and (3) have here been effectuated. Plaintiffs' position with respect to the California Program, and in particular with respect to its alleged failure to comply with §306(c)(8), has been presented both to the Coastal Commission and to the federal defendants.

The determination that Chapter 11 was only adopted and thus properly considered by the Acting Administrator in examining the California Program under §306 does not end the inquiry, for there remains the problem of the status of the remainder of Part II. The Acting Administrator, in making his findings pursuant to §306(c)(1), stated:

> The essential elements of the California Coastal [Zone] Management Program — the Coastal Act, the Coastal Conservancy Act, and the Urban and Coastal Park Bond Act — which give the Program its enforceability have been formally adopted in accordance with State law.

Findings at 13. This apparent vacillation between the three statutory components of the CZMP and the five "elements" noted in the Findings at 3 — this distinction between "elements" and "essential elements" — is confusing and unfortunate. While Chapter 11 has been formally

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[13] Plaintiffs have nowhere asserted (nor does the Court now raise *sua sponte* the issue) that adoption of Chapter 11 by the Coastal Commission constituted adoption of a "regulation" within the meaning of Government Code §11371(b), thereby raising issues of validity under §§11374 and 11420 *et seq.* The latter provisions deal with the procedure for the adoption of regulations. The Court notes, by way of analogy to the present issue, that under §11423, which requires notice of any proposed adoption, amendment, or repeal of a regulation, "[t]he failure to mail notice to any person as provided in this section shall not invalidate any action taken by a state agency pursuant to this article." Adoption of Chapter 11 under Article 9 presumably is subject to even less restrictive remedial measures than adoption of regulations under the above provisions.

adopted by the Coastal Commission, the remaining chapters of the Program Description were prepared by the Commission staff and apparently never presented to, much less acted upon, by the Commission itself.

As noted previously, in the Introduction to Part II of the FEIS, the Program Description (other than Chapter 11) is characterized as "a narrative description of the legislative and administrative measures embodied in the C[Z]MP, organized to correspond to the specific requirements of the Coastal Zone Management Act of 1972, as amended. As such, the bulk of Part II is explanatory, descriptive, historical, and interpretive in nature." FEIS at 15.

The Court has reviewed the Program Description and concurs in the view that its contents are primarily descriptive; it does not, except as previously noted with respect to Chapter 11, expand or amend or revise the Program embodied in the Coastal Act, the two companion pieces of legislation, and the duly adopted Coastal Commission regulations. Chapter 9, dealing with the addition of paragraphs (7), (8), and (9) to §305(b) by the 1976 Amendments to the CZMA, in essence merely describes, through references to specific provisions of the Coastal Act, how the California Program satisfies these recently added requirements of the CZMA.[11] As such, the Court concludes that formal adoption by the Commission was unnecessary.

At the same time, however, the Court has difficulty in considering these chapters as part of the Program itself. They appear rather to be a device, an organizational tool, to enable interested parties and the Acting Administrator to see more easily how the specific requirements of §306 have been dealt with and satisfied. The need for such a description stems from the fact that the California Legislature, in establishing its management program under a new federal statute, obviously did not track the provisions of the CZMA. Consequently, there is no one provision of the California Program — more specifically, the Coastal Act of 1976 — which, for instance, sets forth "a definition of what shall constitute permissible land uses and water uses" (§305(b)(2)) or "a planning process for energy facilities" (§305(b)(8)) or any of the other substantive items which a program must contain in order to receive §306 approval. Rather, whether the Program contains that which the CZMA requires must be gleaned from a broader perspective with a view to envisioning what the Program addresses and accomplishes and what standards, mechanisms and procedures it establishes. This is particularly true of those findings which the Acting Administrator must make respecting whether the Program, for example, establishes "an effective mechanism for continuing consultation and coordination" (§306(c)(2)(B)) or provides for "adequate consideration of the national interest" (§306(c)(8)) or provides a "method of assuring that local land and water use regulations . . . do not unreasonably restrict or exclude land and water uses of regional benefit" (§306(c)(2)).

This the Acting Administrator has done, and his use of the Program Description for this purpose cannot be faulted. That he in

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[11] A management program submitted for §306 approval need not satisfy the requirements of §305(b)(7)-(9) before October 1, 1978. The Acting Administrator, however, has found the CZMP to satisfy these requirements in its present form.

Although in its response to comments received on the draft program and environmental impact statement regarding the national interest in siting facilities, the staff of the OCZM stated that the California Program has been "expanded to describe, in more detail, the energy facility planning and siting process (Chapter 9)", the Court's review of Chapter 9 reveals that "expand" was an unfortunate choice of words. Chapter 9, unlike Chapter 11, does not rise to the dignity of a declaration of policy; it does not modify or reverse previously announced Commission policies or procedures. The vast bulk of the chapter quotes or paraphrases sections of the Coastal Act to demonstrate how the California Program meets the requirements of §305(b)(7)-(9). Although it includes a description of the "Steps of the Energy Facility Planning Process" (FEIS at 66-67), a recital of with whom the Commission consults and what information (from which sources) it considers, and an identification of other agencies involved in the process (FEIS at 70-71) and energy facilities likely to affect the coast (FEIS at 72-73), these statements do not represent changes in policy or procedure. They embody the suggestions contained in the proposed (now interim final) national interest regulation regarding sources of relevant information which specify the national interests to be considered (15 C.F.R. §923.52(f) and (g)). The chapter is primarily descriptive. The Court concludes that while formal adoption by the Coastal Commission of Part II would have been a preferable procedure in this case, failure to do so is not fatal to the Acting Administrator's approval, even as respects Chapter 9.

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fact so used the Program Description is suggested by his caveat to the findings issued with his approval:

> The findings herein should be understood to represent only a summary of how [the California Program] meets the requirements [of the CZMA]. Complete and detailed documentation is contained in the Combined California Coastal Management Program and NOAA Final Environmental Impact Statement (FEIS) and in Attachments by Reference which were submitted to NOAA in further substantiation of meeting all CZMA requirements. These documents are referenced in the findings that follow as appropriate.[7]

Findings at 3. Footnote 7 states: "References to the California Program may be found in Part II of the FEIS . . . ." This last suggests that the Acting Administrator himself recognized that strictly speaking, a "program description" cannot be part of the program any more than a person's shadow can be said to be part of that person.

Recognition of the need for establishing a clearer format for the submission of management programs for §306 approval — perhaps prompted by NOAA's experience in the California case — is evidenced by NOAA's "interim final" regulations (43 Fed.Reg. 8378, March 1, 1978), which, effective April 1, 1978, supersede the approval regulations against which the California Program was tested. New §923.71 ("Recommended format for program submissions") provides guidance in response to requests from a number of states for a "suggested format." The regulation includes such a format, noting that such is not mandatory so long as the state's program addresses all the sections of the CZMA and associated regulations. *See also* 15 C.F.R. §923.1(f). In subsection (b) NOAA suggests that

> States should include an index with their program submission that indicates where in the management program document the information can be found which is necessary to make the findings required by the Act and associated regulations.

Section 923.71(b) also provides a chart which lists the findings required by the Act and the associated regulations, and suggests that if states choose to utilize the chart as an index, they should add a third column listing the page numbers (or provisions) of the program document in which the requisite information can be found. Subsection (c) provides a recital of the suggested format.

There can be no doubt that had such a suggested format been in existence at the time of the submission of the California Program (assuming California had followed it), judicial review (and presumably administrative review) would have been greatly simplified. It may not be overstating the matter to say that many if not most of the issues raised by plaintiffs might have been eliminated or at least far more sharply focused.

Congress in enacting and amending the CZMA did not specify any particular form which management programs assume; nor for that matter did it specify the form or manner in which a program fulfill the requirements of §305(b). Wisely or unwisely, it left the details to the Department of Commerce and the states. In this instance, California has chosen to organize its Coastal Act in a manner which requires the Acting Administrator and the Court in essence to reconstruct the Program in light of the §306 approval requirements in much the same manner one might attempt to assemble a jigsaw puzzle. As unwieldy and unwelcome a task as this has been, the Court cannot say that the federal defendants' willingness to undertake it in order to evaluate the CZMP under §306 is arbitrary or capricious. While the Court, had it been presented with such a program for initial review, might well have returned it to the Coastal Commission for indexing along the lines suggested in 15 C.F.R. §923.71, the Court recognizes that it may not substitute its judgment for that of the Acting Administrator. The statute is silent on these matters; they have been left to the agency's discretion; and the agency has exercised its discretion in a nonarbitrary manner.

The Court notes, finally, with respect to what is and is not to be deemed part of a state's management program, that the regulation above-cited implicitly recognizes that "formal adoption by the state" is not required for the form of submission, although it presumably remains a requirement in some form. The current interim final program approval regulations do not contain the equivalent of 15 C.F.R. §923.31 of the regulations existing at the time of the Acting Administrator's approval of the CZMP. That regulation, it will be recalled, required that the program be "formally adopted in accordance with State law, or, in its absence, administrative regulations." The regulation had as its

source §306(c)(1). The present regulations make no reference whatever to "formal [or any other] adoption by the state." The regulations associated with §306(c)(1) — 15 C.F.R. §§923.3, 923.51, 923.55, and 923.58 — focus on general requirements, federal-state consultation, full participation, and public hearings. No mention of state adoption in any particular manner or with any specific formality is made. Section 923.71(c), in suggesting the format such program submissions for §306 approval should take, "recommends the following items as appendixes: . . . Text of Relevant Legal Authorities . . . ." In short, under the revised program approval regulations, a form of program developed by the state agency authorized to manage that state's coastal zone presumably would suffice, provided that there is some legal basis for that agency's establishing such a form of program. The matter appears most confused at this time inasmuch as the NOAA regulations fail entirely to address the issue. For present purposes, nonetheless, the Court in applying the then-existing regulation (15 C.F.R. §923.31) concludes that those chapters of Part II of the FEIS (the Program Description) which merely describe and organize that which is already contained in the other four "elements" of the California Program are not in themselves the Program but were properly considered by the Acting Administrator in his review of the Program.[5] The Court need not remand to the Acting Administrator to obtain his approval based on a review of just the other four "elements," since he appears to have understood the function of the Program Description, and since (with the exception of the formally adopted Chapter 11) the Program Description does not alter or amend the Coastal Act or related authorities, and since his utilization of Part II was not improper.

[5] The Coastal Act (Cal.Pub.Res.Code) §30330 contains a broad grant of authority to the Coastal Commission as "the state coastal zone planning and management agency for any and all purposes, [which] may exercise any and all powers set forth in the [CZMA]." Section 30009 provides that the Coastal Act "shall be liberally construed to accomplish its purposes and objectives." There is thus authority for the Commission's adoption of Chapter 11 as well as authority for its staff's preparing the Program Description for purposes of organizing the California Program along §306 approval lines for the convenience of the Acting Administrator and the public.

LEGISLATIVE HISTORY OF THE CZMA

A seemingly unbridgeable gulf between the parties concerning the proper construction of the CZMA establishes the cutting edge of this action. First, noted at the outset of this memorandum of decision, plaintiffs complain that the California Program fails to qualify for final approval under §306 because it lacks the requisite specificity Congress intended management programs to embody, especially with respect to the substantive requirements of §§305(b) and 306(c), (d), and (e), so as to enable private users in the coastal zone subject to an approved program to be able to predict with reasonable certainty whether or not their proposed activities will be found to be "consistent" with the program under §307(c). Second, plaintiffs contend that a proper understanding of §306(c)(8), particularly in light of the 1976 Amendments, compels the conclusion that in requiring "adequate consideration" Congress intended that an approvable program affirmatively accommodate the national interest in planning for and siting energy facilities and that the CZMP fails so to do. The Court here addresses each of these contentions.

A. *The Definition of "Management Program."*

Any attempt to resolve this underlying dispute, out of which most of the issues in this lawsuit arise, must begin with Congress' definition of a "management program" in §304(11) of the Act:

> The term "management program" includes, but is not limited to, a comprehensive statement in words, maps, illustrations, and other media of communication, prepared and adopted by the state in accordance with the provisions of this title, setting forth *objectives, policies and standards to guide* public and private uses of lands and waters in the coastal zone.

(Emphasis supplied.) This definition is exactly as originally contained in the Senate version of the CZMA (S.3507). In its report on S.3507, the Committee on Commerce stated:

> "Management program" is the term to refer to the *process* by which a coastal State . . . proposes . . . to manage land and water uses in the coastal zone so as to reduce or minimize a direct, significant, and adverse effect upon those waters, including the development of criteria and of the governmental structure capable of implementing such a program. In adopting the

standards set forth in para- (C), and (D) of §706(2), in- ll apply to "agency action, conclusions." Few cases deal iculty; and the parties to this e argued throughout for ap- aragraph (A) alone or *de novo* it have been characterized as ons of fact and law.

distinguishes between (a) re- deral defendants' decision to CZMP based on the Acting r's finding that its contents of adoption by the state satis- ubstantive and procedural of the CZMA, and (b) review y's determination that the 06 approval satisfied the pro- uirements of CZMA and the former, the arbitrary and ndard governs; but as to the urt focuses its review on the f procedure standard. *Cady v.* 527 F.2d at 793 (referring to as "*ad hoc* in character"), cit- *Brinegar*, 506 F.2d 677 [7 ERC r. 1974) and *Trout Unlimited v.* 2d 1276, 1282 [7 ERC 1321] 4) (the procedural standard l in reviewing the sufficiency n one might wish").[7]

s of statutory authority standard the extent that it authorizes judi- the agency's construction of the *op. v. EPA*, 541 F.2d 1, 34 & n.71 *denied*, 426 U.S. 941 (1976). o claim that the Acting Adminis- approval exceeded his statutory pt to the extent that the findings construction) on which it was table under the arbitrary and ca- rd and in that sense unautho- e agency's authority to promul- s under §§305 and 306 called This, the excess of statutory ard has no significant bearing on iew of the §306 approval. ntial evidence" standard for of fact (5 U.S.C. §706(2)(E)) is that the substantial evidence test review of findings made on a *Tiger International, Inc. v. CAB*, 05-36 (9th Cir. 1977), construe 411 U.S. 138, 141 (1973). *Ac- Citizens Band Association v. U.S.*, 54 (9th Cir.), *cert. denied*, 389 *See Hughes Air Corp. v. CAB*, 482 1973). In this case, the agency ed to act on the basis of a ng and the public hearings held portunity for the submission of nformation to the agency, to be arriving at its determination ZMA.

term "management program" the committee seeks to convey the importance of a *dynamic* quality to the planning undertaken in this act that permits adjustments as more knowledge is gained, as new technology develops, and as social aspirations are more clearly defined. The committee does not intend to provide for management programs that are *static* but rather to create a *mechanism for continuing review* of coastal zone programs on a regular basis and to provide a framework for the allocation of resources that are available to carry out these programs. S. Rep. No. 92-753, 92d Cong., 2d Sess. (1972), reprinted in Senate Committee on Commerce, Legislative History of the CZMA 201-02 (Comm. Print 1976) ("Legislative History") (emphases supplied).[16] The House version (H.R. 14146) did not contain a definition of "management program" and the Conference Report (H. Rep. No. 92-1544, 92d Cong., 2d Sess. (1972) (Legislative History at 443f)) failed to add anything further to the above explanation.

The Court agrees with defendants that Congress never intended that to be approvable under §306 a management program must provide a "zoning map" which would inflexibly commit the state in advance of receiving specific proposals to permitting particular activities in specific areas. Nor did Congress intend by using the language of "objectives, policies, and standards" to require that such programs establish such detailed criteria that private users be able to rely on them as predictive devices for determining the fate of projects without interaction between the relevant state agencies and the user. To satisfy the definition in the Act, a program need only contain standards of sufficient specificity "to guide public and private uses."

"The CZMA was enacted primarily with a view to encouraging the coastal states to plan for the management, development, preservation, and restoration of their coastal zones by establishing rational processes by which to regulate uses therein. Although sensitive to balancing competing interests, it was first and foremost a statute directed to and solicitous of environmental concerns. *See* §§302 and 303. "The key to more effective use of the coastal zone in the future is introduction of management systems permitting conscious and informed choices among the various alternatives. The aim of this legislation is to assist in this very critical goal." S. Rep. No. 92-753 (Legislative History at 198). *See* H. Rep. 92-1049, 92d Cong., 2d Sess. (1972) (Legislative History at 313 and 315).

The Amendments of 1976 made clear the national interest in the planning for, and siting of, energy facilities (to be discussed *infra*). Apparently neither the Act nor the Amendments thereto altered the primary focus of the legislation: the need for a rational planning process to enable the state, not private users of the coastal zone, to be able to make "hard choices." "If those choices are to be rational and devised in such a way as to preserve future options, the program must be established to provide guidelines which will enable the selection of those choices." H. Rep. No. 92-1049 (Legislative History at 315). The 1976 Amendments do not require increased specificity with regard to the standards and objectives contained in a management program. (Specificity as it relates to §306(c)(8) will be discussed *infra*.)

In conclusion, to the extent plaintiffs' more specific challenges to the Acting Administrator's §306 approval are premised on an interpretation of congressional intent to require that such programs include detailed criteria establishing a sufficiently high degree of predictability to enable a private user of the coastal zone to say with certainty that a given project must be deemed "consistent" therewith, the Court rejects plaintiffs' contention.[17]

[16] Hereafter parallel citations will be given to both the congressional report and the Legislative History (wherein the report may be found).

[17] the interim final program approval regulations (43 Fed.Reg. 8378, March 1, 1978), to be sure, require that the policies contained in a management program be "specific, comprehensive and enforceable, and . . . provide an adequate degree of predictability as to how coastal resources will be managed." 15 C.F.R. §923.1(c)(2). They do not require near certainty as to what particular decisions will emerge. Among the general requirements for approvability under §306 is that of 15 C.F.R. §923.3(a)(2):

> That the policies, standards, objectives and criteria upon which decisions pursuant to the program will be based are articulated clearly and are sufficiently specific to provide (i) a clear understanding of the content of the program, especially in identifying who will be affected by the program and how, and (ii) a clear sense of direction and predictability for decision makers who must take action pursuant to or consistent with the management program. . . .
>
> Subsection (h) clarifies the above requirement in noting the distinction between policies that are of an enforceable nature and those that are of an "enhancement" (or hortatory) nature, and provides examples of each which demon-

Section 306(a)(1) requires the Secretary, prior to approval of a management program under §306, find that it contains that which §305(b) specifies. Plaintiffs have focused their attack in large measure on what they charge is the CZMP's failure to include those items which §305(b) mandates, especially those required by paragraphs (2), (3), and (5) thereof. The attack is premised not on any alleged invalidity of or ambiguity in NOAA's regulations (15 C.F.R. Parts 920 and 923) — although plaintiffs insist the proposed (now interim final) program approval regulations (Part 923), rather than the then-existing regulations, should have been utilized in evaluating the California Program — but rather on the alleged failure of the Acting Administrator properly to apply the regulations to the CZMP.

The Court has reviewed the Acting Administrator's findings, the CZMA, and the regulations (both then-existing, proposed, and now interim final), and concludes that the Acting Administrator's finding that the Program satisfies the requirements of §305(b) (as required by §306(a)(1)) was not arbitrary or capricious, and further, that his application of the then-existing regulations (published January 9, 1975) was not an abuse of discretion or otherwise not in accordance with law. 5 U.S.C. §706(2)(A).

The Court has reviewed in great detail Attachment J to the FEIS, wherein the OCZM summarizes and responds to comments received both from other governmental agencies (state and federal) and from private interests addressed to the draft management program and EIS.[18] Attachment J includes OCZM's responses to similar concerns voiced by a number of reviewers (FEIS at J-1 through J-12) and its responses to comments received from individual reviewers (FEIS at J-13 through J-48), including plaintiffs (FEIS at J-29 through J-41) and various federal agencies (such as the Federal Energy Administration, the Federal Power Commission, and the Department of the Interior) whom plaintiffs have characterized as opposing §306 approval (FEIS at J-17 through J-22).[19]

In their comments the various parties have raised most of the issues which plaintiffs have raised in this action. The Court finds additional support for the Acting Administrator's decision in the thoughtfulness and reasonableness with which OCZM has addressed the views of the various reviewers. The Acting Administrator had these comments and responses before him at the time of his approval of the CZMP and they lend further support to the nonarbitrary character of his decision.

The Court notes that while the interaction between the state (Coastal Commission) and various interested and affected federal agencies during the review process was substantially less than ideal in this in-

strate that the approach embraced by the California Program satisfies the specificity requirements of the latest as well as the then-existing regulations.

[18] Although it is not clear that Attachment J includes responses to the RDEIS and Program, published in April 1977, it appears so to do. *See* Attachment K ("Written Statements from Parties who Commented on the [CZMP] and the Revised Draft (EIS)").

[19] Plaintiffs have characterized these agencies as having a "serious disagreement" with the Coastal Commission and the Acting Administrator regarding the approvability of the CZMP under §306, the existence of which precludes the Acting Administrator's approving the Program until the disagreement has been mediated by the Secretary of Commerce pursuant to §307(h). The Court rejects this argument. First, while the Secretary may not approve a management program "unless the views of Federal agencies principally affected by such program have been adequately considered" (§307(b)), the CZMA does not require that all such agencies concur in the Secretary's (Acting Administrator's) decision. Second, while the program approval regulations in effect at the time of the Acting Administrator's approval omitted to address §307(h), the proposed regulations published on August 29, 1977 (42 Fed.Reg. 43552 [Part 923] and 43586 [Part 930]) provided guidance as to how the process of mediation should be triggered, operate, and terminate (*see* 15 C.F.R. §§923.54 and 930.110-.116). The two key features which emerged in the proposed regulations were the voluntary nature of the mediation on the part of both the state and federal agencies and the need for a formal request for such on the part of at least one of them. Neither occurred in this instance. Finally, the Court notes that while FPC and FEA persisted in their view that the Acting Administrator grant only "preliminary approval" under §305(d), the DOI favored §306 approval. As stated earlier, the CZMA does not preclude the grant of §306 approval merely because one or more affected federal agencies disfavor such action by the Acting Administrator. The Court notes further that by its literal terms §307(h) does not apply to §306 approval; rather, it applies to development of management programs under §305 and to implementation of programs previously approved under §306. Again, while the Court might have cast its vote for preliminary approval, that is not the standard of review to which we must adhere.

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stance, a situation of which the Acting Administrator was painfully aware,[20] nevertheless the requirement of §307(b) that "the views of Federal agencies principally affected by such program have been adequately considered" before §306 approval may be granted has been satisfied.

Without belaboring the point or embarking on a needless point-by-point analysis and refutation of plaintiffs' assertions regarding the Acting Administrator's findings under §305(b), the Court, consistent with the previously-expressed view of the specificity which the Act requires, finds the "performance standards" approach embodied in the California Program to be permissible. The CZMA, as noted earlier, does not speak to this issue beyond defining "management program" in §304(12).

The requirements of §§305(b) and 306(c), (d), and (e) do not constrain the state in the manner in which it meets them; nor does it constrain the Secretary or NOAA in establishing through regulations that which it will require of a management program in this regard. Congress has granted the Secretary and Acting Administrator considerable discretion. They have exercised it in promulgating approval regulations. The Court's review of these indicates that rule-making itself has been an open process and has involved ongoing interaction between NOAA and interested parties.

As noted previously, the Court, cognizant of Congress' expression of approval for the manner in which NOAA and OCZM (and particularly Mr. Knecht) have carried out its mandate (*see* S. Rep. No. 94-277, 94th Cong., 1st Sess. 30 (1975) (Legislative History at 756)), and further cognizant of Congress' resolving its original uncertainty over whether the CZMA should be administered by the Department of the Interior or the Department of Commerce in favor of the latter largely because of the "requisite oceanic, coastal ecosystem, and coastal land use expertise" found in NOAA (*see* S. Rep. No. 94-277 at 7 n.5 (Legislative History at 733)), concludes that considerable deference is due NOAA's interpretation of its own regulations. In short, the Acting Administrator's findings and Attachment J of the FEIS, when viewed in the context of the legislative history of the Act and of the statutory language itself, satisfy the Court that approval of the California Program has not been arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.[21]

B. *Adequate Consideration of the National Interest.*

Plaintiffs' fundamental grievance with the California Program stems from its assertion that the Program fails to satisfy the mandate of §306(c)(8) — that before the Secretary grant approval to a management program under §306 she find that it

> provides for adequate consideration of the national interest involved in planning for, and in the siting of, facilities (including energy facilities in, or which significantly affect, such state's coastal zone) which are necessary to meet requirements which are other than local in nature.

Plaintiffs urge that the CZMA, particularly in light of the 1976 Amendments, requires an "affirmative commitment" on the part of the state before §306 approval

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[20] In response to a September 20, 1977 letter from the Assistant Administrator of Energy Resource Development at FEA, highly critical of the federal-state coordination in the review of the California Program, Acting Associate Administrator Knecht replied on September 23rd:

> In the conclusion of your September 20 letter, you express displeasure at the manner in which federal-state relations were carried out in the review of the California program. I share this displeasure, and would like to meet with you to discuss further the general problem of relations between our agencies. Our experience in the review of the California program is unfortunately indicative of other programs for which we have sought comments. While the formation of the new Department of Energy may help to solidify policies and interagency relations, I fear there are some deep-seated problems which will remain and which require our mutual attention. We expect seven more states to seek program approval in coming months; neither of our agencies can afford a repetition of the review process as it has proceeded in California.

The fact that coordination was poorer than might have been hoped does not require that this Court vacate the Acting Administrator's approval. His approval proceeded from full knowledge of the deficiencies.

[21] The Court notes that while California's is only the third program to receive §306 approval, the federal defendants have not been reluctant to send a program back for further development — to refuse §306 approval in favor of preliminary approval — as in the case of Washington, whose application for §306 approval was denied in May 1975. The state's program finally received §306 approval in mid-1976. *See* H. Rep. No. 94-878, 94th Cong., 2d Sess. 23 (1976) (Legislative History at 909).

is proper. The California Program allegedly fails adequately to make that commitment in that its general lack of specificity, coupled with what plaintiffs characterize as California's overall antipathy to energy development (as embodied in the policies and practices of its Coastal Commission), combine to give the Coastal Commission a "blank check" effectively to veto any or all exploration and development activities subject to §307(c) (3) simply by finding such activity not to be "consistent" with the CZMP.

Defendants, beyond taking issue with plaintiffs' characterization of California's energy posture, assert first, that plaintiffs' premise that the Act requires an affirmative commitment is incorrect as a matter of law and second, that the Program contains adequate consideration of national energy interests. Defendants contend that the CZMP contains "performance standards and criteria" more than adequate to satisfy the requirements of the CZMA and serve as a guide to plaintiffs in planning their activities in the coastal zone. Implicit in the various provisions of the Coastal Act (and in particular those in §§30001.2 and 30260-64) and in Chapter 11 of the Program Description are a wholly adequate consideration of the national energy interest.

Plaintiffs apparently focus on language in H. Rep. No. 92-1049 (which accompanied H.R. 14146) to the effect that, "if the program as developed is to be approved and thereby enable the State to receive funding assistance under this title, the State *must take into account and must accommodate* its program to the specific requirements of various Federal laws which are applicable to its coastal zone." Legislative History at 321. The report continues:

> To the extent that a State program does not recognize these overall national interests, as well as the specific national interest in the generation and distribution of electric energy . . . or is construed as conflicting with any applicable statute, the Secretary may not approve the State program until it is amended to recognize those Federal rights, powers, and interests.

Id. at 322.

It is to be noted that the reference in the House Report to the state's need to "accommodate" its program is to "the specific requirements of various [applicable] Federal laws." It is not a requirement that the state program expressly "accommodate" energy interests. In the program approval regulations published on January 9, 1975 (40 Fed.Reg. 1683), NOAA stated that:

> A management program which integrates . . . the siting of facilities meeting requirements which are of greater than local concern into the determination of uses and areas of Statewide concern will meet the requirements of Section 306(c)(8).

15 C.F.R. §923.15(a). In subsection (b) NOAA amplified on the above requirement.

> . . . The requirement should not be construed as compelling the States to propose a program which accommodates certain types of facilities, but to assure that such national concerns are included at an early stage in the State's planning activities and that such facilities not be arbitrarily excluded or unreasonably restricted in the management program without good and sufficient reasons . . . . No separate national interest "test" need be applied and submitted other than evidence that the listed national interest facilities have been considered in a manner similar to all other uses, and that appropriate consultation with the Federal agencies listed has been conducted.

The Coastal Zone Management Act Amendments of 1976, Pub. L. 94-370 ("1976 Amendments"), while largely prompted by the 1973 Arab oil embargo and while expressly recognizing the national interest in the planning for and siting of energy facilities, nevertheless did not alter the requirement of "adequate consideration" in §306(c) (8) or make any changes in the degree of specificity required under the Act. Rather, recognizing that coastal states like California were currently burdened by the onshore impacts of Federal offshore (OCS) activities and likely to be burdened further by the plans for increased leases on the OCS, Congress sought to encourage or induce the affected states to step up their plans *vis-à-vis* such facilities.

The primary means chosen to accomplish this result was the Coastal Energy Impact Program ("CEIP") contained in new §308. As the Conferees explained, the purpose of the 1976 Amendments was

> to coordinate and further the objectives of national energy policy by directing the Secretary of Commerce to administer and coordinate as part of the [CZMA], a coastal energy impact program.

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> . . . The conference substitute follows both the Senate bill and the House amendment in amending the 1972 Act to encourage new or expanded oil and natural gas production in an orderly manner from the Nation's outer Continental Shelf (OCS) by providing for financial assistance to meet state and local needs resulting from specified new or expanded energy activity in or affecting the coastal zone.

H. Rep. No. 94-1298, 94th Cong., 2d Sess. 23 (1976) (Legislative History at 1073). The formula Congress provided for calculating a state's share of the Coastal Energy Impact Fund ("the Fund") established to carry out the CEIP's purposes is itself further evidence of the congressional intention to provide "built-in incentives for coastal states to assist in achieving the underlying national objective of increased domestic oil and gas production." H. Rep. No. 94-1298 at 25 (Legislative History at 1075).

> The formula, as so constructed, provides incentives to coastal states (if they are interested in increasing their share of the funds appropriated for this purpose) to encourage and facilitate achievement of the basic national objective of increasing domestic energy production. This provision would be in harmony with sound coastal zone management principles because Federal aid would be available only for states acting in accord with such principles. For example, since the grant is based on new leasings, production, first landings, and new employment, it is to the state's interest to apply the "consistency" provisions and related processes to the issuance of oil exploration, development and production plans, licenses, and permits as quickly as possible rather than to postpone decision-making for the statutory 6-month period.

> The Secretary shall not intercede in any land use or water use decision of any costal state with respect to the siting of any energy facility or public facility by making siting in a particular location a prerequisite to, or a condition of, financial assistance under this section.

Id. The Congress was particularly careful to circumscribe the role of the federal government in particular siting decisions. Thus, §308(i) provides:

> The Secretary shall not intercede in any land use or water use decision of any coastal state with respect to the siting of any energy facility or public facility by making siting in a particular location a prerequisite to, or a condition of, financial assistance under this section.

This provision is consistent with the approach of the CZMA as a whole to leave the development of, and decisions under, a management program to the state, subject to the Act's more specific concern that the development and decision-making process occur in a context of cooperative interaction, coordination, and sharing of information among affected agencies, both local, state, regional, and federal. This fast, especially as regards energy facility planning, is the policy behind the Energy Facility Planning Process ("EFPP") of §305(b)(8) and the Interstate Grants provision of new §309 (which encourages the coastal states to give high priority to coordinating coastal zone planning utilizing "interstate agreements or compacts"). It should be noted that the only amendment to the national interest requirement of §306(c)(8) effectuated by the 1976 Amendments is the additional requirement that in fulfilling its obligation to provide "adequate consideration of the national interest" in the case of energy facilities, the state also give such consideration "to any applicable interstate energy plan or program" established under §309.

The Court rejects plaintiffs' argument that affirmative accommodation of energy facilities was made a *quid pro quo* for approval under §306 by the 1976 Amendments. In addition to the above, the Court notes that Congress itself did not assume that such siting was automatically to be deemed necessary in all instances. For instance, in its report on H.R. 3981, the Committee on Merchant Marine and Fisheries stated that the addition of the EFPP in §305(b) (8)

> reflects the Committee's finding that increasing involvement of coastal areas in providing energy for the nation is likely, as can be seen in the need to expand the Outer Continental Shelf petroleum development. State coastal zone programs should, therefore, specifically address how major energy facilities are to be located in the coastal zone *if* such siting is necessary. Second, the program shall include methods of handling the anticipated impacts of such facilities. The Committee in no way wishes to accelerate the location of energy facilities in the coasts; on the contrary, it feels a disproportionate share are there now. . . . There is no intent here whatever to involve the Secretary of Commerce in specific siting decisions.

H. Rep. No. 94-878 at 45-46 (Legislative History at 931-32) (emphasis supplied). The concern that the CEIP not encourage the siting in the coastal zone of energy facilities which could be located elsewhere is embodied in §308. *See* H. Rep. No. 94-878 at 15 and 26 (Legislative History at 900 and 912).

The Senate Committee on Commerce, in reporting S.586 to the full Senate, stated:

> The Secretary of Commerce (through NOAA) should provide guidance and assistance to States under this section 305(b) (8), and under section 306, to enable them to know what constitutes "adequate consideration of the national interest" in the siting of facilities necessary to meet requirements other than local in nature. The Committee wishes to emphasize, consistent with the overall intent of the Act, that this new paragraph (8) requires a State to develop, and maintain a planning process, but does not imply intercession in specific siting decisions. *The Secretary of Commerce (through NOAA), in determining whether a coastal State has met the requirements, is restricted to evaluating the adequacy of that process.*

S. Rep. No. 94-277 at 34 (Legislative History at 760) (emphasis supplied).

Consistent with this mandate, NOAA has promulgated revised program approval regulations (43 Fed.Reg. 8378, March 1, 1978). These interim final rules follow the submission of comments on the proposed rules published on August 29, 1977 (42 Fed.Reg. 43552). The Court looks to the revised regulations because they reflect NOAA's interpretation of any changes wrought by the 1976 Amendments, the former regulations against which the California Program was tested having been promulgated after the Arab oil embargo but before the 1976 Amendments.

In its response to several reviewers' suggestion that §306(c) (8) be interpreted to require that facilities be accommodated in a state's coastal zone, the agency reiterated the position it has maintained since the inception of the CZMA that

> the purpose of "adequate consideration" is to achieve the act's "spirit of equitable balance between State and national interests." As such, consideration of facilities in which there may be a national interest must be undertaken within the context of the act's broader finding of a "national interest in the . . . beneficial use, protection, and development of the coastal zone" (Section 302(a)). Subsection 302(g) of the Act gives "high priority" to the protection of natural systems. Accordingly, while the primary focus of subsection 306(c) (8) is on the planning for and siting of facilities, adequate consideration of the national interest in these facilities must be based on a balancing of these interests relative to the wise use, protection and other development of the coastal zone. As the Department of Energy noted in its comments on the proposed regulations:
>
> > The Act presumes a balancing of the national interest in energy self-sufficiency with State and local concerns involving adverse economic, social, or environmental impacts.
>
> 43 Fed.Reg. 8379.

Section 306(c) (8) is treated at length in 15 C.F.R. §923.52. After generally noting that one "need not conclude . . . that any and all such facilities proposed for the coastal zone need be sited therein," the regulation proceeds to set forth requirements which must be met by the management program in order to satisfy §306(c) (8). While these are considerably more detailed than those contained in its predecessor (15 C.F.R. §923.15, January 9, 1975), they do not change the basic tenor of the rule as interpreted by NOAA. Having previously determined that the Acting Administrator's utilization of the then-existing regulations was proper — indeed, to have applied proposed regulations arguably would have been improper — and having determined that it was not abuse of discretion to proceed with approval of the California Program rather than await promulgation of final revised approval regulations, given the fact that the proposed regulations effected no fundamental change of philosophy but merely a "shift in emphasis" (42 Fed.Reg. 43552), the Court concludes that the Acting Administrator's finding that the CZMP satisfied §306(c) (8) is neither arbitrary nor capricious.

The Court notes further in this regard that the standards established by the Coastal Act (and in particular §§30260-64 and 30413) for making energy facilities siting decisions, in the words of the Coastal Commission staff, "establish the general findings that must be made to authorize coastal dependent industrial facilities, liquefied natural gas terminals, oil and gas developments, refineries, petrochemical facilities and electric power plants." FEIS, Part II (Chapter 9) at 66. The key to the

...l v. Schultz, 443 F.2d 68... 1971). The distinction that ... drawn is one between actual ...jury.

...ry is not enough. It must be ... the plaintiff "has sustained ...ately in danger of sustaining ... injury" as a result of the ...statute or official conduct. *...leton*, 414 U.S. 488, 494 ...*ly v. Morton*, 527 F.2d 786, ...97] (9th Cir. 1975).

...t case plaintiffs, whose ac... regulated by the CZMP to ... their activities in exploring ...ping oil and gas resources ...st be consistent therewith, ...d shown injury in fact. For ... by the federal defendants ...der §306 of the CZMA, the ...ovisions of §307 are trig... ...ter, before federal agencies ...rtain activities of plaintiffs ...loration and development ...ces, plaintiffs must certify ...sed activity is consistent ... Although the state is af... ...ths to certify to the federal ... or not a proposed activity ...e initial burden of deter... ...ncy falls to the applicant. ...of the complaint is that the ...P as approved by the fed... ...lacks the requisite specific... ...A and consequently may ... under §306. If approved, ...immediate and substantial ...lsion to expend large sums ...termine if their proposed ...nsistent. Moreover, plain... this lack of specificity in... ...rden and makes it impossi... ...e, since they cannot with ... assuredness certify that ...ect to §307 is in fact con... ...ZMP. The undeniable in... ...ffs in the areas subject to ...ct that once §306 approv... ...r activities are subject to ... it, and the fact that an im... ...ence is to compel plain... ...nancial resources in an ef... ...e requirements of §307, ...eir claim that this burden ...ncreased by virtue of the ...ch they assert make ap...

...invested millions of dollars ... development of energy re... the OCS and continue so to

California approach, and one which the Acting Administrator and this Court had acceptable under the CZMA, is that the standards require that "findings" be made upon which specific siting decisions ensue. For instance, in dealing with the siting of oil tanker facilities, §30261(a) requires that

> . . . [t]anker facilities shall be designed to (1) minimize the total volume of oil spilled, (2) minimize the risk of collision from movement of other vessels, (3) have ready access to the most effective feasible containment and recovery equipment for oil spills, and (4) have onshore deballasting facilities to receive any fouled ballast water from tankers where operationally or legally required.

As can readily be seen from these provisions, whether a particular tanker facility siting proposal will be deemed "consistent" with these requirements of the California Program will turn on specific findings of a factual nature. The California Program sensibly does not attempt to map out in advance precisely what type or size tanker facilities will be found to meet these requirements in particular areas of its almost 1,000-mile coastline. Rather, by its very nature, the Coastal Act encourages plaintiffs with a particular facility in mind to address themselves to the standards set forth in the Coastal Act and to plan such a facility in cooperation and communication with the Coastal Commission from the inception. This approach seems consonant with the overall approach of the CZMA itself. In this regard it is noteworthy that the Senate Committee on Commerce, in summarizing the "key findings" of a number of reports made under the aegis of the committee-created National Ocean Policy Study, stated that "coastal states often have been criticized unfairly for delaying the siting of energy facilities when such action often is the result of lack of information and planning." S. Rep. No. 94-277 at 3 (Legislative History at 729). The CZMP takes an approach which has received the congressional blessing. To the extent plaintiffs seek not guidance with respect to the way in which coastal resources will be managed but instead a "zoning map" which would implicitly avoid the need to consult with the state regarding planned activities in or affecting its coastal zone, the Court rejects their position. While wholly sympathetic to the legitimate concerns of corporate officers and planners who must conform their activities to the standards of the CZMP, the Court nevertheless concludes that the Acting Administrator's finding that the Program satisfies §306(c) (8) is supportable and hence not arbitrary or capricious. It proceeds from a correct interpretation of the CZMA.

Finally, the Court notes that both the California Program and the CZMA contain safeguards to protect plaintiffs from arbitrary exercise by the Coastal Commission of its §307 consistency powers. First, plaintiffs under the Coastal Act may seek judicial review of a decision of the Coastal Commission finding a specific proposed activity of plaintiffs to be inconsistent with the CZMP. Such review certainly may encompass a challenge to the Commission's interpretation of the California Program as well as a challenge to specific findings upon which the determination presumably would be based. Second, with respect to an adverse consistency determination regarding any proposed activity for which a federal license or permit is required or which involves an OCS plan, the party against whose activity such a determination has been made may seek review by the Secretary of Commerce (who could also undertake review on her own initiative) on the grounds that "the activity is consistent with the objectives of this title or is otherwise necessary in the interest of national security." §307(c)(3)(A) and (B).[22] Third, under §312(a) the Secretary is obliged to conduct "a continuing review of (1) the

[22] In promulgating regulations under §307, NOAA has rejected the invitation of some reviewers to broaden the grounds of secretarial review. Some reviewers of the proposed regulations (41 Fed.Reg. 42879, September 28, 1976) urged that appellants should be able to argue on appeal that the State agency's consistency objection was not in accordance with the requirements of the management program. Other parties urged that the appeal process should be open to third party challenges to State agency concurrences which violate the requirements of the management program. No changes were made in response to these comments, and the regulations now clearly indicate that the Secretary will only consider appeals which are based on grounds that the activity either (i) is consistent with the purposes or objectives of the Act, or (ii) is necessary in the interest of national security.

42 Fed.Reg. 43586, 43595 (August 29, 1977) (Proposed Rules). The agency noted that general review of the manner in which a state implemented its approved program, "including the manner in which consistency concurrences and objections are issued," shall be reviewed by OCZM under its continuing review obligation of §312. *Id.* The final rules were published March 13, 1978 (43 Fed.Reg. 10510). *See* 15 C.F.R. §§930.120-.122.

management programs of the coastal states and the performance of such states with respect to coastal zone management; and (2) the coastal energy impact program provided for under section 308." Subsection (b) provides:

> The Secretary shall have the authority to terminate any financial assistance extended under section 306 . . . if (1) [s]he determines that the state is failing to adhere to an [i]s not justified in deviating from the program approved by the Secretary . . . .

In short, both as regards specific determinations of inconsistency and as regards general trends in and manner of issuance of such determinations, plaintiffs are amply protected by and have various forms of recourse under the California Program itself and §§307 and 312 of the CZMA.

APPROVAL BY THE FEDERAL DEFENDANTS

Plaintiffs have charged that the procedures followed by the state in developing and adopting, and by the federal defendants in approving, the California Program violated both the CZMA and NEPA.

> Section 306(c)(1) requires the Secretary to find that [t]he state has developed and adopted a management program for its coastal zone in accordance with rules and regulations promulgated by the Secretary, after notice, and *with the opportunity of full participation* by relevant Federal agencies, state agencies, local governments, regional organizations, port authorities, and other interested parties, public and private, *which is adequate to carry out the purposes of this title* and is consistent with the policy declared in section 303 of this title.

(Emphasis supplied.) The Acting Administrator has so found. Findings at 13-14 (and references to the FEIS contained therein). Section 306(c)(3) amplifies the requirement of §306(c)(1) by demanding a finding be made that "[t]he state has held public hearings in the development of the management program." This too has been found. Findings at 16 (and references to the FEIS contained therein).

Plaintiffs' claims of invalid adoption by the state having been discussed previously, the Court merely adds that the process of developing a coastal zone management program for the state of California has been ongoing since the enactment of Proposition 20 (the California Coastal Zone Conservation Act of 1972) and that the Acting Administrator's finding that that process has been open within the meaning of §306(c)(1) and (3) is supported by the record. Under the arbitrary and capricious standard applicable to such findings, they must be sustained.

Plaintiffs mount an assault on the review process undertaken by the federal defendants in approving the CZMP under §306, focusing on the purported inadequacies of the environmental review process culminating in the FEIS. As noted earlier, a challenge under NEPA invites broader-ranging evidentiary review (not limited to the administrative record) and requires application of the observance of procedure standard of review. 5 U.S.C. §706(2)(D); *Cady v. Morton*, *supra*, 527 F.2d at 793, citing *Trout Unlimited v. Morton*, *supra*, 509 F.2d at 1282, and *Lathan v. Brinegar*, *supra*, 506 F.2d 677; *Ethyl Corp. v. EPA*, *supra*, 541 F.2d at 34 n. 71. Having done so, the Court concludes that the environmental review process here followed and the FEIS produced thereby are adequate under §102(2)(C) of NEPA (42 U.S.C. §4332(2)(C)).

> Section 102(2)(C) mandates that an EIS address:
>
> (i) the environmental impact of the proposed action;
>
> (ii) any adverse environmental effects which cannot be avoided should the proposal be implemented;
>
> (iii) alternatives to the proposed action;
>
> (iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity; and
>
> (v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Plaintiffs contend first, that the federal defendants utilized the environmental review process not to conduct a *bona fide* environmental review but to advocate a prior decision to grant final approval to the CZMP; second, that the FEIS is deficient because the Program discussed therein differs substantially from that disclosed in the RDEIS; third, that it fails to adequately discuss possible alternatives to §306 approval; fourth, that it fails to consider all available relevant information; and fifth, that it fails to discuss potential and unavoidable adverse impacts of approving and implementing the CZMP.

The Court discusses these claims in order.

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Juanita Kreps, sued here-
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First, the Court finds nothing improper in the federal defendants' informing the public and other organs of government of its tentative conclusion that the California Program meets the requirements of §306 so as to qualify for final approval. The nature of the cooperative interaction between the state and federal governments envisioned by the CZMA in the development of a management program makes it wholly unrealistic to assume that the federal agency charged with reviewing that program will entertain no preliminary conclusions as to its adequacy under the Act.

With respect to plaintiffs' second claim — that the RDEIS and FEIS differ substantially in their description of the elements of the California Program — the Court concludes that such claim lacks merit. First, the two statutory elements of the Program other than the Coastal Act both were noted in the RDEIS (at 8, 12, and 77). Neither establishes standards in the sense that the Coastal Act does; rather, these companion statutes provide a portion of the implementation authority required by §306(c)(6), (7), and (d) of the CZMA. Second, the RDEIS contains the original version of the Program Description found in the FEIS. As discussed at length in another section of this memorandum, Chapter II of the Program Description has been formally adopted by the Coastal Commission; and the remaining chapters, being of an essentially descriptive nature, were not required to be. The procedures followed may have been sloppy, but the Court cannot say that the failure expressly to designate Part II of the RDEIS an "element" of the CZMP was fatal — particularly in light of the Court's conclusions regarding the legal status of the Program Description. Finally, the Court notes that the revisions made in the Program Description were largely prompted by comments received on the original Program Description, including those received from plaintiffs.

Plaintiffs' third argument — that the FEIS fails adequately to discuss alternatives to §306 approval — is premised on plaintiffs' insistence that the federal defendants should have denied final approval and instead granted the CZMP preliminary approval under §305(d), particularly in light of the fact that the local coastal programs required by the Coastal Act (not due until 1980) will add the requisite degree of specificity to enable the Program to qualify for §306 approval. While there is support for plaintiffs' position in the legislative history surrounding the addition of "preliminary approval" to §305 effected by the 1976 Amendments (H. Rep. No. 94-878, 94th Cong., 2d Sess. 48 (1976) (Legislative History at 934)), nevertheless the FEIS discusses this alternative to §306 approval and rejects it on the basis of a reasonable construction of §§306(e)(1) (dealing with permissible implementation techniques for control of land and water uses) and 305(d), the NOAA regulations relevant thereto (15 C.F.R. §923.26), the pertinent legislative history, and the application of the above to the provisions of the CZMP. FEIS at 184-85. The federal defendants' conclusion — that "if a state has the necessary authorities in place and will employ acceptable implementation techniques, the 'preliminary approval' option is inappropriate" (FEIS at 184) — is reasonable in order to give harmonious and full effect to §§305(d) and 306(e)(1). Again, while the Court, if faced with the choice, might have opted for preliminary approval, we may not substitute our judgment for that of the Acting Administrator. It is sufficient for present purposes to note that, contrary to plaintiffs' contention, the FEIS does adequately discuss this alternative.

Plaintiffs' final two claims are premised on the alleged failure of the FEIS to discuss the adverse impact nationwide should California utilize its §307 consistency powers to retard or preclude OCS and related energy development. Plaintiffs also assert that the FEIS fails adequately to discuss the impact of the CZMP on the "socio-economic" environment (e.g., impact on "urban sprawl"). The Court rejects this argument.

> As this Circuit has stated:
>
> . . . [A]n EIS is in compliance with NEPA when its form, content, and preparation substantially (1) provide decision-makers with an environmental disclosure sufficiently detailed to aid in the substantive decision whether to proceed with the project in the light of its environmental consequences, and (2) make available to the public, information of the proposed project's environmental impact and encourage public participation in the development of that information.

Trout Unlimited v. Morton, supra, 509 F.2d at 1283. "An EIS need not discuss remote or highly speculative consequences . . . . [The] adequacy of the content of the EIS should be determined through use of a rule of reason." *Id.* In elaborating on this "rule of reason" the Second Circuit has observed that

> an EIS need not be exhaustive to the point of discussing all possible details bearing on the proposed action but will be upheld as adequate if it has been compiled in good faith and sets forth sufficient information to enable the decision-maker to consider fully the environmental factors involved and to make a reasoned decision after balancing the risks of harm to the environment against the benefits to be derived from the proposed action, as well as to make a reasoned choice between alternatives. [Citations omitted.]

County of Suffolk v. Secretary of the Interior, supra, 562 F.2d at 1375.

In this instance, the inadequacies raised by plaintiffs rest on the highly speculative assumption that in implementing its management program California will abuse its §307 consistency powers, the California courts will acquiesce therein, and, further, the Secretary of Commerce will fail to discharge her duties under §§307(c)(3) and 312. As stated during our discussion of the ripeness issue, the Court declines to make such an assumption — nor must the federal defendants in preparing the FEIS engage in such speculation.

The Court views the situation with which it is here presented as not unlike that presented in *Life of the Land v. Brinegar*, 485 F.2d 460 (9th Cir. 1973). In that case an action was brought by environmental groups to enjoin construction of a new seaward runway at Honolulu International Airport. The defendants in preparing the EIS determined that it was unnecessary to undertake air pollution studies because of the very nature and location of the proposed project. In rejecting plaintiff-appellants' claim that such omission was fatal to the adequacy of the EIS, this Circuit remarked:

> The Reef Runway will relocate aircraft takeoffs, the major source of aircraft air pollution, 6,700 feet seaward, and away from the populated areas of Honolulu. The essence of this project, therefore, involves moving the sources of the air pollution away from people. The federal and state officials concluded that detailed air pollution studies were unnecessary, on the premise that at the very least, the project was extremely unlikely to worsen the air quality in any relevant sense.

Id. at 470.

Similarly, the "essence" of the CZMP, in accordance with §§302 and 303 of the CZMA, is sensitivity to environmental concerns in establishing standards for utilization of the coastal zone; consequently, fewer and less detailed environmental studies would be expected because the Program emphasizes environmental preservation.[23]

Finally, the Court notes that the act of approving the California Program in itself does not result in the undertaking of any specific project by the state or federal governments or any private user(s) of the coastal zone. The concerns raised by plaintiffs — in particular, the alleged omission in the FEIS of an adequate discussion of the significance of permitting OCS development to go forward and the impact of precluding such development — will be addressed in connection with the preparation and dissemination of environmental impact statements for specific proposed activites. The environmental review here undertaken resembles that frequently utilized where a "multistage" project is involved; consequently, the failure of the FEIS to discuss such possibilities is justified on this alternative ground. The Second Circuit addressed this issue in *County of Suffolk, supra*. That case involved preparation of an EIS in connection with the proposed lease-sale by the Department of the Interior of federal lands on the OCS to petroleum companies. There, in reversing the district court's finding that that EIS was inadequate in its failure to explore the possibility that state and local governments affected by such lease-sale might bar the landing of pipelines on their shores and thereby in necessitating the use of tankers increase the hazards of oil pollution, the Court reasoned:

> . . . [T]he extent to which treatment of a subject in an EIS for a multistage project may be deferred, depends on two factors: (1) whether obtaining more detailed useful information on the topic of transportation is "meaningfully possible" at the time when the EIS for an earlier stage is prepared, *see National Resources Defense Council v. Morton*, 458 F.2d

[23] The Court is not unmindful of the substantial question raised by NRDC concerning plaintiffs' standing under NEPA to assert claims founded principally in and directed primarily to economic rather than environmental well-being. *See, e.g., Churchill Truck Lines, Inc. v. U.S.*, 533 F.2d 730 (D.C.Cir. 1975); *Clinton Community Hospital Corp. v. Southern Maryland Medical Center*, 510 F.2d 1037 (4th Cir.), *cert. denied*, 422 U.S. 1048 (1975). While cognizant of the irony of plaintiffs' pressing claims based on NEPA's strictures, the Court, construing "environmental impact" more broadly, nevertheless has chosen to address the merits of those claims.

at 837, and (2) how important it is to have the additional information at an earlier stage in determining whether or not to proceed with the project, *see National Resources Defense Council v. Callaway*, 524 F.2d at 88.

If the additional information would at best amount to speculation as to future event or events, it obviously would not be of much use as input in deciding whether to proceed. As we said in *Callaway, supra*, referring to *Morton, supra:*

> "NEPA does not require a 'crystal ball' inquiry. . . . An EIS is required to furnish only such information as appears to be reasonably necessary under the circumstances for evaluation of the project rather than to be so all-encompassing in scope that the task of preparing it would become either fruitless or well nigh impossible, *Indian Lookout Alliance v. Volpe*, 484 F.2d 11 (8th Cir. 1973). A government agency cannot be expected to wait until a perfect solution of environmental consequences of proposed action is devised before preparing and circulating an EIS." 524 F.2d at 88.

Where the major federal action under consideration, once authorized, cannot be modified or changed, it may be essential to obtain such information as is available, speculative or not, for whatever it may be worth in deciding whether to make the crystallized commitment (e.g., the construction of a bridge of a specified type between two precise points). But *where a multi-stage project can be modified or changed in the future to minimize or eliminate environmental hazards disclosed as the result of information that will not become available until the future, and the Government reserves the power to make such a modification or change after the information is available and incorporated in a further EIS, it cannot be said that deferment violates the "rule of reason." Indeed, in considering a project of such flexibility, it might be both unwise and unfair not to postpone the decision regarding the next stage until more accurate data is at hand.*

562 F.2d at 1378 (emphasis supplied). The court concluded that "projection of specific pipeline routes was neither 'meaningfully possible,' nor 'reasonably necessary under the circumstances.' " *Id.* at 1382. This factor of multistate projects whose various stages are "substantially independent" of one another similarly has been considered by this Circuit in assessing the adequacy of an EIS. *See, e.g., Cady v. Morton, supra*, 527 F.2d at 794 n.7; *Trout Unlimited v. Morton, supra*, 509 F.2d at 1285.

The Court concludes that this action presents an analogous situation to which this reasoning applies. Approval and implementation of the CZMP no more indicates which of potentially dozens of projects will be certified as consistent (and undertaken subject to what conditions) than the decision of the Department of the Interior to proceed with the lease-sale of a large tract of federal OCS lands indicated which of potentially dozens of exploration and development projects would be permitted (and under what conditions).

The Court concludes, as did the court in *Cady v. Morton, supra*, that "although the EIS could be 'improved by hindsight,' it has satisfied the intent of the statute. *National Forest Preservation Group v. Butz*, 485 F.2d 408, 412 (9th Cir. 1973)." 527 F.2d at 797.

The length, complexity and convolutions of this memorandum and of the findings and conclusions set forth herein speak louder and much more eloquently than the words themselves. The message is as clear as it is repugnant: under our so-called federal system, the Congress is constitutionally empowered to launch programs the scope, impact, consequences and workability of which are largely unknown, at least to the Congress, at the time of enactment; the federal bureaucracy is legally permitted to execute the congressional mandate with a high degree of befuddlement as long as it acts no more befuddled than the Congress must reasonably have anticipated; if ultimate execution of the congressional mandate requires interaction between federal and state bureaucracy, the resultant maze is one of the prices required under the system.

The foregoing shall constitute the Court's findings of fact and conclusions of law.

The administrative action is affirmed; the petition is denied, each side to bear its costs.

The Clerk of the Court shall send, by United States mail, a copy of this Memorandum of Decision and Order to counsel for all parties. DATED: August 30th, 1978.

LAWS OF ALASKA

1977

Source

CCS SCS CSHB 342

Chapter No.

84

AN ACT

Relating to the management of the coastal resources of the state; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

(1) the coastal area of the state is a distinct and valuable natural resource of concern to all the people of the state;

(2) the demands upon the resources of the coastal area are significant, and will increase in the future;

(3) the protection of the natural and scenic resources and the fostering of wise development of the coastal area are of concern to present and future citizens of the state;

(4) the capacity of the coastal area to withstand the demands upon it is limited;

(5) the degree of planning and resource allocation which has occurred in the coastal area has often been motivated by short-term considerations, unrelated to sound planning principles, and

(6) in order to promote the public health and welfare, there is a critical need to engage in comprehensive land and water use planning in coastal areas and to establish the means by which a planning process and management program involving the several governments and areas of the unorganized borough having an interest in the coastal area may be effectively implemented.

* Sec. 2. LEGISLATIVE POLICY. It is the policy of the state to

(1) preserve, protect, develop, use, and, where necessary, restore or enhance the coastal resources of the state for this and succeeding generations;

(2) encourage coordinated planning and decision making in the coastal area among levels of government and citizens engaging in or affected by activities involving the coastal resources of the state;

(3) develop a management program which sets out policies, objectives, standards and procedures to guide and resolve conflicts among public and private activities involving the use of resources which have a direct and significant impact upon the coastal land and water of the state;

(4) assure the participation of the public, local governments, and agencies of the state and federal governments in the development and implementation of a coastal management program;

(5) utilize existing governmental structures and authorities, to the maximum extent feasible, to achieve the policies set out in this section; and

(6) authorize and require state agencies to carry out their planning duties, powers and responsibilities and take actions authorized by law with respect to programs affecting the use of the resources of the coastal area in accordance with the policies set out in this section and the guidelines and standards adopted by the Alaska Coastal Policy Council under AS 46.35.

* Sec. 3. AS 44.19 is amended by adding new sections to read:

ARTICLE 11A. ALASKA COASTAL POLICY COUNCIL.

Sec. 44.19.891. ALASKA COASTAL POLICY COUNCIL. (a) There is created in the Office of the Governor the Alaska Coastal Policy Council. The council consists of the following:

(1) nine public members appointed by the governor from a list comprised of at least three names from each region, nominated by the municipalities of each region; the nominees shall be the mayor or member of the assembly or council of a municipality; one public member shall be appointed from each of the following general regions:

(A) northwest Alaska, including, generally, the area of the North Slope Borough and the Northwest Arctic regional educational attendance area;

(B) Bering Straits, including, generally, the area of the Bering Straits regional educational attendance area;

(C) southwest Alaska, including, generally, the area within the Lower Yukon, Lower Kuskokwim, Southwest, and Lake-Peninsula regional educational attendance areas and the Bristol Bay Borough;

(D) Kodiak-Aleutians, including the area of the Kodiak Island Borough and the Aleutian, Adak and Pribilof regional educational attendance areas;

(E) Upper Cook Inlet, including the Municipality of Anchorage and the Matanuska-Susitna Borough;

(F) Lower Cook Inlet, including, generally, the area within the Kenai Peninsula Borough;

(G) Prince William Sound, including, generally, the area east of the Kenai Peninsula Borough to 141° W. longitude;

(H) northern Southeast Alaska, including the area southeast of 141° W. longitude and north of 57° N. latitude, including the entirety of the City and Borough of Sitka; and

(I) southern Southeast Alaska, including that portion of southeastern Alaska not contained within the area described in (H) of this paragraph;

(2) each of the following:

(A) the director of the division of policy development and planning;

(B) the commissioner of the Department of Commerce and Economic Development;

(C) the commissioner of the Department of Community and Regional Affairs;

(D) the commissioner of the Department of Environmental Conservation;

(E) the commissioner of the Department of Fish and Game;

(F) the commissioner of the Department of Natural Resources; and

(G) the commissioner of the Department of Public Works.

(b) Each public member appointed by the governor under (a)(1) of this section serves a term of two years and until his successor is appointed and qualified, except that the term of office of a public member first appointed under (a)(1)(A), (a)(1)(C), (a)(1)(E) and (a)(1)(G) of this section shall be one year. A public member may be reappointed.

(c) The council shall designate co-chairmen, one of whom shall be selected from among the public members appointed under (a)(1) of this section and one from among the members designated in (a)(2) of this section.

(d) Members appointed under (a) of this section may select one person to serve as a permanent alternate at meetings of the council. If the member appointed is unable to attend, the alternate may act in his place.

(e) Four public members and three designated members of the council constitute a quorum, but one or more of the members designated by the council may hold hearings. All decisions of the council shall be by a majority vote of the

members present and voting.

(f) Members of the council or their alternates are entitled to per diem and travel expenses authorized by law for members of boards and commissions.

(g) If there is a vacancy among the public members appointed under (a)(1) of this section, the governor shall make an appointment to become immediately effective for the unexpired portion of the term.

Sec. 44.19.892. POWERS OF THE COUNCIL. The council may

(1) apply for and accept grants, contributions, and appropriations, including application for and acceptance of federal funds which may become available for coastal planning and management;

(2) contract for necessary services;

(3) consult and cooperate with

(A) persons, organizations, and groups, public or private, interested in, affected by, or concerned with coastal area planning and management;

(B) agents and officials of the coastal resource districts of the state, and federal and state agencies concerned with or having jurisdiction over coastal planning and management;

(4) take any reasonable action necessary to carry out the provisions of secs. 891 - 894 of this chapter.

Sec. 44.19.893. DUTIES OF THE COUNCIL. In conformity with the Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.), the council shall

(1) through the public hearing process and the recording of the minutes of the hearings, develop guidelines and standards for the preparation of, and approve, in accordance with AS 46.35, the Alaska coastal management program;

(2) establish continuing coordination among state agencies to facilitate the development and implementation of the Alaska coastal management program; in carrying out its duties under this paragraph, the council shall initiate an interagency program of comprehensive coastal resource planning for each geographic region described in sec. 891-(a)(1) of this chapter;

(3) assure continued provision of data and information to coastal resource districts to carry out their planning and management functions under the program;

(4) submit annually to the legislature, not later than the 10th day of each regular session, the portion of the coastal management program approved or amended by the council during the preceding year.

Sec. 44.19.894. COUNCIL STAFF. The council shall

utilize the staff of the office of coastal management within the division of policy development and planning in discharging its powers and duties. The coordinator of the office, with the concurrence of the council, may contract with or employ personnel or consultants he considers necessary to carry out the powers and duties of the council.

* Sec. 4. AS 46 is amended by adding a new chapter to read:

CHAPTER 35. THE ALASKA COASTAL MANAGEMENT PROGRAM.

ARTICLE 1 DEVELOPMENT OF ALASKA COASTAL MANAGEMENT PROGRAM.

Sec. 46.35.010. DEVELOPMENT OF ALASKA COASTAL MANAGEMENT PROGRAM. (a) The Alaska Coastal Policy Council established in AS 44.19.891 shall approve, in accordance with secs. 10 - 210 of this chapter, the Alaska coastal management program.

(b) The council may approve the Alaska coastal management program for a portion or portions of the coastal area before approving the complete program under (a) of this section. Portions of the program approved under this subsection shall be incorporated into the Alaska coastal management program.

(c) The Alaska coastal management program shall be reviewed by the council and, when appropriate, revised to

(1) add newly approved district coastal management programs, or revisions and amendments to the Alaska coastal management program;

(2) integrate newly approved district coastal management programs, or revisions and amendments of district coastal management programs, with existing approved programs and with plans developed by state agencies;

(3) add new or revised state statutes, policies, regulations or other appropriate material;

(4) review the effectiveness of implementation of district coastal management programs; and

(5) consider new information acquired by the state and coastal resource districts.

(d) All reviews and revisions shall be in accordance with the guidelines and standards adopted by the council under sec. 40 of this chapter.

Sec. 46.35.020. OBJECTIVES. The Alaska coastal management program shall be consistent with the following objectives:

(1) the use, management, restoration and enhancement of the overall quality of the coastal environment;

(2) the development of industrial or commercial enterprises which are consistent with the social, cultural, historic, economic and environmental interests of the people of the state;

(3) the orderly, balanced utilization and protection of the resources of the coastal area consistent with sound conservation and sustained yield principles;

(4) the management of coastal land and water uses in such a manner that, generally, those uses which are economically or physically dependent on a coastal location are given higher priority when compared to uses which do not economically or physically require a coastal location;

(5) the protection and management of significant historic, cultural, natural and aesthetic values and natural systems or processes within the coastal area;

(6) the prevention of damage to or degradation of land and water reserved for their natural values as a result of inconsistent land or water usages adjacent to that land;

(7) the recognition of the need for a continuing supply of energy to meet the requirements of the state and the contribution of a share of the state's resources to meet national energy needs; and

(8) the full and fair evaluation of all demands on the land and water in the coastal area.

Sec. 46.35.030. DEVELOPMENT OF DISTRICT COASTAL MANAGEMENT PROGRAMS. Coastal resource districts shall develop and adopt district coastal management programs in accordance with the provisions of this chapter. The program adopted by a coastal resource district shall be based upon a municipality's existing comprehensive plan or a new comprehensive resource use plan or comprehensive statement of needs, policies, objectives and standards governing the use of resources within the coastal area of the district. The program shall be consistent with the guidelines and standards adopted by the council under sec. 40 of this chapter and shall include:

(1) a delineation within the district of the boundaries of the coastal area subject to the district coastal management program;

(2) a statement, list, or definition of the land and water uses and activities subject to the district coastal management program;

(3) a statement of policies to be applied to the land and water uses subject to the district coastal management program;

(4) regulations, as appropriate, to be applied to the land and water uses subject to the district coastal management program;

(5) a description of the uses and activities which will be considered proper and the uses and activities which will be considered improper with respect to the land and water within the coastal area;

(6) a summary or statement of the policies which will be applied and the procedures which will be used to determine whether specific proposals for land or water uses

or activities shall be allowed; and

(7) a designation of, and the policies which will be applied to the use of, areas within the coastal resource district which merit special attention.

Sec. 46.35.040. DUTIES OF THE ALASKA COASTAL POLICY COUNCIL Through the public hearing process and the recording of the minutes of the hearings, the Alaska Coastal Policy Council shall

(1) by regulation, adopt under the provisions of the Administrative Procedure Act (AS 44.62), within six months of the effective date of this Act, for the use of and application by coastal resource districts and state agencies for carrying out their responsibilities under this chapter, guidelines and standards for

(A) identifying the boundaries of the coastal area subject to the district coastal management program;

(B) determining the land and water uses and activities subject to the district coastal management program;

(C) developing policies applicable to the land and water uses subject to the district coastal management program;

(D) developing regulations applicable to the land and water uses subject to the district coastal management program;

(E) developing policies and procedures to determine whether specific proposals for the land and water uses or activities subject to the district coastal management program shall be allowed;

(F) designating and developing policies for the use of areas of the coast which merit special attention; and

(G) measuring the progress of a coastal resource district in meeting its responsibilities under this chapter;

(2) develop and maintain a program of technical and financial assistance to aid coastal resource districts in the development and implementation of district coastal management programs;

(3) undertake review and approval of district coastal management programs in accordance with this chapter;

(4) initiate a process for identifying and managing uses of state concern within specific areas of the coast;

(5) develop procedures or guidelines for consultation and coordination with federal agencies managing land or conducting activities potentially affecting the coastal area of the state.

Sec. 46.35.050. ACTION AND SUBMISSION BY COASTAL RESOURCE DISTRICTS. Each coastal resource district shall make substantial progress, in the opinion of the council, toward completion of an approvable district coastal management program and shall complete and submit to the council for approval its program within 30 months of the effective date of this Act or within 30 months of certification of the results of the district's organization, whichever is later.

Sec. 46.35.060. REVIEW AND APPROVAL BY COUNCIL. (a) If, upon submission of a district coastal management program for approval, the council finds that the program is substantially consistent with the provisions of this chapter and the guidelines and standards adopted by the council and does not arbitrarily or unreasonably restrict or exclude uses of state concern, the council may grant summary approval of the district coastal management program, or may approve portions of the district program which are consistent.

(b) If the council finds that a district coastal management program is not approvable or is approvable only in part under (a) of this section, it shall direct that deficiencies in the program submitted by the coastal resource district be mediated. In mediating the deficiencies, the council may call for one or more public hearings in the district. The council shall meet with officials of the coastal resource district in order to resolve differences.

(c) If, after mediation, the differences have not been resolved to the mutual agreement of the coastal resource district and the council, the council shall call for a public hearing and shall resolve the differences in accordance with the Administrative Procedure Act (AS 44.62). After a public hearing held under this subsection, the council shall enter findings and, by order, may require

(1) that the district coastal management program be amended to make it consistent with the provisions of this chapter or the guidelines and standards adopted by the council;

(2) that the district coastal management program be revised to accommodate a use of state concern; or

(3) any other action be taken by the coastal resource district as appropriate.

(d) The superior courts of the state have jurisdiction to enforce orders of the council entered under (c) of this section.

Sec. 46.35.070. STANDARDS FOR COUNCIL REVIEW AND APPROVAL. (a) The council shall approve a district coastal management program submitted for review and approval if the program is consistent with the provisions of this chapter and the guidelines and standards adopted by the council.

(b) Notwithstanding an inconsistency of a district coastal management program submitted for review and approval with the guidelines and standards adopted, the council shall approve the program if it finds that

(1) strict adherence to the guidelines and standards adopted would result in a violation of another state law or policy;

(2) strict adherence to the guidelines and standards adopted would cause or probably cause substantial irreparable harm to another interest or value in the coastal area of the district; or

(3) the inconsistency is of a technical nature and no substantial harm would result to the policies and objectives of this chapter or the Alaska coastal management program.

(c) In determining whether a restriction or exclusion of a use of state concern is arbitrary or unreasonable, the council shall approve the restriction or exclusion if it finds that

(1) the coastal resource district has consulted with and considered the views of appropriate federal, state or regional agencies;

(2) the district has based its restriction or exclusion on the availability of reasonable alternative sites; and

(3) the district has based its restriction or exclusion on an analysis showing that the proposed use is incompatible with the proposed site.

(d) A decision by the council under this section shall be given within 90 days.

Sec. 46.35.080. EFFECTIVE DATE OF ALASKA COASTAL MANAGEMENT PROGRAM. The Alaska coastal management program adopted by the council, and any additions, revisions, or amendments of the program, take effect upon adoption of a concurrent resolution by a majority of the members of each house of the legislature or by a vote of the majority of the members of each house at the time the houses are convened in joint session to confirm executive appointments submitted by the governor.

Sec. 46.35.090. IMPLEMENTATION OF DISTRICT COASTAL MANAGEMENT PROGRAMS. (a) A district coastal management program approved by the council and the legislature for a coastal resource district which does not have and exercise zoning or other controls on the use of resources within the coastal area shall be implemented by appropriate state agencies. Implementation shall be in accordance with the comprehensive use plan or the statement of needs, policies, objectives and standards adopted by the district.

(b) A coastal resource district which has and exercises zoning or other controls on the use of resources within the coastal area shall implement its district coastal management program. Implementation shall be in accordance with the comprehensive use plan or the statement of needs, policies, objectives and standards adopted by the district.

Sec. 46.35.100. COMPLIANCE AND ENFORCEMENT. (a) Municipalities and state agencies shall administer land and

water use regulations or controls in conformity with district coastal management programs approved by the council and the legislature and in effect.

(b) On petition of a coastal resource district, a citizen of the district, or a state agency, showing that a district coastal management program is not being implemented, enforced or complied with, the council shall convene a public hearing to consider the matter. A hearing called under this subsection shall be held in accordance with the Administrative Procedure Act (AS 44.62). After hearing, the council may order that the coastal resource district or state agency take any action which the council considers necessary to implement, enforce or comply with the district coastal management program.

(c) In determining whether an approved district coastal management program is being implemented, enforced or complied with by a coastal resource district which exercises zoning authority or controls on the use of resources within the coastal area, the council shall find in favor of the district if

(1) zoning or other regulations have been adopted and are being enforced;

(2) variances are being granted according to procedures and criteria which are elements of the district coastal management program, or the variance is otherwise approved by the council; and

(3) procedures and standards adopted by the coastal resource district as required by this chapter or by the guidelines and standards adopted by the council and subsequently approved by the legislature have been followed and considered.

(d) In determining whether a state agency is complying with a district coastal management program with respect to its exercise of regulation or control of the resources within the coastal area, the council shall find in favor of the agency if

(1) the use or activity for which the permit, license or approval is granted is consistent with the district coastal management program and regulations adopted under it; and

(2) the use or activity for which the permit, license or approval is granted is consistent with requirements imposed by state statute, regulation, or local ordinance applicable to the use or activity.

(e) The superior courts of the state have jurisdiction to enforce lawful orders of the council.

ARTICLE 2. COASTAL MANAGEMENT PROGRAMS IN THE UNORGANIZED BOROUGH.

Sec. 46.35.110. AUTHORITY IN THE UNORGANIZED BOROUGH. Under AS 29.03.020 and secs. 110 - 180 of this chapter, the legislature authorizes organization of coastal resource service areas in the unorganized borough and grants

authority to the service areas which may be organized to perform the duties required under this chapter.

Sec. 46.35.120. COASTAL RESOURCE SERVICE AREAS. (a) Except as provided in (b) of this section, each regional educational attendance area established under AS 14.08.031 containing a part of the coastal area may be organized as a coastal resource service area.

(b) The commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area

(1) if a substantial portion of the coastal area contains land and water area owned by the federal government over which it exercises exclusive jurisdiction or land held in trust by the federal government for Alaska Natives over which the state would not exercise control as to use; or

(2) if, after giving due consideration to the standards applicable to incorporation of borough governments and the likelihood that a borough will be incorporated within the area, the commissioner determines that the functions to be performed under this chapter could be undertaken more efficiently through the combination of two or more regional educational attendance areas as a single coastal resource service area.

(c) A determination under (b) of this section shall be made before organization of the coastal resource service area and no later than six months from the effective date of this Act.

Sec. 46.35.130. ORGANIZATION OF COASTAL RESOURCE SERVICE AREA. (a) Organization of a coastal resource service area may be initiated by

(1) submission to the council of a petition signed by a number of registered voters equal to 15 per cent of the number of votes cast within the coastal resource service area at the last state general election;

(2) submission to the council of a resolution approved by the city council or traditional village council of not less than 25 per cent of the number of cities and villages within the coastal resource service area; or

(3) at the direction of a majority of the members of the council in the manner set out in sec. 160 of this chapter.

(b) Acting at the request of the council, the lieutenant governor, not less than 60 nor more than 90 days after receipt of a proper petition under (a)(1) of this section, a proper resolution under (a)(2) of this section, or at the direction of the council under (a)(3) of this section, shall conduct an election on the question of organization of a coastal resource service area.

Sec. 46.35.140. COASTAL RESOURCE SERVICE AREA BOARDS. (a) Each coastal resource service area, upon organization, shall have an elected board representing the population of

the service area. The board shall have the powers and duties and perform the functions prescribed for or required of coastal resource districts.

(b) A coastal resource service area board shall contain seven members. Board members shall be elected at large by the qualified voters of the coastal resource service area.

(c) The commissioner of the Department of Community and Regional Affairs, after consultation with residents of a coastal resource service area, may divide a service area into sections only for the purpose of nominating and electing board members. Division of a service area into sections for the purpose of nomination and election shall be in accordance with the provisions of AS 14.08.051(a). Division may be proposed in the petition submitted under sec. 130-(a)(1) of this chapter, in the resolution submitted under sec. 130(a)(2) of this chapter, at the direction of the council under sec. 130(a)(3) of this chapter, or may be proposed at any time by the members of the coastal resource service area board. If proposed by the board, the division of the service area into sections is subject to approval of a majority of the qualified voters voting on the question in the coastal resource service area at the next regular election or at a special election called for that purpose and, if approved, takes effect at the next regular election of members of the coastal resource service area board.

(d) The term of office of a member of a coastal resource service area board is three years, except that the terms of the members of the first board elected after organization of a coastal resource service area shall be determined by lot, with two members serving one-year terms, two members serving two-year terms, and three members serving three-year terms. Members serve until their successors are elected and have qualified. Nothing in this section prohibits the reelection of a board member.

(e) The lieutenant governor shall provide for the election of the members of coastal resource service area boards. The first election of board members shall occur not less than 60 nor more than 90 days after certification of the results of an organization election under sec. 130(b) of this chapter in which a majority of votes cast favors organization of the coastal resource service area.

(f) Except for the first election of members of coastal resource service area boards, elections shall be held annually on the date of election of members of regional educational attendance area boards under AS 14.08.071(b).

(g) A vacancy on a coastal resource service area board shall be filled by appointment as provided in AS 14.08.041-(a) for vacancies in the membership of regional educational attendance area boards.

(h) Members of coastal resource service area boards are subject to recall on the same grounds and in the same manner as provided for recall of municipal officials in AS 29.28.130 - 29.28.250. The lieutenant governor functions in place of the assembly or council and municipal clerk for receipt and review of recall petitions and the conduct of

recall elections.

Sec. 46.35.150. ELECTIONS IN COASTAL RESOURCE SERVICE AREAS. Organization elections under sec. 130 of this chapter and other elections, including recall elections conducted under sec. 140 of this chapter, shall be administered by the lieutenant governor in the general manner provided in the Alaska Election Code (AS 15.05 - 15.60). In addition, the lieutenant governor may adopt regulations necessary to the conduct of coastal resource service area board elections. The state shall pay all election costs.

Sec. 46.35.160. ORGANIZATION AT THE DIRECTION OF THE COUNCIL. (a) Whenever it appears that major economic development activity will occur in a coastal resource service area or in waters adjacent to a coastal resource service area which has not been organized, the council may direct the lieutenant governor to submit to the voters of the service area the question of organization. The council may require an election on the question only after holding at least one public hearing within the area proposed for organization.

(b) For purposes of this section, "major economic development activity" includes a call for nomination by the Secretary of the United States Department of the Interior for leasing of tracts within petroleum basins in waters of the outer continental shelf adjacent to the coastal resource service area or any other significant industrial or commercial activity which, in the opinion of the council, would commit the resources of the coastal area to a use of direct and significant impact upon the coastal waters of the state.

Sec. 46.35.170. PREPARATION OF DISTRICT COASTAL MANAGEMENT PROGRAM BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) If residents of a coastal resource service area reject organization of the service area at an election called for the purpose and the council finds, after public hearing, that major economic development activity has occurred or will occur within the service area, the council may direct the Department of Community and Regional Affairs to prepare and recommend for consideration by the council and for submission to the legislature a district coastal management program for the service area.

(b) At the request of the council, the Department of Community and Regional Affairs shall complete the district coastal management program in accordance with this chapter and the guidelines and standards adopted by the council for a coastal resource service area which has been organized but which has failed to make substantial progress in the preparation of an approvable district coastal management program within 18 months of certification of the results of an organization election or which has not submitted for approval to the council a program within 30 months of certification of the results of its organization election. Preparation of the program shall be conducted in consultation with the coastal resource service area and shall, to the maximum extent consistent with this chapter, reflect the expressed concerns of the residents of the service area.

(c) Before requesting the department to complete the district coastal management program under (b) of this

section, the council shall meet with the members of the coastal resource service area board to determine whether the board is able to complete a district coastal management program within the time limitations established in this section.

Sec. 46.35.180. APPROVAL OF PROGRAMS IN COASTAL RESOURCE SERVICE AREAS. (a) Before adoption by a coastal resource service area board, or by the Department of Community and Regional Affairs under sec. 170 of this chapter, a district coastal management program shall be submitted for review to each city or village within the coastal resource service area. The council of a city or traditional village council shall consider the program submitted for review. Within 60 days of submission, the council of a city or traditional village council shall either approve the program or enter objections to all or any portion of the program.

(b) If a city or village within a coastal resource service area fails to approve a portion of the district coastal management program prepared and submitted for approval under (a) of this section, the governing body shall advise the coastal resource service area board or the department, as applicable, of its objections to the proposed program and suggest alternative elements or components for inclusion in the district coastal management program. New matter submitted by a city or village which is substantially consistent with the guidelines and standards adopted by the council shall be accepted and the district coastal management program modified accordingly. If a city or village fails to provide objections and suggested alternatives within the time limits established in this section, the coastal resource service area board or the department, as applicable, may adopt the district coastal management program as initially offered.

(c) Objection by a city council under (b) of this section is limited to objection to elements of the program affecting resources or the use of resources within the corporate limits of the city. Objection by a traditional village council under (b) of this section is limited to objection to elements of the program affecting resources or the use of resources within the village or within two miles of the village.

(d) For purposes of this section, "village" means an unincorporated community where at least 25 persons reside as a social unit as determined by the Department of Community and Regional Affairs.

ARTICLE 3. GENERAL PROVISIONS.

Sec. 46.35.190. COOPERATIVE ADMINISTRATION. (a) A city within the coastal area which is not part of an adjacent coastal resource service area may include itself for purposes of this chapter within an adjacent coastal resource service area if its governing body, by resolution adopted by a majority of its membership, consents to the inclusion of the city and a copy of the resolution is filed with the commissioner of the Department of Community and Regional Affairs.

(b) Nothing in this chapter restricts or prohibits cooperative or joint administration of functions between a municipality and a coastal resource service area organized under the provisions of this chapter upon initiation of a mutual agreement for the purpose.

Sec. 46.35.200. STATE AGENCIES. Upon the adoption of the Alaska coastal management program, state departments, boards and commissions shall review their statutory authority, administrative regulations, and applicable procedures pertaining to land and water uses within the coastal area for the purpose of determining whether there are any deficiencies or inconsistencies which prohibit compliance with the program adopted. State agencies shall, within six months of the effective date of the Alaska coastal management program, take whatever action is necessary to facilitate full compliance with and implementation of the program, including preparation and submission of recommendations to the council for additional or amended legislation.

Sec. 46.35.210. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "area which merits special attention" means a delineated geographic area within the coastal area which is sensitive to change or alteration and which, because of plans or commitments or because a claim on the resources within the area delineated would preclude subsequent use of the resources to a conflicting or incompatible use, warrants special management attention, or which, because of its value to the general public, should be identified for current or future planning, protection, or acquisition; these areas, subject to council definition of criteria for their identification, include:

(A) areas of unique, scarce, fragile or vulnerable natural habitat, cultural value, historical significance, or scenic importance;

(B) areas of high natural productivity or essential habitat for living resources;

(C) areas of substantial recreational value or opportunity;

(D) areas where development of facilities is dependent upon the utilization of, or access to, coastal waters;

(E) areas of unique geologic or topographic significance which are susceptible to industrial or commercial development;

(F) areas of significant hazard due to storms, slides, floods, erosion or settlement; and

(G) areas needed to protect, maintain, or replenish coastal land or resources, including coastal flood plains, aquifer recharge areas, beaches and offshore sand deposits;

(2) "coastal resource district" means each of the following which contains a portion of the coastal area of

the state:

(A) unified municipalities established under AS 29.68.240 - 29.68.440;

(B) organized boroughs of any class which exercise planning and zoning authority;

(C) home rule and first class cities of the unorganized borough or within boroughs which do not exercise planning and zoning authority;

(D) second class cities of the unorganized borough, or within boroughs which do not exercise planning and zoning authority, which have established a planning commission, and which, in the opinion of the commissioner of the Department of Community and Regional Affairs, have the capability of preparing and implementing a comprehensive district coastal management program under sec. 30 of this chapter;

(E) coastal resource service areas established and organized under AS 29.03.020 and secs. 110 - 180 of this chapter;

(3) "council" means the Alaska Coastal Policy Council;

(4) "department" means the Department of Community and Regional Affairs;

(5) "use of direct and significant impact" means a use, or an activity associated with the use, which proximately contributes to a material change or alteration in the natural or social characteristics of a part of the state's coastal area and in which

(A) the use, or activity associated with it, would have a net adverse effect on the quality of the resources of the coastal area;

(B) the use, or activity associated with it, would limit the range of alternative uses of the resources of the coastal area; or

(C) the use would, of itself, constitute a tolerable change or alteration of the resources within the coastal area but which, cumulatively, would have an adverse effect;

(6) "uses of state concern" means those land and water uses which would significantly affect the long-term public interest; these uses, subject to council definition of their extent, include:

(A) uses of national interest, including the use of resources for the siting of ports and major facilities which contribute to meeting national energy needs, construction and maintenance of navigational facilities and systems, resource development of federal land, and national defense and related security facilities that are dependent upon coastal locations;

(B) uses of more than local concern, including those land and water uses which confer significant environmental, social, cultural, or economic benefits or burdens beyond a single coastal resource district;

(C) the siting of major energy facilities or large-scale industrial or commercial development activities which are dependent on a coastal location and which, because of their magnitude or the magnitude of their effect on the economy of the state or the surrounding area, are reasonably likely to present issues of more than local significance;

(D) facilities serving statewide or interregional transportation and communication needs; and

(E) uses in areas established as state parks or recreational areas under AS 41.20 or as state game refuges, game sanctuaries or critical habitat areas under AS 16.20.

* Sec. 5. AS 44.47 is amended by adding a new section to read:

Sec. 44.47.095. PLANNING ASSISTANCE FOR DEVELOPMENT AND MAINTENANCE OF DISTRICT COASTAL MANAGEMENT PROGRAMS. The department shall conduct a program of research, training, and technical assistance to coastal resource districts necessary for the development and implementation of district coastal management programs under AS 46.35. The technical assistance shall include the direct granting to the coastal resource districts of a portion of any funds received by the state from the federal coastal zone management program, in amounts to be individually determined for each coastal resource district by the commissioner. State agencies shall assist the department in carrying out the purposes of this section.

* Sec. 6. The Administrative Regulation Review Committee established in AS 24.20.400 - 24.20.460 shall review the administrative regulations adopted by the executive departments of the state government which affect the resources and use of the resources of the state's coastal area. The committee shall, not later than January 20, 1979, make formal recommendation with respect to annulment of regulations adopted which, in the opinion of the committee, fail to implement, interpret or carry out the policies, objectives and standards of the Alaska coastal management program. The recommendations of the committee shall be transmitted to the first regular session of the Eleventh Alaska Legislature.

* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.070(c).

Approved by the Governor: June 3, 1977
Actual Effective Date: June 3, 1977

POLICY COUNCIL MEMBERS & THEIR ALTERNATES — June, 1978

LOCAL

Members	Alternates
The Honorable Eben Hopson Mayor, North Slope Borough P.O. Box 69 Barrow, Alaska 99723 Phone: 852-2611 (office)	Mr. Jon Buchholdt 610 'H' Street Anchorage, Alaska 99501 Phone: 274-2414 (office)
Mr. Robert Fagerstrom City Council Member P.O. Box 1064 Nome, Alaska 99762 Phone: 443-2058 (home) 443-5296 (office)	Mr. Caleb Pungowiyi Kawerak, Inc. P.O. Box 505 Nome, Alaska 99762 Phone: 443-5231
Mr. Stanley Paukan City Council Member St. Mary's, Alaska 99658 Phone: 368-8001	Mr. Stan Peters Emmonak, Alaska 99581
The Honorable Betty Wallin Mayor, Kodiak Island Borough P.O. Box 1246 Kodiak, Alaska 99615 Phone: 486-5736 (office)	Michael Emmick, M.D. P.O. Box 207 Port Lions, Alaska 99550 Phone: 454-2303
Ms. Lidia Selkregg Municipality Assembly Member Box 2217 Anchorage, Alaska 99510 Phone: 333-8260 (home) 272-5522/279-9656 (offices)	The Honorable Ron Larson, Mayor Matanuska-Susitna Borough Box 8 Palmer, Alaska 99645 Phone: 745-3246
The Honorable Donald Gilman Mayor, Kenai Peninsula Borough P.O. Box 850 Soldotna, Alaska 99669 Phone: 262-4441 (office)	Mr. Erle Cooper Box 177 Homer, Alaska 99603 Phone: 235-8772 (home) 235-8702 (office)
Mr. Malcolm (Pete) Isleib City Council Member P.O. Box 139 Cordova, Alaska 99574 Phone: 424-3365	Mr. Ken Peavyhouse P.O. Box 307 Valdez, Alaska 99686
Mr. Roger Allington Borough Assembly Member 1 Sealaska Plaza, Suite 400 Juneau, Alaska 99801 Phone: 586-1512 (office)	Mr. Larry Nelson Box 1880 Sitka, Alaska 99835 Phone: 747-6261
The Honorable Robert Sanderson Mayor, City of Hydaburg P.O. Box 57 Hydaburg, Alaska 99922 Phone: 285-3603 (home) 285-3761 (office)	The Honorable Marvin Yoder Mayor, City of Craig P.O. Box 23 Craig, Alaska 99921 Phone: 826-3241 (office)

POLICY COUNCIL MEMBERS & THEIR ALTERNATES

STATE

Members	Alternates
Ms. Frances A. Ulmer, Director Policy Development & Planning Office of the Governor Pouch AD Juneau, Alaska 99811 Phone: 465-3512 (office)	Mr. Jon Halterman Deputy Director, Policy Develop[illegible] and Planning, Office of the Go[illegible] Pouch AD Juneau, Alaska 99811 Phone: 465-3512 (office)
The Honorable Phillip Hubbard Commissioner, Department of Commerce and Economic Development Pouch D Juneau, Alaska 99811 Phone: 465-2500 (office)	Mr. Jim Wiedeman Department of Commerce and Econo[illegible] Development Pouch D Juneau, Alaska 99811 Phone: 465-2082 (office)
The Honorable Lee McAnerney Commissioner, Department of Community and Regional Affairs Pouch B Juneau, Alaska 99811 Phone: 465-4700 (office)	Mr. Carl Gonder, Deputy Commissi[illegible] Department of Community and Regio[illegible] Affairs Pouch B Juneau, Alaska 99811 Phone: 465-4700 (office)
The Honorable Ernst W. Mueller Commissioner, Department of Environmental Conservation Pouch O Juneau, Alaska 99811 Phone: 465-2600 (office)	Mr. Jerry Reinwand Deputy Commissioner, Department [illegible] Environmental Conservation Pouch O Juneau, Alaska 99811 Phone: 465-2600 (office)
The Honorable Ronald O. Skoog Commissioner, Department of Fish and Game Subport Building Juneau, Alaska 99811 Phone: 465-4100 (office)	Mr. Dick Logan Department of Fish and Game Subport Building Juneau, Alaska 99811 Phone: 465-4105 (office)
The Honorable Robert E. LeResche Commissioner, Department of Natural Resources Pouch M Juneau, Alaska 99811 Phone: 465-2400 (office)	Mr. Ted Smith Department of Natural Resources 323 E. Fourth Avenue Anchorage, Alaska 99501 Phone: 279-5577
The Honorable Donald Harris Commissioner, Department of Transportation and Public Facilities Pouch Z Juneau, Alaska 99811 Phone: 465-3910 (office)	Mr. Ray Meketa Department of Transportation and Public Facilities Pouch Z Juneau, Alaska 99811 Phone: 586-2195 (office)

SCR

51

(7)

COMMITTEE REPORT

HOUSE

3/18/80

FURTHER·

Date: 76 [illegible] 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SCR 51

"Approving the district coastal management program of the Municipality of Anchorage and the findings, conclusions, and stipulations of the Alaska Coastal Policy Council."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible]

Ray [illegible] Do Not Pass

[illegible]

CHAIRMAN

H 60 (Rev. 12/78)

Box 461
Haines, Alaska 99827
February 14, 1980

Representative Bill Parker, Chairman
Committee on Community & Regional Affairs
House of Representatives
Pouch V
State Capitol
Juneau, Alaska 99811

Honorable Bill Parker:

Please accept this as written testimony for your public hearing on the Haines District Coastal Management Program, scheduled for February 27th and March 3, 1980.

The Haines plan covers a very small geographical area. For this reason future coastal plans of the area covering more territory are imminent. They will be conducted as municipal boundries are adjusted through annexation or establishment of a Borough Government with planning powers.

Therefore little time should be spent on this plan and it should be adopted as submitted.

Although the Haines Plan went through extensive public hearing and reflects the local attitude, it's preparation was truly only to comply with state and federal regulations.

Yours truly,

Marvin P. Hartshorn

The Senate Committee will appreciate comments from interested parties on the following concerns:

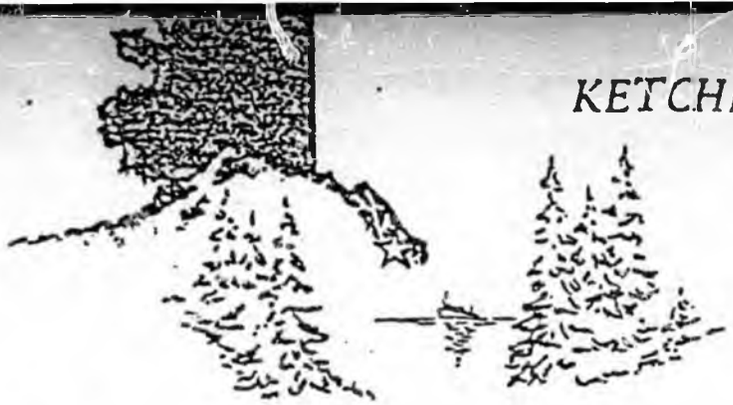
1. Coastal districts have divided their districts into "study" areas and "planning" areas. Do approved local policies apply to study areas and, if so, who is responsible for their implementation outside the planning area? How does level of local government (class of borough) effect this situation?

2. Can the legislature approve a plan if there are no implementing ordinances?

3. Districts have developed their plans at considerable time, expense and local involvement. What assurances are there that state and federal agencies will consistently and fully implement these plans? Are relationships between implementors systematized?

4. Apparently, state agencies have not been full participants in the district program planning process. What solutions are needed to this problem?

5. Other related issues which the public wishes to bring to the attention of the Committee.



KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

TO: Legislative Committee of
Alaska Municipal League

THRU: Judith A. Slajer
Borough Manager

FROM: Marvin Yoder MY
Economic Development Specialist

SUBJECT: Extraterritorial jurisdiction in Coastal Management district

Policy Statement p. 8 IV E(2)

Working with our municipal attorney, Mr. Walker, we decided that the basic need of organized districts was to be able to have input into plans being compiled in adjacent resource service areas.

The two options available are for the organized municipalities to use its resources to physically inventory and plan for those areas that have direct influence on the municipality or to simply state that the impact exists and then request an opportunity to determine the extent of the impact when the resource service area begins to formulate its plan. After discussing these concepts with individuals involved in Coastal Management programs, we chose the latter option.

The second decision was whether the proposed new language should be added to the State statutes or to the regulations. In the statutes AS 46.40.180 describes the requirements necessary for a resource district to have its plan approved. The proposed addition stipulated that concerns expressed by adjacent districts must be addressed by public hearings and records of these hearings are to be documented in the permanent record of the district.

The second approach would be to amend the regulations. This would be done by the Alaska Coastal Policy Council with the legislative concurrence. Section 6 AAC 85.140 provides opportunities for other government agencies to coordinate and review coastal plans and specifically mentions adjacent districts.

Our recommendation is to attempt to change the statutes and assume that the regulations will be changed to conform to the intent of the act.

On November 30, 1979 the proposed amendment was placed before the Policy Council and received favorable comments; however no formal action was taken. It is my opinion as a member of the Council that if there is a statute change, the Policy Council will change the regulations to reflect that change.

MLY:jw

attachment

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to filing of notice of interest by adjoining boroughs or cities regarding proposed district coastal management plan in unorganized boroughs and providing opportunity to be heard prior to approval of district coastal management plan by Alaska Coastal Policy Council; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1: AS 46.40.180 is amended by adding new subsections thereto to read:

(e) Any organized borough or city which claims to have an interest in the manner in which resources, or the use of resources, in any unorganized borough adjacent to its boundaries are developed shall notify the Department of Community and Regional Affairs of the nature and extent of such interest. Before adoption by a coastal resource service area board, or by the Department of Community and Regional Affairs under Section 170 of this chapter, a district coastal management program shall be submitted to each organized borough or city which has filed a notice of interest with the Department of Community and Regional Affairs.

(f) The council shall not approve a district coastal management program unless it finds that each organized borough or city that has filed a notice of interest under (e) above has received notice and an opportunity to present its concerns regarding such plan at a public hearing before the coastal service area board or Department of Community and Regional Affairs which concerns shall become part of the record regarding such plan.

* Section 2: This Act takes effect immediately in accordance with AS 01.10.070(c).

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

February 27, 1980

To: House CRA Committee

From: Ginny Chitwood, Executive Director

Re: Amendment to Coastal Policy Act

At the annual meeting of the Alaska Municipal League, held last fall in Sitka, the members adopted the following paragraph as part of the 1980 policy statement:

> The League supports the concept of "extra-territorial" planning by municipalities in the unorganized borough with statutory provisions to permit the Alaska Coastal Policy Council to adopt said "extra-territorial" planning as part of the Alaska Coastal Management Program until such time as a resource district plan is adopted.

The enclosed bill, which is a starting point for implementing this section, and the memo from the Ketchikan Gateway Borough were endorsed by the AML Legislative Committee in December.

We believe it is very important that the concerns of adjacent areas be addressed in each coastal management plan that is approved. An amendment to the act, along the lines of this proposal, will help to achieve that goal.

The enclosed material has been submitted to the Alaska Coastal Policy Council and will be considered at its next meeting scheduled for mid-March.

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attachment